

SPECIAL RESOURCES OVERVIEW AND SCRUTINY PANEL

TUESDAY 5 MARCH 2013 AT 2:00PM

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

ALSO PRESENT Councillor Mrs Quilter – Culture, Health, Leisure and Young People Portfolio Holder
Councillors Allison (as substitute for Councillor Mrs Luckley), Earp, Mrs Stevenson and Mrs Vasey (as Members of Community Overview and Scrutiny Panel)
Martin Horne, Carlisle Leisure Limited
Andy King, Carlisle Leisure Limited
Tom Rice, Carlisle Leisure Limited
David Weakley, Carlisle Leisure Limited

OFFICERS Town Clerk and Chief Executive
Director of Community Engagement
Director of Resources
Chief Accountant
Development and Support Manager
Policy and Performance Officer
Scrutiny Officer

ROSP.20/13 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs Luckley, Mrs Prest, Miss Sherriff and Dr Tickner – Finance, Governance and Resources Portfolio Holder.

ROSP.21/13 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

ROSP.22/13 PUBLIC AND PRESS

It was agreed that the items of business within Part B of the agenda should be dealt with in private.

ROSP.23/13 REVIEW OF CARLISLE LEISURE FINANCIAL PERFORMANCE (Public and Press excluded by virtue of Paragraph 3)

Mr King presented slides to the Panel that outlined the historical context to the contract and the key issues. He reminded Members that the contract was a 15 year contract that was won in a competitive bidding process and was due to expire in December 2017. Mr King outlined the areas of leisure for which Carlisle Leisure Limited were responsible within the Carlisle area. That included St James Park which was operated on an annually renewing contract.

Mr King explained how surpluses and savings had been re-invested into facilities or held in reserves for future investment. Monitoring of the contract had been re-established in 2010

and all information requested had been provided on time. Mr King highlighted the awards that had been achieved by Carlisle Leisure Limited and advised that the Sands Centre and Carlisle Pools had been the best performing and third best performing centres in the North West and North East Sport England Regions; the Sands Centre was rated in the top 10 in the UK for customer satisfaction in 2009. All centres had been awarded Cumbria Business Environment Network (CBEN) Gold award for environmental excellence, had improved Display Energy Certificate scores and Net promoter Scores were well above the industry average.

Mr King explained the makeup of the Carlisle Leisure Limited Board, which included 2 Carlisle City Councillors, and the Carlisle Leisure Limited Senior Management team and outlined Carlisle Leisure Limited's vision for Carlisle.

Over the term of the contract both Carlisle Leisure Limited and the City Council had developed the centres and the changes were outlined by Mr King. He acknowledged that some of the facilities required increasing capital spend to keep them open and there was a "price war" as a result of increased, very low cost fitness competition in the city, many of which provided free on site parking. There were also issues with the "in limbo" position at the Sands Centre and the Pools as well as issues raised by customers regarding car parking. The poor weather had been an issue and participation in golf and swimming were declining nationally. The huge increases in utilities costs also needed to be considered.

Carlisle Leisure Limited had been successful in working with a number of partnerships providing activities to 1.1 million visitors per year and had introduced several new programmes, including the Fab 'n' Fifty programme which had been acclaimed internationally by the World Health Organisation (WHO). As a result of the partnership working Carlisle Leisure Limited had been able to attract external funding and employ a number of apprentices. Carlisle Leisure Limited had also injected significant capital into new technology for both sports equipment and telephone/on-line booking equipment.

Carlisle Leisure Limited had worked with the City Council to create the Carlisle Sport and Physical Activity Alliance Foundation (SPAAF) which had accomplished a number of key programmes.

Mr Rice explained that based on the deal types that Carlisle Leisure Limited could flexibly negotiate, they were able to bring leading artists and productions to the city that other external organisation would not risk. Mr Rice presented an analysis of where ticket purchasers lived and as an example cited the recent production of Blood Brothers for which over 70% of ticket purchasers were outside the Carlisle area. Mr Rice presented testimonials from restaurant and bar owners who stated that they had seen their busiest periods during major events at the Sands Centre.

Mr King highlighted some of the future opportunities that Carlisle Leisure Limited were looking towards. Mr King summarised Carlisle Leisure Limited's current position and stated that they were happy to meet with Officers and Members to resolve any issues.

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

As there was competition for fitness facilities in Carlisle would Carlisle Leisure Limited consider allowing someone else to take responsibility and focus on other areas?

Mr King acknowledged that some of the facilities were dated but they suited Carlisle Leisure Limited's customers. The Leisure Access card was available and there was a reduction in price for those on benefits. Exercise and referral schemes were available that other organisations did not have and Mr King was certain that service levels were better than those in the private sector. With the right investment into the Sands Centre, he was confident that Carlisle Leisure Limited could fight back.

The report indicated that the running of Carlisle Leisure Limited had cost more than the Management Fee paid to it by the City Council. What were Carlisle Leisure Limited doing to balance those figures?

Mr King explained that there were a number of reasons for the current situation and that a lot of the facilities in Carlisle were weather dependent. Mr Weakley explained that the Management Fee was retained in the Head Office costs.

Members were anxious that the contract was monitored in a proper manner in the future.

Mr King stated that Carlisle Leisure Limited were trying to bring costs down and the largest investment had been in new gym equipment and ground maintenance equipment which would partly explain the losses to the City Council.

With regard to St James Park what were the main costs?

Mr King explained that the main costs were ground maintenance and staffing. The park was part of an annual rolling contract which made it difficult to consider future investment.

It is important that all sides work together to solve financial issues and look at ideas to provide a better service to the residents of Carlisle.

