

## **RESOURCES OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 26 JULY 2012 AT 10.00AM**

**PRESENT:** Councillor Watson (Chairman) Councillors Betton, Bowditch, Bowman S, Craig, Ms Franklin (as substitute for Councillor Forrester), Mrs Parsons and Whalen

**ALSO PRESENT** Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder  
Councillor Allison - Observer

### **ROSP.47/12 APOLOGIES FOR ABSENCE**

There were no apologies for absence submitted.

### **ROSP.48/12 DECLARATIONS OF INTEREST**

Councillors Craig, Parsons and Whalen declared a registrable interest in accordance with the Council's Code of Conduct in respect of Agenda Item B1 – Asset Review Business Plan – Disposal Programme. The interest related to the fact that they were members of the Development Control Committee and had considered the application in respect of Carlisle Airport.

Councillors Betton and S Bowman declared a registrable interest in accordance with the Council's Code of Conduct in respect of Agenda Item B1 – Asset Review Business Plan – Disposal Programme. The interest related to the fact that they were substitute members of the Development Control Committee and had considered, or had access to papers relating to, the application in respect of Carlisle Airport.

### **ROSP.49/12 MINUTES OF PREVIOUS MEETINGS**

**RESOLVED** – That the minutes of the meeting held on 14 June 2012 be agreed as a correct record of the meeting and signed by the Chairman

### **ROSP.50/12 CALL-IN OF DECISIONS**

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

### **ROSP.51/12 OVERVIEW REPORT AND WORK PROGRAMME**

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.20/12 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 July 2012 to 31 October 2012 had been published on 18 June 2012 and there were four issues which 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 would be considered by the Panel at their meeting on 30 August 2012

KD.016/12 – Asset Management Plan – the document would be available for the Panel to consider at its meeting on 30 August 2012

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 Chair would look at the document and make a decision as to whether that would be considered by the Panel at their meeting on 18 October 2012.

KD.021/12 – Localisation of Council Tax – The Executive would agree the report on 6 August 2012 to be consulted upon in September 2012 and would be available for consideration by the Panel during the consultation period. It was agreed that the Panel would consider the report at the next meeting.

- Mrs Edwards advised that the first meeting of the Scrutiny Chairs Group was held on 3 July 2012. Members considered the Group's Terms of Reference, the Council's Service Standards for 2012/13, scrutiny of Welfare Reform, Budget scrutiny and how scrutiny could be pro-active.
- The Environment and Economy Overview and Scrutiny Panel had considered their work programme and suggested that the Small Scale Grants could be an issue that Members could consider. Mrs Edwards suggested that a small Task Group could undertake a one-day scrutiny of the project.
- It was further agreed that a Task and Finish Group be set up to look at reducing the amount of paper used by the Council and working in a paperless manner. The group would work with the Finance, Governance and Resources Portfolio Holder and the Governance Director who were also looking at the issue.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Forward Plan items relevant to this Panel OS.20/12 be noted.

2) That Forward Plan items:

KD.015/12 – Medium Term Financial Plan and the Capital Strategy – would be considered by the Panel at its meeting on 30 August 2012

KD.016/12 – Asset Management Plan - would be considered by the Panel at its meeting on 30 August 2012

KD.019/12 – Revision of Statement of Gambling Policy – the Chair of the Panel would make a decision as to whether that 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 at their meeting on 30 August 2012

3) That Councillors Bainbridge and S Bowman would be appointed to a Task Group to review Members' Small Scale Grants.

4) That Councillors Watson, Craig and Franklin be appointed to a Task Group to look at reducing the amount of paper used by the Council and working in a paperless manner.

## **ROSP.52/12      PROJECTS ASSURANCE GROUP**

The Town Clerk and Chief Executive (Dr Gooding) submitted report CE.13/12 that provided the most recent summary of significant projects currently being undertaken.

Dr Gooding advised that a new project – Automating Services – was to be undertaken. At a time of very significant changes in email/website accessibility and electronic self service administration, local authority customer contact systems would need to keep pace with and anticipate future developments in demand. Specifically that included change migration from written, telephony and face-to-face contact to electronic platforms. To continue to provide excellent value for money services Customer Contact processes, the City Council website and back office systems would need to be aligned.

