

PERFORMANCE, RESOURCES AND ASSETS SCRUTINY COMMITTEE

14th May 2008 at 6.00 pm

PRESENT: Councillor Pantling (Chair); Councillors Akbar, Franks and Malik.

IN ATTENDANCE: Councillors Burnett, Harris, Neale, Rutstein, Shaw and Strange.

21 APOLOGIES FOR ABSENCE (REF: 1)

Apologies for absence from the meeting were received on behalf of Councillors Saleem and Titmuss.

22 CALLED-IN DECISION – REFERENCE FROM AUDIT AND GOVERNANCE COMMITTEE – INTERNAL AUDIT PLAN 2008/09 (REF: 8)

The Committee was invited to consider the decision taken by the Executive (EX/68/08) on 7th April 2008 in relation to the Internal Audit Plan 2008/09 which had been called in by Councillors Rutstein and Strange.

Councillor Rutstein advised that the reason for calling in the decision was that it was considered that the issue should have been examined by the Performance, Resources and Assets Scrutiny Committee rather than being agreed by the Executive and therefore commended the item for discussion.

The Chair enquired if there were any particular concerns with regard to the Internal Audit Plan.

Councillor Rutstein advised that it was felt that submission to Performance, Resources and Assets Scrutiny Committee was an appropriate route before the Executive decision was ratified.

Councillor Harris, Portfolio Holder for Finance commended the Internal Audit Plan as laid out and as no questions had been forthcoming had nothing further to add.

Councillor Franks commented that the Luton Excellence Project was very large and far reaching and that the Committee had an informal arrangement to receive reports on its progress and enquired if the number of days allocated for audit was felt to be enough.

The Head of Internal Audit advised that enough days had been identified to give an assurance overview and that if more days were required there was a contingency of 63 days.

Resolved: That the Performance, Resources and Assets Scrutiny Committee have no objection to Decision No. EX/68/08 (Reference from Audit and Governance Committee - Internal Audit Plan 2008/9) being implemented.

23 REVIEW OF EXECUTIVE DECISION EX/65/08 – SALE OF SURPLUS SITES (REF: 9)

The Chair advised that the review of the Executive decision in relation to the Sale of Surplus Sites had been placed on the agenda, as it had been exempt from the call in process on the grounds of financial prejudice and had not been scrutinised prior to being submitted to the Executive.

The Portfolio Holder for Finance advised that the four sites had been placed on the surplus sites list as identified by the previous Liberal Democrat administration, which the current administration then agreed with and therefore proceeded with the sale of those sites. Officer advice was that the Council would not get the capital receipts to balance the capital programme unless sold freehold. That action had required Executive approval.

The following table shows those comments and questions raised and the responses given:

Question:	Response:
<p>Key: C = Cllr in attendance C/E – Chief Executive CH – Chair M = Member of Committee Mp = member of public</p>	<p>Key: C/E – Chief Executive O - Officer PH = Portfolio Holder for Finance</p>
<p>Mp - why has part of the Bath Road site been sold before a replacement site for the pool has been identified?</p>	<p>PH – Bath Road had been written off as a site for the replacement pool. A report to the Executive on 14th March 2005 had stated that the problems with the Bath Road site were insurmountable. The Liberal Democrat administration took the decision and I agree with their conclusion.</p>
<p>Mp – why has 75% of public opinion been ignored?</p>	<p>PH - It had been clearly stated that the current site was not fit as a replacement site.</p> <p>A 50m pool was not deliverable on that site. If refurbished the pool would have to be closed for 18-24 months, which we were told, was unacceptable. Dry facilities were needed to bring in revenue. The advice given to the Liberal Democrats, which we supported</p>

