

OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the proceedings at a meeting of the Overview and Scrutiny Committee held in the District Council Chamber, South Lakeland House, Kendal, on Friday, 17 January 2020, at 10.30 a.m.

Present

Councillors

Vicky Hughes (Chairman)
Helen Chaffey (Vice-Chairman)

Pat Bell
Brian Cooper
Hazel Hodgson

Anne Hutton
Janette Jenkinson
Susanne Long

Doug Rathbone
Mark Wilson

An apology for absence was received from Councillor Eamonn Hennessy.

Officers

Courage Aiguobasimwin	Trainee Solicitor
John Davies	Case Management Officer
Linda Fisher	Legal, Governance and Democracy Lead Specialist (Monitoring Officer)
Adam Moffatt	Case Management Officer
Claire Read	Finance Specialist
Fraser Robertson	Communications Specialist
Helen Smith	Finance Lead Specialist (Section 151 Officer)
David Sykes	Director of Strategy, Innovation and Resources

Also in attendance were Councillors Giles Archibald (Leader and Promoting South Lakeland Portfolio Holder), Robin Ashcroft (Economy, Culture and Leisure Portfolio Holder) and Andrew Jarvis (Finance and Resources Portfolio Holder).

O&S/39 MINUTES

RESOLVED – That the Chairman be authorised to sign, as a correct record, the minutes of the meeting of the Committee held on 25 October 2019.

O&S/40 DECLARATIONS OF INTEREST

RESOLVED – That the following be noted:-

(1) that Councillors Helen Chaffey, Brian Cooper, Vicky Hughes, Anne Hutton, Janette Jenkinson and Susanne Long declared that they would reserve their positions in relation to Minutes O&S/48 and O&S/49 below.

O&S/41 DECLARATION OF THE PARTY WHIP

RESOLVED – That it be noted that no declarations of the party whip were raised.

O&S/42 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

RESOLVED – That it be noted that there are no excluded items on the agenda.

O&S/43 PUBLIC PARTICIPATION

RESOLVED – That it be noted that no questions, representations, deputations or petitions have been received in respect of this meeting.

O&S/44 NORTHERN RAIL SERVICES

Representatives from Northern Rail, Craig Harrup and Owain Roberts, made a presentation to the Members of the Overview and Scrutiny Committee.

Members were informed of the new service group and regular Manchester Airport to Cumbria (Furness and Lakes Line) service which had seen an improvement since being introduced in July 2019. The service included an increased volume of new and refurbished trains with modern facilities such as air conditioning, plug sockets, table seating, Wi-Fi and on board information screens with a new three – car train. Members were informed of the improved service on the Furness and Lakes Lines with some challenges remaining on the Manchester Airport routes. These challenges included scheduling of 12,000 training days for new train drivers, reliability of new trains extreme weather and rail network congestion at the Castlefield Corridor. The Northern Rail representative emphasised the ongoing work by the rail industry to resolve issues around the congestion for trains going in and out of Manchester.

The Northern Rail representatives drew Members' attention to the increased number of stops along the Lakes and Furness Lines, with the hope of introducing shorter train journeys and increased stops at Lancaster in May 2020. They highlighted various station upgrades across some the Lakes and Furness Lines such as the toilets being refurbished, customer information systems installed, public address systems and the Arnside footbridge refurbishment. Furthermore, Members were made aware of the bid submitted for a ramp at Staveley Station to provide disabled access.

Members were notified of Northern Rail's work to promote Cumbria. These works included the launch of a new marketing campaign at stations and online, which had led to an increase in the number of Advance Purchase Ticket sales for commuters. Members were made aware of Northern Rail's agreement with MyCumbria card users, which provided 34% discount on off peak journeys in Cumbria, its Smart Season Tickets services, with over six hundred ticket machines installed and investment in App Development.

The Northern Rail representatives provided an update on the ongoing negotiations with trade unions to resolve the disputes over Sunday working and having conductors on all services. Members were informed that an agreement in principle had been reached. Northern Rail highlighted their ongoing work with community rail partnership groups which had helped to improve the relationship with locals, the standard of services and improvements to stations in Cumbria.

The presentation was concluded by highlighting future plans for the end of the current Northern franchise, introduction of the remainder of the new trains and working with the industry on improving rail infrastructure and alternative fuels such as battery and hydrogen powered trains.

