

## **RESOURCES OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 30 AUGUST 2012 AT 10.00AM**

**PRESENT:** Councillor Watson (Chairman) Councillors Betton, Bowditch, Bowman S, Craig, Forrester, Mrs Parsons and Whalen.

**ALSO PRESENT** Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder  
Councillor Mrs Luckley – Chairman of the Community Overview and Scrutiny Panel  
Councillor J Mallinson – Observer  
Councillor Allison – Observer  
Professor Councillor Hendry - Observer

### **ROSP.55/12 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Layden, Chairman of the Environment and Economy Overview and Scrutiny Panel.

### **ROSP.56/12 DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

### **ROSP.57/12 MINUTES OF PREVIOUS MEETINGS**

The Panel asked for an update on the meeting between the Directors of Resources and Community Engagement, the housing providers and the developers regarding the Dalton Avenue, Raffles Project as reported to the last meeting of the Panel.

The Town Clerk and Chief Executive (Dr Gooding) agreed to provide Members of the Panel with a written update.

**RESOLVED** – 1) That the minutes of the meeting held on 26 July 2012 be noted.

2) That the Town Clerk and Chief Executive would provide a written update on the meeting between officers, housing providers and developers regarding the Dalton Avenue, Raffles Project.

### **ROSP.58/12 CALL-IN OF DECISIONS**

There were no items which had been the subject of call-in.

## **ROSP.59/12            OVERVIEW REPORT AND WORK PROGRAMME**

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.22/12 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

Mrs Edwards reported:

- The Forward Plan of Executive Key Decisions, covering the period 1 September 2012 to 31 December 2012 had been published on 17 August 2012 and the following issues fell within the remit of the Panel:

KD.015/12 – The Medium Term Financial Plan and the Capital Strategy 2012/14 – 2018/19 – the item was included on the agenda for this meeting.

KD.016/12 – Asset Management Plan – the item was included on the agenda for this meeting.

KD.019/12 – Revision of Statement of Gambling Policy – the routine revision of the Gambling Policy would be considered by the Executive on 3 September 2012 and 29 October 2012 prior to being referred to Council. It was agreed that the Chairman would look at the document and make a decision as to whether it would be considered by the Panel at their meeting on 18 October 2012.

KD.021/12 – Localisation of Council Tax – the Panel previously agreed to consider the item at its meeting on 18 October 2012.

KD.027/12 - Highways Claimed Rights Review – the Environment and Economy Overview and Scrutiny Panel would consider this item at their meeting on 13 September 2012. Members of this Panel were invited to attend the meeting to take part in the scrutiny of the report.

KD.029/12 – Tullie House Museum and Art Gallery Trust Business Plan 2013/14 – the Community Overview and Scrutiny Panel would consider the Plan at their meeting on 22 November 2012. Members of this Panel were invited to attend the meeting to take part in the scrutiny of the Plan.

KD.033/12 – Budget Process 2012/13 – the budget would be considered by this Panel at their meetings on 4 December 2012 and 3 January 2013.

**RESOLVED** – 1) That the Overview Report incorporating the Work Programme and Forward Plan items relevant to this Panel OS.22/12 be noted.

2) That Forward Plan items:

KD.019/12 – Revision of Statement of Gambling Policy - the Chairman would look at the document and make a decision as to whether it would be considered by the Panel at their meeting on 18 October 2012

KD.021/12 – Localisation of Council Tax would be considered by the Panel on 18 October 2012

KD.027/12 – Highways Claimed Rights Review – Members of the Resources Overview and Scrutiny Panel would attend the meeting of the Environment and Economy Overview and Scrutiny Panel on 13 September 2012 to scrutinise this item.

KD.029/12 – Tullie House Museum and Art Gallery Trust Business Plan 2013/14 - Members of the Resources Overview and Scrutiny Panel would attend the meeting of the Community Overview and Scrutiny Panel on 22 November 2012 to scrutinise this item.

KD.033/12 – Budget Process 2012/13 – would be considered by this Panel on 4 December 2012 and 3 January 2013.