How would the deficit from last year be avoided this year?

Mr King advised that last year was difficult mainly due to the poor weather. In the coming year it was anticipated that more shows would be brought to the Sands Centre. He confirmed that facilities would not be cut without Officers' knowledge and stated that he believed that Carlisle Leisure Limited could grow their way out of the difficulties.

The Chairman thanked the representatives from Carlisle Leisure Limited for their input into the meeting. The representatives left the meeting.

The Chief Executive stated that discussions in the meeting had been open and transparent and believed that Carlisle Leisure Limited were doing a good job. He advised that he had regular meetings with Mr King to catch up and discuss any problems but he was reassured by the presentation and discussions at the meeting. The Director of Resources explained that Mr King was not involved in the operational day to day running of Carlisle Leisure Limited.

Members were satisfied with the discussions that had been held and were made aware that when the contract was due to expire a further tendering exercise would be undertaken for which Carlisle Leisure Limited could apply. There was no scope to extend the term in the current contract.

The Chairman confirmed that Officers had the support of the Overview and Scrutiny Panels as well as the Council as a whole.

RESOLVED – 1) that the Panel will consider the Audit Report when it is received.

2) That the Panel welcome the suggestion of an annual review and intend to scrutinise this review and will invite representatives from Carlisle Leisure Limited.

3) That the Panel reiterated their concerns about the lack of contract monitoring in the past and looked forward to more robust monitoring in the future.

(The meeting ended at 4:20pm)

(Approved by Council 4 April 2013)

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 4 APRIL 2013 AT 10.10AM

PRESENT: Councillor Watson (Chairman) Councillors Betton (until 10.55am),
Bowditch, Bowman S, Craig, Forrester, Mrs Parsons and Whalen.

ALSO PRESENT Councillor Tickner – Finance, Governance and Resources Portfolio
Holder

OFFICERS Town Clerk and Chief Executive
Deputy Chief Executive
Director of Resources
Organisational Development Manager
Scrutiny Officer

ROSP.24/13 APOLOGIES FOR ABSENCE

There were no apologies for absence submitted.

ROSP.25/13 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

ROSP.26/13 CALL-IN OF DECISIONS

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

ROSP.27/13 MINUTES OF PREVIOUS MEETING

In considering the minutes of the meeting held on 21 February, Members noted that an update on the review of the Asset Review Disposal Programme had been expected at this Panel. Members asked when a report would be submitted.

The Town Clerk and Chief Executive reminded that negotiations for the Land at Morton were still ongoing. The Finance, Governance and Resources Portfolio Holder added that the review of the strategy had caused the delay in a report being submitted at the present time.

RESOLVED – 1) That the minutes of the meeting held on 4 December 2012 and 3 January 2013 be agreed as a correct record of the meeting and signed by the Chairman.

2) That the minutes of the meeting held on 21 February 2013 and 5 March 2013 be noted.

ROSP.27/13 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.08/13 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

The Scrutiny Officer reported:

- The Notice of Key Executive Decisions had been published on 8 March 2013 and the following issues fell within the remit of the Panel:

KD.03/13 – Vehicle and Plant replacement Provision 2013/14.

KD.05/13 – Planned Enhancements to Council Properties.

The Executive will be asked to consider both items at their meeting on 8 April 2013.

Members asked for more detail on the two Key Decision items. The Director of Resources reminded the Panel that the Council had a five year Vehicle Replacement Plan, the £259,000 that the Executive had been asked to release was for green space vehicles and he agreed to provide Members with a list of the vehicles which were being replaced alongside a copy of the mechanical sweeper work plan. He also agreed to provide a list of scheduled building enhancements.

- There were no references from the Executive.
- The Scrutiny Annual Report had been drafted and was attached to the report. Members were asked to comment on the draft report before it was formally approved by the Scrutiny Chairs Group on 18 April 2013.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel OS.05/13 be noted.

2) That the Director of Resources circulate the following information to all Members:

List of vehicles to be replaced
Copy of the mechanical sweeper work plan
List of scheduled building enhancements

ROSP.28/13 SAVING PAPER TASK GROUP

The Scrutiny Officer submitted report OS.09/13 regarding the recommendation of the Task Group.

The Scrutiny Officer reminded the Panel that a recommendation of the Saving Paper Task Group had been to undertake a pilot of using Tablet technology in Committee meetings. Ten Members had taken part in the pilot and, on the whole, the pilot had been successful. The pilot Members had used MyCMIS, which was a web portal which provided Members customised access to the Committee Management Information System (CMIS). The MyCMIS portal allowed Members to access the Committees they were on but allowed no access to the rest of the meetings.

The Committee Section had worked hard to change the way agendas and reports were uploaded to CMIS and all documents were produced in a document pack which enabled Members to download all the necessary papers for Committee in one document.

Due to the change in the document pack Members of the pilot felt that the MyCMIS portal was not necessary and Members could access the full CMIS site from their tablets. The software providers had agreed to refund the cost of the licences that had been purchased for the pilot but would retain one 'ghost' licence for the Committee team. The 'ghost'

licence would allow the MyCMIS portal to be monitored for updates in the coming months and would give the Council the opportunity to review potential of the portal in the future.

The Lead Member of the Saving Paper Task Group concurred that the pilot had been successful and the Members who had struggled with the tablet did so because they had not spent enough time practising with it. He informed the Panel that the pilot members had met for an evaluation meeting and this had been extremely useful as an opportunity to raise issues and share ideas and information. He added that the move to tablets could enable IT to look at other possible savings regarding Members equipment. He moved that the Executive appointed someone to role the project out to Members.

