

AGENDA

Business & Transformation Scrutiny Panel

**Thursday, 03 June 2021 AT 16:00
In the Council Chamber, Civic Centre, Carlisle, CA3 8QG**

<p>** A pre meeting for Members to prepare for the Panel will take place 45 minutes before the meeting**</p>

The Press and Public are welcome to attend for the consideration of any items which are public.

Members of the Business & Transformation Scrutiny Panel

Councillor Bainbridge (Chair), Councillors Alcroft (Vice Chair), Allison, Mrs Bowman, Mitchel, Mitchelson, Paton, Sunter, Dr Tickner

Substitutes:

Councillors Atkinson, Mrs Birks, Mrs Brown, Collier, Ms Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, Lishman, Mrs McKerrell, Meller, Morton, Patrick, Robson, Miss Sherriff, Shepherd, Southward, Tarbitt, Miss Whalen.

PART A

To be considered when the Public and Press are present

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest (including declarations of “The Party Whip”)

Members are invited to declare any disclosable pecuniary interests, other registrable interests, and any interests, relating to any item on the agenda at this stage.

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of Previous Meetings

7 - 14

To note that Council, at its meeting of 27 April 2021, received and adopted the minutes of the meeting held on 18 February 2021. The Minutes will be signed by the Chair.

[Copy minutes in Minute Book 46(6)].

The Chair will move the minutes of the meeting held on 1 April 2021 as a correct record. The only part of the minutes that may be discussed is their accuracy.

(Copy minutes herewith).

A.1 CALL-IN OF DECISIONS

To consider any matter which has been the subject of call-in.

A.2 COVID 19 UPDATE

**15 -
28**

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.09/21 herewith

Background:

The Corporate Director of Finance and Resources to submit a report updating the Panel on the impact Covid 19 has on the Council's financial and governance arrangements.

Why is this item on the agenda?

The Panel requested an end of year update report at its meeting of 7 January 2021 (BTSP.09/21 refers).

What is the Panel being asked to do?

Note the content of the report.

A.3 PROVISIONAL OUTTURN REPORTS**29 -
54**

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.04/21, RD.05/32, RD.06/21, RD07/21, RD.08/21
herewith

Background:

The Corporate Director of Finance and Resources to submit the Provisional Outturn Reports for 2020/21:

(a) Provisional General Fund Revenue Outturn

(b) Provisional Capital Outturn 2020/21 and Revised Capital Programme**55 -
72****(c) Treasury Management Outturn 2020/21****73 -
90****(d) Council Tax Provisional Outturn****91 -
100****(e) Elected Members' Allowances - Provisional Outturn Report for 2020/21****101 -
106****Why is this item on the agenda?**

The matter was included on the Notice of Key Decisions and was considered by the Executive on 2 June 2021 (KD.09/21). The matter is part of the annual budget process.

What is the Panel being asked to do?

To scrutinise and provide feedback on the options available to the Council as set out in the reports.

A.4 THE SANDS CENTRE REDEVELOPMENT PROJECT

**107 -
124**

Portfolio: Leader / Cross Cutting
Directorate: Community Services
Officer: Darren Crossley, Deputy Chief Executive
Report: CS.25/21 herewith

Background:

The Deputy Chief Executive to submit a report which updates the Panel on the current progress of the redevelopment of the Sands Centre site, along with an update to manage or adapt the existing project proposals.

Why is this item on the agenda?

Monitoring report.

What is the Panel being asked to do?

Review the report, note the progress made and provide feedback.

A.5 SICKNESS ABSENCE REPORT 2020/21

**125 -
134**

Portfolio: Finance, Governance and Resources
Directorate: Community Services
Officer: Gary Oliver, Policy and Performance Officer
Report: CS.24/21 herewith

Background:

The Deputy Chief Executive to submit a report setting out the authority's sickness absence levels for the period April 2020 to March 2021 and other sickness absence information.

Why is this item on the agenda?

Annual monitoring of sickness absence within the authority.

What is the Panel being asked to do?

Scrutinise and comment on the report.

A.6 END OF YEAR PERFORMANCE REPORT 2020/21

**135 -
152**

Portfolio: Finance, Governance and Resources
Directorate: Community Services
Officer: Gary Oliver, Policy and Performance Officer

Report: PC.21/21 herewith

Background:

The Policy and Communications Manager to submit the end of year performance against the current Service Standards and a summary of the Carlisle Plan 2016-19 actions as defined in the 'plan on a page', along with performance against the Panel's 2020/21 Key Performance Indicators.

Why is this item on the agenda?

Annual monitoring of performance.

What is the Panel being asked to do?

Scrutinise the performance of the Council with a view to seeking continuous improvement in how the Council delivers its priorities.

A.7 OVERVIEW REPORT

**153 -
158**

Portfolio: Cross Cutting
Directorate: Cross Cutting
Officer: Rowan Jones, Overview and Scrutiny Officer
Report: OS.14/21 herewith

Background:

To consider a report providing an overview of matters related to the Business and Transformation Scrutiny Panel.

Why is this item on the agenda?

The Business and Transformation Scrutiny Panel operates within a Work Programme which has been set for the 2021/22 municipal year. The Programme will be reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

- Note the items (within Panel remit) on the most recent Notice of Executive Key Decisions:
- Review the content of the report.

PART B

To be considered when the Public and Press are excluded from the meeting

- NIL-

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer - rachel.plant@carlisle.gov.uk

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 1 APRIL 2021 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Birks, Bowman, Mitchelson and Dr Tickner.

ALSO

PRESENT: Councillor Ellis, Finance, Governance and Resources Portfolio Holder
Councillor Mrs Mallinson, Communities, Health and Wellbeing Portfolio Holder
Councillor Christian, Environment and Transport Portfolio Holder

OFFICERS: Deputy Chief Executive
Head of Digital and Technology
HR Advisor
Policy and Performance Officer
Overview and Scrutiny Officer

BTSP.25/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Paton, the Town Clerk and Chief Executive and the Leader.

BTSP.26/21 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.27/21 PUBLIC AND PRESS

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

BTSP.28/21 CALL IN OF DECISIONS

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

BTSP.29/21 CORPORATE PROJECT STATUS REPORT

The Deputy Chief Executive presented an update against corporate projects currently being undertaken in the Council (CE.01/21).

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

- A Member invited the Head of Digital and Technology to give an overview of the IT projects shown as red in the appended RAG report.

The Head of Digital and Technology advised that the majority of projects shown as red were related to infrastructure, for example the planned Windows 10 upgrade which had been affected by limited staffing resources. The 2008 server decommissioning was necessary as the technology was no longer supported by Microsoft; the project required collaboration with other service areas to enable migration to new servers and work was being undertaken to progress the matter. The service was currently negotiating new licence agreements with Microsoft which

would ensure fixed costs over a three year period and would future proof aspects of the IT services, such as cloud based servers and provide additional security.

In terms of the migration from use of the current intranet to SharePoint and the migration from H Drives to using the One Drive, those were large corporate projects which required input from other service areas such as how they required data to be shared and presented, GDPR compliance and data entry.

- A Member asked whether the need for additional in house resources necessitated the use of consultants to implement the projects.

The Head of Digital and Technology responded that due to the pace of change in IT engaging consultants was useful to assist in niche areas, but that they were not generally used in the delivery of regular service function. There was a need for additional resource within the team, therefore, the structure of team and a plan for the service for the next two to five years was being developed.

- The Member asked whether there was any capacity in neighbouring district authorities to assist with projects?

The Head of Digital and Technology confirmed that she had liaised with IT Service managers from adjacent Councils, but that they were in a similar situation in terms of staffing resource. She reiterated consultants were primarily used by the Council in relation to niche/specialist areas of work.

- In light of the Local Government Review in Cumbria, how compatible were the IT systems of the various districts and county council?

The Head of Digital and Technology explained that there was likely significant differences between the authorities, particularly in relation to back office infrastructure. A move to unitary authority would mean a large piece of work to harmonise systems. Initial discussions between the Cumbrian authorities had begun, and there were plans to meet with an authority that had already undergone the process of transitioning from dual to unitary Council to further understand the issues related to such a project. Whilst the final decision had not yet been taken in relation to local government structure in Cumbria, the scale of the work it would entail meant that work on the project was already being considered.

- The Chair asked whether the projects to be delivered by the IT service were supported by the Senior Management Team.

The Deputy Chief Executive confirmed that the project delivery was supported by senior managers and noted the importance of IT to the Council.

- A Member requested that the Panel be provided with an updated report on the progress of the IT projects in three months' time.

The Head of Digital and Technology undertook to provide a report.

- With reference to the Public Realm Improvements, a Member asked whether the funding provided by MHCLG would pay for all the works under the Future High Streets fund or whether additional match funding would be required.

The Deputy Chief Executive explained that there were a number of schemes within that project, some of which would be wholly funded by MHCLG monies, others would require additional financial support.

- Had the Discover England Fund Year Two project been paid for by the Council or finding from an external organisation?

The Deputy Chief Executive confirmed that external funding had been received in two phases and that the second phase of the project which had been delayed by the Covid 19 pandemic. It was anticipated that further activity in relation to Phase 2 of the project would be delivered this year.

Responding to a further question from the Member on the benefits to the Council from the project, the Deputy Chief Executive gave an overview of the involvement of the Economic Development Team with the project. At the request of the Member he undertook to provide to the Panel the Lessons Learned report as part of its Work Programme.

- Given the issues and emerging risks listed in the RAG report for the St Cuthbert's Garden Village Masterplan, a Member felt that the project status could be considered amber.

The Deputy Chief Executive responded that he understood the current work on the project was green. There was a distinction to be made between current work and future progress on the project, if activity on the project was to slow down in the future, the RAG rating would be reassessed. Information on the progress of the project would be reported through appropriate Member Groups e.g. the Members' Advisory Group.

The Member requested that additional information on the progress of the project be circulated to the Panel.

Another Member asked whether the team working on the St Cuthbert's Garden Village project was appropriately resourced with staff and whether they had the appropriate skill base to cover all aspect of the project.

The Deputy Chief Executive advised that to his knowledge, all staff positions in the team were filled. Due to the nature of the work it would be necessary to use consultants for short term work in areas of particular expertise, as was common practice for local authorities.

- A Member commented that the One Public Estate Programme seemed to have considerably expanded.

The Deputy Chief Executive gave an overview of the governance and funding arrangements of the programme. Liaison with other authorities and public sector partners was a key aspect of the work and that it had the potential to become a catalyst for other projects.

RESOLVED – 1) That the Panel noted and commented on the most recent summary of projects and governance arrangements in place as contained in appendix 1, and the actions being taken to support projects with issues (CE.01/21).

2) That the Head of Digital and Technology provide an update report on the projects of the IT service in three months' time.

3) That the Deputy Chief Executive provide additional information to the Panel on the progress of the St Cuthbert's Garden Village Masterplan project to the Panel.

4) That the Deputy Chief Executive circulate the lessons learned report regarding the Discover England Fund Year Two project to the Panel.

BTSP.30/21 CORPORATE RISK REGISTER

The Deputy Chief Executive submitted an update on the management of the Council's Corporate Risk Register (CS.19/21). No risks had been escalated up the RAG rating, the Corporate Risk relating to a no deal Brexit had been removed from the register.

The Deputy Chief Executive detailed the progress made by the Corporate Risk Management Group (CRMG) since September 2020. He reported that the Risk Management Sub Group (RMSG) had commissioned a piece of work by Zurich to assess the Council's overarching approach to conducting operational risk assessment, in line with its Risk Management Assurance framework. The work had produced a nine recommendation action plan which had been considered by the RMSG and timescales would be applied to each action. The Zurich report had been attached to the report as appendix 2.

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

- A Member noted that the re-valuation of the Council's assets had not been included on the register in relation to the risk that the financial impact of the Covid 19 pandemic on the Council's Budget, she asked whether it would have implications for the Medium Term Financial Strategy.

The Deputy Chief Executive stated that it was understood that the impact of the revaluation would largely be felt in the current financial year, however, the potential for longer term impacts was being considered.

- The recommendations contained in the Zurich report did not have implementation dates assigned to them, was there an indication of when they would be actioned?

The Deputy Chief Executive advised that the CRMG had considered whether to accept the Zurich report findings and had agreed to do so. It had asked the RMSG to consider and advise on appropriate implementation dates which could be provided to the Panel in due course.

- Was it likely that the Section 151 Officer would need to issue a Section 114 Notice in relation to the impact of the Covid 19 pandemic on the Council's finances?

The Deputy Chief Executive reassured the Panel that it was not anticipated that a Section 114 Notice would be issued, its reference in the report had been included to acknowledge the diligent oversight of the Council's finances.

RESOLVED – That the Panel scrutinised and commented on the current Corporate Risk Register (CS.19/21)

BTSP.31/21 IMPROVING ATTENDANCE POLICY

The Deputy Chief Executive provided an update on the Task and Finish Group which was established to review the Council's Attendance Management Policy (CS.22/21). The Policy had been drafted and it was proposed that it be retitled the Improving Attendance Policy. The accompanying Manager's toolkit had also undergone a significant update it was also attached to the report.

The HR Advisor explained that a staff consultation on the policy had been carried out with a good level of response received. She summarised the feedback, noting that the following minor amendments would be incorporated into the policy:

- Uploading of sick notes would continue to be done via the current practice of emailing HR, as opposed to uploading via iTrent as the policy had initially proposed. This was due to concerns relating to the storage capacity of iTrent;
- Absences related to Covid 19 would be managed via the Special Leave policy and would not be subject to the same triggers and action as a 7 day period of absence within twelve months, as the requirements relating to Covid were of a longer duration;
- Training on the new Policy would be delivered both through Skillsgate and group session either in person or virtually.

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

- The Chair expressed concern that iTrent would not be used as the reporting mechanism for absence.

The Deputy Chief Executive advised that the Council were looking to move towards absence reporting being done via iTrent in the future and there was currently a procurement exercise being undertaken in relation to the use of self service modules in iTrent. Managers were used to the current system of absence reporting.

In terms of training, the Deputy Chief Executive was keen for the policy to be implemented and that appropriate training would be delivered to managers. In the event of iTrent being used to report absence additional training would be provided.

- How was information from Back to Work interviews collated and analysed for trends?

The HR Adviser explained that details of interview were submitted to the HR Advisory Service via email. Reports were generated on a regular basis to track reasons for absence so that trends may be identified and monitored. The interviews were an open conversation between the officer and their manager with additional support for employees being available if required.

In response to a further question from a Member regarding how any issues identified at a senior management level would be addressed, the Deputy Chief Executive advised that any such matters would be dealt with in line with the Policy.

- A Member commented that the toolkit was an important part of the policy and stressed the importance of it being implemented in a consistent manner across the Council.

A number of Members praised the work of the Task and Finish Group in its development of the policy and the quality of the document. It was proposed and seconded that a further meeting of the Task and Finish Group be convened to enable it to consider the feedback received from the staff consultation, following which the final report would be submitted directly to the Employment Panel for it to review and agree the policy. The proposal was seconded and the Panel indicated its agreement.

RESOLVED – 1) That the Panel considered and commented on the new Improving Attendance Policy and accompanying Manager's toolkit.

2) A further meeting of the Task and Finish Group would be convened so that it may consider the results of the staff consultation, following which a final report would be taken to Employment Panel for its review and agreement.

The Deputy Chief Executive submitted the draft Carlisle Plan 2021-2023 (PC.08/21).

The Policy and Performance Officer reported that the draft Carlisle Plan 2021-2023 brought together an ambitious programme for Carlisle under two priorities, namely Economic Growth and Health and Wellbeing. Those priorities would be supported by the programmes and projects outlined in appendix 1. Appendix 2 contained a summary of the draft plan along with a summary of the Council's Corporate Plan.

The Executive had considered the matter at their meeting on 8 March 2021 (EX.30/21 refers) and referred it to the Panel.

In considering the Carlisle Plan Members raised the following comments and questions:

- Paragraph 2.2. of the report stated “... *prosperity being the most important determinant of health and wellbeing.*” A Member sought further information for the rationale of that statement.

The Deputy Chief Executive responded that the statement sought to emphasise the link between quality homes, employment and standard of living had an impact on the health and wellbeing of a district. It was a symbolic statement which aimed to demonstrate the importance of prosperity as a factor in health and wellbeing.

- A Member expressed concern that the focus on economic growth may come at the cost of work to make the Council more sustainable and meeting its Climate Change targets. He suggested that the term sustainability be defined and reference to it be included in the Plan's vision, priorities and key programmes and projects.

A number of Members welcomed the Plan, however, they felt that the format in which it was presented was not conducive to using the Plan as either a marketing document for the district, nor did it set out clearly for the public or businesses the Council's plans. The following suggestions were made:

- The terminology used in the plan be amended so that it was accessible to a wider audience. The use of shorter, sharper language including “straplines”;
- The Plan's objective be clearly set out;
- That the Plan should operate as the Council's pledge to the residents of the district;
- That the final version of the Plan would be able to be used as a marketing tool;
- The wording in relation to economic growth / business development and growth be strengthened;
- The Plan needed to include clearer reference to tourism as that would be an important factor in the economic growth of the district following the Covid 19 pandemic;
- The Plan should make reference to Carlisle being the capital of Cumbria as well as being a regional capital.

The Finance, Governance and Resources Portfolio Holder thanked the Members for their comments. He was of the view that the Plan needed more visual and narrative content so that those reading it would be able to identify why a particular project or programme of work was being undertaken, what their outcomes and benefits would be. He assured the Panel that the priorities would be easily identifiable in the final version of the Plan.

The Deputy Chief Executive also thanked the Panel for its comments which would be taken on board as part of the ongoing development of the Plan.

RESOLVED – 1) That the Panel had considered and commented on the draft Carlisle Plan 2021-2023 (PC.08/21).

2) The Panel made a series of suggestions (outlined below) for the Executive to consider in the development of the final Plan document:

- The terminology used in the plan be amended so that it was accessible to a wider audience. The use of shorter, sharper language including “straplines”;
- The Plan’s objective be clearly set out;
- That the Plan should operate as the Council’s pledge to the residents of the district;
- That the final version of the Plan would be able to be used as a marketing tool;
- The wording in relation to economic growth / business development and growth be strengthened;
- The Plan needed to include clearer reference to tourism as that would be an important factor in the economic growth of the district following the Covid 19 pandemic;
- The Plan should make reference to Carlisle being the capital of Cumbria as well as being a regional capital;
- That the term sustainability be defined and reference to it be included in the Plan’s vision, priorities and key programmes and projects.

BTSP.33/21 SCRUTINY ANNUAL REPORT

The Overview and Scrutiny Officer submitted the draft Business and Transformation Scrutiny Panel section for the Scrutiny Annual Report 2020/21. Members’ attention was drawn to the key items for Business and Transformation Scrutiny Panel in 2021/22, the Panel were invited to suggest further areas to be included in the list.

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

- The Chair requested, pending the outcome of the Local Government Reorganisation consultation, that the matter be added to the Key Items for the Panel in the coming year.
- With reference to the penultimate paragraph of the Chair’s report section, a Member felt that the description of the Task and Finish Group on long term absence be reworded to reflect the fact that the Group had covered a broader area of working encompassing improving attendance management.

The Chair undertook to reword that section.

- A Member noted that there were various sections of the report which referred to the remote working practices that had been adopted as a result of the Covid 19 restrictions. All meetings and decision making in the past civic year had taken place as scheduled which had required the acquisition on new skills and ways of working by both Officers and Members. The Member suggested that including a thank you in the report for all the work undertaken to allow the Council’s committees to continue to operate.

The Chair thanked the Member for her suggestion and the Overview and Scrutiny Officer undertook to include such a reference in the report.

RESOLVED – 1) That the Panel had considered and commented on the Business and Transformation Scrutiny Panel section of the Scrutiny Annual Report (OS.10/21).

2) That the section on the Task and Finish Group into long term absence be reworded as set out above.

3) That and additional section be added to the report including thanks to the Officer and Members for their work in delivering the Council's meetings and decision making in virtual format.

BTSP.34/21 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.07/21 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel and the Panel's Work Programme. All items from the Outstanding Resolutions section of the report had been completed, in relation to the Task and Finish Group on Commercial Strategy, arrangements were being made for those Members who had expressed an interest in participating

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.07/21).

BTSP.35/21 CHAIR'S COMMENTS

The Chair thanked Officers in the Democratic Services team who had delivered the Council's virtual committee meetings, he felt the meetings had operated very well throughout the year. He further thanked the Members for their participation in the Panel's virtual meetings.

(The meeting ended at 6:00pm)

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.2

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: COVID-19 UPDATE
Report of: CORPORATE DIRECTOR OF FINANCE & RESOURCES
Report Number: RD 09/21

Purpose / Summary:

This report provides the Panel with an update on the impact COVID-19 has had on the Council's financial and governance arrangements.

Recommendations:

Members of the Panel are requested to note the contents of this report.

Tracking

Scrutiny:	BTSP 3 June 2021
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1. INTRODUCTION

- 1.1 As Members will be aware, the Government introduced a series of financial support and grant schemes to provided funding to individuals, businesses and public bodies affected the pandemic. This report provides an update to the report issued and considered by BTSP in January 2021 (RD51/20) on COVID-19 issues that have affected the Council's financial and governance arrangements, with **Appendix A** listing the support schemes which the Council either had to administer, or those which the Council was a direct beneficiary.

