

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 23 FEBRUARY 2017 AT 10.00AM

PRESENT: Councillor Watson (Chairman), Councillors Allison, Bowditch, Mrs Bowman, Mallinson J, McDonald, Mrs Riddle and Robson.

ALSO PRESENT: Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Charlie Paterson – Work Experience Student

OFFICERS: Town Clerk and Chief Executive
Chief Finance Officer
Head of Digital and Information Services
Principal Accountant
Policy and Performance Officer
Overview and Scrutiny Officer

ROSP.10/17 APOLOGIES FOR ABSENCE

There were no apologies for absence submitted.

ROSP.11/17 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

ROSP.12/17 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

ROSP.13/17 MINUTES OF PREVIOUS MEETING

Referring to Minute reference ROSP.07/17 (2) a Member thanked the Finance, Governance and Resources Portfolio Holder for his written response to the Panel's request for information on the future of the ground floor of the Civic Centre. She felt, however, that the information did not provide all of the required details and asked for details of the actual options / plans for the ground floor.

The Finance, Governance and Resources Portfolio Holder informed the Panel that the Council was taking part in detailed negotiations with the insurance loss adjusters. When the negotiations were finalised then detailed plans and options would be drawn up. There were a number of options available for the ground floor, the insurance would pay for the reinstatement of the ground floor as it was but this was not an option for the Executive. The negotiations were to determine what the insurance would pay then options based on the resources available would be drawn. He assured Members that the Executive would send the options out for scrutiny consultation before any decision was taken.

The Chief Finance Officer added that there had been two issues which had delayed the negotiations; the first was the scope of the reinstatement and the second was the rate for the work. Meetings had taken place with the loss adjusters and an outcome was expected before the end of February.

RESOLVED – That the minutes of the meeting held on 5 January 2017 be noted.

ROSP.14/17 CALL-IN OF DECISIONS

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

ROSP.15/17 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.05/17 and provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 10 February 2017 and there were no items within the remit of the Panel.

The Panel's Work Programme for the current year had been circulated and the following items were scheduled for the next meeting on 13 April 2017:

Carlisle Ambassadors Group
Smarter Service Delivery Project
Flood Update Report
Corporate Risk Register
Procurement Strategy
Scrutiny Annual Report

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.05/17) be noted.

2) That the following items be included on the agenda for the Panel's meeting on 13 April 2017:

- Carlisle Ambassadors Group
- Smarter Service Delivery Project
- Flood Update Report
- Corporate Risk Register
- Procurement Strategy

ROSP.16/17 TECHNOLOGY STRATEGY PROGRESS

The Head of Digital and Information Services gave a presentation updating the Panel on the Implementation of the Digital (ICT) Strategy.

The Head of Digital and Information Services reported that all 6 of the Internal Audit recommendations, including the Communications Plan, had been implemented within the agreed timescales. The email protection and archiving service, which blocked 65,000 emails a day, had been implemented in August 2016 and ICT had received positive feedback from Members and staff. Work had also begun on the move to a Cloud based system and authentication and ID services were in place.

The Head of Digital and Information Services explained that the first Salesforce services went live in August 2016 and more services were coming on stream. The Salesforce based IT Help Desk went live in November and the closedown of the previous CRM applications in April would make a saving of £65,000. A review of the Salesforce roadmap would take place in June.

The next six months would see Phases 3 and 4 of the Salesforce Development Roadmap and the rollout of Office 365. The implementation of a cloud based computer room had begun and a reduction of 25% in hardware had already been achieved.

A formal review of the Strategy would begin in July 2017 and would consider:

- Alignment with strategic direction of the Council;
- Technological advancements;
- Legislative and Regulatory review;
- Resources;
- Finance

The Head of Digital and Information Services summed up by informing the Panel that the development of the Salesforce platform and the migration to the cloud were proceeding on schedule, the budget for implementation of the Strategy had been agreed as part of the budget process and planning had begun for the next 6 to 18 months along with a review of the Strategy.

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

- 4 of the 6 services previously reported on had been moved to Salesforce, when would the remaining services be moved?