The Finance, Governance and Resources Portfolio Holder reported that he had been part of the pilot and he agreed that the best way to learn how to use tablets was by practising on them. He suggested that a salary sacrifice scheme be arranged for officers to purchase tablets as well as Members. He thanked officers who had been involved in the pilot for their support and for their speed in responding to issues.

The Town Clerk and Chief Executive responded that salary sacrifice schemes for tablets were possible within the public sector. He added that he was using tablet technology for meetings and had found it to be an effective way of working.

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

- A Member felt that it would be useful to know how much the pilot had saved and felt that savings should be given to officers for additional support in moving towards paperless meetings. He also felt that there should be a clear training plan for Members who wanted to move to tablet technology.

The Panel discussed the options for training and some Members felt that more formal training would encourage Members to move towards tablet technology. Members also felt that informal training from other Members and officers, alongside regular drop in sessions would be beneficial.

- The Panel felt that it would be useful to have the document pack on screen in the committee rooms during the committee meetings.

The Chairman agreed that using the screens during committees would be beneficial to Members but would require a different way of working.

RESOLVED - 1) That due to the agreement not to make use of MyCMIS the Panel agree changes to recommendation 2 of the Task Group to:

“Should the pilot be successful then the use of tablets should be rolled out to all Members and Officers who indicate that they wish to move to paperless working. Consideration needs to be given to training and support. These Members and Officers should no longer be provided with paper Committee reports.”

2) That the Town Clerk and Chief Executive undertake to implement recommendations two and three of the Saving Paper Task Group as detailed in 2.1 of report OS.09/13.

ROSP.29/13 TRANSFORMATION BOARD

The Deputy Chief Executive presented report SD.04/13 informing Members on the work of the Transformation Board.

The Deputy Chief Executive reported that the Transformation activity in 2012/13 had focused on delivering the required savings of £1.38m as set out in the Medium Term Financial Plan. The initial process had been to deliver 10% savings across all Directorates. The new Administration had made some changes to the proposals in order to minimise redundancies. The resulting programme of work was co-ordinated and monitored by the Transformation Board.

He summarised the activity of each Directorate highlighting the savings identified and outlined other transformation activities which had been closely monitored by the Transformation Board including the Automating Services project and Lean Systems Reviews which have taken place.

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

- A Member said that in his opinion the report should include more information on how the savings had been achieved and what the different reviews entailed to enable further scrutiny.

The Town Clerk and Chief Executive explained that the purpose of the report was to report the savings that had been achieved so far and Members could gain more detailed information on any items they so wished.

- Did the Transformation Board report to the Executive and how often did it meet?

The Deputy Town Clerk reported that the Transformation Board feedback directly through Senior Management Team and Joint Management Team with individual Directorate saving plans being considered by Executive to fit in with the budget process. He added that the Board had a good, open and transparent process which allowed work to be done at an early stage.

The Finance, Governance and Resources Portfolio Holder added that the Board was made up of people in the authority who could make changes happen and retain the quality in service. The policies and strategies come from the Executive, for example the policy to minimise the number of redundancies within the authority. It was difficult to make the savings required and it could only be achieved by the Executive working with officers and involving staff.

- A Member raised concerns that the Lean System Review of Development Control could impact on the service that was being provided.

The Deputy Chief Executive responded that Lean System Reviews would not compromise change in legislation or capacity in Development Control. The Review would identify potential savings and ensure that there was the capacity to adapt to changes in legislation. The focus of Lean Systems was to check if the systems in place were still the correct and most efficient ways of working.

- Would the reduction in the training budget effect the proposed savings from the use of tablet technology?

The Town Clerk and Chief Executive explained that if training allowed for savings to be made by using tablet technology then it would be money well spent.

The Finance, Governance and Resources Portfolio Holder stated that the training budget had been reduced but the Council was using the reminding budget more smartly by sharing training and by producing trainers within the authority.

- Did the £592,000 savings identified have to be found in 2013/14 and was there a plan to achieve the savings?

The Director of Resources confirmed that the savings had to be found in 2013/14 and it was hoped that this would be achieved by September/October.

The Deputy Town Clerk added that the Joint Management Team would meet to review the savings and to set in motion a timetable for the savings in partnership with the Transformation Board. He agreed to report back to a future meeting with the details of the proposed savings. He acknowledged that officers did need to pay attention to the stress and disruption of staff during the process.

- Had any further work been undertaken on closing floors within the Civic Centre?

The Finance, Governance and Resources Portfolio Holder confirmed that officers were monitoring office space usage within the Civic Centre with the view of letting out spare capacity when opportunity arose.

- Was the use of consultants being monitored?

The Finance, Governance and Resources Portfolio Holder explained that the use of consultants had to be agreed by the relevant Portfolio Holder and, although they had to be used on occasion, the Portfolio Holder monitored why they were required and the overall use.

RESOLVED – That the update on the Transformation Board be welcomed.

ROSP.30/13 EMPLOYEE OPINION SURVEY 2013

The Organisational Development Manager presented report CE.04/13 summarising the results from the 2013 Employee Opinion Survey.

The Organisational Development Manager informed the Panel that the 2013 Survey had been sent to staff in January 2013. 254 surveys had been completed giving a response rate of 42.1% compared with 54.7% in 2012. A copy of the survey had been included in the report.

One of the key issues arising from the 2012 survey had been that only 46% of staff had felt valued at work. In 2013 53% of staff said that they felt valued as an employee, this was a positive result but there was more to do on this issue. The most popular reason for staff not feeling valued had been that they felt nothing had changed in the last year.

The Organisational Development Manager gave an overview of the key findings from the survey and explained that there had not been a key issue which all staff were concerned about although there were some issues specific to directorates which would be considered by the Directors with support from the Organisational Development Team.

