

COUNCIL

SUMMONS

To the Mayor and Members of Carlisle City Council

You are summoned to attend the Meeting of Carlisle City Council which will be held on **Tuesday, 10 September 2013 at 18:45**, in the **Council Chamber, Civic Centre, Carlisle, CA3 8QG**



Director of Governance

AGENDA

1. The Mayor will invite the Chaplain to say prayers.
2. The Town Clerk and Chief Executive will open the meeting by calling the roll.

3. **Minutes**

The Council will be asked to receive the Minutes of the meeting of the City Council held on 16 July 2013.

4. **Public and Press**

To determine whether any of the items of business within Part A of the Agenda should be dealt with when the public and press are excluded from the meeting.

To determine whether any of the items of business within Part B of the Agenda should be dealt with when the public and press are present.

5. Declarations of Interest

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

6. Announcements

- (i) To receive any announcements from the Mayor
- (ii) To receive any announcements from the Leader of the Council
- (iii) To receive any announcements from Members of the Executive
- (iv) To receive any announcements from the Town Clerk and Chief Executive

7. Questions by Members of the Public

Pursuant to Procedure Rule 10.1, the Town Clerk and Chief Executive to report that no questions have been submitted on notice by members of the public.

8. Presentation of Petitions and Deputations

Pursuant to Procedure Rule 10.11, the Town Clerk and Chief Executive to report that no petitions or deputations have been submitted by members of the public.

9. Questions from Members of the Council

Pursuant to Procedure Rule 11.2, the Town Clerk and Chief Executive to report that no questions have been submitted on notice by Members of the City Council.

10. Executive

(a) Minutes

The Council will be requested to receive the Minutes of the meetings of the Executive held on 15 July and 5 August 2013 and ask questions of the Leader and Portfolio Holders on those Minutes.

10. (b) Portfolio Holder Reports

The Council will be asked to receive reports from the following Portfolio Holders:

(i)	<u>Leader's Portfolio</u>	7 - 10
(ii)	<u>Finance, Governance and Resources</u>	11 - 18
(iii)	<u>Environment and Transport</u>	19 - 22
(iv)	<u>Economy and Enterprise</u>	23 - 26
(v)	<u>Communities and Housing</u>	27 - 30
(vi)	<u>Culture, Health, Leisure and Young People</u>	31 - 34
	and ask questions of the Leader and Portfolio Holders on those Reports. (Copy Reports herewith)	

11. Overview and Scrutiny

The Council will be asked to receive the Minutes from the following meetings of the Overview and Scrutiny Panels and to ask questions of the Chairmen; and receive reports from the Chairmen of the Overview and Scrutiny Panels:

(i)	<u>Community Overview and Scrutiny Panel</u>	35 - 36
	(a) Minutes of the meeting held on 11 July 2013 (b) Chairman's Report	
(ii)	<u>Resources Overview and Scrutiny Panel</u>	37 - 38
	(a) Minutes of the meeting held on 18 July 2013 (b) Chairman's Report	
(iii)	<u>Environment and Economy Overview and Scrutiny Panel</u>	39 - 40
	(a) Minutes of the meeting held on 25 July 2013 (b) Chairman's Report (Copy Reports herewith)	

12. Regulatory Panel

To receive the Minutes of the meeting of the Regulatory Panel held on 7 August 2013.

13. Development Control Committee

To receive the Minutes of the meetings of the Development Control Committee held on 5 and 7 June; and 17 and 19 July 2013.

14. Audit Committee

To receive the Minutes of the meeting of the Audit Committee held on 22 July 2013.

15. Standards Committee

To receive the Minutes of the meeting of the Standards Committee held on 7 June 2013.

16. Appeals Panel

To receive the Minutes of the meeting of the Appeals Panel held on 19 June 2013.

17. Notice of Motion

Pursuant to Procedure Rule 12, the Town Clerk and Chief Executive to report that no motions have been submitted on notice by Members of the Council.

**18. Proposals from the Executive in relation to the Council's
Budget and Policy Framework**

(i) EX.81/13 and EX.96/13 - Medium Term Financial Plan 2014/15 - 2018/19 41 - 82

Pursuant to Minute EX.81/13 and EX.96/13 to consider a recommendation from the Executive that the Medium Term Financial Plan 2014/15 - 2018/19 be referred to Council for approval.

(Copy Report RD.36/13 and Minute Extracts herewith/to follow)

- (ii) **EX.82/13 and EX.97/13 - Capital Strategy 2014/15 - 2018/19** **83 - 98**
- Pursuant to Minute EX.82/13 and EX.97/13 to consider a recommendation from the Executive that the Capital Strategy 2014/15 - 2018/19 be referred to Council for approval.
(Copy Report RD.37/13 and Minute Extracts herewith/to follow)
- (iii) **EX.83/13 and EX.98/13 - Asset Management Plan 2013 - 2018** **99 - 142**
- Pursuant to Minute EX.83/13 and EX.98/13 to consider a recommendation from the Executive that the Asset Management Plan for 2013 - 2018 be referred to Council for adoption.
(Copy Report RD.40/13 and Minute Extracts herewith/to follow)
- (iv) **EX.80/13 - Release of Funding for Changes to Purple Waste Sack Collections** **143 - 166**
- Pursuant to Minute EX.80/13 to consider a recommendation from the Executive that Council approve an increase to the capital programme in 2013/14 by £69,539 for the purchase of additional wheeled bins and gull sacks required to make the changes, funded by the available capacity within savings from Local Environment salary turnover savings and place orders for said equipment with immediate effect.
(Copy Report LE.28/13 and Minute Extracts herewith)
- (v) **EX.69/13 and EX.84/13 - Arts Centre Development** **167 - 204**
- Pursuant to Minute EX.69/13 and EX.84/13 to consider recommendations from the Executive that Council:
1. Approves the increase in the capital programme from £586,000 to £1,064,500, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
 2. Approves the release of the current budget and re-profiling of the overall scheme, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
- (Copy Report CD.47/13 and Minute Extracts herewith)
- 19. Decisions Taken as a Matter of Urgency** **205 - 208**
- Pursuant to Overview and Scrutiny Procedure Rule 15(i), the Director of Governance to report on decisions taken as urgent decisions and dealt with as a matter of urgency without the need for call-in.
- It is a requirement under the above Procedure Rule 15(i) for decisions taken as a matter of urgency to be reported to the next available meeting of the City Council.
(Copy Report GD.40/13 herewith)

20. Communications

To receive and consider communications and to deal with such other business as may be brought forward by the Mayor as a matter of urgency, in accordance with Procedure Rule 2.1(xiv) to pass such resolution or resolutions thereon as may be considered expedient or desirable.

PART 'B'

To be considered in private

Report to:
Council

Agenda
Item

10(b)(i)

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Leader Portfolio Holder's Report –
Councillor Colin Glover**

Carlisle Pageant & Centennial Rally and Ride

The Carlisle Pageant (Saturday, 17 – Monday, 26 August) has caused a real buzz across the city and the stage has been set to build on this success for the future. I would like to thank our staff, Impecunious Arts Collective, friends from Chester Midsummer Watch and all the community groups and individual volunteers who worked incredibly hard to put on the spectacular puppet parade at the beginning of the week and the Best of Carlisle and International Markets.

Thanks also to our main sponsor Story Homes and all the businesses who supported the Pageant with practical support and a range of offers. There was extensive promotion of the Carlisle Pageant. This included local press coverage, leaflets, posters, advertising, web coverage and social media information. All the businesses who supported the event, by offering up incentives and special offers, were promoted in a Pageant programme, online on the City Council and Discover Carlisle websites and local advertising. The Buskin' in the City programme, sponsored by the Carlisle City Centre Business Group, organised to coincide with the Pageant, was also promoted via the local press, within the Pageant programme and online.

Councillor Quilter will expand further on the event in her report.

The Centennial Rally and Ride has been welcomed back to the City for the 100th anniversary of the event which started in Carlisle in 1913. As well supporting the event the Council has publicised it in the local media and online through Discover Carlisle.

Organisers were delighted with the support given by the council and with the Paddock facilities provided on Devonshire Walk. The Mayor of Carlisle attended and waved off the historic ride on the Sunday morning.

The combined events of the weekend resulted in many local hotels and guest houses reporting 100% occupancy.

Tour of Britain

The Tour of Britain preparations are now being finalised following a very successful stage start launch at Tullie House in July. Over 19 teams will start the race in Carlisle on a stage that will remain entirely in Cumbria. This will be the first time a whole stage of The Tour of Britain has been held within Cumbria and we're delighted to be working in partnership with Cumbria County Council, Cumbria Tourism, the Lake District National Park and South Lakeland District Council. We have also joined forces with economic development organisation Britain's Energy Coast, utilising socio-economic funding from Sellafield Ltd, Sponsorship has also been provided by United Utilities, the University of Cumbria, Booths, Dare2B, Telford Skoda, English Lakes Hotels, Windermere Lake Cruises, BikeSeven, Herdy, Palace Cycles, Design Works, Scotby Cycles.

The stage will be the most challenging of the tour and we've worked hard to engage young people in the build up. Children have designed a starting flag and a winner's jersey; we will have children and young people leading out the peloton from English Street.

Borderlands joint working

Following the publication of the Borderlands report, initial discussions have taken place with representatives of the Scottish Government and councils on both side of the border to consider how collaborative relationships might work and what practical steps can be taken to create stronger links to benefit the region's economy. Areas of common interest where it might be beneficial to work together could include economic growth, tourism and infrastructure.

Town Twinning

The annual town twinning exchange took place from 22nd-26th August with friends from Flensburg and Slupsk visiting Carlisle for the 25th anniversary of the three-way friendship. The main themes were Youth Provision and Economic Regeneration and delegates were able to experience some of the things our city has to offer and also visit the Lake District.

Councillor Colin Glover
Leader of the Council

Meeting Date: 10th September 2013

Public/Private*: Public

Title: **Finance, Governance & Resources Portfolio Holder's Report –
Councillor Dr Les Tickner**

GOVERNANCE

Legal Services

The Legal and Property Services Teams are continuing to work closely to achieve the targets set in the Council's disposal programme and the project. Legal Services are preparing legal packs for the sale by auction of that part of Willowholme Industrial Estate that was not sold to tenants and of Treasury Court, both of which will be taken to auction in October.

Following the Executive Committee's resolution to acquire the leasehold interest in the former Woolworths site on Victoria Viaduct, legal documentation has been prepared. Completion has, however, been delayed because of the necessity for further reports on the building.

After complicated negotiations and numerous redrafts, the funding agreement for the Harraby Community Centre redevelopment has been agreed and signed.

Meanwhile, Legal Services continue to provide specialist advice and support to other directorates and Members. This has included preparation of contracts, planning agreements and Criminal Court prosecutions for environmental offences and benefit fraud. In addition, legal officers have provided training on the Constitution and on attending Court as a witness.

Licensing

I have previously reported on the new legislation covering scrap metal dealers, of which we have 35 registered with this authority. The new Scrap Metal Dealers Act comes into effect on 1st October 2013; however we are still awaiting regulations covering the transitional arrangements, format of licence and fee setting procedure. We will have just a short time to take this through the committee process before the commencement of the Act.

Licensing staff and Environmental Health officers are currently investigating complaints of noise nuisance associated with the good summer weather. Many licensed premises have entertainment and keep their windows and doors open to cool the premises. The noise from the entertainment has filtered out to the surrounding area causing nuisance. Advice has been given and action plans drawn up with particularly problem premises.

Taxi vehicles and drivers are renewing in July/August which entails nearly 500 renewal applications being processed in this two month period.

Carlisle Racecourse has held a number of large events in recent years featuring headline entertainment acts; these invariably follow on from one of the larger race meets. A multi agency meeting, including licensing, have been piloting different traffic management methods over the last two years to control the buses, taxis and private vehicles. These have ranged from full road closure to one way systems. The most recent scheme, which did not involve road closure, has proved the most successful and will be adopted in future.

Electoral Services

The Yewdale by election will take place on 5th September.

The claim has been submitted for reimbursement of costs in respect of the recent County Council elections for the Carlisle area.

Arrangements continue to be made in preparation for the introduction of Individual Electoral Registration. The Confirmation Dry Run, when the City Councils electoral register were matched against records on the Department of Works and Pension site, was carried out on 8th July as part of a national dry run that was carried out throughout July and August. The outcome of the dry run was that slightly over 82% of the Councils electoral register was matched (green matches). If this performance is repeated when the Confirmation process is run in June / July 2014 it would mean that from the 84781 electors that we have on the register we would have been writing to 69752 electors confirming their

Individual Registration and those electors would have to do no more with regard to registration.

With regard to the 15029 Red / Amber matches we would need to look at other information that we could access to see if we could change the match status. Once any local data matching has been carried out the remaining Red/ Amber matches will need to be sent Household Enquiry Forms and IER invitations. Non responder to these invitations will need to be canvassed by door step canvassers on more than one occasion.

As a further part of the preparations for Individual Registration the Absent Vote Refresh scheduled to be carried out at the turn of the year has been brought forward and has been carried out during August. The exercise is scheduled to be completed by 12th September. Just over 1000 postal vote electors were asked to refresh their signature in this year's exercise and any electors who have not responded by the 12th September will have their postal vote cancelled and will either need to submit a new postal vote application or will need to attend at a polling station to cast their vote.

Preliminary arrangements are also being made to carry out the Annual Canvass. The canvass is usually carried out from September with the new electoral register being produced at the start of December. However legislation has been passed the effect of which is to delay this year's canvass which will commence in October with the new register produced in February 2014. This is so that the register will be as up to date as possible prior to the implementation of Individual Electoral Registration in 2014.

Health & Safety

Main areas of work:

- Talkin Tarn and the review of systems following transformational change and a reduction of on site presence.
- Working with Tullie House to review their safety systems.
- The introduction of our Corporate Safety Files and Risk Assessments and our shared services site – Allerdale and Copeland.
- Events – Starting the process of the Fire show, assisting with TOB safety.
- Wellbeing review – Looking at providing joint Wellbeing days at both Copeland and Allerdale.
- Recently completed the measuring and auditing of Hand and Arm Vibration Equipment with all relevant teams.

- Preparing for a visit from the Health and Safety Executive who have requested a few days to audit our refuse and recycling operations.

RESOURCES

Financial Services

2012/13 Final Accounts Process

The annual statement of accounts (subject to Audit) were scrutinised by the Audit Committee on 22nd July and are currently subject to audit by the External Auditors (Grant Thornton) which will continue through to the end of September. Grant Thornton will report the outcome of the audit process through its Annual Governance Report which will be considered by the Audit Committee on 26th September, following which the Accounts will be formally approved by Members. The statutory deadline for the completion of the audit and approval process is 30th September. There have been no significant issues raised by the Auditors to date.

Strategic Planning

The Medium Term Financial Plan and Corporate Charging Policy, the Capital Strategy and the Asset Management Plan for 2014/15 onwards have been considered by the Executive and the Resources Overview and Scrutiny Panel. These are presented elsewhere on this agenda for formal approval by Council, and once approved, will inform the detailed work required to enable a balanced budget for 2014/15 to be approved by Council in February 2014. A timetable for the process will be prepared and reports on the core budgets, individual spending pressures and savings, and the charging reports will be considered by the Executive and the relevant overview and scrutiny panels in November and December.

Audit Services

The Audit Committee, when it last met on 26th July, received the 2012/13 Outturn Report which summarised the work carried out by the Internal Audit Shared Service during the year and also provided the annual audit opinion on the adequacy of the control environment for that period. It was reported that the Authority's system of internal control was operating satisfactorily and this opinion should be reflected in the Governance Statement.

When considering the review of the effectiveness of Audit Services in line with the CIPFA Code of Practice for Internal Audit in Local Government, it was concluded that the Shared Internal Audit Service had provided an effective and resilient audit service during 2012/13.

The audit progress report for 2013/14 provided members with an outline of the progress made against the 2013/14 Audit Plan in the first quarter period of the year. Delays in

progressing the Audit of Customer Services were raised. Assurance that the audit had now commenced were provided to members and it was recommended that future consideration be given to providing an interim report to the Audit Committee where such significant delay as attributable to the Customer Services Audit may occur.

There were 8 audit reports for consideration by Members at the meeting; attention was drawn to the audits of IT Service Desk, Incident and Problem Management; Debtors and Payroll. These audits were agreed after some discussion around specific recommendations.

Digital and Information Services

Two new infrastructure project are close to completion which will improve the provision of ICT to our customers, members and staff alike:

- A new 1 gigabyte Internet connection will be operational in September providing faster access to our web services for our customers.
- A new Wi-Fi network is being rolled out throughout the Civic Centre which will provide secure access to our services via any authorised Wi-Fi enabled device

Work is underway to upgrade the council's credit card processing software and associated security; this is due to the need to maintain our Payment Card Industry Data Security Standard (PCI DSS) compliance. This is essential if we are to continue to provide debit and credit card payment options to our customers.

The development of a new digital strategy has begun. Consultations with senior management and service managers will take place in September. This strategy will focus on how ICT can solve business problems within the Council and improve our service to customers. It will set out a three year roadmap of development projects.

Property and Facilities

Property and Legal Services are drawing together the final touches to the preparatory work for the October Auction Sale when several properties will be offered for sale on the open market. These include sites on Willowholme Industrial Estate, which didn't sell to sitting tenants, and Treasury Court in Fisher Street.

A number of disposals in the earlier part of the programme, which were delayed or postponed pending further Member consideration, have been cleared for sale. These include the Garages at Broad Street (the amenity land will be retained for use by the local residents) and the BBC Premises at Annetwell Street. Officers will now bring forward the marketing and sales of these assets in the near future.

The transfer and disposal of the 2 housing development sites on Raffles, Dalton Avenue and Thomlinson Road, to the Riverside Group for the provision of 48 social houses to rent is progressing in conjunction with the Council's private sector partner at Raffles, Lovell Partnerships Limited, and completion of the legal documentation is expected soon.

Building and Facilities Projects

Civic Centre

Re-wiring work to the council chamber is now complete, work to the reception / contact centre is ongoing.

Female and Family Accommodation

The new hostel was officially opened on 15th July, the move from Staffield House will take place at the end of August.

Flood Problems

Recent heavy rainfall has caused surface water flooding in several properties, particularly the Enterprise Centre, Harraby and Morton Community Centres and Tullie House.

Policy and Performance

The Carlisle Plan first quarter update reports are being prepared for the next round of Overview & Scrutiny Panels.

Service Standards have been reviewed by SMT and changes have been made to the Revenues & Benefit standard to strengthen the links to the service plan. The Govmetric tool has been replaced with an in-house solution for the collection of customer satisfaction data.

The annual review of the Business Continuity Plan should be completed and an updated plan will be published within the next two weeks.

The first 2013/14 quarterly contract and performance monitoring meetings of the Carlisle Leisure Ltd. (CLL) contract, Tullie House Trust agreement and YMCA Shaddongate Community Resource and Training Centre contract have taken place. A draft revised performance framework for CLL for 2013/14 has been developed and will be formally adopted upon agreement. CLL financial accounts are now presented to City Council officers every quarter for inspection.

Information Management

Recent counts for information requests (From 29 June 2013 to 15 August 2013):

- Environmental Information Regulations requests received - 7

- Environmental Information Regulations requests responded to - 6
- Freedom of Information requests received – 69
- Freedom of Information requests responded to - 53
- Data Protection Act subject access requests received - 2
- Data Protection Act subject access requests responded to – 1

Organisational Development

Member Health Initiatives

The Member Learning and Development Working Group (MLDWG) has approved using some of the Member Training Budget to pay for health initiatives for Members. The first project was to give Members access to the Employee Assistance Programme which was introduced for staff last year. Details about this have been circulated to Members by the Organisational Development Team along with information about prostate cancer and supporting people at risk of suicide, two issues identified by the MLDWG as of interest to Members. A health check session is being held for Members before Council on 10 September from 4.00pm to 6.30pm in Flensburg. Members can drop in and have their blood pressure, blood glucose and cholesterol checked and get their body stats assessed.

Member/Officer Forum

The Member/Officer Forum was reintroduced last year and following positive feedback from Members, another has been planned for 5 November 2013. It will take place in Flensburg from 12.00pm to 2.00pm and 4.30pm to 6.00pm. If there are any specific City Council teams or projects that Members would like to know more about please let the Organisational Development Team know on 817597.

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Environment & Transport Portfolio Holder's Report –
Councillor Elsie Martlew**

HIGHWAYS

Car Park Maintenance - Patching and resurfacing works have been completed at Town Dyke Orchard car park and on the entrance to Talkin Tarn car park. The car park will be repainted after 2 weeks to allow time for the new surface to fully harden. Minor patching still needs to take place on a number of other car parks in the near future.

Car Park Security - Police statistics have recently identified that Carlisle is the second safest city in the country to park your car. We were narrowly beaten by Norwich for first place. We had 86 reported parking offences per 10,000 registered vehicles. This compares with Newcastle with 318 offences and Manchester with 505.

Centennial Motorcycle Rally - A major motorcycle rally took place from Friday 16th August to Sunday 18th August based at Devonshire Walk car park. The group organising these events are involved with major motorcycle rallies around the world. These events celebrated the first such event which was held in Carlisle in 1913. Two of the original motorbikes took part in this year's event.

Annual Parking Report - Final work is taking place to complete the 2012/13 Annual Parking Report which must be submitted in September. For the previous 2 years, Carlisle has been among the 6 finalists for the best parking report of the year.

ENVIRONMENTAL HEALTH SERVICE

Pest Control - have been very busy in this summer's hot weather. Last year between the 1st April and the end of July the wet summer meant only 56 requests were made to the Council to deal with wasps nests, during the same hotter period this year the figure was

201. The Council's pest control provides a value for money service to the community controlling pests such as rats, mice, ants, fleas, bed bugs, and of course, wasps.

Clean up Carlisle - is one of the priorities of the Council. The "Love Where You Live Campaign" has been running for a year now with a considerable amount success. Educational campaigns have been run in schools and community groups and a number of litter and dog fouling community clean ups have been supported by the Council.

Along with the educational initiatives the Council has stepped up enforcement action serving a total of 58 litter and 55 dog fouling fixed penalty notices since August 2012. There have also been 7 successful prosecutions for fly tipping and 8 for dog fouling.

Further events are planned for the next year of the "Love Where You Live" campaign and the Council would welcome the support of the community and businesses in running initiatives to keep our great City clean and tidy.

Another bullet point linked to the quality on offer in Carlisle, 92% of food businesses inspected in Carlisle between April and the end of June were broadly compliant with food hygiene legislation. This means that on inspection by our Environmental Health Officers 92% were scoring good or above in the National Food Hygiene Rating System. The Council will deal with the minority of businesses who are not up to standard but a big compliment should go to the vast majority of Carlisle food business who operate in a safe and hygienic way.

CCTV – The Council are still awaiting confirmation from the Police Commissioner on the Police's intentions regarding the City's public CCTV system. The Police account for over 80% of the use of the City Council's public CCTV. The City Council has successfully implemented the changes it agreed last year and new policies and ways of working are benefitting the City Council's Parking and Reception Teams.

GREEN SPACES

The Grounds teams have been busy with summer maintenance, which means cutting grass on the thousands of hectares of land under our management. We are changing the way in which sites are looked after to try and make more them wildlife-friendly – wild flowers and clover are good for bees and butterflies. We are aware of the need to communicate these messages to our communities as they may notice changes in their local environment.

With the football season upon us the grounds team have been preparing the 30-odd pitches under our care. The provision of football pitches makes a massive contribution to the Carlisle Plan in terms of a healthy city. In the Longhorn Youth League alone, over

3,000 young people are regularly taking part in sport using Council facilities. Working with the League Committee and the Cumberland FA, Green Spaces team has provided 5 new junior pitches for the coming season with funding from the FA. To develop the quality of our pitches and prevent cancellations due to waterlogged ground in winter, we have submitted a bid for Sport England funding for drainage works at Keenan Park, Hammond's Pond and Edgehill Road.

Cenotaph - As the centenary approaches, we are working with colleagues to make sure that the Cenotaph and other war memorials are ready for the commemoration services in 2014 to mark the outbreak of World War 1. I am delighted that our application for a War Memorial Grant from English Heritage and the Wolfson Foundation has been successful and that we have been awarded the maximum of 75%.

Bereavement Services – Work started promptly on cremators re-wiring work on 27 July and the first cremator was completed on 9 August. This machine will be commissioned and tested for several days to make sure it is operating correctly before the second cremator is shut down. We are pleased to have been able to maintain a seamless service for the community while this important maintenance work is being carried out.

Talkin Tarn - I am grateful for the useful recommendations made by the Economy and Environment scrutiny panel's working group on Talkin Tarn, many of which have been taken up by the team. Income is up on last year, no doubt partly helped by better weather, and new sources of income are being actively pursued. Car-parking income is ahead of target.

A successful rowing regatta was held on the first Saturday in July, hosted by Talkin Tarn Amateur Rowing Club. The annual event brings hundreds of visitors to the Tarn from all across the north of England and southern Scotland and generates significant revenue at the tea-room and kiosk. This year the tea-room manager had to restock the ice-cream cabinets half-way through the day in order to keep up with demand!

STREET CLEANING AND WASTE SERVICES

The weeds within certain areas of the city are still a problem and are making it difficult to clean around them as detritus collects around the weeds. A meeting was held with the County Council officers who advised that a team would be organised to pull up the dead weeds. We have provided a list of the worst areas to target first an update will be given in the next report. The weed spraying is progressing but some areas still remain untreated (Castle way is particularly bad. Photos have been sent to the County)

The Large Mechanical Sweeping Routes have been altered again to realistically reflect resources. We have recently purchased Vac Packs which are being used by the mobile

team to reach hard to get to places to remove leaves, detritus etc. Billy Goats have also been purchased to enable the mobile teams to vacuum clean larger areas such as footpaths.

The litter bins in the City Centre have been replaced, with new bins with integral cigarette disposal.

The Pageant went well and there were no issues with the clean up after the event.

Bring Site Review- The project is still on going and the sites to be removed have been selected and the arrangement regarding the removal of these sites is in progress.

Purple Sack Review- The project is on going. We will receive 1500 bins at the end of September/ beginning of October and a detailed implementation plan has been drafted for the first phase of the bin roll out.

The early start for the refuse crews will come to and end this week and collection times will be back to normal week commencing 26/08/2013. We have received very few complaints regarding noise from the early starts and it has been of great benefit to the health and safety of the crews avoiding the hottest part of the day. We are grateful to the residents for their patience

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Economy & Enterprise Portfolio Holder's Report –
Councillor Heather Bradley**

PLANNING

Local Plan

The Local Plan is currently out for public consultation which ends on 16th September. The Local Plans team have been at a variety of meetings, events and drop in sessions, such as at the local libraries and Carlisle Pageant. Consultation events have predominantly been well attended with lots of discussion and interest. There has been a lot of press interest including television interviews, articles in the local newspapers (full page spread in the Cumberland News) and on social media. This has all helped raise the profile of the Local Plan and encourage people to respond.

So far responses have concentrated on housing policies and preferred housing sites. The team are also working on providing details to the evidence and justification of policies as we receive responses and actively engage within key stakeholders.

ECONOMIC DEVELOPMENT

Business Interaction Centre (BIC)

The development of a Business Interaction Centre at Paternoster Row has now been completed and is open for business. It will include the Centre for Regional Economic Development (CRED), academics from the Business School based in Carlisle and business / student placement support and student enterprise.

The BIC enables access to research and development services for local companies with some provision for rapid prototyping equipment and design services.

The development of a BIC is fundamental to a city with growth aspirations. It will send a clear message to businesses both in the area and those looking to invest, that Carlisle supports businesses.

The BIC will be formally opened later in the year.

Sense of Place

The Sense of Place project reached a key milestone with the launch of the new Carlisle Story on 11th July 2013. The breakfast meeting event was attended by around 120 people representing organisations from across the private, public and third sectors. Work has commenced on an implementation programme through the Place Delivery Group.

Start up Britain Tour

The Start-Up Britain Tour Bus came to Carlisle on the 31th July thanks to a joint partnership bid with Cumbria Chamber of Commerce, Carlisle City Council, Cumbria County Council, Carlisle College and the University of Cumbria.

A first for Carlisle and Cumbria, partners worked extremely hard to provide a packed programme of activities drawing on expertise from the relevant partners, plus Inspira, Dodd & Co, Burnetts and Enterprise Answers and supported by the bus and its facilities.

The programme included sessions on social media, tax, NI, PAYE, VAT, so you want to start your own business?, protecting new business, making the most of the internet, and writing a press release. Business advisors and 'Meet the Entrepreneurs' were also on hand to chat and share experiences as well as representatives from the Chamber, University of Cumbria, Carlisle College, Enterprise Answers, Dodd & Co and Burnetts, all adding to the advice and support on offer.

The day was a great success and shows the real value of partnership working, to be part of the national tour was a real coup for the city and one we hope to repeat next year.

We have since been awarded 'Top Town' of the tour – a great accolade considering the larger cities that the bus visited! It has been great to have been able to put Carlisle on the map.

Many thanks to all who contributed.

Councillor Heather Bradley
Portfolio Holder for Economy & Enterprise

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Communities & Housing Portfolio Holder's Report –
Councillor Jessica Riddle**

Homelessness Services

For the period 1/7/13 until 27/8/13:

	2013/14	2012/13	% difference
Homeless decisions	29	36	<19%
Homeless acceptances	6	12	<50%
Advice and assistance	147	128	12%>
Total presentations	176	164	7%>

There are a number of reasons why there has been such a significant drop in the number of homeless decisions and homeless acceptances, while the total number of presentations has increased. The reduction in decisions and acceptances is the result of proactive preventative approaches. These include more effective use of Cumbria Choice (the countywide choice based letting system); assistance through the homelessness prevention fund i.e. deposits and rent in advance; and utilisation of the Central Access Point referral system whereby people can access housing related supported funding through Supporting People.

Homelife - Home Improvement Agency

Over the last 3 months the Home Improvement Agency has been developing its work streams as outlined in the business plan. Work on affordable warmth measures and affordable loans has been taken forward.

The Community Neighbour Coordinator, whose role is to develop a volunteer network to provide low level support to older people in their own homes, has recruited 10 volunteers.

They are currently being checked under Disclosure & Barring Service and will then go through an induction programme before taking on referrals from Health and Social Care.

A Housing Caseworker post, who will facilitate hospital discharge where this is prevented by a housing issue, has been advertised externally and interviews will take place shortly.

We have done 41 Home visits, of these 3 were to help with issues of anti-social behaviour and 38 were to provide help with home energy advice and measures. We also provided help and advice to 78 clients over the phone.

We have delivered our first case under the Sanctuary Scheme , installing dusk to dawn security lighting ,for a victim of Domestic Violence.

We have carried out Private Works for clients under our Managed Works Service and helped 65 people with advice and measures such as repairs, affordable warmth measures and handyperson services.

Disabled Facilities Grants

The spend on Disabled facilities Grants to end of July was £334,076 from a budget of £863,000. Referrals are being dealt with as they are received by the team with no waiting lists. Spend is down when compared to this point last financial year.

Benefits Advice

Total benefit gains 1 April 2013 to 30 June 2013 ~ £384,759.19

Total benefit gains 1 July 2013 to 27 August 2013 ~ £175,481.19

The Benefit Advice Service has, with the support of the Cumbria Advice Network (CAN) and in partnership with People First commenced a trial utilising the referral system Nellbooker, with the aim of assisting those who struggle to advocate for themselves, for example people suffering from a learning disability or a mental health problem.

People First will refer clients requiring welfare benefits advice to the Benefit Advice Service and in return, clients requiring advocacy services will be referred by the Benefits Advice Service to People First. It is anticipated that closer inter agency joint working will particularly benefit people who are struggling to cope with Welfare Reform.

The Advice Transition's Fund Partnership Agreement has been agreed and signed by the Cumbria Law Centre, Carlisle and District Citizen's Advice Bureau, Age UK and the Council's Benefits Advice Service. Over the next couple of months, Telly Talk will be installed at all the participating advice services offices to enable residents living in the more remote areas of our district to access our services in a new and innovative way. The

system uses webcam technology and allows a person sitting in a local venue to speak 'face to face' with an office based adviser.

Empty Properties

The Empty Property Officer and Housing Apprentice continue to progress the empty property initiatives which have received external funding. The Cluster of Empty Homes initiative focuses on selected geographical areas where the proportion of empty homes exceeds 10%.

Following Council approval of the revised Scheme of Housing Assistance on 16 July, grants and loans are now available to owners of long term empty homes i.e. those that have been empty for longer than 6 months, in any of our 7 specified cluster areas.

The target of returning 45 empty homes back in to use is progressing well, with 11 grant approvals having been issued, 26 schedules of work having been produced and positive enquiries from 3 further clients. One potential applicant has in the mean time sold their empty property.

Communities & Housing (Equalities)

An Equality Impact Assessment is underway for the draft Local Plan. This desktop assessment has been shared with stakeholders and will be open for consultation until September.

Carlisle City Council has been invited to sign the Armed Forces Covenant as a voluntary act of support between the Armed Forces in Cumbria and the public sector in Cumbria. The agreement will be signed on 30th September at Carlisle Castle.

The first 2013/14 quarterly contract and performance monitoring meeting of the YMCA Shaddongate Community Resource and Training Centre contract has taken place.

Community Technology – Yewdale

Funding from Police and Crime Commissioner has been secured to improve communication technology through the introduction of Local Community websites. The funding provided is to contribute to promote self help and local communication.