**ROSP.60/12      DRAFT      MEDIUM      TERM      FINANCIAL      PLAN  
(INCORPORATING THE CORPORATE CHARGING  
POLICY) 2013/14 TO 2017/18**

The Finance, Governance and Resources Portfolio Holder presented report RD.29/12 on the draft Medium Term Financial Plan (incorporating the Corporate Charging Policy) 2013/14 to 2017/18. 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 Corporate Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

He drew Members' attention in particular to:

- Section 2.4 of the draft Medium Term Financial Plan (MTFP) which detailed a number of high impact pressures on the Council's budgets. The impact of those potential revisions (some positive) would be further analysed and reported throughout the budget process, and revisions made to current budget deficit projections as required.
- Section 3.1 concerning the state of the economy. It should be borne in mind that the figures were changing rapidly with regard to the effects on the MTFP and those would need to be closely monitored in the short term in order to react effectively to changing situations.
- Section 4.6 and Appendix F concerning the use of reserves. That would be significant from 2012/13 onwards.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 23 February 2012. 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 go come back to the Executive on 3 September, prior to transmission to Council for approval on 11 September 2012.

The Executive had on 6 August 2012 considered the report (EX.090/12 refers) and made it available for the Resources Overview and Scrutiny Panel.

In considering the Plan and Policy Members raised the following comments and questions:

- The Plan showed that the income from car parking had been declining steadily, was that a result of the new car parking strategy?

The Financial Services Manager (Miss Taylor) responded that the figures were based on the previous car parking strategy and the effects of the changes to the strategy would be monitored closely.

A Member felt strongly that the new car parking strategy and prices should be advertised to ensure members of the public understood that Carlisle City Council was 'car friendly.'

- Were the Council's Shared Services making the savings that were required in the business plan?

Miss Taylor confirmed that the savings set out in the MTFP were being achieved.

- A Member requested more information with regard to the Revised Transformation Targets.

Miss Taylor explained that the MTFP included £2.5million in savings. A report would be considered by the Executive on 3 September 2012 to determine how those savings would be achieved.

- A Member asked for an explanation with regard to the Transfer Payments figure in appendix C of the report.

Miss Taylor responded that the amount was the housing benefits payments which were almost fully reimbursed by Government. The Transfer Payment made up 51.60% of the gross cost of the Authority.

- Would the Council be financially better off under the Localisation of Council Tax now that the Business Rates could be retained by the Council?

Miss Taylor clarified that a consultation was being carried out with regard to Business Rate Retention and it was not yet known if the New Homes Bonus and the business rates would be subsumed within the RSG.

- A Member felt that the most urgent matter contained within the MTFP was the Welfare Reform and its impact. He asked if the Executive and the Council had begun work outlining the effect of the Reform and how the impact would be managed.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that a number of issues impacted the MTFP over the five year period. He explained that the Executive and Officers were discussing the impact and details of the Reform to balance the resources available.

Members were very concerned with regard to the impact of the Welfare Reform and asked that reports on the item be considered by Overview and Scrutiny before any decision was taken by the Executive.

- How were communities of Carlisle consulted on the Community Plan?

The Town Clerk and Chief Executive (Dr Gooding) informed the Panel that the Carlisle Partnership managed the consultation on the Community Plan.

Councillor Mrs Luckley, as a Member of the Carlisle Partnership, added that the Carlisle Partnership included over 80 different public partnerships that made contributions on behalf of local communities.

- The population impact within the report was based on a 1% increase in population; this was likely to be higher due to the increase in development applications being received by the Council.

Miss Taylor explained that there had not been any detailed work carried out on developments that were being proposed; and that the 1% increase quoted within the MTFP was for illustrative purposes only.

- Would the budget be able to sustain the ageing population within Cumbria?

The Finance, Governance and Resources Portfolio Holder responded that the Council's Policy Team monitored the changes in population closely.

RESOLVED – That the comments and concerns of the Committee be forwarded to the Executive for consideration.

## **ROSP.61/12 DRAFT CAPITAL STRATEGY 2013/14 TO 2017/18**

The Finance, Governance and Resources Portfolio Holder presented report RD.30/12 on the Draft Capital Strategy 2013/14 to 2017/18. 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 2013/14 to 2017/18 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 23 February 2012. 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 £10.940m for 2012/13 and £5.410m for 2013/14. The impact of the 2011/12 outturn and the carrying forward of budgets into 2012/13 and other adjustments had increased the programme by £2.158m in 2012/13 since the budgets were approved in February.