Members thanked Northern Rail's representative for their update on the work that had been carried out to date. Members during discussion reiterated their concerns at the difficulties being faced by students, tourists and businesses, as well as the economic impact on South Lakeland when trains had been delayed or cancelled. Members felt that the unreliability of the service was discouraging people from using the train regularly. Further discussion raised a question over how the services would be affected when the franchise ended and how the new service provider would rebuild the trust that had been lost in recent years.

Members' attention was drawn to the performance figures on the Lakes Line that indicated an improvement in the service. The Northern Rail representatives informed Members that the issues relating to reliability of the lines had been linked to the congestion in the Castlefield corridor and that this problem would persist after the franchise ends. The Northern Rail Representatives informed Members of continued work with Network Rail and bus companies to ensure smooth running of trains and any replacement bus services. They added that an industry wide approach on how to address the congestion at the Castlefield Corridor to prevent further delays was needed.

Members expressed the need for there to be a real campaign to ensure that South Lakeland residents were not continually affected by the bottle neck at the Castlefield corridor and sought reassurance that Northern Rail's successors would maintain the amount of new trains which had been brought in. The Northern Rail representatives informed Members that they were committed to bringing in the new fleet of trains and that they aimed to have them in service by May 2020.

Members expressed dissatisfaction with the fact that the passenger usage statistics had only just been made available to the Council. Further discussion on this matter raised a question relating to the continuation of two carriage trains when three carriage trains were expected and the lack of bicycle space on trains. Members were reminded that the statistics had been provided by the Department of Transport and informed that Northern Rail expected to see an improvement in the statistics in the most recent statistics. In addition, it was highlighted that Northern Rail trains had space for two bicycles and more bicycles were permitted at the discretion of the conductor.

Members were concerned that, although there had been an 8% increase in recent footfall for the use of trains. Overall, there had been a 15% decrease, which was not encouraging. Members sought reassurance on how Northern Rail intended to market its services to encourage customer confidence on the train service and reliability. The Northern Rail representatives reiterated their continued work with their partners on engineering work and community partnerships to promote the Furness, Windermere and Lakes Lines. Additionally, media and poster campaign were used to encourage travellers to visit Cumbria.

Members requested clarification of why advance notices of delays and cancellations were not being given to passengers, as well as clarification on what methods were being used to give advance notice to passengers. The Northern Rail representatives highlighted the difficulties in providing transportation in rural areas and explained what steps were taken to give advance notice, such as the use of social media, screens at stations and announcements on their website. They pointed out the difficulties in predicting delays, such as damage to overheads cables and breakdowns. In such cases, replacement buses were co-ordinated to organise connections and to take passengers to destinations. Members required reassurance on what plans Northern Rail had in place to address drivers' absences and staff sickness at short notice. They were advised that Northern Rail had a robust sickness policy in place but had seen a 30% increase in absence due to sickness in the run up to Christmas. The Northern Rail rostering system included

allowance for 40% efficiency to cover unforeseen eventualities and ongoing work had resulted in an increase in crew availability.

Members expressed their concerns with the difficulties faced by passengers in accessing Staveley Station. It was felt, that this had discouraged the use of the Station and some residents felt that the Lakes Line was not adequate with respect to the communications it published and giving notice for cancelled trains. Members were informed that planned engineering works were published on National Rail's website, on social media and at stations.

Northern Rail's representatives detailed the alternative arrangements in place, including replacement trains or buses. Members questioned Northern Rail on how the company could reassure the Council that everything was being done to resolve the lack of reliability in its services. Northern Rail's representatives reiterated their ongoing work to introduce more new trains onto the Lakes and Furness lines, the use of three carriage trains, continued work to address crew availability, and improvements to stations and access. Members were also informed of Northern Rail's continued work with local community groups and workshop sessions to consider how best to improve the company's services within the District.

RESOLVED – That the update from representatives of Northern Rail be noted.

O&S/45 ROAD AWARENESS PACKAGE

The representative for Cumbria Police, PC Kevin Jackson, presented Members with a short video, shown in schools and colleges across the District. The video illustrated the result of a serious road traffic incident. PC Jackson informed Members that incidents such as the one shown were often down to a wide range of factors, including alcohol or substance abuse and tiredness. He continued by highlighting the intense organisational and financial strain placed upon the emergency services by incidents such as these and informed Members that there had been 28 fatal collisions on highways in Cumbria in 2019. In concluding his presentation, PC Jackson drew Members' attention to the upward trend of drug driving in the County and emphasised his earlier point of the financial strain this placed upon the emergency services.