	<p>was that apart from the car parking issue, it would not be physically possible to support a development of that size on the site.</p>
<p>Mp – the public do not wish for you to take away parkland to provide a replacement pool.</p> <p>The previous consultants were requested to create plan for Bath Road site, which they achieved. Now the road is no longer a through-road it could be used as part of the site for parking.</p>	<p>PH – funding is still a key issue. Money is needed before the pool could be built. We are intending to provide a 50m pool, not 25m as previously identified.</p> <p>He invited members of the public to talk to Officers with the technical knowledge and expertise to explain and respond to questions. He requested the Chief Executive to facilitate that meeting.</p> <p>PH advised that other options were currently being looked into, there was a project manager and plans were being pulled together. Public consultation on those options available would be undertaken. The public would be kept informed and involved.</p>
<p>CE – Every year the council set out its capital programme giving priorities and spending plans, there was not a detailed plan specifically for the swimming pool.</p> <p>A feasibility study had been undertaken and deemed Bath Road unfeasible for development of a 50m pool. The decision to declare Bath Road as a surplus site was made in 2005 and officers proceeded to sale.</p> <p>A major feasibility study was being undertaken, which would give clear evidence on the real contenders to where a pool could be placed and the council would be holding full consultations.</p> <p>If the council wanted to deliver a 50 m pool, which for any town was ambitious, it may have to be via a different route.</p> <p>It was anticipated that the council would be in a better position for debate on the issue in the Autumn.</p> <p>The Leader of the Council was the portfolio holder on the project.</p>	
<p>C – The 4 sites were declared surplus and available for disposal, but that did not relate to the whole Bath Road site, the decision in relation to the open-air part had</p>	<p>CE - The capital programme requires capital receipts to fund it. The reason why the site was split was in order to keep the current swimming pool in operation.</p>

<p>been made several years ago. As the marketing began on 26/01/08 it would have been possible to publish the item on the Executive's forward plan and is therefore strange that it was submitted as an urgent item.</p> <p>The Council has a very proud record of not disposing freehold but granted long leases in order that the site returned to the council's ownership. I seriously question whether there would be more money if sold freehold.</p> <p>It should be identified where the funding from the disposal of assets will go.</p>	<p>It was agreed that it was a change for the council to dispose of the freehold of the sites but the decision had been taken following expert officer advice. The Head of Corporate Finance advised correctly on the identification of the item's exemption from call in due to financial prejudice.</p> <p>The Council does have a capital programme that sets out project progress for future years.</p>
<p>CH – We need to know at what point the freehold decision was made?</p>	<p>C/E – As there is no formal policy Officers believed they had delegated authority to deal with leasehold and freehold. As later in the process they were not clear if they had the power they had no option but to seek clarification, this may have had some effect of the chain of events.</p>
<p>C – I thought it was reasonable for the decision to dispose of 4 sites to be reviewed but this is just about the swimming pool. No one has mentioned the displacement of the Boxing Club from the former recreation centre, Old Bedford Road.</p>	<p>PH – we have negotiated to get a positive outcome for the Boxing Club and found them a new home.</p>
<p>C – Is it correct that the current feasibility study will contain a list of possible location sites but not Bath Road even though 75% of previous consultees wanted it on that site?</p>	<p>CE – It is a matter of public record Bath Road is unfeasible; the list would not include the Bath Road site.</p>
<p>C – with regard to the Territorial Army (TA) on the former recreation centre site, Old Bedford Road – has there been any negotiations with the Ministry of Defence regarding their tenancy?</p>	<p>O – the site was sold subject to the TA's interest. Advisors had previous experience and decided to leave the TA in situ. There were no security issues and it was deemed best to build around them. They do have access rights over</p>