To achieve the highest savings and gain the most efficiency, the automation of services would concentrate around the highest demand and highest transactional cost per channel per contact. The services initially targeted would be Revenues and Benefits, Waste Services and the Enterprise Centre. A one customer account for all City Council services would also be developed.

Dr Gooding explained the current costs for telephone and face-to-face contact as well as web transactions. He added that there would still be a need for an advocacy service via telephone and face-to-face, although it was envisaged that that would be a reduced service over time and would result in reduced resources and increased savings. The service would be valuable with the proposals related to the forthcoming Welfare Reform Act as self-service would reduce the impact on the Council.

Dr Gooding advised that the capital outlay for the technology would be met by ictCONNECT and the timeframe for the initial phase of the project was to the end of March 2013 when further evaluation/plans for continued automation of service would occur. The Customer Contact Centre Manager would be the project manager and the project sponsor would be the Director of Community Engagement. The project would have its own board and be monitored by the Project Assurance Group.

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

#### Community Resource Centre

- Was the £50,000 for unforeseen works an overspend? Had the health and safety issues been resolved? It would be expected that a contractor would be aware of health and safety issues.

Mr Mason advised that the issues had been resolved but work was required to meet health and safety regulations. Mr Mason informed Members that as the issues were complicated he would request that the Resource Planning Manager write to Members advising them of the issues.

Dr Gooding explained that the £50,000 referred to in the report had been discussed at an earlier meeting. The overspend was due to a conflict of views over design issues between the contractor and the Council but Dr Gooding was confident that the issue would be resolved amicably.

- How would the Council attract businesses to use the facility as it had been highlighted that difficulties in finding parking availability had been proving a problem?

Dr Gooding advised that Officers were aware of the problems and were in discussion to try to ensure that the future of the facility was viable. The Environment and Transport Portfolio Holder was also aware of the problem.

#### Dalton Avenue, Raffles

Mr Mason advised that the Director for Community Engagement (Mr Gerrard) would be meeting with housing providers, the developer (Lovells) and Council Officers to obtain information that could be presented to the Executive to explain how the project could develop.

- Was it wise in the present economic climate for the Council to be considering a reduction in the value of the land?

Dr Gooding explained that that was a judgement that Members would be required to make. If land was to be made available at less than the best consideration there had to be a benefit to the community. Members would need to determine whether the provision of the housing scheme was of sufficient benefit to the community to allow the value of the land to be reduced.

- There was a concern about the cost of social housing and costs in Carlisle but the Member was aware that that was a result of some Government proposals. Would Officers be looking to the Government for funding towards the proposed development?

Dr Gooding explained that the Council's priorities were led by Members and affordable housing was important and therefore the Council would seek opportunities to bring in funding. Officers had already had some success in procuring funding for the scheme.

- Why were Lovells reluctant to submit a planning application for the development? And why were there delays in the re-submission of the tender from the housing association?

Dr Gooding advised that Lovells were reluctant to submit a planning application as they were concerned that the design of the scheme could change and that would require them to re-submit an application that would incur further costs. Dr Gooding explained that the costs were increased as the original scheme which was cheaper was not viable and therefore was not acceptable to either the developer or the housing provider. That had led to the situation where Members may be required to make a decision on the reduction of the cost of the land.

- What was the reason that Lovells had been repaying costs to the City Council over the past 18 months?

Mr Mason explained that that was for houses that had been built on land that had been provided by the Council. Since building the houses the market value had dropped and therefore Lovells were required to pay the Council a share in profits from the sale of the houses.

- How would the issues be taken through Council and how would Members be given the opportunity to consider the issues?

Dr Gooding explained that the disposal of land at market value would be considered by the Executive. If the land was to be sold at below best consideration then that would be a matter for Council to decide.

- How was the Council's relationship with Lovells?

The Deputy Chief Executive (Mr Crossley) advised that Lovells wished to retain a professional level in order to sustain the organisation. Mr Gerrard was continuing to hold discussions with Lovells in order to determine negotiations that could be presented to the Executive with regard to overall costs. If a similar scheme was presented in the future Members would be required to make similar decisions.