The Communities and Family Development Officer is working alongside the Customer Service Manager using some of the Police and Crime Commissioner (PCC) funding, to promote use of Carlisle City Council online services. Yewdale Community Centre has been identified as a venue which has an excellent website and evidence of some engagement with the Community through technology.

This site will be used as a pilot to install a self serve kiosk similar to the ones being installed in the Civic Centre foyer. The kiosk will be customised and tailored to the needs and issues within the community of Yewdale. Some officer resource time will be invested to train Community Centre staff on how the kiosk works effectively and how it can be programmed with local information pertaining to the Yewdale area. The introduction of the community kiosk will link into the priorities of the PCC funding as well as the Customer Access Strategy.

Design out Crime Projects

Funding has been secured through the PCC to make improvements to public open spaces such as parks, allotments and community areas to ensure the public feel safe and reassured when using them. Through the undertaking of Crime Prevention Surveys a number of 'Design out Crime' improvements have been identified to reduce the likelihood of acts of Anti-social behaviour. Improvements such as landscape management, lighting, signage, barriers, fencing, anti graffiti paint etc will be considered. Working with key partners, 10 community projects have been identified that would benefit from this funding.

Support Scheme for Victims of Anti-Social Behaviour

The Communities and Family Development Officer in conjunction with the Home Improvement Agency has designed a 1 year scheme to support victims of anti-social behaviour. The new scheme which has been funded by the PCC, will offer a free home safety check to anyone that has been a victim of ASB or is vulnerable to the threat of ASB. New leaflets have been produced and of referrals have already been received.

Community Safety Partnership

The process has started to pull together the Countywide Community Safety Strategic Assessment. The data will be collected by the Cumbria Observatory and produced as a report later this year. The Carlisle East and City West PSG's (Problem Solving Group) continues to work well and provide early interventions to ensure a quick response to community issues. Noise nuisance still remains one of the key priorities across the west of the City. A Task and Finish Group has been set up to address the issue.

The CSP has agreed to fund an Admin Support post for up to 1 year to support the work of the Partnership. The post will be hosted by Carlisle City Council, within the Community Engagement Directorate.

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Culture, Health, Leisure & Young People Portfolio Holder's Report**
– Councillor Anne Quilter

Carlisle Pageant Puppet Parade

Approximately 150 people took part in Carlisle's first Pageant Puppet Parade on Saturday, 17 August. The Giant Puppet Parade left the Old Fire Station, Warwick Street at 11am and walked towards the city centre and the Old Town Hall. It included 35 giant puppets, costumes, flags, banners and music. With the support of Impecunious Arts Collective, community puppet making workshops were held on the build up to the event. These were a great success and included a wide variety of groups and individuals from all parts of the community.

We worked in partnership with Impecunious Arts Collective, alongside the Arts Council, Chester Midsummer Watch, the Heathlands Project and local artists Dawn Hurton and Ben Gates to deliver the event.

Impecunious was established in 2010 to create and deliver community arts events, including a wide range of art forms including Theatre, Puppetry, Music, Visual Arts and Digital Arts. It prides itself on inviting all members from the community to join in, regardless of age, background, ability or experience. Impecunious' work is supported by funding from the Northern Rock Foundation.

Carlisle Pageant Programme

Following sponsorship from Story Homes, we were able to extend the Pageant programme. Free activities were held in celebration of Carlisle's history and heritage and linked in with the ancient proclamation of the Great Fair, held on Saturday 24 August. The programme included 'Best of Carlisle' Market stalls between Sunday 18 August and Wednesday 21 August, followed by an international market between Thursday 22 and Monday 26 August.

The 'Best of Carlisle' open-air market was organised in partnership with Food Carlisle, in support of local businesses, producers and traders. As part of the event, English Heritage and United Biscuits UK (McVities) built a replica of the Castle using custard creams. They will be helped by The Sweet Dream Cake Company who also created a cake in celebration of the Old Town Hall restoration.

Local businesses supported the Pageant celebrations with money off vouchers, cut price offers and a wide variety of other incentives.

The Carlisle City Centre Business group also sponsored 'Buskin' in the City'. Buskers were based in various locations throughout the city centre, between 11am and 3pm, Monday, 18 August – Wednesday, 21 August. Free exhibitions were also held in various businesses and Bookcase held a Local History Day on Sunday, 18 August.

Institute of Historic Buildings Heritage Conference

Between the 20th and 22nd June, Carlisle hosted the summer school of the Institute of Historic Building and Conservation (IHBC). Over 200 IHBC delegates from as far afield as Poland and Brazil, spent three days in the City with seminars and site visits that included Kirklington Hall, Warwick Bridge and Brampton. The City Council sponsored the reception held at Tullie House and delegates were addressed by the Mayor. The 2014 Summer school is to be held in Edinburgh.

Carlisle Sports Awards 2013

An event celebrating the outstanding talent, commitment and success of Carlisle sportspeople will be held for the third year running this autumn. Following the success of previous events, Carlisle City Council and Carlisle Sports Council is holding the Carlisle Sports Awards on Saturday, 26 October and is asking residents to nominate local sporting stars who have contributed to a local sports club or achieved a high standard in their sport.

The nomination period for the 12 different categories is now open and should refer to sporting excellence between 1 September 2012 and 31 August 2013. The closing date for nominations is midnight on Sunday, 15 September.

Further information on the 12 categories and nomination forms are available by visiting www.activecumbria.org/carlisle-sports-awards or from the Civic Centre, Carlisle.

Report to Carlisle City Council from Tullie House

Victorian Summer Fair

Tullie House was proud to be involved in the pageant and brought back the traditional Victorian Fair which was held over the bank holiday weekend and it was a huge success. Visitors were able to step back in time over two days of music, activities and games which included Punch and Judy performances, Jason the Jester, face-painting, ferret racing, Morris dancing, Tombola, Bran tub, Victorian lavender bag making, Craft activities, traditional sweets and drinks stall and much more. In total, Tullie House welcomed 1200 visitors across the two days and got a fantastic level of press coverage as well as very positive feedback from visitors.

George Howard, 9th Earl of Carlisle: Artist and Patron Exhibition

The exhibition has received 2580 visitors including local, regional, national and international, since opening to the public on 20 July,. The Daily Telegraph and The Times have both reviewed the exhibition and the programme of free talks and tours have sold out. Repeat lectures and tours have had to be arranged to meet demand.

Arts Award

Tullie House has won the Curious Minds' '**New Settings Award**' for the North West. This award was for their delivery and commitment to the **Arts Award**, and in particular for the way that this has been **embedded across their education programme**. The Arts Award is a new national arts qualification for young people aged 7-25, which has a number of different levels of study and some innovative features including the requirement to work directly with artists or musicians.

Sanford Award

Tullie has won another award - we're one of the winners of the **Sandford Award for Excellence in Heritage Education 2013**. The Sandford award gave Tullie House a publicity citation praising the offer and range of experience provided, stating that local schools were extremely fortunate in being able to use the museum for a wide variety of age groups and topics.

Councillor Anne Quilter

Portfolio Holder for Culture, Health, Leisure & Young People

Report to: Council

Agenda
Item

11(i)(b)

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Community Overview and Scrutiny Panel - Chairman's Report –
Councillor Mrs Luckley**

Meeting Dates – 11th July and 22nd August 2013

The first item on the July meeting's Agenda was a Call-in of a report on the proposed Council's Arts Centre development.

The reason for the Call-in was "Concerns over the doubling of capital costs."

The discussion on this subject is reported in the Minutes and at its conclusion, with agreement that the latest revenue projections would be added to the report to Council and the assurance that there would be further opportunity for the Panel to scrutinise the project as it develops it was agreed not to refer the matter back to the Executive.

Later in the meeting, the Panel put questions regarding the potential activities planned for the Centre to the Director of Community Engagement and the Consultant who is advising the Council on its development.

The Panel received the Director of Community Engagement's report on the key findings of the Sports Facility Needs Assessment, together with a presentation by the Council's Consultant who carried out the assessment.

The assessment identified considerable needs in regard to: Sports Facilities for the rural areas, Swimming Pools, Football Pitches, the Health and Fitness Offer and an additional Sports Hall. The Consultants' full report will be available for the Panel in due course and the Panel look forward to scrutinising the resulting Council's Sports Facility Strategy when it is produced.

A report on the Council / Riverside Housing Partnership was scrutinised by the Panel. The report covered the Affordable Homes Programme, Disabled Facilities Grants, Welfare Reform, Land Assets and Homelessness.

Many of the questions centred around the effects of Welfare Reform and the changes in Benefits that came in in July. Riverside had made strenuous efforts to keep their tenants informed on the changes and contact had been made using various methods. A Welfare Reform Board has been set up with

representatives of the Council, Impact, Riverside and the DWP that pulls together information and focuses on those tenants most affected. The Panel requested updates on their work. A second Partnership report will come to the Panel later in the Municipal Year when more factual information on the effects of the changes should be available.

The Panel agreed on two Task and Finish Groups for this year, a Hate Crimes Review and Review of the Customer Access Strategy. The Hate Crimes Task Group have agreed the Terms of Reference and the scope of the review. The work is expected to take up to six months. The Customer Access Strategy Task Group found the Strategy satisfactory and agreed that the Members would make individual visits to the Contact Centre and meet again later in the year to discuss their findings, the outcomes of the Strategy and produce their report.

At the August meeting the Quarter One Performance Report and an update on the priorities in the Carlisle Plan were scrutinised. Only one performance report was within the Panel's remit. Average Number of Days to process new Benefit Claims.

A good performance continues for this service and, although overall the Council comes into the Department of Work and Pension's Second Quartile, in July and August, the Top Quartile requirement (6-18 days) was achieved. The IT systems had been improved but also the Officers delivering the service deserve congratulations.

Questions were asked about the Carlisle Plan's priorities in relation to progress on the Gypsy and Traveller Transit site. On the opportunities of further funding for the Empty Homes Project, plus the progress and funding of the Home Life Carlisle Project. Updated information on these subjects is expected at the next meeting.

The Panel received a report on the outcomes of the recent changes to the Council's Public CCTV system. Due to the reduction in staff manning, Officers are working on new policies and procedures under the Code of Practice to ensure that data protection and freedom of information requests are carried out within the stipulated times, 40 days and 28 days respectively. We were pleased to note that the downward figures continue for car crime in the Council car parks. Although generally the crime figures are lower in the Carlisle district, the offences against individuals continue to be worrying figures. The Panel learnt that the Constabulary are currently considering creating a county wide CCTV service but understand no decision on this proposal has yet been made.

Councillor Olwyn Luckley

Chairman

Report to:

Council

Agenda
Item

11(ii)(b)

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Chairman's Report – Councillor Reg Watson**

Chairman reminded the panel of the Saving Paper Task and Finish Group on the move to paperless meetings. He raised concerns regarding the amount of paper sent out for the Council meeting on 16th July. The Panel have agreed to reconvene to discuss further areas of savings with the Chief Executive and ICT to explore the necessity to change the paper format and style to more easily fit the tablet format. (500 pages do not make for easy reading on a tablet). Members agreed that the amount of paperwork made it difficult to absorb all the necessary information and make comment on it. It was felt that a more condensed report would improve readability on the tablets. Effective communication is an important part of the Council's business.

Sickness Absence Reports

The Panel was pleased to see an improvement in the sickness absence for 2012/13. Nearly 550 less FTE days being lost to short term absences and 870 less to long term absences. It was noted that an improved return to work interviews of 96% was a significant improvement on previous years.

Organisational Development Reports

The Panel was pleased to see the number of successes of employees working towards improved qualifications.

A member's health day has been arranged for the 10th September Council meeting when basic health checks will be available to members free of charge. They may save your life.

Report to: Council

Agenda
Item

11(iii)(b)

Meeting Date: 10 September 2013

Public/Private*: Public

Title: **Environment & Economy Overview and Scrutiny Panel - Chairman's Report –
Councillor Mrs Bowman**

The Panel's only meeting since my last report to Council took place on the 25th July 2013, with the main focus of the meeting being the work of Carlisle Economic Partnership. The Panel were able to question and raise concerns with the Deputy Chief Executive and Mr. Martin Ward, Chairman of the Economic Partnership and through this Members were able to gain a better understanding of the Partnership's Action Plan. Full details of the discussions at that meeting are included within the Minute Book.

The Deputy Chief Executive introduced the Carlisle Story. He advised the Panel that this was not a City Council project, but the aim was to put Carlisle on the map in its own right for investment or a holiday. The Carlisle Ambassador scheme had also been launched, supported by the City Council, but it was up to the local business people of Carlisle to take the project forward.

The Panel's next meeting will take place on 12th September 2013. At this meeting Members will begin their scrutiny of the Tourism Service and Review, a subject given high priority on the Panel's Work Programme.

Cllr. Marilyn Bowman.
Chairman.

Report to Council

Agenda
Item:

18(i)

Meeting Date: 10 September 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD10/13
Within Policy and Budget Framework YES
Public / Private Public

Title: MTFP 2014/15 TO 2018/19
Report of: DIRECTOR OF RESOURCES
Report Number: RD36/13

Purpose / Summary:

The Medium Term Financial Plan sets out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five year financial plan. The Plan links the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP will inform the budget process and will be updated for changes when known. The Medium term Financial Plan has been considered by the Executive and the Resources Overview and Scrutiny Panel.

Recommendations:

The Council is asked to approve the Medium Term Financial Plan for the period 2014/15 to 2018/19.

Tracking

Executive:	5 August 2013
Overview and Scrutiny:	29 August 2013
Executive:	2 September 2013
Council:	10 September 2013



CARLISLE CITY COUNCIL

MEDIUM TERM FINANCIAL PLAN 2014/15 to 2018/19

SEPTEMBER 2013

CONTENTS

	<u>PAGE</u>
1. Policy and Context	1
• Purpose	
• Government Policies	
• Strategic Planning Framework	
• Budget Priorities and Budget Allocations	
• Performance Review	
2. Forecasting Resources and Commitments	5
• Current Budget Forecast	
• Budget Deficit Forecast	
• Emerging Budget Issues	
• Savings Strategy	
• Capital Strategy	
3. External Factors affecting the MTFP	9
• Economic Factors	
• Government Policies and Initiatives	
• Pensions	
• MRP	
4. Internally Determined Factors affecting the MTFP	14
• Inflation Projections	
• Spending Pressures and Savings	
• Asset Management	
• Income	
• Capital Programme	
• Reserves	
5. Budget Process	20
• Budget Process	
• Consultation	
• Value for Money	
6. Risk Assessment	22
7. Summary	23

Appendices

A – Financial Projections

B – Financing the Revenue Budget

C – Subjective Analysis of Forecast Gross Budget

D – Corporate Charging Policy

E – Council Policy on the Level and Use of Reserves

F – City Council Reserves Projections

G – Risk Assessment

POLICY AND CONTEXT

1.1 Purpose

The Medium Term Financial Plan (MTFP) provides the corporate financial planning framework to provide strategic direction to the Council for the next five years and to ensure that the financial resources of the Council are directed to achieving the Council's key corporate priorities. The objectives of the MTFP are to:

- Guide the integration of financial planning with the priorities set out in the Carlisle Plan to ensure that spending decisions contribute to the achievement of the Council's priorities,
- Guide and be informed by Directorate and other relevant strategies and plans of the authority, which set out how resources will deliver the outcomes and priorities specified in the Carlisle Plan,
- Forecast a minimum five -year corporate and financial planning horizon, with longer periods developed where necessary,
- Manage performance management and decision making procedures to help achieve the best use of available resources,
- Consider the implications of the use of financial resources on the levels of Council Tax and other Council charges.
- Review the policy over the level of reserves held by the Council,
- Set out processes to monitor and evaluate proposed and actual spending to ensure that value for money is obtained.

The overarching policy guidelines of the MTFP are that resources will be redirected to Council priorities via the budget process within the overall caveats that: -

- Redirection of resources towards areas of high priority will be contained within existing budgets, unless increases can be justified and funded through the budget process.
- Council Tax increases will be limited to fair and reasonable levels, taking account of national guidance from Government
- External grants and income will be maximised wherever possible to mitigate the effects of budget increases.
- Partnership working and funding opportunities will be explored wherever feasible.
- The projected budget deficits in later years will be addressed by the approved Savings Strategy

1.2 Government Policies

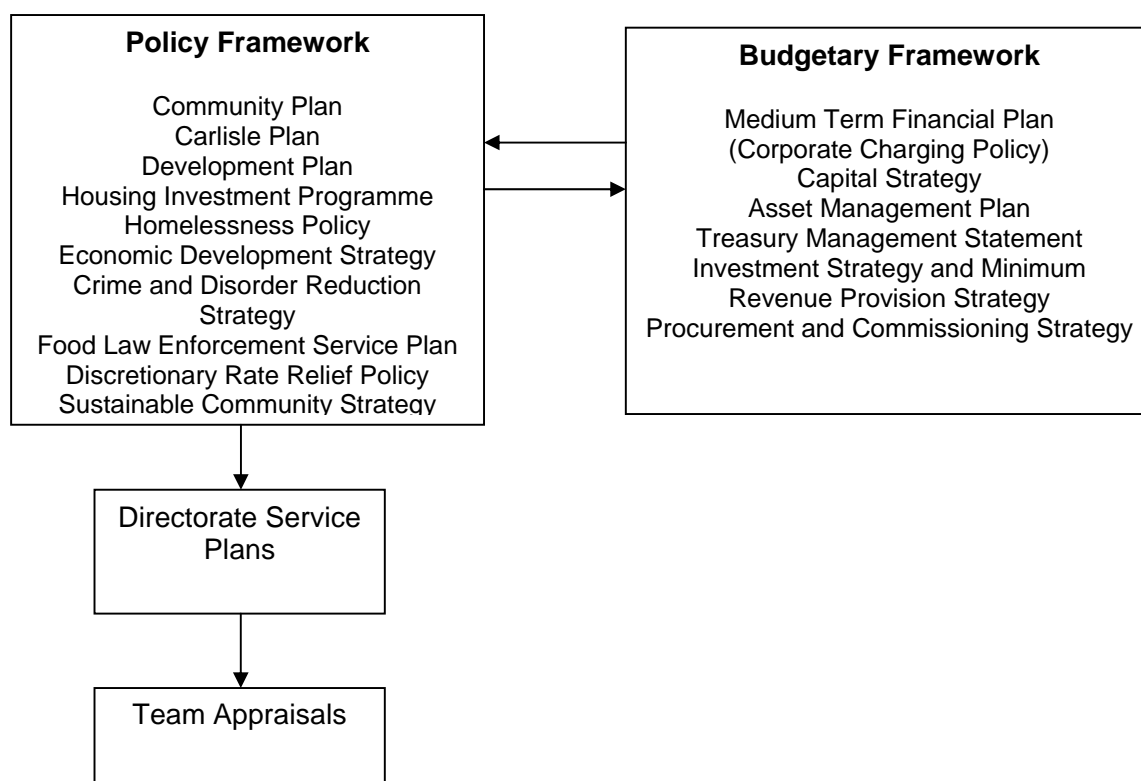
Nationally, the Government sets out policy which can result locally in the Council having to provide additional resources to meet nationally set targets, often without corresponding increases in grant assistance. Some initiatives do receive grant assistance, but for a limited period only, resulting in spending pressures for the Council when grant stops and the service needs to be maintained. This situation can only be resolved by the Council absorbing these new policy initiatives and meeting the cost from redirection of existing resources.

1.3 The Council's approach to corporate planning

The council has a corporate plan (Carlisle Plan) that is reviewed annually to take account of emerging issues. The plan is developed through consultation with stakeholders; it presents the key actions for the Council and likely outcomes for communities.

The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The following diagram illustrates the relationships between the Policy and Budgetary Frameworks.



Community Plan

The community plan is 'owned' by the Carlisle Partnership (our Local Strategic Partnership). It reflects and develops the aspirations of the communities of Carlisle and provides a strategic context for the partnership activities of all members of the LSP. For the City Council it is particularly important that the Corporate Plan enables delivery of the Community Plan; there must be congruence between the strategic objectives of both plans.

The communities of Carlisle are consulted and involved in the development of the Community Plan. This Community Plan helps to inform the strategic thinking of partner organisations.

The LSP's Community and Council's Corporate Planning process informs and supports the strategy of the Cumbria Strategic Partnership.

Directorate Service Plans

The primary purpose of a Service Plan is to provide a link between the resources used to deliver services and the delivery of agreed outputs. Service Plans are inextricably linked to each Directorate's budget.

Service Plans develop the key actions of the Carlisle Plan into detailed activities for Directorates and provide a framework for their financial, performance and risk management.

Other Council Strategies, Plans and Policies

The MTFP takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -

- The Capital Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy
- Local Plan/Local Development Framework.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Investment Programme.

1.4 Budget Priorities and Budget Allocations

Financial resources and performance are linked to the existing Council priorities; work has commenced on providing links to the revised priorities as set in paragraph 1.3 above, in terms of determining service objectives for each priority. The aim of this process is to see if the Council's budget is being used to best effect, and in accordance with priorities, and identify where additional resources may be required to improve performance and to achieve the Council's future aspirations in accordance with the transformation process. Conversely it may also be possible to reallocate resources from services which are not performing satisfactorily, and which may also be of a lower priority, to high priority areas which need greater support.

1.5 Performance Review

This process allows outturn expenditure and outcomes to be measured against budgeted expenditure and targets.

Currently, out-turn expenditure is measured against budgeted expenditure as part of the final accounts process and outcomes are measured against targets via the performance management framework. Financial data continues to be recorded on the Council's performance monitoring system, Covalent. The quarterly budget and performance monitoring reports are considered by Officers and Members to monitor progress throughout the year.

The integration of performance and financial information has been vital to the development of Value for Money profiles. These profiles are being used to challenge the current service delivery models as we interrogate the costs and outcomes associated with our services.

FORECASTING RESOURCES AND COMMITMENTS

Forecasting is the mechanism by which the Council obtains a firm indication of the level of funding available in future years and matches this to known and anticipated commitments.

2.1 Current Budget Forecast

The Council has well established mechanisms in place for forecasting resources and expenditure commitments over a five-year planning period. Projections will inevitably change over the period of the plan and will be kept under review. Factors affecting the assumptions made are set out in further detail in the MTFP.

The Council approved the current forecast for the period 2013/14 to 2017/18 on 5 February 2013 and this is shown in Appendices A to C as follows:

- Appendix A** – Summarises the net budget for the five years (£13.453million for 2013/14) approved for Council Tax Purposes by Council on 5 February and provides a forecast to financial year 2017/18. Indicative figures have also been included for 2018/19.
- Appendix B** – Provides an indicative forecast of how the projected gross budget (£59.949million in 2013/14) will be financed over the same period.
- Appendix C** – Analyses the Gross budget over main spending headings (only for 2013/14 as future years are not available).

2.2 Budget Surplus/Deficit Forecast

The current medium term financial projections indicate adequate Council reserves from 2013/14 due to the outcomes of the transformation process.

The amount approved by Council in February 2013 as part of the budget process, to be taken from/added to Council Reserves to support Council spending, updated by the outturn report approved in June and other adjustments approved to date, is set out in the Table below:

Year	Recurring Commitments (Surplus) £000	Non-Recurring Commitments £000	Carry Forwards £000	Total (Contribution From / (to) Reserves) £000
2013/14	(1,806)	1,560	677	431
2014/15	(602)	160	19	(423)
2015/16	(868)	0	0	(868)
2016/17	47	0	0	47
2017/18	840	0	0	840
2018/19	1,451	0	0	1,451

In order to address the forecast budget deficit position the Council has embarked upon a significant programme of service reviews, incorporated in the transformation agenda, to mitigate the impact on Council reserves.

There are remaining risks to the budget as set out in the budget resolution particularly in achieving the savings proposals approved. As in previous years, additional savings will need to be identified both to meet the projected shortfall and new budget pressures and also to continue support for initiatives and redirect resources to priority areas as well as increasing reserves to their minimum levels (£2.6million). The savings strategy is set out in more detail below and will ensure that in the medium term the Council complies with its policy of not meeting recurring expenditure from Council Reserves.

2.3 Efficiency and Savings Strategy

A strategy to identify recurring budget savings and service efficiencies was approved by Council on 5 February 2013 as part of the budget resolution. The strategy will deliver savings and efficiencies for the 2013/14 budget and will concentrate on the following areas:

Description	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Additional Savings to be found	1,534	0	839	0	0

The 2013/14 budget indicated that the additional savings to be found will concentrate on the following areas to deliver the savings required to produce a balanced longer term budget, however, the exact work programme will be dependent on progress with the Transformation Programme.

- Asset Review – this will focus on producing a Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs on a recurring basis.

- Service Delivery Models – As part of the transformation programme, alternative options for service delivery will be considered in order to make significant financial savings whilst still delivering good standards of service. The options under consideration will include shared services and commissioning of services.
- As part of the transformation programme a review of those services which do not fall within the Council's core priorities or which are not statutory will be undertaken to ensure that services are properly aligned to what the Council wants to achieve.

2.4 Significant Budget Issues

A number of high impact pressures on the Council's budgets have been identified and these are shown below. The impact of these potential revisions (some positive) will be further analysed and reported throughout the budget process and revisions made to current budget deficit projections as required:

- Government Grant Reductions (Further 10% from 2015/16)
- Revised Transformation targets
- Capital Programme - longer term priorities and revenue implications especially Vehicle Replacements
- Shortfalls in income from Lanes and other Sources, e.g. Car Parking and Planning Fees
- New Homes Bonus grant
- Effect of Localisation of Council Tax Benefit Grant and Business Rates Retention
- Implementation of the Universal credit
- Public Sector Pay Freeze
- Council Tax Capping and Referendum
- Pension and National Insurance Changes

2.5 The Capital Strategy

At the same time as the revenue budget is approved in February each year, the Council also approves its capital programme. The proposals for capital investment, together with the level of resources available to support the programme, are contained within the **Capital Strategy**, which provides guidance on the Council's Capital Programme and use of capital resources.

There are links between the capital programme and the revenue budget, as capital projects very often result in revenue costs e.g. to provide running costs for new facilities. These costs are reflected in the existing budget of the Council.

2.6 Sensitivity Analysis

2.6.1 Financial Impact

The MTFP makes a series of forecasts about the future financial requirements of the Council. This is inherently a risky business and there will inevitably be some variations from these forecasts as time passes by. The following table assesses the potential cost or benefit of a variation of 1% in the major costs and income contained within the Plan.

Description	Base for Calculation £000	1% Variance £000
Pay Awards	18,145	181
Supplies & Services	4,576	46
Council Tax	(5,959)	(60)
General Inflation (currently 2.8%)	9,357	94
Income from Fees and Charges & Receipts	(11,948)	(119)
Investment Interest - Movement in Rates	(25,000)	(250)

2.6.2 Population Impact

The resources of the Council are also affected by the demands of its customers. Over the next few years the population of the Council area is expected to grow by 0.1% per annum. The Council will therefore be expected to provide additional services to meet the needs of its growing/ageing population.

In 2013/14 the cost of providing Council services equates to a cost per head of population of £124.39, based on a population forecast of 108,144. A 1% increase in the Council's population would broadly equate to a further £135,800 needed to be raised to provide Council services at existing levels, which would equate to an increase in Council Tax of £4.37.

EXTERNAL FACTORS INFLUENCING THE MTFP

3.1 Economic Factors

3.1.1 State of the Economy

The measures announced by the Government to reduce the amount of Public Spending and to reduce the Country's structural deficit will play a pivotal role in determining how much the economy grows over the coming years. Whilst economic growth remains flat, the Council may find it will be difficult to increase income levels e.g. Car Park income. Treasury Management income will also be limited whilst interest rates remain low, and the available institutions with which the Council can invest with diminishes due to reductions in banking credit ratings. The impact of increased costs is detailed in the sensitivity analysis section of the MTFP. The effects on the MTFP of any changes to the state of the Economy will need to be closely monitored in the short term in order to react effectively to changing situations. The MTFP currently assumes that the economy will show signs of recovery from 2014/15, with income projections increasing. However, if this does not occur as expected, further pressures may be placed on the revenue budget to meet any ongoing shortfalls.

3.1.2 Inflation

Inflation levels as at May 2013 were 2.7% for CPI (Consumer Price Index) and 3.1% for RPI (Retail Price Index).

As far as the City Council is concerned, inflation adds to the pressure on its finances if pay settlements and other costs exceed the estimates incorporated in the Council's budget. The Government has announced in the Budget and Spending Review that there will be a Public Sector pay freeze for two further years. It is anticipated that local government pay will mirror national public sector positions. The current MTFP includes pay award increases of 1.5% in 2013/14 and 2.5% in 2014/15 onwards. If any pay award is lower than these forecasts then the amount can be factored into the MTFP as potential savings, offsetting any additional cost pressures.

In terms of treasury management, the Council's borrowing costs are fixed until 2020 due to the long term fixed rate nature of its current external loans. Investment income is more related to movements in the base rate and other short term interest rates. Raising such rates is seen as one of the primary means of controlling inflation and the Monetary Policy Committee's primary remit is to control inflation. The base rate is at 0.5% and investment rates are now not far above this level meaning that investment income is significantly below that of previous years and is likely to remain so for some time to come. The Councils record over the past couple of years whilst interest rates have been so low has been good with average yields being around 1.51%. It will be very unlikely that this average yield can be continued however, as banks access to cash though the Bank of England has reduced their desire to offer generous investment returns. The Council takes a managed view of the exposure to risk associated with obtaining this level of return and seeks to ensure that its investments are in line with the policies set out in the Treasury Management Strategy Statement.

3.2 Government Policies and Initiatives

3.2.1 Government Spending Review and Local Government Finance Settlement

Spending Review

The overall amount available for distribution to Local Government is determined by the Government's Spending Review, in which the Government decides how much it can afford to spend, reviews its expenditure priorities and sets targets for improvement.

For 2013/14 onwards reductions in Formula Grant have been included that see the grant received by the Council reduce. The Spending Review in June 2013 indicated that Local Government funding in 2015/16 would reduce by a further 10%. Any further reductions to the levels currently included in the MTFP will be additional pressures that will need to be funded by the Council. Further reductions in formula grant funding are anticipated in future years.

	RSG £000
2013/14	4,147
2014/15	3,120
2015/16	2,667
2016/17	2,539
2017/18	2,345

The current assumptions for population and Council Taxbase are set out below. (The Taxbase relates to the equivalent number of Band D properties in the area)

	2014/15	2015/16	2016/17	2017/18	2018/19
Taxbase - For Grant Settlement (From RSG Settlement)	34,957.00	34,957.00	34,957.00	34,957.00	34,957.00
Taxbase - Council Calculation for Tax Setting (0.279% growth)	30,894.00	30,980.20	31,066.63	31,153.31	31,240.23
Population - RSG Settlement*	108,144	108,144	108,144	108,144	108,144

* Population figures are shown based on those used for the RSG settlement. Population growth figures highlighted at paragraph 2.6.2 may adjust these estimates once new RSG settlements are announced.

The Council taxbase (equivalent number of Band D properties) for tax setting purposes is different from the taxbase used in the Grant settlement as it takes into account growth in taxbase during the year, reduced second homes discount and losses on collection (1.5%). If the actual growth in the taxbase, or council tax collected during the year, is higher or lower than predicted, the resulting effect on the Council Tax income is adjusted as part of the Council Tax surplus/deficit calculation undertaken annually on January 15th, and adjusted in the following year's Council Tax.

3.2.2 Council Tax

Council Tax for 2013/14 continued to be maintained at 2010/11 levels through assistance received from Government and use of Council resources.

The Council's policy on taxation levels is that these should be set wherever possible at fair and reasonable levels and that the Council Taxpayer should not automatically bear the largest burden for any additional spending that may be required by the authority. This policy was set following the extensive budget consultation exercise undertaken as part of the 2004/05 budget process.

The City Council has been successful in avoiding a Council tax increase for 2013/14. For planning purposes the figures included in the Medium term Financial Plan assumes an annual increase in Council Tax of 2.6% (or £4.99) in 2014/15 then 1.99% thereafter. This will however be subject to review during the annual budget process, and will be particularly dependent on annual Government funding levels and future spending pressures. A 1% change in the level of council tax will impact on the budget by £67,000. (i.e. £133,000 per annum based on 1.99% MTFP profile).

3.2.3 Local Government Finance

There have been significant changes in the allocation of Local Government funding for 2013/14 that could have significant implications in future years.

Council Tax Benefits Localisation

The localisation of Council Tax Benefit has seen reductions in the amounts awarded to individual authorities for the provision of Council Tax benefit to residents. The Council chose to absorb the reduction in funding as part of its 2013/14 budget process, however, any significant deviation in Council Tax Benefit claims from those initially estimated could increase the impact of this funding reduction on the Council

Localisation of Business Rates

The Council is now operating under the Localisation of Business Rates scheme whereby it has the opportunity to keep a proportion of growth in the Business Rate income generated in the area. The Government set a baseline figure as part of the 2013/14 formula funding settlement, and any growth over this level is shared 50/50 between central government and local government (City Council share is 40% and County Council share is 10%).

Opportunities therefore exist to increase the amount of funding the Council receives, but similarly any falls in Business Rates Income could pose funding problems although the system has floors in it to prevent significant losses in funding.

3.2.4 Specific Grants

Income from Specific Grants meets just over 50% of the Council's spending. The bulk of this is in respect of grants to meet rent allowances, which meets nearly 100% of the total cost of providing these benefits by the Council.

Maximising income from grants and external funding sources continues to be a key priority for the Council. The difficulty with some specific grants however is that they can be time-limited with the amount granted often difficult to predict and plan for. Often when grants are reduced, this results in either a bid for additional funding through the budget process to preserve services or the need for further savings being identified to cover the loss of grant.