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 2013/14 to 2017/18, 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 2012/13 to 2017/18 which indicated that currently there was approximately £6.2m uncommitted estimated capital resources available to support any future capital programme as at the end of 2017/18.

The Executive had on 6 August 2012 considered the report (EX.091/12 refers) and made it available for the Resources Overview and Scrutiny Panel.

In considering the Draft Strategy Members raised the following comments and questions:

- The plans for the refurbishment of the Old Town Hall could have a substantial impact on the budget, how would the impact be managed?

A Member commented that the original plans for the refurbishment of the Old Town Hall had been considered by Overview and Scrutiny but there had not been any updates since.

The Finance, Governance and Resources Portfolio Holder informed the Panel that a report would be considered by the Executive on 3 September 2012 regarding the Old Town Hall. He felt that it would be worthwhile to consider a resubmission of the application for a grant opposed to a reduction in the scheme. He agreed that the Old Town Hall should be protected. In response to a further question the Portfolio Holder stated that a specialist had looked at the roof of the Old Town Hall and the Executive were looking at how each of the elements of the refurbishment could be funded.

- Were the Capital Receipts as set out in the report on target?

Miss Taylor confirmed that the figures with regard to Capital receipts were under review.

RESOLVED – That the comments and concerns of the Committee be forwarded to the Executive for consideration.

### **ROSP.62/12 DRAFT ASSET MANAGEMENT PLAN 2012-2017**

The Finance, Governance and Resources Portfolio Holder presented report RD.27/12 on the draft Asset Management Plan 2012 – 2017.

He informed Members that the draft Asset Management Plan had been 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. The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Executive had on 6 August 2012 considered the report (EX.092/12 refers) and made it available for the Resources Overview and Scrutiny Panel.

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

- The monies gained through the Asset Review were to be reinvested to improve the overall property portfolio. Was this being carried out and would there any opportunity to increase the investment level?

The Finance, Governance and Resources Portfolio Holder responded the Council was achieving a slightly higher interest rate than expected. He added that options for sale, redevelopment or lease were considered for each piece of land or property prior to disposal.

A Member asked when a review of the Asset Review would be carried out to ensure that the recommendations for re-investment were still appropriate.

The Town Clerk and Chief Executive (Dr Gooding) responded that most of the work carried out had been focussed incoming receipts. The investment in treasury management was meeting the required targets but there would be some major decisions to be taken by Members with regard to the options available for reinvestment.

- As the authority had money to reinvestment would there be any opportunity to encourage funding into Carlisle from other sources to support the reinvestment?

Dr Gooding explained that the Local Economic Partnership would be the primary route for investment but it would be for Cumbria not just Carlisle. He explained that the authority would prepare some projects/schemes that would be ready to go ahead immediately if money became available as this was the best way to attract funding.

- Had any consideration been given to properties within the Asset Review that could be developed as housing?

The primary priority of the Asset Business Plan was to generate revenue for the Council. The new administration had requested that the Business Plan be reviewed to ensure that the objectives were still appropriate and were still meeting the Council's priorities. There would be an opportunity for Members to be part of the considerations and submit their feedback and ideas. It was hoped that the review would take place at the end of the current year or the beginning of next year.

- Members asked for an update on the Morton disposal.

Dr Gooding informed the Panel that the Council was due to agree an exclusivity agreement with the interested supermarket subject to them receiving detailed planning agreement. The disposal was on target and then there would need to be some discussions and decisions regarding the capital. One option was to pay the £15million stock issue in 2020 and there would also be options around what to do with the capital until then.

A Member asked if all other options with regard to the Morton land had been considered before it was agreed to be disposed of.

Dr Gooding assured Members that all other options were investigated thoroughly and the disposal option had been the clear choice for the Authority.

- Carlisle City Council was unique as 20% of its gross budget came from asset, would it be possible to retain this figure?

Dr Gooding explained that the 20% would probably increase as other revenue sources were decreasing. The Council was doing as much as it could to ensure that the figure increased.

RESOLVED – 1) That the comments and concerns of the Committee be forwarded to the Executive for consideration.

2) That the Panel looked forward to being involved in the review of the Asset Review Business Plan.

