

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 10 OCTOBER 2013 AT 10.00AM

PRESENT: Councillor Watson (Chairman), Councillors Betton (from 10.25am), Bowman C, Craig, Dodd, Forrester (as substitute for Councillor Mrs Atkinson) Mallinson J (as substitute for Councillor Layden) and McDevitt

ALSO PRESENT Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor Mrs Prest (for Agenda Item A.3) – Vice Chairman of Community Overview and Scrutiny Panel
Sharon Greenwell – Operational Support Manager, Wellwork

OFFICERS Town Clerk and Chief Executive
Director of Resources
Customer Services Manager
Development Officer
Corporate Project and Risk Management Officer
Policy and Performance Officer
Scrutiny Officer

ROSP.67/13 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mrs Atkinson and Councillor Layden.

ROSP.68/13 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

ROSP.69/13 CALL-IN OF DECISIONS

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

ROSP.70/13 MINUTES OF PREVIOUS MEETING

RESOLVED – 1) That the minutes of the meeting held on 18 July 2013 be agreed as a correct record of the meeting and signed by the Chairman.

2) That the minutes of the meeting held on 29 August 2013 be noted.

ROSP.71/13 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.23/13 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel's work.

The Scrutiny Officer reported that:

- The Notice of Key Executive Decisions had been published on 27 September 2013 and the following issue fell within the remit of the Panel:

KD.025/13 Land Transaction Report - Proposed Disposal and Development of Land at Westwood Road, Morton - The Executive will be asked to consider options for the proposed development of land at Westwood Road, Morton and approve the release and disposal of the land at their meeting on 28 October 2013.

KD.026/13 Asset Review Business Plan - Disposal Programme - The Executive will be asked to consider and recommend changes to the Disposal Programme for approval by Council. The report will be available for the Panel at their meeting on 28th November.

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

The Chairman reminded the Panel of the work of the Saving Paper Task and Finish Group and informed them that a meeting with the Finance, Governance and Resources Portfolio Holder had taken place to discuss the next steps. It was agreed that, although issues had moved forward there was still a lot that could be done to reduce costs and increase efficiencies.

The Finance, Governance and Resources Portfolio Holder agreed that more work was needed which fell out with the remit of the Panel, he suggested that Members of the Saving Paper Task Group recommended the reinstatement of the Corporate Environmental Working Group to look at a variety of savings across the authority including further paper savings.

The Panel felt that more could be done to improve the readability of reports on tablets, including the titles of reports, layout and content.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.23/13) be noted.

2) Following discussions with the Portfolio Holder for Finance, Resources and Governance and due to the success of the Scrutiny Task and Finish Group that the Corporate Environmental Working Group is re-established with representation from each Directorate. The Group should be tasked with identifying, developing and implementing environmentally sustainable initiatives including reducing paper and printing consumption within the City Council, energy use etc. The terms of reference would be agreed between the Town Clerk Chief Executive and the Portfolio Holder for Finance, Governance and Resources.

ROSP.72/13 TRANSFORMATION BOARD

The Director of Resources presented report SD.07/13 updating Members on the work of the Transformation Board.

The Director of Resources reminded the Panel of the purpose of the Board reporting that the delivery of the required savings of £1.38m for the financial year 2013/14 was virtually complete and the outstanding items which totalled £48,500 would be added to a future year programme.

Work with Portfolio Holders had identified transformation initiatives to deliver the required savings of £760,000 during 2013. The Transformation Board had been assisting in co-ordinating savings initiatives within each Directorate, a detailed overview of the progress made against each Directorate was set out in the report.

He added that the 2013/14 budget had identified savings of £890,000 to be delivered from 2013/14. The 2014/15 budget deliberations would set out the reason for further savings requirements from 2014/15 onwards due to further reductions in RSG, additional National Insurance and pension costs.

Other transformation activities that had been closely monitored by the Transformation Board included the Automating Services project. The project aimed to move services from written, telephony and face to face contact towards electronic means. Phase 1 had focussed on Council Tax e-billing and Phase 2 would focus on Environmental Health, smarter use of media and taking self serve out to community venues.

The Project was on target to deliver further efficiencies through self serve modules. Procurement of an authentication module would allow easier sign up for services such as e-billing. Yewdale Community Centre had been identified as a pilot for self serve.

