

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 16 JUNE 2011 AT 10.00AM

PRESENT: Councillor Layden (Chairman), Councillors Allison, Bainbridge, Bowditch, Bowman S, Mrs Bradley (as substitute for Cllr Hendry) and Whalen.

ALSO

PRESENT: Councillor J Mallinson – Governance and Resources Portfolio Holder
Councillor Ellis – Performance and Development Portfolio Holder

ROSP.31/11 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Hendry.

ROSP.32/11 DECLARATIONS OF INTEREST

Councillor Allison declared a personal interest in accordance with the Council's Code of Conduct in respect of Agenda Item A.3 – Capital Projects Task and Finish Group. The interest related to the fact that he had previously spoken publically at a public planning inquiry regarding the scale of the proposed Morton development.

ROSP.33/11 MINUTES OF PREVIOUS MEETINGS

The minutes of the Resources Overview and Scrutiny Panel held on 31 March 2011 had been circulated. A Member highlighted the Panel's previous concerns regarding the public's perception of the Connect 2 Cycleway/Sustrans and informed the Panel that he would raise the matter at the Environment and Economy Overview and Scrutiny Panel on 23 June 2011 to follow up on a resolution made at that Panel on 7 April 2011 which supported a letter to the Big Lottery regarding the Council's position on the matter.

RESOLVED – That the minutes of the meeting held on 31 March 2011 be noted.

ROSP.34/11 CALL-IN OF DECISIONS

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

ROSP.35/11 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.15/11 which provided an overview of matters related to the Resources Overview and Scrutiny Panel's work. Also included was the latest version of the work programme and details of Forward Plan items relevant to this Panel.

Mrs Edwards reported:

- That the Forward Plan of Executive key decisions, covering the period 1 June – 30 September 2011 had been published on 18 May 2011 and was included in the Overview Report. There were three items in the Plan relevant to this Panel:

KD.010/11 – Provisional Outturn Reports 2010/11

KD.016/11 – The Medium Term Financial Plan (including the Corporate Charging Policy) and the Capital Strategy 2012/13 to 2017/18

KD.017/11 – Asset Management Plan 2011-16

- A date had not yet been set for the Development Session but it was anticipated that the work programme would be discussed in detail at the Session and Members were asked to give some consideration to any issues that they would like to have considered over the next year.

RESOLVED –That the Overview Report incorporating the Work Programme and Forward Plan items relevant to this Panel be noted.

ROSP.36/11 CAPITAL PROGRAMME REVIEW

The final report of the Capital Projects Task and Finish Group (OS.16/11) had been submitted.

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

- The Governance and Resources Portfolio Holder asked for clarification with regard to recommendation one.

Dr Gooding reminded the Panel that the Asset Business Plan had been approved by Council, the purpose of which had been to protect the revenue position of the Council. If there was a choice between a capital receipt and options to lease the land the recommendation would be whichever best protected the position of the Council but the Executive would take that decision. There would be an update on the proposed Morton development in August and the agents brief was to protect revenue by generating revenue. Montagu Evans had been appointed the City Council agents for the disposal of Morton.

- A Member asked for confirmation that Ward Members were being involved in the consultation on any proposed asset sales in their Ward as previously requested.

Dr Gooding confirmed that the views of Ward Members had been sought and formed part of the Executive report for decision.

- A Member asked for clarification with regard to the appointed agent for the proposed Morton development.

Dr Gooding explained that the Authority required specialist advice and was required to tender for an agent in accordance with procurement procedures and specialist advice was required for the site. He added that it was also appropriate for the Council to tender to test the market and ensure that the Council received the best value for money.

- It was understood that the Asset Business Plan had been approved by Council but was recommendation four still possible?

Dr Gooding confirmed that the Asset Business Plan, the programme of disposal as policy framework and the reinvestment, in principle, of capital receipt had all been agreed. Although there had been a commitment made in the Medium Term Financial Plan and the Asset Business Plan there had not been a decision on how the reinvestment would be carried out and Council would take this decision.