She added that further work would take place to continue to improve internal communication and Health and Wellbeing initiatives would continue to take place.

In considering the Survey results Members raised the following comments and questions:

- The report stated that 89.4% of staff felt that the City Council was good employer yet only 53% of staff felt valued.

The Town Clerk and Chief Executive reminded the Panel that staff feeling valued had been a very big issue in 2012 and he had followed up the results of the survey by identifying the reasons that staff did not feel valued. Some of the issues had been straight forward to resolve and some issues had been out of the control of the Council. Overall there had been an increase in staff feeling valued.

- The report stated that 11.4% of staff were subjected to bullying at work; how would the Council address this very serious issue?

The Town Clerk and Chief Executive responded that, although the number was relatively low, it was a cause for concern that there was a number at all. Follow up work was required to determine what was generally unacceptable behaviour, what was awkward management and what was a feeling of bullying when it was actually a reasonable expectation of performance.

- A Member highlighted that 60% of staff had not completed the survey.

The Town Clerk and Chief Executive responded that work was being undertaken to determine why staff were not participating in the survey and how to encourage staff to complete it.

The Deputy Chief Executive explained that the results of the survey had been broken down to each Directorate so each Director could respond to issues in their own area.

RESOLVED – That the results of the Employee Opinion Survey 2013 be welcomed.

ROSP.31/13 CORPORATE RISK MANAGEMENT

The Deputy Chief Executive submitted report SD.03/13 giving an update on the Corporate Risk Register.

The Deputy Chief Executive reported that the Senior Management Team and Corporate Risk Management Group had drafted a new Corporate Risk Register which included significant risks to achieving the City Council's objectives for 2013/14. The actions required to mitigate the risks had been developed with an indication as to when the risk would reduce, by identification of a 'target risk'. The City Council was unable to eliminate risk completely by carrying out mitigation action and would be left with a residual risk. Such risk could be deleted from the Corporate Risk Register once mitigating action had

reduced the risk to target levels but they would continue to be monitored at service level via operational risk registers.

In considering the Corporate Risk Management report Members raised the following comments and questions:

- Members felt that the Asset Disposal Plan was an important risk that had not been included in the register.

The Town Clerk and Chief Executive explained that Asset Management had previously been included in the risk register because there was no plan to manage the assets. The Council had a robust Plan to manage the Council's assets and as a result the risk was reduced and was no longer a corporate risk.

The Director of Resources added that the Plan remained in the Operational Risk Register and was monitored by officers. If the risk rose it would move from the Operational Risk Register to the Corporate Risk Register.

- A Member felt strongly that the biggest risk for the Council at the present time was the Welfare Reform and was concerned that the Council could not deal with the impact.

The Deputy Chief Executive agreed that the Welfare Reform was a significant risk and that is why it had been included in the Corporate Risk Register. He added that the Welfare Reform Board had been set up to deal with the co-ordination of the move to Universal Credit.

The Director of Resources added that the Welfare Reform fell under the remit of the Community Overview and Scrutiny Panel and they had received several reports on the issue.

A Member asked for more information on the impact of the benefits advice service including how much was spent on the service and how much benefits it brought it.

The Director of Resources agreed that a report to a future meeting on the benefits advice centre and monitoring information.

A Member commented that he was disappointed that the media had not attended the meeting to hear about the hard work that the Council was undertaking especially with regard to Welfare Reform.

RESOLVED – 1) That the update on the Corporate Risk Register be welcomed;

2) That a report on the effect of the Welfare Reform on the Benefits Advice Service be submitted to the Resources Overview and Scrutiny Panel as well as the Community Overview and Scrutiny Panel.

(The meeting ended at 12.00pm)

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 6 JUNE 2013 AT 10.00AM

PRESENT: Councillor Watson (Chairman) Councillors Betton, S Bowman, Mrs Bradley, Craig, Forrester (as substitute for Councillor McDevitt) Layden and Miss Sherriff (until 11.00am as substitute for Councillor Mrs Atkinson).

ALSO PRESENT Councillor Allison - Observer

OFFICERS Town Clerk and Chief Executive
Director of Resources
Director of Community Engagement
Director of Governance
Policy and Performance Officer
Housing Development Officer
Scrutiny Officer

ROSP.32/13 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mrs Atkinson, Councillor McDevitt and Councillor Tickner – Finance, Governance and Resources Portfolio Holder.

ROSP.33/13 DECLARATIONS OF INTEREST

Councillor Miss Sherriff declared a registrable interest in accordance with the Council's Code of Conduct in respect of agenda item A.3 Audit report on Carlisle Leisure Limited Contract Monitoring. The interest related to the fact that she was one of the City Council's representatives on the Carlisle Leisure Board.

Councillor Layden declared a registrable interest in accordance with the Council's Code of Conduct in respect of agenda item A.7 Corporate Programme Board. The interest related to the fact that he was one of the City Council's representatives on the Riverside Carlisle Board.

ROSP.34/13 CALL-IN OF DECISIONS

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

ROSP.35/13 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meetings held on 21 February and 5 March 2013 be agreed as a correct record of the meeting and signed by the Chairman.

ROSP.36/13 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.14/13 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

The Scrutiny Officer reported:

- The Notice of Key Executive Decisions had been published on 1 May 2013 and the following issues fell within the remit of the Panel:

KD.010/13 – Medium Term Financial Plan (including the Corporate Charging Policy) and the Capital Strategy 2014/15 to 2019/20

KD.012/13 – Asset Management Plan 2013 to 2018

Both items would be available for scrutiny on 29 August 2013.