### **ROSP.63/12 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2012**

The Finance, Governance and Resources Portfolio Holder presented report RD.22/12 providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2012. As at the end of June, expenditure of £408,248 had been incurred which, when considered against the profiled budget of £377,998, equated to an overspend of £30,250.

In accordance with the City Council's Financial Procedure Rules, the Finance, Governance and Resources Portfolio Holder provided details of the overall budget position, including the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. He added that the 2012/13 programme had been kept to a level that took account of the Council's ability to deliver schemes with regard to capacity and available resources. He further drew attention to the level of carry forwards that had been agreed, pointing out that work was ongoing to continue to monitor the profiling of budgets which would be adjusted to reflect progress in current capital schemes. It was likely that there would still be a requirement for some carry forwards at the year end due to further slippage and delays on projects.

The Finance, Governance and Resources Portfolio Holder added that the Senior Management Team would provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities would be managed by a Project Assurance Group chaired by the Chief Executive. In conclusion, he advised that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets.

The Executive had on 6 August 2012 considered the report (EX.101/12 refers) and resolved:

“That the Executive noted the budgetary position and performance aspects of the capital programme for the period April to June 2012, as set out in Report RD.22/12.”

In response to a question the Finance, Governance and Resources Portfolio Holder confirmed that the Women and Families Accommodation project was on programme.

The Panel asked if the overspend on the Central Plaza conversation work could be claimed back and the Town Clerk and Chief Executive (Dr Gooding) agreed to provide Members of the Panel with a written response.

RESOLVED – That RD.22/12 be noted.

## **ROSP.64/12 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2012**

The Finance, Governance and Resources Portfolio Holder presented report RD.23/12 providing an overview of the Council's overall budgetary position for the period April to June 2012 for revenue schemes only.

He summarised the budgetary position as at June 2012 which showed an overspend totalling £43,696; and highlighted the key issues, including Contractorplus (which had suffered data corruption); performance against the Salary Turnover Savings Budget; and an overspend in Economic Development. Members' attention was also drawn to the main variances in the Revenue Budgets of the various Directorates.

The Finance, Governance and Resources Portfolio Holder added that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end, including the general effect of the economic climate on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges and rents. He added that the Council's financial position would continue to be closely monitored and would be reported more fully in the next quarterly report. It was important to maintain a prudent approach so as to ensure a sustainable budget position for future years and to avoid any significant variance at the year end.

Members' attention was further drawn to a number of high risk budgets which had been identified as requiring detailed monitoring throughout the year; Section 106 commuted sums currently held by the Council; together with details of the Council's Direction of Travel.

The Executive had on 6 August 2012 considered the report (EX.102/12 refers) and resolved:

“1. That the Executive noted the budgetary and performance position of the Council to June 2012.

2. That the Executive was appreciative of the very prudent approach adopted by the Director of Resources and his staff as highlighted above.”

The Panel asked if, due to the reduction in the number of staff, consideration had been given to closing floors within the Civic Centre to make savings.

The Town Clerk and Chief Executive (Dr Gooding) informed the Panel that work had begun on looking at ways to reduce running costs within the Civic Centre. Staff had already been moved from Bousteads Grassing into the Civic Centre and various options were being considered including closing floors and renting out space.

RESOLVED – That Report RD.23/12 be noted.

## **ROSP.65/12 CORPORATE PLAN**

The Policy and Performance Officer (Mr Daley) submitted report PPP.10/12 which detailed the development of the new Corporate Plan and the indicative timetable for the work. The report also introduced the Service Standards that would measure the Council's performance and customer satisfaction.

Mr Daley reminded the Panel that the 2010-2013 Corporate Plan was drawing to an end and work had begun on developing a new Corporate Plan and performance framework. The new Plan would set out the Council's vision for Carlisle and priorities for action. Each of the priorities would initially aim to be delivered by the end of March 2013. This would align the Plan with the budget year, and future actions that developed could fit into the budget planning process.

The new list of Service Standards reflected what the Council believed affect its customers the most and were standards which the Council could be held to account on. The Standards were based on timeliness, accuracy and appropriateness of the service provided in key areas.

Mr Daley added that that it was not the Council's intention to measure the Service Standards' performance solely against targets and performance would be measured on a monthly basis and the results would be displayed in the Civic Centre reception and on the Council's website.