2. COUNCIL'S RESPONSE TO THE PANDEMIC

There were 2 main aspects of the initial response in terms of financial and governance arrangements which are summarised below:

2.1 Emergency Decisions

- £500,000 was released from General Fund Reserves to support any additional expenditure that the Council was likely to incur as a result of the pandemic.
- All office-based staff were instructed to begin working from home where possible.
- All creditor invoices were paid immediately upon receipt.
- All debtor recovery procedures were suspended but these are now operating normally.
- Casual contracts were placed on a fixer term contract up to September 2020.
- Compliance with Procurement Policy Notices to support contractors.

2.2 Impact on the Control Environment

- Changes made to a number of systems to ensure appropriate controls were in place to the financial transaction certification and approvals processes.
- New procedures were put in place for the receipt, scanning and certification of creditor invoices which provided a robust audit trail and ensured appropriate delegations for approval were being followed.
- A similar process was also implemented for payments that are required to be made electronically (BACS), in areas such as payroll and housing benefits.
- Financial monitoring arrangements were implemented to record all spend and identify shortfalls of income.

3. FINANCIAL IMPACT & FUNDING RECEIVED

Monthly returns are provided through DELTA to the MHCLG, with the latest return being submitted on 29th April 2021 showing the final outturn position. The return is split between additional expenditure incurred and income shortfalls.

3.1 Additional Expenditure

3.1.1 The following table shows a breakdown of the additional expenditure incurred to the end of March 2021:

	April to March £
Staffing / Agency Costs	372,118.44
Cleaning / PPE	144,089.07
Premises Costs	53,800.13
Contractors	21,492
Transport Costs	69,109.08
IT Equipment	40,579.14
Office Supplies	20,084.36
Signage	4,283.33
Miscellaneous	3,974.28
Equipment Rental	2,531.25
Grants	39,225.50
Other	714.53
Total	772,001.11

3.1.2 In addition, there were anticipated additional costs incurred on Capital projects such as the Sands and Civic Centre estimated at £1,000,000, and the potential of support for contractors.

3.2 Losses of Income

3.2.1 The most significant element of financial losses has been incurred against income projections.

3.2.2 The Government announced in the summer that there would be a co-funding mechanism to allow recovery of some of these losses by a compensation package whereby the Government would cover 75% of losses beyond 5% of planned income. However, the net losses on a budget head would be claimable which related to sales, fees and charges only with no reimbursement of commercial income through this scheme. The table at 3.3.1 below shows that we anticipate claiming £554,372 through this scheme for 2020/21.

3.2.3 At the start of the restrictions in March 2020, adversely affected budget heads were identified, and monitoring arrangements were put in place to assess the potential losses. The table below provides details of the losses on income incurred to the end of March 2021 from sales, fees and charges. It should be

noted that the figures shown are gross income and are before any savings achieved on expenditure as a result of the restrictions.

	Total to End March £
Sales Fees and Charges	
Car Parking income	789,065
Garden Waste	(25,877)
Bulky Waste	1,464
Planning fee income	81,670
Building Control Income	40,722
Building Control Client	23,061
Old Fire Station	41,008
Talkin Tarn	37,066
TIC	106,022
Special Events	30,133
Pedestrianisation	30,781
Pest Control	18,702
Land Charges income	9,445
Garage Services	13,478
Customer Contact Service	79,400
Total Sales Fees and Charges	1,276,141
Other Income	
Council Tax Costs	223,396
Hostels - Water Street	41,219
Hostels - John Street	256,373
Legal Services income	(3,008)
Total Other Income	517,980
Commercial Income	
Commercial Income - Industrial Units	125,975
Commercial Income - Lanes	247,484
Commercial Income - Other Properties	197,183
Market	(22,000)
Total Commercial Income	548,642
Total Income Shortfalls	2,342,763

3.2.4 The biggest area for losses has been car parking income, with the closure of some car parks and the removal of charges being a big factor as well as the closure through national lockdowns of most City Centre shops.

3.2.5 Commercial Income

There have been shortfalls in income incurred on the Council's commercial property portfolio, however it is not known whether these shortfalls are as a direct

impact of COVID, or for example, with the Lanes income, due to wider retail market difficulties that were in place prior to COVID. However, the level of irrecoverable debt is still unclear as this will be affected by the Council's debt recovery procedures which was suspended for a period of time. The current position on debtors is detailed below.

3.2.6 Debt Management

Invoices for Council services, particularly property rentals, have continued to be issued however debt recovery was suspended for a period of time. Reminders are now being sent out and where necessary, there is direct liaison with debtors to provide support in terms of payment holidays, instalments etc.

3.2.7 At the end of March the level of outstanding debt for invoices raised was as follows:

	Invoices Raised	Write Offs	Out Standing	Recovered	%
	£	£	£	£	
Corporate Support	293,674	0	0	293,674	100.00%
Community Services	5,380,536	-3,167	18,454	5,358,915	99.60%
Economic Development	571,446	-222	19,513	551,711	96.55%
Governance & Regulatory	9,306,613	-22,300	83,805	9,200,508	98.86%
Finance & Resources	813,439	0	179,594	633,845	77.92%
	16,365,708	-25,689	301,366	16,038,653	98.00%

3.2.8 The main outstanding debts included within the total are as follows:

	£
Property Related	256,922.38
Economic Devt	21,583.60
Bereavement Services	7,420.00
Other	15,440.50
Total	301,366.48

3.3 Summary Position

3.3.1 The summary overall position is shown below and shows that there is a General Fund shortfall of £395,210. However, this includes the £1m assumed losses on capital schemes. Of this £750,000 was included in the capital project update for the

Sands and is therefore budgeted within that project and funded from potential borrowing requirement.

	Charged to Core Services £	Exceptional Items £	Total £
Losses Claimed on Covid Return	0	772,001	772,001
Reopening the High Street	69,773		69,773
Compliance and Enforcement	51,720	0	51,720
New Burdens Spend		58,911	58,911
Sales Fees & Charges Income Shortfalls	1,276,141		1,276,141
Sales Fees & Charges Reduction in Expenditure	(352,997)		(352,997)
Other Income Shortfalls	517,980		517,980
Commercial Income	548,462		548,462
Total Covid Pressures	2,111,079	830,912	2,941,991
Funding Received	(169,733)	(1,748,390)	(1,918,123)
Other Covid Income Received	0	(5,580)	(5,580)
New Burdens Funding	(24,404)	(413,300)	(437,704)
Test and Trace Support Grant Funding	0	(73,762)	(73,762)
Sales Fees and Charges Compensation	0	(554,372)	(554,372)
General Fund Shortfall	1,916,942	(1,964,492)	(47,550)
Delayed Project Costs	1,000,000		1,000,000
Released from General Fund Reserves	0	(528,000)	(528,000)
Funding To be received	(29,240)	0	(29,240)
Revised General Fund Shortfall	2,887,702	(2,492,492)	395,210

4. LONG-TERM IMPACT

4.1 There are likely to be longer term implications arising from the pandemic that will affect the Council financially.

4.2 Income from commercial activities will likely be reduced and rental yields for commercial space/land has seen a downturn already. There is also a likely reduction in income from the Lanes with the loss of Debenhams and also the prospect of lower rentals being offered to maintain occupancy levels.

4.3 The government has provided an additional un-ringfenced grant of £616,032 to manage the impact of the pandemic in 2021/22.

4.3 Going Concern

4.3.1 S114 of the Local Government Finance Act 1988 places a duty on the S151 Officer to report if it appears that the Council has made or is about to make a decision which would involve unlawful expenditure and is likely to cause a loss or deficiency; and where an unlawful item of account is about to be entered. In

effect, if there is, or is likely to be, an unbalanced budget i.e. resources do not meet expenditure in a particular year. There are specific reporting requirements if such a notice has to be issued, with CIPFA proposing a modification for the S151 Officer to make informal confidential contact with the MHCLG to advise them of any such financial concerns, and to communicate any unbalanced budget position due to COVID-19 to the MHCLG at the same time as providing a potential S114 report to the Executive and to the External Auditor.

Cash flow forecasts have been updated to take account of expected lower income from Council Tax and Business Rates over the short to medium term. The Council has sufficient cash-resources in its investment balances to be able to meet its commitments and the council's reserves continue to be held at a prudent level meaning that it has been able to set a balanced budget for 2021/22.

Based upon current estimates of expenditure and income shortfalls, the level of government assistance received and the level of Council reserves, I, as the Council's S151 Officer, do not believe that a S114 notice is required; however this assessment will be revisited periodically once more financial information on budgetary pressures becomes available.

4.4 Impact on Taxation

4.4.1 The pandemic has had a significant impact on the Council's income from both Council Tax and Business Rates and it is likely that there will be further disruption to these funding streams into the medium term.

4.4.2 Collection Fund

As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector, the net business rates payable for 2020/21 has reduced by approximately £23million from £44million to £21million.

4.4.3 The Council has been recompensed during the year for the 100% relief so there will be no cash flow or budget issues; however, the main risk continues to relate to the receipt rates from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported below, and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

4.4.4 The £500million Hardship Fund will provide support to economically vulnerable people and households by providing relief to council taxpayers. The Council's allocation was £989,736 and as at the end of March 2021 £630,650 had been paid

out with our agreed scheme providing a £300 reduction in council tax liability to working age recipients of the Council Tax Reduction Scheme (CTRS); with the balance of our allocation being used to support further applications for council tax support on a case by case basis in line with our Local Hardship Scheme.

4.4.5 A further Local Council Tax Support (LCTS) allocation has been received in 2021/22 totalling £154,735 which when added to the balance from 2020/21 will be used to provide support to council taxpayers through a revised Local Hardship Scheme.

4.4.6 A risk for business rates and council tax is the potential loss of income with the resulting impact on cash flow for the main precepts on the Collection Fund. The technical nature of this fund means that the deficit for 2020/21 will be reflected in the following years (2021/22) budget; however, the Government's deficit scheme means that any deficit can be recovered over a three-year period. In addition, the Government has provided a Tax Income Guarantee Scheme; a one-off grant covering 75% of losses as at 31 March 2021.

4.4.7 Collection rates for Business Rates and Council Tax

	Collected £	% of Amount Collectable %
Council Tax	63,686,663	95.67
NNDR	20,375,547	94.34
2020/21	84,062,210	95.34
Council Tax	62,143,990	97.12
NNDR	43,138,152	97.38
2019/20	105,282,142	97.22
Council Tax	58,790,993	97.36
NNDR	43,904,416	98.42
2018/19	102,695,410	97.80

Members should note that the position as April 2021 for both Council Tax and NNDR are both nearly at pre COVID levels.

5. RISKS

The risks in terms of business rates and council tax are set out in the report; however a further risk to the Council's budget is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any further funding package. The economic recovery of the city and surrounding areas is part of the Recovery Strategy and any financial impact will need to be closely monitored.

6. CONSULTATION

None

7. RECOMMENDATIONS

Members of the Business and Transformation Panel are requested to note the contents of this report.

8. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The financial impact will form part of any future Medium-Term Financial Planning process.

Contact Officer: Alison Taylor

Ext: 7290

Appendices **Appendix A – Government Support Schemes**
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

Legal – There are no legal implications arising from the Report

Property Services – not applicable

Finance – contained within the body of the report

Equality – not applicable

Information Governance – not applicable

Appendix A

Scheme	Amount of award	Scheme details
Extended Business Rates Support	£1,986,378 initial award for 50% relief Approx. £21million will be received in 2020/21	100% BR relief to occupied retail, leisure and hospitality properties. No rateable value limit on this relief for: <ul style="list-style-type: none"> shops, restaurants, cafes, drinking establishments, cinemas and live music venue, assembly and leisure, or hotels, guest and boarding premise and self-catering accommodation Revised BR Relief scheme implemented for 2021/22
£500million Hardship Fund	£989,736 (£359,100 transferred into an earmarked reserve as at 31/03/21). Allocated £154,375 for 2021/22	To support economically vulnerable people and households by providing relief to council taxpayers. To reduce the council tax liability by a further £150 to working age recipients of CTRS and/or use the funding to deliver increased financial assistance to outside the council tax system through Local Welfare or similar schemes. County wide scheme approved to provide all working age CTRS claimants with a reduction of up to £300 and a local Hardship Scheme established to provide discretionary relief on a case by case basis.
Emergency Funding for Local Authorities	Tranche 1 - £58,738 Tranche 2 - £1,073,801 Tranche 3 - £196,335 Tranche 4 - £478,254 2021/22 - £616,032	To meet pressures across services, as a result of reduced income, rising costs or increased demand due to COVID-19. Monthly returns submitted to the MHCLG
Sales, Fees and Charges	£554,372 claimed to date	Co-payment mechanism for irrecoverable sales, fees and charges. Subject to claims to the MHCLG.
Rough Sleeping Contingency Fund	£1,650 initial allocation	Reimbursement for the cost of providing accommodation and services to those sleeping on the streets to help them successfully self-isolate. Subsumed within the emergency grant funding.
Next Steps Accommodation Programme	£46,600	To support rough sleeping initiatives ring-fenced for 2020/21
£10 million Cold Weather payment		For Rough Sleepers

Small Business Grant Fund (SBGF)	£30,032,000 (repaid £2,054,075)	All businesses in England in receipt of Small Business Rate Relief and Rural Rate Relief will be eligible for a £10,000 payment (subject to other eligibility criteria)
Retail, Hospitality and Leisure Grant Fund (RHLGF)	(included in above)	Businesses in receipt of the expanded retail discount with a rateable value of less than £51,000 will be eligible as follows: <ul style="list-style-type: none"> • properties with a RV of up to £15,000 will receive a grant of £10,000 • properties with a RV of over £15,000 and less than £51,000 will receive a grant of £25,000 • properties with a RV of £51,000 or over do not qualify
Discretionary Business Support Grant Fund	(included in the above)	Discretionary scheme to small and micro business not covered by SBGF and RHLGF, with relatively high fixed property related costs; significant reductions in income; whose RV is less than £51,000; not in receipt of other government grant funds; and other eligibility criteria. Although discretionary, MHCLG have requested for certain types of business to be prioritised. Discretionary Policy adopted by the Council.
£50million Reopening High Streets Safely Fund	£95,875 (subject to claims - £69,773 claimed in 2020/21)	ERDF funding provided (subject to claims) to cover all eligible costs such as: <ul style="list-style-type: none"> • Development of an action plan for how the local authority may begin to safely open their local economies; • Communications and public information activity; • Business facing awareness raising activities; • Temporary public realm activities
Test and Trace Support Payments: <ul style="list-style-type: none"> • Programme Costs • Administration costs 	£46,500 £5,000 £110,000 £0 £26,919 £0 £30,251 £16,592	Funding for test and trace support payments to provide £500 to those individuals on low incomes who have been told to self-isolate by the NHS, subject to certain eligibility criteria. The funding is made up of a main scheme, administrative funding and a small amount for discretionary payments (for cases whereby an individual does not qualify for the main scheme). A discretionary policy has been developed in order to try and spread the limited discretionary funds to as many people as possible.

<ul style="list-style-type: none"> Discretionary payments 	£27,942 £31,558 £25,000 £51,000	
Contain Outbreak Management Fund – Contact Tracing (Test & Trace)	£96,304 (via CCC) Tranche 1 £134,768 (via CCC) Tranche 2a £67,384 (via CCC) Tranche 2b	Funding provided to Upper Tier Councils (£1,717,862 & £3,798,949 for Cumbria County Council) with funding being provided to support compliance with, and enforcement of, Covid-19 regulations and guidance.
Contain Outbreak Management Fund – Contact Tracing (Test and Trace)	£158,975.95 (direct allocation to Districts)	To provide funding to Councils to be used for test, trace and contain activity.
Compliance and Enforcement	£55,848	To provide funding to support the work the Council is doing to support communities comply with guidelines, including encouraging marshals or their equivalents.
Contain Outbreak Management Fund: Compliance Tranche 1	£85,000 (Enforcement) £143,000 (Self-Isolation Grants)	To provide funding to Councils to be used for test, trace and contain activity.
Local Restrictions Support Grant (Closed) (Sector) (Closed Addendum)	£2,343,708 £17,165 £440,386	Support for businesses mandated to close by Government including non-essential retail, leisure, personal care, sports facilities and hospitality businesses (5 th November – 2 nd December 2020). Tiered funding based upon rateable value. Funding provided for 2020/21 Tier 2 from 1 st November to 4 th November, and 2 nd December onwards. Funding provided to support nightclubs, dance halls and discotheques, sexual entertainment venues, hostess bars etc.
Additional Restrictions Grant (Discretionary)	£2,173,560 £965,392 £907,736 (top up announced for 2021/22)	Discretionary funding during the second national lockdown. Local Discretionary Policy developed for those businesses not legally required to close but which are severely impacted by local restrictions. Can be used to support businesses outwith the business rates system. Funding provided for 2020/21 and 2021/22
Local Restrictions Support Grant (open)	£102,851 £402,029 £283,788	Support aimed at hospitality, hotel, bed & breakfast and leisure businesses not legally required to close but which are severely impacted by local restrictions on socialising. Tiered grants payable

		depending upon rateable value payable during Tier 2 status and then the second national lockdown.
Christmas Support for wet led pubs (CSP)	£57,600	An additional £1,000 Christmas grant for 'wet-led pubs' in tiers 2 and 3 who will miss out on much needed business during the busy Christmas period.
Local Restrictions Support Grant (Closed Business Lockdown)	£7,029,000	To provide a one-off top up grant for businesses mandated to close during national restrictions from 5 January 2021 including non-essential retail, leisure, personal care, sports facilities and hospitality businesses
Local Restrictions Support Grant (Closed) Addendum	£3,515,562 £3,682,970 (16/02/21 – 31/03/21)	To provide support to businesses including non-essential retail, leisure, tourism, personal care, sports facilities and hospitality businesses that have been required to close under national restrictions from 5 January 2021.
Restart Grants	£8,784,189	To provide support to businesses that have been affected by national restrictions and need support to reopen and start trading safely as the restrictions ease. Grants of up to £6,000 to non-essential retail business premises, to help them reopen and start trading safely. Grants of up to £18,000 to hospitality, accommodation, leisure, personal care and gym business premises, which may open later under plans set out in the roadmap and will be more impacted by restrictions when they do reopen (1 st April 2021 to 31 st July 2021).
New Burdens Funding	£170,000 £76,500 £24,404 £166,800	Un-ringfenced – SBGF & RHLGF Un-ringfenced – local restrictions grant Un-ringfenced – Ctax Hardship Fund & Business Rate Reliefs Un-ringfenced – LRSG, Christmas Support Payments for wet-led pubs and the Closed Business Lockdown Payment

Report to Business and Transformation Scrutiny Panel

Agenda
Item:
A.3(a)

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 05/21

Purpose / Summary: This report summarises the 2020/21 provisional outturn for the General Fund revenue budget considered by the Executive on 2 June 2021.

Questions for / input required from Scrutiny:

To scrutinise and provide feedback on the options available to the Council as set out in the report relating to the carry forward requests, noting the implications on Council Reserves and 2021/22 Directorate budgets.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

Report to Executive

Agenda
Item:

Meeting Date: 2nd June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 05/21

Purpose / Summary: This report summarises the 2020/21 provisional outturn for the General Fund revenue budget and gives reasons for the variances. The outturn position will result in returning £186,000 to General fund reserves (as set out in paragraph 6.3).

Requests are made to carry forward committed expenditure of £971,400, net transfers to/from reserves and provisions of £4,905,042 and transfer from the building control reserve of £66,374, which, if approved, will result in an overall net underspend position of £73,463 on Council Services; however it is estimated that additional funding from Business Rates income will be realised (subject to the completion of the NNDR3 return and confirmation of any pooling gains).

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Draft Statement of Accounts for 2020/21 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 24 September (tbc).

Recommendations:

The Executive is asked to:

- (i) Note the net underspend of £5,949,905 for Council Services as at 31 March 2021;
- (ii) Note the committed expenditure totalling £971,400, to be incurred in 2021/22 which has been approved by the Corporate Director of Finance and Resources under delegated powers, and the release of £971,400 from the General Fund Reserve in 2021/22 as detailed in Appendix D1 of the report for recommendation to Council;

- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £4,914,023, in addition to the transfer from the building control reserve of £66,374 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Note the transfer from an existing provision of £8,981 as detailed in paragraph 6.1 and Appendix D2 of the report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 This report shows the provisional outturn position for the General Fund Revenue budgets for 2020/21.
- 1.3 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices B1 – B7** as follows:
- (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Directors.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director after discussion with the Portfolio holder, and the Corporate Director of Finance and Resources.
 - (iv) Reserves to be established and/or increased to support possible future funding obligations.
- 1.4 Members should note that the information contained in this report is provisional and subject to the formal audit process. The draft Statement of Accounts for 2020/21 will be presented to the Audit Committee on 8 July, with formal approval of the audited accounts on 24 September (tbc). Any significant changes required following the approval of the 2020/21 accounts will, if necessary, be reported to a future Executive meeting.
- 1.5 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

2. SUMMARY REVENUE OUTTURN 2020/21

2.1 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The significant variances and key issues are highlighted in paragraph 3:

Directorate / Appendix	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves/ Provisions £	Adjusted Variance £
Community Services (B1)	10,263,400	11,396,900	10,864,491	(532,409)	138,300	413,300	19,191
Corporate Support (B2)	1,685,100	138,800	(96,588)	(235,388)	199,000	0	(36,388)
Economic Development (B3)	1,808,900	2,487,800	1,864,152	(623,648)	162,300	522,200	60,852
Finance & Resources (B4)	1,418,300	2,218,800	1,373,475	(845,325)	10,500	359,100	(475,725)
Governance & Regulatory Services (B5)	1,157,900	2,229,100	965,147	(1,263,953)	461,300	485,046	(317,607)
Corporate Management (B6)	(2,491,600)	(1,857,900)	(1,849,420)	8,480	0	0	8,480
Core Service Expenditure	13,842,000	16,613,500	13,121,257	(3,492,243)	971,400	1,779,646	(741,197)
Exceptional Items (B7)	0	464,900	(1,992,762)	(2,457,662)	0	0	(2,457,662)
Service Expenditure	13,842,000	17,078,400	11,128,495	(5,949,905)	971,400	1,779,646	(3,198,859)
Additional Transfers to Reserves (see para 6.1)							3,250,000
Transfer from Reserves and Provisions (see para 6.1)							(124,604)
Net Underspend Position							(73,463)

2.2 The table above details the net Council budget. The Council's original gross budget for 2020/21 was £57.04m and although there are many individual variances as detailed by directorates in **Appendices B1 – B7**, the net underspend equates to 0.13% of this budget. The main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Bereavement Services	B1	(229,838)	0
Car Parking Income	B1	0	751,891
Special Events	B1	(84,651)	0
Recycling and Waste Management	B1	(187,368)	0
Development Control Fee Income	B3	0	81,670
Loan Interest (new borrowing)	B4	(623,800)	0
Lanes Rental Income	B5	0	247,484
City Centre Properties Income	B5	0	105,991
Industrial Estates Income	B5	(826,175)	0
Homeless Accommodation	B5	0	244,167
Civic Centre	B5	(85,517)	0
Building Maintenance	B5	0	89,044
Electoral Services	B5	(121,076)	0
Strategic Asset Investment	B5	0	260,046
Salary Turnover Savings	B6	(83,400)	0

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

3.1 The provisional outturn position for 2020/21 is an underspend of £3,198,859 after taking into account carry forward requests of £971,400 as set out in paragraph 5, and transfers to/from earmarked reserves and provisions totalling £1,779,646, as set out in paragraph 6.