	the site. The buyers designed around the access right.
C – Bath Road has history and importance to the people of Luton. It has been used for recreation for many, many years and is the preferred site for a replacement pool. Given that, to sell the site without the proceeds contributing to provision of a replacement pool may be seen by the public as not caring for the assets of the town.	PH – It does contribute to the capital programme and the pool is in the capital programme.
CE – The ringfencing was a technical task of officers, at the time of Liberal Democrat administration it was never explicit to un-ring fence. It was a technical change due to no project plan being in place and there was now a general pot of money.	Cllr Franks confirmed that there had been no political decision to un-ringfence and no officer had explained that. Up until April 2008 he was still firmly of the view that it was still ringfenced.
M – Are you going to reinstate the ringfencing?	We must secure and deliver finance and we must secure and deliver a swimming pool. We are looking at financing in detail.
C/E – tightening by the Audit Commission advised that money should not be ringfenced for a project with no project plan.	
Mp – We wanted your comparisons to include Bath Road. Now you have agreed to sell part of the site. That circumvents the agreement with us, we agreed the pool would be sold to create a new pool on the basis that you don't deliver on that site. That is now not an option.	<p>PH – Bath Road site is definitely not able to facilitate needs of a swimming pool and supporting infrastructure. That is not my opinion, but informed advice from technically qualified officers.</p> <p>I offer members of the public present, through the Chief Executive, a meeting with technically qualified officers I support the release of the technical report, which will show why both administrations have come to the same view.</p>
CH – Is the sale necessary?	C/E – to balance the capital programme it is absolutely necessary.
C – Can underspend of £5.5 million	O – Yes - can make revenue

revenue be used against capital?	<p>contribution to capital.</p> <p>PH – the surplus after funds have been allocated will go into the swimming pool reserve.</p> <p>A report on the Out-turn figures will be submitted to the Executive on 2/6/08.</p>
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Resolved: (i) That the Performance, Resources and Assets Scrutiny Committee recommends to the Executive that:

- (a) The consultant's report giving the reasons why the Bath Road site was unsuitable for the development of a new swimming pool be made available on request to residents of Luton.
- (b) The Bath Road site should be retained as a possible site for a new swimming pool until either a pool is built there or a new pool has been provided on an alternative site
- (c) The ring-fence arrangements to allocate the proceeds of any sale of the Bath Road site towards the costs of providing the new pool should be reinstated

(ii) That the Chief Executive be requested to submit a report to the Performance, Resources and Assets Scrutiny Committee regarding:

- (a) the process and timescale for the sale of surplus sites
- (b) the actions taken
- (c) the decision making process involved.

(iii) That the Chief Executive be requested to facilitate a meeting between those members of public present and technically qualified officers to respond to issues regard Bath Road and the proposed replacement swimming pool.

24 CORPORATE ASSESSMENT OF THE COUNCIL (REF: 10)

William Clapp presented the outcomes of the 2007 Corporate Assessment of the Council (Ref: 10) as undertaken by the Audit Commission. He advised that the Council had achieved a score of 3.

The Chair raised his concern at the Chief Executive's proposal to create a new post to manage performance when he considered that it should be the role of departmental managers and corporate directors. He asked the Chief Executive of the rationale behind the proposal.

The Chief Executive explained that during preparation the corporate assessment the need for a post to assure management information had been identified. The performance management team had not been big enough to deal with the corporate plan and would not have managed if an officer had not been seconded for the corporate assessment.

Councillor Burnett, in attendance, enquired if action plans were being produced to address low scoring areas of the corporate assessment?

The Chief Executive advised that action plans were being worked on and would be brought together to form an improvement plan. He further advised of the corporate area assessment and of taking a community leadership role on the Local Public Service Board as the central driving body of the town.

Resolved: (i) That the Audit Commission's Corporate Assessment of the Council be noted.

(ii) That the Executive be advised that the Performance, Resources and Assets Scrutiny Committee were not yet persuaded of the need for the extra post of Head of Strategic Planning, Policy and Performance Management as recommended by the Chief Executive.

(iii) That the Chief Executive be requested to submit a report to the 2nd June 2008 meeting of the Executive explaining:

- (a) How the proposed post of the Head of Strategic Planning, Policy and Performance Management relates to the performance management function carried out by Departmental Resources and Performance units.
- (b) The responsibilities of members of CLMT (Corporate Leadership and Management Team) in regard to performance management responsibilities within their Directorates.

(Note: The meeting ended at 8.42 pm)