The Customer Services Manager and the Development Officer gave a detailed presentation on the Automating Services project highlighting the changes to the Council's internet pages and the advantages of e-biling and paperless direct debits. It was stressed that the new automated services would be additional to the services provided by the Customer Contact Centre. Face to face contact would still be available and it was that changes would enable Officers in the Contact Centre to focus on those who were most in need. The presentation showed the changes that would take place to the whole of the City Council website to move it to an interactive site which would be more user friendly and more accessible to smart phones and tablet devices. The presentation brought the updated Customer Contact Foyer to Members attention, in particular the introduction of two new self serve kiosks which were supported by the triage receptionists. One kiosk would be placed in Yewdale Community Centre as a pilot and two further kiosks had been purchased, their location was yet to be determined. Mobile kiosks were also being considered for rural areas to ensure everyone could access the Councils services.

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

- The Panel thanked the Customer Services Manager and the Development Manager for their informative presentation and congratulated them on the work that had been undertaken in the Customer Contact Centre.
- A Member asked for some clarity with regard to the introduction of the 2% charge for the use of credit cards.

The Town Clerk and Chief Executive clarified that the 2% charge for credit card use covered the Council's cost for the administration of the payment. There would be no charge for debit card payments and customers who paid by credit card were encouraged to take up direct debit payments.

- Members felt that the introduction of mobile self serve machines would be an invaluable addition especially for rural and scattered urban areas. It was also

suggested that they could be used at various events that took place across the City to promote the services on offer.

- A Member had concerns with regard to the high cost of the 0845 number, especially to those that used mobile phones, and asked if there had been any consideration given to changing the number.

The Town Clerk and Chief Executive shared the concerns raised. He explained that the 0845 number had to be in place for security reasons to enable debit card payments to be carried out securely over the telephone. He had asked the Director of Resources to look urgently at establishing a 03 number for mobile phone users.

- The Finance, Governance and Resources Portfolio Holder asked if there was a way for Members to access the information coming into the Customer Contact Centre so that they could monitor the issues, comments or compliments that were coming into the Council.

The Customer Services Manager confirmed that there was a large amount of data available for members which would also be used to increase and improve service provision across the whole authority. She added that the CRM system recorded all the issues coming into the Council through the Customer Contact Centre and would flag up if an issue was still outstanding. The Customer Service Advisors also gave all customers their name and a reference number for future use.

- Had there been any resistance from partners regarding the access to services?

The Customer Services Manager responded that partners had been actively interested in working with the Council and highlighted the number of registered social landlords who had registered for e-billing.

- How would the savings from the move to automated services be calculated and recorded?

The Director of Resources explained that there would be two types of savings achieved from the changes. The first saving would be opportunity costs, an increase in the use of online services meant that the Customer Service Advisors had more time to deal with those that needed more support and advice and improve the service. The monetary savings would come as a result of less paperwork and postage as well as officer time. In the first year most of the savings would be opportunity costs opposed to actual savings.

The Town Clerk and Chief Executive added that the savings would allow the authority to invest in the Customer Contact Centre and continually improve the services offered.

- A Member asked about the security of the self serve kiosks especially if customers were entering personal data.

The Customer Services Manager explained that there would be staff on hand to assist customers in using the self serve kiosks if they so wished, the staff would move away from the customer when they were entering personal data. Staff would also advise customers to keep their personal information private and try and enter the information discreetly.

- The report showed a 50% reduction to the Parish Council and Village Hall grants, had there been any feedback on the change?

The Director of Resources reminded the Panel that the change came into force on 1 April 2013 and that traditionally the budget had been under spent. There had been no complaints received regarding the reduction.

RESOLVED – 1) That the update from the Transformations Board (report SD.07/13) be welcomed.

2) That the Customer Services Manager and the Development Officer be thanked for their informative presentation and through response to Members questions.

3) That the Panel was pleased with the direction of travel in the Customer Contact Centre and looked forward to the continued improvements.

ROSP.73/13 2013/14 SICKNESS ABSENCE REPORT – APRIL TO AUGUST 2013

The Town Clerk and Chief Executive presented report CE.10/13 setting out the authority's sickness absence levels for the period April to August 2013, 2012/13 benchmarking, Occupational Health usage statistics and other sickness absence related information.

The Town Clerk and Chief Executive reported that the authority had experienced an 18% reduction in absenteeism in 2012/13 compared to the previous year. This had been attributed to less stress related absences, revised attendance management policies and the introduction of a wider employee assistance programme.

He outlined the benchmarking and data which had been carried out and collated by North West Employers. Carlisle's sickness absence levels were fourteenth out of eighteen north west authorities, this was an improvement from last place in 2011/12 and the authority's year on year reduction went against the upward trend of days lost in other north west authorities.

The sickness absence levels split by directorate in the first five months of the current year showed a reduction of 22% compared to the previous year. Profiled over the year this would equate to a forecast of 7.1 days per FTE and would move Carlisle from fourteenth to sixth in the table of north west authorities.