3.2 Some of the **significant** service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

- A net underspend in Bereavement Service due to increased cremation fee income received; this may be due partly to Covid-19.
- A shortfall in car parking income from tickets, permits and penalty charge notices due to Covid-19.
- A net underspend on Special Events due to events being cancelled as a result of Covid-19 restrictions.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling.
- A shortfall in Development Control fee income due to Covid-19.
- A saving from interest on borrowing due to no new borrowing entered into yet.
- Rental income losses from the Lanes.
- Rental income losses from City Centre Properties.
- Increased rental income as a result of backdated rent reviews.
- An underspend of £52,883 on expenditure on Homeless Accommodation and a shortfall in income of £297,051. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
- A saving on premises related costs at the Civic Centre.
- A net overspend in Building Maintenance due to a shortfall in trading income as a direct result of Covid-19.
- An underspend on Election costs as a result of the cancellation of the May 2020 elections due to Covid-19 restrictions.
- An overspend in relation to expenditure incurred to provide additional assurance on the valuation methodology of the Council's Asset portfolio. A shortfall of income from the use of capital receipts to fund asset disposal costs. Due to the level of capital receipts received in the year, the maximum allowable credit to General Fund Reserve will be £33,600 (4% of £840,000 capital receipts received in year) against a budget of £112,000.
- Additional salary turnover achieved against the budget.

- 3.3 A subjective analysis of the summarised outturn position is shown in **Appendix C**.
- 3.4 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service cost centres. This reallocation will be completed before the Statement of Accounts is prepared but has no impact on the overall out-turn position.
- 3.5 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Business and Transformation Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2021/22 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2022/23 budget process.

4. EXCEPTIONAL ITEMS (COVID-19)

- 4.1 Emergency funding has been received to support Council services in 2020/21 in terms of additional expenditure and loss of income. Monthly returns have been submitted to the MHCLG to report additional costs and loss of income. The following table provides a summary position of the income and expenditure pressured related to Covid and where they are accounted for within the draft outturn position. Any loss of income from Business Rates and Council Tax will add to this sum.

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	772,001	772,001
Reopening the High Street	69,773		69,773
Compliance and Enforcement	51,720	0	51,720
RBS New Burdens Spend		58,911	58,911
Sales Fees & Charges Income Shortfalls	1,276,141		1,276,141
Sales Fees & Charges Reduction in Expenditure	(352,997)		(352,997)
Other Income Shortfalls	517,980		517,980
Commercial Income	548,462		548,462
Total Covid Pressures	2,111,079	830,912	2,941,991
Funding Received	(169,733)	(1,748,390)	(1,918,123)
Other Covid Income Received	0	(5,580)	(5,580)
New Burdens Funding	(24,404)	(413,300)	(437,704)
Test and Trace Support Grant Funding	0	(73,762)	(73,762)
Sales Fees and Charges Compensation	0	(554,372)	(554,372)
General Fund Shortfall	1,916,942	(1,964,492)	(47,550)
Delayed Project Costs	1,000,000		1,000,000
Released from General Fund Reserves	0	(528,000)	(528,000)
Funding To be received	(29,240)	0	(29,240)
Revised General Fund Shortfall	2,887,702	(2,492,492)	395,210

5. CARRY FORWARD REQUESTS

5.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Corporate Director of Finance and Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Corporate Director of Finance and Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*

- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

- 5.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix D1**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Corporate Director of Finance and Resources who is satisfied that budgets of £971,400 should be carried forward into 2021/22. Although some Directorates have expended in excess of their budgets or have suffered reduced income as detailed in the individual appendices, once committed expenditure is taken into account there is an overall underspend across the authority.

The relevant Director will be able to give further details of carry forward requests if required at the meeting. **Budget Holders are encouraged to utilise external grants and base budgets prior to funding expenditure from these carry forward requests.**

- 5.3 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2020/21 Provisional £	2019/20 £	2018/19 £	2017/18 £	2016/17 £
Variance at 31 March	(5,949,905)	(2,390,532)	18,685	(1,539,526)	(1,242,132)
Carry forward requests	971,400	811,000	406,700	663,800	393,000
Final Variance	(4,978,505)	(1,579,532)	425,385	(875,726)	(849,132)
Less Transfers	<u>4,905,042</u>	<u>1,510,437</u>	<u>206,275</u>	<u>1,276,247</u>	<u>407,300</u>
Service Expenditure variance	(73,463)	(69,095)	631,660	400,521	(441,832)
Percentage variance on service expenditure of original gross budget	(0.13)%	(0.12)%	1.15%	0.71%	(0.75)%

6. RESERVES AND PROVISIONS

- 6.1 Details of transfers into and from new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix D2** and are summarised below.

	Net Approval Requested £
Council Tax Hardship Grant Reserve (new)	359,100
Apprentice Infrastructure	17,900
Revenue Grants Reserve	1,402,646
Total Additional Transfers to Reserves	1,779,646

The creation of the Council Tax Hardship Grant Reserve is to hold ring-fenced grant funding received from Government.

It is also requested that a further reserves be created due to uncertainty around ongoing Covid-19 pressures and support, potential costs around Local Government Reorganisation/transformation projects, increases to borrowing rates, and to provide balances to fund any unachieved savings on a non-recurring basis. A second additional reserve is requested to support economic recovery for local parishes and urban communities to aid recovery following the Covid-19 pandemic. The following transfers into the reserves are requested:

	Net Approval Requested £
Economic Recovery Reserve	50,000
Covid Pressures	500,000
Treasury Management	600,000
Savings	1,600,000
Local Government Reorganisation	500,000
Operational Risk Reserve	3,200,000

The following transfers out of reserves and provisions are also requested:

	Net Approval Requested £
Revenue Grants Reserve	(115,623)
Working Time Directive Provision	(8,981)
Net Transfers From Reserves and Provisions	(124,604)

- 6.2 In accordance with statutory requirements any surplus or deficit generated by the Building Control function is required to be held as an identified earmarked reserve and can only be utilised for Building Control. In 2020/21 the required amount to be transferred from the Building Control Reserve is £66,374. This is in addition to £9,500 released during 2020/21 to fund eligible costs.
- 6.3 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report and if all of the carry forward requests and transfers to/from earmarked reserves are approved, an additional £174,000 will be transferred to the General Fund Reserve as a result of the 2020/21 outturn (subject to the completion of the NNDR3 return and final confirmation of any pooling gains).

	31/03/2021 £'000s	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s	31/03/2025 £'000s	31/03/2026 £'000s
Prudent Level of Reserves	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Council Resolution General Fund Reserve	(3,134)	(3,601)	(3,213)	(3,058)	(3,077)	(3,129)
Revised Level of Reserves	(3,134)	(3,601)	(3,213)	(3,058)	(3,077)	(3,129)
Carry Forwards Approved In Year	(750)	750				
Underspend position to be returned to Reserves	(5,950)					
Potential additional Funding from Business Rates	tbc					
<u>Transfer to earmarked reserves: ⁽¹⁾</u>						
- See paragraph 6.1	1,780					
- See paragraph 6.1	3,250					
- See paragraph 6.2	(66)					
<u>Transfer from earmarked reserves & provisions: ⁽¹⁾</u>						
- see paragraph 6.1	(125)					
Committed Carry Forwards	0	971	0	0	0	0
Cost of Disposal	(34)					
Revised Reserves Balance	(5,029)	(3,775)	(3,387)	(3,232)	(3,251)	(3,303)

Note 1: Transfers to/(from) earmarked reserves subject to approval

Note 2: The Final Reserves Balance will be dependent on additional transfer as part of the Statement of Accounts including the final position on Business Rates.

- 6.4 The Carry Forward Reserve is retained as a general reserve rather than an earmarked reserve as budgets will be released back into the General Fund Reserve if the expenditure incurred in line with the original requests can be met from within base budgets.

7. BAD DEBT PROVISION

- 7.1 The Council's bad debt provision has been increased in respect of penalty charge notices and reduced in respect of sundry debtors and housing benefit overpayments, and this has been allocated directly to the services. Further details can be found in report RD04/21 elsewhere on the agenda.

8. BALANCE SHEET

- 8.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2021 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 8 July, with final approval of the audited accounts on 24 September (tbc).
- 8.2 The VAT partial exemption calculation has been finalised for 2020/21 resulting in 1.69% for the year which is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.
- 8.3 The 2020/21 Council Tax Collection Fund projected surplus has decreased from £50,781 surplus to £1,202,145 deficit (Council share decreased from £6,197 surplus to £144,909 deficit).
- 8.4 2020/21 is the eighth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the seventh year the Council has participated in the Cumbria Pooling arrangement.
- 8.5 The detailed figures for Business rates are still to be finalised and further detail is considered elsewhere on the agenda in report RD04/21. The Council budgeted for additional income of £2,400,000 over the baseline level of £3,335,000. Any surplus on the budget will be an additional contribution to General Fund Reserves.

The Council Tax Provisional outturn report provides further details and is considered elsewhere on the agenda (RD04/21).

9 RISKS

- 9.1 Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken. The impact on COVID-19 on the Council's resources is the greatest risk to ensuring that the Medium-Term Financial Plan is able to support service delivery whilst ensuring that reserves are maintained. The completion of the NNDR3 return and final confirmation of any pooling gains is needed before any funding is released to support Council projects.

10. CONSULTATION

- 10.1 Consultation to date.
Portfolio Holders and SMT have considered the issues raised in this report.
- 10.2 Consultation Proposed.
Business and Transformation Scrutiny Panel will consider the report on 3 June 2021.

11. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 11.1 The Executive is asked to:
- (i) Note the net underspend of £5,949,905 for Council Services as at 31 March 2021;
 - (ii) Note the committed expenditure totalling £971,400, to be incurred in 2021/22 which has been approved by the Corporate Director of Finance and Resources under delegated powers, and the release of £971,400 from the General Fund Reserve in 2021/22 as detailed in Appendix D1 of the report for recommendation to Council;
 - (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £4,914,023, in addition to the transfer from the building control reserve of £66,374 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
 - (iv) Note the transfer from an existing provision of £8,981 as detailed in paragraph 6.1 and Appendix D2 of the report.

12. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 12.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2020/21 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A, B1 to B7, C and D1 to D2.
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the use of revenue reserves to fund expenditure commitments as set out in the report.

PROPERTY SERVICES – Property asset implications are contained within the main body of the report.

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2020/21

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
22/01/2021 & 23/02/2021	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	9,900	Corporate Director of Finance and Resources
04/02/2021 & 08/03/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	79,300	Corporate Director of Finance and Resources
04/02/2021 & 08/03/2021 & 23/04/2021	Release of funding from Revenue Grant Reserve for Flexible Homelessness Support & Prevention	Non-recurring	22,000	Corporate Director of Finance and Resources
04/02/2021	Release of funding from Carry Forward Reserve for Festive Lighting	Non-recurring	3,900	Corporate Director of Finance and Resources
08/03/2021	Release of funding from Revenue Grant Reserve for Local Plans	Non-recurring	7,500	Corporate Director of Finance and Resources
08/03/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	34,400	Corporate Director of Finance and Resources
04/03/2021	Revenue contribution towards the capital costs of replacement waste receptacles	Non-recurring	4,700	Neighbourhood Services Manager
26/03/2021	Revenue contribution towards the Civic Centre Redevelopment capital project.	Non-recurring	30,000	Property Services Manager
13/04/2021	Reversal of funding released from Planning Services Reserve for additional staffing resource	Non-recurring	(9,000)	OD.76/20 Corporate Director of Economic Development
14/04/2021	Release of funding from Revenue Grants Reserve for Grazing Land Management	Non-recurring	6,000	Corporate Director of Finance and Resources
15/04/2021	Release of funding from Planning Services Reserve for improvements in Development Management	Non-recurring	36,500	OD.42/21 Town Clerk and Chief Executive
23/04/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	100	Corporate Director of Finance and Resources
23/04/2021	Release of funding from Revenue Grant Reserve for Community Neighbours	Non-recurring	1,900	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
02/03/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	750,400	Council RD.64/20

REVENUE BUDGET MONITORING 2020/21

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	20,981,700	(5,907,900)	(3,676,900)			11,396,900
Budget to date	20,981,700	(5,489,800)	(4,095,000)			11,396,900
Total Actual	20,139,804	(5,308,182)	(3,967,131)			10,864,491
Variance	(841,896)	181,618	127,869			(532,409)
Carry Forwards/Reserves & Provisions				138,300	413,300	551,600
Adjusted Variance	(841,896)	181,618	127,869	138,300	413,300	19,191

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Car Parking	1	(103,760)	788,589	822	0	0	685,651
Bereavement Services	2	14,649	(278,787)	0	34,300	0	(229,838)
Tourist Information Centre	3	(87,948)	106,022	0	0	0	18,074
Garage Services	4	(64,143)	12,505	109,915	0	0	58,277
Healthy Cities	5	(154,936)	82,467	0	3,400	0	(69,070)
Special Events	6	(139,813)	55,162	0	0	0	(84,651)
Recycling and Waste Services	7	6,362	(196,230)	(9,800)	12,300	0	(187,368)
One Public Estate	8	(70)	(328,300)	0	0	328,300	(70)
Organisational Development	9	(51,889)	(51,089)	28,276	11,100	17,900	(45,701)
Partnerships	10	(3,168)	(51,144)	0	0	51,100	(3,212)
Miscellaneous	11	(257,181)	42,423	(1,345)	77,200	16,000	(122,903)
Total Variance to date		(841,896)	181,618	127,869	138,300	413,300	19,191

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Various minor overspends including third party fees; increased cremation fee income.
3.	Underspend on purchase of tickets and goods for resale; shortfall in income from ticket sales and sale of goods.
4.	Various minor underspends including employee related expenses; shortfall in trading income.
5.	An underspend on supplies and services and Artist fees at the Art centre, offset by shortfall in income due to site being closed as a result of Covid-19 restrictions.
6.	Underspend on Special Events supplies and services due to events being cancelled as a result of Covid-19 restrictions; shortfall in income from advertising.
7.	Underspend on transport costs, increased tipping charges for Garden Waste offset by surplus income from Plastic and Card recycling.
8.	External grant received which for accounting purposes is recognised in year but will be transferred into the Revenue Grant Reserve for use in future years for delivery of the One Public Estate project.
9.	Underspend on training provided and Apprentice Infrastructure.
10.	External grant received which for accounting purposes is recognised in year but will be transferred into the Revenue Grant Reserve for use in future years for delivery of specific partnership projects.
11.	Minor underspends, shortfall in income and increased trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	3,624,000	(314,400)	(3,170,800)			138,800
Budget to date	3,624,000	(314,400)	(3,170,800)			138,800
Total Actual	3,312,624	(228,731)	(3,180,481)			(96,588)
Variance	(311,376)	85,669	(9,681)			(235,388)
Carry Forwards/Reserves & Provisions				199,000	0	199,000
Adjusted Variance	(311,376)	85,669	(9,681)	199,000	0	(36,388)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Customer Contact Centre	1	(62,313)	79,400	0	0	0	17,088
ICT Services	2	(239,746)	18,869	(9,681)	199,000	0	(31,559)
Miscellaneous	3	(9,317)	(12,600)	0	0	0	(21,917)
Total Variance to date		(311,376)	85,669	(9,681)	199,000	0	(36,388)

Note	Corporate Support - Comments
1.	Underspends on employee related costs; offset by shortfall in income. The loss of income is factored into the sales, fees & charges compensation claims to Government.
2.	Underspends on employee related costs; shortfall in income.
3.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	4,335,100	(1,353,500)	(493,800)			2,487,800
Budget to date	4,335,100	(1,353,500)	(493,800)			2,487,800
Total Actual	4,107,833	(1,749,881)	(493,800)			1,864,152
Variance	(227,267)	(396,381)	0			(623,648)
Carry Forwards/Reserves & Provisions				162,300	522,200	684,500
Adjusted Variance	(227,267)	(396,381)	0	162,300	522,200	60,852

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Regeneration	1	(19,433)	(65,998)	0	40,000	47,200	1,770
Development Control	2	(45,487)	81,670	0	0	0	36,183
Building Control	3	(36,760)	63,783	0	0	0	27,023
Investment and Policy	4	(127,085)	(475,000)	0	122,300	475,000	(4,785)
Miscellaneous	5	1,498	(837)	0	0	0	662
Total Variance to date		(227,267)	(396,381)	0	162,300	522,200	60,852

Note	Economic Development - Comments
1.	Overspend on monthly running costs of the Business Interaction Centre (this has now been sold) which do not have budgets identified offset by an increase in rental income; underspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on supplies and services, advertising & consultants fees; shortfall in fee income.
3.	Underspend on employee related salary expenditure; shortfall in fee income received.
4.	Underspend on Carlisle South and additional grant received which is requested to be transferred to the Revenue Grant Reserve.
5.	Minor overspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	26,864,800	(21,787,700)	(2,858,300)			2,218,800
Budget to date	26,864,800	(21,787,700)	(2,858,300)			2,218,800
Total Actual	26,682,477	(22,465,537)	(2,843,465)			1,373,475
Variance	(182,323)	(677,837)	14,835			(845,325)
Carry Forwards/Reserves & Provisions				10,500	359,100	369,600
Adjusted Variance	(182,323)	(677,837)	14,835	10,500	359,100	(475,725)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(615,474)	28,282	14,824	0	0	(572,368)
Revenues and Benefits	2	517,155	(822,612)	(0)	0	359,100	53,643
Benefit Payments and Subsidy	3	(60,354)	116,493	0	0	0	56,138
Miscellaneous	4	(23,650)	0	11	10,500	0	(13,138)
Total Variance to date		(182,323)	(677,837)	14,835	10,500	359,100	(475,725)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet and a budget saving against the final stock issue interest payment; lower than expected returns on investments.
2.	Underspends on employee related and supplies and services; additional expenditure for Council Tax Covid Hardship Fund; additional grants received (including Covid-19 Hardship Fund) offset by shortfall in income from recovery. Balance of Covid-19 Hardship Fund to be transferred to an earmarked
3.	Shortfall on Housing Benefit Overpayments following subsidy finalisation & decrease to bad debt provision.
4.	Minor underspends other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	12,255,800	(6,406,700)	(3,620,000)			2,229,100
Budget to date	12,255,800	(6,406,700)	(3,620,000)			2,229,100
Total Actual	11,667,003	(7,191,124)	(3,510,732)			965,147
Variance	(588,797)	(784,424)	109,268			(1,263,953)
Carry Forwards/Reserves & Provisions				461,300	485,046	946,346
Adjusted Variance	(588,797)	(784,424)	109,268	461,300	485,046	(317,607)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Buildings & Facilities Services	1	(434,706)	(36,050)	110,079	260,900	0	(99,777)
Industrial Estates	2	6,383	(826,175)	0	0	0	(819,791)
The Lanes	3	0	247,484	0	0	0	247,484
City Centre Properties	4	3,969	105,991	0	0	0	109,960
Homeless Accommodation	5	(85,883)	215,515	0	33,000	81,536	244,167
Electoral Services	6	(119,489)	(11,588)	0	0	10,000	(121,076)
Homeless Prevention and Welfare	7	(72,379)	(392,294)	0	69,500	387,571	(7,602)
Regulatory Services	8	(29,702)	(53,128)	(811)	0	5,939	(77,702)
Strategic Asset Investment	9	194,761	(4,815)	(0)	70,100	0	260,046
Miscellaneous	10	(51,750)	(29,365)	0	27,800	0	(53,315)
Total Variance to date		(588,797)	(784,424)	109,268	461,300	485,046	(317,607)