For the purposes of the MTFP, where changes to grant regimes and external funding are known, these have been incorporated into the financial projections. The potential for further changes is recognised in the risk assessment attached to the Plan. Details on some of the major grant streams is shown below:

Welfare Bill including Housing Benefits

The Government has announced that there will be significant changes to the Welfare State as part of the current Parliament and this will involve radical changes to the way benefits are managed and distributed.

There will be significant changes to the way Carlisle City Council manages these benefits, with Council Tax benefit likely to be set under local parameters (as highlighted above) and housing benefit absorbed into DWP Universal Credit arrangements (staggered between 2013 and 2017).

Housing Benefit Admin Grant is likely to reduce over the life of the MTFP and reductions were built into the budget process for 2013/14 to try and mitigate the effect of this, however, further reductions will occur with the downsizing of housing benefit administration.

3.2.5 Other Government Initiatives

Housing

Grants for specific Housing related services have reduced significantly. Support for Disabled Facilities Grants is included at £663,000 from Central Government for 2013/14 onwards. However, the spend on Disabled Facilities Grants exceeds this, and the Council approved an additional £200,000 per annum included funded by Council resources to support DFG's.

New Homes Bonus

The Government announced as part of its Comprehensive Spending Review in 2010 that there would be additional funding provided based on the level of anticipated New Homes to be built or existing homes brought back into use within a Local Authority Area. The amount would be based on the amount of additional Council Tax that would be generated from the New Homes and would be available for a period of 6 years. The Council received £243,000 in 2011/12, £408,000 in 2012/13 and a further £388,000 for 2013/14. The 2014/15 allocations will not be known until December 2013. However the DCLG has advised that the overall pot will be reduced by £400million from 2015/16.

Pension and National Insurance Changes

As part of the Governments 2013 Budget, an announcement regarding the scrapping of the lower National Insurance rate for employees and employers who have opted out of the State Second Pension Scheme (SERPS). This will result in additional employee and employer National Insurance contributions being required and this could cost the Council approximately £250,000.

There is also potential additional pension costs arising out of the Auto-Enrolment initiative, where all employees are automatically enrolled in the pension scheme, and have the option to opt-out. At this stage it is unknown what the impact of this will be and how many employees, who are currently not enrolled, will choose to opt out once they have been automatically enrolled.

The actuarial revaluation of the pension fund will be effective from 1 April 2014 with potential revenue pressures on the Council's budget; however the cost could be mitigated by changes to the recovery period.

3.4 Minimum Revenue Provision (MRP)

The MRP represents a provision that the Council must make to fund the repayment of external debt. As capital cash is utilised in providing the Council's capital programme the MRP is rising each year. This factor is also incorporated within the MTFP forecasts within overall Treasury Management costs. The Council will continually review its MRP Strategy and choose the option for charging MRP that is most beneficial at that particular time.

Any future capital projects will need to be evaluated for their effects on potential MRP charges either through the continued use of capital receipts or through prudential borrowing.

INTERNALLY DETERMINED FACTORS INFLUENCING THE MTFP (Subject to review July – Nov 2013)

4.1 Inflation

Taking into account current economic forecasts the Council has to make assumptions on the level of inflation to be included in the forward projections within the MTFP. The measure to be used for inflation in the MTFP is CPI (i.e. excluding housing costs) and this is currently running at 2.7%.

There is an inevitable degree of uncertainty surrounding inflation projections. However, for the five-year period under review, a CPI inflation rate of 2.8% has currently been assumed. It is anticipated that as part of the budget process that the level of inflation built into the Medium Term Financial Plan can be reviewed to see if inflation is required to be applied to all items of expenditure and whether different rates can be used for different items.

Individual spending heads have also had different inflation projections attached and these are detailed further below.

4.1.1 Pay Costs

In 2013/14, the Council is expecting to spend £18.1million on employee related costs and this represents approximately 60% of the cost of running the Council, excluding the cost of housing benefits.

Changes to pay costs will have the single biggest impact on the Council's budget. To offset the natural increases in pay costs, the Council has approved a policy to include a saving in its budget to reflect staff turnover.

The forecasts in the MTFP for pay costs have been calculated using the following assumptions: -

- A provision for basic pay increase of 1.5% p.a. (since reduced to 1%) for 2013/14 then 2.5% p.a. thereafter.
- The cost of increments is now considered to be minimal due to low staff turnover levels and the majority of staff having now progressed to the top of their grade.
- Staff turnover will remain at around 3% of gross salaries. The budget provision for 2013/14 has been set at £242,500.

4.1.2 General Inflation

The Council applies a policy of applying a general inflation increase to all running costs in its budget. The inflationary increase for the 5 years of the MTFP is based on the annual Consumer Price Index, which is currently running at 2.7% per annum (May 2013), although the current MTFP still assumes an inflation rate of 2.8%. An exercise is carried out as part of the budget cycle to examine the level of inflation that needs to be applied to different types of expenditure. Inflation forecasts are expected to be above 2% over the period of the MTFP. A 1% movement in the inflation rate would currently equate to £94,000 if applied to all general supplies and services expenditure

4.1.4 Investment Income

Treasury management is a field that has its own dynamics many of which, most obviously the level of short-term interest rates, are outside the control of local authorities. Projections of interest rates and investment income yields accruing to the City Council must always be viewed in this context.

When the budget for investment income in 2013/14 was set last autumn, it was based upon achieving an estimated average yield of 1.5% which reflected the benefit of investments placed in Government backed banks. Bank base rates continue to be held at 0.5% while actual money market yields from new investments are currently running at 0.8-1.1%. The latest forecasts of interest rate movements provided by our treasury management consultants, Sector, indicate base rates will remain at this level throughout most of 2013/14 and only starting to climb into 2015 although such a forecast must be viewed with caution. These movements will affect the interest returns earned by the Council quite significantly. As in previous years, these projections are subject to regular review and amendment in the light of money market conditions.

The achievement of levels of investment income is dependent not only on interest rates but also on the authority's anticipated pattern of cash flow. Taking account of both these factors, the estimated investment income built into the current MTFP, are as follows:

	Average Rate Expected	Current MTFP
2013/14	1.73%	473,091
2014/15	2.23%	823,021
2015/16	2.85%	1,085,870
2016/17	3.35%	971,118
2017/18	3.85%	1,103,607
2018/19	4.35%	1,259,975

The availability of investment interest rates over 1% for 12 month investments is now very much a rarity and this will have a significant impact upon the investment returns currently included in the MTFP and could lead to significant budgetary pressures. The interest assumed to be achieved above includes interest from the investment of £15million of capital receipts from the sale of assets not reinvested in new assets but invested in the money market instead.

These projections are reviewed on a quarterly basis in the context of both money market conditions and anticipated cash flow.

As well as interest rates, the biggest contributing factor to Treasury Management costs is MRP, and as capital balances are diminished, MRP will continue to rise, unless new capital receipts can be generated.

4.2 Spending Pressures and Savings

As part of its budget process, service departments are required to identify high priority spending pressures and identify savings to meet those pressures. These proposals are then subjected to a detailed appraisal process and those approved are included in the forthcoming year's budget.

Details of all spending pressures and savings affecting services in 2013/14 are shown in detail in the budget resolution and are summarised below:

	2013/14 Original £000	2013/14 Revised £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Recurring Spending Pressures	589	589	545	923	1,015	1,123	1,123
Recurring Spending Reductions	(1,501)	(1,501)	(855)	(1,368)	(1,336)	(1,340)	(1,340)
Non-Recurring Spending/(Saving)	(912)	(912)	(310)	(445)	(321)	(217)	(217)
Non-Recurring Pressures							
- Existing	766	0	0	0	0	0	0
- New	1,091	293	0	0	0	0	0
Carry Forward Requests	0	677	19	0	0	0	0
Use of Reserves	0	0	0	0	0	0	0
Non Recurring Reductions	(297)	(297)	(133)	0	0	0	0
Net Non-Recurring Spending/(Saving)	1,560	673	(114)	0	0	0	0

These proposals form the basis of the 5-year projections contained within the MTFP. As can be seen from the table above, the Council has been successful in identifying recurring savings to redirect to priority spending areas.

4.3 Asset Management

The Council is required to draw up an Asset Management Plan (AMP) to ensure that the Council's property is maintained in a good condition, is suitable for purpose and that sufficient resources are available to meet maintenance costs. The AMP recognised a maintenance backlog of some £5.2 million. The level of repairs and maintenance in the Council's budget is subject to an annual repair and maintenance programme with bids for structural maintenance and disabled adaptations included within the capital programme.

4.4 Income

The City Council's revenue budget is heavily dependent on the income it generates, with 20% of the gross budget coming from this source. The main areas are:

4.4.1 Fees and Charges for Services

Fees and Charges for individual services generate in the region of £5m p.a. for the City Council. **Appendix D** sets out the Council's approach to the reviewing and setting of fees and charges on an annual basis. The overall aim is to increase the proportion of income raised from users of discretionary services to ensure that they meet the full cost of these services, rather than the costs falling on Council Taxpayers in general. In the past the income target has been set at 1% above the inflation rate, however the revised guidance strengthens the recognition that there will

be different priority objectives for each income area and that for some areas maximising income may not be the key priority. Each charges review undertaken as part of the budget process must clearly set out the overall policy objective. In the past two years, increases in charges have not always resulted in expected income yields and projections are monitored carefully. Nevertheless the current MTFP assumes an overall increase in income from fees and charges of 3.8% p.a.

- 4.4.2 Significant Income Streams – further actions will need to be taken to account for the areas where income continues to be generated at less than the budget. The 2013/14 Charges Review will further consider this issue.

	2010/11 Actual £	2011/12 Actual £	2012/13 Actual £	2013/14 Budget £
Cemeteries & Crematorium	1,043,516	1,067,541	1,145,021	1,125,100
Development Control	491,230	414,707	589,762	545,800
Building Control	369,631	259,469	278,615	331,800
Land Charges	159,531	153,730	156,025	165,700
Parking	1,265,708	1,236,682	1,107,563	1,299,200
Total	3,329,616	3,132,129	3,462,100	3,467,600

The income from **Parking** has been declining steadily over the past few years, and steps were taken to reduce the income targets.

4.4.3 Property Rentals

Income received from property rentals is in the region of £5 million per annum. The Council has established an Asset Disposal Reserve for its property portfolio to ensure that the quality of its industrial estates and other commercial properties is maintained, thereby preserving the level of income generated by these assets.

The forecast yield from property rentals over the period 2013/14 to 2017/18 and included in the MTFP is shown in the following table: -

Description	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
The Lanes (See Paragraph below)	1,383	1,522	1,660	1,660	1,660
The Market	132	132	132	132	132
Industrial Estates (+2% p.a)	2,723	2,778	2,833	2,890	2,948
Miscellaneous Properties (+2% p.a.)	368	376	383	391	399
Total	4,607	4,807	5,009	5,073	5,139

The Council has an agreement with the managing agents of the Lanes development whereby the Council receives a proportion of the total rental income. The budgeted income is included in the MTFP at £1.383m. Receiving Equity rental now means that the rental income received is subject to fluctuations in the performance of the Lanes and in periods where there are a lot of voids, income may be lower than that forecast. The situation is monitored via Management Reports received from the Managing Agent. The budget was reduced for 2012/13 as the income had fallen from previous levels due to discounts being granted to fill vacant units. The MTFP assumes that this will only be short term and that income will return to normal levels after 2014/15. If this is not the case then there will be additional pressures required on the MTFP.

The Asset Management Plan provides advice on how the Council can use its land and property portfolio to ensure that it achieves best value and delivers cost-effective services.

4.4.4 Council Tax Income

Based on the Council Tax base projected for 2013/14 and an assumed annual growth of approximately 0.279% in the base over the next five years, a 0% increase in 2013/14 and 2.6% increase in 2014/15 and 1.99% thereafter in Council Tax per annum will provide additional resources over the period 2013/14 – 2018/19 as follows: -

Year	Council Tax Band D £	Tax Base Projections	Yield £	Annual Increase £
2013/14	193.43	30,808.05	5,959,201	
2014/15	198.42	30,894.00	6,129,987	170,786
2015/16	202.39	30,980.20	6,270,083	140,095
2016/17	206.44	31,066.63	6,413,395	143,312
2017/18	210.56	31,153.31	6,559,641	146,246
2018/19	217.93	31,240.23	6,808,183	248,542

4.5 The Capital Programme

The revenue implications of capital spending are identified in the project appraisal process to ensure that the full cost of any proposals for capital investment can be included in both the revenue and capital budgets of the Council. The budget projections therefore include an assessment of the revenue costs of existing capital projects.

The level of resources used to finance the capital programme, either from capital receipts, reserves or grants, has a direct bearing on the revenue budget as it reduces the amount of money the Council has to invest, thereby reducing its investment interest. The assumption made here is that the effect of the capital programme on investment levels will be broadly neutral, effectively meaning that the Council will only spend the capital resources it receives in any one year.

4.5.1 Prudential Borrowing

Nearly all formal controls on borrowing by local authorities have been relaxed since the introduction of the Prudential Code in April 2004. Furthermore, in 2013/14 the City Council received a capital grant of approximately £0.66m towards its capital programme. This system of providing support via a capital grant is expected to continue in the period covered by the MTFP.

Given the level of other resources available to the Council, particularly the balance of unapplied capital receipts, to fund the present programme, it has been assumed that there could be a potential shortfall in resources that would lead to a borrowing requirement in funding the Council's capital expenditure in the next five years. Any prudential (or unsupported) borrowing should be supported by a robust business case but for the time being other sources of capital finance are considered to be more economic and therefore more 'prudent'.

4.6 Reserves

It is the responsibility of the Director of Resources to advise the Council on policies and protocols in respect of the use and level of reserves that it should hold. This information is required to ensure that members are kept fully informed of the effects of their decisions on the reserves held by the Council. A revised set of policy guidelines and associated protocols is attached at **Appendix E**. One new reserve was approved to be established as at 31 March 2013 for Welfare Reform.

Minimum levels of reserves were reviewed as part of the 2013/14 budget process and the risk assessment identified that minimum levels could be maintained at £2.6million

The Council balances are set out in **Appendix F**. In order to maintain the financial stability of the Council, the fundamental principle on the use of Reserves and Balances is that they should not normally be used to fund recurring expenditure. Where they are, however, the usage should be explicitly stated, and steps taken to address the situation in following years.

BUDGET PROCESS

5.1 Budget Process

The Revenue Budget Process is the main mechanism in place for forecasting spending requirements and resources over a 5-year planning period.

The budget is drawn together from:

- a base budget requirement, which determines the cost of providing existing services,
- bids for additional resources, which are required to meet identified spending pressures that meet Council priorities,
- forecasts of income from fees and charges, linked to the Corporate Charging Policy,
- forecasts of grant income,
- to arrive at a level of Council Tax to be charged to residents.

This well-established mechanism results in the approval of the annual budget in February.

Within the process, there are a series of key tasks that must be carried out, as follows: -

- (a) The base budget must be established, taking account of factors such as
 - inflationary increases in pay and operating costs,
 - shortfalls or reductions in budgeted income levels,
 - the level of external funding through grants or contributions from the government or other bodies.
- (b) Bids for additional resources must be submitted by November each year and be accompanied by a full financial appraisal setting out the business case for the additional resources requested. The financial appraisal is a key document as it will provide information on: -
 - the Council priorities requiring the resources,
 - the consequences of not providing the resources,
 - options considered to meet the pressure from within existing resources before arriving at the decision to bid for additional resources,
 - the full cost of the bid over at least a five-year period to reflect any potential growth or reduction in costs over the period,
 - any income that could be potentially generated to offset the cost of the bid,Members will decide which bids will be supported following the outcome of the financial appraisal.
- (c) The revenue effects of any capital investment proposals must be identified and incorporated into the revenue budget.
- (d) Savings and efficiency proposals, which again must be accompanied by a full financial appraisal, must be submitted by November each year. Members will decide on the proposals to be taken forward following the outcome of the financial appraisal.
- (e) Changes to Council priorities which require the redistribution of resources must be identified,

- (f) The level of support provided by the Government through the Revenue Support Grant needs to be incorporated into the MTFP.

The potential financial impact of the new budget discipline is not currently wholly reflected in the MTFP, as in some cases it represents the first stage in assessing the options available to the Council to bridge the likely budget deficit over the next five years.

5.2 Consultation

The Executive approves its draft budget proposals in December each year. There then follows a formal consultation period (usually 4 weeks) when any interested person can submit their views on the proposals to the Council. This can be done by post, telephone or on-line through the Council's web-site.

In addition, formal consultation meetings are held with:

- The Large Employers Affinity Group (to include any Non Domestic Ratepayers)
- Trades Unions

The Council's Resources Overview and Scrutiny Panel also have a role in scrutinising the budget proposals.

The Executive considers feed back from the consultation process, before making its final recommendations to Council in February each year.

The Council has a Consultation Policy and is a member of Community Voice, a Cumbria wide collaboration of District Councils, Cumbria County Council, the police and PCT that consults local people regularly on their views with the intention of improving services. The results of the consultations inform policy development and feed into the Carlisle Plan, MTFP and other individual service plans.

5.3 Value for Money

The Council is committed to a continuous programme of service improvement. The new budget discipline being developed will challenge how services are delivered across the Council to improve efficiency and deliver improved value for money. The Council has adopted a series of mechanisms to assess how it is performing in this area and these are being developed to include:

- Improved financial and service planning over both the short and long term,
- Involving and consulting customers about the way services are provided to see if they meet customer aspirations,
- Supply and demand analysis,
- Customer satisfaction surveys, focus groups and user groups,
- Performance management, benchmarking and the adoption of best practice in service delivery,
- Service reviews, including developing efficiency targets,
- Financial appraisal of projects taking account of quality, price and lifetime costs,
- Improved budgetary control mechanisms,
- Full risk assessments of proposals to change service provision,
- Attracting as much external investment as possible so the Council's resources go further,
- Member involvement through the Audit Committee and Overview and Scrutiny Panels,
- The adoption of shared services, where this is proven to benefit the Council both financially and in the quality of service delivery.

RISK ASSESSMENT

There are a number of inherent risks in the strategy as proposed and these are identified in **Appendix G**. It is the responsibility of the Director of Resources in conjunction with other Directors to ensure that these risks are properly managed and risk mitigation measures taken where necessary.

Individual responsibilities are set out in the Financial Procedure Rules.

SUMMARY

The purpose of the MTFP is to provide members with forecasts of the likely financial position of the Council over the next five years to enable informed decisions on actions needed to achieve financial stability within agreed Council policies.

The MTFP presents a snapshot of the current financial position and will inevitably change over time. This will be monitored and reported throughout the year. The ultimate aim of the MTFP is to help members to make more informed financial decisions and therefore contribute to an improvement in its use of resources.

APPENDIX A

Carlisle City Council – Current Financial Projections for the period to 2018/19

2013/14 Budget £000	Summary Net Budget Requirement	2014/15 Proj'd £000	2015/16 Proj'd £000	2016/17 Proj'd £000	2017/18 Proj'd £000	2018/19 Proj'd £000
Projected Resources						
(5,959)	Council Tax Income	(6,130)	(6,270)	(6,413)	(6,560)	(6,808)
(4,147)	Revenue Support Grant	(3,120)	(2,667)	(2,539)	(2,444)	(2,345)
(2,913)	Redistributed NNDR	(3,003)	(3,093)	(3,186)	(3,281)	(3,380)
(35)	Estimated Council Tax Surplus	(35)	(35)	(35)	(35)	(35)
(399)	Parish precepts	(410)	(422)	(434)	(446)	(458)
(13,453)		(12,698)	(12,487)	(12,607)	(12,766)	(13,026)
Recurring Revenue Expenditure						
12,107	Existing Expenditure	11,942	11,588	12,487	13,323	14,182
589	New Spending Pressures	545	923	1,015	1,123	1,123
(1,501)	Budget Reductions	(855)	(1,368)	(1,336)	(1,340)	(1,340)
11,195	Total Recurring Expenditure	11,632	11,143	12,166	13,106	13,965
Non Recurring Revenue Expenditure						
766	Existing Commitments	0	0	0	0	0
1,091	Spending Pressures	293	0	0	0	0
(297)	Budget Reductions	(133)	0	0	0	0
0	Use of Earmarked Reserves	0	0	0	0	0
677	Carry Forward	19	0	0	0	0
13,432	Current Revenue Expenditure	11,811	11,143	12,166	13,106	13,965
452	Parish Precepts	464	476	488	500	511
13,884	Total Revenue Expenditure	12,275	11,619	12,654	13,606	14,476
(431)	Contribution to/(from) Reserves	423	868	(47)	(840)	(1,451)
13,453	Net Budget for Council Tax Purposes	12,698	12,487	12,607	12,766	13,025

APPENDIX B

Current Financing the Revenue Budget

Indicative forecasts of how the Council's projected gross budget will be financed for the period 2013/14 to 2018/19 are as follows: -

Source	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
	£000	%	£000	%	£000	%	£000	%	£000	%	£000	%
Council Tax (incl. Parishes)	6,358	10.61	6,540	10.95	6,692	11.05	6,847	10.85	7,006	10.68	7,265	10.68
Formula Grant	7,060	11.78	6,123	10.25	5,760	9.51	5,725	9.08	5,725	8.73	5,725	8.41
Collection Fund Surplus	35	0.06	35	0.06	35	0.06	35	0.06	35	0.05	35	0.05
Net Budget for Council Tax Purposes	13,453	22.44	12,698	21.25	12,487	20.62	12,607	19.99	12,766	19.47	13,025	19.14
Grants and Contributions (assumed a 2.8% increase per annum)	34,117	56.91	35,072	58.70	36,054	59.55	37,064	58.76	38,102	58.10	39,168	57.57
Other Income (assumed a 3.8% increase per annum)	11,948	19.93	12,402	20.76	12,873	21.26	13,362	21.18	13,870	21.15	14,397	21.16
Reserves and Balances	431	0.72	(423)	(0.71)	(868)	(1.43)	47	0.07	840	1.28	1,451	2.13
Total Gross Budget	59,949	100.00	59,749	100.00	60,547	100.00	63,080	100.00	65,578	100.00	68,042	100.00

The use of Reserves and Balances varies from the Budget Resolution approved by Council in February 2013 as a result of the 2012/13 outturn position and the carry forward of £677,000 into 2013/14, and £19,000 to 2014/15

APPENDIX C

Subjective Analysis of the Forecast Gross Budget

The detailed subjective figures from 2013/14 will become available as part of the budget process.

Source	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19	
	£000	%	£000	%	£000	%	£000	%	£000	%	£000	%
Employees	18,145	30.27										
Premises	3,414	5.69										
Transport	1,367	2.28										
Supplies & Services	4,576	7.63										
Third Party Payments	3,924	6.55										
Transfer Payments	27,807	46.38										
Support Services (Net)	(2,772)	(4.62)										
Capital Financing	2,359	3.94										
Precepts	452	0.75										
Supplementary Estimates	0	0.00										
Carry Forward Requests	677	1.13										
Total Gross Budget	59,949	100	68,561	0	69,294	0	70,675	0	73,362	0	76,042	0

CORPORATE CHARGING POLICY 2013

This appendix sets out the corporate approach to the setting of fees and charges.

Each service is required to consider how and to what extent each of the following applies to the fees and charges it proposes to set:

1. Objectives of Charge - Set out the principal objective(s) of setting the charge:

- Recover cost of service provision
- Generate Surplus Income (where permitted)
- Maintain existing service provision
- Fund service improvements or introduction of new service(s);
- Manage demand for service(s)
- Promote access to services for low-income households;
- Promote equity or fairness;
- Achieve wider strategic policy objectives (eg encouraging green policies);

2. Other factors influencing decisions on whether and how much to charge:

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (eg pre application planning advice)
- Central government policy objectives

3. Targeting Concessions - The following target groups should be considered:

- Persons over the age of 65
- Unemployed
- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

4. Trading

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

5 Value For Money

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?

Council Policy on the Level and Use of Reserves

1. General

- 1.1. Reserves generally will not be used to fund recurring items of expenditure, but where it does steps will be taken to address the situation.
- 1.2. Reserves will not become overcommitted.
- 1.3. The Council benefits from its level of reserves as it is able to: -
 - Meet its capital programme obligations, without recourse to borrowing,
 - Fund exceptional increases in its net budget requirement without affecting the Council Tax charged to its taxpayers,
 - Ensure that surplus resources are retained for the general benefit of the Council to protect against large increases in Council Tax.
 - Benefit from significant income received from the investment of its reserves to contribute to the budget requirement of the Council, which is a key part of the Council's Treasury Management Strategy.

2. The General Fund Reserve

- 2.1. The balance on the General Fund shall broadly equal £2.6m. This figure is assessed taking into account the risks and working balances required, including investment income generated, it is considered prudent to leave the reserve at this level. A risk based assessment of the appropriate level of this reserve was carried out for the 2013/14 budget process and this is attached overleaf.
- 2.2. If the balance in the short-term falls below £2.6million, the Council will top-up the balance to this level from the General Fund Income and Expenditure Account.
- 2.3. If the balance in the short-term exceeds £2.6million then the surplus will be transferred to the Council's Project Reserve.

3. Earmarked Reserves

- 3.1. Earmarked reserves will not be used for recurring items of expenditure, nor become over-committed.
- 3.2. For each earmarked reserve there will be a clear protocol in place setting out: -
 - The purpose of the reserve.
 - How and when the reserve can be used.
 - Procedures for the management and control of the reserve.
 - Processes for the review of the use of the reserve to ensure that it continues to have an adequate level of funds and remains relevant to the business of the Council.

4 Provisions

The Council holds a number of provision balances for items where future commitments are likely and use of these are delegated to the relevant Director in consultation with the Director of Resources.

5 Charitable and Other Bequests

The Council holds a number of bequests for use by the Council. These funds can only be released with the full approval of the Council under the terms set out when the bequest was given. In the first instance it will be the responsibility of the Executive to consider a report outlining proposals for the use of the bequest prior to submission of the request to Council.

6 The Responsibilities of the Director of Resources

- 5.1 The Director of Resources will review each reserve and its protocol annually and produce a report for the Executive as part of the annual accounts process detailing: -
- Compliance with the use of reserves and associated protocols,
 - Movements in the level of reserves, including the purposes for which reserves were used during the previous financial year,
 - The adequacy of the level of reserves and the effects on the Council's budget requirement,
 - Any reserves which are no longer required,
 - Proposals to set up new reserves, including purposes, protocols, funding sources and potential impact on the Council's Medium-Term Financial Plan.
- 5.2 The Director of Resources will review this policy at least annually and will obtain the approval of the Council for any change required to either the policy or protocols associated with specific reserves.

RISK ASSESSMENT OF LEVEL OF RESERVES - 2014/15

Potential Risk	Risk Score	Weighting	Financial Exposure (£000)	Balance Required (£000)	Comment (Basis of Financial Exposure)
Base Budget Contingency for inflation or other unanticipated rise.	4	50%	118	59	Assumed at 1% of Net Revenue Budget
Underachievement of Charges Income targets and spending exceeds budgets	4	50%	214	107	Estimate of 5% Charges Income forecasts for 2013/14
Underachievement of Investment Income	4	50%	250	125	1% of exposure of average balance of £25m
Civil Emergencies	6	75%	170	128	Bellwin scheme cuts in at 0.2% of Net Budget (£28,800) and provides for up to 85% of eligible costs (assume £1m cost - not covered by insurance)
Insurance Excesses	2	25%	25	6	Based on 5% of insurance premia payments
Fall in Rental Income from Property	6	75%	225	169	5% of Rental Income (assumed at £4.5m for 2013/14)
Transformation not met	1	25%	1,354	339	
Changes to existing government funding regimes	6	75%	218	164	Safety Net Threshold for Business Rates Retention Scheme
Additional Redundancy Costs	4	50%	200	100	Not met from Transformation Reserve
Dependence on reserves and general balances	3	50%	718	359	General Fund Reserve Balance - Audit Commission Guidance states prudent level is 5% of Net Revenue Expenditure
Emergency Contingency		100%	1,000	1,000	Emergency contingency fund - Council practice to allocate £1m for any unforeseen emergencies
TOTALS			4,492	2,555	
Maximum Risk Based Reserve Balances					4,492
Minimum Risk Based Reserve Balances					1,123
Current Level of Reserves (Projected as at 31/03/13) (General Fund)					2,542
Projected Shortfall/(Excess) of Current Reserve Balance over Risk Based					-13

PROTOCOLS FOR THE USE OF COUNCIL RESERVES

Reserve	Estimated Balance 31/3/13	Purpose	Conditions of Use
Capital Reserves	£000		
Usable Capital Receipts	6,679	To provide funds to support the capital programme	Capital receipts can only be used to support capital spending or the repayment of debt. Management of the use of the receipts rests with the Director of Resources but approval of their use must be given by Council.
Asset Disposal Reserve	785	To provide resources to purchase properties and fund associated revenue costs (e.g. marketing) required as part of the Carlisle Renaissance project. To provide resources for investment in the Council's industrial estates to ensure rent yields are maintained / increased	Management of the reserve rests with the Director of Resources who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.
CLL Reserve	522	To provide funds to purchase equipment from CLL Ltd, should the leisure management contract either not be renewed or be terminated due to breach of contract on the part of CLL Ltd.	Management of the reserve rests with the Director of Community Engagement but can only be used with the agreement of the Council. Use of the reserve should be accompanied by a report to Council providing details of the circumstances giving rise to the need for support to be provided by the Reserve.
Lanes Capital Reserve	354	To provide funds to meet potential exceptional capital works under the terms of the lease agreement.	Management of the reserve rests with the Director of Resources who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.

Reserve	Estimated Balance 31/3/13	Purpose	Conditions of Use
Revenue Reserves	£000		
General Fund Reserve	2,542	To be a general working capital / contingency to cushion the Council against unexpected events and emergencies	<p>Management of the reserve rests with the Director of Resources. The use of the reserve is dependent on judgements taken when setting the Council's revenue budget on: -</p> <ul style="list-style-type: none"> – Cash flow requirements, – Inflation and interest rates, – Demand led budget pressures, – Efficiency and productivity savings, – The availability of funds to deal with major unexpected events or emergencies, – Risks arising from significant new funding partnerships, major outsourcing arrangements or major capital developments. <p>Approval to release funds from the reserve can only be given by the Council as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.</p>
Projects Reserve	0	The balance at 31 st March 2012 shall be earmarked to support potential revenue budget shortfalls identified by the 2012/13 Medium Term Financial Plan. Additions to the balances thereafter can be used either to support revenue budget shortfalls or projects within the Council's capital programme	<p>Management of the reserve rests with the Director of Resources. Funding for the Reserve will be provided by windfall gains over and above those required to maintain the General Fund at its approved level, balances on reserves that are no longer needed and proceeds from the Local Authority Business Growth Incentive Scheme.</p> <p>Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.</p>
Collection Fund (Carlisle Share)	65	To be the collection account for sums due from local taxpayers.	<p>Management of the fund rests with the Director of Resources. The use of the Fund is determined by statute. The main use is to adjust the level of Council Tax required in any one year to reflect surpluses or deficits on collection targets in prior periods.</p>

Reserve	Estimated Balance 31/3/13	Purpose	Conditions of Use
Revenue Reserves (contd.)	£'000		
Residents Parking Reserve	0	To provide funds for small projects consistent with the Local Transport Plan.	Management of the reserve rests with the Director of Local Environment but can only be used with the agreement of Cumbria County Council. Use of the reserve should be accompanied by a report to Council providing details of the projects supported by the Reserve. Funding is provided from the balance generated by the Residents Parking Initiative and must be reported to Cumbria County Council annually.
Building Control Reserve	(17)	To provide funds for improvements to the delivery of the Building Control function.	Management of the reserve rests with the Director of Economic Development The balance is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council. Funding is provided from surpluses generated by the service annually. Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.
Conservation Reserve	116	To purchase historic buildings at risk or fund repairs and / or improvements to historic buildings	Management of the reserve rests with the Director of Economic Development. Funding is provided from the sale of property. Approval to release funds from the reserve can only be given by the Executive of the Council.
LSVT Warranties	488	To provide funds to meet claims arising in years 13 –25 following transfer of the housing stock in 2002 under environmental warranties given at the time of the transfer, when insurance has expired	Management of the reserve rests with the Director of Resources. The reserve is only able to be used to meet defined costs and is not available for general use by the Council. Approval to release funds from the reserve can only be given by the Council.
Licensing Reserve	14	This is a ringfenced surplus carried forward to fund future year's expenditure.	Management of the reserve rests with the Director of Resources. Approval to release funds from the reserve can only be given by the Executive of the Council.
Transformation Reserve	495	To fund any one off costs associated with transformation project	Management of the reserve rests with the Chief Executive. Approval to release funds from the reserve can only be given by the Executive of the Council.
EEAC Reserve	56	To hold the residual funds of the service	Management of the reserve rests with the Director of

Reserve	Estimated Balance 31/3/13	Purpose	Conditions of Use
		pending future decisions with regard to the service	Community Engagement. Approval to release funds from the reserve can only be given by the Executive of the Council.
Cremator Reserve	143	To build up resources to replace cremators when required	Management of the reserve rests with the Director of Local Environment. Approval to release funds from the reserve can only be given by the Executive of the Council.
Welfare Reform Reserve	200	To meet one off costs associated with the Welfare Reform bill and introduction of Universal Credit	Management of the reserve rests with the Director of Community Engagement. Approval to release funds from the reserve can only be given by the Executive of the Council.