In response to a query from a Member Dr Gooding agreed to advise Members of the level of grant available from the Homes and Communities Agency.

- Would the Panel be able to scrutinise future costs of the proposed development?

Dr Gooding explained that there would either be discussion with, or a report presented to, the Executive that would then be available for scrutiny before going back to the Executive and then on to Council. An alternative would be

for a report to be considered by the Panel before being considered by the Executive and then Council. Dr Gooding assured Members that they would have the opportunity to scrutinise the proposals.

- What kind of grants were available to assist with the reduction in the cost of the land?

Mr Mason was not sure which grants were available but agreed to investigate and advise Members.

### Historic Quarter

- A Member was concerned about the number of larger vehicles parking on the pavement within the historic quarter and the resultant damage to the pavement when cars were parking in the parking bays intended for wagons.

Dr Gooding assured Members that enforcement officers issued notices to those people who did not abide by the parking regulations.

- There had been an article in the press in relation to traffic in West Walls. A Member believed that the City Council should be allowed to put forward their view on the matter. The Member also believed that West Walls should be closed to traffic and the road surface replaced with cobbles.
- A sum of £40,000 had been quoted in the press but that was not only for work on West Walls. It was important that the City did not lose its historic value.
- Was there anything that the Council could do to emphasise the historic quarter?

Dr Gooding advised that it was the job of politicians to negotiate issues with the County Council with regard to the historic quarter. He believed that City Councillors did a good job promoting Carlisle but added that the County Council had financial constraints and had to make decisions on how to prioritise budgets.

### Old Town Hall

- How would the Council bridge the £115,000 shortfall as indicated within the report?

Mr Crossley advised that Officers were in discussion with English Heritage about the nature of the proposed repairs. It was anticipated that a resolution would be found within weeks.

- English Heritage agreed funding of £290,000 some of which was to fund work on the old town hall. Should they be obliged to honour that commitment?

Mr Crossley advised that Officers were looking at the grants conditions and that legal advice was being sought. He explained that a contractor had been engaged to enable work to begin as soon as funding was agreed.

Mr Mason advised that one of the grant conditions was that the work would be completed by 2013. Tenders for the work had been sent out in 2 tranches to cover either English Heritage funding covering the whole amount or for the work to be funded by English Heritage and the City Council.

- The old town hall was one of Carlisle's most important buildings. A Member believed that consideration should be given to the use of funds realised from the sale of Council assets to fund the work if funding from English Heritage failed.
- Members were concerned that English Heritage had suggested a patchwork repair to the building and believed that English Heritage had standards that they should adhere to.

#### Business Improvement District (BID)

Mr Crossley explained the voting process for the BID that would open on 27 July 2012. If the BID was successful all businesses would pay an increase of 1% on their business rates.

Mr Mason advised that there was a cut off for businesses below a certain business rate but added that such businesses would not have a vote in the BID.

Dr Gooding explained that the businesses would determine what the money raised from the additional business rates would be used for.

#### Kingstown Industrial Estate

- A Member was concerned that the works would not achieve the County Council's new enhancement criteria.

Mr Mason explained that initially the criteria was for a 30 year design life but the County Council had amended the proposal to a 40 year design life.

- A Member was confused by some of the icons and believed that a wrong impression was created within the report. Dr Gooding acknowledged the Member's comments.

RESOLVED – 1) That the Projects Assurance Group report CE.13/12 be noted.

2) That the Panel consider reports relating to the sale of the Dalton Avenue land.

## **ROSP.53/12 CORPORATE RISK MANAGEMENT**

The Deputy Chief Executive (Mr Crossley) presented report SD.06/12 that updated Members on the Corporate Risk Register. The Portfolio Holder advised that a number of the risks would be removed from the Corporate Risk Register, although SMT would continue to monitor them during 2012/13.

The Provision of Disabled Facilities Grants (DFGs) would be removed as control strategies put in place in 2011/12 would now ensure that the Council was dealing with the financial and reputational risk. Although the risk would be removed from the Corporate Risk Register it would remain on the Strategic and Private Housing Operational Risk Register in order to maintain monitoring and control of the risk.