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Civic Centre); additional rental income received; shortfall in trading income.
2.	Additional income received from backdated rent reviews.
3.	Shortfall in rental income.
4.	Shortfall in rental income.
5.	Underspend on employee related expenditure and supplies and services; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
6.	Underspend on election costs as a result of the cancellation of the May 2020 elections due to Covid-19 restrictions.
7.	Underspend on employee related expenditure and grant expenditure; additional grant income received
8.	Underspends on supplies and services; Additional licence income and agency fee income received.
9.	Overspend on consultant fees in relation to asset valuation work; overspend on income target for the use of capital receipts to fund asset disposal costs.
10.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	(176,000)	(1,681,900)	0			(1,857,900)
Budget to date	(176,000)	(1,681,900)	0			(1,857,900)
Total Actual	(156,473)	(1,692,947)	0			(1,849,420)
Variance	19,527	(11,047)	0			8,480
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	19,527	(11,047)	0	0	0	8,480

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Other Financial Costs	1	(16,756)	(11,046)	0	0	0	(27,802)
Corporate Management	2	62,392	0	0	0	0	62,392
Miscellaneous	3	(26,109)	(1)	0	0	0	(26,110)
Total Variance to date		19,527	(11,047)	0	0	0	8,480

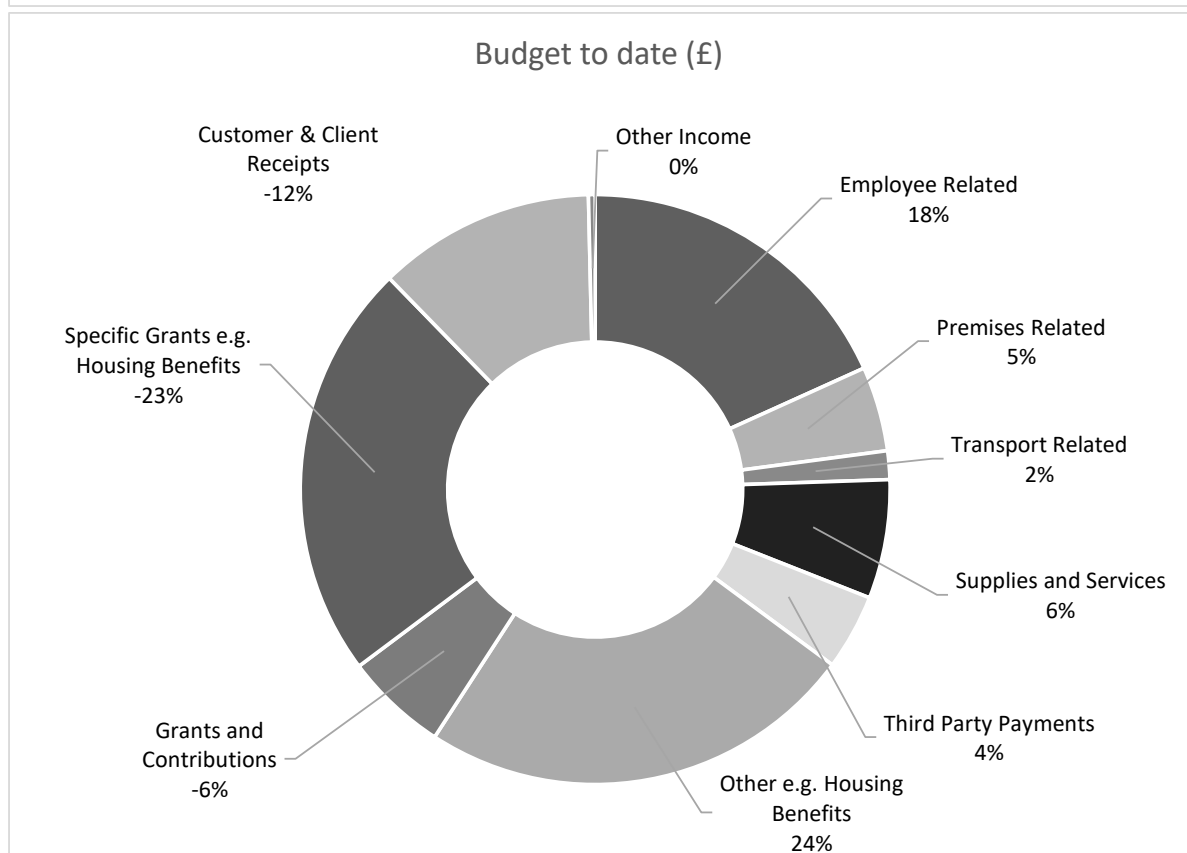
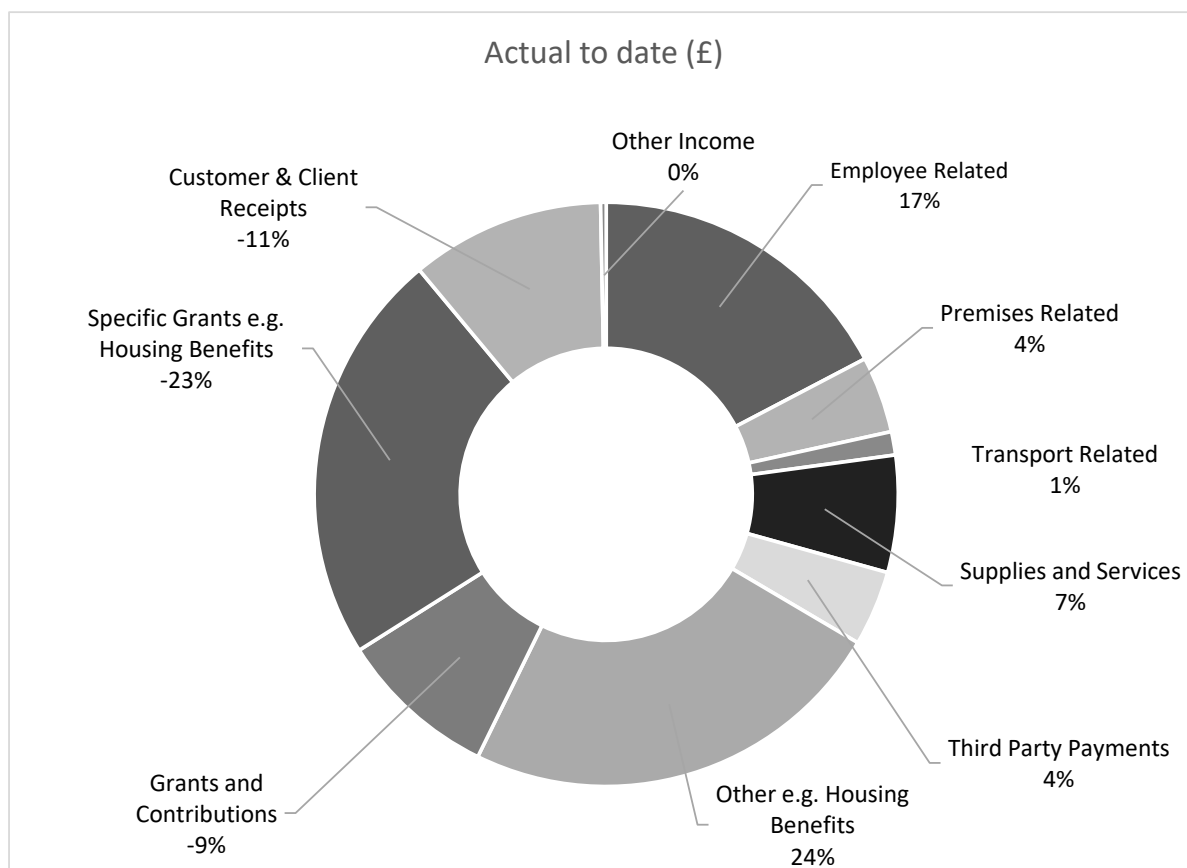
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£83,400) and shortfall in inflation savings to be found (£62,800).
2.	Overspend on external audit fees and card charges.
3.	Minor underspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	45,998,400	(45,533,500)	0			464,900
Budget to date	45,998,400	(45,533,500)	0			464,900
Total Actual	46,331,344	(48,324,106)	0			(1,992,762)
Variance	332,944	(2,790,606)	0			(2,457,662)
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	332,944	(2,790,606)	0	0	0	(2,457,662)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Corona Virus	1	286,912	(2,779,404)	0	0	0	(2,492,492)
Flood Recovery	2	49,178	(14,348)	0	0	0	34,830
Miscellaneous		(3,147)	3,146	0	0	0	(0)
Total Variance to date		332,944	(2,790,606)	0	0	0	(2,457,662)

Note	Exceptional Items - Comments
1.	Overspend of expenditure to date against profiled budget; Government grant income received. Net underspend position but balance will be required to support other pressures/shortfalls in income as a result of Covid-19 that are currently reported against individual service areas e.g. car parking income.
2.	Overspend in relation to uninsured and reinstatement costs as a result of flooding caused by Storm Ciara.

SUBJECTIVE ANALYSIS

Directorate/Section	Description	Requests into 2021/22 £
Corporate Support		
ICT Services	To provided additional resources, specialised consultancy and third party support to ensure key security projects are scoped and implemented.	199,000
		199,000
Finance and Resources		
Internal Audit	To provide dedicated support to enable completion of the 2020/21 Internal Audit Plan.	10,500
		10,500
Community Services		
Corporate Training	New training provision for authority - Agile, Autonomous, Accelerated Change (Squad Working).	8,100
Member Training	To support training for the implementation of a Commercial Strategy for the Council.	3,000
HR & Payroll	For iTrent development and additional, temporary staffing resources within HR.	29,500
Small Scale Community Projects	For committed projects at Currock, Botcherby and Denton Holme.	3,400
Bereavement Services	For the replacement of cremator gas analysers which are essential for the functioning of the cremators and to comply with The Environmental Protection Act 1990..	34,300
Environmental Support	This refers to the non-rec £60K additional funding to keep Carlisle Clean and is required to cover a temporary employment contract.	26,000
Health & Wellbeing: Food	This is budget allocated to employee costs for the temporary Sustainable Food Coordinator post.	13,500
Neighbourhood Services - Apprentice	To ensure continuation of the apprentice schemes with the Garage and Technical Team.	12,300
Policy & Communication Staffing Resources	Digital Marketing Officer role extension until April 2021 to March 2022; Data Analyst funding until November 2021	8,200
		138,300
Economic Development		
Carlisle South	To provide dedicated Development Management support to the Garden Village.	10,000
Affordable Housing	Required to fund the Self and Custom Build Housing Grants programme approved by Executive in July 2020.	40,000
St Cuthbert's Garden Village	Required to support delivery of the Local Plan.	72,300
City Centre Business Support	For the establishment of a city centre forum to explore the potential for a Business Improvement District bid and for city centre capital works grants, to support businesses investing in the city centre, including business start ups.	40,000
		162,300
Governance & Regulatory		
Homeless Prevention	The monies are ringfenced to be utilised to support prevention duties and activities; carry out homelessness activities in line with the principles of the Homeless Reduction Act.	28,500
Homeless Prevention	To fund staffing pressures in 2021/22.	74,000
Town Twinning	The Town Twinning Civic Exchange was due to be held in Carlisle in 2020 but has been postponed to 2021.	6,000
Asset Disposal	Reduced staff resources and the impact of Covid on the property market have delayed the programme, however the resources are still required to deliver the project.	70,100
Revenue Element of LED Capital Project	To fund the replacement of 28 additional lighting columns that are corroded. Work is expected to be carried out by July 2021.	21,800
Repair and Maintenance Programme	Outstanding items of work approved in the 3 year maintenance plan that have not been completed due to Covid, planning, weather and significant resources issues. The request represent committed items of work across the operational portfolio where liabilities arise based on owner and occupier arrangements.	260,900
		461,300
Total General Fund Carry Forward Requests		971,400

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2020/21 In to Reserve £	2020/21 Out of Reserve £	Total £
NEW Covid Council Tax Hardship Grant Reserve	A reserve to hold available Covid related Council Tax Hardship Grant.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources in consultation with the portfolio holder.	359,100	0	359,100
Operational Risk Reserve	To provide funds to support potential ongoing pressures in relation to Covid, Local Government Reorganisation/Transformation projects, treasury management pressures and savings to be achieved.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve can only be given by the Executive of the Council following the advice of the Corporate Director of Finance and Resources.	3,200,000	0	3,200,000
Economic Recovery Reserve	To support economic recovery for local parishes and urban communities as match funding to aid recovery following the COVID pandemic.	Management of the Reserve rests with the Corporate Director of Economic Development once eligibility criteria has been established by the Executive.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Economic Development in consultation with the portfolio holder and Corporate Director of Finance and Resources.	50,000	0	50,000
EXISTING Apprentice Infrastructure	A reserve for the committed balances from the annual Apprentice Infrastructure budget that will be required in future years of the employment contracts.	Management of the Reserve rests with the Corporate Director of Finance and Resources	Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	17,900	0	17,900
Revenue Grants Reserve	A reserve to hold revenue grant funds received by the Council which have not yet been utilised.	Management of the Reserve rests with the Corporate Director of Finance and Resources	Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.			1,281,084
Community Services	One Public Estate: One Public Estate			28,300		
Community Services	One Public Estate: One Public Estate - Sustainable Grant Funding			300,000		
Community Services	Health and Wellbeing: Grazing Land Management			16,000		
Community Services	Partnerships: Healthy Communities and Older People			1,200		
Community Services	Partnerships: Place Co-ordinator			49,900		
Economic Development	Investment & Policy: St Cuthberts Garden Village (Garden Community Capacity Fund)			475,000		
Economic	Regeneration: Town Deal Capacity Funding			40,000		
Economic	Regeneration: NLHF Resilience Grant - Hadrian's Wall Partnership			7,200		
Governance & Regulatory Services	Electoral Services: Justification Led Bid			10,000		
Governance & Regulatory Services	Homeless Prevention: Various Miscellaneous Grants				(47,851)	
Governance & Regulatory Services	Homeless Prevention: Homeless Prevention Grant				(50,000)	
Governance & Regulatory Services	Homelessness: Rough Sleeping Initiative			115,322		
Governance & Regulatory Services	Homelessness: Flexible Homelessness Support Grant			87,225		
Governance & Regulatory Services	Homelessness: Homelessness Reduction Act New Burdens Grant			50,184		
Governance & Regulatory Services	Homelessness: Domestic Abuse Grant			134,840		
Governance & Regulatory Services	Homelessness: Housing Related Support (Supporting People) Grant			81,536		
Governance & Regulatory Services	Homelessness: Langley Chase Grant				(3,000)	
Governance & Regulatory Services	Homelife: FILT Gas Safe 2020/21			1,929		
Governance & Regulatory Services	Homelife: Warm Homes Fund			4,010		
Governance & Regulatory Services	Regulatory Services: Rogue Landlords				(1,256)	
Governance & Regulatory Services	Regulatory Services: Homelife Core Funding				(13,516)	
	TOTAL RESERVE REQUESTS			5,029,646	(115,623)	4,908,084
	TOTAL REQUESTS FOR RESERVES			5,029,646	(115,623)	4,908,084

Report to Business and Transformation Scrutiny Panel

Agenda
Item:
A.3(b)

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2020/21 AND REVISED CAPITAL PROGRAMME 2021/22
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 06/21

Purpose / Summary:

This report summarises the 2020/21 provisional out-turn for the Council's capital programme and provides details of the revised capital programme for 2021/22. This report was considered by Executive on 2 June 2021.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position including the approved slippage of schemes and the resulting impact on the 2021/22 capital programme.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

Report to Executive

Agenda
Item:

Meeting Date: 2nd June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2020/21 AND REVISED CAPITAL PROGRAMME 2021/22
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.06/21

Purpose / Summary:

This report summarises the 2020/21 provisional out-turn for the capital budget and provides details of the revised capital programme for 2021/22. The out-turn shows that the net underspend for Council Services as at 31 March 2021 once committed expenditure totalling £4,454,600 is taken into account is £24,488.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The draft Statement of Accounts for 2020/21 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 24 September (tbc).

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2021 of £24,488 which includes committed expenditure to be met totalling £4,454,600, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Consider the revised programme for 2021/22, together with the proposed methods of financing and virement request, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

1. BACKGROUND

1.1 This report sets out the summarised financial out-turn for the Council's Capital Programme as follows:

- (i) the out-turn for individual schemes for 2020/21, summarised in **Appendix A**
- (ii) the revised programme for 2021/22, and the provisional programme for 2022/23 to 2025/26, summarised in **Appendix B**.

1.2 The report sets out the financial implications arising from the out-turn including the impact on capital resources for 2021/22. Members should note that the information contained in this report is provisional and subject to the formal audit process. Any significant changes required following the approval of the 2020/21 accounts will, if required, be reported to a future Executive meeting.

1.3 Please note that throughout this report the use of brackets indicates a favourable variance i.e. either an underspend or additional income received.

2. PROPOSALS

2.1 The original capital programme of £14,160,600 was approved in February 2020. Since then, a review of the capital programme has been undertaken and the capital funding has been revised. In accordance with proper accounting practices it has been necessary to gross up the expenditure budgets to properly reflect the total cost of the schemes including those fully funded from external grant/contributions.

The revised programme for 2020/21 of £18,621,300 is a result of the following funding streams:

2020/21 Capital Budget	£
Original 2020/21 Programme (approved Feb 2020)	14,160,600
Carry forwards from 2019/20 (RD60/19 Council 03/03/20)	10,952,800
Carry forwards from 2019/20 (RD14/20 Council 14/07/20)	2,568,500
Increase for Civic Centre Development (RD14/20 Council 14/07/20)	2,601,400
Decrease to Programme for Civic Centre Development (RD14/20 Council 14/07/20)	(780,000)
Correction to funding of Civic Centre Development	(20,000)
Additional Disabled Facilities Grant (RD14/20 Council 14/07/20)	432,500
Virement from Planned Improvements of Council Properties to Civic	(20,000)
Grant received for Rough Sleeping Initiative (OD.65/20)	50,000
Reprofiling of Budget for Sands Centre (CS28/20 Council 13/10/2020)	(10,644,100)
S106 contribution towards Affordable Housing (OD.90/20)	50,700
S106 contribution towards Play Area Improvements (OD.84/20)	8,000
External Grant towards Play Area Improvements (OD.84/20)	30,000
Towns Deal Funding for Bitts Park and Caldeu Riverside (Executive 14/12/20)	1,000,000
Revenue contribution towards purchase of Waste Receptacles	15,700
Agreed Carry Forwards into 2021/22 (RD65/20 Council 02/03/21)	(3,031,500)
Additional Disabled Facilities Grant (GD12/21 Executive 8/03/21)	255,800
External Grant towards Carlisle Citadels Project (LD.02/21)	879,500
Additional external contribution to Caldeu Riverside (OD.31/21)	22,200
Revenue Contribution towards Civic Centre Development	30,000
Additional contributions towards Disabled Facilities Grants	16,100
External grant towards Swifts Wildlife Haven (OD.27/21)	10,000
Bitts Park Water Feature (CS33/20 Executive 14/12/21)	63,100
Revised 2020/21 Capital Programme	18,651,300
Less Capital Reserves to be released by Executive	(30,000)
Revised 2020/21 Capital Programme (released)	18,621,300

2.2 The provisional out-turn position for the 2020/21 capital programme is shown below:

Directorate	Revised Annual Budget	Total Expenditure	Variance	Carry Forwards (Committed)	Revised Variance
	£	£	£	£	£
Community Services	8,601,200	6,962,839	(1,638,361)	1,651,200	12,839
Corporate Support	161,000	98,454	(62,546)	62,400	(146)
Economic Development	1,814,700	942,667	(872,033)	874,700	2,667
Governance & Regulatory Services	7,959,400	6,119,494	(1,839,906)	1,836,300	(3,606)
Total	18,536,300	14,123,454	(4,412,846)	4,424,600	11,754
Capital Exceptional Items	85,000	48,758	(36,242)	0	(36,242)
Total	18,621,300	14,172,212	(4,449,088)	4,424,600	(24,488)
Reserves to be released	30,000	0	(30,000)	30,000	0
Total	18,651,300	14,172,212	(4,479,088)	4,454,600	(24,488)

- 2.3 The position for 2020/21 after committed carry forwards have been taken into account is an underspend of £24,488.
- 2.4 The main variances after carry forwards are summarised below:
- An overspend of £13,568 on the purchase of Waste Receptacles.
 - An underspend of £36,243 on Flood Related Capital projects brought forward from previous years.
- 2.5 Otherwise schemes are progressing within budget, although some schemes have not been completed to the original timescales which has resulted in the request for carry forwards.
- 2.6 Further details for each directorate are included in **Appendices A1-A5**.
- 2.7 The 2020/21 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work has been carried out throughout the year to monitor the profiling of budgets and these have been adjusted to reflect progress in current capital schemes. The year end position for the capital programme is improved from previous years due to the implementation of the corporate reserves procedure and the improved profiling.

3. CARRY FORWARD REQUESTS

- 3.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate greater flexibility of budgets between years as set out in the Medium-Term

Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Corporate Director of Finance and Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Corporate Director of Finance and Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

Carry forwards at the end of the year have been analysed to assess the year of potential expenditure to enable better profiling of budgets for future years. Of the committed carry forwards shown in paragraph 2.2, it is estimated that the full £4,454,600 will be spent in 2021/22.

4. FINANCING OF CAPITAL PROGRAMME 2020/21

- 4.1 Utilisation of resources to fund the 2020/21 Capital Programme in light of the out-turn is provisionally estimated as follows:

	Revised Budget £	Provisional Out-turn £
Capital Programme expenditure in year	18,651,300	14,172,212
Financed by:		
Capital Receipts (note 1)	1,500,000	1,020,000
Capital Receipts - to fund cost of disposal	(112,000)	(33,600)
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,574
• General (note 2)	4,205,400	3,116,734
Reserves & Balances (note 3)		
• Direct Revenue Financing	2,628,100	2,623,052
Contributions from other bodies incl S106 (note 4)	235,200	242,634
Borrowing Requirement (In Year)	8,039,000	5,047,818
Total Financing	18,651,300	14,172,212

Notes:

1. There were no usable capital receipts carried forward from 2019/20. Capital receipts generated during the year amount to £1,020,000 compared to the revised estimate figure of £1,500,000, a decrease of £480,000.