The Head of Digital and Information Services responded that all applications that could be hosted in the Cloud would be moved over by April 2018.

- Had there been any problems during the implementation of the Strategy?

The Head of Digital and Information Services confirmed that there had been some issues but they had been of a technical nature, fortunately the Council had good technical staff and they could call on expertise when required.

- Why had the Strategy expenditure been £111,712 overbudget?

The Finance, Governance and Resources Portfolio Holder explained that the budget had been allocated for the Strategy but due to the flood, there had been a delay in releasing the funds. The funds had now been released.

- A Member asked that future updates on the ICT Strategy be presented in report format rather than a presentation to allow Members to read the information and prepare for the meeting.

RESOLVED – 1) That the presentation on the Technology Strategy Progress be welcomed;

2) That future updates on the Technology Strategy be presented in report format.

ROSP.17/17 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2016

The Chief Finance Officer submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2016 (RD.54/16). She outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement.

Details of the main variances in the Directorates' budgets; together with a subjective analysis of the summarised budgetary position as at December 2016 excluding flood related items were provided at tables 3.1 and 3.4 to the report.

In terms of the forecast outturn position 2016/17, the report recorded that the Council's financial position was affected by a number of external factors (including the general effect of local economic activity on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control).

Also set out within the report were an explanation of balance sheet management issues and action taken to write off bad debts.

The Executive had considered the matter at their meeting on 13 February 2017 (EX.17/17 refers) and resolved:

"That the Executive:

- (i) Noted the budgetary performance position of the Council to December 2016;
- (ii) Noted the potential forecast year end commitments as detailed in paragraph 4 of Report RD.54/16;
- (iii) Noted the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6.
- (iv) Made recommendations to Council to approve re-profiling of £97,000 as detailed in paragraph 4 from 2016/17 into 2017/18."

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

- A Member asked for an explanation for the shortfall on income from the Lanes of £515,200.

The Chief Finance Officer reported that £269,700 related to a head rent adjustment for 2015/16 after completion of the detailed reconciliation of Head Rent calculation for 2015/16. The information had been received too late to be included within the outturn position for 2015/16. Revised Head rent Projections for 2016/17 had been estimated at a further shortfall of £245,500.

- Would there be an adjustment to the Tourist Information Centre budget as a result of the income shortfall of £50,300?

The Chief Finance Officer responded that income targets were reviewed annually and the service manager would be monitoring the Tourist Information Centre income.

A Member added that the Tourist Information Centre had a shortfall in income each year and asked the Executive if they thought that they had the right strategy to deal with income from the Centre.

- Were the Executive confident in the budget?

The Finance, Governance and Resources Portfolio Holder confirmed that the Executive was confident in the budget and had confidence in the expertise and skills of the finance staff.

- Members were disappointed that Councillors' small scale community schemes budget was underspent and urged all Councillors to use the money allocated for their Wards.
- Why had the report not included any bad debt provision for NNDR?

The Chief Finance Officer explained that the information had not been received in time to be included in the report before publication.

RESOLVED –That the Revenue Budget Overview and Monitoring Report: April to December 2016 (RD.54/16) be noted.

ROSP.18/17 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2016

The Chief Finance Officer submitted report RD.55/16 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2016. She outlined for Members the overall budget position of the various Directorates and the financing of the 2016/17 Capital Programme, details of which were set out in the report.

Paragraph 3.3 recorded that an initial review of the 2016/17 capital programme had been undertaken and the Executive had been asked to recommend to Council the re-profiling of £1,164,300 from 2016/17 to 2017/18, further details of which were set out at Appendix A.

The unspent balance remaining of the revised annual budget of £10,803,600 was £6,339,496 as at December 2016.

The Executive had considered the matter at their meeting on 13 February 2017 (EX.18/17 refers) and resolved:

“That the Executive:

- (i) Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2016;
- (ii) Approved the release of the balance of £72,672.13 from the Conservation Reserve to fund emergency work in relation to the Central Plaza as per OD.144/16;
- (iii) Approved a virement of £47,300 to fund emergency work at the Central Plaza, thus fulfilling the Council's legal obligations, with the funding being provided from underspends within the 2016/17 Capital Programme;
- (iv) Made recommendations to Council to approve re-profiling of £1,164,300 as detailed in paragraph 3.3 and Appendix A from 2016/17 into 2017/18.”