APPENDIX F

City Council Reserves Projections

Members should note that these financial projections now reflect the 2012/13 outturn position.

Analysis of Council Reserves	Outturn 31 March 2013 £000	Projected 31 March 2014 £000	Projected 31 March 2015 £000	Projected 31 March 2016 £000	Projected 31 March 2017 £000	Projected 31 March 2018 £000	Projected 31 March 2019 £000
Revenue Reserves							
General Fund Reserve	(2,542)	(2,111)	(2,534)	(2,600)	(2,600)	(2,515)	(1,064)
Projects Reserve	0	0	0	(802)	(755)	0	0
LSVT Warranties Reserve	(488)	(488)	(488)	(488)	(488)	(488)	(488)
Conservation Reserve	(116)	(116)	(116)	(116)	(116)	(116)	(116)
Sheepmount Reserve	0						
Collection Fund (Carlisle Share c	(65)						
Residents Parking Reserve	0						
Transformation Reserve	(495)						
EEAC Reserve	(56)	(16)					
Building Control Reserve	17						
JE Reserve	0						
Cremator Reserve	(143)						
Welfare Reform Reserve	(200)						
Licensing Reserve	(14)						
Total Revenue Reserves	(4,102)	(2,731)	(3,138)	(4,006)	(3,959)	(3,119)	(1,668)
Capital Reserves							
Usable Capital Receipts	(6,679)	(3,339)	(2,541)	(162)	(162)	(162)	(162)
Set Aside Capital receipts	0	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Unapplied capital grant	0	0	0	0	0	0	0
Asset Disposal Reserve	(785)	(360)	(360)	(360)	(360)	(360)	(360)
CLL Reserve	(522)	(522)	(522)	(522)	(522)	(522)	(522)
Lanes Capital Reserve	(354)	(369)	(384)	(399)	(414)	(429)	(444)
Total Capital Reserves	(8,340)	(19,590)	(18,807)	(16,443)	(16,458)	(16,473)	(16,488)
Total Usable Reserves	(12,442)	(22,321)	(21,945)	(20,449)	(20,417)	(19,592)	(18,156)
Other Technical Reserves*	(103,381)						
Total All Reserves	(115,823)						

* Other Reserves are of a technical nature and are not cash backed. They are not therefore available either to fund expenditure or to meet future commitments.

APPENDIX G

RISK ASSESSMENT

Risk	Likelihood	Impact	Mitigation
The assumptions contributing to the Financial Plan prove to be incorrect.	Remote	Marginal	Review budget forecasts regularly and continually adjust for known and likely variations that impact on the forecast.
Spending exceeds budget or assumed income levels not achieved	Reasonably probable	High	Regular budgetary monitoring reports. Updates to medium term financial strategy.
Unforeseen spending	Remote	Marginal	Budget Monitoring. Adequate contingency reserve. Updates to medium term financial strategy.
New Schemes / Initiatives (including VAT)	Reasonably Probable	Marginal	Review priorities. Assess effects on budget. Updates to medium term financial strategy.
Dependence on reserves and general balances	Reasonably Probable	High	Compliance with CIPFA / Audit Commission recommendations on level of balances and reserves.
Transformation Savings not achieved	Remote	High	Review budget forecasts regularly and continually adjust for known and likely variations that impact on the forecast.
Changes to existing Government funding regimes e.g. RSG, Housing Benefits	Probable	High	Review service priorities, assess other funding opportunities, update medium term financial strategy.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 5 AUGUST 2013

EX.81/13 DRAFT MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19
(Key Decision – KD.010/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented report RD.32/13 concerning the draft Medium Term Financial Plan (incorporating the Corporate Charging Policy) 2014/15 to 2018/19. He advised Members that the Medium Term Financial Plan set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 5 February 2013. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Finance, Governance and Resources Portfolio Holder then explained that the draft Medium Term Financial Plan would be available for consultation with the Resources Overview and Scrutiny Panel. It would then come back to the Executive on 2 September, prior to transmission to Council for approval on 10 September 2013.

In conclusion, the Finance Governance and Resources Portfolio Holder moved the recommendation as set out in the report.

Summary of options rejected None

DECISION

1. That the Report of the Director of Resources (RD.32/13) on the draft Medium Term Financial Plan 2014/15 to 2018/19 be received.

2. That the report be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.

Reasons for Decision

To consult with the Resources Overview and Scrutiny Panel on the Draft Medium Term Financial Plan 2014/15 to 2018/19

Report to Council

Agenda
Item:

18(ii)

Meeting Date: 10 September 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD10/13
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL STRATEGY 2014/15 TO 2018/19
Report of: DIRECTOR OF RESOURCES
Report Number: RD37/13

Purpose / Summary:

The Council's Capital Strategy is intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2014/15 to 2018/19. The guidance in this strategy complements and supplements the Medium Term Financial Plan.

The Capital Strategy has been considered by the Executive and the Resources Overview and Scrutiny Panel.

Recommendations:

The Council is asked to approve the Capital Strategy for the period 2014/15 to 2018/19.

Tracking

Executive:	5 August 2013
Overview and Scrutiny:	29 August 2013
Executive	2 September 2013
Council:	10 September 2013



CARLISLE CITY COUNCIL

CAPITAL STRATEGY 2014/15 TO 2018/19

September 2013

CARLISLE CITY COUNCIL

CAPITAL STRATEGY 2014/15 to 2018/19

1. Policy and Context

The Capital Strategy is a key policy document for the Council and provides guidance on the Capital Programme and the use of capital resources. The strategy reflects the links to other Council plans and is based on the guidance in the Medium Term Financial Plan (MTFP).

The objectives of the Capital Strategy are to: -

- Ensure that capital investment decisions and capital resources contribute to the achievement of the Council's corporate priorities.
- Co-ordinate the strategic priorities emerging from service planning and ensure that investment opportunities are maximised.
- Manage performance and decision-making processes to help achieve the best use of available capital resources.
- Set out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money is obtained.

Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes.

2. Overall Strategy Guidelines

The strategy has been developed using the following overarching guidelines: -

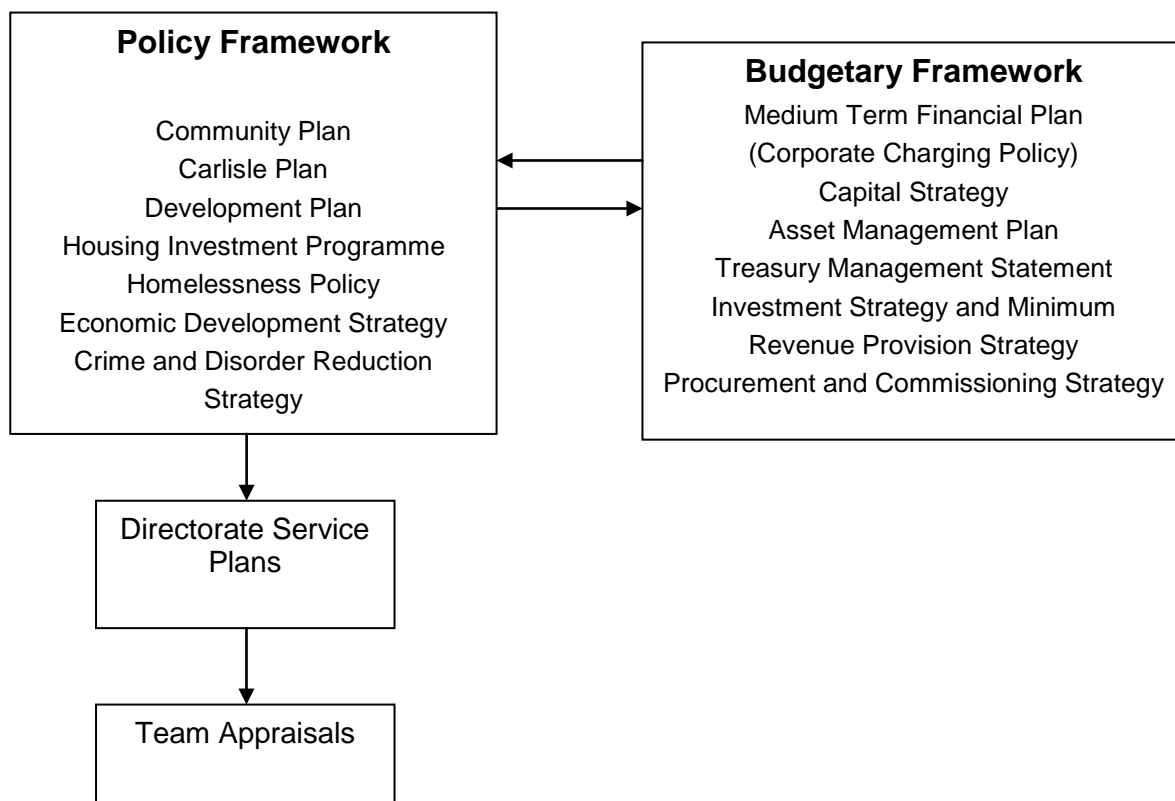
- Capital resources are held corporately and are allocated according to the priorities set out in the Carlisle Plan (i.e. there is no automatic ring-fencing of resources for specific purposes with the exception of the repayment of Renovation grants).
- Capital receipts, including Preserved Right to Buy (PRTB) receipts, will be allocated in accordance with Council priorities and in particular to support sustainable communities and the Housing Strategy.
- Specific repayments of Renovation Grants will be reinvested in the programme and be used to support Private Sector Renewal Grants.
- Income generated from the sale of vehicles, plant and equipment will be reinvested in the programme and be used initially to fund future replacements.
- The Council will seek to maximise the use of grants and external funding.
- The Council is committed to deliver capital investment with partners to maximise benefits where this fits with Council priorities.
- Redirection of capital resources from one project to another will be contained within existing budgets, unless increases can be justified through the budget process.
- Capital budgets are generally cash-limited i.e. no provision is made for inflation which effectively means that over time there is a real reduction in the value of resources allocated to specific capital projects.
- Council Tax increases will be limited to fair and reasonable levels. This requires a full assessment of the revenue consequences of capital projects and their respective methods of finance.

3. The Council's approach to corporate planning

The council has a corporate plan (Carlisle Plan) that is reviewed annually to take account of emerging issues. The plan is developed through consultation with stakeholders; it presents the key actions for the Council and likely outcomes for communities.

The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The following diagram illustrates the relationships between the Policy and Budgetary Frameworks.



Community Plan

The community plan is 'owned' by the Carlisle Partnership (our Local Strategic Partnership). It reflects and develops the aspirations of the communities of Carlisle and provides a strategic context for the partnership activities of all members of the LSP. For the City Council it is particularly important that the Corporate Plan enables delivery of the Community Plan; there must be congruence between the strategic objectives of both plans.

The communities of Carlisle are consulted and involved in the development of the Community Plan. This Community Plan helps to inform the strategic thinking of partner organisations.

The LSP's Community and Council's Corporate Planning process informs and supports the strategy of the Cumbria Strategic Partnership.

Directorate Service Plans

The primary purpose of a Service Plan is to provide a link between the resources used to deliver services and the delivery of agreed outputs. Service Plans are inextricably linked to each Directorate's budget.

Service Plans develop the key actions of the Carlisle Plan into detailed activities for Directorates and provide a framework for their financial, performance and risk management.

Other Council Strategies, Plans and Policies

The MTFP takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -

- The Capital Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy
- Local Plan/Local Development Framework.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, (some of which are currently under development) which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy.

4. Capital Programme Forecasts

4.1 Current Forecasts

The Council has previously considered detailed proposals for capital spending and associated financing implications for the period 2013/14 to 2017/18. These are summarised in the Council Budget Resolution approved on 5 February 2013.

This report updates the projections to cover a further year. This aims to provide more effective planning in the longer term. The aim may be to increase this period to 10 years.

The key assumptions in the projections are as follows:

- The Capital Programme considered by Council in February assumed a programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments has reduced the programme to £4.655m in 2013/14.

The current full 5 year programme (before being reviewed) is attached at **Appendix A** with a summary below at **Table 1**. Work is continuing to allocate resources to the new Council priorities.

Table 1 – Current Proposed Programme

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Current Proposed Programme	4,655	4,457	8,564	1,363	1,163	1,163

The proposed capital programme includes the revised scheme which is being developed for the Arts Centre which requires approval by Council to increase the capital programme by £478,500 and reprofile the expenditure to £50,000 in 2013/14 and £1,014,500 in 2014/15.

4.2 Future Forecasts

The current capital programme forecasts spending on capital projects of around £1-£2m p.a. for years 2016/17 to 2018/19. Past experience has indicated that actual spending will be far higher and this is due mainly to the fact that a number of initiatives are still at an early stage of development and so are not yet included in the projections.

- (i) Asset Review Programme – The capital programme currently does not include any capital purchases from the receipts generated by asset sales as it is difficult to predict when asset purchases will be made and are dependent upon market conditions. It is planned that £12.076million is available for reinvestment in asset purchases over the next 3 years that will generate a revenue return for the Council.
- (ii) Vehicle Replacement Programme - The current capital programme includes a minimal budget for vehicle replacements (recurring £200,000 per annum). The refuse fleet and other street cleansing vehicles are due for replacement from 2015 and options need to be considered as to how these will be funded and whether existing vehicles can be replaced later. Given current capital resources it will be unlikely they will be able to be bought from existing capital receipts, so other options such as borrowing and leasing will have to be considered should the vehicles still need replacing.
- (iii) Disabled Facilities Grants – There is a significant pressure on the capital programme from the demand for Disabled Facilities Grants into the future. Government support allocates the Council £663,000 in 2013/14 and an additional contribution from the Council of £200,000 was agreed as part of the 2013/14 budget process.

The position on the above schemes will need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing can be made more accurately. The inclusion of any of these projects in the capital programme will be subject to the appraisal of a full business case, which will include an assessment of fit with corporate priorities, prior to formal approval for inclusion in the programme by Council.

5. **Capital Resource Forecasts**

The Council's capital programme can be financed, (or paid for), through a number of sources and the Director of Resources will make recommendations on the most effective way of financing the Capital Programme to optimise the overall use of resources. The availability of staff resources to deliver the approved programme will need to be considered during the budget process. **Table 2** shows the estimated level of capital resources, which will be generated over the next five years.

Table 2 – Estimated Capital Resources (Based on current programme)

Resources Available	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Capital Grants	(1,414)	(663)	(663)	(663)	(663)	(663)
Capital Receipts (General & Preserved Right to Buy)	(810)	(410)	(410)	(410)	(410)	(260)
Capital Receipts (Asset Business Plan)	(21,218)	(3,255)	(1,340)	0	0	0
Total Capital Resources	(23,442)	(4,328)	(2,413)	(1,073)	(1,073)	(923)
Borrowing Requirement (Revised)	(98)	(317)	(6,939)	(273)	(73)	(237)
Direct Revenue Financing	(165)	(52)	(52)	(17)	(17)	(3)
Total	(23,705)	(4,697)	(9,404)	(1,363)	(1,163)	(1,163)

* see note at paragraph (ii)

The current assumptions included in this strategy for each of the available financing sources are as follows:

(i) Borrowing

Rules on borrowing have been relaxed since the introduction of the Prudential Code in April 2004. As a consequence, any new borrowing taken out is now known as unsupported borrowing. This effectively means that the Council can borrow as much as it wishes to pay for its capital programme, providing that repayments are affordable and can be met from the Council's revenue budget.

(ii) Capital Receipts

Capital Receipts arise principally from the sale of Council capital assets. In the past the bulk of the receipts were received from a Preserved Right to Buy (PRTB) sharing agreement with Riverside Group, following the transfer of the housing stock in December 2002. Capital receipts are forecast to remain fairly constant at £0.40million p.a. for the period under review. However, for 2013/14 there are specific additional items that increase this figure to £0.81million. These figures comprise: -

- £150,000 to be received from PRTB sales under the sharing agreement with Riverside in 2013/14. Updated projections will be requested from Riverside Group which will be included in the final version of the report once received but early indications show that there will be a significant reduction in the level of receipts generated from PRTB sales which has not yet been taken into account. For information £266,000 was received in 2012/13).
- £10,000 p.a. from receipts arising from the Raffles development, which it is forecast will continue to be generated for the next 11 years.
- An assumption that the Council will generate £250,000 p.a. over the life of the plan from the sale of other Council surplus assets (to be refined during the budget process).
- £400,000 from the sale of London Road Hostel once the new Womens and Families Hostel is completed (although this is likely to now be around £250,000)

Capital receipts, including PRTB receipts, will be allocated in accordance with Council priorities and in particular to support sustainable communities and the Housing Strategy. 'Sustainable communities' has a wide-ranging definition, which is included at **Appendix B** for information. There has previously been an expectation from the Government that the PRTB receipts will be used to benefit the delivery of the sustainable community.

The Asset Business Plan assumes that a further £26.8million of capital receipts will be generated from 2013/14. This has now been reduced down to £25.8million on the expectation of lower values being received for some assets. The £1million reduction will require the capital programme/asset management business case purchases to be reviewed from 1 April 2014. The expectation is that £15million will be set aside to enable the future repayment of debt and the balance being available for reinvestment into new assets that will generate a revenue return.

The Council also receives a small amount from repayments of improvement grants arising as a result of property sales. The Council has approved a change in policy whereby receipts of this nature are now to be used specifically to support Housing Private Sector Renewal initiatives. However given the scale of the potential receipts, for the purpose of this report, they are not separately identified and are included within general capital receipts. As a result of revised Capital Financing Regulations, the Council prepares an annual Minimum Revenue Provision (MRP) Strategy, which was approved by Council in February 2013. During 2008/09, the Council took advantage of an accounting amendment, which generated substantial short-term savings to the authority's revenue budget. This involves the voluntary set aside of unapplied capital receipts. As these capital receipts are spent there will be an adverse impact on the revenue account both in terms of the amount of investment interest received and the level of MRP charged in the year. The Council continues to use this strategy of setting aside any surplus receipts each year in order to minimise its MRP requirement. The cash from these receipts is still available to support capital expenditure.

(iii) Reserves and Balances

The Council currently maintains a reserve to support capital spending - the Asset Investment Reserve. Further information on all of the Council reserves is set out in more detail in the Council's Policy on the Use of Reserves contained within the MTFP.

- **Asset Investment Reserve**

The Asset Investment Reserve currently stands at £0.4m, the use of which is subject to Council approval. Part of the Reserve has been set aside to purchase strategic properties and is included in the Asset Review Business Plan. The reserve also includes £1m built up from contributions from the Industrial Estates capital programme. The capital programme agreed by Council in February 2013 agreed the use of part of this £1m to fund improvements to Industrial Estates.

(iv) Government and Other Capital Grants and External Funding

The Government announced changes to capital grants and capital funding, for example removing ring fencing from certain grants etc. Although these announcements have yet to impact on the Council's funding (?), further developments and announcements may impact on the amount of capital grants and funding available to the Council.

The Council currently receives capital grants to support its Disabled Facilities Grants (DFG) programme. From 2013/14, the level of grant provided to the Council is £663,000 and the requirement for the Council to fund 40% of the cost has been withdrawn.

(v) Revenue Contributions

The Council is free to make contributions from revenue to finance capital spending. In practice however, and given the severe restrictions on the level of revenue spending needed to keep Council Tax at acceptable levels, it is not anticipated that any revenue contributions will be made over the period 2013/14 – 2018/19 to provide resources for capital spending. Where there have been specific 'invest-to-save' projects that have utilised capital resources, these are being 'repaid' to capital through the revenue savings that have been generated. Due to the pressure on the Council's Revenue budget and reserve projections, the opportunity will be taken wherever possible to maximise the use of capital resources rather than revenue resources. This is because capital resources can only be used to finance capital schemes, whereas revenue reserves and balances can be used to support both revenue and capital schemes and therefore gives more flexibility.

6. Summary Capital Spending and Financing

As set out in the Table below, there is currently approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

Table 3 – Summary Programme

Summary Programme	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Estimates Resources 31 March 2013	(7,468)	0	0	0	0	0
In Year Impact:						
Estimated Resources available (Table 2)	(23,705)	(4,697)	(9,404)	(1,363)	(1,163)	(1,163)
Current Proposed Programme (Table 1)	4,655	4,457	8,564	1,363	1,163	1,163
In year projected (surplus)/Deficit in Resources	(19,050)	(240)	(840)	0	0	0
Total	(26,518)	(26,758)	(27,598)	(27,598)	(27,598)	(27,598)
Proposed Asset Review Purchases	7,819	1,038	3,219	0	0	0
Capital Receipts Set aside	15,000	15,000	15,000	15,000	15,000	15,000
Net Year end position	(3,699)	(2,901)	(522)	(522)	(522)	(522)

7. Council Budget Process

- 7.1 The Council operates on a five-year budget cycle, which starts in July with consideration of the MTFP including this Capital Strategy. As the year progresses, services submit capital and revenue bids for service development or to address pressures identified in their respective service plans in accordance with Council priorities. Capital bids have a role to play in developing the Council's revenue budget as in very many cases, a capital project will result in the Council having to budget for ongoing revenue costs in future years.
- 7.2 The Council has set up a formal appraisal system to assess individual capital projects before they are included in the capital programme, and therefore before committing revenue resources. The Corporate Programme Board (CPB) undertakes this to determine: -

- Whether the project meets corporate and service priorities,

- Whether all costs are reasonable and affordable,
- Whether all options to deliver the project have been considered.
- Impact on Revenue budget.
- Any VAT issues

Capital bids are only put forward to members as recommended schemes when this appraisal process is completed satisfactorily.

8. Evaluation and Monitoring of Capital Projects

8.1 The evaluation and monitoring of capital projects is important to enable the Council to determine: -

- If projects have met their individual objectives for service provision,
- If projects have been delivered on time and to budget, or whether lessons need to be learned to improve processes in the future,
- If projects have contributed to the overall aims and objectives of the Council.

8.2 To assist with these processes, the Council has a series of procedures in place as a capital project develops. These consist of: -

- Consideration of all aspects of a capital project by the Corporate Programme Board, comprising senior officers of the Council, whose purpose is to lead on the prioritisation of capital investment through the consideration of business cases and the ongoing monitoring and evaluation of individual capital projects. All proposals for investment will be submitted to members for consideration as part of the normal budget process.
- The development of a risk-assessed project plan for every project, which is subject to regular monitoring against key milestones by a nominated project officer.
- Changes to capital budgets, scheme costs, the inclusion or removal of individual schemes and information on remedial action needed to bring projects back on track are reported to Council as required.
- The Senior Management Team and the Executive receive quarterly monitoring reports on the Capital Programme to review progress on the delivery of projects. This process also includes the evaluation of completed capital projects to assess if their individual aims and objectives have been met, and makes recommendations where necessary to improve the delivery of similar projects in the future.
- The Council's Resources Overview and Scrutiny Panel also critically examines the performance in delivering capital projects on a quarterly basis.

9. Risk Assessment

Although the Council has adequate resources to pay for its existing capital programme in the foreseeable future, the past performance of the capital programme flags up some key risks that need to be addressed to ensure best use is made of the Council's capital resources. The risk assessment for the capital programme is attached at **Appendix C**.

10. Summary

This strategy is designed to outline the processes and risks the Council needs to consider when developing a capital programme that meets corporate and service objectives. It also provides information on the likely level of capital investment that the Council will be able to support over the next five years and gives an indication of the level of resources that will be required, and that are available, to deliver this investment through the capital programme.

Current Capital Programme

Capital Schemes	2013/14 £000	Projected 2014/15 £000	Projected 2015/16 £000	Projected 2016/17 £000	Projected 2017/18 £000	Projected 2018/19 £000
Disabled Facilities Grants	863	863	863	863	663	663
Planned Enhancements to Council Property	300	300	300	300	300	300
Vehicles & Plant	570	279	1,901	200	200	200
ICT Shared Service	225	0	0	0	0	0
Asset Business Plan	0	0	0	0	0	0
Public Realm S. 106 works	370	0	0	0	0	0
Clean Up Carlisle	20	0	0	0	0	0
Arts Centre	50	1,015	0	0	0	0
Public Realm Work	100	0	0	0	0	0
Harraby School Community Campus Contr	600	500	500	0	0	0
Old Town Hall / Greenmarket	0	1,500	0	0	0	0
Leisure Facilities	0	0	5,000	0	0	0
Paternoster Row	100	0	0	0	0	0
Customer Contact Centre	25	0	0	0	0	0
Employee Payment System	70	0	0	0	0	0
Castle Way Cycle Ramp	347	0	0	0	0	0
Document Image Processing	14	0	0	0	0	0
PCIDSS	31	0	0	0	0	0
Families Accommodation	609	0	0	0	0	0
Old Town Hall	298	0	0	0	0	0
Kingstown Industrial Estate	33	0	0	0	0	0
Connect 2 Cycleway	12	0	0	0	0	0
Trinuty MUGA	2	0	0	0	0	0
Play Area Improvements	6	0	0	0	0	0
Castle Street Public Realm	10	0	0	0	0	0
Total Capital Programme	4,655	4,457	8,564	1,363	1,163	1,163
Proposed Asset Review Purchases	7,819	1,038	3,219	0	0	0
Total Potential Capital Programme	12,474	5,495	11,783	1,363	1,163	1,163

Sustainable Communities

In February 2003 the ODPM produced a document called 'Sustainable Communities: building for the future' which provided a summary of the key requirements of a sustainable community as shown below.

1. A flourishing local economy to provide jobs and wealth;
2. Strong leadership to respond positively to change;
3. Effective engagement and participation by local people, groups and businesses, especially in the planning, design and long-term stewardship of their community, and an active voluntary and community sector;
4. A safe and healthy local environment with well-designed public and green space;
5. Sufficient size, scale and density, and the right layout to support basic amenities in the neighbourhood and minimise use of resources (including land);
6. Good public transport and the transport infrastructure both within the community and linking it to urban, rural and regional centres;
7. Buildings – both individually and collectively – that can meet different needs over time, and that minimise the use of resources;
8. A well-integrated mix of decent homes of different types and tenures to support a range of household sizes, ages and incomes;
9. Good quality local public services, including education and training opportunities, health care and community facilities, especially for leisure;
10. A diverse, vibrant and creative local culture, encouraging pride in the community and cohesion within it;
11. A 'sense of place';
12. The right links with the wider regional, national and international community.

Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Reasonably Probable	Marginal	Strengthen the role of Corporate Programme Board when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Reasonably Probable	Marginal	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning. This may need to be reviewed if major schemes progress, e.g. Sands
VAT partial exemption rules are not considered.	Reasonably Probable	Marginal	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not delivered to time	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council.	Reasonably Probable	Marginal	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Probable	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. NWDA grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from PRTB/Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 5 AUGUST 2013

EX.82/13 DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19
(Key Decision – KD.010/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented report RD.33/13 on the Draft Capital Strategy 2014/15 to 2018/19. He informed Members that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines.

The Finance, Governance and Resources Portfolio Holder outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Finance, Governance and Resources Portfolio Holder indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes currently the subject of feasibility

studies, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could be made more accurately.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation set out in the report.

Summary of options rejected None

DECISION

1. That the Report of the Director of Resources (RD.33/13) regarding the draft Capital Strategy 2014/15 to 2018/19 be received.
2. That the draft Capital Strategy be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.

Reasons for Decision

To consult with the Resources Overview and Scrutiny Panel on the draft Capital Strategy for 2014/15 to 2018/19

Report to Council

Agenda
Item:

18(iii)

Meeting Date: 10 September 2013
Portfolio: Finance, Governance and Resources
Key Decision: YES: Recorded in the Notice Ref:KD .012/13
Within Policy and Budget Framework YES
Public / Private Public

Title: **ASSET MANAGEMENT PLAN 2013 - 2018**
Report of: **DIRECTOR OF RESOURCES**
Report Number: **RD 40/13**

Purpose / Summary:

The Asset Management Plan for 2013 – 2018 has been considered at the Executive meetings of 5 August and 2 September 2013 and Resources Overview and Scrutiny Panel on 29 August 2013. It is now brought to Full Council for agreement as part of the Council's Policy Framework.

Recommendations:

The Council adopt the Asset Management Plan for 2013 – 2018.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2013 - 2018

CONTENTS

	Page
1. The Council.....	1
2. The Asset Management Plan and Council Priorities.....	1
3. The Council's Approach to Corporate Planning	2
4. Organisational Framework.....	4
5. Corporate Asset Objectives	7
6. Performance Monitoring and Measurement	8
7. Policy & Strategy.....	10
8. Government Policy and Statutory Responsibilities	13
9. The Resource Context: Value for Money	15
10. Changes in the External Environment and Implications for Property.....	15
11. The Existing Portfolio and Current Performance	17
12. Maintenance Backlog	18
13. Continuous Review and Challenge	20
14. Summary.....	25
Appendix I – National Property Performance Indicators	26
Appendix II – Local Performance Indicators	38

1. The Council

Carlisle City Council delivers services to just over 100,000 people and for the year 2013/14 has a net revenue budget of £13.454 million and capital expenditure of £4.655 million. The Council uses its property resources to deliver services, either directly or through the rental income it earns, and improve the quality of life for local people.

The Council's asset base is one of its key financial resources, with a rental income of around £4.5 million per annum, from its non operational property, and a net asset value, taking account of depreciation, of circa £120 million. The income is comparable to that of Council Tax. Over 20% (12,500 people) of Carlisle's workforce are based on the Council's assets.

2. The Asset Management Plan and Council Priorities

The Carlisle Plan 2013/2016 sets out the Council's vision for the City *"to promote Carlisle as a prosperous City, one in which we can all be proud"*. The Plan identifies the actions and timetabling for delivering the key priorities for the Council to:-

- Support the growth of more, high quality and sustainable, business and employment opportunities.
- Develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle.
- Work more effectively through partnerships to achieve the Council's priorities.
- Work with partners to develop a skilled and prosperous workforce, fit for the future.
- Make Carlisle clean and tidy.
- Address Carlisle's current and future housing needs

The Council has been undergoing a radical transformation of its organisational structure and service delivery to achieve substantial savings in costs, to reduce the base budget over a 5 year period by £5.4 million.

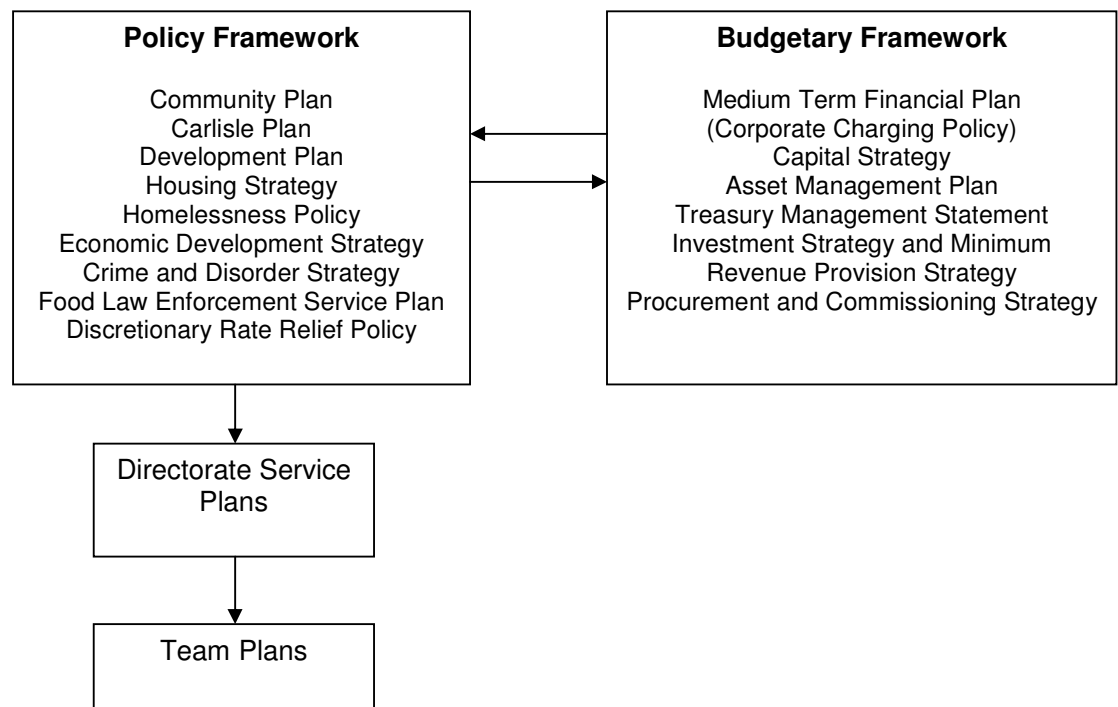
This Asset Management Plan describes how the Council's strategies and policies for its property portfolio will support these priorities and Directorate Service Plans. The Plan aims to provide information about the overall performance of the asset base, and how it is being used and reviewed. It also takes account of, and links into, the Council's Medium Term Financial Plan (MTFP) and the Capital Strategy (CS), which provides guidance on the Capital Programme and use of resources.

3. The Council's Approach to Corporate Planning

The Council has a corporate plan that is reviewed annually to take account of emerging issues. The plan is developed through consultation with stakeholders; it is a statement of the key actions for the Council and likely outcomes for communities.

The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The following diagram illustrates the relationships between the Policy and Budgetary Frameworks.



Community Plan

The community plan is 'owned' by the Carlisle Partnership (our Local Strategic Partnership (LSP)). It reflects and develops the aspirations of the communities of Carlisle and provides a strategic context for the partnership activities of all members of the LSP. For the City Council it is particularly important that the Corporate Plan enables delivery of the Community Plan; there must be similarity between the strategic objectives of both plans.