The total sum available, £1,020,000 has been used to fund the Capital Programme in 2020/21, with the balance of funding required (£5,047,818) being financed from a borrowing requirement that is significantly lower than anticipated.

In accordance with Capital Finance Regulations, costs associated with asset disposal totalling £33,600 that are included in the revenue outturn, can be funded from the capital receipt generated. This will result in a decrease to the capital receipts balance reported above at 31st March 2021.

2. Any balance of funding from capital grants has been carried forward into 2021/22 to allow the schemes to complete.
3. The use of capital receipts has been optimised in order to fund 2020/21 capital expenditure. Direct revenue funding, S106 receipts and earmarked reserves and provisions specifically set up to fund capital expenditure have also been used to fund capital expenditure in 2020/21. Capital receipts are the last source of funding applied to finance the capital programme; external funding is always applied first.

4. Additional contributions were received towards DFGs, Play Areas, Open Space Improvements, Caldew Riverside and Sands Centre redevelopment.

5. FIVE YEAR CAPITAL PROGRAMME

- 5.1 A five-year Capital Programme for 2021/22 to 2025/26 is detailed in **Appendices B1-B2**.
- 5.2 The programme for **2021/22** totalling £28,057,900 is based upon the programme as agreed by Council in February 2021 of £19,070,400, the commitments brought forward from 2020/21 as identified above of £4,454,600, the commitments brought forward from 2020/21 already approved of £3,031,500, an increase of £255,800 for additional Disabled Facilities Grant awarded which has recently been advised and totals £2,155,574, and the following additional adjustments:
- An increase of £109,400 for Empty Property Grants as approved by Executive (GD.13/21);
 - An increase of £153,200 from S106 contributions towards Play Area improvements (OD.26/21 and OD.34/21);
 - An increase of £902,500 for Carlisle Citadels project (LD.02/21);
 - An increase of £70,000 for Swifts Wildlife Haven (OD.27/21); and
 - An increase of £10,500 for Bitts Park Water Features as approved by Executive (CS.33/20).
- 5.3 The 2021/22 Capital Programme includes £200,000 savings that need to be identified to provide the required funding for the Civic Centre Reinstatement project. It is proposed to fund this by a virement from the Vehicle and Plant Replacement budget **subject to recommendation by Executive to Council for approval**.
- 5.4 The 2021/22 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme.
- 5.5 It is suggested that the revised programme for 2021/22 as detailed in Appendix B1 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	19,070,400	19,070,400
Add: Carried forward from 2020/21 (in Year)	0	3,031,500
Add: Carried forward from 2020/21 (Year End)	0	4,454,600
Add: Other adjustments to programme	0	1,501,400
Total Expenditure to be financed	19,070,400	28,057,900
<u>Financed by:</u>		
Capital Grants		
• DFG	1,899,800	2,155,600
• General	0	2,325,600
Capital Receipts	1,011,000	1,491,000
Receipts used to fund resources	(112,000)	(112,000)
Contributions from other bodies	0	159,700
Direct Revenue Financing	1,337,400	2,098,300
Borrowing Requirement (In Year)	14,934,200	19,939,700
Total Financing	19,070,400	28,057,900

- 5.6 The proposed programme for **2022/23** to **2025/26** as detailed in Appendix B2 is based on the programme agreed by Council in February 2021.

6. RISKS

- 6.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix C**.

7. CONSULTATION

- 7.1 Consultation to Date.

Portfolio Holders and SMT have considered the issues raised in this report.

- 7.2 Consultation Proposed.

Business and Transformation Scrutiny Panel will consider the report on 3 June 2021.

8. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

- 8.1 The Executive is asked to:

- (i) Note the net underspend as at 31 March 2021 of £24,488 which includes committed expenditure to be met totalling £4,454,600, which is recommended by the Corporate Director of Finance and Resources for approval to Council;

- (ii) Consider the revised programme for 2021/22, together with the proposed methods of financing and virement request, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

9.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A1 to A5 and B1 to B2 and C
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the use of capital reserves to fund expenditure commitments as set out in the report.

PROPERTY SERVICES – Property asset implications are contained within the main body of the report

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty. It is worth noting that the report includes the increase in funding for the Disabled Facilities Grants (DFGs).

INFORMATION GOVERNANCE – There are no information governance implications.

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Vehicles & Plant	1,532,400	750,765	(781,635)	781,600	(35)	Slippage of planned vehicle replacements from 2020/21 into 2021/22. A revised replacement plan for the next 5-10 years has been provided as part of the 2021/22 budget process.
Civic Centre Development	1,461,400	1,550,370	88,970	(89,000)	(30)	Project progressing well, spend is in advance of the budget profiled for 2020/21 but is within the overall budget allocated for this project in future years.
Play Area Developments	84,300	84,004	(296)	0	(296)	Works complete on 3 separate projects in line with expenditure profiles.
Open Space Improvements	80,700	80,414	(286)	0	(286)	Fully funded by Section 106 monies.
Sands Centre Redevelopment	5,335,200	4,349,256	(985,944)	985,900	(44)	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and a revised expenditure profile has been implemented to take account of delays as a result of Covid-19 restrictions.
Waste Minimisation	60,700	74,268	13,568	0	13,568	Purchase of waste receptacles are overspent against the annual budget.
Skew Bridge Deck	1,500	3,000	1,500	(1,500)	0	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Towns Deal - Bitts Park Improvements	35,000	60,755	25,755	(25,800)	(45)	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Swifts Wildlife Haven	10,000	10,007	7	0	7	Project progressing as per expenditure profile and is due to be completed in 2021/22.
Grand Total	8,601,200	6,962,839	(1,638,361)	1,651,200	12,839	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
ICT Infrastructure	161,000	98,454	(62,546)	62,400	(146)	Part of ICT Strategy Business Case. Implementation has been delayed.
Grand Total	161,000	98,454	(62,546)	62,400	(146)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Central Plaza	12,300	14,940	2,640	0	2,640	Emergency works at Central Plaza.
Affordable Housing	50,700	50,700	0	0	0	S106 funding towards provision of Affordable Homes. Project now complete.
Towns Deal - Caldew Riverside Remediation	872,200	29,697	(842,503)	842,500	(3)	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020. Slippage into 2021/22.
Carlisle Citadels	879,500	847,330	(32,170)	32,200	30	Project approved as per Leader Decision Notice (LD.02/21) and is due to complete in 2021/22.
Grand Total	1,814,700	942,667	(872,033)	874,700	2,667	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Planned Enhancements to Council Property	209,300	142,688	(66,612)	63,000	(3,612)	Some slippage of planned projects into 2021/22.
Rough Sleeping Initiative	50,000	40,000	(10,000)	10,000	0	Capital grant received from MHCLG for the development of the Rough Sleeping Initiative. Slippage into 2021/22.
Gateway 44	4,621,900	3,725,741	(896,159)	896,200	41	Development and Improvement costs associated with the Junction 44 development. Project nearing completion, additional work require to reconfigure remaining units.
Disabled Facilities Grants	2,636,500	1,904,901	(731,599)	731,600	1	Mandatory Grants. Increased grant allocation for 2020/21. The position is being closely monitored. Carry forward required into 2021/22.
Empty Property Grants	23,200	20,200	(3,000)	3,000	0	Discretionary grants to assist getting empty properties back in to use.
On Street Charging Infrastructure	203,700	100,904	(102,796)	102,800	4	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant. Slippage into 2021/22.
LED Footway Lighting Installation	214,800	185,060	(29,740)	29,700	(40)	To upgrade Footway Lights to LED lanterns throughout the District resulting in energy savings and increased reliability of the lights which should reduce future maintenance costs. Slippage into 2021/22.
Grand Total	7,959,400	6,119,494	(1,839,906)	1,836,300	(3,606)	

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
IC Buildings Flood Capital	21,900	(14,310)	(36,210)	0	(36,210)	Budget in relation to approved expenditure on the reinstatement of Bitts Park. Credit in relation to reversal of outstanding retention no longer due.
IC All Risks Flood Capital	63,100	63,068	(32)	0	(32)	Budget in relation to approved expenditure on the reinstatement of Bitts Park Water Feature.
Grand Total	85,000	48,758	(36,242)	0	(36,242)	

Scheme	Original Capital Programme 2021/22 £	Carry Forwards from 2020/21 £	Carry Forwards from 2020/21 £	Other Adjustments £	Revised Capital Programme 2021/22 £
<u>Current non-recurring commitments</u>					
Sands Centre Redevelopment	15,236,700	700,000	985,900	0	16,922,600
Civic Centre Development	1,020,600	1,150,000	(89,000)	0	2,081,600
Energy Monitoring System	12,000	0	0	0	12,000
<i>Savings to Fund Civic Centre</i>	<i>(200,000)</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>0</i>
Cemetery Infrastructure	0	5,700	0	0	5,700
Skew Bridge Deck	0	68,500	(1,500)	0	67,000
Towns Deal - Bitts Park Improvements	0	125,000	(25,800)	0	99,200
Planning Software	0	150,000	0	0	150,000
Play Area Improvements	0	36,500	0	153,200	189,700
Carlisle Citadels	0	0	32,200	902,500	934,700
Towns Deal - Caldew Riverside	0	0	842,500	0	842,500
On Street Charging Points Infrastructure	0	0	102,800	0	102,800
Gateway 44	0	0	896,200	0	896,200
LED Footway Lighting Installation	0	0	29,700	0	29,700
Rough Sleeping Initiative	0	0	10,000	0	10,000
Swifts Wildlife Haven	0	0	0	70,000	70,000
IC All Risks - Bitts Park Water Feature	0	0	0	10,500	10,500
	16,069,300	2,235,700	2,783,000	1,336,200	22,424,200
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	250,000	145,800	63,000	0	458,800
Vehicles, Plant & Equipment	255,000	0	781,600	(200,000)	836,600
Recycling Containers	45,000	0	0	0	45,000
ICT Infrastructure	101,300	150,000	62,400	0	313,700
	651,300	295,800	907,000	(200,000)	1,654,100
<u>Housing Related Grants</u>					
Private Sector Grants	1,899,800	500,000	731,600	255,800	3,387,200
Empty Property Grants	0	0	3,000	109,400	112,400
	1,899,800	500,000	734,600	365,200	3,499,600
TOTAL	18,620,400	3,031,500	4,424,600	1,501,400	27,577,900
<u>Capital Reserves to be released</u>					
Crematorium Infrastructure	350,000	0	0	0	350,000
Future High Street Fund - Market Square	100,000	0	0	0	100,000
Cemetery Infrastructure	0	0	30,000	0	30,000
	450,000	0	30,000	0	480,000
REVISED TOTAL	19,070,400	3,031,500	4,454,600	1,501,400	28,057,900

Scheme	Proposed Capital Programme 2022/23 £	Original Capital Programme 2023/24 £	Original Capital Programme 2024/25 £	Original Capital Programme 2025/26 £
Private Sector Grants	1,899,800	1,899,800	1,899,800	1,899,800
Planned Enhancements to Council Property	250,000	250,000	250,000	250,000
Vehicles, Plant & Equipment	1,220,500	1,771,500	1,680,000	1,166,000
ICT Infrastructure	76,300	131,400	101,400	101,400
Recycling Containers	45,000	45,000	45,000	45,000
Sands Centre Redevelopment	3,450,200	0	0	0
Carlisle Southern Link Road	5,000,000	0	0	0
Crematorium Infrastructure	900,000	0	0	0
Replacement of Flare Data Management System	150,000	0	0	0
Future High Street Fund Market Square	2,670,000	0	0	0
TOTAL	15,661,800	4,097,700	3,976,200	3,462,200

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.07/21

Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B) that was considered by Executive on 2 June 2021.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Treasury Management in 2020/21.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

Report to Executive

Agenda
Item:

Meeting Date: 02 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 07/21

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

That this report be received and recommended to Council for approval.

Tracking

Executive:	02 June 2021
Scrutiny:	BTSP 03 June 2021
Audit Committee:	08 July 2021 (for information only)
Council:	20 July 2021

1. BACKGROUND

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 **Appendix A1** to this report sets out a final report on Treasury Management in 2020/21 as required by the CIPFA Code of Practice on Treasury Management. **Appendix A2** highlights some performance measures and **Appendix A3** shows the final prudential indicators for 2020/21.
- 1.3 **Appendices B1-B3** details the schedule of Treasury Transactions for the period 1 January 2021 – 31 March 2021.

2. RISKS

- 2.1 The Council's Treasury Management function is responsible for investing the Council's surplus cash balances and managing cash flows appropriately. The Treasury Management Strategy Statement and the Treasury Management Practices are completed and approved in line with the CIPFA Code and include appropriate mechanisms for dealing with the Council's investments and borrowing needs.

3. CONSULTATION

- 3.1 Business and Transformation Scrutiny Panel will consider the report on 03 June 2021 and the Audit Committee will do so on 08 July 2021.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1 That this report be received and recommended to Council for approval.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 To ensure that the Council's investments are in line with appropriate policies including the Treasury Management Strategy Statement.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices attached to report:

- Appendix A1 – Treasury Management 2020/2021**
- Appendix A2 – Performance Statistics**
- Appendix A3 – Prudential Code and Prudential Borrowing**
- Appendix B1 – Treasury Transactions**
- Appendix B2 – Investment Transactions**
- Appendix B3 – Outstanding Investments**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

Legal – Treasury Management activities are delegated to the Corporate Director of Finance and Resources and Financial Procedure Rule 3.19 requires that she prepare an annual report on the topic. This Report fulfils that obligation.

Property Services – Not applicable

Finance – Included in the report

Equality - This report raises no explicit issues relating to the public sector Equality Duty

Information Governance – No implications

TREASURY MANAGEMENT 2020/21

1. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2020) requires that full Council should receive both a mid-term and an annual report on treasury management activities during the year. This report on the treasury function during 2020/21, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.
- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2020/21 was presented in November 2020 (RD34/20). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions are detailed and placed in the context of money market conditions in 2020/21 while the City Council's investment activities are also discussed.

Separate papers (**A2** and **A3**) provide information on performance in 2020/21 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2020/21.

	%	
1 April 2020 – 31 March 2021	0.10	Average = 0.10%

- 2.2 Base rate has remained constant at 0.10% throughout the 2020/21 financial year.
- 2.3 The pattern of long-term borrowing rates in 2020/21 can be gauged by the following table of Public Works Loans Board (PWLB) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2020	2.09	2.30	2.78
31 March 2021	0.99	1.91	2.39
Highest Rate in 2020/21	2.14	2.48	3.06
Lowest Rate in 2020/21	0.85	1.20	1.73
Span of Rates	1.29	1.28	1.33

3. LONG TERM FUNDING

3.1 The Prudential Code on local authority borrowing came into operation on 1 April 2004. The principal effect of the Code was to abolish most central government control of local authority borrowing, a principle that has been a cornerstone of local government finance for over a century. Instead, authorities must follow the guidance laid down in the Code and they will be expected to comply with its requirements. These cover not just borrowing but any decision that determines whether the capital investment plans of an authority are affordable, prudent and sustainable. The Code is discussed in more detail in **Appendix A3**.

3.2 The City Council did not draw down any external long-term loans in 2020/21. The capital programme was funded internally from borrowing undertaken in 2019/20, by drawing from the authority's own resources, and from external grants and contributions.

4. DEBT RESCHEDULING

4.1 The City Council's long-term loans portfolio at the end of March 2021 consisted of two PWLB loans taken out at £9m and £5m (both taken out in 2019/20). Principal on both loans will be repaid each year with final repayments due in 2059 & 2039 respectively.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2021.

	£
Public Works Loans Board (PWLB)	13,287,500
Short Term Loans	<u>12,800</u>
Total Loans Outstanding	<u>£13,300,300</u>

6. INVESTMENT TRANSACTIONS

- 6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2021 is set out in **Appendix B3**.
- 6.2 The total at that date (£14.289m) can be compared with an average figure in 2020/21 of over £23.884m and a peak amount of over £34.403m. The closing balance in 2019/20 was £30.403m (due to receipt of COVID related grants).
- 6.3 The Investment Strategy for 2020/21 embraced a mixture of longer-term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g. grant and precept payment dates. There were no changes made to counter party limits in 2020/21.
- 6.4 Investment income in 2020/21 at £236,918 was below the original estimate of £265,200. Actual investment rates obtained from banks and building society investments in 2020/21 were generally below expectations when the budget was set. The average yield on the Council's investments held including the property fund in 2020/21 was 1.15%. This is still a favourable return considering the position of bank base rates and compares well against other local authorities. This performance was assisted by a significant proportion of investments being placed for longer terms of up to a year and the use of deposit accounts for shorter dated cash requirements.
- 6.5 At 31 March the investment in the CCLA Property Fund was yielding a return of 4.30%. Dividends received in 2020/21 totalled £144,536.59. The investment has also grown in capital value since the investment was placed in July 2014 from £2,836,893 (after entry costs of £163,107) to £3,289,358 (an increase of £476,465). The capital value for 2020/21 decreased by £23,637. The overall increase in value offsets the initial entry costs but is still subject to fluctuations in the overall performance of the fund. However, the fund is continuing to grow with more local authorities taking the decision to invest.

7. INVESTMENT STRATEGY 2021/22

- 7.1 The Investment Strategy must be agreed before the start of each financial year and the 2021/22 Strategy was approved by Council on 2 February 2021. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long-term borrowing decision can affect an authority's measured performance for many years to come. Borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.

8.2 **Appendix A2** sets out some performance indicators in respect of both loans and investments outturn for 2020/21 and 2019/20.

9. TREASURY CONSULTANCY SERVICE (TCS)

9.1 The City Council continues to employ Link Asset Services as its treasury management consultants. Link provide daily bulletins on both borrowing and investment issues and this helps advise both the investment and funding decisions that are taken by the Council.

10 CONCLUSIONS

10.1 At the end of March 2021, the City Council has substantial long-term PWLB borrowing of £13.287m. The loans will be paid back in equal instalments of principal over the lifetime of the loan. The Medium-Term Financial Plan anticipates external borrowing to support the Council's capital programme in 2021/22 and this will be further assessed during future planning of the MTFP during the course of this year. The focus of the authority's treasury management activities also remains very much on the investment aspect of the function.

10.2 Investment conditions were very similar to as they were in 2019/20. The City Council's investment interest was significantly lower than the previous year, however the performance achieved was slightly better than bank base rate levels. For this authority, as indeed for most others, reduction in investment income poses a very significant financial challenge. This has been alleviated somewhat by the decision to invest in the CCLA property fund which has performed well since initial investment.

10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will not start to rise again until 2022.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2020/21 %	2019/20 %
Average External Debt Rate - Carlisle	2.64	6.17

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years.

2. INVESTMENT MANAGEMENT (Inc. Property Fund)

	2019/20 %	2019/20 %
Average Return in Year - Carlisle	1.15	1.31
Average Bank Base Rate in Year	0.10	0.72

Comment

The City Council's rate of return in 2020/21 on its investments was below that obtained in 2019/20; this was in line with expectations when the budget was originally set.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the Council itself to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision-making process.
- 2.2 The final performance indicators for the current year, as compared to those reported in during the budget cycle are set out below. The compilation and monitoring of these indicators is central to the operation of the Code.

3 Supported and Unsupported (or Prudential) Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. This was deemed to be supported borrowing as credit limits were supported through funding from Revenue Support Grant. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the revenue

consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

	2020/21 Provisional Outturn £	2020/21 Revised Estimate £
(i) Capital Expenditure	14,172,212	18,651,300
(ii) Financing Costs		
Interest Payable - Re Borrowing	410,476	1,036,100
Investment Income	(236,917)	(265,200)
Total Financing Costs	173,559	770,900
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers*	14,074,100	14,074,100
(iv) Ratio of Financing Costs to Net Revenue Stream	1.23%	5.48%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	0.00	0.00
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	44,100,000	44,100,000
Maximum Level of Borrowing and Other Long term Liabilities	13,300,300	13,300,300
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

* Business Rates Outturn still to be confirmed

	2020/21 Provisional Outturn £	2020/21 Revised Estimate £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	39,100,000 13,300,300	39,100,000 13,300,300
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	21,151,091	24,676,000

(a) Prudence and Sustainability

	2020/21 £
(i) Target New Borrowing to Date Long Term Borrowing taken in 2020/21	7,000,000 0
(ii) Target Percentage of Fixed Rate Long Term Borrowing Actual as at 31 March 2021	100% 100%
(iii) Target Percentage of Variable Rate Long Term Borrowing Actual as at 31 March 2021 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	100% 0%
(iv) Target Minimum Level of Investments Classified as Specified Actual Level of Specified Investments as at 31 March 2021 As part of the Investment Strategy for 2020/21, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%

TREASURY TRANSACTIONS
1 JANUARY 2021 TO 31 MARCH 2021

1. LOANS (DEBT)

1.1 Transactions 1 January 2021 to 31 March 2021

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	112,500	1.80
P.W.L.B	0	0	125,000	1.33
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		237,500	

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at 31 March 2021

	£
P.W.L.B	13,287,500
Short Term Loans	12,800
	13,300,300

1.3 Loans Due for Repayment

	PWLB £	Total £
Short Term Debt at 31 March 2021	475,000	475,000
		475,000

1.4 Interest Rates

Both Link Group and Capital Economics have made no change to their interest rate forecasts. Bank Rate is forecast to remain unchanged at 0.10% throughout 2021.