Members did not raise any questions or comments on the items contained within the Notice of Key Decisions.

- Reference EX.33/13 – Draft Carlisle Plan 2013-2016 from the Executive on 8 April 2013 was included in the report.

- The Panel were asked to consider matters to be included in the 2013/14 work programme along with potential Task and Finish Group subjects. The Panel were reminded that the Benefits Advice Service had been included on the Work Programme at the request of the previous meeting. It was agreed that a report on the Service would be included in the Welfare Reform reports being considered by the Community Overview and Scrutiny Panel, a copy of which would be circulated to the Resources Panel.

A Member asked when the Asset Management Business Plan would be available for scrutiny. The Town Clerk and Chief Executive reminded the Panel that the Executive were reviewing the Business Plan and it would be available for scrutiny when they had finished.

A Member requested that extra thought be given to the 2013/14 Employee Opinion Survey as he felt that the response rate had been low. The Town Clerk and Chief Executive disagreed that the response rate had been low. Over half the staff had responded and officers had gathered useful data from the survey.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel OS.14/13 be noted.

2) That the following Key Decisions considered by the Panel at their meeting on 29 August 2013:

KD.010/13 – Medium Term Financial Plan (including the Corporate Charging Policy) and the Capital Strategy 2014/15 to 2019/20

KD.012/13 – Asset Management Plan 2013 to 2018

3) That Minute Excerpt EX.33/13 Draft Carlisle Plan 2013-2016 be noted.

ROSP.37/13 AUDIT REPORT ON CARLISLE LEISURE LIMITED (CLL) CONTRACT MONITORING

The Director of Resources submitted report RD.17/13 which provided the audit report on Carlisle Leisure Limited (CLL) Contract monitoring.

The Director of Resources outlined the key findings arising from the Audit of the Carlisle Leisure Limited (CLL) Client Contract.

The Director of Community Engagement provided an overview of progress on the action plan to date, emphasising that a number of very significant changes were being undertaken to address the audit recommendations. The Carlisle Leisure Limited contract was due to terminate in 2017 and it was therefore timely to consider how that would be handled, including risks to the authority.

He added that certain of the recommendations had already been actioned and he was confident that all would be complete within the allotted timeframe.

In considering the Audit Report Members raised the following comments and questions:

- Was the 'Date Actioned by' column in the Summary of Recommendations and Action Plan an actual timescale for the actions to be completed by or an aspirational timescale?

The Director of Community Engagement responded that the timescales were not aspirational and he assured the Panel that the completion dates for the actions were on target with the exception of R2. Interviews had taken place for the contract monitoring position but an appointment had not been made. The position would be advertised and would not cause any delay in the monitoring of the contract.

- What was the required criteria for the contact monitoring role?

The Town Clerk and Chief Executive explained that the lack of corporate contract monitoring expertise within the authority was a weakness. There was a role in the Community Engagement Directorate for someone with leisure experience alongside that there was also a requirement for someone with more commercial experience. Discussion had been undertaken with the Executive and Audit to consider whether the authority should have a corporate monitoring role or if it should be accessed through shared working with other authorities. There had been initial discussions with Cumbria County Council who already provided contract monitoring for other district councils.

A Member had concerns that the City Council would lose control when commissioning services if another authority managed the contract. The City Council had considerations other than financial and they may not be included in standard contracts.

The Town Clerk and Chief Executive responded that the County Council would be working to specifications set by the City Council and they would be working on a consultant basis.

The Town Clerk and Chief Executive highlighted R9 of the action plan. He agreed that a 'lessons learnt' report was valuable but disagreed that contracts should specify how monies should be spent. He felt that contracts should specify the amount of money to be used and what the expected outcome was, the added value to the contract was that the supplier worked in a different way to the authority. He asked the Panel to give some consideration to the recommendation and how it could be moved forward in the future.

A Member commented that the recommendation may have come from the information in the body of the report which raised issues with CLL's expansion into West Cumbria and ensuring that the City Council's monies were used in Carlisle.

- The Panel sought assurance that CLL were providing the required financial information for performance monitoring.

The Director of Resources confirmed that CLL had provided the required information and added that the Chief Accountant now attended the quarterly meetings.

RESOLVED – That the Audit Report on Carlisle Leisure Limited Contract Monitoring (RD.17/13) be noted.

ROSP.38/13 TREASURY MANAGEMENT COUNTERPARTIES

The Director of Resources submitted report RD.08/13 concerning Treasury Management Counterparties.

The Director reminded Members that the Treasury Management Strategy for 2013/14 had been approved by Council on 5 February 2013. However, since that date average investment balances had increased as a result of asset sales, in addition to which there had been significant changes to investment return interest rates.

As a result of the above the Director of Resources outlined a proposal to amend the limits which could be invested with different counterparties. He further summarised the revised limits and investment criteria (as set out at Appendix A), namely:

Lloyds Group / RBS	£8 million
HSBC	£6 million (split £4 million long term, £2 million less than 1 month)
Other Credit Rated Banks/institutions	£4 million
Non Credit Rated Banks/Building Societies	£2 million

A further review of counterparty limits would be undertaken later in the year to ensure limits continued to best meet the investment needs.

The Executive had on 7 May 2013 (EX.43/13) considered the report and decided:

“That the Executive:

1. Approved the investment counterparty limits as outlined at Appendix A and set out in paragraph 2.7 of Report RD.08/13 for recommendation to Council.
2. Noted that the contract for Treasury Management Advisory Services had been re-tendered and awarded under powers delegated to the Director of Resources.”

RESOLVED – That the Treasury Management Counterparties report (RD.08/13) be noted.