A Member commented that the social and cultural impact of the decisions had to be taken into account as well as the financial implications.

The Governance and Resources Portfolio Holder reminded the Panel that the Capital Programme was part of the budget process and part of the consultation process for the budget. He, however, acknowledged that the Budget Consultation process could be improved.

RESOLVED – That the five recommendations as set out in the Capital Projects Task and Finish Group final report OS.16/11 be agreed and be referred to the Executive for a formal response.

ROSP.37/11 CORPORATE PLAN: PERFORMANCE REPORT FOR THE FIRST MEETING OF THE OVERVIEW AND SCRUTINY PANELS

The Policy and Communications Manager (Mr O’Keeffe) submitted report PPP.08/11 which provided the Panel with end of year performance for 2010/11.

Mr O’Keeffe explained that the report outlined the review, development and the summary changes to the Corporate Plan and added that Assistant Directors would give a more detailed analysis and update of progress at a future meeting.

A summary of the changes to the 2011/12 Plan were provided in the table in the report and included one new Local Environment action, one new Economy action and changes to others and a revised performance framework section to reflect the development of actions, risk and performance indicators to measure the performance of the key actions.

The report also highlighted the changes that had taken place throughout the year and gave an update on the Transformation Programme. The report finished with some good news stories and achievements.

Mr O’Keeffe explained that the next report to the Panel would be the 1st quarter report and it would be different to this report. It would contain key actions applicable to this Panel and any relevant sub actions, performance and risks that were related to the key actions. Some of the performance measures may look different than in previous reports because most of the National Indicators had been removed. The Council was also moving away from figure based performance reports and were developing measures that related to the key action.

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

- The Panel asked that targets, trends and timescales be included in future reports to allow for useful Scrutiny. They also asked that the Panel returned to monitoring exceptions including areas that were exceeding targets.
- How had the support to community centres been organised?

Mr O’Keeffe explained that the changes to community centre support were a part of the restructure of the Community Engagement Directorate. The support had changed to geographical areas. He added that the progress of the support would be useful for the Panel to monitor because the City Council’s approach to community centres support was unique.

- The Regional Growth Fund Bid Round 1 had been unsuccessful and it was felt that this was due to the large area and small population and the lack of major private sector backing. The Panel felt that the Council needed to inform the Government Department and relevant Ministers that regions such as Cumbria, who needed the investment, were at a disadvantage due to the criteria required.

Members agreed that the Government should be informed of the issues and that the whole Council should support the recommendation.

A Member asked if the Authority had approached local investors to assist with the Bid and felt it would be worth investigating further.

Mr O’Keeffe informed the Panel that the Environment and Economy Overview and Scrutiny Panel would be considering the development of Carlisle’s visitor economy at its next meeting. He also informed the Panel that there was an opportunity to apply to Round 2 using the lessons learned from Round 1.

Mr O’Keeffe informed the Panel that a detailed report on sickness absence would be submitted to the Panel at its next meeting. The report would link into the Employee Opinion Survey as part of the Organisational Development Plan.

RESOLVED – 1) That Report PPP.08/11 be noted and the Panel looked forward to the new 1st quarter monitoring report.

2) That an apolitical motion be submitted to Council regarding the aspects of future investment and the issues regarding the Regional Growth Fund Bid.

ROSP.38/11 2010/11 PROVISIONAL OUTTURN REPORTS

The Financial Services Manager (Miss Taylor) submitted report RD.12/11 on the outturn for the 2010/11 General Fund Revenue Budget. She informed the Panel that since the publication of the Report there had been some amendments. She explained that included in the Outturns, were estimates of anticipated grant claims for the Roman Gateway and debtors for the claims had been included in the Revenue and Capital reports.