The Town Clerk and Chief Executive drew Members attention to the Occupational Health and Employee Assistance Programme. The graphs included in the report provided a summary of the usage figures for the authority's Occupational Health provider Wellwork Ltd and the authority's Employee Assistance Programme which was provided by Health Assured. Pre Employment Questionnaires (PEQ) were conducted as part of a new employee's initial health screening and had been completed online since the end of last year. It was difficult to quantify usage as if there are no health issues a fitness certificate would be automatically generated through Wellwork's online system. He highlighted that an accurate total employee usage figure would not be provided if all categories were added together as some people may have used more than one service as part of the same issue. He added that the referrals were the number of initial referrals received and seen and not the total number of visits.

The Panel welcomed Sharon Greenwell, Operational Support Manager, Wellwork to the meeting.

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

- A Member commented that the authority was doing well in terms of reducing sickness absence and asked how an authority had an average of 5.4 days per FTE and the City Council's average was 9.06 days?

The Finance, Governance and Resources Portfolio Holder reminded the Panel that the improvements made to the sickness absence within the Council was excellent. He stated that the Council carried out a number of services in house, such as green spaces and refuse collection, in house which caused an increase in sickness absence, authorities that were primarily office based would have lower absences. The reduction in sickness absence that had occurred in the first quarter of 2013 would reduce Carlisle's average from 9.06 to 7.1 and this was a direct result of the work that had been undertaken over the last eighteen months.

Ms Greenwell added that the Council differed from other authorities as it had managed to reduce the stress related illness. The Other musculo-skeletal problems had increased due to a variety of reasons including an ageing workforce and manual working. Overall the authority continued to improve.

- A Member reminded the Panel that some absence was caused by wider issues and were out of the control of the authority.

The Town Clerk and Chief Executive agreed and stressed that time and effort had been invested in the health and wellbeing of staff to improve their overall health and this included access to the Employee Assistance Programme which provided support outside of work. Members had consistently supported resources in health and wellbeing and basic skills training to ensure the balance of work and home life is achieved and that people had a good day at work.

RESOLVED – 1) That Sharon Greenwell be thanked for her input into the meeting.

2) That report CE.10/13 and the improvements made to sickness absences be welcomed.

ROSP.74/13 LOCALISATION OF BUSINESS RATES (BUSINESS RATED POOLING)

Pursuant to minute excerpt ROSP.60/13 the Director of Resources submitted report RD.38/13 giving an overview of the Localisation of Business Rates.

The Director of Resources reported that the introduction of the Business Rates Retention Scheme on 1 April 2013 had given Councils much greater control over the impact that Business Rates and Business Rates collection had on an area.

He reminded Members that previously the Council had collected all the Business Rates in its area and paid those over to the Government in their entirety. The Government then allocated the nationally collected Business Rates to each Council as part of the annual Formula Grant funding settlement.

From 1 April, however, Councils had been allocated a baseline level of funding as part of the formula grant which they could keep from the income they collected from Business Rates. Of the total income collected, 50% was returned to Central Government, 10% was allocated to the County Council and 40% to the District Council. The Government had then determined whether top-ups or tariffs would apply. For Carlisle, the 40% share related to £15.856 million in 2013/14, but a tariff was payable to Government of £12.942 million, meaning that the baseline was set at £2.914 million.

As a tariff authority, any growth which could be achieved in Business Rates income was shared on the same percentages, with a 50% levy payable to Central Government and 10% growth passed to the County Council. Safety nets were also in place to ensure that no authority suffered significant financial losses should income drop.

The Director of Resources explained that pooling combined the top-ups and tariffs of the individual authorities in the pool as though the pool was a single authority. The County Council was a top-up authority and the Cumbrian Districts were tariff authorities. A single levy rate and safety net threshold was calculated for the pool overall. Since a Cumbria pool would overall be a top-up authority, the pool would pay nothing in levy payments on rateable value growth compared to the total levy payments for individual member authorities. But it also increased the threshold for safety net payments.

The Director of Resources outlined the advantages in forming a pool, together with the governance arrangements, commenting that pooling was likely to be beneficial to Cumbria as the locally retained share of business rates was predicted to be higher than the Business Rates Baseline.

However, because pooling increased the safety net threshold, the pool would have to manage much larger losses before it would be eligible for safety net payments. An authority that expected to be below the safety net threshold would be better off remaining outside the pool. Due to the particular circumstances in Copeland (i.e. most of their rate income came from one business, Sellafield; and due to the impact of outstanding rating appeals the Council had, it was unlikely to benefit from pooling in the immediate future.

Members' attention was also drawn to Appendix 1 which presented scenarios to illustrate potential implications of pooling for Cumbrian authorities i.e. current baseline, 2% growth (Carlisle only), 2% growth across Cumbria (except Copeland) and 2% negative growth.