The communities of Carlisle are consulted and involved in the development of the Community Plan. This Community Plan helps to inform the strategic thinking of partner organisations.

The LSP's Community and Council's Corporate Planning process informs and supports the strategy of the Cumbria Strategic Partnership.

Directorate Service Plans

The primary purpose of a Service Plan is to provide a link between the resources used to deliver services and the delivery of agreed outputs. Service Plans are inextricably linked to each Directorate's budget.

Service Plans develop the key actions of the Carlisle Plan into detailed activities for Directorates and provide a framework for their financial, performance and risk management.

Other Council Strategies, Plans and Policies

The Medium Term Financial Plan (MTFP) takes account of other Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. In particular consideration is given to the following key strategies: -

- The Capital Strategy (CS), which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which set out the assumptions for financing requirements and interest rates and their effect on the revenue budget.

- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy.
- The Local Plan which is in the process of review.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, (some of which are currently under development) which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy.

4. Organisational Framework

The organisational framework for the delivery of property functions has changed in tandem with the Council's Transformation Programme and Asset Review Business Plan which was adopted by Council in 2011. The Business Plan Working Group now provides strategic direction, oversees the corporate management of the Council's property assets, and gives direction to the work programme.

The framework which has been put in place as part of the recommendations of the Asset Review Business Plan is evolving, as a first step in the transformational review of Directorates the Property Services and Building Services teams have come together within the Resources Directorate. Collectively these teams now assume responsibility for providing estate and asset management advice, facility management and running capital projects across the portfolio.

Strategic property advice, in terms of economic development activity, will be delivered through the Economic Development Directorate. Both Directorates report through the Senior Management Team (SMT) and then on through the normal Council channels.

The terms of reference for SMT are:-

- ◆ To develop and implement corporate policy and best practise in relation to the Council's property assets.
- ◆ To give strategic direction to other corporate officer groups dealing with operational property matters.

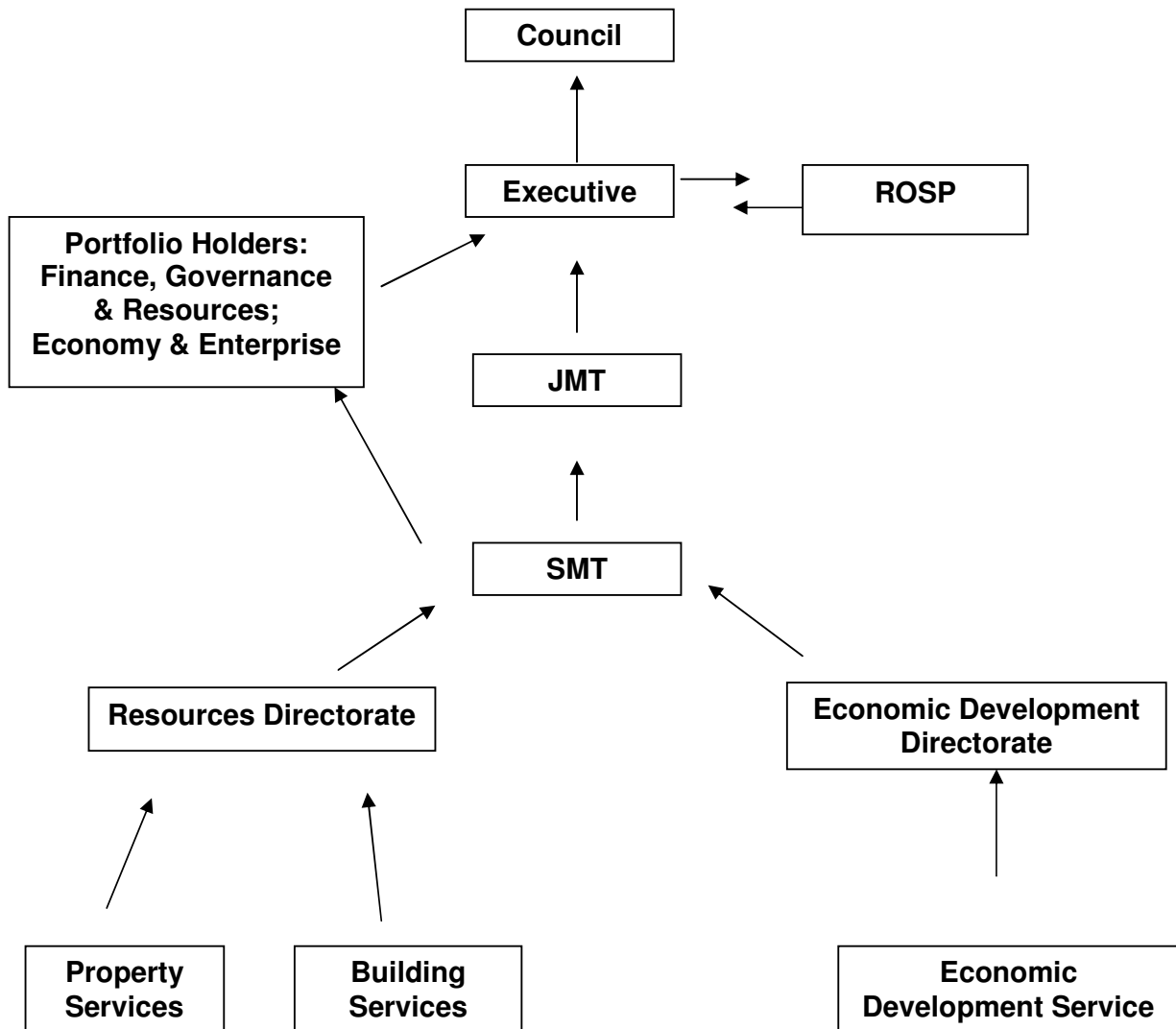
ASSET MANAGEMENT PLAN 2013 – 2018

- ◆ To ensure co-ordination of reporting and decision making on strategic matters relating to property.

SMT meets bi-weekly and membership comprises the Town Clerk & Chief Executive, the Deputy Chief Executive, and the Directors of Resources, Governance, Economic Development, Community Engagement and Local Environment.

The work of SMT reports through the Council's formal channels to Joint Management Team (JMT), the two Portfolio Holders for Finance, Governance & Resources, and Economy and Enterprise, the Executive, Resources Overview and Scrutiny Panel (ROSP), and finally Full Council.

ORGANISATIONAL & REPORTING STRUCTURE



5. Corporate Asset Objectives

Aim

- To set out the Council's policy on the use of assets in order to have a flexible approach to asset ownership and secure a portfolio of the right size, quality, cost and location and one which is suitable and sustainable for service delivery now and into the future.
- To develop a planned approach to the management of the Council's assets linked to corporate priorities.

Objectives

1. To identify all property which the Council owns or uses, compile accurate records, establish its value and the function it performs. Maintain and continually update this information to enable decision making and support to the Council.
2. To make services aware of the costs of occupying property, maximising the use of the asset base to enable efficiency savings, and increasing rental income.
3. To effectively respond to the changing property requirements of service delivery improvements.
4. To provide a transparent basis for property investment decisions, through the Capital Programme, and to have a planned approach to the management of the Council's assets, aligned to corporate objectives.
5. To ensure a healthy and safe environment for property users, promoting improved standards, sufficiency and suitability across the portfolio.
6. To apply "Green Design" principles to construction, refurbishment and maintenance projects and encourage environmentally sustainable management of operational properties.
7. To support the Council's Climate Change Strategy, approved in January 2009, to reduce carbon emissions from our property estate in accordance with the policies and actions set out in the Carbon Management Plan (CMP).

ASSET MANAGEMENT PLAN 2013 – 2018

8. To promote community and partnership use of assets.
9. To link into and contribute to the Council's Medium Term Financial Plan and Capital Strategy.
10. To provide sustainable planned maintenance programmes for a 5-year period.

Delivery

- To develop a planned approach through:-
 - Links to corporate priorities.
 - Carrying out condition surveys
 - Meeting Disabled Discrimination Act requirements.
 - Health and Safety risk assessments.
 - Benchmarking & performance measurement.
- Improving asset management to:-
 - Identify "expensive" and "obsolete" assets.
 - Identify surplus assets.
 - Identify changes to asset requirements, e.g. shared services and home working.
 - Improve energy efficiency, use renewable sources and set targets for carbon reduction.
 - Identify improvements to assets or the asset base to enhance service delivery.
 - Ensure assets are "fit for purposes" and "sustainable".
 - Identify investment opportunities to improve income yields.

6. Performance Monitoring and Measurement

The Council will manage and monitor the use of its property resources to ensure the portfolio meets the objectives set and delivers performance improvements linked to corporate and service objectives. The Council, using the 'Covalent system' overseen by Policy and Communications, manages and monitors performance indicators.

The Council will aim to own assets which are suitable, fit for purpose and sustainable, to enable services to be delivered effectively and with equality of access.

ASSET MANAGEMENT PLAN 2013 – 2018

The Council's performance framework continues to review performance and seek the development of SMART indicators which will effectively measure the contribution property makes to the achievement of corporate objectives set out in the priority actions in the Carlisle Plan.

New data capture procedures have been established and an annual exercise is now undertaken to collect property information in order to measure performance and these are contained in the suite of Performance Indicators (PI's) set out in Appendices I and II of this Plan. The use of PI's has allowed the Authority to improve the monitoring of asset performance, illustrate improvements, and identify shortcomings.

The Government's Operational Efficiency Programme (OEP) recommends that Local Authorities and other agencies use the CIPFA Property Asset Management Planning Network to share best practice. The OEP Report also strongly recommends the use of benchmarking to help drive efficiencies.

The Authority is a member of the CIPFA IPF Asset Management Plan Network. Current best practice is to use the National Property Performance Indicators (NAPPMI) which is set out in Appendix I. These indices measure property condition, maintenance backlog and expenditure, the cost of energy, water and CO₂ emissions, accessibility and space utilisation. Suitability surveys and assessments on the operational portfolio haven't yet been undertaken, work on establishing a framework and protocol for implementing these will get underway as soon as resources allow.

The Authority also produces a suite of local indicators; these are shown in Appendix II, which additionally measure occupancy rates for the let estate and disability access to our buildings.

7. Policy and Strategy

Operational Property Strategy

- The Council will own a highly rationalised portfolio of property to deliver services which provides users with a good standard of suitable, sufficient, accessible and energy efficient accommodation and facilities, in the right location and at the right cost.
- All service property will be efficient and effective in supporting delivery of the Council's priorities.
- The Council will occupy freehold property where appropriate.
- The Council will hold leasehold property only when necessary to deliver accommodation required on a flexible basis, or when freehold is not available.
- The Council will develop partnership working with other local authorities, public sector bodies, the community and voluntary sector to co-locate and share services.
- Investment in property will only be made following the consideration of a detailed business case and options appraisal which includes the revenue implications over its useful life (ie whole life costing).
- The following policy principles are to be applied to enable delivery of the service property strategy:

Investment Principles

Investment should be made only through a 5 year programme where:

- The property is required for the medium or long term use of the Council, and
- The investment:
 - enhances service delivery
 - improves environmental sustainability
 - improves utilisation
 - increases efficiency
 - adds value
- It addresses statutory obligations

Non-Operational Property Strategy

- The Council will own property that helps to deliver the corporate priorities of Environment and Economy.
- The Council will investigate new medium and long-term development opportunities that will support the growth of Carlisle and the Economic Development Strategy.
- The Council will own property that provides a regular and sustainable income stream, as a key component of the Medium Term Financial Plan.
- The Council will strive to improve the performance of the income stream and reduce liability through partnership working and grant assistance where appropriate.

The following policy principles are to be applied to enable delivery of the non-operational property strategy:

Investment Principles

Commercial property will only be held where:

- It provides an acceptable financial return
- There is potential for Council involvement to deliver economic development objectives
- It contributes effectively to the delivery of other Council priorities
- It improves future sustainability of income
- It addresses legal or contractual liabilities and obligations

Surplus Property Strategy

- The Council will normally dispose of assets that it does not require on the open market on a freehold and leasehold basis at best consideration.

The following policy principles are to be applied to enable delivery of the surplus property strategy and the generation of annual capital receipts of £660,000 in 2013/14, and £260,000 from 2014/15 onwards, in line with the Capital Strategy and Medium Term Financial Plan. Note additional receipts from the Asset Review Business Plan Disposal Programme are considered separately in this document and the MTFP.

Surplus Property

All operational and non-operational property will be sold unless one of the following applies:

- It is occupied efficiently and effectively for services in the right location, at the right price.
- It can be used to deliver social, housing, economic or environmental benefits to meet the Council's agreed priorities, in which case the Council may take a flexible approach to a disposal at less than market value, subject to compliance with any statutory consents and full Council approval.
- It is a long-term strategic investment.

Property Acquisition Strategy

- The Council will only acquire assets if there is a business case to support the improvement in service delivery in the Capital Strategy.
- The Council will acquire assets that assist with the delivery of Economic Development policy if there is a business case.
- The Council will develop opportunities, in partnership, to assemble sites to deliver Council objectives, particularly its priorities of Environment and Economy.
- The Council will invest in assets to improve the financial returns and yields from the portfolio and deliver the Asset Review Business Plan.

The following policy principles should be applied to enable delivery of the property acquisition strategy:

Property Acquisition

Property will only be acquired in the following circumstances:

- Where the service cannot be efficiently delivered without it.
- Where it is required to deliver Economic Development policy.
- Where it is required to support the delivery of other Council services and priorities, either directly or through income generation.
- Whole life costing and option appraisal exercises are undertaken.
- Portfolio investments and opportunity purchases meet set target criteria around risk, income returns and yields.

8. Government Policy and Statutory Responsibilities

The overall amount available for distribution to Local Government is determined by the Government's Spending Review. The last review in 2010 (CSR10) is committed to: -

"Delivering a step change in the management of the public sector asset base".

More specifically, the spending review focuses on the condition and management of the public asset stock as a basis for looking at investment decisions. The aim is to maximise value from assets through:

- Disposing of assets no longer required for service delivery.
- Improving the management and utilisation of retained assets.
- Basing future investment decisions on a more complete assessment of the condition and performance of the existing asset base.

The Government's regional policy aims to improve the economic performance of the English regions and to reduce the gap in performance between the regions. The Review of Sub National Economic Development and Regeneration (SNR) sets out a comprehensive package of reform to improve performance. The CSR10 takes forward the conclusions of the SNR.

ASSET MANAGEMENT PLAN 2013 – 2018

The Housing and Regeneration Bill aims to deliver the commitments set out in the Housing Green Paper to provide more and greener homes, in mixed and sustainable communities. The Council has been designated as a Growth Point and is seeking ways to encourage increased levels of affordable housing within the district, working with partners to bring Council owned sites into development for the provision of social and affordable housing.

Although the recent structural changes to local government in England have not brought about a change in governance in local areas in Cumbria, there remains an impetus to increase levels of joint working, to improve the efficiency of service delivery and share accommodation.

The Government is also promoting the community management and ownership of public sector assets, acting on the recommendations of the Quirk Review. It believes that community asset transfer can form part of a strategic approach to the use of local authority assets and that it is an important factor in enabling community organisations to be sustainable. The Council has established a Community Asset Register to monitor and manage this initiative.

The Government recently passed the Climate Change Bill setting ambitious targets for carbon reduction. In line with its Climate Change Strategy and the Nottingham Declaration, the Council has committed itself to tackling environmental improvement and responding to climate change.

A 5-year Carbon Management Plan has been developed with support from the Carbon Trust. Along with other Cumbrian Authorities the Council has set a target to reduce carbon emissions by 25% from its buildings, street lighting and transport related functions by April 2013, against a 2007/08 baseline of 6,306 tonnes of carbon. Buildings account for 74% of the carbon baseline. The data received up to the end of March 2012 indicates that significant progress has been made towards this target. Figures for this year have worsened for the first time (but clearly not in comparison to the baseline year which still shows vast improvement) just on last year's comparisons, due to the harsh and longer winter.

9. The Resource Context: Value for Money

The Audit Commission used to measure how well an organisation managed its resources and delivered value for money and better and sustainable outcomes for local people through an annual Use of Resources assessment. This considered:-

“how well the organisation manages its assets effectively to help deliver its strategic priorities and service needs”.

With the changes in national Government which arose in 2010 this framework for measuring the use of resources was discontinued. However, despite this the Asset Management Plan must still demonstrate a Council-wide approach to managing assets as a corporate resource, with the focus on using its assets to help to deliver social, environmental and economic outcomes for local communities. Asset management planning should be fully integrated with corporate and service planning with clear alignment between asset plans and other corporate service plans.

Collaborating with partner organisations on strategic asset management planning remains an important requirement. The Council will continue to develop its strategic approach to working with other bodies to identify opportunities for shared use and alternative options for the management and ownership of its assets.

10. Changes in the External Environment and Implications for Property

The underlying economic factors affecting the national economy apply to Carlisle subject to its relatively isolated and remote location. The City is held back from realising its full potential because generally it has not been considered a prime location for investment by property market decision-makers. In overall terms, its property economy is relatively self-contained on a needs must basis.

It is mainly sub-regional and local developers and investors who serve the Carlisle property market, with the possible exception of the retail sector. When the UK market shows an upward trend, stability or decline, the Carlisle market follows proportionately – subject to a time delay because of its location.

The City's peaks have been historically, neither high enough nor long enough to attract much national interest – or more importantly, the magnet of institutional funds which finances property development.

It is the major financial institutions who ultimately control capital flow and investment. It is such institutions that make decisions in the UK property market. These funders prefer rapid rental growth in return for their capital investment in order to secure large rewards quickly and offset risk.

Unless funders are looking for long-term sustainable investment, with a local geographic commitment, developers will prefer more profitable southern locations where rental growth increases more rapidly, and over longer periods.

This risk adverse attitude by the private sector has meant that to date, the public sector has had to be proactive in order to attract development to Carlisle in order to improve economic development opportunities for the community. This is why Carlisle City Council owns the legacy of a considerable property portfolio, and needs to be involved in public/private partnership working.

The changing economic climate, both at a national and local level, arising from the “credit crunch” of a few years ago, restricted borrowing regimes and the continued economic recession, is impacting on the local property market. The Government’s Comprehensive Spending Review, cutting public spending by 25%, to redress the budget deficit, has fuelled further uncertainty in the economy and property markets.

Demand has fallen in all sectors, capital and rental values have decreased. The residential and commercial investment markets, although showing signs of stabilising, still face difficult and uncertain times ahead. These downward trends in the market have undoubtedly affected the Council’s portfolio, and will influence what we can do, and the way we do it, in the forthcoming years. Apart from the effect of some structural changes to the way certain assets are held, the overall capital value of the portfolio has remained at a static level. There has been some upward and downward movement in market values for particular assets but, overall this has balanced out to leave the position year on year unchanged. The makeup of the investment portfolio is quite resilient but, rental income has fallen by roughly £250,000 (5%) since the peak of the market. This mainly arises from the retail part of the portfolio and the influence of the Disposal Programme, although recently the retail market has shown faint signs it may have bottomed out and stabilised but, undoubtedly it will be several years before any real growth materialises and, when this does arise, it will be slight.

The generation of capital receipts may be more problematic in the future the longer the downturn in the market, particularly the residential sector, persists.

11. The Existing Portfolio and Current Performance

Gross Asset Value as at 31 March 2013.

	Operational assets		Non operational assets		Total
	Community Assets	Land & Buildings	Investment	Surplus	
No of assets	71	79	60	2	212
Total income	£26,000	£1,107,000	£4,616,000	Nil	£5,749,000
Capital value	£3,832,000	£27,664,000	£95,016,000	£582,000	£127,094,000
Capital Expenditure	£62,182	£946,882	£442,206	-	£1,451,270
Asset Reserve		-	£392,000		£392,000
Maintenance backlog		£2,970,625	£2,000,000	-	£4,970,625

NB The total capital spend in 2012/13 was £4.5 million. However this did not all relate to property assets, £1.2 million was Revenue Expenditure Funded from Capital Under Statute which included capital works on assets which are not owned by the Council.

The figure for the maintenance backlog on the operational buildings in the portfolio is based on a costed 5 year plan derived from a rolling programme of Condition Surveys. The figure has decreased by around £340,000 or 10% since last year. This is partially a result of the disposal of assets, and partly due to the consequences of remedial work carried out under the capital works programme.

The figure for the non-operational backlog relates to historical infrastructure costs associated with our industrial estate ground rented portfolio and has not been reviewed for a number of years. There is a suspicion this figure has come down, due to the disposal programme and the capital expenditure which has gone into infrastructure improvements on the Kingstown, Durranhill and Willowholme Industrial Estates over the last few years but, as there is no recent survey data available, this notion can't be substantiated with evidence.

12. Maintenance Backlog

	12/13	13/14	14/15	15/16	16/17
Total Revenue Budget	£700,000	£646,500	£646,500	£646,500	£646,500
Capital Schemes Special Projects	£577,357	£300,000	£300,000	£300,000	£300,000
Ratio Planned: Reactive Maintenance	76 : 24	76 : 24	76 : 24	76 : 24	76 : 24

Based upon property condition surveys, an annual planned maintenance programme has been established for all the operational assets. There is a maintenance backlog; currently £2,970,625 for the portfolio of operational and non-operational buildings, the delivery programme to reduce this incorporates a degree of flexibility and balance in order to respond to the demands and aspirations for service delivery, asset review, and other changing circumstances which may arise during the course of the programme. Members approved a 3 year programme of planned and reactive maintenance on 19 November 2012 (report reference RD53/12). In condition category terms the split is as follows:-

Condition Category (as a % of Gross Internal Area Operational Property)	Sustainable Criteria
A. (Excellent) 51%	Yes
B. (Good) 31%	Yes
C. (Mediocre) 13%	Review
D. (Poor) 5%	No

Improvements in the operational portfolio are mainly due to the new Shaddongate Resource Centre.

Energy Efficiency

Reflecting the Council's Environmental Policy and Carbon Management Plan a programme of energy efficiency and renewable energy projects has been carried out. Significant investment in Tullie House in the year 2011/12 has resulted in the target of 20% reduction in energy consumption being achieved. The merits and feasibility of a Hydro scheme is still being investigated on the Caldew at Denton Holme. New boilers have been installed in Morton Community Centre.

There has been little investment in new energy efficiency schemes in the last year. The cold winter and spring has resulted in increased costs for gas in particular. The new solar photovoltaic arrays at the Civic Centre and Sands Centre have been successful in terms of electricity generation and income received from the feed in tariff.

Capital Works and Repairs

The programme of works identified in the Capital Major Repairs Programme is initially shaped by a 5 year maintenance plan produced from condition surveys and adjusted each year to keep abreast with new legislation. The Council has a legal duty to maintain its properties. This programme is required to meet those duties. Report (RD 01/13) was presented to the Executive on the 8th April 2013 with proposals for capital investment for planned major repairs. The business case identified 7 separate projects required to meet the Council's legal obligations and priorities for building maintenance.

The capital schemes special project fund for the programme 2013/14 has been allocated as follows:-

ASSET MANAGEMENT PLAN 2013 – 2018

PROJECT	COST	PRIORITY
Civic Centre - Rewiring and refurbishment of programme	£90,000	Health and Safety / Energy Conservation
Tullie House – Re-covering of flat roof area over Paintings store	£80,000	Business Case/ Conservation/Asset protection
Civic Centre – Re pave the flagged areas to the frontal approach and entrance	£25,000	Health and Safety
Enterprise Centre – Re- cover the main flat roof	£50,000	Business case
West Walls – Stone repairs and re-pointing of historic City Wall	£20,000	Heritage Conservation
Talkin Tarn – Underpin the Tea Room wall foundation	£25,000	Health and Safety
Various Properties – Asbestos removal	£10,000	Health and Safety
TOTAL	£300,000	

13. Continuous Review and Challenge

1. The City Council holds a significant, but numerous and diverse, portfolio of assets across Carlisle. This portfolio generates considerable income for the City and has an important impact on the local economy.
2. It has a highly rationalised operational (service occupied) portfolio, with a manageable maintenance backlog, but with scope for further consolidation.
3. It has a diverse and mixed non-operational (predominantly commercial and industrial) portfolio which has considerable further potential.
4. The Council possesses a good portfolio and has a record of using property well to meet its aims; it is planning for future investment and development to allow it to continue to do this.

5. The opportunity has been grasped to take a more dynamic and commercial approach to the management of the portfolio in order to strategically balance the need for operational assets, income generation and economic development, in support of the local economy, the protection of public services and other priority objectives.
6. The Transformation Programme has identified the need for further rationalisation and consolidation of the operational property to improve access to public services and efficiency.

Accommodation Review

An Accommodation Review is underway as an integral part of the Transformation Programme to review corporate accommodation, both back office and front public facing service delivery properties. This will comprise a comprehensive analysis of accommodation needs and the existing provision, explore future solutions and implement the most beneficial models for the Authority. It seeks to deliver effective and efficient accommodation that suits the needs of each service, establish a more corporate approach to accommodation, make more effective use of space, improve the working environment and make the accommodation as productive as possible. The project will be on going over several years, and will be undertaken in phases. It will cover all the City's operational buildings with an initial focus on the Civic Centre, Boustead's Grassing and the Depots. The project's outcomes must deliver:-

- Corporate standards for accommodation;
- Efficient and effective accommodation for all Council staff & operations;
- Consolidate office staff and functions into the Civic Centre;
- Maximise usage of occupied accommodation and deliver efficiencies;
- Maximise potential revenue streams;
- Identify and meet target capital receipt savings and income.

To date the review has achieved the following improvements to the portfolio:-

- Centralisation of back office delivery with the closure and demolition of part of Boustead's Grassing and transfer of staff to the Civic Centre;
- Improved space utilisation in the Civic Centre;

ASSET MANAGEMENT PLAN 2013 – 2018

- Continued development of the Customer Contact Centre as a public service centre hub;
- The letting and sharing of office space with other public sector providers
- An interim rationalisation of the Councils Depots, Willowholme Depot has been declared surplus to requirements and is on the market for sale;
- Provision of a new Women's and Family Hostel in Water Street to replace the existing facility.

The challenges going forward are to further examine space utilisation in the Civic Centre; the continued reduction in staff during 2012/13 has led to deterioration in the occupancy rate and increased costs per full time employee (FTE), and to find new occupiers to share the surplus accommodation, reduce overall costs in use, and compliment the Council's ambitions to improve public access to a wider range of customer services through the Contact Centre. Also, with the recent transfer of retained Highway Rights back to the County Council there is a need, in the light of future service requirements, to further examine the utilisation and retention of Boustead's Grassing as sustainable Depot and the possible requirement for alternative provision.

ASSET MANAGEMENT PLAN 2013 – 2018

Asset Review Business Plan

An asset review and investigation into the options for the development of a new approach to the management and use of the portfolio has been concluded with the adoption by Council in January of an Asset Review Business Plan (Report Ref. CE 39/10 refers).

The strategic objectives of the Plan are broadly to have:-

- Clear and separately focused management of the operational, investment and economic development assets.
- Fewer higher value assets which will give a better yield and are cheaper and easier to manage
- The latent value and development opportunities embedded in the portfolio unlocked and released for reinvestment.
- Well maintained assets which will continue to be attractive to tenants and occupiers.
- Increased returns through higher income and lower outgoings.

To provide clear segregation between the objectives and priorities for each asset the portfolio has been divided into 3 distinct categories established as follows:-

1. Operational Assets – properties that are needed in order to carry out the Council's day to day business and deliver services or are required and retained for public benefit. The task here is to create through rationalisation an efficient and sustainable portfolio which is fit for purpose.
2. Economic Development Assets – properties that are identified or acquired for strategic purposes to stimulate and deliver economic development activity leading to growth and regeneration of the City and District.
3. Investment Assets – properties where the sole function is to deliver the maximum financial return for the Authority through revenue receipts and capital growth which meets set targets and criteria.

The next step in the implementation of the Business Plan is to put in place the management structures and resource capacity to deliver the 3 portfolio areas and the overarching strategic asset management. These changes will take place within the context of the Transformation Programme.

ASSET MANAGEMENT PLAN 2013 – 2018

Disposal Programme

The Business Plan recognises that the current Investment portfolio needs re-engineering through a process of rationalisation to consolidate the asset base and improve overall financial returns through reinvestment or acquisitions. The Plan aims at realising £24m through the disposal over a 4 year period of 51 assets which are underperforming or have embedded value which can be realised. The proceeds will be used to generate additional income of £1m to support budget and efficiency savings and help protect and secure service delivery into the future.

Outcomes:

In line with expectations individual asset receipts have produced results on, below and above target figures. To date 25 assets have been sold realising total gross receipts of circa £5.5 million. Overall the returns show an increase of approximately 18% (Morton excluded) above the business plan estimates. The market appears to be hardening for certain types of asset; at this juncture in the programme there is no reason to suspect the current trends and levels of return will not continue however, we have adopted a conservative approach and these increases have not been built into future sale projections. Note the Morton Site, anticipating a receipt following the grant of outline planning consent in excess of the Business Plan estimate, has been included in the 2012/13 budget at a figure of £15m.

Reinvestment Options:

The Business Plan envisages capital receipts will be used to generate £1 million additional revenue and support purchases in the economic development and operational property portfolios.

Opportunity purchases into the Economic Development portfolio have recently been completed to consolidate the Council's existing ownership and land holdings in Rickergate with the acquisition of further properties in the Warwick St area.

The Morton disposals, paramount to the disposal programme, are progressing. The Executive's 2012/13 budget resolved that a £15 million Treasury Management investment is transacted whilst the longer term options for the proceeds of sale are determined, including option appraisals for paying off a £15 million stock issue in 2020.

Purchases into the investment portfolio are being investigated and under consideration, and the Council is examining the options and feasibility for alternative approaches to the asset and estate management of its investment land holdings at Kingstown and Parkhouse.


14. Summary

1. The Council has the Governance & Resources Portfolio Holder responsible for asset management.
2. Members are aware and have approved a plan to address backlog maintenance.
3. Performance measures, which are being improved upon, are in place to evaluate asset use in relation to corporate objectives.
4. The Council has a highly rationalised and suitable service occupied portfolio with a manageable maintenance backlog which it will seek to improve through the Accommodation Review; it has a considerable commercial portfolio, which is generating substantial rental income.
5. The Council's asset base has considerable latent value, which if unlocked through the new Asset Review Business Plan and Disposal Programme, will help provide more robust support to economic development initiatives, generate additional income and provide a portfolio which is cheaper and easier to manage.
6. The Council is looking at opportunities for rationalising the portfolio and sharing accommodation with other public bodies and partner organisations.

APPENDIX I

NATIONAL PROPERTY PERFORMANCE INDICATORS


APPENDIX I

 CARLISLE CITY COUNCIL www.carlisle.gov.uk	Asset Management Plan		
	Appendix : Property Performance Indicators		
COPROP Property Management Initiative Property Performance Indicators (PMI's)			
<u>PMI 1A: % gross internal floor-space in condition categories A- D</u>			
	<u>Mar-11</u>	<u>Mar-12</u>	<u>Mar-13</u>
(a) Schools: Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	n/a n/a n/a n/a	n/a n/a n/a n/a	n/a n/a n/a n/a
(b) Other Land & Buildings: Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	46.1 31.8 17.2 4.9	49.1 32.6 12.8 5.5	50.8 31.4 12.5 5.3
(c) Community Assets: Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	n/a n/a n/a n/a	n/a n/a n/a n/a	n/a n/a n/a n/a
(d) Non-operational assets: Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	0 19 6 75	0 38.3 0 61.7	0 30.7 0.8 68.5
Objective:- To measure the condition of the asset for its current use			
Definitions:- A: Good – Performing as intended and operating efficiently B: Satisfactory – Performing as intended but showing minor deterioration C: Poor – Showing major defects and/or not operating as intended D: Bad – Life expired and/or serious risk of imminent failure			

Comments:-

We do not currently hold the required level of information on our Community assets and this information will be collated in due course. Non-operational assets include our investment portfolio of individual shops and offices, workshops and the Enterprise Centre. It does not include our ground lease portfolio. The marginal overall shift in improvement on the operational properties is due to the new buildings coming into the portfolio such as the Resource Centre and the new Crematorium offices. The decline in performance of the non-operational portfolio is largely due to the relatively high proportion of poor quality assets left on the books as a consequence of the disposal programme. For example, the Enterprise Centre now accounts for 69% of non operational floor space.

ASSET MANAGEMENT PLAN 2013 – 2018

 <p>CARLISLE CITY COUNCIL</p> <p>www.carlisle.gov.uk</p>	Asset Management Plan
	Appendix : Property Performance Indicators


PMI 1B: required maintenance by cost expressed (i) as total cost in priority levels 1-3; (ii) as a % in priority levels 1-3; and (iii) overall cost per m² GIA						
	Mar-11		Mar-12		Mar-13	
	£	%	£	%	£	%
(a) Schools						
Urgent repairs (priority 1)						
Essential repairs (priority 2)						
Desirable repairs (priority 3)						
Total						
<i>Overall Cost per m² GIA</i>						
(b) Other Land & Buildings						
Urgent repairs (priority 1)	295,840	12.5	397,800	16	325,600	15
Essential repairs (priority 2)	1,667,350	70.2	1,684,900	68	1,460,425	68
Desirable repairs (priority 3)	411,375	17.3	385,725	16	353,600	17
Total	2,374,565		2,468,425		2,139,625	100
<i>Overall Cost per m² GIA</i>	45.47		49.94		41.59	
(c) Community Assets:						
Urgent repairs (priority 1)	n/a		n/a		n/a	
Essential repairs (priority 2)	n/a		n/a		n/a	
Desirable repairs (priority 3)	n/a		n/a		n/a	
Total	n/a		n/a		n/a	
<i>Overall Cost per m² GIA</i>	n/a		n/a		n/a	
(d) Non-operational Assets:						
Urgent repairs (priority 1)	5850	1.2	0			
Essential repairs (priority 2)	463,150	98.6	841,000	100	561,000	68
Desirable repairs (priority 3)	900	0.2	0		270,000	32
Total	469,900		841,000		831,000	100
<i>Overall Cost per m² GIA</i>	70.29		138.82		124.03	
Objective:- Measure required maintenance.						
Definitions:- Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation. Essential work required within two years that will prevent serious deterioration of the fabric of the services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of the legislation.						

Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation.

Comments:-

Non-operational assets include our investment portfolio of individual shops and offices, workshops and the Enterprise Centre. It does not include our ground lease portfolio. Slightly improving overall picture to the operational portfolio as capital expenditure has been targeted at urgent work. The changes noted to the Non-operational assets are primarily due to a review of the categorisation of repairs to reflect consultant advice on achieving energy performance ratings.

ASSET MANAGEMENT PLAN 2013 – 2018

 <p>CARLISLE CITY COUNCIL www.carlisle.gov.uk</p>	Asset Management Plan
	Appendix: Property Performance Indicators

PMI 1C: Annual Percentage change to total required maintenance figure over previous year

	Mar-13
Total Required Maintenance	£2,970,625
Annual % Change in total required maintenance from previous year	-10

Objective:- Measure changes in spend on maintenance.

Definitions:-

Required maintenance is defined as “The cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or meet statutory or contract obligations and maintain it at the standard”.
Spend on maintenance covers the total repair and maintenance programme (reactive and planned) including any associated fees for the work. It should also include any capital spending on repair and maintenance.

Comments:-

The total backlog maintenance liability figure shows a reduction from last year. This is attributable to the ongoing process of rationalisation across the portfolio and the disposal/replacement of high maintenance and costly properties.

PMI 1D: Maintenance Spend

		2011/12	2012/13
(i)	Total spend on maintenance	1,200,514	962,654
(ii)	Total spend on maintenance per m ² GIA	£20.54	£16.55
(iii)	Planned/reactive maintenance split	76% / 24%	76%:24%

Objective:- Show split in type of maintenance

Definition of Planned and Reactive Repairs:-



Planned – If the work is part of a regular routine e.g. removing leaves from gutters, re-decorations, replacing worn out items, routine servicing of plant etc.

Reactive – If the work is unexpected e.g. leaking roof, broken toilet seat etc. This would include urgent/critical work identified during routine servicing.
 To be classified as planned, you do not necessarily need to have known in advance that you would be arranging the work at a specific point in time but you were aware that work would be needed.


Comments:-

Reduced annual spend reflecting the budgetary constraints on resources available to look after the portfolio.

ASSET MANAGEMENT PLAN 2013 – 2018



 CARLISLE CITY COUNCIL  www.carlisle.gov.uk	Asset Management Plan
	Appendix: Property Performance Indicators

PMI 2 A, B & C Environmental Property Issues				
		2010/11	2011/12	2012/13
A	Energy Cost – total spend (£)			
	Energy Total Consumption (kwh)	12,863,493	11,008,581	10,934,582
	Energy Cost per m ² (£/m ²)			
	Energy Consumption per m ²	329.60	282.08	280.59
B	Water Cost – total spend (£)			
	Water Total Consumption (m ³)	12593	12003	9417
	Water Cost per m ² (£/m ²)			
	Water Consumption per m ² (m ³ /m ²)	0.58	0.55	0.48
C	CO2 Total Emissions (tonnes CO ²)	3820.62	3321.52	3326.26
	CO2 total Emissions/m ² (Tonnes CO ² /m ²)	0.0979	0.0851	0.0854
To encourage efficient use of assets over time and year-on-year improvements in energy efficiency.				
Definitions:- To reduce environmental impacts of operational property. To highlight areas of poor or mediocre energy and water efficiency/performance and act as a catalyst for improvement. To compliment the process for 'Energy Certificates'. To support the assessment of property performance together with condition and suitability within the framework of Asset Management Planning.				
Comments:- Although generally recognised that energy costs are increasing the effect of this has been offset by a reduction in consumption. This is attributable to energy saving conservation projects which have been adopted but also due to shrinking operations arising from the Transformation process. The dramatic change in the consumption of water is much more than could be reasonably anticipated, the fall is excessive and is probably due to a billing anomaly.				

 <p>CARLISLE CITY COUNCIL</p> <p>www.carlisle.gov.uk</p>	Asset Management Plan
	Appendix: Property Performance Indicators


PMI 3 A & B: Suitability Surveys (Local Indicator)			
	Mar-11	Mar-12	Mar-13
% of Portfolio by GIA m ² for which a Suitability Survey has been undertaken in the last 5 years	Not available	Not available	Not available
Number of properties, for which a Suitability Survey has been undertaken over the last 5 years	Not available	Not available	Not available
Objective:- For Local Authorities to carry out Suitability Surveys enabling them to identify how assets support and contribute to the effectiveness of frontline service deliveries i.e. are they fit for purpose.			
Definitions:- To be reported for all operational buildings (excluding Schools) occupied by the Local Authority. To ensure that the property meets the needs of the user. To enable key decisions to be made.			
Comments:- Suitability surveys will be undertaken on a phased basis as and when resources allow.			

ASSET MANAGEMENT PLAN 2013 – 2018

 CARLISLE CITY COUNCIL  www.carlisle.gov.uk	Asset Management Plan
	Appendix: Property Performance Indicators

PMI 4 A, B, C & D: Provision of access to buildings for people with disabilities		Mar-12	Mar-13
A	% of Portfolio by GIA sq.m for which an Access Audit has been undertaken by a competent person	73.72%	76.11%
B	Number of properties for which an Access Audit has been undertaken by a competent person	33	36
C	% of Portfolio by GIA sq.m for which there is an Accessibility Plan in place	73.72%	76.11%
D	Number of properties for which there is an Accessibility Plan in place	33	36
BV 156	% Percentage of authority buildings open to the public in which all public areas are suitable for and accessible to disabled people	83.9%	84.4%
Objective:- To monitor progress in providing access to buildings for people with disabilities.			
Definitions:- To monitor the progress at which Local Authorities carry out access audits. To enable key decisions to be made.			
Comments:- Further audit inspections have been undertaken. Year on year PI remains relatively static. The slight improvement is due to a higher proportion of non-compliant properties being disposed. A level of accessibility has now been attained such that further progress with these indices will be difficult to achieve without considerable capital expenditure.			

ASSET MANAGEMENT PLAN 2013 – 2018

 <p>CARLISLE CITY COUNCIL</p> <p>www.carlisle.gov.uk</p>	Asset Management Plan
	Appendix: Property Performance Indicators

PMI 5 A & B: Sufficiency (Capacity and Utilisation) Office Portfolio

		Mar-12	Mar-13
A1a	Operational office property as a percentage (% GIA m ²) of the total portfolio	20.9%	20.6%
A1b	Office space per head of population	0.11 sq m	0.11 sq m
A2	Office space as a % of total floor space in operational office buildings using NOS to NIA	78%	78%
A3a	The number of office or operational buildings shared with other public agencies	1	1
A3b	The % of office or operational buildings shared with public agencies	50%	50%
B1	Average office floor space per number of staff in office based teams (NIA per FTE)	15.67 sq m	17.33 sq m
B2	Average floor space per workstation (not FTE)	10.87 sq m	10.87 sq m
B3	Annual property cost per workstation (not FTE)	£1028.21	£1112.51

Objective:-

To measure the capacity and utilisation of the office portfolio. There is an implicit assumption that services should be delivered in the minimum amount of space as space is costly to own and use. For a similar reason an authority should occupy a minimum of administrative accommodation.

Definitions:-

To identify the intensity of use of space.

To assist councils to identify and minimise assets which are surplus or not in use.

To minimise costs of assets (or avoidance of costs from acquiring more space) through intensification of use.

To measure the level of usage.

Net Internal Area (NIA): The usable area within a building measured to the internal face of the perimeter walls at each floor level.



Net Office Space (NOS): NIA less primary circulation space, civic areas, reception areas, canteen facilities and basement store.

Full Time Equivalent (FTE): No of staff based in the building expressed in full time equivalent terms.

Comments:-



Recent improvements in occupancy rates, achieved through the Accommodation Review, have deteriorated within the Civic Centre. The lower utilisation rate has arisen from staff reductions; there are now more empty desks throughout the building, highlighting a need for further review to redress the shortfalls.

ASSET MANAGEMENT PLAN 2013 – 2018

 CARLISLE CITY COUNCIL  www.carlisle.gov.uk	Asset Management Plan
	Appendix : Property Performance Indicators

PMI 6: Spend		
	Mar-12	Mar-13
Gross Property Costs of the operational estate as a % of the Gross Revenue Budget	2.5%	2.26%
Gross Property Costs per m ² GIA by CIPFA Categories/Types:	£/m2	£/m2
Schools		
Operational Buildings	35.10	29.26
Community Assets	N/A	N/A
Non-operational Assets	16.78	18.06
Objective:- To measure the overall property costs and changes over time. This will be backed up by a number of local indicators relating to the various elements of buildings.		
Comments:- Total running costs show a slight overall improvement on last year's figures as a proportion of the total gross revenue budget. Breaking down the figures, non operational costs reflect a slight increase; this is mainly associated with the Enterprise Centre.		

ASSET MANAGEMENT PLAN 2013 – 2018

 CARLISLE CITY COUNCIL  www.carlisle.gov.uk	Asset Management Plan
	Appendix : Property Performance Indicators

PMI 7 A, B, C & D: Time & Cost Predictability		<u>Mar-12</u>	<u>Mar-13</u>
A	The % of projects where the actual time between Commit to Design & Commit to Construct is within, or not more than 5% above, the time predicted at Commit to Design	90%	100%
B	The % of projects where the actual time between Commit to Construct & Available for Use is within, or not more than 5% above, the time predicted at Commit to Construct	100%	100%
C	The % of projects where the actual cost at Commit to Construct is within +/- 5% of the cost predicted at Commit to Design	100%	100%
D	The % of projects where the actual cost at Available for Use is within +/- 5% of the cost predicted at Commit to Construct	100%	90%
Objective:- To measure time and cost predictability pre and post-contract. To identify variability through the design and construction phases of the project, with the added flexibility of optional "local" indicators to start the measures at an earlier stage.			
Comments:- A cautious approach is taken to target setting for project timescales. Costs limits are strictly enforced and projects are amended to meet the budget if unforeseeable events result in increases beyond the contingency sum. This is reflected in the indicator result. In respect of (D) the 90% outturn figure reflects the position on the Community Resource & Training Centre at Shaddongate where costs exceeded budget. The City QS consultant continually informed us that costs would be within budget until the final account stage.			

APPENDIX II

LOCAL PERFORMANCE INDICATORS

APPENDIX II

Local Performance Indicators

Indicator	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Target	12/13 Actual	Comments
BV 156 Percentage of buildings open to the public suitable for and accessible to disabled people	81.81%	82%	83.8%	83.9%	85%	84.4%	The slight improvement is due to a higher proportion of non-compliant buildings being disposed of. Improved performance on the remaining buildings will be increasingly difficult to achieve due to capital costs and the nature of the portfolio i.e. Listed Buildings.
MI 931 C1 Maximise the occupancy of Council's commercially let business units	90.53%	87.96%	88.03%	87.87%	90%	85.92%	The target going forward remains the same reflecting the unchanged market conditions. The disposal of a significant proportion of our workshop portfolio, relatively well let, has impacted negatively on this indicator.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 5 AUGUST 2013

EX.83/13 DRAFT ASSET MANAGEMENT PLAN
(Key Decision – KD.012/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented report RD.31/13 on the draft Asset Management Plan 2013 – 2018.

The Finance, Governance and Resources Portfolio Holder outlined the background to the matter, reminding Members that the draft Asset Management Plan was being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011 details of which were provided.

The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Finance, Governance and Resources Portfolio Holder moved the recommendation that Members note the position and approve the updates to the Draft Asset Management Plan in order for it to proceed for consideration by the Resources Overview and Scrutiny Panel and full Council.

Summary of options rejected None

DECISION

That the Executive:

1. Noted the position as set out in Report RD.31/13.
2. Approved the updates to the draft Asset Management Plan in order for it to proceed for consideration by the Resources Overview and Scrutiny Panel, before coming back to the Executive and full Council in September 2013.

Reasons for Decision

To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme

Report to Council

Agenda
Item:

18(iv)

Meeting Date: 10th September 2013
Portfolio: Environment and Transport
Key Decision: Yes: Recorded in the Notice Ref:KD
Within Policy and
Budget Framework YES
Public / Private Public

Title: Release of Funding for Changes to Purple Waste Sack Collections
Report of: The Director of Local Environment
Report Number: LE28/13

Purpose / Summary: A comprehensive review of the Purple Sack collection has been carried out, in order to reduce the environmental impact of litter from these collections. The Executive decided to approve a new collection scheme for properties currently provided with a weekly purple sack collection to either fortnightly collections of refuse from a wheeled bin or where this method of collection is not possible, a weekly collection of refuse contained within a reusable "Gull sack".

Recommendations:

That Council approve an increase to the capital programme in 2013/14 by £69,539 for the purchase of additional wheeled bins and gull sacks required to make the changes, funded by the available capacity within savings from Local Environment salary turnover savings and place orders for said equipment with immediate effect.

Tracking

Executive:	5th August 2013
Overview and Scrutiny:	
Council:	10th September 2013

1. BACKGROUND

The Executive considered the Purple Sack Review and decided to make changes to properties with a purple waste sack collection to introduce either a fortnightly wheeled bin collection or where this method is not possible a weekly collection of refuse contained within a reusable "Gull Sack".

In order to procure the wheeled bins and gull sacks to make the changes to the service, Council is asked to approve the addition of £69,539 to the Capital Programme in 2013/14. This will be funded by capacity in revenue savings from Local Environment Salary turnover savings in this year.

1.1 Option 1- Not approve the release of funds

No release of funds will mean that the service changes cannot be introduced so litter currently created by the sack collection (often being split open by seagulls other animals, vermin and would be vandals) will continue. This does not support the Clean Up Carlisle Campaign.

1.2 Option 2 – Approve release of funds to enable the changes to happen

Release of funds will enable the Council to improve the collections at purple sack properties and significantly reduce the littering issues currently caused by the split purple sacks, supporting the Clean Up Carlisle campaign with the added environmental benefits of improved recycling and sustainability.

2. RECOMMENDATIONS

That Council approve an increase to the capital programme in 2013/14 by £69,539 for the purchase of additional wheeled bins and gull sacks required to make the changes, funded by the available capacity within savings from Local Environment salary turnover savings and place orders for said equipment with immediate effect.

3. CONSULTATION

3.1 Economy and Environment 8th May 2013

3.2 Public consultation with effected properties

4. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

4.1 The proposed changes will provide an improved service and added benefits as listed below;

- Reduction in littering issues currently caused by the split purple sacks and be consistent with “Clean-up Carlisle,” one of the Councils key initiatives;
- Increased levels of recycling in these areas;
- Better for the environment by supplying re-useable containers for waste (Gull Sacks and wheeled bins);
- It is safer to collect a wheeled bin than a purple sack, therefore the welfare and Health and safety of the crews will improve.
- Provision of wheeled bins should reduce instances of identity theft;
- More cost effective and efficient than the current system;

4.2 The cost of the containers will be met within the overall revenue cost of the service.

Contact Officer: Angela Culleton

Ext 7325

Appendices

Attached to report

Note: in compliance with section 100d of the Local Government (Access to information) Act 1985, the report has been prepared in part from the following papers:

Executive Paper LE22/13

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's-

Community Engagement-

Economic Development-

Governance- Items procured under the proposals must be sourced in accordance with the Council's Contract Procedure Rules.

Local Environment-

Resources- The review of the Purple Sack collection requires an increase to the Council's capital programme of £69,539 for new bins and gull sacks. The proposal to utilise salary turnover savings to fund the capital cost will mean that there is no reduction in the

Council's overall capital resources. The Council has a framework agreement that it can use for the purchase of wheelie bins and due to the value being purchased, this would be the procurement route to be taken.

HR implications-

Report to Executive

Agenda
Item:

Meeting Date: 5th August 2013
Portfolio: Environment and Transport
Key Decision: Yes: Recorded in the Notice Ref:KD 01/13
Within Policy and Budget Framework YES
Public / Private Public

Title: PURPLE SACKS REVIEW
Report of: The Director of Local Environment
Report Number: LE22/13

Purpose / Summary:

Improving the quality of the local environment is a corporate priority for the City Council and the Council adopted the “Clean up Carlisle” campaign in 2012. Significant efforts have been taken to improve the quality of street cleansing and keeping the streets clean through investment in new street cleaning machines, new programmes of work and in education and enforcement to prevent littering and dog fouling. Despite these improvements, complaints have continued to be received about litter from torn refuse sacks in areas without a wheeled bin collection and important resources are diverted to deal with the high levels of litter created by the sack collections.

This report sets out proposals to change the purple sack service and so minimise the litter currently created by the purple sack collection (often being split open by seagulls other animals, vermin and would be vandals/criminals) so supporting the ‘Clean up Carlisle Campaign’ and significantly improving the quality of the local environment.

It is proposed to move, where possible, most of the remaining 5,538 properties on a weekly purple sack refuse collection to wheeled bin fortnightly collection of refuse. Where it is impractical to move residents from a weekly collection, it is proposed to replace disposable purple sacks with reusable polypropylene sacks- ‘Gull sacks’. This is a more labour intensive means of collecting waste so it is preferable to move as many collections

as possible to the wheeled bin collections to ensure that the service is as cost effective as possible.

A further benefit expected is that the improved service will increase the levels of recycling in these areas to meet the good performance in other wheeled bin areas, thus reducing the residual waste presented for collection.

Recommendations: That Executive approve the proposals in Option C to move properties currently provided with a weekly purple sack refuse collections to either fortnightly collections of refuse from a wheeled bin or where this method of collection is not possible a weekly collection of refuse contained within a reusable 'Gull Sack'.

That the Executive consider and recommend to Council to approve the Capital cost, £69,539, of the purchase of additional wheeled bins and gulls sacks required to make the changes detailed in Option C is added to the Capital Programme and to approve the use of salary turnover savings to fund this addition.

Tracking

Executive:	5th August 2013
Overview and Scrutiny:	8th May 2013
Council:	16th July 2013

1. BACKGROUND

- 1.1 Carlisle City Council operate a fortnightly kerbside refuse collection from wheeled bins however there are currently 5,538 properties in the district on weekly purple sack collections.

One of the Councils key priorities is to ensure that Carlisle is clean and tidy. There is a shared responsibility between the Council and the community to achieve this by being proactive rather than reactive. By providing residents with the means to minimise the litter that can be created by their residual waste it will help to increase pride and respect for neighbourhoods and so improve the quality of the local environment.

The initiative to move properties provided with a purple sack collection to wheeled bin collections will support the “Clean-up Carlisle” campaign also having a positive impact to the ‘Love Where you Live’ Campaign.

A report regarding the negative *impact of seagulls* on the local environment has already been considered by the Environment and Economy Overview and Scrutiny Panel. The proposal to change collections from a purple sack to wheeled bins will prevent damage by seagulls however it is not practical for all properties to have a wheeled bin due to storage or collection issues. Where a wheeled bin collection is impractical it is proposed to instead move to robust reusable ‘Gull Sacks’ which will reduce the opportunity for the gulls to rip the bags open in search of food hence creating the high levels of litter illustrated in the picture at **Appendix 1**.

Some of the negative impacts associated with the existing purple sack collections, are highlighted below;

- Sacks are susceptible to damage causing high level of litter complaints compared to wheeled bin areas creating an avoidable demand on street cleaning services and dissatisfaction with Council services (**Appendix 1**)
- Poorer recycling rates for purple sack properties (**Appendix 2**). Purple sack areas generate extra side-waste and the recycling tonnage, as illustrated, is low as there is less incentive to recycle with a weekly collection;
- High costs and inefficiencies associated with delivering the refuse sacks to properties, and collecting waste on a weekly basis and clearing the associated litter.

- As well as the other issues highlighted, purple sacks are single-use, and therefore not as environmentally sustainable as re-useable receptacles.

2.0 FINANCIAL INFORMATION

2.1 Current Costs Associated With The Purple Sack Delivery:

- Purchase of purple sacks (supplying 5538 properties purple sacks) is £34,380 per annum which is more than is available in the budget.
- Resources to deliver of purple sacks is 7 days, 6 times a year at a cost of £7,200 per annum
- Fuel costs of delivering the purple sacks 7 days, 6 times a year (30 litres x 42 days = 2940 litres) at a cost of £2664 per annum

TOTAL COSTS are £44,244

2.2 Annual Budget

Purple sacks	£28,100
Labour (delivery of sacks: 42 days)	£7,200
Fuel (delivery of sacks:42 days)	£2,664
TOTAL	£37,964

£29,000 of the savings are required to be retained in the budget to off-set budget pressures within waste services and £7,200 will be required for additional resource to empty the gull sacks. Therefore the proposal is not suitable as an invest to save project but is needed as a service improvement to address the high levels of litter and to release capacity in the team to improve the response to general equipment requests and provide additional refuse collections.

2.3 Costs of the proposed service changes

Cost of 240l wheeled bin	£17.90
Cost of Gull sack	£5.10

	Capital Costs	Option b) 3,900 bins	Option c) 2,629 bins
	Cost of wheeled bins	£70,848	£47,059
	Cost of Gull sacks	£8,354	£14,565
	Cost of 14 Euro bins	£2,857	£2,857
	Revenue Costs		
	Delivery costs	£2,200	£2,200
	Postage	£2,857	£2,857
	TOTAL Costs	£87,116	£69,539

2.4 Capital Funding

In order to purchase the additional wheeled bins, gull sacks and Euro bins detailed in the previous paragraph, it will be necessary to identify resources so that these can be added to the capital programme.

One option is to increase the capital programme and fund from existing capital resources. During 2012/13, the early termination of the green waste contract with Eden Council resulted in the sale of two collection vehicles that generated £103,500 in capital receipts. These receipts were added to general capital receipt balances and utilising them for this purpose would reduce the available balance of £522,000 at the end of the MTFP.

Alternatively, it is proposed to use savings currently being generated in the Local Environment section from vacant posts. These would ordinarily go towards the Council's salary turnover savings target. However, the salary turnover savings are forecast to significantly over achieve its target, so there is capacity within the savings being generated by Local Environment to utilise some of these resources for this review.

3. PROPOSALS

That Executive consider and approve the proposal to move the properties currently provided with a weekly purple sack refuse collections to either fortnightly collections of refuse from a wheeled bin or where this method of collection is not possible a weekly collection of refuse contained within a reusable 'Gull Sack'.

That the Capital cost of the purchase of additional wheeled bins and gulls sacks are met through the use of savings from vacant posts in Local Environment as set out in paragraph 2.4 and this item to be added to the Capital programme.

3.1 Three options have been considered in relation to purple sacks:

- a) Do nothing and leave the service as it is and continue to manage the high levels of litter associated with the collection
- b) Move the original proposal of the maximum possible number of properties, 3,900 properties onto a wheeled bin collection including properties with front street storage and collection of wheeled bins. Therefore 3,900 properties to move to wheeled bins and 1,638 properties to be provided with reusable Gull sacks

- c) Move 2,629 purple sack properties identified during the public consultation onto wheeled bins and supply the remaining properties including those that could have a wheeled bin with a front street storage and collection with re-useable polypropylene “gull sacks.” 2,629 properties to move to wheeled bin collection, 2,856 properties to be given reusable Gull sacks

Option a) would mean that the Authority continues to run a less efficient service that significantly contributes to the a high level of litter and customer dissatisfaction due to littering issues caused by the split bags.

Option b) will significantly reduce the littering issues currently caused by the split purple sacks and be consistent with “Clean-up Carlisle,” one of the Councils key initiatives. Some terraced properties proposed for the wheeled bin collection have very little garden space to the front and no side or rear access for a refuse collection vehicle. Those properties will store their wheeled refuse bins at the front of the street which may lead to practical issues for the customer and some visual dis-amenity. It would however provide the maximum number of properties with the incentive to recycle more and would minimise the number of properties on gull sacks so reducing the level of operational handling issues associated with the collection from gull sacks.

Option c) will significantly reduce the littering issues currently caused by the split purple sacks and be consistent with “Clean-up Carlisle,” one of the Councils key initiatives (**Appendix 3-** illustrates the effect of this option choice). This option does not include the properties with a front street storage and collection of wheeled bins and so is a good compromise in terms of visual amenity, however it does not minimise the number of properties on Gull sack collections so there will be increased levels of handling issues associated with the collection from the gull sacks.

4. CONSULTATION

- 4.1** The Economy and Environment Overview and Scrutiny panel were consulted on 8th May 2013 and made the following comment:-
“That the Panel believe Option C to be the preferred option”
- 4.2** Consultation proposed:
Properties affected by the changes proposals were consulted and a summary of the consultation responses is attached at Appendix 4. Investigation of the consultation

responses was carried out with more than 500 follow up site visits which resulted in a more modest proposal for wheeled bin collections detailed in Option C

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1** Option c) is recommended as it is more acceptable to the customers who do not have enough room for the wheeled bin but would still contribute to significantly reducing the mess that can be caused by the current system of waste collection but will not achieve the full benefits operationally as set out in option b

It is recommended that the Executive choose Option C - Move 2,629 suitable purple sack properties onto wheeled bins and supply the remaining properties with re-useable polypropylene “gull sacks.”

- Would significantly reduce the littering issues currently caused by the split purple sacks and be consistent with “Clean-up Carlisle,” one of the Councils key initiatives;
- Increased levels of recycling in these areas;
- Better for the environment by supplying re-useable containers for waste (Gull Sacks and wheeled bins);
- It is safer to collect a wheeled bin than a purple sack, therefore the welfare and Health and safety of the crews will improve.
- Provision of wheeled bins should reduce instances of identity theft;
- More cost effective and efficient than the current system;

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1** One of the Councils key priorities is to ensure that Carlisle is clean and tidy. There is a shared responsibility between the Council and the community to achieve this by being proactive rather than reactive. By providing residents with the means to minimise the litter that can be created by their residual waste it will help to increase pride and respect for neighbourhoods and so improve the quality of the local environment.

The initiative to move existing customers from purple sacks to wheeled bins are consistent with “Clean-up Carlisle,” one of the Councils key initiatives also having a major positive impact to the ‘Love Where you Live’ Campaign .

Contact Officer: **Angela Culleton**

Ext: **7325**

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

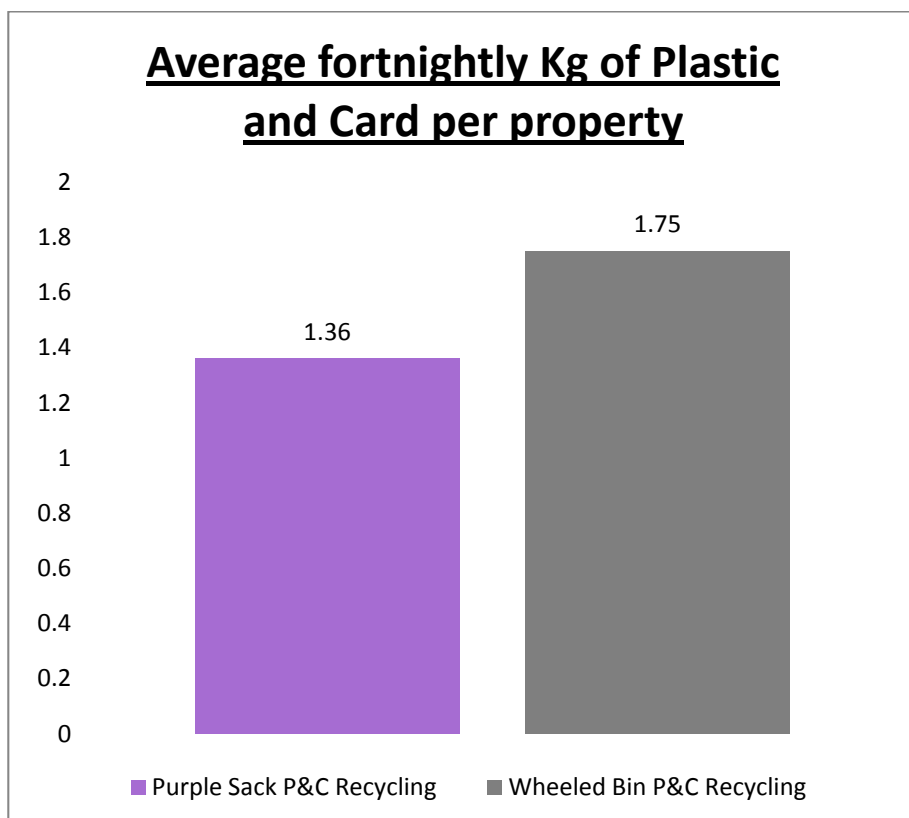
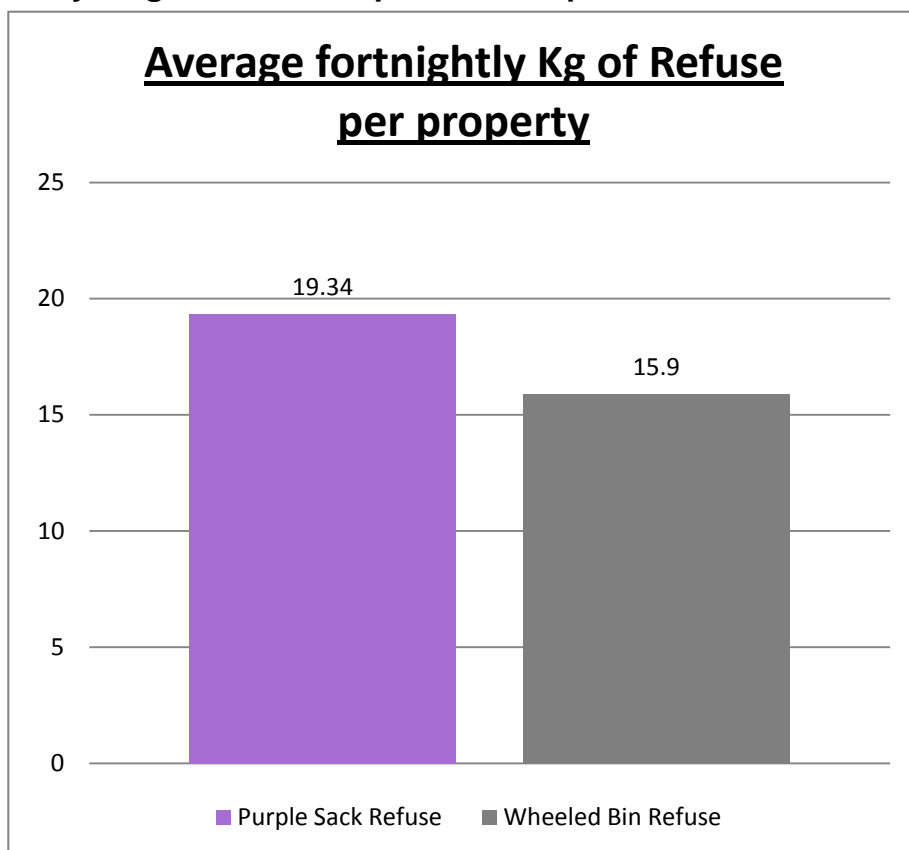
Governance – The Council has a legal obligation to collect refuse. The changes proposed in the report are simply a revised methodology of fulfilling that obligation. The alterations have been properly consulted upon and the responses considered and acted upon as appropriate in accordance with best practice.

Local Environment –

Resources - The review of Purple Sack collection outlined in this report requires an increase to the Council's capital programme of £69,539 for new bins and gull sacks. The review of the service will generate a small amount of revenue savings, but pressures that already exist within waste services can be extinguished by these savings, so that no savings will be released though this review. The proposal to utilise salary turnover savings to fund the capital cost will mean that there is no reduction the Council's overall capital resources, and currently, the amount of salary turnover savings being achieved is expected to far over achieve the budgetary target, meaning there is scope to release funding for this project. The Council has a framework agreement that it can use for the purchase of wheelie bins and due to the value being purchased, this would be the procurement route to be taken.

Littering Resulting from Purple Sack Collections



Recycling Rates for Purple Sack Properties

Example of Terraced Properties on Wheeled Bin Collections





Purple Sack Review – 2013

Consultation Results

Background:

We want to make our refuse collection service more efficient, reduce littering, improve the storage of waste and bring all collections in line with other provision within the city. Where possible, we would like to increase the number of wheeled bin collections.

This could result in some properties switching from purple sack collections to wheeled bin collections. Those that cannot be transferred will be offered seagull-proof bags. In other areas, seagull-proof bags have proven to be a secure and effective way to collect non-recyclable household refuse waste and have helped to reduce the amount of litter. These are foldable, reusable and easy to store after collection. Weekly collections will continue for those households with a seagull-proof bag.

We appreciate that some residents may be concerned about the switch from weekly to fortnightly collections; however our alternate weekly collection scheme, first introduced in 2007, has proved to be a popular and successful collection system.

Recent surveys have shown that the majority of our customers are now satisfied with the household waste collection and household recycling services we provide. These services are provided for as little as £52/Household/year.

We are always trying to improve the service and the increase the opportunities for household recycling collections, the majority of our customers are now enjoying a doorstep recycling collection.