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	5,000,000	0.01-0.01	13,000,000	0.01-0.1
	5,000,000		13,000,000	

A full schedule of investment transactions is set out in **Appendix B2**. **Appendix B3** shows outstanding investments at 31 March 2021.

3. REVENUES COLLECTED

	Collected £	% of Amount Collectable %
Council Tax	63,686,663	95.67
NNDR	20,375,547	94.34
2020/21	84,062,210	95.34
Council Tax	62,143,990	97.12
NNDR	43,138,152	97.38
2019/20	105,282,142	97.22
Council Tax	58,790,993	97.36
NNDR	43,904,416	98.42
2018/19	102,695,410	97.80

Final collection levels were very similar to those of the previous two years.

4. BANK BALANCE

At 31 March 2021 the bank balance was £441,907 in credit.

This simply records the Council's bank balance at the end of the last day covered by the report.

5. OUTTURN ON TREASURY MANAGEMENT IN 2020/21

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	(265)	(237)	28
Interest Payable	1,036	410	(626)
Less Rechargeable	(18)	(3)	15
	1,018	407	(611)
Debt Management	12	23	11
NET BALANCE	765	193	(572)

INVESTMENT TRANSACTIONS 1 JANUARY 2021 TO 31 MARCH 2021

INVESTMENTS MADE			INVESTMENTS REPAYED	
	£			£
HSBC	3,000,000.00		HSBC	9,000,000.00
HSBC	2,000,000.00		Federated	4,000,000.00
TOTAL	5,000,000			13,000,000
			Bfwd	22,221,135
			Paid	5,000,000
			Repaid	13,000,000
			CCLAdedcrease	68,223
				.
			Total	14,289,358

Outstanding Investments as at 31 March 2021

Appendix B3

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
	HSBC	6,000,000	0.01%		Call1			0
	Bank of Scotland PLC	5,000,000	0.58%		Call180			0
	Total Investments	£11,000,000	0.27%					£0
	CCLA Property Fund	3,289,358	4.30%	31/07/2014	3,000,000	(163,107)	2,836,893	289,358

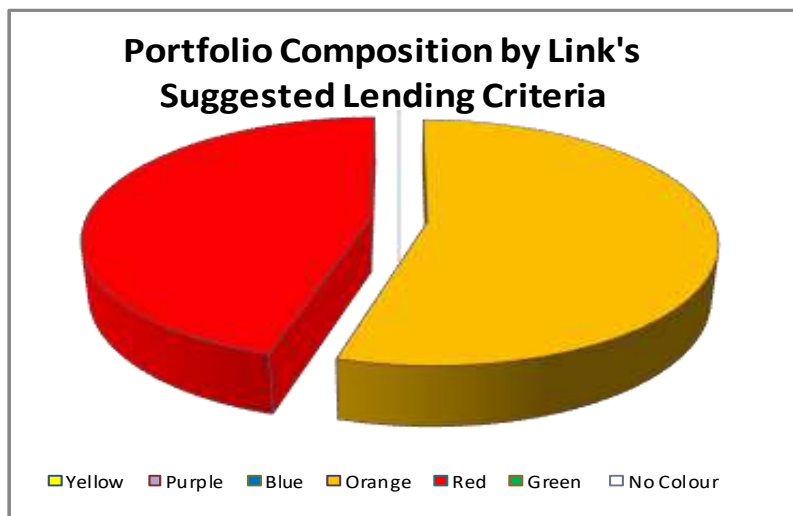
1. Entry Costs were charged against Treasury Management Budget in 2014/15

N.B Interest is recognised in the appropriate financial year in which it is due. The category colour represents the duration of investment recommended by Link Asset Services, the Council's Treasury Advisors. Those investments with No colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return WARoR	Weighted Average Days to Maturity WAM	Weighted Average Days to Maturity from Execution WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	54.55%	6,000,000	100.00%	6,000,000	54.55%	0.01%	0	0
Red	45.45%	5,000,000	100.00%	5,000,000	45.45%	0.58%	180	180
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	11,000,000	100.00%	11,000,000	100.00%	0.27%	82	82

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Mar 2021	Dec 2020	Sep 2020	Jun 2020
1	0.0	0.2	0.2	0.04
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	2.2	2.1	1.9	2.7
5	2.3	1.3	1.5	1.4
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	4.5	3.6	3.6	4.1



	Link's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour

Normal' Risk Score	3.5	3.5	3.5	3.5
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Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3(d)

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: COUNCIL TAX PROVISIONAL OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD04/21

Summary:

This report summarises the provisional outturn and performance position for Council Tax and was considered by Executive on 2 June 2021.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Council Tax and note the performance and position with regard to write offs and bad debts.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Council:	N/A

Report to Executive

Agenda
Item:

Meeting Date: 2 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: COUNCIL TAX PROVISIONAL OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD04/21

Purpose / Summary:

This report summarises the 2020/21 provisional outturn and performance position for Council Tax.

Recommendations:

The Executive is asked to:

- (i) note the provisional outturn position at 31 March 2021 for Council Tax and also note the position with regard to business rates and to write offs and bad debt trends;
- (ii) note that these figures, as presented, are subject to change pending the completion of the NNDR3 return and final confirmation of any business rates pooling gains for 2020/21;
- (iii) Approve the creation of a new earmarked reserves of £69,048 for the income received for the Tax Income Guarantee scheme as detailed at 2.1.5 for recommendation to Council.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Council:	20 July 2021

1. BACKGROUND

1.1 The aim of this report is to:

- i) Advise Members of the current position on the 2020/21 Council Tax and Business Rates Accounts i.e. the total value of accounts raised and how much has been collected in the 2020/21 financial year.
- ii) Highlight and explain any variances against the expected (or budgeted) position.

2. COUNCIL TAX PROVISIONAL OUTTURN AS AT 31 MARCH 2021

2.1 Collection Fund (Council Tax)

2.1.1 The Council Tax Collection Fund records all the entries in relation to income and expenditure in relation to Council Tax. For budgeting purposes, the Collection Fund position is estimated on 15th January each year and it is this figure that forms the basis of the following year's budget.

2.1.2 In setting the budget for 2020/21, the position on the collection fund was estimated to a surplus of £238,653, with the Council's share being £29,438.

2.1.3 When the final position was calculated at the end of 2019/20 the surplus on the Council Tax Collection Fund was actually £50,781 of which the Council's share was £6,197. This decrease in the surplus is then taken into account and redistributed in the budgeted estimate for 2021/22.

2.1.4 The actual collection fund position for 2020/21 has been calculated and the surplus has decreased and is now a deficit, now standing at £1,202,144.91 with the Council's share being £144,909.44. This worsening position is as a result of the effects of the COVID-19 pandemic and the Council's ability to recover Council Tax debt. Legislation has been passed that will allow the Council to spread this deficit position over the following three years (2021/22 – 2023/24) to ease the impact on the General Fund and allow time for arrears to be recovered. In January 2021, the estimated collection fund position was £1,204,081. The current position on the Council Tax Collection Fund is shown below:

Carlisle City Council	£000
Balance Brought Forward (Surplus)	(50)
Council Tax Income (Net)	(66,884)
Precepts from Major Preceptors	
Cumbria County Council	49,654
Police & Crime Commissioner for Cumbria	9,154
Carlisle City Council	8,175
Impairment of Debts / Bad Debt Provision	914
In Year Deficit	1,013
Contribution towards previous years surplus	239
Total Carried Forward Deficit	1,202
Distributed to preceptors:	
Cumbria County Council	895
Police & Crime Commissioner for Cumbria	162
Carlisle City Council	145

The Council's share of the deficit on the Collection fund is carried forward on the Balance Sheet and will be distributed as part of the budget process in 2022/23. The in-year deficit is as a result of an increase in the bad debt provision and a decrease in income collected, particularly due to the effects of COVID. The Government announced in December 2020 that local authorities would be able to spread any exceptional in-year deficits over the following 3-year period so as not to have an adverse effect on any single year. They also announced that any loss of taxation income would be compensated by a one-off grant covering 75% of losses. These losses are measured slightly differently to the calculation of any deficit position on the Collection Fund.

2.1.5 Tax Income Guarantee Scheme

The Tax Income Guarantee Scheme covers losses of council tax income measured by comparing an authority's council tax requirement for 2020/21 with its share of the adjusted 'Net Collectable Debit' for 2020/21. The calculation for the Council is set out below.

Outturn Net Collectable Debit	£ 66,569,542.00	
Collection Rate	98.5%	
Adjusted Net Collectible Debit	65,544,371.05	
Gross up for S13A1C Discretionary Reliefs	684,667.00	
Outturn for Income Compensation	66,229,038.05	
Estimated Net Collectable Council Tax at start of year		
Cumbria County Council	49,654,101.00	74%
Police & Crime Commissioners	9,154,518.00	14%
Carlisle City Council	8,174,780.00	12%
	66,983,399.00	
2020/21 Total Income Compensation	754,360.95	
Grant @ 75%	565,770.71	
Grant applicable to preceptors		
Cumbria County Council	419,399.98	
Police & Crime Commissioners	77,323.01	
Carlisle City Council	69,047.72	

It is recommended that this grant £69,047.72 be set aside in an earmarked reserve and used to offset the deficit spreading amounts included in the budget.

3. COUNCIL TAX COLLECTION PERFORMANCE

- 3.1 The Council's Council Tax collection performance for 2020/21 was 95.67% (2019/20 - 97.1%).

4. NNDR PROVISIONAL OUTTURN AS AT 31 MARCH 2021

4.3 2020/21 Outturn

It should be noted though that due to the ongoing effects of responding to the COVID-19 pandemic and the distribution of Business Grants, the Business Rates Outturn has been delayed along with completion of the annual return to Government (NNDR3). The deadline for this form to be submitted has been delayed until 30 June. Therefore, it is not possible at this time to report the outturn position and the impact on both the Collection Fund and General Fund.

Once the final outturn is known and the NNDR3 completed, the Business Rates Outturn position will be reported to a future Executive meeting and the impact will be included in the Statement of Accounts including the impact on the Cumbria Business Rates Pool.

Due to the pandemic, Government announced that there would be expanded relief given to the retail, leisure and hospitality sector. This relief was 100% of business rates for those businesses in the qualifying groups. As the Council would not collect Business Rates from these businesses, the Government provided compensation to local authorities in the form of a Section 31 Grant. The Council has therefore received £23m to date in respect of expanded retail relief. However, this compensation has been paid gross, i.e. the 50% local share and the 50% central government share. Therefore, until the final outturn is known it is not possible to properly account for the amount of grant to recognise.

5. BAD DEBT WRITE-OFFS FOR NNDR, COUNCIL TAX AND DEBTORS (INCLUDING PENALTY CHARGE NOTICES)

- 5.1 In accordance with Constitution, the Corporate Director of Finance and Resources is delegated with authority for the write-off of outstanding debts, without limit, and the Executive is asked to note that debts totalling £85,592.18 have been written off for the period 1st January 2021 to 31st March 2021; such bad debts are summarised for the Executive's information in Table 1 of this report. The total amount written off in 2020/21 of £630,397.33 compares to total write-offs in 2019/20 of £550,644.49.
- 5.2 The write-ons itemised in Table 1 totalling £4,083.27 are in respect of balances originally written off that have since been paid and credit write-offs for the period 1st January 2021 to 31st March 2021.
- 5.3 Also noted in Table 1 are the cumulative write offs and write-ons 1st April 2020- 31st March 2021. Total write-ons for 2020/21 were £15,549.36 compared to £27,700.93 in 2019/20.

Table 1

<u>Type of Debt</u>	Write offs 01/04/20 - 30/06/20 Quarter 1				Write offs 01/07/20 - 30/09/20 Quarter 2				Write offs 01/10/20 - 31/12/20 Quarters 3				Write offs 01/01/21 - 31/03/21 Quarter 4				Total Write offs 2020/21			
	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons
NNDR	6		7	325.13	52		6		8	124,378.31	7	915.87	20	45,246.26	7	249.06	86	475,790.16	27	1,735.50
NNDR (PSC)		139,623.25				166,542.34		245.44									0	0.00	0	0.00
Council Tax	33		12	2066.03	41		18	3895.63	116		15		54		18		244	136,156.53	63	13,788.42
		29,326.16				24,955.08				46,629.04		3,994.55		35,246.25		3,832.21	0	0.00	0	0.00
Debtors																	0	0.00	0	0.00
Private																	0	0.00	0	0.00
Tenants	20				4				14		1	13.19	8				46	14,034.97	1	13.19
Housing		7,406.28				1,997.56				1,672.64				2,958.49			0	0.00	0	0.00
Benefit																	51	3,925.67	7	12.25
Overpayments	7		3	6.77	7				19		2	3.48	18		2	2.00	0	0.00	0	0.00
General Fund		61.06				13.88				1,958.55				1892.18			0	0.00	0	0.00
Penalty																	0	0.00	0	0.00
Charge																	0	0.00	0	0.00
Notices																	0	0.00	0	0.00
On Street 16																	0	0.00	0	0.00
Off Street 3	2				1								3	249.00			6	490.00	0	0.00
		166.00				75.00											0	0.00	0	0.00
TOTAL	68	176,582.75	22	2,397.93	105	193,583.86	24	4,141.07	157	174,638.54	25.00	4,927.09	103	85,592.18	27	4,083.27	433	630,397.33	98	15,549.36

6. OUTTURN POSITION, WRITE OFFS/WRITE ONS VIA DEBTOR TYPE

6.1 The outturn position in respect of 2020/210 on a cumulative basis by fund indicates total debts written off amount to £630,397.33.

6.2 Write offs were debited as follows:

	£
Council Tax (Collection Fund	136,156.53
NNDR	475,790.16
General Fund	18,450.64
Total	630,397.33

6.3 Write-ons were credited as follows:

	£
Council Tax (Collection Fund	13,788.42
NNDR	1,735.50
General Fund	25.44
Total	15,549.36

6.4 In the case of General Fund, the write-offs will be charged against provisions made for bad debts (except for PCN's which are accounted for on a cash basis). However, VAT which has been separately identified will be recouped in future VAT returns. Write-off/Write on of Council Tax will fall against the Collection Fund provisions within those accounts. Any Council Tax Court Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

	General Fund	Council Tax	NNDR	Total
Opening Bad Debt Provision	1,424,558	1,920,580	262,939	3,102,940
Closing Bad Debt Provision	1,326,728	2,711,505	tbc	4,038,233

N.B. The Bad Debt provision for NNDR is still to be calculated.

7. RISKS

With the implementation of Business Rate Retention, the Council relies on Business Rate income to support its service delivery. Any significant loss of income would have a significant impact on the Council's Medium-Term Financial Plan.

8. CONSULTATION

- 8.1 Business and Transformation Scrutiny Panel will consider the report on 3 June 2021.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The provisional outturn position and comments on performance will feed into the overall Revenue accounts for 2020/21.
- 9.2 The Executive is asked to:
- (i) note the provisional outturn position at 31 March 2021 for Council Tax and also note the position with regard business rates and to write offs and bad debt trends.
 - (ii) note that these figures, as presented, are subject to change pending the completion of the NNDR3 return and final confirmation of any business rates pooling gains for 2020/21.
 - (iii) Approve the creation of a new earmarked reserves of £69,048 for the income received for the Tax Income Guarantee scheme as detailed at 2.1.5 for recommendation to Council.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 10.1 The collection of Council Tax and NNDR directly affects all residents receiving services from Carlisle City Council.

Contact Officer: Steven Tickner

Ext: 7280

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

Legal – The Council has a statutory obligation to collect Council Tax (Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Regulations 1992 and NNDR (Local Government Finance Act 1988).

Property – No implications

Finance – Included within this report

Equality – This report raises no explicit issues relating to the public sector Equality Duty

Information Governance - No Implications

Report to Business and Transformation Scrutiny Panel

Agenda Item:
A.3(d)

Meeting Date: 3 June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL
OUTTURN REPORT FOR 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD08/21

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2020/21.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Members Allowances.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Council:	Not applicable

Report to Executive

Agenda
Item:

Meeting Date: 2nd June 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL
 OUTTURN REPORT FOR 2020/21

Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD08/21

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2020/21.

Recommendations:

The Executive is asked to receive the report and note the overall underspend of £20,535 on allowances for 2020/21.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Council:	Not applicable

1. BACKGROUND

- 1.1 Set out in the attached **Appendix 1** are the amounts paid directly to individual Members as part of the Elected Members' Allowances Scheme for 2020/21 as required under paragraph 15 of the Local Authority (Members Allowances) (England) regulations 2003.

2. PROPOSALS

- 2.1 The detail in respect of Travel and Subsistence for Members collectively is provided in paragraph 2.6.
- 2.2 The overall position is summarised as follows:

	Budget £	Outturn £	Variance £
Basic Allowance	191,000	185,049	(5,951)
Special Responsibility allowance	88,700	84,527	(4,173)
Dependent Carers' Allowance	0	0	0
Travel	8,700	189	(8,511)
Subsistence	1,900	0	(1,900)
Total	290,300	269,765	(20,535)

- 2.3 There is an underspend overall of £20,535.
- 2.4 The Basic Allowance budget is under-spent because budgets are allocated for a full year from April and there were vacancies on the Council for some part of the year.
- 2.5 The Special Responsibility Allowance budget is slightly under-spent. This is partly due to committees not sitting until later in the year and therefore allowances only being paid for part of the year. In addition, Members are only entitled to receive one Special Responsibility Allowance and therefore if they hold two positions that attract an allowance only one will be paid.

2.6 Details of Travel and Subsistence:

	Budget £	Outturn £
Public Transport		
• Public transport costs in respect of attendance at committee meetings and other approved duties	1,900	0
• Planning Site visits and other approved duties	1,000	0
	2,900	0
Mileage Expenses		
Mileage costs in respect of attendance at committee meetings and other approved duties	5,800	189
Subsistence Expenses		
Subsistence costs in respect of attendance at committee meetings and other approved duties	1,900	0

Please note that subsistence covers items such as:

- Accommodation
- Car parking charges
- Out of pocket expenses
- Meals

3. RISKS

3.1 There are no risks associated with the Members outturn report.

4. CONSULTATION

4.1 The report will be considered by Business and Transformation Scrutiny Panel on 3 June 2021.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1 The Executive is asked to receive the report and note the overall under-spend of £20,535 with the Members' Allowances Scheme for 2020/21.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 Members allowances form part of the Council's revenue budget and there is a requirement to report the outturn against the budget as part of the overall Council outturn position.

Contact Officer: Alison Taylor

Ext: 7290

Appendices attached to report: Appendix 1 – Members' Allowances Summary 2020/21

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL - As stated within the body of the Report, the details herein are required to be reported by virtue of Regulation 15 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

PROPERTY SERVICES – not applicable

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – not applicable


INFORMATION GOVERNANCE – not applicable

MEMBERS' ALLOWANCES SUMMARY 2020/21

APPENDIX 1

Init	Surname	Basic	Became a councillor	Ceased to be a councillor	SRA	Travel	Subsistence	Notes
Ruth	Alcroft	4,887.00						
Trevor	Allison	4,887.00						
Louise	Atkinson	4,887.00						
James	Bainbridge	4,887.00			4,497.00			
Robert	Betton	4,887.00						
Pamela	Birks	4,887.00						
Jeffrey	Bomford	4,887.00			435.19			SRA ceased wef 05/05/20
Marilyn	Bowman	4,887.00			293.80			SRA wef 02/02/21
Lisa	Brown	4,887.00			4,497.00			
Nigel	Christian	4,887.00			6,735.00			
John	Collier	4,887.00						
Helen	Davison	4,887.00			345.68			SRA wef 11/12/20
John	Denholm	4,887.00						
Gareth	Ellis	4,887.00			11,229.00			
Chirstine	Finlayson	4,887.00						
Anne	Glendinning	4,887.00						
Colin	Glover	4,887.00			3,749.00			SRA reduced wef 01/08/20 due reduction in members
Stephen	Higgs	4,887.00			6,735.00			
Elizabeth	Mallinson	4,887.00			6,735.00			
John	Mallinson	4,887.00			17,967.00			
Ann	McKerrell	4,887.00						
Niall	McNulty	4,887.00		23/03/2021	503.35			SRA ceased wef 23/03/21
Keith	Meller	4,887.00			3,022.18			SRA wef 30/07/20
Michael	Mitchelson	4,887.00						
David	Morton	4,887.00						
Nigel	Nedved	4,887.00			6,735.00			
John	Paton	4,887.00			4,497.00			
Lucy	Patrick	4,887.00						
Christopher	Robinson	1,418.81		15/07/2020	109.16			SRA ceased wef 05/05/20
Fiona	Robson	4,887.00						
Calvin	Rodgers	2,811.34		28/10/2020				
David	Shepherd	4,887.00				189.20		Mileage for 2019/20 but paid in May 20
Lee	Sherriff	4,887.00						
Christopher John	Southward	4,887.00						
Valerie	Tarbit	4,887.00						
Les	Tickner	4,887.00						
Raymond	Tinnion	4,887.00			4,303.58			SRA wef 22/05/20
Jeanette	Whelan	4,887.00						
Jo-Anne	Williams	4,887.00			1,128.00			
STANDARDS COMMITTEE					1,010.04			
PLANNING VISITS								
	Sum:	185,049.15			84,526.98	189.20	0.00	

Note: subsistence covers items such as accommodation, car parking charges, out of pocket expenses and meals.