Members raised questions on how they could use their position to raise awareness of the issues raised in PC Jackson's presentation, how to refer elderly drivers who were concerned about their eyesight and driving, the possibility of a social media campaign targeted at reducing drug driving and the procedure behind closing key roads following road traffic incidents. PC Jackson responded by informing Members that he would welcome contact from Members to work on how they could help. He moved on to highlight drop in sessions at Age Concern coffee mornings to discuss the issues relating to elderly drivers and informed Members that Police social media may not be the correct target market by which to reduce drug driving. He explained the reasons behind closing roads following road traffic collisions and again emphasised the strain on services as a result of these incidents.

RESOLVED – That the content of the Cumbria Police Road Awareness Training be noted.

O&S/46 OVERVIEW AND SCRUTINY PROGRESS REPORT

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) provided Members with an update on the Council's Forward Plan which was attached at Appendix 2 to the agenda.

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) updated Members on the progress of the Overview and Scrutiny Committee 2019/20 Work Programme as contained at Appendix 1 to the agenda. Work Programme items remained on track to be considered by the Committee. The Implementation of SLDC Climate Change Workshop and the Health and Wellbeing Workshop had taken place on 8 January 2020 and 15 January 2020 respectively. Members were notified that positive feedback had been received from those who had participated in the workshops. The Private Water Supply workshop was due to be held on 13 February 2020. Members enquired about the possibility of obtaining the notes relating to the Implementation of SLDC Climate Change Workshop. The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) informed Members that the notes were currently confidential, however, that they would form part of the recommendations report to the Overview and Scrutiny Committee.

RESOLVED – That the following be noted:-

- (1) the Overview and Scrutiny Committee's Work Programme 2019/2020;
- (2) the progress made by Cabinet and officers in implementing the recommendations of the Committee; and
- (3) the contents of the latest Forward Plan published on 7 January 2020.

O&S/47

COUNCIL PLAN PERFORMANCE MONITORING REPORT QUARTER THREE 2019/20

At the start of the meeting, Members had been provided with additional documents relating to outstanding data for this report.

The Leader of the Council introduced the Council Plan Performance Monitoring report for Quarter Three 2019/2020. He began by thanking the Overview and Scrutiny Committee and Officers for their valuable work and moved on to state that the report was positive overall. The Leader referred to a number of areas that required further work including homelessness, drug use and helping the vulnerable in society.

The Leader commended the Council on the strong results in areas such as housing which were on track to deliver 500 affordable homes for rent since 2014, an increase in new business start-ups, new job creation in the District, bringing back into use more empty homes and the increase in median household salary. The Leader recognised that more work needed to be done on reducing the number of empty homes. The Leader also highlighted the reduction of grey bin waste and called for an increased focus on recycling and sorting waste. He highlighted that the report had shown an increasing number of homeless households living in temporary accommodation. Concluding his speech, Councillor Archibald emphasised the positives he had mentioned and thanked Officers and Portfolio Holders for their hard work.

Members were presented with the Council's Strategic Risk Register which contained the current likelihood and impact scores for each risk. The Leader informed Members that the Council had been overly cautious with some of the risks on the Risk Register. He continued by emphasising that he was not concerned about the risks and level of risks, however, that they needed to be reviewed and monitored quarterly. The Leader highlighted that the risks assessing the impact of Welfare Reforms, the roll out of Universal Credit in the area, showed a direct correlation between rent arrears and the roll out. The Leader was particularly concerned with the mental stress the roll out had had on

people and the increased use of food banks. Members were informed that the Council continued to monitor the risks on the Strategic Risk Register.

Members discussed the possibility of having recycling bins within communities and villages in the District. The Leader informed Members that this idea had been piloted in Kendal and Windermere and that there had been an issue with people not complying with the different categories of waste. The Director of Strategy, Innovation and Resources informed Members that the query on the provision of On Street recycling bins would be referred to Officers and that Members would be updated of the outcome of that pilot scheme.