In addition to the Service Standards and the measures that each Directorate would have in place, the Council was developing a set of principles for staff that would support them, guide behaviours and help them perform to the best level.

Members were asked to consider the Service Standards and refer any comments to the Scrutiny Chairs Group for their review of future Corporate Plan reports.

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

- Members raised concerns that the comparisons made in the report were with the best Councils in the Country in that particular area. The report did not give any indication of the size of the authority or the resources that authority placed on that service standard. Members felt that it would be

more appropriate to compare the City Council with Councils of a similar size with similar service size.

In response to a Member's concerns regarding the time spent on preparing comparison information the Town Clerk and Chief Executive (Dr Gooding) commented that it was important for the authority to have a sense of how it was performing and what was acceptable. The performance comparison information allowed the authority to see where its performance was low and allowed for resources to be focused in achieving better performance for the local community. He added that the comparison information was readily available and easily accessible.

Dr Gooding highlighted the Service Standard for the processing of benefits claims and explained how the comparison figures showed that the Council's performance was poor thus enabling additional resources to be made available to target the issue. He explained that improving the target was a priority which the Revenues and Benefits Managers had produced a plan for. Dr Gooding agreed to circulate the plan to Members of the Panel.

The Finance, Governance and Resources Portfolio Holder added that if Members felt that the information provided within the report was not relevant then officers could provide any information that Members requested.

- What were the principles for staff?

Dr Gooding explained that instead of having a lot of various policies for staff to follow there would be one set of principles for staff to operate to which would enable them to take more responsibility and solve problems themselves and so they would be able to perform to their best levels.

- What was the criteria for the performance which would be displayed in the Civic Centre?

Dr Gooding responded that the Service Standards would be used to measure performance. He felt it was necessary to make the Council's performance available for staff and the public to keep everyone informed of what the Council did well and any problem areas. It was also a good way of keeping staff informed of where and why resources were being focused on particular areas.

RESOLVED – That the comments and concerns of the Committee be forwarded to the Scrutiny Chairs Group for their consideration.

## **ROSP.66/12 ORGANISATIONAL DEVELOPMENT PLAN REPORT**

The Organisational Development Manager (Ms Titley) submitted the first quarter report on progress made against the Organisation Development Plan 2011-2013 (CE.14/12).

Ms Titley reminded the Panel of the background to the Plan and outlined the progress made against each of the five priorities.

She highlighted the new Administrators Development Programme which would be made up of workshops, IT qualifications and NVQs to meet the specific development needs of administrative staff.

She informed the Panel that the money from the Holiday Purchase Scheme had been used to upgrade the cycle sheds, the showers in the basement of the Civic Centre and the new and expectant mothers' room. It would also fund a weight management programme which 33 staff had signed up for.

Ms Titley explained that, in response to the annual employee opinion survey, a survey had been circulated to staff to understand why they did not feel valued, this would be followed up by focus groups to address the issues.

A Member asked what the training budget was, could it be reduced and did the Council get value for money?

Ms Titley responded that the training budget was £141,000 per annum but this had been reduced by £35,000 in the new budget. She felt that the Council achieved excellent value for money as it had a long history supporting its staff and there was a range of qualifications designed to develop staff in their current and future roles. The reduction in budget would mean a change in the way training was provided with more emphasis on e-learning and re-tendering to ensure the Council got the best value for the resources available. New ways of providing training would be considered including sharing training costs with other authorities.

Members were disappointed that the training budget had been reduced and agreed that investment in staff helped them to feel more valued in the work place which in turn improved staff performance and reduced absence levels.

The Town Clerk and Chief Executive (Dr Gooding) added that it was good business to invest in the training of staff and some of the basic skills training had given staff confidence to move up through the organisation.

A Member asked for some training to be made available to help officers and Members work better with partners. Ms Titley explained that some work had already been undertaken on a practical level and there would be more available in the future which would also involve community centres and parish councils.

The Finance, Governance and Resources Portfolio Holder assured the Panel that he was satisfied that savings could be made without impacting on the quality of the service provided.

**RESOLVED** – That Report CE.14/12 be welcomed.

(The meeting ended at 11.55am)