 <p>CARLISLE CITY COUNCIL</p> <p>www.carlisle.gov.uk</p>	<h1>Business & Transformation Scrutiny Panel</h1>	<p>Agenda Item:</p> <h2>A.4</h2>
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Meeting Date: 3rd June 2021
Portfolio: Leader, cross cutting
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: The Sands Centre Redevelopment Project
Report of: The Deputy Chief Executive
Report Number: CS 25/21

Purpose / Summary:

The Purpose of this report is to update the Business and Transformation Scrutiny Panel on the current progress of the redevelopment of the Sands Centre site, and to consider any feedback / questions from the Panel. The report also provides an update of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) Progress with the main contract works
- b) A requirement to update existing infrastructure in the events space to manage public safety systems to meet with current legislation.
- c) Working practices evolving from the management of the risks associated with the COVID -19 pandemic
- d) Working practices evolving from the management of the Brexit Agreement arrangements

Recommendations:

That Business and Transformation Scrutiny Panel review the report, note the progress made and respond with any feedback and / or questions.

Tracking

Executive:	-
Scrutiny:	-
Council:	-

1. BACKGROUND

- 1.1** The replacement of James Street Pools and the redevelopment of The Sands Centre site to improve wet and dry side sporting provision has been a long-term aspiration for the Council. Previous Council reports (6th March 2018, CS 16/18 and 25th June 2019, CS 17/19, and 17th September 2020 CS 22/20) provide detailed background commentary on the development of the project and its progress via Scrutiny and Executive committees.

2. PROPOSALS UPDATE

2.1 Main Works Contract – progress update:

Since the last report the following progress has been made on the project:

- The site establishment, cleaning staff and welfare arrangements have been upgraded to accommodate an increase in the workforce whilst providing sufficient working space, ablution facilities and cleaning regimes to managed the risk of the transmission of COVID-19 within the site workforce, deliveries and visitors to site. The site is working to SOP version 7 standard of Construction industry COVID guidance.
- The Environment Agency work to the flood gates at the Sands and Swifts Bank have now been completed, with only the handrailing and grass-seeding to complete, which are not critical to the level of flood protection.
- The vibro-compaction ground stabilisation has been completed and temporary pile matting removed. (This is a ground stabilisation technique which consolidate non-cohesive or weak soils by installing densely compacted columns of stone or gravel in the ground which in turn displaces and densifies the surrounding granular soils to give a firm surface to build on).
- The excavation for the two swimming pools and the foundations for the building frame and the street have been completed. The site is very limited in space for plant, so all of the deep excavations have been dug out first and deep foundations and drainage work completed, so that some areas can be backfilled to use as a working platform for the building work.
- Work on the RIBA stage 5 specialist subcontractor design elements to coordinate with the main work designs is ongoing. The subcontractors are currently working on filter equipment, fire detection, Changing Places hoist fitment and air handling plant.

- The concreting work on the slab and foundations for the two swimming pools are due for completion at the end of 15/5/21 ready to receive the first components of the steel frame for the pool hall. The larger steel components are due on site at the end of the month.
- Work has started on the new electricity substation. The base has been cast and the new GRP housing is due on site by the end of the month. The new transformer equipment is due on site in July for installation during the planned shut down of the Events Centre for 8 weeks over the summer months.
- Work on the discharge of planning, building control and statutory undertaker conditions, is ongoing. This includes the development of the consequential improvement strategy to comply with Part L of the Building Regulations. As explained in previous Sands Centre reports to Council, the development of the new facilities alongside the existing Events Hall places a responsibility on the Council to improve the energy efficiency (and CO2 footprint) of the existing building as part of a redevelopment project. This includes measures which improve the thermal insulation of the building or reduce energy consumption. A smoke test to determine air leakage in the Events Centre is planned for 27/5/21, with a view to sealing any large voids or cavities to improve energy efficiency in the existing building.
- Further survey work is currently being undertaken to establish the condition of existing life safety systems, post demolition, to review the longevity and obsolescence of the system components to maintain service during the construction works and their suitability for re-connection to the new systems on completion of the leisure works e.g. CCTV cameras and fire safety for a public building.
- At the Sands Centre site, a fully accessible temporary events centre reception, bar and catering facility is due to reopen to the public when government restrictions are lifted. GLL are preparing the site in readiness for reopening the site to the public.

2.2 COVID-19 implications on the Main Contract

- Since March 2020 it has become clear that the COVID-19 pandemic has brought about serious implications for all economic sectors. The construction sector has needed to pay attention to areas of work such as material supply, travel to and from site, on site risks and working practice and the provision of enough, clean welfare facilities.
- Wates have responded to the pandemic by developing additional management and staff guidance to provide up to date information for all levels of the business. The

working arrangements developed by Wates during this period have followed the benchmarks laid out by the Construction Leadership Council (CLC). These CLC safe working procedures have been developed and updated to reflect the latest government guidance. The CLC has now produced Version 7 of this guidance and Wates have developed their onsite plans to reflect this.

- Provision has been made within the contract documents to ensure an element of shared risk management for quantifiable risks in terms of cost and programme constraints.
- If further significant local or national or international restrictions were imposed which restrict the flow of the workforce to the site and/or materials to site, Wates are entitled to review the impact of such restrictions on the costs and programme. If a proven cost can be shown, Wates can make a claim for compensation under the terms of the Contract. This is an unquantifiable risk but through proper contract administration the mechanisms exist within the Contract to allow the Council to make representations as part of that process.
- WCL, CCC and the project team review the guidance and COVID management plan periodically to ensure that it remains up to date and relevant for the management of the risks as far as reasonably practicable.

2.3 Brexit Agreement implications on the Main Contract

- A Brexit plan had been developed with WCL prior to entering into Contract, to try and quantify the risk and manage the impact of Brexit on time or cost, for something which was not published at the time of entering into the contract and is currently evolving. The plan was based on a review of the availability of key areas of the workforce, the location of the designers for some of the specialist design work, the ownership, source of the raw materials and finished products likely to be used to build and operate the project.
- The review of the Brexit plan, like the COVID and Flood plans, is an ongoing process to reflect the construction activities and programme. The plan is updated periodically to identify any emerging risks and mitigate them where possible.
- We are currently experiencing challenges to availability, delivery times and costs on cement-based products and cladding materials. It isn't clear at this stage whether the cause has its origin in the COVID pandemic or Brexit. Measures have been put in place to source alternative supplies or purchased materials in advance and store them where possible.

2.4 Main contract - Programme

- The main works contract is currently in week 25 of 98. (w.c.10/5/21).
- The project is currently on programme.
- There is a planned shutdown of the Events space for 10 weeks commencing in July 2021 to work on shared services and structure.

2.5 Main contract - Budget

- The main contract work element of the project is valued at circa £21 m.
- The remainder of the budget is allocated to other costs associated with the delivery of the project.
- The contract has been let using an NEC form of contract. A key feature of this form of contract is the collaborative approach to identifying construction issues as they arise and agree a solution. Part of this process is issuing Early Warning Notices which is then followed by an administrative process which works through potential solutions including any time or cost implications. There have been 45 Early Warning Notices, 32 Compensation Event Notices and 20 Project Manager instructions issued to date.
- The main contract and delivery costs are currently on target to stay within budget.

3. RISKS

- 3.1** Throughout the design process the project team have been working together to identify and eliminate or reduce budget, construction, project, and safety risks for all the stakeholders, wherever possible.

This is an ongoing process which is managed through the NEC 3 form of contract using an Early Warning Notice system – where all parties to the contract have an opportunity to provide an input into the identification and management of risk in a collaborative setting. The Early Warning Notice is reviewed to confirm the merit of its content and the likely impact on the project. The result of this review will then determine what action should be undertaken to reduce, mitigate or remove the risk.

Appendix E contains the most up to date strategic risk register for the project.

4. CONSULTATION / PARTNERS - OTHER CONSIDERATIONS RELATED TO THIS PROJECT

4.1 Sport England Funding Award

The Council has worked progressively with Sport England throughout the life of this project (since 2015) and has greatly appreciated the support grant funding, technical and sports planning guidance received from their officers and consultants.

Having produced a Strategic Delivery Model for the Sands Centre in August 2018, the Council submitted this document as part of an Expression of Interest to the Sport England Investment Committee in October 2018.

On 6th March 2019 the Sport England Investment Committee approved the award of an investment of £2M subject to the completion of a standard funding agreement. Further to this Sport England approved an additional £200k of funding support prior to the Council report in September 2020. Officers have now executed the funding agreement and are ready to draw down the funds.

The City Council has now satisfied the requirements of the grant application and has applied and received the drawdown of £2 m funding

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 This project makes a significant contribution to the priority to *“Further develop sports, arts, and cultural facilities to support the health and wellbeing of our residents”*.

In addition, project also contributes to the following other priorities:

“Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.”

“Promote Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.”

Contact Officer: **Darren Crossley**

Ext: **7004**

Appendices
attached to report: **Appendix A – Site Boundary Plan**
 Appendix B – Ground Floor Plan
 Appendix C – First Floor Plan
 Appendix D – Site Progress Photos
 Appendix E – Project Risk Register

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

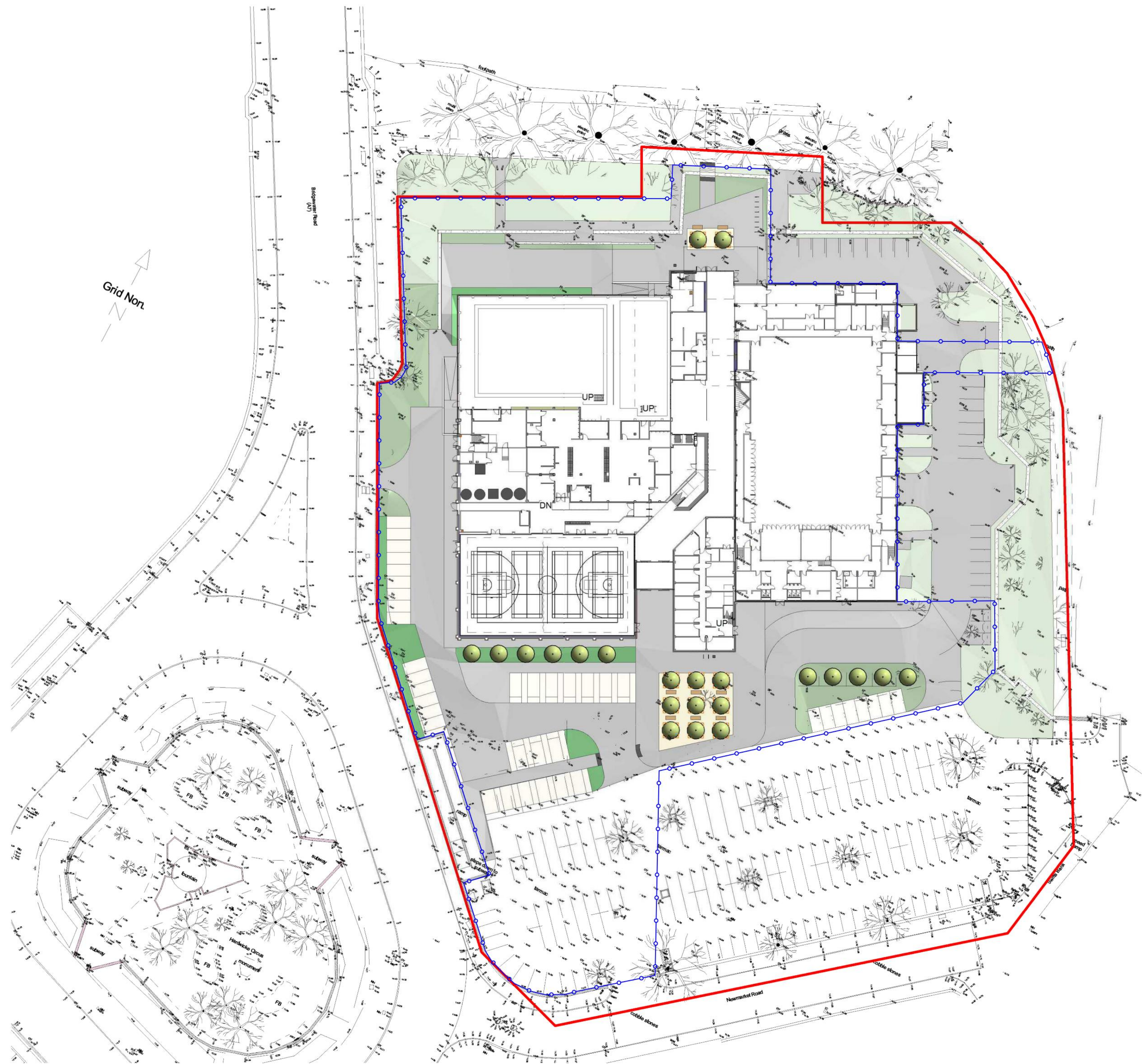
CORPORATE IMPLICATIONS:

LEGAL –

FINANCE – The project is part of the Council's capital programme and is monitored on a monthly basis with the Project Manager and key internal stakeholders through internal project meetings that ensure any financial implications of the project are brought to light as early as possible.

EQUALITY –

INFORMATION GOVERNANCE –



Proposed Site Plan
Scale:- 1:500

KEY

— PLANNING SITE BOUNDARY

— CONSTRUCTION SITE BOUNDARY

18009-SLC-WCL-ZZ-ZZ-W-0002 rev 01

CONSTRUCTION SITE BOUNDARY
PLAN

Rev	Date	Revision notes
00	13.03.2019	First issue
01	23.03.2020	Boundary extended to incorporate HV connections and hoardings



Linked Revit Model - Names / Version	
Discipline	Model Name
Existing Building	12292-Existing-The Sands 2018-SI-ZZ-M3
MEP	17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19
Structural	17024-BHE-XX-ZZ-M3-S-0001-P03.7-17.07.2020
Context	17024-GT3-00-ZZ-M3-A-LANDSCAPE- CENTRAL-2018
Landscape	GT1385-00B-SI-ZZ-M3-L-0001_P15

Denotes Environment Wall line from wet to dry Environments

Secondary means of entry / exit for temporary events state. To be managed by Operator.

Primary means of entry / exit for temporary events state. To be managed by Operator.

B	Issued For Contract	14/09/2020	SSe
A	Issued For Construction	15/04/20	SSe
P08	Updated To Reflect BCO Comments	25/02/20	JM
P07	Updated To Reflect BCO Comments	20/02/20	SSe
P06	Employers Requirements	08/02/19	MPH
P05	Stage 4A Issue - For Tender	18/01/19	SSe
P04	Stage 4A Issue	13/12/18	SSe
P03	Updated Stage 03 Following RTA & Client Comments	26/11/18	SSe
P02	Revised Stage 3 Design	25/10/18	SSe
P01	Stage 3 Issue	19/07/18	SSe

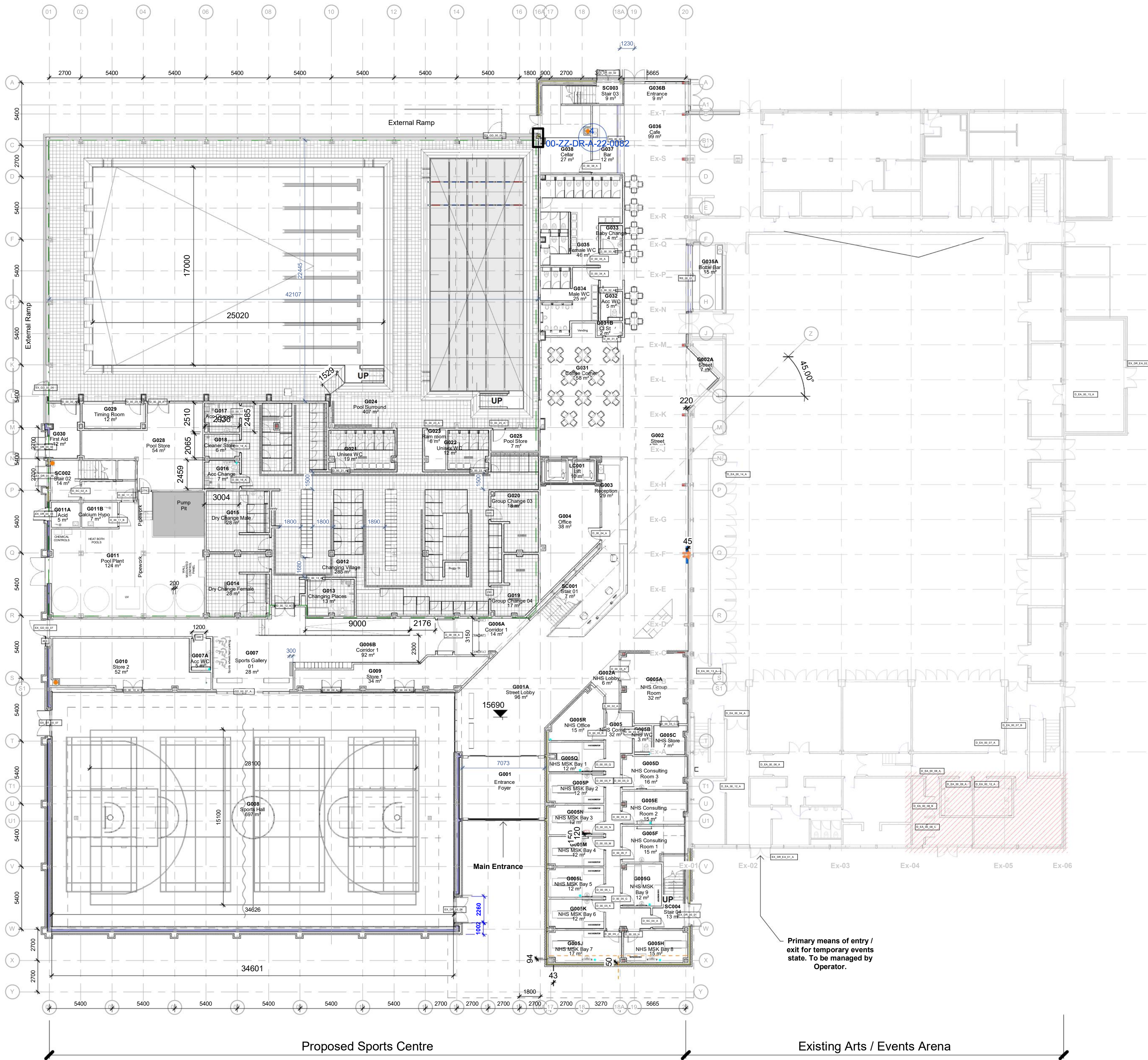
Stage 5

Carlisle City Council
The Sands Leisure Centre
Newmarket Rd, Carlisle CA1 1JQ

Level GF Proposed GA
GT3 JOB NO: 17024

DWG NO: 17024-GT3-00-GF-DR-A-20-0001-S2-B
SCALE: As indicated @A1
DRAWN BY: SSe
CHECKED BY: PRE

DO NOT SCALE
ALL DIMENSIONS TO BE VERIFIED ON SITE



Level GF - Proposed.
Scale:- 1 : 200

APPENDIX D – SANDS CENTRE REDEVELOPMENT progress photos

1) Work on the foundations of the new lift shaft



2) Bulk earthworks



3) Street steel frame foundations



4) Slab construction for man swimming pool and physiotherapy / teaching pool.



5) Excavated finds



Corporate Risk Register – March 2021

The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last update. A target risk matrix shows the risk level that the Council is aiming to achieve from the successful implementation of the control strategies and the date for when this will be achieved.



Preparing for the future funding of local government from 2020				
There is a risk that the Government fails to communicate changes to future local government funding from 2020 in a timely manner, meaning that the City Council cannot effectively prepare for these changes.				
RESOURCES				
There is a risk that the City Council is unable to approve a balanced budget due to the financial impact of the COVID-19 pandemic				
Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div>	December 2020	6	<p>The financial implications arising from COVID-19 continue to be monitored through monthly returns to the MHCLG. Emergency funding has been provided totalling £1.8 million and a co-funding package, providing a mechanism for irrecoverable sales, fees, and charges income, with the Government funding 75% of losses beyond 5% of planned income, has provided funding of £225,000 to date. The MHCLG has also announced that any deficits within the Collection Fund will be subject to a 3-year recovery period; this being a significant risk to the Council in terms of the potential loss of income received from Council Tax and Business Rates. The economic recovery of the city and surrounding areas, following the pandemic, and as part of the Recovery Strategy, is key to ensuring financial sustainability of the Council. At the present time the Council's S151 Officer does not believe that a S114 notice is required; however, this decision will be revisited periodically once more information on budgetary pressures, in terms of loss of income and additional costs, is known and any new Government funding packages are announced.</p> <p>The Senior Management Team have set up a Business Recovery Group to review our business recovery and continuity arrangements (should there be a second wave), considering the advice from the Health Protection Board on local incidence and emerging national guidance.</p> <p>Fortnightly Strategic Recovery Coordination Group (SRCG) meetings are taking place, chaired by Katherine Fairclough, Cumbria County Council and attended by the City Council's Chief Executive.</p> <p>A number of transformative work streams are being progressed including Future High Streets Fund, Borderlands and Towns Fund. There is a conscious attempt to improve high streets (through the reopening of the High Streets Fund), towns, cities, and commercial areas – to do more than recover but to innovate and address new challenges in light of Covid-19. Each workstream shares a similar purpose; to support regeneration across the district and drive Carlisle forward, supporting the growth agenda set out in the Local Plan.</p>	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div></div>
Impact score	3	Target Risk Date		March 2021
Likelihood score	2	Target Risk Score		6
		Lead Officer		Alison Taylor

Commented [DC1]: I think this risk needs to be refocussed towards financial risk – loss of income, increased expenditure on key projects etc. rather than service delivery.

Commented [SO2]: Please shift across to impact 2, Likelihood 4. Making the target Orange by December 2020.