Members enquired about the possibility of working with partner organisations to reduce the level of obesity in children in the District, particularly in Ulverston. It was said that the recent Health and Wellbeing workshop attended by Members had highlighted that there had been an increase in obesity amongst children aged ten. Members were keen to work with families for children to be provided with a balanced diet and to encourage activities. The Leader agreed that more work was needed on the issue of obesity and poverty across the district. The Leader informed Members that it was a national disgrace that things were not moving forward on poverty and encouraged Members to continue to work with the Health, Wellbeing and Financial Resilience Portfolio Holder who had various initiatives on tackling issues like this. The Leader informed Members that the Council had worked with its partners on self-harming and addiction and welcomed suggestions on addressing this matter of obesity.

Members requested clarification on what was required for food waste recycling processing and what work had been done by the Council to avoid transporting waste which could be composted locally as it could be more environmentally beneficial. Members requested clarification on what happened after the green waste was taken from the Council's site. The Leader explained to Members that the Council considered the cost of transporting waste from locations as not being viable and work had been done to review the process before the Government suggested that they would have a guidance on the subject. The Council's process was therefore placed on hold to avoid duplicity. The Director of Strategy, Innovation and Resources informed Members that a briefing would be provided to Members to give insight into what happens after the green waste was processed by the contractors who received the Council's green waste collections.

Members expressed their wish to see more robust compliance with Council's Local Plan to ensure the requisite percentage of Affordable Housing on new developments was maintained. The Leader expressed that he was of the same opinion and would like to avoid differing from the Council Plan. He advised that this matter had been raised with the District Council Network Board (DCN). Members were informed that this was a problem being encountered nationally when considering viability of developments, profit margins and costs of development. Members sought an update from the Leader on the outcome of his lobbying with the DCN. The Leader and the Legal, Governance and Democracy Lead Specialist (Monitoring Officer) referred Members to the previously circulated letter from the Leader to the Secretary of State for Business, Energy and Industrial Strategy.

Members raised concerns on the lack of support for the local community care system and that more had not been done to increase the numbers of available NHS dentist in the District. Presently, there were only two NHS dentists who had over 6,400 patients on their lists. Members were reassured that the Morecambe Bay Clinical Commissioning Group and University Hospital of Morecambe NHS Trust had been invited to this meeting and a further invite would be sent out for their attendance at the next meeting. Members were informed by Councillor Mark Wilson, who sat on the Cumbria Health Scrutiny Committee

as a County Councillor that he would ensure that this issue was picked up at the next Cumbria Health Scrutiny Committee meeting.

RESOLVED – That the following be noted:-

- 1) the Summary of Performance as detailed in the report; and
- 2) the detailed risks information contained within Appendix 1 to the report.

O&S/48

2020/21 TO 2024/25 DRAFT BUDGET

Note - Councillors Helen Chaffey, Brian Cooper, Vicky Hughes, Anne Hutton, Janette Jenkinson and Susanne Long reserved their positions by virtue of the fact that they were Members of the Planning Committee which was due to consider a planning application relating to the Grange Lido. All remained in the Chamber during the discussion and voting on the item.

The updated 2020-2021 to 2024/25 draft budget was presented to the Committee by the Finance and Resources Portfolio Holder. He explained to Members that the delays in presenting this updated budget had been due to the recent general election, and informed them that figures in the draft budget were based on what had been published to date and may change slightly. Members were informed that the longer term position of the budget's Medium Term Financial Plan (MTFP) reflected future uncertainties in local government funding and settlements and that the Government had been expected to publish a new three-year Comprehensive Spending Review during 2019; this would have formed the basis of a new four-year spending settlement for local authorities. Members were informed that the Council now envisaged the new spending settlement would only be in place for 1st April 2021. This, he said, may result in a rise in local government spending but this would not be spread equally over all authorities and it was expected that more resources would be directed to social care. As a result, this draft budget contained plans for substantial reductions of funding such as the abolishment of the Rural Services Delivery Grant which contributed over £400,000 to the Council and a new allocation mechanism for Non-Domestic Rates based on a new 'needs assessment'. The Council was generating between £1.5 million - £2 million above the current needs assessment and the draft budget included an assumed loss of this income phased over a four year period.

The Finance and Resources Portfolio Holder informed Members that the draft budget included assumptions with respect to other incomes such as growth in fee income at 2% via a combination of increases in volume and fees increases as shown in Appendix B. It now assumed increases in Council Tax in all years of 2% in line with the recent technical consultation, which would be below the £5 maximum that was previously assumed. Members were informed that this level of Council Tax increase reduced the Council's income by £50,000 on a cumulative basis and that this reduction would be kept under review. The Council's inflationary costs such as salaries, review costs of the Council capital programme and the recently increased costs of local government borrowing would lead to a significant and growing deficit from 2021/22 onwards, with a projected cumulative deficit of £4 million over three years. The implementation of the Customer Connect Programme was expected to save the Council £1.5 million per annum.

