

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 13 OCTOBER 2011 AT 10.00AM

PRESENT: Councillor Layden (Chairman), Councillors Allison, Bainbridge, Bowditch, Bowman S, Watson and Whalen.

ALSO

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

ROSP.66/11 APOLOGIES FOR ABSENCE

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

ROSP.67/11 DECLARATIONS OF INTEREST

Councillor Bainbridge declared a personal and prejudicial interest in accordance with the Council's Code of Conduct in respect of Agenda Item A.5 Projects Assurance Group. The interest related to the fact that he had previously made a decision regarding Dalton Avenue, Raffles as a Member of the Executive.

The following Councillors declared a personal interest in accordance with the Council's Code of Conduct in respect of Agenda Item B.1 Discretionary Rate Relief to Charitable and Not for Profit Organisations. Their interest related to the fact that they were the Council's representatives on the following:

Councillor Layden - Brampton Community Association General Committee
Councillor Bowditch – Yewdale Community Centre Management Committee
Councillor Watson – Greystone Community Association
Councillor J Mallinson – Longtown Community Centre Management Committee

ROSP.68/11 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 21 July 2011 be agreed as a correct record of the meeting and signed by the Chairman.

ROSP.69/11 CALL-IN OF DECISIONS

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

ROSP.70/11 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.26/11 which provided an overview of matters related to the Resources Overview and Scrutiny Panel's work.

Mrs Edwards reported:

- That the Forward Plan of Executive key decisions, covering the period 1 October 2011 – 31 January 2012 had been published on 16 September 2011 and was included in the Overview Report. There were two items in the Plan relevant to this Panel:

KD.024/11 – Budget Process 2012-13 – would be available for consideration on 24 November 2011

KD.025/11 – Discretionary Rate Relief Policy – would be considered at this meeting.

- The Disabled Facilities Task and Finish Group, which Councillor Layden had been co-opted onto, met on 15 September 2011. Their scoping document had been attached to the Overview report for information.
- A Budget Workshop had been arranged for Scrutiny Members to take place on 11 November 2011. Members of SMT and the Executive had been invited to the workshop and Members were encouraged to attend as discussion and content would assist in involving scrutiny members further in the budget setting process.
- The next meeting of the Scrutiny Chairs Group had been scheduled for 2 November and Members were asked to notify the Chair of the Panel or the Scrutiny Officer of any items to be discussed.
- It was suggested that the Panel carry out a Task and Finish Group on Shared Services to give some policy direction. If the Panel wanted to carry out the work it would begin in January 2012.

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

2.) That the scoping document for the Disabled Facilities Task and Finish Group be noted.

3) That Councillors Allison, Bainbridge and Bowditch be appointed to the Shared Services Task and Finish Group which was due to begin in January 2012.

ROSP.71/11 ANNUAL REVIEW OF SIGNIFICANT PARTNERSHIPS 2010/11

The Development and Support Manager (Mr Mark) submitted report RD.52/11 which provided information which related to the Council's Partnership arrangements, the categorisation of partnerships and the monitoring of the main aims and objectives.

Mr Mark gave a brief background to partnership working and the definition of partnership. He explained that the Council needed to ensure that

partnerships had clear terms of reference and roles, clear goals with robust measures and exit strategies. He added that partnerships fell into a range of types and evolved over time. The Council had classified four types of partnerships:

- *Significant Partnerships* –, had funding attached and defined goals to be achieved, aims and objectives were shared, outcomes were delivered and benefits could be measured. Significant' partnerships had funding over £70,000. (In 2010/11 the Audit Committee agreed to include all Shared Service arrangements within the Significant Partnership category).
- *Minor Partnerships* - had defined goals to achieve, where funding was attached and aims and objectives were shared, outcomes were delivered and benefits could be measured. Minor partnerships had funding under £70,000.
- *Member Partnerships* - were classified as purely advisory where no funding was attached. They may be aimed at a strategic level and had been set up to govern smaller partnerships, which delivered actual outcomes.
- *Participatory Partnerships* - were not true partnerships but were included for clarity. These were where grant funding was provided by the Council, usually with other external bodies, to local associations, groups and initiatives (e.g. Community Centres). Or where the Council had effectively contracted out a service to an external provider (e.g. CLL, Riverside), but which continued to support the achievement of the Council's aims and objectives.

Mr Mark explained that the responsibility for each partnership lay with the directorate concerned and Financial Services and Legal Services provided advice and guidance on partnership matters. A central partnerships register, which incorporated details of all partnerships, was maintained by Financial Services and a copy of the 2010/11 register had been attached to the report.