The quarter 4 claim had been finalised and it had become apparent that there had been some miscoding of expenditure included as Revenue should have been Capital. The expenditure totalled £78,780.36, and funding streams had also been altered and reflected in the net position. The amended figures showed a carry forward of £18,200.

She informed Members that the outturn showed that the net underspend for Council services as at 31 March 2011, once committed expenditure totalling £1,758,700 was taken into account, was £245,697. She set out details of requests to carry forward £119,200 in respect of new items of expenditure which, if approved, would result in a final underspend to the Council in 2010/11 of £126,497.

Miss Taylor also circulated details of the carry forward requests which had been submitted by Directorates and added that if Members were minded to approve the carry forward requests a recommendation would need to be submitted to the City Council. She added that the balance on the reserve at the end of 2012/13 for Job Evaluation would be £430,309 after taking account of any on-going commitments and it was recommended that it be returned to the Transformation Reserve to fund any one off costs associated with the Transformation Process in 2011/12.

Miss Taylor informed the Panel of the advice received from DEFRA regarding changes to the statutory regulations for the charges made for personal searches of the local land register. A request had been made for a provision of £74,400 to be set up in 2010/11, £40,000 from under spent survey costs and the balance from Government grants, to cover the potential refunds arising from these charges.

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

- A Member highlighted the income shortfall from the Lanes and understood that the shortfall was a reflection of the current economy and that it may need to be changed to recurring in the future. He was concerned about the amount of the shortfall and suggested that the matter may be a good subject for a Task and Finish Group.

Miss Taylor was aware of the history of the Lanes income and informed the Panel that, in certain circumstances, the agents for the Lanes offered discounts in the rental for units to avoid them remaining vacant. She explained that there was some reduction in the income but she felt that it would be useful to have better dialogue with the agents so that their 5 year business plan could be incorporated into the Council's budget projections. She added that the shortfall in income was also a risk that the Council had taken when the agreement moved from guaranteed income to equity rent.

Dr Gooding commented that there was a significant investment and significant impact on the Council's revenue budget but it may be more appropriate for scrutiny by the Environment and Economy Panel.

A Member suggested that the matter of a possible joint Task and Finish Group with the Environment and Economy Panel be discussed further at the Panel's Development Session as there was obvious concern about the impact on the Council's revenue.

The Governance and Resources Portfolio Holder added that the change to the agreement had been written in the original agreement and the Council had received a good income in the first year but it was a risk that the Authority agreed to take at the time of the development.

The Community Engagement Portfolio Holder commented that the Council's investment in the Lanes should be subject to the same tests as all of their assets to ensure a good return; the Council had the option of removing their stake from the Lanes.

Dr Gooding added that the Lanes had been included in the Asset Business Plan as a symbolic asset not just an investment asset and showed that the Council had confidence in the City Centre.

- There was a large sum in the non recurring figures for obsolete stock and shop income shortfall from Tullie House and shortfall on sales at the Tourist Information Centre, it was felt that this was an area that could be investigated further and improved on.

Miss Taylor explained that the Tullie House figures were historic figure from and had been written off in 2010/11 before the transfer to a Trust. There was, however, an opportunity to look at the Tourist Information Centre further.

RESOLVED –That the Panel was concerned by the shortfall in income from the Lanes and referred the matter to the Environment and Economy Overview and Scrutiny Panel for their detailed at their Development Session on whether it would be an appropriate subject for a joint Task and Finish Group.

ROSP.39/11 PROVISIONAL CAPITAL OUTTURN 2010/11 AND REVISED CAPITAL PROGRAMME 2011/12

The Financial Services Manager (Miss Taylor) submitted report RD.11/11 on the Provisional Outturn for the Council's Capital Budget, together with details of the revised Capital Programme for 2011/12. She informed Members that the Outturn showed that the net underspend for Council services as at 31 March 2011 once committed expenditure totalling £1,093,600 was taken into account was £464. She added that a request had been made for a carry forward for a new item of expenditure which would change the underspend to an overspend of £11,636.