Results from our ongoing residents' survey (Carlisle Focus), customers have commented on the need to encourage more residents to recycle their waste to help keep Carlisle clean and tidy and we need your help to make this happen. You and your household on your street can help us makes these improvements happen. With your support, we can make our waste and recycling services more efficient, effective and economic.

Consultation process:

A consultation process took place between Friday, 3 May and Tuesday, 28 May.

Letters were sent to 6,000 affected properties. Parish Councils and City Council Ward Members were also sent some consultation information.

Consultation responses were requested by Tuesday, 28 May 2013.

Results of consultation:

In total, 1,841 householders responded to the consultation. Resulting in a 30.58% response rate.

The responses we received showed that 590 households felt they were not able to support the proposal and some raised concerns, whereas 780 were supportive of the changes. 471 households did not raise any concerns.

When comments were provided within the responses, site visits were undertaken in the areas where issues were raised. The findings of the site visits helped determine what waste service was most appropriate to the needs of the householder.

What happens next?

Since the end of the consultation period we have been in the process of identifying the most appropriate waste collection service for each of the properties affected by the review. These will either be a fortnightly wheeled bin collection or a weekly seagull sack collection.

When these new collection services are put in place, we will provide affected householders with their own free wheeled bin or seagull sack. The provision of purple sacks will therefore no longer be provided.

Your collection date may also change, if it does, we'll let you know well in advance of the new dates coming into operation.

If you're affected by the new arrangements, you'll receive a letter from us in August. This will set out what new waste service you'll have. The new service will then start in around September this year.

Assisted collections are also in place for elderly or disabled residents who need help putting their wheeled bin or seagull-proof bag out for collection.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 5 AUGUST 2013

EX.80/13 PURPLE SACKS REVIEW
(Key Decision – KD.01/13)

Portfolio Environment and Transport

Relevant Overview and Scrutiny Panel Environment and Economy

Subject Matter

The Deputy Leader; and Environment and Transport Portfolio Holder presented report LE.22/13 concerning a proposed change from the use of purple sacks to wheeled bins for certain residents.

The Deputy Leader; and Environment and Transport Portfolio Holder informed the meeting that improving the quality of the local environment was a corporate priority for the City Council, and the Council had adopted the 'Clean up Carlisle' campaign in 2012. Significant efforts had been made to improve the quality of street cleansing and to keep the streets clean through investment in new street cleaning machines; new programmes of work; and in education and enforcement to prevent littering and dog fouling. However, despite those improvements, complaints continued to be received about litter from torn refuse sacks in areas without a wheeled bin collection. Important resources were being diverted to deal with the high litter levels created by the sack collections.

Members' attention was drawn to Section 3 which set out proposals to change the purple sack service and so minimise the litter currently created by the purple sacks collection (which sacks were often split open by seagulls, other animals, vermin and would be vandals / criminals). The proposals would also support the 'Clean up Carlisle' campaign and significantly improve the quality of the local environment.

The report set out details of the current costs associated with the purple sack delivery; the annual budget and costs of the proposed service changes; and capital funding considerations. Also included were details of the three options which had been considered in relation to purple sacks:

Option A – Do nothing and leave the service as it is and continue to manage the high levels of litter associated with the collection

Option B – Move the original proposal of the maximum possible number of properties, 3,900 properties onto a wheeled bin collection including properties with front street storage and collection of wheeled bins. Therefore 3,900 properties to move to wheeled bins and 1,638 properties to be provided with reusable gull sacks.

Option C – Move 2,629 purple sack properties identified during the public consultation onto wheeled bins and supply the remaining properties, including those that could have a wheeled bin, with a front street storage and collection with re-usable polypropylene “gull sacks”. 2,629 properties to move to wheeled bin collection, 2,856 properties to be given re-usable gull sacks.

Details of the implications of the options were also provided.

By way of compromise, the Deputy Leader; and Environment and Transport Portfolio Holder proposed that the Executive should approve Option C.

A further anticipated benefit was that the improved service would increase the levels of recycling in those areas to meet the good performance in other wheeled bin areas, thus reducing the residual waste presented for collection.

The Environment and Economy Overview and Scrutiny Panel had, on 8 May 2013, considered the matter and resolved:

“(1) That Report LE.13/13 – Migration of Purple Sacks to Wheeled Bin Refuse Collection be noted.

(2) That the Panel agreed that change was required and agreed that Option a (to do nothing) was not an option. With regard to Options b and c the Panel agreed that their preferred option would be Option c as they did not want wheelie bins stored at the front of houses.

(3) That consultation should include Cumbria Fire Service for their advice on storage of waste receptacles at the front of houses so that the Executive were informed of this when they made their decision.

(4) That the recommendations from the Panel be submitted to the Executive for inclusion into the Executive Report “Migration of Purple Sacks to Wheeled Bin Refuse Collection”.”

A copy of Minute Excerpt EEOSP.28/13 had been circulated.

The Chairman of the Environment and Economy Overview and Scrutiny Panel confirmed that the Panel was supportive of change where applicable. Members realised that the proposed changes would be very difficult for some houses, but felt that the supply of gull sacks was a good step forward.

One problem faced by the Council was around encouraging people to use their bins and to recycle more. The Chairman added that the Panel would look at that aspect and hoped to come back to the Executive with recommendations in the future.

In conclusion, the Deputy Leader; and Environment and Transport Portfolio Holder moved the recommendations, which were duly seconded by the Communities and Housing Portfolio Holder.

Summary of options rejected Options A and B set out within the report

DECISION

That the Executive:

1. Approved the proposals in Option C to move properties currently provided with a weekly purple sack refuse collection to either fortnightly collections of refuse from a wheeled bin or, where that method of collection was not possible, a weekly collection of refuse contained within a re-usable 'Gull Sack'.
2. Recommended that the City Council approve the addition of the capital cost, £69,539, of the purchase of additional wheeled bins and gull sacks required to make the changes detailed in Option C to the Capital Programme; and approve the use of salary turnover savings to fund that addition.

Reasons for Decision

Option C:

- Would significantly reduce the littering issues currently caused by the split purple sacks and be consistent with "Clean-up Carlisle", one of the Council's key initiatives
- Increase levels of recycling in those areas
- Be better for the environment by supplying reusable containers for waste (gull sacks and wheeled bins)
- It was safer to collect a wheeled bin than a purple sack, therefore the welfare and health and safety of the crews would improve
- Provision of wheeled bins should reduce instances of identity theft
- More cost effective and efficient than the current system

EXCERPT FROM THE MINUTES OF THE ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL HELD ON 8 MAY 2013

EEOSP.28/13 PURPLE SACKS REVIEW

The Director of Local Environment submitted report LE.13/13 that set out proposals to change the purple sack service and minimise the litter currently created by the purple sack collection. The Director gave a presentation that expanded on the issues raised within the report.

The Director explained that the purple sacks were often split open by seagulls and other animals and would-be vandals. The proposed changes would support the Clean Up Carlisle campaign and significantly improve the quality of the local environment.

Where it would be impractical to move a property onto wheeled bin collection it was proposed to provide “gull sacks”. The Director showed Members a sample of a Gull sack currently used by another authority.

It was anticipated that an increase in the number of wheeled bin collections would result in an increase in the levels of recycling in those areas thus reducing the residual waste presented for collection.

The Environment and Transport Portfolio Holder thanked the Director and her team for the work undertaken. The Portfolio Holder hoped that the consultation would encourage people to comment on the proposals. No decision had been made and the discussions at the Panel were the first to be undertaken. It was important to get the balance right as purple sacks being ripped was detrimental to an area but rows of wheelie bins at the front of properties could also cause visual disamenity and should therefore be stored off the street where possible and where that was not possible then gull sacks could be used. Those were the reasons for the consultation.

In considering the report Members raised the following comments and questions:

A Member offered to trial the gull sacks as he believed they would be a great improvement on the purple sacks.

A Member agreed with looking at the principle of bag collections and believed that part of the problem was that bags were put out for collection too early. With regard to recyclates the Member stated that some plastics were light and were blown out of the sacks; he did not believe gull sacks would address that problem. With regard to health and safety the Member informed that the fire service had advised that wheelie bins should not be placed at the front of properties as they could impede emergency vehicles accessing the property. The Member stated that care was needed by refuse vehicles accessing back lanes and reminded Members

of an incident some years ago when a resident was injured by a refuse vehicle reversing along a back lane.

The Director of Local Environment explained that crews were fully trained and if a vehicle had to reverse the crew assisted the driver. If it was not safe to access the back lane the bins would be wheeled to the end of the lane and replaced when emptied.

A Member advised that some authorities had carried out a small pilot to gain a response to the changes and queried whether that could be considered.

The Director explained that due to the small number of properties involved it would not be appropriate to carry out a pilot. Therefore, dependent upon the decision made by Executive, the scheme would be rolled out and monitored.

A Member queried what the consequences were if residents continued to put out purple sacks.

The Director explained that the Council had powers to specify how household waste should be presented and action could be taken by the waste team if not presented properly. Residents would be advised of the requirements by letter and if waste was presented incorrectly a Section 46 notice could be served on the resident.

In response to a comment by a Member the Director confirmed that the gull sacks would not prevent identity theft but would make it more difficult.

The Portfolio Holder advised that her property had been converted to wheelie bin collection and there had been no problem.

The Director confirmed that if a resident presented a purple sack the correct approach would be to provide support and advise. She believed that most householders would be supportive of the proposed changes and that was part of the purpose of the consultation. If the Executive agreed to the proposed changes residents would be advised how to present their refuse.

A Member believed it was right that the refuse rounds were reviewed but he did not wish to see bins on the front of streets. The Member suggested that Euro bins could be used in some areas where wheelie bins were not suitable.

The Director explained that Euro bins would also be considered and they would be classed as a wheelie bin.

A Member suggested that sponsorship on the gull sacks could be a way of reducing costs.

The Portfolio Holder agreed to look into the issue.

A Member queried what the handling implications would be of the gull sacks.

The Director advised that the cost may change in the final report to the Executive due to ongoing investigations into the proposal. The Director advised that Option c would have more impact on crews than Option b as with the gull sacks there were more handling issues and better gloves would be required due to the higher risk of stabs and cuts from sharp objects.

The Director explained that the sacks could be folded and stored by the resident and filled at the front door on the day of collection.

RESOLVED – (1) That Report LE.13/13 – Migration of Purple Sacks to Wheeled Bin Refuse Collection be noted.

(2) That the Panel agreed that change was required and agreed that Option a (to do nothing) was not an option. With regard to Options b and c the Panel agreed that their preferred option would be Option c as they did not want wheelie bins stored at the front of houses.

(3) That consultation should include Cumbria Fire Service for their advice on storage of waste receptacles at the front of houses so that the Executive were informed of this when they made their decision.

(4) That the recommendations from the Panel be submitted to the Executive for inclusion into the Executive Report “Migration of Purple Sacks to Wheeled Bin Refuse Collection”.

Report to Council

**Agenda
Item:**

18(v)

Meeting Date: 10th September 2013
Portfolio: Culture, Health, Leisure and Young People
Key Decision: Yes: Recorded in the Notice Ref:KD
Within Policy and Budget Framework YES
Public / Private Public

Title: ARTS CENTRE DEVELOPMENT
Report of: The Director of Community Engagement
Report Number: CD47/13

Purpose / Summary:

The purpose of this report is to inform Council of the Executives decision to approve the development of the Warwick Street Fire Station in Rickergate as a venue for an Arts Centre for Carlisle and, on the basis of this approval to make available funds to allow this development. The allocation of additional capital is the responsibility of Council. Executive reports of 1st July and 5th August are appended to this report along with an indicative revenue profile.

Recommendations:

It is recommended that Council:

1. Approves the increase in the capital programme from £586,000 to £1,064,500, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme;
2. Approves the release of the current budget and re-profiling of the overall scheme, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme;

Tracking

Executive:	1st July 2013 & 5th August 2013
Overview and Scrutiny:	17th July 2013
Council:	10th September 2013

Report to Executive

**Agenda
Item:**

Meeting Date: 1st July 2013
Portfolio: Culture, Health, Leisure and Young People
Key Decision: YES
Within Policy and Budget Framework NO
Public / Private Public
Title: ARTS CENTRE DEVELOPMENT
Report of: The Director of Community Engagement
Report Number: CD37/13

Purpose / Summary:

The purpose of this report is to allow consideration of the use of the redundant Warwick Street Fire Station in Rickergate as a venue for an Arts Centre for Carlisle and, on the basis of a decision to progress, make available funds to allow this development.

Recommendations:

It is recommended that Executive:

1. Approve the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. To approve the increase in the capital programme from £586,000 to £1,064,500, for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme;
3. To approve the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme;
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in this report
5. Make this report available for consideration by the Community Overview and Scrutiny Panel

Tracking

Executive:	1 July and 5 August
Overview and Scrutiny:	11 July

Council:	10 September
----------	---------------------

1. BACKGROUND

- 1.1** There has been a long history of exploring the idea of a mid-scale arts centre and performance venue in Carlisle. The Carlisle Plan (ref PC 08/13) provides a pledge for the development of an arts centre within the city.

The Plan's overarching Vision is to *'promote Carlisle as a prosperous City, one in which we can be proud'*. To help achieve this, it commits to *'develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle'*.

2. PROPOSAL

2.1 Outputs

It is proposed that a venue be identified for an Arts Centre which can:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. This will include supporting emerging, Carlisle based, commercial artists and designers and potential collaboration with Carlisle College and the University of Cumbria.
- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate is proposed as the preferred option. It is a substantial building with a straightforward structure on a prominent corner site on the edge of the historic quarter.

- 2.2** The proposed format is to use the Warwick Street fire engine range as the main auditorium with the public entrance facing Peter Street. This would provide a larger flexible foyer space and open up the west end as a strong and attractive public face. At first floor level across the west end would be two substantial performance and multi-use studios,, making it a useful function space. Ground floor audience capacity is estimated to be 266 seated and 400 standing. At first floor level the two multi-use studios would each have space for around 110 seated and 200 standing.
- 2.3** New build within the enclosed courtyard, along the rear of the Warwick Street wing, would be required to enable independent access to all main spaces, back of house, dressing rooms and administration spaces.

2.4 The Fire Station also includes other usable spaces which could further broaden its offer. On the North side of the yard entrance it includes:

- the former maintenance bay which would accommodate, for example, gallery space, visual arts projects and/or set and street performance building opportunities
- a large meeting room, with potential for managed and incubator workshop space for emerging commercial artists and/or sub-letting

It also has a large loft space over the Warwick Street frontage which may offer substantial visual arts or other studio opportunities

Developed effectively and with a strong design concept, the Fire Station could deliver the Arts Centre concept well.

3. THE MARKET POTENTIAL

3.1 In terms of the Carlisle market, there is clearly independent promotion going on, such as The Brickyard, College and University are active in their own ways, the West Walls Theatre is home to non-professional theatre, and the Sands has a significant offer of mainstream large-scale touring entertainment, and is the venue for the Arts Council England funded subscription concert series. None of these are considered to diminish the potential, in a significant regional city, of a well-planned and operated mid-scale mixed programme arts and entertainments venue.

Operational revenue issues are significant. To ensure long term stability and success it is envisaged that some revenue support will be required from external sources and/or City Council in the first years of operation. Important issues to note are that building and strengthening a sustainable audience base which is complementary to and not in competition with other local venues is likely take a number of years to develop. Similarly capacity building through partnerships and joint programming with local commercial promoters, venues and third sector organisations, while an immediate priority for work will be properly judged over a three to five year timeframe. This is recognised in the industry and by the Arts Council for England, which will take this into account in considering applications for funding. A separate report will be brought forward to consider revenue requirements.

4. MANAGEMENT

4.1 The long-term success of the enterprise will be determined primarily by the skills, knowledge, commitment and vision of the team which manages and operates it. The Carlisle development will require a genuinely dynamic team operating in a light-footed way, with real entrepreneurial flair, in a culture of innovation. It will require a genuine ability to work effectively, and with mutual respect, with a wide range of partners.

It is not proposed to make a final decision on management and governance arrangements at this stage, with the City Council retaining a central leadership role as the project is progressed. It is likely that to achieve the best balance of accountability, sustainability and entrepreneurial acumen, operational management will, in the medium term will be passed to an independent not for profit organisation. A separate report will be brought forward to consider this.

5. PROGRAMME

- 5.1 Carlisle has a recognised weakness in ‘mid-scale’ arts and entertainments programmes compared to other regional cities and large towns. The programme will need to take full account of Carlisle’s existing offer, including key venues Tullie House, the Brickyard, West Walls Theatre, Stanwix Theatre and the Sands, as well as events such as the long-standing Blues Festival, and newer initiatives like Carlisle Music City. As an audience base is developed, the programme offer will include a broad range of content across and within the core genres of touring and available product – theatre, music theatre, dance, comedy and music, aimed at different audience segments. It will mix popular commercially reliable activities with innovative opportunities. This will be based on the development of active performance and programme partnerships and strong relationships with performance companies in the north of England and southern Scotland.

6. DESIGN CONCEPT AND CAPITAL COSTS

Day Cummins Ltd (Architects) was commissioned to assess the viability of the Fire Station, alongside two other venues. The Fire Station was subsequently considered as the preferred choice., on the grounds of innovation, value and accessibility The building is situated close to a number of car park facilities and its rear yard provides off street access for event vehicles to unload. The building currently has an Energy Performance Certificate (EPC) rating of C. Option design and preliminary costings are shown in Appendix 2

The proposed scheme includes a new main stair access and lift which will provide disabled access to the upper floors. At the same time it will form the transition between the main uses of the building along with vertical circulation and interesting designed views of the tower feature.

The sectional existing garage doors can be replaced with infill pod panels using acoustic materials and sensitive feature lighting to form a striking appearance along the prime Warwick Street frontage.

The total capital cost of the project is estimated at £1,064,500

<u>Capital Activity</u>	<u>Costs</u>
New build Extension, Refurbishment / conversion of existing	£700,000.00

Specialist Equipment	£314,500.00
Other design, acquisition, survey, legal & planning fees & investigation costs	£50,000.00
Total Capital	£1,064,500.00

It is anticipated that design and planning costs being incurred in 2013/14 and expenditure on new buildings, refurbishments and equipment will take place in 2014/15.

The anticipated timetable for the scheme is as follows:

a) Preparation of Tender Documentation	12/8/13
b) Tenders out for Design & Build Package	12/8/13
c) Tenders back	6/09/13
d) Review returns & Inform successful Design Team	20/09/13
e) Cool off period	02/10/13
f) Award to D&B team	03/10/13
g) Planning Application Submission	15 /11/13
h) Consideration of Planning Application	31/01/14
i) Contractor mobilisation up to	3/03/14
j) Start on site	3/03/14
k) Estimated completion by	31/10/14

7. CONSULTATION

Consultation has taken place throughout the appraisal process to date including through:

- Engagement with key stakeholders involved in the cultural sector to understand the current offer and conduct a gap analysis;
- Discussions with similar providers such as: Queens Arts Centre Hexham, Kendal Arts Centre,

- Dialogue with promoters and providers of cultural offer and community arts activities to understand the current market offer and any opportunities.
- The further and higher education sector - Carlisle College, particularly linked to joint working around its arts and digital programme (including facility development and curriculum support) and the University of Cumbria linked to undergraduate/postgraduate programmes, gallery provision and workshop space

Ongoing dialogue through the City Council's overview and scrutiny process and with local residents, community groups and the education, private and third sector is being scheduled over the coming weeks.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 8.1** Carlisle has a recognised weakness in 'mid-scale' arts and entertainments programmes and in line with the Aim of the Carlisle Plan now seeks to develop a sustainable facility which will act as a focal point for creative arts complementing and supporting the existing offer in and around the City. This is in line with the vision and actions in the Carlisle plan.

In order to progress this it is proposed that Executive:

1. Approve the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. To approve the release of the funding (£586,000) approved as part of the 2013/14 budget for the building development (as Section 6);
3. Make recommendations to Council to increase the capital programme for the scheme to £1,064,500 from £586,000 with the increase to be funded from additional capital receipts generated as part of the asset review programme and that the expenditure be re-profile in line with revised expenditure requirements at Section 6.
4. Provide delegated authority for the Portfolio Holder for Culture, Health, Leisure and Young People to produce and progress the plans to deliver work as outlined in this report
5. Make this report available for consideration by the Community Overview and Scrutiny Panel

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 9.1** This project will deliver Action 1 'to deliver a city centre Arts Centre and therefore contribute to meeting one of the Council's key corporate objectives '**We will**

develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle'

Contact Officer:	Keith Gerrard	Ext: 7350
Appendices	Appendix 1: Indicative Income & Expenditure	
attached to report:	Appendix 2: Architects Concept Designs & Cost	

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Economic Development – The proposal will be subject to planning permission, however, in view of the buildings former use that in principle the use is acceptable subject to conditions relating to noise and opening times.

Governance – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council's area. The Council is able to incur expenditure in relation to the Fire Station as it owns the said property. In exercising the power, the Council must have regard to its Community Strategy.

The future use of the premises as an Arts and entertainment venue is subject to the planning and licensing regulatory regimes and it is important that these are accounted for prior to significant commitment and expenditure. Goods, services and works must be properly procured and contracts should be subject to appropriate terms and conditions.

Local Environment – None

Resources – The capital programme approved by Council in February as part of the 2013/14 budget process, provides capital funding for this scheme of £586,000 (2013/14 - £250,000, 2014/15 - £161,000, 2015/16 - £175,000). If the scheme outlined above is approved, the capital programme would need to be increased by £478,500. This could be funded from additional capital receipts generated from the asset review (£813,686). There are also surplus general capital receipts available within the MTFP of £360,333.

The capital programme would also need to be re-profiled in order to meet the anticipated spend on the project, with £50,000 being incurred in 2013/14 and £1,014,500 being incurred in 2014/15. The use of additional asset review receipts will forego the possibility of generating additional rental income for the Council in line with the Asset Business Plan.

As part of the 2013/14 revenue budget approved by Council in February 2013, recurring revenue funding for the Arts Centre scheme was approved with £129,000 approved for 2013/14, £104,000 approved for 2014/15 and £159,000 approved for 2015/16 and beyond. A further report will need to be prepared for a future Executive detailing the on-going revenue costs.

There may be possibilities to apply for external funding to support the capital or revenue costs of the project and these will need to be investigated further.

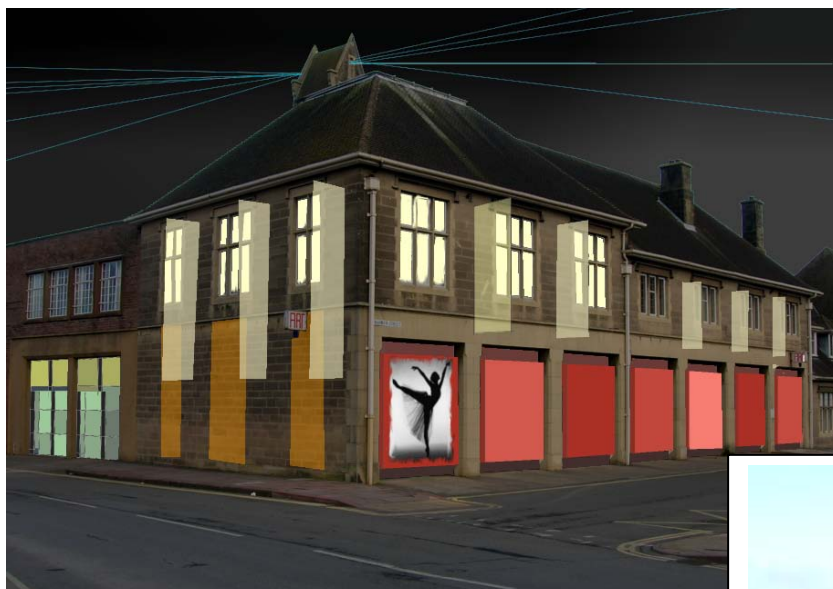
Due to the value of the capital works anticipated, a competitive procurement process will need to be undertaken in order to appoint a contractor to undertake the developments.

APPENDIX

ARCHITECTS CONCEPT DESIGN AND CAPITAL COSTS

ARCHITECTS CONCEPT DESIGN & COST

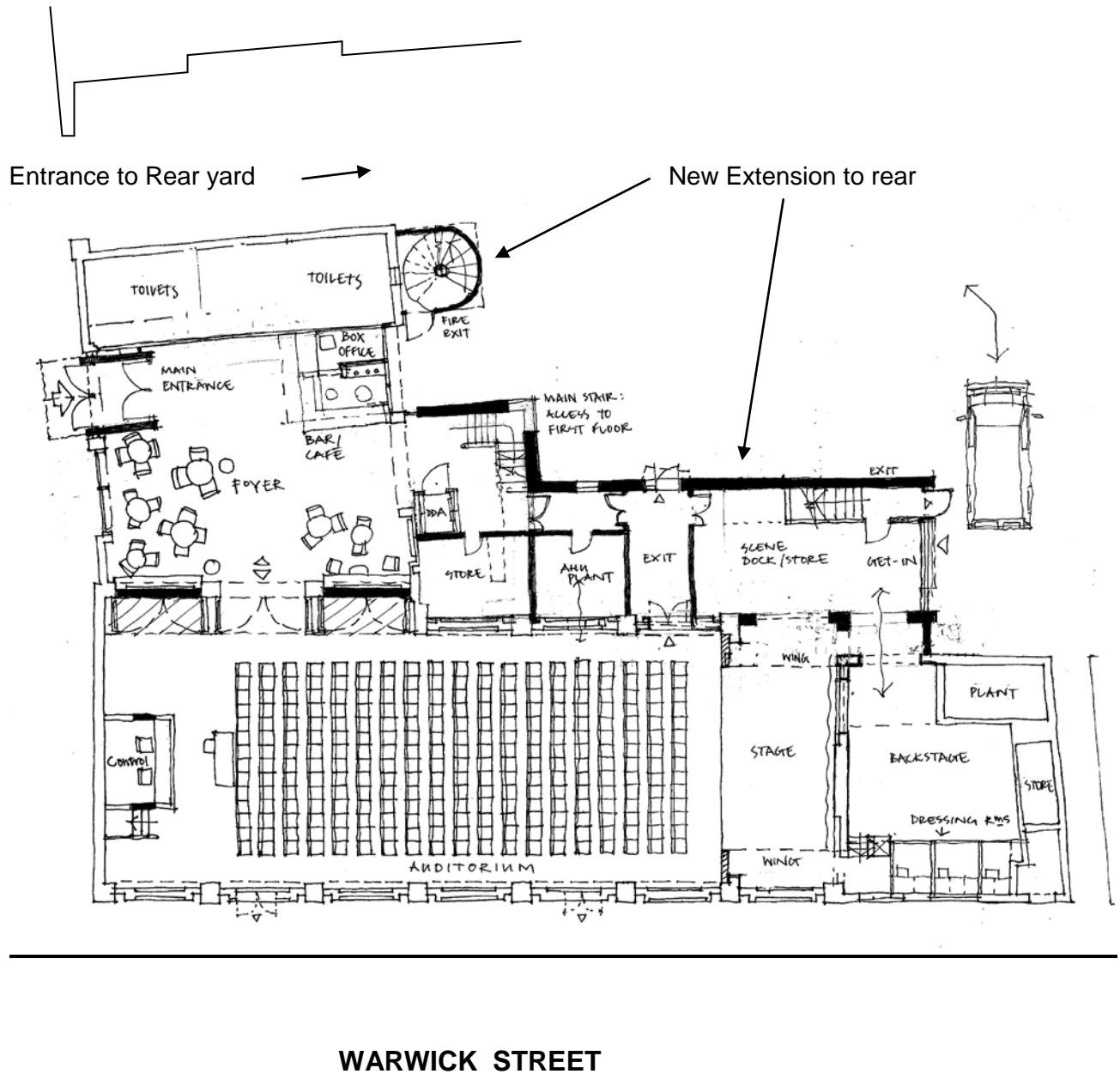
FORMER FIRE STATION, RICKERGATE



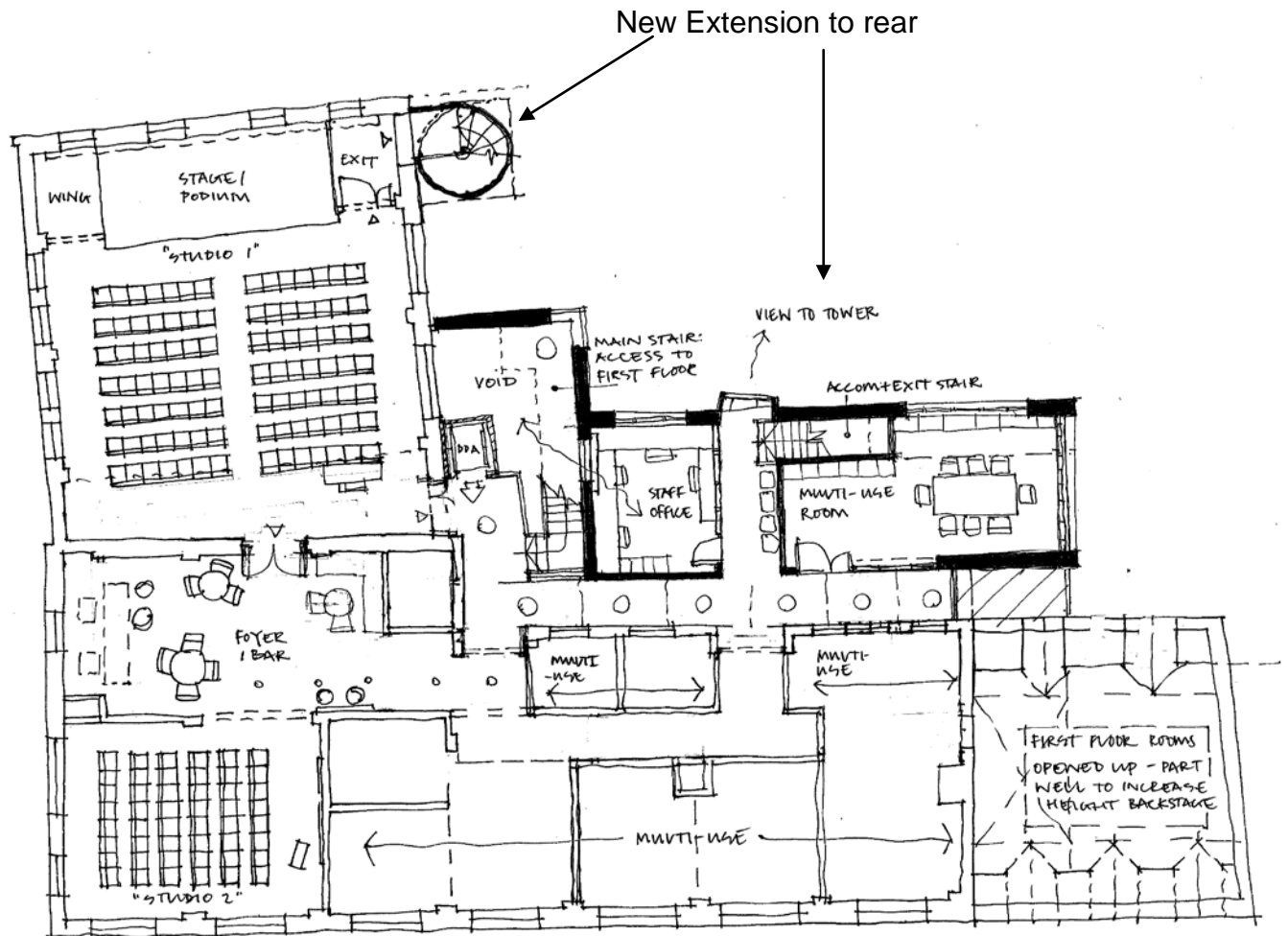
DESIGN & CAPITAL COSTS

<u>Capital Activity</u>	<u>Costs</u>
New build Extension, Refurbishment / conversion of existing	£700,000.00
Specialist Equipment	£314,500.00
Other design, acquisition, survey, legal & planning fees & investigation costs	£50,000.00
<u>Total Capital</u>	<u>£1,064,500.00</u>

Ground Floor Proposals Plan



First Floor Proposals Plan



View of Rear new Extension from within yard



Specialist Capital expenditure (Included in design & Capital costs above.)

	COST
BACKSTAGE	
Mirrors	£1,000
Lighting	£5,000
Tables and Chairs	£1,500
Toilets Showers	£20,000
FRONT OF HOUSE	
Sofa Cinema – Screen, projector, sound system, sofas	£25,000
Soundproofing	£5,000
Catering equipment	£10,000
Café bar tables chairs and equipment	£7,500
Bar	£20,000
Repairs to cracks	£2000
Box office	£12,500
Cloakroom	£12,500
Chairs	£18,000
F/A, emergency lighting and signage	£22,000
Electrics & lighting	£10,000
Mechanical/heating improvements	£12,000
Stage Lighting	£15,000
Gallery lighting	N/A
Air conditioning	£8,000
Sound system and microphones	£25,000
Sound desk	£5,000
Decoration	£12,000
Stage appropriate for venue	£25,000
Stage curtains	£2,500
Storage area for stage scenery	£2,500

Carpets / flooring	£7,500
Conditional survey requirements	£6,000
Asbestos signage	£500
Conference / meeting room facilities	£5,000
Tables and Chairs	£2,500
Projectors	£1,000
Whiteboards	£500
Screens	£500
PA system	£2,500
IT and telephone system	£10,000
	£314,500

ADDENDUM REPORT TO CD 37/13

CARLISLE
CITY COUNCIL



www.carlisle.gov.uk

Report to Executive

Agenda
Item:

Meeting Date: 5 August 2013
Portfolio: Culture, Health, Leisure and Young People
Key Decision: NO (However the original report CD37/13 is a key decision)
Within Policy and
Budget Framework YES
Public / Private Public

Title: ARTS CENTRE DEVELOPMENT
Report of: The Director of Community Engagement
Report Number: CD 37/13

Purpose / Summary:

This addendum outlines the revenue profile for the arts centre over a three year period including the revised profile for the 2013/14 financial year as requested by the Community Overview and Scrutiny Panel of the 11th July 2013.