Mr Mark reported that the Council undertook two partnership reviews per year and issued an annual report on its significant partnerships to ensure that the Council's involvement in individual partnerships was still relevant and that they were delivering the required outputs, and that outcomes and successes could be clearly demonstrated and were set to meet the Council's aims and objectives.

He added that the Council had eight significant partnerships which included three shared service arrangements. The annual review procedure required the lead officer of each partnership to provide information on key monitoring questions which related to performance monitoring and risk assessment.

Mr Mark outlined the progress made against key elements of the type of agreement in place, the main functions of the partnership, the purpose and outcomes for users and citizens, good governance, promoting values, managing risk, capacity and capability and financial control and accountability. The overall conclusion from this information was that each partnership had different roles and priorities but each had a system of monitoring in place which allowed for the early notification of issues which may become problematical and would enable actions to be taken to address the issues before they developed further.

In response to Members' questions Mr Mark confirmed that the two annual reviews covered all partnerships and he felt that all of the current partnerships

that the Council was engaged with were achieving their targets. He agreed to supply financial information in the next report to the Panel.

Members felt that there was not enough feedback to the Council from the various partnership meetings and a mechanism should be in place to ensure information was being disseminated accordingly.

RESOLVED – 1) That report RD.52/11 be noted

2) That Significant Partnerships be monitored by the Panel twice a year, with any exceptions reported when necessary.

3) That the Assistant Director (Resources) find a mechanism for Council representatives to feed back on the partnerships they were involved in.

4) That financial information regarding cost benefits/savings made through Shared Services be included in the next report to the Panel.

ROSP.72/11 TRANSFORMATION PROGRAMME

The Assistant Director (Local Environment) (Mrs Culleton) submitted report CE.28/11 which gave an update on progress of the Council's transformation savings and the proposed savings to deliver the 2011/12 budget resolution.

Mrs Culleton reported that Appendix 1 of the report showed the progress on the savings proposed as part of the Transformation Programme. The savings highlighted in green showed reviews that had been complete and the savings had been included in the ledger. The savings highlighted in amber had not yet been completed and had not been shown in the ledger.

She explained that the 2011/12 budget resolution required identification of £1m of further savings during 2011/12 so that the full year effect would be delivered for 2012/13. There were two broad elements of a strategy that would deliver the savings:

Firstly was a re-profiling of the planned savings through reducing the prudent level of revenue reserves and therefore concomitantly reducing the rate at which reserves needed to be replenished. This possibility had been discussed by Members at their last meeting of the Panel. The re-setting of the prudent level of reserves facilitated a re-profiling of transformation savings so that the requirement for this year had been reduced to £600k.

The second part of the strategy was to identify a number of savings that could be delivered from April 2012. The proposed savings had been discussed with Portfolio Holders and consultation and implementation would begin imminently.

Mrs Culleton explained that together the proposals enabled the delivery of the required savings for 2011/12. They were not part of the budget setting process for 2012/13 which was beginning now and would be considered by the Resources Overview and Scrutiny Panel in due course. She added that progress on the more detailed implementation plans for the service areas

would be reported to the relevant scrutiny panels once the reviews were underway.

The proposals in Appendix 2 had been communicated to staff through a newsletter, and more detailed briefing and consultation was taking place at the directorate level.

Members raised serious concerns that about the impact to members of the public as a result of reduction in funding to concessionary bus fares. The Governance and Resources Portfolio Holder understood Members concerns and explained that concessionary bus fares were the responsibility of Cumbria County Council and the City Council no longer had any input.

A Member commented that the City Council had good CCTV arrangements and asked for clarification on the new arrangements. Mrs Culleton responded that before the changes had been made the Council had consulted with stakeholders. They were informed of the savings required and given the opportunity to make a contribution to retain the service. Stakeholders were also consulted on the periods and times that the CCTV would have to be covered. As a result of the consultations there had only been one small contribution made so it had been necessary to reduce the service so that, although the cameras were filming at all times, they were only monitored during key periods.

In response to a further question Mrs Culleton explained that the proposals for savings as set out in Appendix 2 of the report were in their early stages and there was still a lot of work to be undertaken to ensure that they would be delivered.

RESOLVED – That the update on the progress of the Council's Transformation programme be welcomed.

ROSP.73/11 PROJECT ASSURANCE GROUP

Having declared a personal and prejudicial interest Councillor Bainbridge left the meeting.

The Financial Services Manager (Miss Taylor) submitted report CE.27/11 which gave a summary of significant projects that were being undertaken.