ROSP.39/13 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2012/13

The Director of Resources presented report RD.12/13 summarising the provisional outturn for the 2012/13 General Fund Revenue Budget. He informed Members that the outturn position showed that the net underspend for Council services as at 31 March 2013, once committed expenditure totalling £696,400 and £312,697 transfers to / from earmarked reserves were taken into account, was £75,247.

The table at Section 2.1 of the report showed that the Council's revised budget for 2012/13 was a total of £14,577,700. A summary of the expenditure for individual Directorates and an explanation of the major variances in those budgets were provided. Also itemised were the budget headings which had achieved savings and provided increased income.

Turning to the key issues, the Director of Resources reported that the Government's Welfare Reform Agenda, once fully implemented would have a major impact on the benefit system, including a household benefit cap and the introduction of the Universal Credit system which would subsume housing benefit (by 2017). In the medium to longer term the Council would have to significantly reduce staff resources working on benefits administration. Whilst staff redeployment policies would reduce the impact of the changes, there were likely to be voluntary / compulsory redundancies in the Section. He proposed therefore that a Welfare Reform Reserve be established and the unused balance of £200,000 (accrued from underspends on staffing and other savings) be transferred to the Reserve to fund such costs. It was further recommended that management of the Reserve should rest with the Director of Community Engagement with the use of the Reserve requiring Executive approval. The Executive had been asked to make a number of recommendations to Council as set out in the report.

The Director of Resources circulated details of the carry forward requests which had been submitted by Directorates, he advised that, due to the level of underspend identified within the report after all carry forward requests were approved and transfers to / from earmarked reserves, approximately £75,200 would be returned to the General Fund Reserve. That would replenish the usable revenue balances by 31 March 2015 to the minimum required.

In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £62,994 which were included in the revenue outturn, could be funded from the capital receipt generated. That would result in an increase to revenue balances at 31 March 2013.

The Director of Resources pointed out that the information contained within the report was provisional and subject to the formal audit process.

The Executive had on 31 May 2013 (EX.48/13) considered the report and decided:

"That the Executive:

- (i) Noted the net underspend as at 31 March 2013 of £75,247 after carry forwards as in (ii) below, and net transfers to/from earmarked reserves as noted in (iii), (iv), (v) and (vi) below;
- (ii) Noted the committed expenditure totalling £696,400 to be met in 2013/14 which had been approved by the Director of Resources and under delegated powers, and the release of £677,400 in 2013/14 and £19,000 in 2014/15 from the General Fund Reserve, for recommendation to Council;
- (iii) Recommended that the City Council release the balance of £1,878 from the Sheepmount Reserve to the General Fund Reserve, as detailed in paragraph 4.1,
- (iv) Recommended that the City Council release the balance of £29,670 from the Job Evaluation Reserve to the General Fund Reserve, as detailed in paragraph 4.2;
- (v) Recommended that the City Council write off the accrued deficit on the On Street Parking reserve of £190,000 to General Fund Balances as outlined in paragraph 4.3;

- (vi) Recommended that the City Council top up the Transformation Reserve with £200,000 from the underspend position, as set out in paragraph 4.4;
- (vii) Recommended that the City Council approve the establishment of the Municipal Mutual Insurance provision for £175,000 as outlined in paragraph 4.5; and
- (viii) Recommended that the City Council approve the establishment of the Welfare Reform Reserve, as detailed in paragraph 4.6, noting that £200,000 would be transferred to the reserve as part of the year end process.”

In considering the report Member raised the following comments and concerns:

- A Member asked for an explanation of the expected sum of £3.5m next to Education in the Commuted Sums 2012/13 table.

The Director of Resources agreed to submit a written response to the Panel.

- Would Allerdale and Copeland Borough Councils be contributing to the Welfare Reform Reserve?

The Director of Resources confirmed that both Councils would share the cost of redundancies due to welfare reform.

- Why was the outstanding balance on the On Street Parking account being written off?

The Director of Resources explained that the deficit belonged to the City Council and the County Council was not obliged to pay it, as a result it would be written off.

RESOLVED - That the recommendations as set out in the Provisional General Fund Revenue Outturn 2012/13 Report (RD12/13) be agreed.

ROSP.40/13 PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED CAPITAL PROGRAMME 2013/14

The Director of Resources presented report RD.11/13 summarising the Provisional Outturn for the Council's Capital Budget, together with details of the revised Capital Programme for 2013/14. He informed Members that the outturn showed that the net underspend for Council services as at 31 March 2013 once committed expenditure totalling £1,822,500 was taken into account was £1,596,953. He added that requests had been made for carry forwards for new items of expenditure totalling £6,200, and also the removal of the Asset Management Plan expenditure budgets of £1,546,800 from the capital programme, which would result in a net underspend of £43,953.

The Director of Resources set out the position with regard to carry forward requests on the Capital Programme. He also identified for Members the resources which had been used to fund the 2012/13 Capital Programme and detailed the 5 year Capital Programme for the period 2013/14 to 2017/18. He reported that the programme for 2013/14 totalled £4,760,200 based upon the programme agreed by Council in February 2013 of £9,280,000; the commitments brought forward from 2012/13 of £1,822,500; an additional budget of £6,200 for continuing / new schemes subject to approval by Council, less budget provided of £76,000 in ICT Shared Service for Enterprise Licences, and less land and property acquisitions within the Asset Management Plan to be held in reserves until suitable revenue generating acquisitions became available (£6,272,500).

The 2013/14 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The main challenge for future years related to the vehicle replacement programme (currently planned to be funded by internal borrowing).

The proposed funding arrangements for the revised 2013/14 programme were also outlined within the report.