In terms of the way forward, Carlisle had made an initial decision to join a "pool" with the County and other Cumbrian Districts by 31 October 2013. Whilst the analysis set out at Appendix 1 suggested that Carlisle would benefit from pooling arrangements, several decisions would have to be made Cumbria wide to progress the initiative. Cumbrian Chief Finance Officers would produce proposals for discussion by Cumbrian Chief Executives on issues such as pool membership; how to distribute the shares of additional NNDR income retained in the pool (or sharing out any losses); governance arrangements; and other issues, including obtaining expert advice. A final recommendation on joining a pool would be made by the Executive as part of the 2014/15 budget deliberations.

The Executive considered the matter (EX.99/13) and resolved:

"That the Executive:

1. Agreed, in principle, to enter into pooling arrangements with other Cumbrian Authorities (as appropriate) under the Business Rates Retention Scheme for 2014/15 financial year.
2. Noted the arrangements being progressed to support the in principle decision set out in paragraph 3.1 of Report RD.38/13.
3. Noted that a final recommendation on whether or not to progress business rate pooling arrangements would be submitted to the Executive as part of the 2014/15 budget deliberations.”

The Director of Resources gave a presentation explaining the new arrangements and outlining the advantages and disadvantages of creating a Pool within Cumbria and the associated risks.

RESOLVED – 1) That the Director of Resources be thanked for his informative and detailed presentation.

2) That report RD.38/13 be noted.

ROSP.75/13 CORPORATE RISK MANAGEMENT

The Director of Resources presented report SD.06/13 giving an update on the Corporate Risk Register.

The Director of Resources reported that the Corporate Risk Register had been reviewed and updated and two new corporate risks had been added:

Asset Business Plan – Asset Disposal Strategy

There was a risk of substantial impact to the Council’s revenue position/MTFP and reinvestment plans if there was a significant delay in the disposal of assets. The impact would be quantified as part of the 2014/15 budget deliberations.

Asset Business Plan – Asset Acquisition Strategy

There was a risk that significant delays in acquiring new revenue producing assets would have a substantial impact on the Council’s revenue position during the current MTFP/budget process. The Capital Investment Strategy within the Asset Management Business Case would be reviewed and agreement sought from Executive/Council. The review would cover the key criteria and potential projects for investment including repayment of loans.

The Director of Resources outlined the risk that would remain on the Register and the two risks (Welfare Reform and Promoting Carlisle) which would be removed.

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

- The Panel requested that an update on the Asset Review Business Plan be brought to the next meeting of the Panel. The update should include information on the assets sold, the returns on the assets before disposal and the reinvestment programme. The Panel had concerns regarding the Central Hotel building on Victoria Viaduct. They

asked for details of the transfer to the Crown, if it was possible to reclaim the money the Council had spent on making the building safe, the Order that was placed on the building and who had overall responsibility for the safety and future of the building.

The Director of Resources agreed to supply Members with a detailed written response.

RESOLVED – 1) That report SD.06/13 be welcomed;

2) That an update on the Asset Review Business Plan be brought to the next meeting of the Resources Overview and Scrutiny Panel.

3) That the Director of Resources provides a written response to the Panel's questions as set out above regarding the Central Hotel, Victoria Viaduct.

ROSP.76/13 MEMBER TRAINING REPORT 2012-13

The Finance, Governance and Resources Portfolio Holder presented report CE.08/13 updating the Panel on the progress made against the Member Learning and Development Framework.

The Finance, Governance and Resources Portfolio Holder gave an overview of the Member Learning and Development Working Group, Member Champions, Member/Leader Reviews, the North West Charter for Member Development and the Member Learning and Development Programme.

He reported that the 2012/13 budget for Member training was £14,300 and overall there had been an under spend at the end of the year of £4,339. The total spend on Member training in 2012/13 equated to £191 per Member compared to £273 in the previous year and was a result of Members choosing to attend more free courses such as ones in the ethical governance programme which were run by internal officers.

The City Council recorded the percentage of Members taking part in learning and development as performance indicator MI 905a and, in 2012/13, all Members took part in some form of learning activity. He did highlight, however, that only one Member had enrolled and completed an e-learning module.

In summing up the Finance, Governance and Resources Portfolio Holder felt that the changes made to Members Training had been very successful in reducing costs and improving attendance,

In response to questions the Finance, Governance and Resources Portfolio Holder reported that the Organisational Development Manager produced a quarterly newsletter for Members and any Member was welcome to contribute to the newsletter. He added that courses held in London were only attended if really necessary.

RESOLVED – That Report CE.08/13 be welcomed.

(The meeting ended at 11.50am)