The Redundancy Payment Provision would be removed as reserves had now been topped up by £250,000 as part of the year end accounts and it was anticipated that the Council now had sufficient funds to meet potential redundancy costs in 2012/13. The risk would be removed from the Corporate Risk Register and remain on the Financial Services Operational Risk Register as the longer term funding of the reserve continued to be tested.

Sickness Absence processes and procedures were currently being revised along with more robust reporting on sickness statistics. The impact of the mitigation actions would be known later in 2012/13. The risk would be removed from the Corporate Risk Register and remain on the Personnel Operational Risk Register.

With regard to the vision for the City, the Carlisle Economic Partnership had now developed a draft vision and clear direction for growing the economy of Carlisle through the work undertaken to produce the Carlisle Economic potential report. The draft vision and key actions would be agreed during the current quarter, which had reduced the risk and therefore allowed the Vision for the City to be removed from the Corporate Risk Register.

The control strategy for managing the National Non Domestic Rates was now substantially delivered and the purpose of the actions arising from the Economic Potential report was to ensure that the local economy was sustained and grew.

The Senior Management Team would be conducting an annual review of the corporate risks during August to identify any new or emerging risks that could be incorporated into the Corporate Risk Register.

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

- What were the correct channels for reporting sickness absence?

The Chief Executive (Dr Gooding) advised that sickness absence was a significant issue and that the Panel would continue to receive reports on sickness absence to scrutinise and monitor absence levels. There was some



concern about the manner by which sickness absence had been presented in the press recently and Dr Gooding advised that the City Council absence levels were still good compared to other Local Authorities in the area. A report would be presented to a future meeting that would indicate how sickness absence was being managed including work on return to work interviews.

- Morale among staff and sickness absence was important and those issues impinged on all Council services. There was a concern about sickness absence being removed from the risk register.

Dr Gooding agreed that morale and sickness absence were important issues but informed Members that City Council figures had reduced in comparison to other Local Authorities in the area.

Mr Crossley explained the effect impact and likelihood had on a particular risk.

- The risk in relation to redundancy payment provision was recommended for removal from the register but had not reached the target.

Mr Crossley advised that was an error in the report and that it should have been shown as complete.

RESOLVED – 1) That the Corporate Risk Management Report be noted.

## **PUBLIC AND PRESS**

**RESOLVED** – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against each minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

## **ROSP.54/12 ASSET REVIEW BUSINESS PLAN – DISPOSAL PROGRAMME**

(Public and Press excluded by virtue of Paragraph 3)

The Property Services Manager (Mr Simmons) presented report RD.25/12 that provided a further update on progress with the asset disposal programme approved by Council on January 2011. The report set out the current financial position and projections and provided a summary on the key issues.

Mr Simmons further reported the issues within the Business Plan and the reinvestment options.

In considering the Asset Review Business Plan – Disposal Programme Report Members raised the following comments and questions:

- It had been previously agreed that if a property was to be sold the Ward Councillor would be advised. Could that arrangement be put in place to include purchases made?

Mr Simmons explained that any property acquisitions made by the Council were discussed and considered through the normal decision making and approval channels. Executive consent would be required and Members should already have access to that information.

The Chief Executive (Dr Gooding) agreed that the information could be built into the process of purchasing property within a Ward.

- Would it be possible to negotiate fees for disposal costs?

Mr Simmons explained how the costs associated with disposals were dealt with and calculated.

In response to a query from a Member Mr Mason explained how the funds raised to date from the Asset Review Disposal Programme were on target and in line with the Council's Medium Term Financial Plan projections.

The Finance, Governance and Resources Portfolio Holder stated that the Executive would continue to review the Asset Review Business Plan.

Dr Gooding advised that the Asset Review Business Plan had largely met its objectives but that, following the change in administration of the Council, it was a good opportunity to review the Plan.

RESOLVED – 1) That the Asset Review Business Plan – Disposal Programme report RD.25/12 be noted.

(The meeting ended at 11:20)