The Executive had on 31 May 2013 (EX.49/13) considered the report and decided:

That the Executive:

- (i) Noted that, subject to all recommendations below being approved, the net underspend would be £43,953.
- (ii) Noted the net underspend as at 31 March 2013 of £1,596,953 included committed expenditure to be met totalling £1,822,500 in 2013/14, which had been approved under delegated powers by the Director of Resources;
- (iii) Recommended that the City Council on 16 July 2013 approves the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;
- (iv) Recommended that the City Council on 16 July 2013 approves the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions became available.
- (v) Noted the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Had considered the revised programme for 2013/14 together with the proposed methods of financing, as detailed at paragraph 5.2 and Appendix B, for recommendation to Council on 16 July 2013.

In response to a question the Director of Resources confirmed that the Town Hall project was on target.

RESOLVED – That the Provisional Capital Outturn 2012/13 and Revised Capital Programme 2013/14 (RD.11/13) be noted.

ROSP.41/13 TREASURY MANAGEMENT OUTTURN 2012/13

The Director of Resources presented report RD.13/13 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. He also submitted the regular report on Treasury Transactions for the period 1 January 2013 to 31 March 2013. Members' attention was further drawn to developments in the Money Markets over the previous twelve months and their effect on the Council's investments, together with the various performance statistics included within the report.

He added that although investment conditions were, in one sense, as exceptional in 2012/13 as had been the case during the previous year, they were very different as investors coped with some of the lowest interest rates ever seen in the world economy.

Although the effect on the City Council's investment interest was slightly down on the previous year, the performance achieved was significantly better than bank base rate levels. For this authority, as indeed for most others, the reduction in investment income posed a very significant financial challenge.

Although the outlook for interest rates in the UK remained uncertain, there was a general expectation that rates would not start to rise again until well into 2015.

The Executive had on 31 May 2013 (EX.50/13) received the report and recommended it to the City Council for approval.

The Director of Resources explained that the Council made short term investments as longer term investments would tie money up for 4 years and the Council planned to use some money for the capital programme within that time.

RESOLVED – That the Treasury Management Outturn 2012/13 report (RD.13/13) be noted.

ROSP.42/13 PROVISIONAL OUTTURN FOR COUNCIL TAX AND NATIONAL NON DOMESTIC RATES 2012/13

The Director of Resources presented report RD.14/13 setting out the 2012/13 provisional outturn and performance position for Council Tax and National Non Domestic Rates.

He informed Members that the estimated outturn of 97.8% suggested that overall liability raised and Council Tax collected would again exceed the budgeted projections of 98.5% (if the collection pattern for recovering 2012/13 arrears followed that of previous years). The impact of increased collection performance was an overall surplus on collection fund of £492,315, the City Council's share of the surplus being £64,929.

The Director of Resources pointed out that the Council had maintained collection performance so that for the third year running Carlisle was in the 3rd quartile when compared to districts nationally. Whilst that was the Council's best ever performance, the Council would never be in a position to move into the higher collection quartiles for the reasons set out at Section 3.1 of the report.

He added that year-end arrears of £934,895 equating to 1.42% of the 'in year' debit collectable was an improved performance when compared to 2011/12 of £1,410,689.95 (2.2%).

In accordance with the Director of Resources' delegated authority for the write-off of outstanding debts (without limit), the Executive was asked to note that debts totalling £174,115.19 had been written off for the period 1 January 2013 to 31 March 2013. The total amount written off in 2012/13 of £527,001 compared to total write-offs in 2011/12 of £422,616.

The Executive had on 31 May 2013 (EX.51/13) considered the report and decided:

“That the provisional outturn position at 31 March 2013 for Council Tax (which evidenced the best ever collection performance since Council Tax was introduced) and National Non Domestic Rates; together with the position with regard to write offs and bad debt trends be noted.”

The Panel expressed well deserved thanks to the Officers involved in the excellent collection performance.

RESOLVED – That the Provisional Outturn for Council Tax and National Domestic Rates 2012/13 report (RD.14/13) be noted.

ROSP.43/13 ELECTED MEMBERS' ALLOWANCES – PROVISIONAL OUTTURN REPORT FOR 2012/13

The Director of Resources presented report RD.15/13 setting out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2012/13. He informed Members that £343,088 had been paid in allowances to individual Members which represented an underspend of £24,012.

The Executive had on 31 May 2013 (EX.52/13) considered the report noted the Elected Members' Allowances for 2012/13.

RESOLVED – That the Elected Members' Allowances – Provisional Outturn Report for 2012/13 be noted.

ROSP.44/13 2012/13 END OF YEAR PERFORMANCE REPORT

The Policy and Performance Officer presented report PC.12/13 setting out the end of year performance against the 2012/13 Service Standards.

The Policy and Performance Officer reminded the Panel of the introduction of the Service Standards which were based on timeliness, accuracy and appropriateness of the service the Council provided in key areas.

The table attached to report PC.12/13 showed that the majority of standards demonstrated consistently good performance throughout the year, and in the case of 'Processing New Benefit Claims', significant improvement month on month. One standard which had appeared to show deterioration in performance was the 'Percentage of Waste Sent for Recycling'. This had been due to very little garden waste collected in the winter months. This was a cyclical pattern that occurred every year.

The Panel asked for the reasons behind the missed waste collections in January and if the proposed changes to the waste service would impact the figures.

The Policy and Performance Officer reported that there had been 26 missed collections, mainly due to severe weather. The number of missed collections was lower than the Industry Standard of 40 per 100,000. The proposed changes to the waste service would make a minor improvement on the performance figures.