With respect to next year's budget, Members were reminded of July 2019 forecast of a MTFP deficit of £620,000. Significant and unavoidable pressures such as the rebasing of car parking income would remove a one off £160,000 increase implemented in 2019; the costs of a Commercial Project Team to future proof the Council's work, systems and process in areas such as Section 106 agreements; assumed reduction in proceeds from

the sale of recycling material of £110,000 and reduction of assumed vacancy rate in rotaed services at £95,000. These costs were said to be largely off-set by savings of £330,000 in pension payments as no further deficit reduction contribution are required, continuation of a further year of Rural Services Delivery Grant and the maintenance of the current Non-Domestic Rates distribution with no application of negative Revenue Support Grant. The Council was expected to benefit from the continuation of New Homes Bonus which is was earmarked for specific purposes.

The savings of £1.5 million from the Customer Connect Programme was said to have given the Council the opportunity to firstly commission reviews into how to best 'sweat the Council's assets' in areas such as the Glebe area of Bowness and the North Lonsdale Road in Ulverston. Funding was also requested to be dedicated for additional debt advisor service and employment of a climate change co-ordinator who would cover areas such as environment, bio-diversity and carbon reduction. Secondly, the continued funding of Locally Important Projects by establishment of new Locally Important Project Reserve to fund helpful projects for local communities over the next four years from 2021/22 onwards. Members were told that these actions enabled the Council to deliver a budget with a small projected surplus for 2020/21, while strengthening delivery and protecting the Council's financial position in the longer-term.

Members were informed of the Council's agreed Capital Expenditure as set out in Section 4 of Appendix A. This identified a number of additional capital bids that had been included in the draft budget plan. Amongst them were the £550,000 requested for improvement to the Kendal Flood Relief Scheme led by Environmental Agency; £500,000 towards the actions from the Kendal Car Parking Study which would include acquisition of land (it was expected that this project would self-fund via additional income generation) and £480,000 towards structural repairs at the Westmorland Shopping Centre Car Park which would significantly extend its operational life and reduce long term liabilities to the Council.

Members were informed that this budget was now in a period of formal consultation and that feedback from this Committee and any revisions to the settlement would be presented to Cabinet on Wednesday, 5 February 2020, and to Council for approval on Tuesday, 25 February 2020.

Members requested that the Overview and Scrutiny Committee be kept updated on the ever changing situation of the settlement spends and the sweating of the Council's assets. The Finance and Resources Portfolio Holder informed Members that they would be kept updated through the Overview and Scrutiny Committee and that Members would be briefed when there were major changes. Members requested clarity on the expected reduction in Council's funding to which the Finance and Resources Portfolio Holder informed Members that a loss of £2million of Non-Domestic Rate was expected over a four year period. The Council was however confident that the shortfall would be met. This shortfall would have been larger without the savings of £550,000 from Phase One of Customer Connect, Phase Two which commenced in January 2020 and changes to the Council's IT Services.

Members enquired about the prospect of the Parish Councils taking more responsibility as a result of reduced funding from Districts on grants and, for example, toilets maintenance. Members were informed by the Finance and Resources Portfolio Holder that there was a possibility that parishes could look at increasing their responsibility, however, it was a question of whether such action was reasonable. Members were told that the Council did not consider it prudent to look at tax increase at Town or Parish level as a source of funds. Officers would provide Members with details on what parish councils could do with regards to spending. Members also requested a briefing by the Finance and Resources Portfolio Holder and Officers on maximising returns from the Council's assets. In response

to Members' questions, the Finance and Resources Portfolio Holder agreed to provide Members with a written response on how the Council was doing with regards to business rate pooling. He informed Members that the latest figures relating to the Council's income from business rate pooling were between £600,000 – £800,000 as a result an increase in economic development which had led to a balance on the pooling reserve in the area of £2 million (although this fund could only be used for specific activities).

RESOLVED – That

1) the proposals contained in the report to achieve a balanced budget in 2020/21 be noted.