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

- A Member commented that he understood the issues regarding the Central Plaza but asked if there was something more positive that could be done.

The Finance, Governance and Resources Portfolio Holder explained that a lot of work was being undertaken behind the scenes by the Economic Development team to try and reach a satisfactory outcome for the future of the Central Plaza.

- Why was the Disabled Facilities Grant (DFG) budget underspent?

The Chief Finance Officer responded that there was a number of reasons for the underspend including an increase in funding and challenges in respect of Occupational Therapist referrals. The funding mechanism had changed and was now distributed through the Better Care Fund.

The Town Clerk and Chief Executive explained that there had been some early stage discussions between District Councils and Cumbria County Council on how the money could be best used across the whole of Cumbria. Part of the discussions would be to determine how Homelife resources could be used in a better proactive way. At its meeting in January 2017 full

Council had agreed the Scheme of Housing Assistance which detailed the move to discretionary DFGs and the relevant categories.

In response to a Members' question the Chief Finance Officer clarified where the additional DFG funding had come from and the Town Clerk and Chief Executive agreed to provide a written response to Members on the contribution to Durranhill Industrial Estate.

RESOLVED – 1) That the Capital Budget Overview and Monitoring Report: April to December 2016 (RD.55/16) be noted.

2) That the Town Clerk and Chief Executive provide a written response regarding the additional contributions to the Durranhill Industrial Estate project.

ROSP.19/17 2016/17 SICKNESS ABSENCE QUARTER 3

The Town Clerk and Chief Executive submitted the Authority's sickness absence levels for the period April 2016 to December 2016 and other sickness absence information (Report CE.02/17).

The Town Clerk and Chief Executive reported that the 2015/16 sickness absence levels had decreased by approximately 30% to 8.6 days lost per Full Time Equivalent (FTE) employee compared to the previous year. The percentage of sickness which was long term also decreased as managers ensured the support for their staff was available and accessible.

The 2016/17 performance was detailed in the report and the table at appendix 1 provided absence levels split by the new Directorates. The information showed that compared to the first three quarters of the previous year, 2016/17 levels had decreased by nearly 13% to 5.4 days lost per FTE employee, there had also been a decrease in long term absences. The new Council structure took effect from 1 October 2016 so it had not been possible to carry out any directorate level analysis.

The Town Clerk and Chief Executive drew Members attention to Section 3 of the report which detailed new information on the time taken to complete Return to Work Interviews and the proportion completed within five working days. This ensured that Interviews were taking place in a timely and meaningful fashion.

Members congratulated the Town Clerk and Chief Executive and officers for the continued improvement in the sickness absence figures.

A Member asked if there was any correlation between sickness absence and the training provided by the authority for staff. The Town Clerk and Chief Executive confirmed that training was provided based on the sickness patterns where applicable.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that some absences were due to personal issues and it was difficult to then provide the necessary training, however, those members of staff were provided with excellent support from the authority.

Members asked for comparative data with other Councils and national performance data to be included in the next report.

RESOLVED – 1) That the 2016/17 Sickness Absence Quarter 3 report (CE.02/17) be welcomed;

2) That future sickness absence update reports include comparative data with other Councils and national performance data.

ROSP.20/17 3RD QUARTER PERFORMANCE REPORT 2016/17

The Policy and Performance Officer presented report PC.03/17 which updated the Panel on the Council's service standards relevant to the Panel and included updates on key actions contained within the new Carlisle Plan.

The Policy and Performance Officer reported that the table at Section 1 of the report illustrated the cumulative year to date figure, a month by month breakdown of performance and, where possible, an actual service standard baseline that had been established either locally or nationally. Only the service standard relevant to the Panel had been included in the Report.

The updates against the actions in the Carlisle Plan followed on from service standard information in Section 2. The actions had been aligned to the Carlisle Plan on a Page (attached as an appendix) and it was proposed that only the actions relevant to the Panel would be reported.