She set out the position with regard to carry forward requests on the Capital Programme. She also identified for Members the resources which had been used to fund the 2010/11 Capital Programme and detailed the 5 year Capital Programme for the period 2011/12 to 2015/16.

Miss Taylor stated that it had been recognised that the carry forwards from 2010/11 had increased the 2011/12 capital programme and a further review was recommended to ensure that the Council had the capacity to deliver that level of capital programme. To that end, the 2011/12 programme needed to be reviewed by Project Officers to ensure that schemes could be completed in line with both the projected budget and projected timescales. She advised that one further possibility was the setting up of specific earmarked reserves for schemes not yet started so that schemes did not sit in the Capital Programme and be reported as underspends at the year end.

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

- A Member asked for clarification with regard to the difference in figures for the carry forward in 2009/10 and 2011/12.

Miss Taylor explained that during 2010/11 there had been a review of the capital programme to ensure that the profiling was correct and £4m had been profiled in the correct years for the future.

- The Roman Frontier had a negative carry forward of £135,200 how had this happened and who had approved it?

Dr Gooding explained that he had approved it but it was not an overspend. The project had been reprofiled and as a result some of the expenditure had moved between financial years, however, the project was for a period of three years and over all had not overspent.

The Community Engagement Portfolio Holder commended the staff that had been involved in the project for completing the project on time and remaining within the necessary deadlines to ensure funding.

- Members asked for an update on the Insurance claim for the additional cost incurred for the Sub Regional Employment Site scheme.

Miss Taylor informed the Panel that the Council was in negotiations with the company and although it had looked favourable there was no feedback from the company to date.

- Had the Projects Assurance Group made any impact on the budget profiling?

Dr Gooding confirmed that the reprofiling of the capital programme had been part of the Group's work and had resulted in a much more realistic programme instead of an aspirational programme.

RESOLVED – That the Panel welcome report RD.11/11.

ROSP.40/11 TREASURY MANAGEMENT OUTTURN 2010/11

The Financial Services Manager (Miss Taylor) presented report RD.13/11 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. She also submitted the regular report on Treasury Transactions for the period 1 January 2011 to 31 March 2011.

Members discussed the stock issue and the repayment rates and options for the Council in the future. Dr Gooding explained that there were several options open to the Council for when the loan matured and the options would be explored when appropriate.

Members agreed to discuss the frequency of Treasury Management Reports to the Panel at their Development Session.

RESOLVED – That the treasury Management Outturn 2010/11 report RD.13/11 be noted.

ROSP.41/11 PROVISIONAL OUTTURN POSITION 2010/11 FOR COUNCIL TAX AND NATIONAL NON DOMESTIC RATES

The Financial Services Manager (Miss Taylor) submitted report RD.16/11 summarising the provisional outturn for 2010/11 in respect of Council Tax and National Non Domestic Rates.

Miss Taylor highlighted the improvement to the surplus on the collection fund and explained that it had previously been a deficit.

RESOLVED – That the Panel welcome report RD.16/11 and note the improved position with regard to the collection fund.

ROSP.42/11 ELECTED MEMBERS' ALLOWANCES – PROVISIONAL OUTTURN FOR 2010/11

The Financial Services Manager (Miss Taylor) submitted report RD.15/11 setting out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2010/11. She informed Members that £358,058 had been paid in allowances to individual Members which represented an underspend of £12,242. There was no recommendation to review the budget for Members Allowances but the position would, however, be closely monitored during 2011/12 as part of the normal budget monitoring procedures.

In response to a Member's question Dr Gooding explained that the Mayoralty allowance had not been included in this report as the entire Mayoralty budget was

reported on separately. This report dealt solely with Members allowances and not overall budget.

RESOLVED – That report RD.15/11 be welcomed.

(The meeting ended at 11.40am)