O&S/49

2020/21 PROCUREMENT SCHEDULE

Note - Councillors Helen Chaffey, Brian Cooper, Vicky Hughes, Anne Hutton, Janette Jenkinson and Susanne Long reserved their positions by virtue of the fact that they were Members of the Planning Committee which was due to consider a planning application relating to the Grange Lido. All remained in the Chamber during the discussion and voting on the item.

At the start of the meeting, Members had been provided with an updated version of the Procurement Schedule relating to this report.

The Finance and Resources Portfolio Holder reminded Members that the Council's Constitution allowed Officers to conduct and conclude contracting processes without further approval, provided that they were in line with the Procurement Schedule. The Procurement Schedule included over 105 projects of varied purposes and value. Some of the projects related to playground and car park improvements procurement of street cleaning equipment, the repointing of Castle Diary and improvement to efficiency of the Council such as the in cab technology.

Members raised questions on whether the Council planned promote electric vehicles and charging points within the District. Members were informed that consideration was being given to the use of electric vehicles for waste collections. However, the Finance and Resources Portfolio Holder explained that such options were not currently viable given the terrain of the District. For smaller vans, electric vehicles would be considered. Members were informed of the recent approval of £180,000 for electric charging points which would be situated in some of the Council's car parks, off streets and on street charging points. Officers were congratulated for securing lower insurance costs through procurement. The reduction in insurance costs would see a saving of £190,000 over a full year basis for the Council.

Councillor Mark Wilson, who sat on the Cumbria Health Scrutiny Committee as a County Councillor, informed Members that a written question would be submitted to the Finance and Resources Portfolio Holder relating to this item.

Members requested an update on Gypsy and Travellers study to which the Finance and Resources Portfolio Holder encouraged Members to raise the request with the relevant Portfolio Holder. Officers would prepare a briefing note.

RESOLVED – That the Procurement Schedule for 2020/21 attached at Appendix 1 to the report be noted.

O&S/50 TREASURY MANAGEMENT AND CAPITAL STRATEGIES

The Finance and Resources Portfolio Holder presented the report to the Committee. He highlighted that the report, along with its appendices sets out the Council's Treasury Management Strategy and Capital Strategy for 2020/21 – 2024/25 which was updated to reflect the last MTFP. Members were informed that the report complied with legislative requirements which ensured scrutiny of the key financial resources of the Council.

The Treasury Management Strategies were explained to Members as set out at Appendices 1 and 2 of the report. Members were informed of the definition of Treasury Management by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Treasury Management Strategy was said to be particularly important due to the significant cash reserves local authority held. Members were informed that the Treasury Management Strategy considered key controls around investments which focused on counterparty security, liquidity, and yield as well as considering borrowing and investment strategy. An explanation was given to Members on the changes between the current Treasury Management and Capital Strategies Report and the previous version.

The Capital Strategy related to both the current capital and expenditure as well as the impacts. The Capital Strategy report highlighted what benefits were derived from taking long view of capital expenditure. The inclusion of programmed works to the Westmorland Shopping Centre Car Park in the 2020/21 capital programme had resulted in £12 million spend for 2029/30-2033/34 being removed from the longer term programme.

Members were directed to the relevant sections in the report which set out the Council's approach to Capital Investments; focusing on where the processes and procedures for appraising, authorising and monitoring capital expenditure were set out, the Council's process for reviewing debts, borrowing and treasury management; affordability of the capital programme and mitigating key risks particularly around liquidity, interest rates, exchange rates, refinancing; legal/regulatory risks, fraud/corruption, and market fluctuation. Another focus of the report was the commercial activity strategy which highlighted nearly £5 million of investment that delivered £400,000 to support the Council's budget for the last financial year. The commercial activity strategy was said to have given more scrutiny as a result of other Council's recent commercial activity. The Strategy outlined how the Council ensured that all is commercial activity was affordable and sustainable. Another aspect of commercial activity involved how long-term liabilities and investments including soft-loans and pension guarantees were dealt with by the Council.

Members were informed that by publishing the Treasury Management and Capital Strategies in such details improved transparency of the Council and provided reassurances that the Council continued to operate in a prudent and professional manner.

RESOLVED – That

- (1) the Treasury Management and Capital Strategies and the authorised borrowing limits within the report be noted; and
- (2) Cabinet be recommended to endorse both strategies for recommendation to Council.