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

- Members asked when the Kingstown and Parkhouse Industrial Estates Business Plans would be available for scrutiny by the Panel.

The Town Clerk and Chief Executive agreed to make arrangements for a report to be included in the Panel's Work Programme.

- Was there any concern that the Kingmoor Park Enterprise Zone would impact on the Kingstown Industrial Estate?

The Town Clerk and Chief Executive responded that the advantages for the Enterprise Zone were designed to reward new businesses to Carlisle rather than the migration of businesses. The overriding consideration was that the advantages of the Enterprise Zone outweighed the disadvantages.

- A Member reminded officers that the Panel had requested a report on the Carlisle Ambassadors and the Town Clerk and Chief Executive confirmed that a report had been scheduled in the Panel's Work Programme.

RESOLVED – That the 3rd Quarter Performance Report 2016/17 (PC.03/17) be welcomed.

ROSP.21/17 PERFORMANCE MONITORING OPTIONS

The Policy and Performance Officer submitted report PC.01/17 which set out the options for the future presentation of performance information to the Panel.

The Policy and Performance Officer reported that the Carlisle Plan actions had been completed and a suggested mapping of the 43 key actions and projects to the Panels.

He explained that work had been progressing on a new approach to management information. The success of the Smarter Service Delivery 2 Board (SSD2) meant that customer data was automatically linked through the Microsoft PowerBI tool. In addition the data for the five service standards had migrated across to PowerBI. This enabled an exception approach to performance reporting based on agreed thresholds and triggers. This approach would grow with the shift of services into the Salesforce Customer Relationship Management System; additional data connectors and data migration and would build a bigger, more complete picture of demand and fulfilment across all the Council's services. It would also remove the two tier system of service standards and management information by introducing a consistent set of measures to assess a wider range of customer calls for service.

Best practice in Overview and Scrutiny (Centre for Public Scrutiny) advocated the following:

- Prioritisation in what comes to Scrutiny (quality rather than quantity)
- Greater involvement in the Council's biggest challenges and priorities
- Greater scrutiny of critical issues
- Be more outcome focussed

Each Panel would be asked to consider a workshop, open to all Scrutiny Members, to look at the detail in the proposals presented below.

It was proposed that a simpler, clearer approach was taken based on the following principles:

1. A clear programme of work was presented to the Panels for consideration so that they could select some items for the Panels' work programmes, to include:
 - a. Carlisle Plan actions
 - b. A schedule of policies and strategies to be introduced or reviewed
 - c. Budgetary Framework
2. Overview & Scrutiny focuses on strategy and policy. Any operational issues were dealt with outside of the meeting by contacting service managers or directors directly.
3. Overview & Scrutiny consider service standards only by exception.

This approach would reduce the quantity of reports being scrutinised and shift the overview to the performance of policies and strategies. There would still be an overview role to fulfil in service standard indicators but only through exception. An exception report would include the interventions made to bring the performance back into line with the accepted standard.

It was also proposed that to improve performance content of reports presented to Overview and Scrutiny, report authors would be sent a series of performance questions and key lines of enquiry as soon as the item was added to the work programme. The performance questions would be drafted by Policy and Performance Officers and reviewed by the Scrutiny Officer and relevant Chairman. The questions would be sent to the Portfolio Holder, Senior Manager and lead officer. The proposed approach would ensure that each report contained a clear section on how the item under scrutiny was performing, the context for the performance and the role the Council played in generating the outputs and outcomes.

Members discussed the options in some detail. They felt that a workshop for Members and Substitute Members of the Resources Overview and Scrutiny Panel only would be most beneficial for the Panel. The Panel wanted to use the opportunity to focus on their work programme for the year and to identify the necessary performance requirements.

RESOLVED –1) That the Performance Monitoring Options report (PC.07/17) be welcomed;

2) That a workshop, open to all Members and Substitute Members of the Resources Overview and Scrutiny Panel, be arranged to define the information and performance needs of the annual work programme.

(The meeting ended at 11.40am)