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

- The report outlined an overspend of between £60,000 and £100,000 on the Community Resources Centre project. What was the overspend for and would it affect the project.

Miss Taylor responded that until the final accounts had been received the total value of any overspend would not be known and any overspend would have to be vired from within the existing capital budget. She added that she was not aware of any delays to the overall project due to the overspend.

- Had there been any progress on the Old Town Hall project?

Miss Taylor explained that the project had been in the capital scheme for this year's programme but was not able to progress currently. The Executive had to release funding and the project required match funding.

- Members asked for further information with regard to the Upper Viaduct Car Park/Caldew Riverside project.

Miss Taylor reported that resources were in the capital programme for the project and there had been some expenditure incurred for investigate work. The Governance and Resources Portfolio Holder reminded the Panel that the Council would have to borrow £1.9m to carry out the necessary remedial work.

Members asked what investigations had been carried out to prove that the remedial works were necessary. They also raised concerns that the contaminated land was next to the river and asked for it to be monitored closely. A Member also highlighted recent flood defence work that had been carried out next to the land which had not raised any contamination issues.

The Performance and Development Portfolio Holder explained that Carlisle Renaissance had spent £200,000 on investigative work and the resulting report showed that there were significant problems with the land which the £1.9m would correct.

RESOLVED – That report CE.27/11 be noted.

ROSP.74/11 CORPORATE RISK MANAGEMENT

Councillor Bainbridge returned to the meeting.

Report CE.26/11 of the Acting Town Clerk and Chief Executive was submitted and updated the Panel on risk management arrangements and the Corporate Risk Register.

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

- Members drew attention to the reduction in the risk rating for the Disabled Facilities Grants(DFGs) and asked for further information.

The Assistant Director (Mr Gerrard) explained that the risk had reduced because additional resources had been confirmed from Riverside Carlisle and from Cumbria County Council's Health and Social Care budget. In addition to the resources the Directorate was also looking at their own processes and investigating a more efficient way of procuring work.

The Governance and Resources Portfolio Holder was unable to confirm the contribution that would be made by Cumbria County Council and reminded

the Panel that there would still be an issue regarding the adequate funding of DFGs. He felt that the Government's formula for the distribution of grants mitigated against Carlisle and unless there was a change to the distribution the Council would continue to struggle to meet its statutory duty.

Members asked that information regarding the Government's formula for the distribution of grants to Local Authorities be circulated to all Members and that the Council's opinion regarding the unfair distribution be passed to Central Government.

- A Member highlighted recent figures that had been published regarding worklessness and stressed how serious the issue had become. He asked what the Council was doing to improve the figures and improve skills. He added that there was a number of young people who were becoming disillusioned with the lack of work available within the City.

The Assistant Director (Economic Development) (Mrs Meek) responded that the Council worked in partnership with local businesses, the University of Cumbria and Carlisle College to match skills. The College worked with businesses coming into the area and the Council was an important part of the facilitation through partnership working.

The Governance and Resources Portfolio Holder agreed that there was an urgent problem and he felt that the Council was doing their best to address the problems within their capacity. Carlisle was a low wage economy that needed to attract businesses and industry that could generate higher income.

RESOLVED – 1) That the update on the corporate risk management be welcomed.

2) That the formula for the Government's distribution of grants to local authorities for Disabled Facilities Grants be circulated to all Members.

ROSP.75/11 REGIONAL GROWTH FUND

The Strategic Director (Mr Crossley) had submitted report SD.06/11 which gave an overview of the Government's Regional Growth Fund process and the outcome of Round 1.

The Assistant Director (Economic Development) (Mrs Meek) reminded the Panel that the Government had launched the £1.4billion Regional Growth Fund (RGF) for England in 2010 with the objective of stimulating private sector investment in significant projects that would stimulate long term economic growth and the creation of new sustainable private sector jobs. The fund specifically targeted areas and communities that were dependant on the public sector for jobs. The objective had been to assist those areas in making a transition to private sector led growth. Mrs Meek then highlighted the key criteria for RGF projects that had been set by the Department for Business, Innovation and Skills.

Mrs Meek reported that Round 1 of the RGF had been launched in November 2010 with a closing date for applications of 21 January 2011 and applications for Round 1 had been considered by the new Cumbria Local Enterprise Partnership Shadow Board. She explained that Carlisle Tourism Partnership and Carlisle City Council had submitted an application which sought support to develop the visitor economy across the district. Disappointingly the Carlisle bid failed to achieve funding, as had all Cumbria bids, although the fund panel had recognised the quality of the bid and the impact it could make in the sub region

Mrs Meek informed the Panel that Round 2 of the RGF opened in the Spring of 2011 and had a closing date of 1 July 2011. She added that the Hadrian's Wall Partnership had submitted a bid in round 2 and the Council had supported that bid. The announcement on the outcomes of Round 2 would be made in mid October 2011.