O&S/51 PORTFOLIO HOLDER REPORT - ECONOMY, CULTURE AND LEISURE

The Economy, Culture and Leisure Portfolio Holder presented his annual report on progress made within his portfolio area and plans for the future. The report provided an update on the Market tender which was shortly due to commence. Members were informed that Kendal Town Centre had been included in the Future High-street Fund Pilot Scheme. The Portfolio Holder emphasised the importance of maintaining a strong high-street in areas like Kendal and added that the high-street development was still a priority. The Economy, Culture and Leisure Portfolio Holder highlighted the importance of South Lakeland's £1.5 billion contribution to the economy of South Cumbria. The benefits to the District's economy of partnership working were highlighted and Members were informed of ongoing works being carried out with The Brewery Arts Centre and the Bay Partnership which included opportunities under the Lancaster and South Cumbria Economic District. Officers were commended for their hard work across departmental boundary.

Members requested clarity on whether the farmers market would form part of the tender process and that the process would be independent. Members were informed that the farmers market was not included in the tender process. The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) informed Members that the procurement process for the indoor market was due to commence imminently and that consideration had been given to the market charter to ensure its preservation for the future. Cabinet would be provided with report in the future. Members were further informed by the Finance Lead Specialist (Section 151 Officer) that the Council used the 'Chest' to conduct procurements. This process provided interested registered parties with an opportunity to ask questions and raise any issues. This process provided an objective and transparent process.

Members requested clarity on why the high street funding was not secured and details of future rounds of funding for the high streets. The Economy, Culture and Leisure Portfolio Holder informed Members that there had been some confusion over the high street fund in the national media. That the Government thought that the Council had presented a very good bid and encouraged the Council to consider submitting an application for the next round of high street funding. The Economic, Culture and Leisure Portfolio Holder informed Members that work would be taking place with a consultant from the high streets programme who would advise the Council on how best to apply for successful future bids. By accessing this advice the Council would be prepared for applying for the next round of high street funding when it became available.

RESOLVED – That the report and its contents be noted.

O&S/52 PORTFOLIO HOLDER REPORT - FINANCE AND RESOURCES

The Finance and Resources Portfolio Holder presented his annual report on progress made within his portfolio area and plans for the future. He informed Members of the ongoing Customer Connect work which had resulted in additional in relation to financial management of the project, budgeting and changes in the new organisational structure. The Finance Team was praised by the Financial and Resources Portfolio Holder for carrying out this additional work whilst complying with its statutory reporting requirements, as well as achieving a balanced budget.

The Finance and Resources Portfolio Holder informed Members that the Council's statutory Statement of Accounts had been successfully delivered by the end of May 2019 and had received an unqualified audit report, with glowing feedback on the support

provided by the Council's Finance Team. Members were informed that work was still ongoing to ensure that the savings from the Customer Connect Programme were adequately monitored with £582,000 of the £740,000 expected this year delivered in Phase 1 of the Project.

The Finance and Resources Portfolio Holder provided an update on the Council's capital work. He referred to planning permission having recently been obtained for the reconfiguration of South Lakeland House and Kendal Town Hall and informed Members that the tender process for this work was underway, with the project likely to commence in current financial year. It was hoped that the refurbishment would provide improved office accommodation linked to the Council's Customer Connect and the creation of a Mintworks 2 for commercial letting. A planning application had been submitted for the work at Grange Lido. The Kendal Market Review was underway and, following further consultation with market traders, would imminently go out for tendering. Other significant smaller projects were underway or about to commence, such as work on the new Parkside Road Car Park, resurfacing of the Council's car park in Grasmere and the installation of solar panels at Mintworks and Town View Fields.

Members were informed that the Council's Strategic Asset Management Plan Board (SAMP Board) continued to meet quarterly to review all key assets and make recommendations to both Cabinet and Council. The work of the Asset Board was reflected within next year's budget, which included activities to improve the life of key assets and consideration of ways to utilise existing assets which belonged to the Council.

RESOLVED – That the report and its content be noted.

O&S/53

CUMBRIA HEALTH SCRUTINY COMMITTEE UPDATE

Councillor Mark Wilson, provided a brief verbal update on the ongoing work regarding recruitment and retention of healthcare professionals within the District. He asked that the minutes of the meeting held on 10 December 2019 be circulated after the next meeting to be held on 25 February 2020, when the minutes would be agreed by the Cumbria Health and Scrutiny Committee.

RESOLVED – That the verbal update be noted.

The meeting ended at 1.54 p.m.