The Town Clerk and Chief Executive highlighted the service standard for processing new benefit claims in less than 28 days. In the past the performance in the service had been poor. This could affect the most vulnerable people and he felt that the improvement in the standard was a real success story. The Policy and Performance Officer added that the majority of the claims which had not been processed within 28 days was due mainly to the Council waiting on information from claimants and other organisations.

RESOLVED – That the 2012/13 End of Year Performance report (PC.12/13) be noted.

ROSP.45/13 CORPORATE PROGRAMME BOARD

The Town Clerk and Chief Executive presented report CE.05/13 providing the most recent update of projects being undertaken.

The Town Clerk and Chief Executive reported that the City Council was implementing Microsoft Project as the software system used for project management and the use of the Covalent system for project management would be phased out. Project plans would be developed for all Council projects and would include officer time allocated to project tasks. The resource would be taken from a central resource pool and would highlight over allocation of resources. Many of the Council projects shared resources and some projects were linked to other projects which allowed for better co-ordination and scheduling of reports.

The Corporate Programme Board would make decisions regarding the rescheduling/prioritising of projects where bottlenecks were evident and be able to model the impact of new projects on the programme of work.

In considering the dossier of projects Members raised the following comments and questions:

- Was the delay to the Dalton Avenue project due to the partnership between Lovell and a Registered Provider?

The Director of Community Engagement confirmed that there had been some delay due to the search for a partner for the project. The City Council would help ensure the relationship between Lovell and the Registered Provider worked. It had been important to give Lovell and the Registered Providers the freedom to understand the market. The HCA had fortified the project and wanted it to work.

The Housing Development Officer explained that the land was part of a wider Lovell partnership. Lovell had placed a bid with HCA and that funding sat with Lovell. The Council had been an equal partner when choosing the houses in the scheme with Lovell and the HCA, but it was critical that a registered provider was satisfied with a final scheme mix too. There would be 37 affordable homes for rent within the scheme.

- A Member commented that he would like to see an increase in the number of successful prosecutions for littering, fly tipping and dog fouling.
- A Member highlighted and made comments and raised questions on the following projects:
Sports and Leisure Needs Assessment – Who would pay for the proposed developments? Would there be any borrowing for the developments or would the money come from the sale of the Morton land? Was there a breakdown of costs? The Member felt that there was enough competitive places for health and fitness, the money be better spent on social housing. How could the Council afford to do the project when the sports development posts had been reduced to one person? Would there be consultation with users and members of the public on existing facilities?

The Town Clerk and Chief Executive clarified that the project in the dossier was to deliver an assessment of sports and leisure needs. There had always been questions regarding the location of the pool, whether it should remain where it was and undertake the work required to update it or move it to one site with leisure facilities which could reduce overheads and possibly service charges. Currently the project was solely about the need of the City and to produce the information Members would require to make a decision. The study itself was paid for by the Council and its partners which included the County Council and the University of Cumbria. The report of the Steering Group was scheduled to be considered by the Community Overview and Scrutiny Panel.

He added that there would be no borrowing at the present time. The feasibility study would provide advice for Members to consider and discuss through Executive and Overview and Scrutiny. Those proposals may involve borrowing or utilising capital or partnership working but it would all depend on the business cases.

The Director of Community Engagement informed the Panel that there had been considerable consultation with key user groups for the assessment. The authority had also been able to draw on the detailed research of Sport England. He added that there was work required on people who did not participate and how they could be encouraged to. The consultation had not finished as the Council wanted to get the assessment right.

Harraby Campus Development – Where did the £1.6m contribution from the City Council come from? In the present climate of austerity how would the project be funded? What consultation would take place? Was there an ongoing revenue cost on completion?

The Town Clerk and Chief Executive responded that the £1.6m had been agreed by full Council as part the budget from capital reserves. The City Council was currently in negotiations with Cumbria County Council regarding the funding agreement. Key features were that the City paid no more than £1.6m, that a backstop date be agreed so that the Council would get the money back if the project did not go ahead and agreement that the space allocated to the community centre would be equal or greater than the existing space.

The project would be delivered by the County Council, the only input from the City would be the funding agreement. He added that the authorities had worked effectively together and would be a good facility for the south of Carlisle.

The Director of Resources added that there would be no additional revenue costs.

Local Plan – The Member was disappointed that he had received no feedback after inputting greatly. He asked if the sale of green spaces had been omitted in the Local Plan as he felt there was too much building on green land. Was the Council looking at brownfield sites?

The Town Clerk and Chief Executive reminded the Member that the role of the Panel was to scrutinise the overall dossier of projects to ensure they were progressing as scheduled. Specific questions on the Local Plan were not the remit of this Panel and the Local Plan would be scrutinised by the Environment and Economy Overview and Scrutiny Panel.

Housing Strategy – Delivery of the Affordable Housing Programme – The development at Borland Avenue, Botcherby saw 16 one bedroom flats being pulled down, why had this not been looked at properly? Demand for one bedroom properties was high as people had to leave there 2/3 bedroom properties because they could not afford them. The Member had approached the Council for help and he felt he was not helped and the project should never have been allowed to happen. He felt this was not partnership working.

The Director of Community Engagement explained that Riverside Carlisle carried out the development and they made plans on a 15/20 year cycle. The Council had representatives on the Riverside Carlisle Board.

A City Council representative on the Riverside Carlisle Board reminded the Member that the development was the decision of Riverside Carlisle who were aware of the need for one bedroom properties. They were also aware that a number of the existing one bedroom properties were no longer fit for purpose and they were enhancing those areas through their development project.

RESOLVED – That the Corporate Programme Board report (CE.05/13) be noted.

(The meeting ended at 11.45am)