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

- What was the Council's main weakness when submitting an application for RGF?

Mrs Meek felt that the Council did not have a weakness. The bids which were successful delivered more direct jobs in the private sector. She explained that the Council's role in a bid application was to support local businesses and companies not to put a bid forward in their own right. She reiterated that the Council was only there to facilitate and support businesses through the Economic Partnership.

A Member commented that the Local Enterprise Partnership (LEP) was supposed to assist in putting together the bid, he felt that the criteria meant that the Council could only fail.

Mrs Meek responded that the Council was working with the LEP to encourage local companies to submit bids and identify opportunities as they arose but the RGF funding was very focused on the private sector and the increase of private sector employment. She added that the dialogue with local businesses had greatly improved and the Council had a much stronger relationship with the Economic Partnership.

- A Member felt that the bid document and the report had no information regarding the role of the local MP in the bid application.

Members felt that, to have a successful bid, there should be a joint approach with equal support from Members, MPs, Officers and local businesses.

RESOLVED – That the Regional Growth Fund update be welcomed.

ROSP.76/11 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 the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

ROSP.77/11 DISCRETIONARY RATE RELIEF POLICY

(Public and Press excluded by virtue of Paragraph 3)

Following a discussion by Members regarding the reason for submitting report CD.15/11 as a private report they agreed to continue with the item in private.

The Assistant Director (Community Engagement) (Mr Gerrard) submitted report CD.15/11 which discussed considerations in setting and managing discretionary relief on National Non Domestic Rates (NNDR) to charitable and not for profit organisations.

He reported that the proposed policy change had been considered by the Community Overview and Scrutiny Panel on 1 September 2011 and 6 October 2011 and the suggested proposal was to award small, local charities and not for profit organisations 100% rate relief.

Mr Gerrard gave a detailed explanation of the recommended option of giving 100% rate relief to small and local charities. He outlined the alternative options that had been considered and the reasons why they had not been used.

He reminded the Panel of the Motion which had been agreed by Council which gave Eden Valley Hospice 100% rate relief. He added that Members should not consider the Hospice's rate relief as part of the report.

The Community Overview and Scrutiny Panel had considered the report at its meeting on 6 October 2011 (COSP.76/11) and a minute excerpt had been circulated to Members.

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

- A Member reminded the Panel of a Motion that had been considered by full Council that asked for full discretionary rate relief for all local charities. He added that this included all community centres as they played an important part of the local communities and local charities.

Mr Gerrard reminded the Panel of the decision of Council which gave charities 80% rate relief, this report was for the consideration of a further 20%. He explained that the limit of £18,000 rateable value was to ensure that the policy

was transparent and consistent for all. The policy allowed for support to small local charities likely to be less robust and able to absorb the loss.

The Governance and Resources Portfolio Holder reminded the Panel of the financial implications of giving rate relief to all local charities, including those with a rateable value of over £18,000. He also reminded the Panel of the grant that the Council gave to community centres and how that compare to other local authorities.

In response to a question Mr Gerrard confirmed that there would be an appeals process in place for charities and the budget allowed for this and the addition of new charities.

Following voting it was a tied vote. The Chairman used his casting vote and it was

RESOLVED: That the Panel support recommendation 1 as set out in report CD.15/11 to give 100% rate relief to small and local charities.

ROSP.78/11 ASSET REVIEW BUSINESS PLAN – DISPOSAL PROGRAMME

(Public and Press excluded by virtue of Paragraph 3)

The Property Services Manager (Mr Simmons) submitted report RD.53/11 which set out the planned programme of sales approved by Council in January 2011.

He reported that the progress and current position for each asset was summarised in the report along with any key issues. He explained the layout of the report and the traffic light system which had been used. He added that this layout would be used for all future reports.

Mr Simmons then gave a detailed update on the major assets as set out in the programme.

A Member reminded the Panel that the aim of Asset Review Business Plan was to achieve a stronger more manageable portfolio. He asked that future updates included information on the other areas set out in the Business Plan alongside the update of the disposal programme.

RESOLVED – 1) That the Asset Review Business Plan update be welcomed;

2) That future reports include updates on the Asset Review Business Plan as a whole and not just the disposal programme.

3) That updates on the Asset Review Business Plan be submitted to the Panel on 5 January 2012 and 29 March 2012.

(The meeting ended at 12.45pm)