Recommendations:

It is recommended that Executive:

1. Note the re profiling of the existing budgets to future years.
2. Note the use of the 2013/14 budget provision to fund current arts activity and for the development of a pilot arts programme.

Tracking

Executive:	5th August 2013
Overview and Scrutiny:	
Council:	

1. BACKGROUND

- 1.1** The Chairman of the Community Overview and Scrutiny Panel reported that Executive Decision EX.69/13 from the Executive on 1 July 2013 concerning Arts Centre Development had been called-in by Community Overview and Scrutiny Panel as members were unclear about how the arts centre would be funded. This addendum provides the latest Art Centre “revenue” profiles as requested by COSP.

2. REVENUE PROFILE

- 2.1** To ensure long term stability and success of the Arts Centre it is envisaged that some revenue support will be required from external sources and the City Council. According to Arts Council England, it has been the experience of similar facilities in other parts of the country that sustainable use and ticket sales take a number of years to develop and to be properly established. As part of the 2013/14 revenue budget approved by Council in February 2013, recurring revenue funding for the Arts Centre scheme was approved with £129,000 for 2013/14, £104,000 for 2014/15 and £159,000 for 2015/16 and beyond. In due course a further report will be prepared for the Executive detailing the estimated on-going revenue costs.
- 2.2** Estimated revenue cost at this stage are based on a cautious approach. Income from ticket sales and hires and the year on year increase in years two and three are relatively modest.
- 2.3** Similarly building heating, lighting and maintenance costs have been modelled on a building of similar size and age. It is likely however, on the completion of capital refurbishment, that heat, light and maintenance costs may be less.
- 2.4** Likewise other operational costs, such as staffing, are modelled on a building of similar size. On completion of refurbishment it is envisaged that the interior design and layout will lend itself to be run more efficiently by a small core staff team.
- 2.5** As part of a commitment to support local skills and training through the arts, and specifically at the Arts Centre, it is proposed that an apprenticeship will be offered to complement the operational and management team.
- 2.6** Although no final decision has been made about governance at this stage, trustee expenses are indicative.

- 2.7 Appendix one profiles the revenue costs of the arts centre over a three year period and shows the net cost to the City Council in each year. Costs associated with the use of the building, licensing, insurance and event delivery are included as are allowances for marketing, programme investment and specialist art consultancy. Management costs of £50,000 are cost neutral, as they are offset by income from seconded staff in kind.
- 2.8 The figures in year one (2013/14) have been updated to reflect 2013/14 activity in setting up the Arts Centre and pilot arts programme during this period. These changes reflect deleting the income from ticket sales, hire of performance space etc during 2013/14 being matched by a reduction in expenditure on planned maintenance, repairs, etc.
- 2.9 Within the pre build 2013/14 year, £58,000 programme investment will support the delivery of a pilot programme that promotes the space, assesses audience/ market reaction and tests what works. It includes meeting the costs associated with commissioning artists, materials, infrastructure, e.g. staging and lighting and room hire.
- 2.10 A key element of the pilot programme process will be local involvement by residents and community/voluntary sector groups and the establishment of a network of supporters and committed volunteers.
- 2.11 This approach is designed to support the future sustainability of the arts centre, including income from hire of performance space.
- 2.12 Building on the back of established relationships developed to support the delivery of the pageant, the pilot programme will operate from the engine shed and gym; with outreach work taking place in Carlisle's urban and rural communities to ensure that the cultural offer is accessible and open to all.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 3.1 The three year revenue profile is provided to satisfy the requirements of COSP by giving details of how the Arts Centre will be funded and the net revenue contribution that is required from the City Council to pump prime the development of a vibrant, arts and cultural facility that showcases the City of Carlisle

- 3.2** In order to progress this it is proposed that Executive:
1. Note the re profiling of the existing budgets to future years.
 2. Note the use of the 2013/14 budget provision to fund current arts activity and for the development of a pilot arts programme

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 4.1** This project will deliver Action 1 ‘to deliver a city centre Arts Centre and therefore contribute to meeting one of the Council’s key corporate objectives **‘We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle’**

Contact Officer: Keith Gerrard Ext: 7350

Appendices Appendix 1: Indicative “Revenue” Income & Expenditure attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive’s -

Economic Development –

Governance – The Local Government Act 2000 (Section 2) provides that the Council has the power to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. The power may be used in relation or for the benefit of the whole or any part of the community or all or any persons present or resident in the Council’s area. The Council is able to incur expenditure in relation to the Fire Station as it owns the said property. In exercising the power, the Council must have regard to its Community Strategy.

The future use of the premises as an Arts and entertainment venue is subject to the planning and licensing regulatory regimes and it is important that these are accounted for prior to significant commitment and expenditure. Goods, services and works must be properly procured and contracts should be subject to appropriate terms and conditions.

Local Environment – None

Resources – As set out in paragraph 2.1 of the report, revenue funding has been approved for the development of a City Arts Centre, with funding allocated of £129,000, £104,000 and £159,000 for years 2013/14, 2014/15 and 2015/16 onwards. This report advises Members of the need to re-profile these budgets into future years, as set out in Appendix 1, and in line with the programme of structure work required to the preferred site. This will be considered as part of the 2014/15 budget process.

The Executive are also asked to note the use of the 2013/14 budget provision (£129,000) to fund in year arts activity and for the development of a pilot arts programme for the venue.

A further report will be presented to a future Executive providing the detailed on-going operational costs of running the venue, once confirmed.

REVENUE PROFILE FOR THE ARTS CENTRE

APPENDIX ONE

Table 1: Revenue expenditure years 1 to 3

Revenue Expenditure	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
Planned maintenance	£0	£23,000	£23,000	0.00%	£23,000	0.00%	Based on a building of similar age and condition
Reactive maintenance	£1,500	£16,000	£16,000	0.00%	£16,000	0.00%	Based on a building of similar age and condition
Energy Costs	£3,000	£36,000	£36,000	0.00%	£36,000	0.00%	Based on 70-100% use of building. Will be dependent on level of program delivered.
Cleaning	£500	£16,000	£16,000	0.00%	£16,000	0.00%	Based on 20 hours per week at £15 per hour (gross). May vary dependent on programme of events.
Rates	£5,000	£5,000	£5,000	0.00%	£5,000	0.00%	Rates reduced from £13,000 to £5,000 to account for rate relief.
Marketing	£15,000	£20,000	£20,000	0.00%	£20,000	0.00%	
Programme investment	£58,000	£30,000	£30,000	0.00%	£10,000	-66.67%	To develop and establish a programme of events
Management	£50,000	£50,000	£50,000	0.00%	£50,000	0.00%	This expenditure is offset by Seconded staff in kind income.
Apprentice	£20,000						Maximum costs for an apprentice for 2 years. Year 1 cost of £6,400 then year 2 is age dependent and could range from £7,500 to £13,700. As post would be 2 years, it is likely some budget would require carried forward at the year end - (see para 2.5 above).
Trustee expenses	£0	£10,000	£10,000	0.00%	£10,000	0.00%	this takes into account of potential cost associated with use of a trust governance model - such as allpied at Tullie House. However no governace decsion has beem made at this stage (see para 2.6 above)
Licences	£1,000	£3,000	£3,000	0.00%	£3,000	0.00%	Performing Rights Society licences, PPL, alcohol licence.
Security / Event security	£1,000	£10,000	£10,000	0.00%	£10,000	0.00%	Building security / Front of House security - variable depending on events held.
Insurance	£3,000	£3,000	£3,000	0.00%	£3,000	0.00%	Buildings / Contents / Public Liability / Events - likely to vary depending on events held
IT / Telephone	£1,000	£5,000	£5,000	0.00%	£5,000	0.00%	
Specialist Arts Consultancy	£20,000	£20,000		0.00%	£0	0.00%	
Revenue Costs	£179,000	£247,000	£227,000		£207,000		

Table 2: Revenue Income years 1 to 3

Revenue Income	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
Arts Council Grant	£0	£30,000	£30,000	0.00%	-		50:50 match funding. Likely to be able to use seconded staff as match funding.
Cafe/Bar (net)	£0	£8,000	£9,000	12.50%	£10,125	12.50%	Costs of running the bar have been factored in. E.g. Licences, health and safety, regulations met to allow catering and alcohol to be supplied, stock, staffing, set up costs.
Seconded staff in kind (i)	£30,000	£30,000	£30,000	0.00%	0		This income is used to offset Management costs
Seconded staff in kind (ii)	£20,000	£20,000	£20,000	0.00%	£0	-100.00%	This income is used to offset Management costs
Managed work space	£0	£5,000	£5,625	12.50%	£6,328	12.50%	
Performance space hire	£0	£3,000	£3,375	12.50%	£3,797	12.50%	
Performance ticket sales	£0	£5,000	£5,625	12.50%	£6,328	12.50%	
Rehearsal hire	£0	£2,000	£2,250	12.50%	£2,531	12.50%	
Fundraising and sponsorship	£0	£15,000	£16,875	12.50%	£18,984	12.50%	
Revenue Income(including in kind)	£50,000	£118,000	£122,750		£48,093		12.5% increase based on expected increase in programme.

Table 3: Net Revenue Costs years 1 to 3

Description	Pre Build (2013/14)	Year 1 (2014/15)	Year 2 (2015/16)	% Increase	Year 3 (2016/17)	% Increase	Comments
Net revenue costs	£129,000	£129,000	£104,250		£158,907		Net Revenue Cost to the Council
Current Budget Approved	£129,000	£104,000	£159,000		£159,000		
Additional cost/(Saving)	£0	£25,000	-£54,750		-£93		

It is proposed that the budgets approved through the 2013/14 budget process are moved forward a year, and the budget approved for 2013/14 is used to start developing and delivering a programme of events in the Fire Station prior to the capital works commencing.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 1 JULY 2013

EX.069/13 ARTS CENTRE DEVELOPMENT (Key Decision – KD.015/13)

Portfolio Culture, Health, Leisure and Young People

Relevant Overview and Scrutiny Panel Community

Subject Matter

The Culture, Health, Leisure and Young People Portfolio Holder submitted report CD.37/13 concerning the potential development of an Arts Centre for Carlisle.

The Culture, Health, Leisure and Young People Portfolio Holder commented upon the long history of exploring the idea of a mid-scale Arts Centre and performance venue in Carlisle, adding that the Carlisle Plan provided a pledge for the development of an Arts Centre within the City.

It was proposed that a venue be identified for an Arts Centre which could:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. That would include supporting emerging, Carlisle based, commercial artists and designers.
- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate (a substantial building with straight forward structure on a prominent corner site on the edge of the historic quarter) was proposed as the preferred option.

Details of the proposed format; market potential; management and programme aspects; design concept and capital costs; and the anticipated timetable were provided.

In conclusion, the Culture, Health, Leisure and Young People Portfolio Holder moved the recommendations which were duly seconded by the Deputy Leader and Economy

and Enterprise Portfolio Holder. The Deputy Leader commented that there had been positive feedback regarding the proposals following press coverage and the proposals met the aspirations of the City and would drive economic regeneration.

Summary of options rejected None

DECISION

That the Executive:

1. Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. Approved the increase in the capital programme from £586,000 to £1,064,500 for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
3. Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
4. Delegate authority to the Portfolio Holder for Culture, Health. Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13.
5. Make report CD.37/13 available for consideration by the Community Overview and Scrutiny Panel.

Reasons for Decision

Carlisle had a recognised weakness in 'mid-scale' arts and entertainments programmes and, in line with the aim of the Carlisle Plan, now sought to develop a sustainable facility which would act as a focal point for creative arts complementing and supporting the existing offer in and around the City. That was in line with the vision and actions in the Carlisle Plan

EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 11 JULY 2013

COSP.47/13 CALL-IN OF DECISIONS

The Chairman of the Community Overview and Scrutiny Panel reported that Executive Decision EX.69/13 from the Executive on 1 July 2013 concerning Arts Centre Development had been called-in by Councillors Ellis, Mrs Prest and Mrs Vasey.

The Executive had decided:

That the Executive:

1. Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. Approved the increase in the capital programme from £586,000 to £1,064,500 for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
3. Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13.
5. Make report CD.37/13 available for consideration by the Community Overview and Scrutiny Panel.

The reason for the decision by the Executive was that Carlisle had a recognised weakness in “mid-scale” arts and entertainments programmes and, in line with the aim of the Carlisle Plan, now sought to develop a sustainable facility which would act as a focal point for creative arts complementing and supporting the existing offer in and around the City. That was in line with the vision and actions in the Carlisle Plan.

The reason given by the Members for the call-in was “Concerns over doubling of capital costs”.

The call-in Members explained that they were concerned that the increase in the capital programme was the only part of the Executive’s decision that was to be referred to Council. The Members believed that the proposed costs for the project had already doubled and from experience believed that costs would rise higher than the estimate provided. The report stated that the Council were committed to the project but gave no indication of who would run the centre, how it would be funded or who would use it. The call-in Members acknowledged that those issues would be addressed but they were of the opinion that the decision had been made before costs were known.

The Member advised that some Members had received a briefing from the Director of Community Engagement on the revenue implications for the Council but the Director had not been able to provide a full answer at that time.

It had also been decided by the Executive to delegate authority to the Culture, Health, Leisure and Young People Portfolio Holder to produce and progress plans to deliver the Arts Centre.

Call-in Members believed that the report suggested that scrutiny would have no role in the project as the decisions had been made. Discussions about revenue and potential users had not been scrutinised by Councillors and if the decision had not been called in the decision would have become live.

The Culture, Health, Leisure and Young People Portfolio Holder advised that the report was the first step of a long process. The Arts Centre would tie in with the Carlisle Local Plan to make Carlisle a prosperous City and help to achieve a sports and arts showcase. The paper had taken over a year to produce and a range of venues had been explored. The Council had been investigating an arts centre since 2006 when a report was submitted to the Executive following a review by Roger Lancaster Associates.

The Culture, Health, Leisure and Young People Portfolio Holder stated that the report recently submitted to the Executive was the first step to ensure the capital costs and that additional money could be put into the budget. The figures provided were outline figures. The Executive wished to ensure that an arts centre would attract residents and tourists both now and in the future. The Portfolio Holder believed that Officers had looked at the building to ensure it was fit for purpose, there had been consultation with local residents who had provided positive feedback and there would be further reports in the future in respect of revenue, the business case and who would run the centre.

The report outlined the aims and ambitions of what the Executive wished to deliver.

A Member reminded Members that the City Council owned the fire station building so there would be no outlay to purchase the building.

A Member believed that the decision had been made and that there would be no further scrutiny on that decision. There was no business plan for the development and there was no indication of revenue costs. The report suggested that the project could be funded from the Asset Review Programme. However, the Member believed that the programme was to sell low return assets and invest the funds in high return assets. There was also no risk assessment included in the report.

The Portfolio Holder stated that the report indicated that the Executive were looking at the fire station as a possible venue. The Member pointed out that the decision stated that the Executive "Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle". The Portfolio Holder advised that the programme was at an early stage and if the figures did not stack up further along the process the Executive

would come back with other proposals. However, the Executive wanted an arts centre and there was more than enough evidence of the need for an arts centre.

The Portfolio Holder stated that the Executive had been careful with the Council's budget over the past year and while they were aware that there were people in the City who were suffering they wished to ensure the Council achieved a good return on their money and created income streams.

A Member believed that the Council had adopted the PRINCE 2 method of project management. The report indicated that that process was not being followed. The Deputy Chief Executive advised that in the past PRINCE 2 had been used but there was currently a Corporate Project Board that managed projects alongside training in Microsoft Project for Officers. The Deputy Chief Executive outlined the remit of the group and advised that the group would report on the project to the Resources Overview and Scrutiny Panel.

A Member queried whether revenues had been investigated. The Deputy Chief Executive explained that the report did not go into the finer detail but that he would expect the project group would look at those issues. The group was set up with the Culture, Health, Leisure and Young People Portfolio Holder and looked at access and value for money to ensure that the project could be delivered alongside everything else.

A Member was reassured by the comments and whilst she was not against the proposal she believed there was insufficient information in the report for the Executive to make an informed decision.

The Environment and Transport Portfolio Holder believed that the scheme would give a better return on Council funds than present interest rates. She had been to a meeting that morning regarding the Sense of Place and advised that the people who attended were positive about the vision and development in Carlisle and believed that Carlisle should be a destination and not a gateway to somewhere else. The Portfolio Holder believed that Carlisle was out on a limb by not having an arts centre. Residents in the Rickergate area had been concerned about the future of the area but the present proposal had allayed those fears. The Portfolio Holder also believed that the proposal would provide an iconic building of which the people of Carlisle would be proud. She explained that the capital costs had increased following the submission of the architect's concept.

A Member stated that he was not against a new theatre and believed that the main reason for the failure of the Lonsdale project was that the building had been allowed to deteriorate to its present condition. The proposed arts centre would be in a residential area with a lot of people around and therefore he did not believe it was the right building.

The Deputy Leader advised that there had been a lot of work undertaken on the project and at the beginning costs were investigated. He highlighted a number of smaller theatres across the country which were very successful. The report had been submitted to the Panel for their involvement.

A Member stated that the information had not been available to all Members until the Executive report was published while others had been given a presentation prior to the Executive meeting. He confirmed that the decision had been called in as members were unclear from the report how the arts centre would be funded and by whom and how it would be run.

The Culture, Health, Leisure and Young People Portfolio Holder outlined the revenue funding as set out within the report. She believed that the arts centre would complement what was already in place and Officers had looked at similar projects in other areas.

The Director of Resources advised, in response to a query from a Member, that the financial figures in the report were a best estimate and were indicative of costs the Local Authorities incurred when running an arts centre. The figures were based on the arts centre being in the Methodist Hall and the Director advised that it was likely that the costs would change. Officers were looking to see what grants were available and a further report would be submitted at a future meeting.

The Deputy Leader acknowledged Members' concerns regarding costs but reiterated that the project was in its early stages and it would be difficult to provide precise figures at such an early stage.

The Environment and Transport Portfolio Holder reminded Members that the issue around the impact on residents had been raised. She believed that so long as the building was adequately sound-proofed there would not be any issues.

The Culture, Health, Leisure and Young People Portfolio Holder advised that she had met with residents on two occasions during the previous week all of whom had given positive feedback. The Portfolio Holder had also received a letter in support of the project.

The Environment and Transport Portfolio Holder, as a Ward Councillor, along with a fellow Ward Councillor, had also met with residents and advised that the majority were in favour of an arts centre on the site.

A Member stated that although the Director of Resources and the Deputy Leader had indicated how much had been put aside for the scheme there was no indication of how much the scheme was likely to cost and how the budget would be achieved.

The Deputy Leader confirmed that Officers, the Executive and the Panel would monitor the project to move the project forward.

A Member believed that the vision could be achieved and would be a major attraction and stimulus for the City. The arts centre could be a centre point for people across the district and would enrich the economic and cultural life of the City.

The Culture, Health, Leisure and Young People Portfolio Holder advised that Officers were working on a business plan for the arts centre but that it would not be ready in time for the next meeting of the Council. When the report was ready it would contain more information about revenue costs.

In response to a query from a Member the Director of Governance agreed to provide the latest revenue projections for the project as an addendum to the report to Council. Under those circumstances the Member was satisfied that matter was being addressed by the Executive and that it would not be necessary to refer the matter back to the Executive.

Members were satisfied that the Panel would be able to scrutinise the project and agreed that it would not be necessary to refer the matter back to the Executive or Council.

RESOLVED: That the matter shall not be referred back to the Executive and the decision shall take effect from the date of this meeting.

EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 11 JULY 2013

COSP.52/13 ARTS AND CULTURE STRATEGY (ARTS CENTRE)

The Director of Community Engagement submitted report CD.40/13 concerning the potential development of an Arts Centre for Carlisle. The matter had been considered by the Executive at their meeting on 1 July 2013 when they made the following decision:

That the Executive:

1. Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. Approved the increase in the capital programme from £586,000 to £1,064,500 for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme.
3. Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme.
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13.
5. Make report CD.37/13 available for consideration by the Community Overview and Scrutiny Panel.

The Director of Community Engagement introduced Mr Hugh Champion to the Panel. Mr Champion was a recognised expert and development consultant in Arts Centres and had given advice and support whilst looking through the site options. The report commented upon the long history of exploring the idea of a mid-scale Arts Centre and performance venue in Carlisle, adding that the Carlisle Plan provided a pledge for the development of an Arts Centre within the City.

It was proposed that a venue be identified for an Arts Centre which could:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. That would include supporting emerging, Carlisle based, commercial artists and designers.

- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate (a substantial building with straight forward structure on a prominent corner site on the edge of the historic quarter) was proposed as the preferred option.

Details of the proposed format, market potential, management and programme aspects, design concept and capital costs, and the anticipated timetable were provided.

In considering the report Members raised the following questions and comments:

- *Potential capital costs were included in the report. Was it in the Council's best interests to publish those figures prior to the project going out to tender? Who was preparing the tender documents? Would it be someone with specialist knowledge in that area?*

The Director of Community Engagement advised that advice had been sought from colleagues regarding whether the report should be considered in private. Whilst it was acknowledged that the information was sensitive it was agreed that it would not disadvantage the Council by considering the information in public. The Director did not know whether there would be input from a technical specialist. Officers had been working on what the Council would like the Arts Centre to be.

- *The cooling off period appears to be one day only.*

The Director of Community Engagement explained that the tenders would be reviewed from 20 September 2013 and that would be the start of the cooling off period. That would give people time to amend their tender if necessary.

In response to a query the Director of Community Engagement advised that contingency had been built into the budget.

- *The plan shows a bar/cafe. Would a kitchen also be included?*

The Director of Community Engagement explained that the project was not yet at that level of detail.

The Deputy Chief Executive stated that Day Cummins had been commissioned to produce the plans for the Arts Centre. Their work allowed the Executive to decide upon a preferred site. The project would now follow the proper process before coming to a final decision. Funds were available in the 2013/14 budget for specialist advice and progress reports would be submitted to the Panel throughout the process.

- *Were similar Arts Centres elsewhere struggling or were they successful?*

Mr Champion advised that it was a difficult time for the arts generally. When he first became involved the option for the Arts Centre was the Methodist Hall. When the fire station was first proposed Mr Champion did not believe it would be suitable but after further investigation he was satisfied that the building would be suitable. However the Arts Centre would need to be run in a business like manner with the right skills. He believed that the Centre should draw in a large footfall with meetings, conferences and headline acts.

With regard to the bar and kitchen, Mr Champion stated that it was important that there was a good catering offer where people could meet after work. It was important that it was not seen as a service of the Council and would require good coffee and a welcoming atmosphere. Staff should be flexible and multi skilled as they would be required to cover a range of duties within the Centre.

- *Previous reports had emphasised the need for catering quality and volume. Had the use of volunteers been considered particularly when performances were taking place?*

The Director of Community Engagement explained that the Arts Centre would require supporters who could make a contribution. There would be an important role for the community to ensure the Arts Centre was a success. A core staff would be required but there would also be a role for volunteers.

Mr Champion advised that whilst volunteers were very useful it was important to consider how they were rostered and that they were of the relevant age group to the programme.

- *People looking for performing arts were generally older people.*
- *It was very difficult to gain profit from catering and only by selling high volumes and having tough terms and conditions for staff.*

Mr Champion agreed that it would be difficult and that the Centre would need to trade on the best and most interesting commodities and the best quality. A lot of people like working in the arts and the Council had the opportunity to build up a highly motivated staff. Mr Champion confirmed that people using the Centre should be charged competitive rates for rooms and equipment.

Mr Champion confirmed that the Arts Centre would complement other arts facilities in the area and the staff at the brickyard were keen to work with the Council on the Arts Centre.

- *There were a lot of students in Carlisle and the college was currently undertaking a £5.3m arts centre in the college.*
- *The college would provide learning skills that could then be displayed in public in the Arts Centre. As there was a mix of size of venues it would be ideal for students. As well as the college the Centre could also be used by the University's performing arts*

students and technical volunteers may be available from the university. The University would also be looking for practice and performance space.

The Director of Community Engagement advised that a lot of work had been done with the University and they were eager to work with the Council on the Arts Centre. The Centre would enable students to stay in Carlisle as a stepping stone to a further career. A selection of high quality student work had been on display at the University.

Mr Champion believed that the Council had a good opportunity to build up a good working relationship with the educational institutions. Arts facilities within university campuses did not generally make a huge impact on the community but could be a good source of volunteers and a good way for students to gain experience.

- *Had the Green Room been consulted on the proposals?*

The Director of Community Engagement advised that the Green Room were interested in what the Council were undertaking and wanted to be part of a place where people would visit.

RESOLVED: That Report CD.40/13 – Arts and Culture Strategy (Arts Centre) be noted.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 5 AUGUST 2013

EX.84/13 ARTS CENTRE DEVELOPMENT
(Key Decision – KD.015/13)

Portfolio Culture, Health, Leisure and Young People

Relevant Overview and Scrutiny Panel Community

Subject Matter

Pursuant to Minute EX.69/13, the Culture, Health, Leisure and Young People Portfolio Holder submitted report CD.37/13 concerning the potential development of an Arts Centre for Carlisle.

The Culture, Health, Leisure and Young People Portfolio Holder reiterated the background to the matter, commenting upon the long history of exploring the idea of a mid-scale Arts Centre and performance venue in Carlisle. She added that the Carlisle Plan provided a pledge for the development of an Arts Centre within the City.

It was proposed that a venue be identified for an Arts Centre which could:

- bring a new performing arts and entertainment focus into the Carlisle, delivering an offer to the city and its wider hinterland.
- deliver exciting and developing programmes of quality arts and entertainments, aimed at building and broadening audiences.
- offer a varied range of opportunities for Carlisle residents as participants, creators and performers.
- stimulate local talent and build the profile of Carlisle and Cumbria's creative and digital industries sector. That would include supporting emerging, Carlisle based, commercial artists and designers.
- contribute distinctively to Carlisle's visitor offer, linking into, and being a resource for, festivals, events, projects and cultural providers.
- provide the foundation for future developments in arts and entertainment.

Having considered potential venues in Carlisle, the former Fire Station in Rickergate (a substantial building with straight forward structure on a prominent corner site on the edge of the historic quarter) was proposed as the preferred option.

Details of the proposed format; market potential; management and programme aspects; design concept and capital costs; and the anticipated timetable were provided.

The Culture, Health, Leisure and Young People Portfolio Holder reported that this was the first stage of the process and clearly more work was needed on aspects, including the building, revenue stream, consultation with the community and the involvement of external funding opportunities. She further commented upon the considerable support and positive debate which had ensued on the matter.

Following the 1 July 2013 meeting of the Executive, Councillors Ellis, Mrs Prest and Mrs Vasey had called in for scrutiny Executive Decision EX.69/13. The Community Overview and Scrutiny Panel had, on 11 July 2013, considered the decision and resolved "That the matter shall not be referred back to the Executive and the decision shall take effect from the date of this meeting."

At that same meeting, the Panel had resolved that Report CD.40/13 – Arts and Culture Strategy (Arts Centre) be noted.

Copies of Minute Excerpts COSP.47/13 and COSP.52/13 had been circulated.

The Culture, Health, Leisure and Young People Portfolio Holder further drew attention to the Addendum to Report CD.37/13 which outlined the revenue profile for the Arts Centre over a three year period, including the revised profile for the 2013/14 financial year as requested by the Community Overview and Scrutiny Panel on 11 July 2013.

Within the pre build 2013/14 year, £58,000 programme investment would support the delivery of a pilot programme promoting the space, assessing audience / market reaction and testing what worked; and meet costs associated with commissioning artists, materials, infrastructure e.g. staging and lighting, and room hire.

The Chairman of the Community Overview and Scrutiny Panel confirmed that the project was looked at twice during the July 2013 meeting. The reason for the call-in was "concerns over the doubling of capital costs". That figure had increased by over £478k and the questioning was, in the main, around the need for a Business Plan, indication of revenue costs, the suggestion that the project could be funded from the Asset Review Programme and there being no risk assessment included within the report.

The Portfolio Holder had advised that the programme was at an early stage and, if the figures did not stack up further along the process, the Executive would come back with other proposals. The Environment and Transport Portfolio Holder who also attended believed that the scheme would give a better return on Council funds than present interest rates.

The Chairman added that, following further questioning, Members were satisfied that the Panel would continue to be able to scrutinise the project as it progressed and agreed that it was not necessary to make reference back to the Executive.

The second scrutiny later on the Agenda was principally around the detail of the activities planned for the Centre, which questioning was assisted by the attendance of an Arts Consultant employed by the Council to advise on the project. He felt overall that

the Council, particularly if they built up a good relationship with other institutions in the field, had an opportunity to produce a worthwhile facility.

In conclusion, the Chairman reported that she would bring the Addendum referred to above to the Panel's attention when they next met.

In response, the Culture, Health, Leisure and Young People Portfolio Holder welcomed the Chairman's comments. The Executive was very conscious of the need to secure value for money and to create jobs. She gave an assurance that the project would be the subject of robust scrutiny over the coming months.

By moving the recommendations set out in Report CD.37/13 and the Addendum thereto, the Culture, Health, Leisure and Young People Portfolio Holder said that the Council was taking steps towards the provision of a new and exciting initiative for Carlisle.

Summary of options rejected None

DECISION

That the Executive:

1. Approved the Warwick Street Fire Station for development as an Arts Centre for Carlisle;
2. Approved the increase in the capital programme from £586,000 to £1,064,500, for recommendation to Council, noting that the increase would be funded from additional capital receipts generated from the Asset Review Programme;
3. Approved the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme;
4. Delegated authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in report CD.37/13;
5. Noted the re profiling of the existing budgets to future years, as detailed in the Addendum to Report CD.37/13;
6. Noted the use of the 2013/14 budget provision to fund current arts activity and for the development of a pilot arts programme.

Reasons for Decision

Carlisle had a recognised weakness in 'mid-scale' arts and entertainments programmes and, in line with the aim of the Carlisle Plan, now sought to develop a sustainable facility which would act as a focal point for creative arts complementing and supporting the existing offer in and around the City. That was in line with the vision and actions in the Carlisle Plan

The three year profile was provided to satisfy the requirements of the Community Overview and Scrutiny Panel by giving details of how the Arts Centre would be funded and the net revenue contribution that was required from the City Council to pump prime the development of a vibrant arts and cultural facility that showcased the City of Carlisle

Report to Council

Agenda
Item:

19

Meeting Date: 10 September 2013

Portfolio: Cross Cutting

Key Decision: Not Applicable

Within Policy and
Budget Framework NO

Public / Private Public

Title: OPERATION OF THE PROVISIONS RELATING TO CALL-IN
AND URGENCY

Report of: Director of Governance

Report Number: GD.40/13

Purpose / Summary:

To report on the operation of call-in and urgency since the previous report to Council on 16 July 2013.

Recommendations:

That the position be noted.

Tracking

Executive:	N/A
Overview and Scrutiny:	N/A
Council:	10 September 2013

1. BACKGROUND

This report has been prepared in accordance with Rule 15(i) of the Overview and Scrutiny Procedure Rules which deal with the procedure in respect of occasions where decisions taken by the Executive are urgent, and where the call-in procedure should not apply. In such instances the Chairman of the Council (i.e. the Mayor) must agree that the decision proposed is reasonable in the circumstances and should be treated as a matter of urgency.

The record of the decision and the Decision Notice need to state that the decision is urgent and not subject to call-in. Decisions, which have been taken under the urgency provisions, must be reported to the next available meeting of the Council together with the reasons for urgency.

2. OPERATION OF THE PROVISIONS RELATING TO CALL IN AND URGENCY

The Executive, at their meeting on 2 September 2013, considered the following reports which were referred to Council. These items are all to be considered by the Council on 10 September 2013. If a call-in were to be received on any of the items, the call-in procedure would overlap the City Council meeting.

All Members will have received copies of the reports and minutes with the Summons for the Council meeting and will have the opportunity to consider the items at the Council meeting on 10 September 2013.

- Draft Medium Term Financial Plan 2014/15 to 2018/19
- Draft Capital Strategy 2014/15 to 2018/19
- Draft Asset Management Plan 2013 – 2018

Copies of the above reports were submitted to and considered by the Resources Overview and Scrutiny Panel at their meeting on 29 August 2013. It was considered that any delay caused by a call-in on any of the items detailed above would prejudice the Council's interests in progressing the budget and the review of the Asset Management Plan.

The Mayor has agreed that the above decisions are urgent and, for the reasons set out above, that the call-in process should not be applied to the decisions.

Members will also be aware that, at a special meeting held on 15 July 2013, the Executive considered a report on the Local Plan – Land Allocations, which was subsequently considered by the City Council on 16 July 2013. The Mayor agreed that the decision was urgent since the call-in procedures would have overlapped the City Council meeting on 16 July 2013.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 That the position be noted.

Contact Officer: Morag Durham

Ext: 7036

**Appendices None
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – N/A

Community Engagement – N/A

Economic Development – N/A

Governance – Report is by the Director of Governance and legal comments are included.

Local Environment – N/A

Resources - N/A