Portfolio Holder	Finance, Governance and Resources
Scrutiny Panel	BTSP

CULTURE & SPORT				
There is a risk that we fail to deliver the required new leisure facilities at the Sands Centre, on time and within budget and therefore do not meet the saving targets identified in the Medium-Term Financial Plan.				
Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/ Mitigating Actions	Target Risk Matrix
<div><div>Likelihood</div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div>	Feb 2021	6	<p>Since the last update the main works contract has been signed and work has started on the main site.</p> <p>An assessment has been made of the impact of Covid-19 based on current guidelines and some mitigating measures have been built into the contract.</p> <p>Brexit – work is underway to mitigate, where possible, the impact of a no-deal Brexit on this and other capital works projects. Areas of particular concern are materials which are imported, manufactured from imported materials, or are currently produced in the UK by an overseas company. There is also some concern with the impact of the constructions industries reliance on a significant migrant workforce nationally and the impact this may have on the availability and retention of the work force locally.</p> <p>Since commencement of the project, we have also become aware of a requirement to undertake works to the main hall roof. Investigations into possible solutions are currently being undertaken and it is hoped these could be incorporated within the existing project. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL. These challenges have caused a delay in the delivery of the new facilities, once the additional costs are known a further report will be taken to Members for their consideration and direction.</p>	<div><div>Likelihood</div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div>
Impact score	2		Target Risk Date	June 2021
Likelihood score	3		Target Risk Score	4
			Lead Officer	Darren Crossley
			Portfolio Holder	Culture, Heritage & Leisure
			Scrutiny Panel	HWSP/BTSP

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 3rd June 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: SICKNESS ABSENCE REPORT 2020/21
 Report of: The Deputy Chief Executive
 Report Number: CS 24-21

Purpose / Summary:

This report sets out the authority's sickness absence levels for the period April 2020 to March 2021 and other sickness absence information.

Recommendations:

- 1) Scrutinise and comment on the information on sickness absence provided in the report.

Tracking

Executive:	Not applicable
Scrutiny: BTSP	3 rd June 2021
Council:	Not applicable

1. BACKGROUND

Business and Transformation Scrutiny Panel met on 13th February 2020 and during a discussion on the Sickness Absence Report, it was resolved that a Task and Finish Group would be established to assist the HR Manager in reviewing the Attendance Management Policy which would enable Managers to more effectively manage absence.

A new Improving Attendance Policy has been drafted as part of the work of this group. The draft Improving Attendance Policy, developed as part of a Member led Task and Finish group, has been through a consultation process with staff and managers. The Task and Finish Group plan to meet again in May 2021 to review the consultation feedback and to consider any final amendments to the policy draft. The policy draft is intended to support managers and employees with improving attendance at work.

Current sickness statistics are shown below, with the number of days lost per FTE equating to 8.5 (2019/20 12.1).

2. 2020/21 SICKNESS ABSENCE

The tables below show the 8.5 days lost per FTE split between long and short-term sickness (long term sickness is defined as any absence more than 4 consecutive working weeks):

2020/21	Days Lost	Days Lost per FTE
Long-term	2,973 (79%)	6.7 (79%)
Short-term	797 (21%)	1.8 (21%)
Total	3,770	8.5

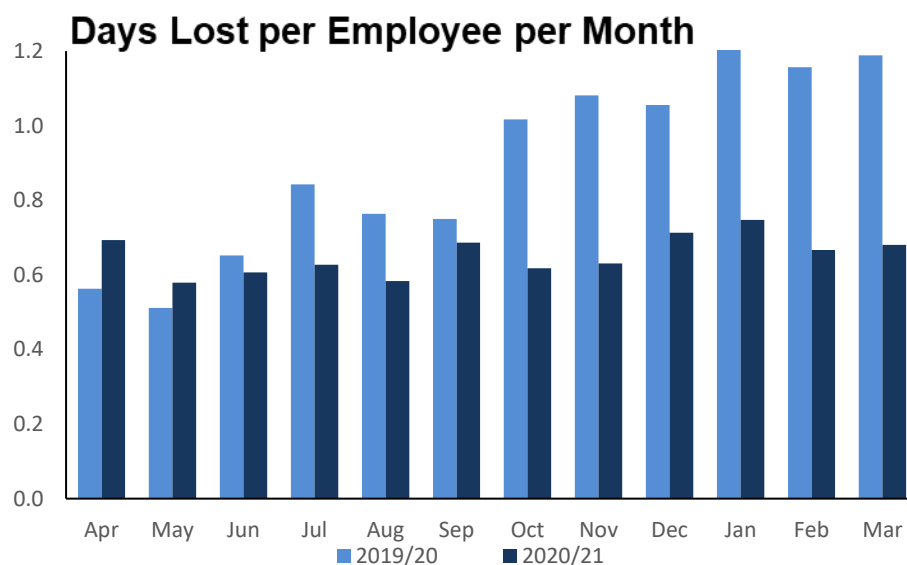
The tables below provide absence levels split by directorates for 2020/21 and previous whole years. New staffing structures were in place with effect from 1 October 2016 and 1 October 2018.

All Directorates (470 head count/411 Full-Time Equivalents (FTE) as at 31/03/21)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE	9.3	10.4	12.1	8.5
Number of working days lost due to sickness absence	3,875	4,260	5,065	3,770
Proportion of sickness absence that is long term (four working weeks or more)	58%	65%	69%	79%
Community Services (189 head count/178 FTE)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE	12.6	13.1	12.8	11
Number of working days lost due to sickness absence	2,078	2,139	2,116	1,939
Proportion of sickness absence that is long term (four working weeks or more)	69%	68%	64%	77%
Economic Development (38 head count/36 FTE)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE	3.6	4.4	5.4	3.4
Number of working days lost due to sickness absence	128	157	200	127
Proportion of sickness absence that is long term (four working weeks or more)	0%	33%	37%	93%
Governance and Regulatory Services (135 head count/110 FTE)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE	8.6	11.3	11.7	8
Number of working days lost due to sickness absence	902	1,165	1,308	1,033
Proportion of sickness absence that is long term (four working weeks or more)	59%	78%	77%	85%
Corporate Support* (34 head count/27 FTE)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE			11.3	9.6
Number of working days lost due to sickness absence			795	520
Proportion of sickness absence that is long term (four working weeks or more)			65%	74%
Finance and Resources* (74 head count/60 FTE)				
Indicator	2017/18	2018/19	2019/20	2020/21
Working days lost due to sickness absence per FTE			19	3.2
Number of working days lost due to sickness absence			647	152
Proportion of sickness absence that is long term (four working weeks or more)			82%	45%

*Corporate Support and Finance and Resources directorates restructures took effect from 1st October 2018, therefore reporting on new directorates has commenced from 2019/20.

In 2020/21, there was a 30% reduction in overall days lost per employee when compared to the same period in the previous year. 56 employees have been absent long-term (those cases where the absence is 4 working weeks or more) throughout the year; only 6 less than the previous year. 11 long-term cases remained open as at 20th April 2021 and 27 of the instances were due to 'Stress, depression, mental health, fatigue syndromes'.

The following graph compares the last twelve months with those of the previous year. The last ten consecutive months has seen a reduction in days lost compared to the same months of the previous year. Much of this reduction can be attributed to a decline in short-term sickness cases.



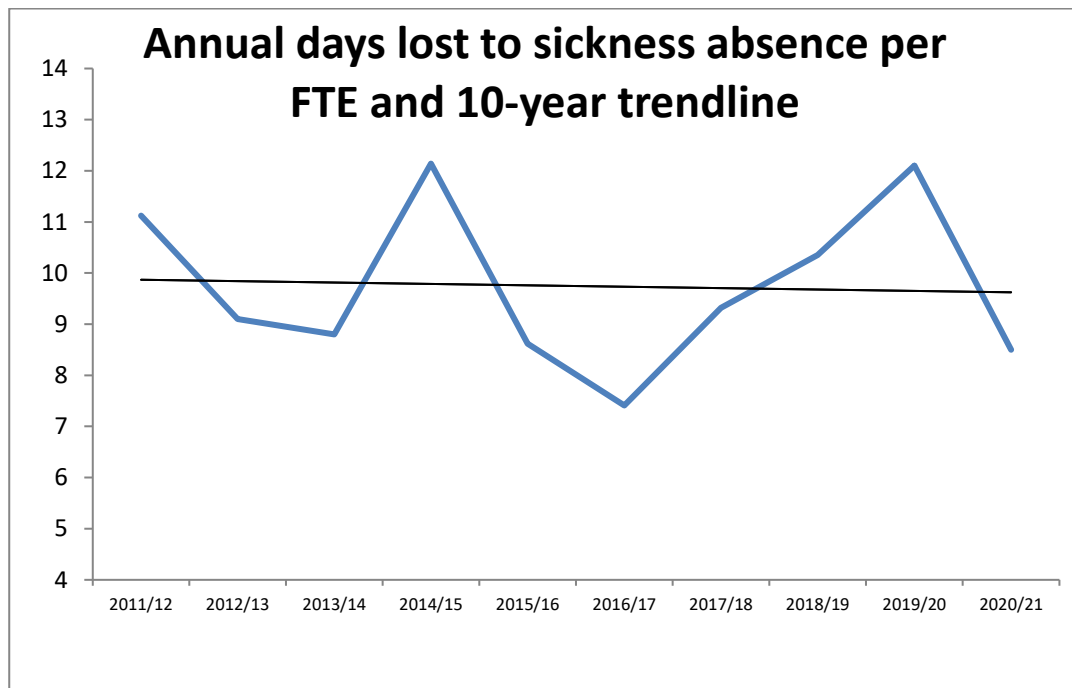
Impact of Covid-19

The direct impact of the pandemic on absenteeism has been monitored since the first national restrictions were announced early last year. The majority of staff have been able to work from home or have been redeployed into other roles. However, in the minority of cases staff have been unable to work. Reasons for this include: childcare, self-isolation, shielding, the service was temporarily halted and staff unable to be redeployed and actual Covid-19 sickness absence. The total number of working days lost to these reasons amounts to 275 days across 150 employees.

3. TRENDS

As stated above, Authority-wide, compared to 2019/20, 2020/21 levels of sickness have decreased by 30%. The long-term trend can be seen in the graph below. The medium to long term direct and indirect impacts of the Covid-19 pandemic on the Authority's sickness absence level are difficult to predict. However, absences will continue to be proactively managed and the absence data monitored for any emerging issues.

The black line is the long-term trendline.



4. SICKNESS ABSENCE REASONS

The reasons for sickness absence in 2020/21 are shown in the table below. The table shows the FTE days lost due to each reason for the sickness absence and is split by directorate. 'Stress, depression, mental health, fatigue syndromes' currently represents the absence reason with the greatest days lost (1,578 days). 85% of these lost days were from 27 long term absentees. 5 of these cases were still open at the time of writing.

FTE Days lost by reason and directorate	Comm. Services	Corporate Support	Economic Dev't	Financial Services	Gov & Reg Services	Total
Back and neck problems	41	1	3	10	3	58 (2%)
Other musculo-skeletal problems	641		75	25	88	829 (22%)
Stress, depression, mental health, fatigue syndromes	800	162		53	564	1,578 (42%)
Infections (incl. colds and flu)	30.5	38		10	24	102 (3%)
Neurological (incl. headaches and migraine)	22	12		2	61	97 (3%)
Genito-urinary / gynaecological	6	22	43			71 (2%)
Pregnancy related (not maternity leave)			2		25	27 (1%)-
Stomach, liver, kidney & digestion (incl. gastroenteritis)	128	76	4	1	28	236 (6%)
Heart, blood pressure & circulation	86	66				152 (4%)
Chest & respiratory (incl. chest infections)	171			27	10	208 (6%)
Ear, eye, nose & mouth / dental (incl. sinusitis)	9	5		5		19 (1%)
Other	6	138		20	230	394 (10%)

5. RETURN TO WORK INTERVIEWS (RTW)

Research shows that carrying out a return to work interview is one of the most effective ways to manage attendance and reduce absence. There are many benefits to conducting return to work interviews. These can include:

- Making sure employees really are well enough to go back to work
- Updating employees on news that has occurred in their absence
- Identifying whether any workplace adjustments might be required

Up to the end of March 2021, 97% of return to work interviews has been conducted (2019/20: 97%). The number of working days between the employees returning to work and interviews being conducted and the proportion completed within five working days has also been included in the table below:

Directorate	Proportion of RTWs conducted	Average time taken to complete RTW (working days)	Proportion of RTWs completed within 5 working days
Community Services	97%	5.4	84%
Corporate Support	100%	8.9	53%
Economic Development	67%	3.5	75%
Finance & Resources	100%	6.9	71%
Governance & Regulatory Services	98%	6.2	75%
All Directorates	97%	6.1	76%

6. KEY ACTIVITIES TO SUPPORT ATTENDANCE MANAGEMENT

HR, Organisational Development (OD), Health & Safety and Occupational Health all continue to work closely to proactively manage sickness absence cases, attendance at work and health surveillance and promotion.

In February 2021 the Council achieved the Better Health at Work Gold Award. The OD team and Health Advocates had to come up with new ways of delivering wellbeing initiatives due to the pandemic.

Stress related reasons remain the most common for sickness absence at 42% (last financial year was 29%). Although it cannot be inferred that the pandemic is the sole contributor to this, the HR team have observed increased anxiety and personal stressors amongst staff throughout the pandemic. Managers and colleagues are consistently encouraged to check in with each other through virtual Teams meetings and are frequently reminded about the resources available through the Council's support channels e.g. Employee Assistance Programme, Occupational Health, Physio etc.

The draft Improving Attendance Policy, developed as part of a Member led Task and Finish group, has been through a consultation process with staff and managers. The Task and Finish Group plan to meet again in May 2021 to review the consultation feedback and to consider any amendments to the policy draft. The policy draft is intended to support managers and employees with improving attendance at work.

The Council's Occupational Health (OH) provider continue to meet with HR and Health & Safety monthly to review the OH service and how best they can continue to support the Council and the management of sickness absence. Occupational Health will also participate in the training of the new Improving Attendance Policy.

In addition, the following initiatives were arranged from April 2020 to March 2021 to improve health and wellbeing and reduce sickness absence:

- Flu vaccinations offered to staff;
- Workplace surveys – sent to all staff;
- A Virtual Health and Wellbeing Day was arranged in July 2020. Numerous presentations/activities - Science of Wellbeing, Stress and Resilience, Men's Health, Mood Food, Virtual Waistline Check, Meditation and Sleep;
- Mental Health Awareness Week – help and links organised by OD;
- Mental Fitness & Resilience Resources provided by North West Employers – organised by OD;
- Stress Awareness Day - Advice emailed to staff - November 2020;

- Virtual Mood Monday Chat – organised by Aaron Linden (Health Advocate);
- Virtual Workshop – Bio-Resilience During Winter Months - December 2020;
- Virtual Session - Working safely from home to reduce Musculo Skeletal stresses and strains on the body – December 2020;
- Women's Health – Virtual Chat – organised by OD;
- Men's Health Week – Virtual Presentations and Chat – organised by OD and an internal Health Advocate;
- Virtual Session - Drug, Alcohol and Sexual Health Awareness - December 2020;
- Webinar provided by Health Assured covering Loneliness and Social Connection - January 2021;
- Virtual Sessions – Coping Skills for Anxiety at Work – January and March 2021;
- Importance of Nutrition and Physical Wellbeing Webinar - February 2021;
- Virtual 'Talking Thursday' sessions, which take place on the last Thursday of each month, Chief Executive and Corporate Director of Economic Development have already given their experiences of working through the pandemic - ongoing;
- Wellbeing pages on the intranet - which include support for mental health, carers and general wellbeing – ongoing;
- Wellbeing newsletters emailed to staff – ongoing;
- Employee Assistance Programme - Employee / Employer Monthly Newsletters sent to staff and managers – ongoing.

7. PROPOSALS

None

8. RISKS

None

9. CONSULTATION

The report was reviewed by the Senior Management Team in May 2021.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise and comment on the sickness absence information with a view to driving continuous improvement.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Monitoring sickness absence to help ensure the staff resources available to deliver the Carlisle Plan are maximised.

Contact Officer: Gary Oliver Ext: 7430

**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report highlights the positive interventions taken around mental health in the workplace. This work demonstrates our commitment to the Public Sector Equality Duty and is consistent with the Equality Policy and Action Plan.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

PROPERTY SERVICES - This report raises no explicit issues relating to Property Services

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.6

Meeting Date: 3rd June 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: END OF YEAR PERFORMANCE REPORT 2020/21
Report of: Policy and Communications Manager
Report Number: PC 20-21

Purpose / Summary:

This report contains the End of Year 2020/21 performance against the current Service Standards and a summary of the Carlisle Plan 2016-19 actions as defined in the 'plan on a page'. Performance against the Panel's 2020/21 Key Performance Indicators (KPIs) are also included.

Recommendations:

1. Scrutinise the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities.

Tracking

Executive:	05/07/21
Scrutiny:	Health and Wellbeing 10/06/21 Economic Growth 17/06/21 Business and Transformation 03/06/21
Council:	N/A

1. BACKGROUND

1.1 This report contains the 2020/21 performance against the Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. The Panel's Key Performance Indicators (KPIs) are also included as an appendix.

1.2 Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs. The following pages contain the Council's performance against the Service Standards for this Panel.

1.3 The measures are predominately lagging indicators (looking back at performance) and cover a range of services. Some indicators naturally lend themselves to having a specific target, or a national target, whilst with others the aim is to continually improve year-on-year compared to past performance. Regularly monitoring the Council's performance helps to drive continuous improvement and protects against any financial or organisational issues by flagging up indicators that are off target. The measures can also be used for a variety of other purposes including: to evaluate, control, budget, motivate, promote, celebrate and learn. Performance management in this form is just one aspect of the Council's wider performance framework.

1.4 The updates against the actions in the Carlisle Plan are presented in Section 3. Only actions within the remit of the Panel are included in this report. The intention is to give the Panel a brief overview of the current position without duplicating the more detailed reporting that takes place within the Scrutiny agendas and Portfolio Holder reports.

1.5 At their meetings of 28 August and 3 September 2020 respectively, Health and Wellbeing and Business and Transformation Scrutiny Panels both resolved that they would like to be involved in developing the content of future performance reports. It was agreed by all three Scrutiny Panels that this work should be carried forward by a Task and Finish Group that involved officers and Members from each Panel.

1.6 The aims of the aims of the Task and Finish Group are:

- Review existing reporting, seek advice from Policy and Communications Team on strengths and challenges of existing reporting
- Research examples of good practice
- Develop recommendations to share with the three Scrutiny Panels.

1.7 The group met for the first time on 15th January 2021 and the current performance report content and format were reviewed. It was agreed that members of the group would research areas of good practice in performance management reporting and feedback to the group with some options at the next meeting on 2nd February. A set of draft principles for future reporting were then broadly agreed at the 2nd February meeting and a draft report template will be discussed at the final meeting in June before being presented to the Panels for discussion later in the year.

1.8 One of the areas for discussion will be reporting performance against the Local Environment Climate Change Strategy (LECC). The proposal currently is for an annual measure of the percentage reduction in the organisation's carbon footprint compared to the baseline year (2018/2019).

1.9 BTSP Resolution update: Addendum to Performance Report

In March, the Council voted on and agreed to amend the target year for Net Zero from 2030 to 2037 for both the organisation and the district. This is in line with the Cumbria Baseline Report recommendation, the same year has been confirmed as the target year for the Zero Carbon Cumbria Partnership (ZCCP).

The ZCCP accepted this as the most feasible target that can be regarded as being in line with the requirements laid down by the International Panel on Climate Change (IPCC) for “well below 2 degrees and in pursuit of 1.5 degrees” of global warming.

A comparison table of the targets for all the local authorities in the ZCCP is presented below:

	Climate Emergency Declaration	Council Target	Locality/district Target
Allerdale	No	Net Zero by 2030	None
Barrow	Yes 16/07/19	Net Zero as soon as possible	Net Zero by 2037
Carlisle	Yes 05/03/19	Net Zero by 2037	Net Zero by 2037
Copeland	No	Net Zero no date	Not determined
Cumbria	No	Net Zero by 2037	Carbon Neutral by 2037
Eden	Yes 11/07/19	Net Zero by 2030	Not determined
Lake District National Park (LDNP)	No	Net Zero by 2025	Not applicable
South Lakeland	Yes 26/02/19	Carbon Neutral by 2030	Carbon Neutral by 2037

There are two terms used, often interchanged, ‘Net Zero’ and ‘Carbon Neutral’. Further research from the LDNP has highlighted the difference between these two terms and the implications for action planning, in particular the use of ‘offsetting’ to remove the hard-to-decarbonise emissions. There is still much discussion around appropriate ‘Greenhouse Gas Removal (GGR)’ methods and the markets for GGRs require significant development in terms of volume, market mechanisms, and certification protocols.

1.10 Summary of KPIs and Service Standards:

Service Standards – 2 ‘red’, 0 ‘amber’ and 3 ‘green’

KPIs – 1 ‘red’, 2 ‘amber’, 10 ‘green’

Summary of Exceptions (RED)

Measure	Target	Performance
SS05: Proportion of corporate complaints dealt with on time	100%	88% Majority of late replies were due to resources reallocated to the Covid-19 response. 2020/21 also saw a 65% increase in the volume of complaints received.
SS08: Proportion of official local authority searches completed on time	85%	46% Increased demand (by nearly 50% in Quarters 2, 3 and 4) and capacity issues brought on by the Covid-19 pandemic have had a significant impact on the Service Standard. Performance in Quarter 4 was 83% and 97% in March..
CSe14: Actual car parking revenue as a percentage of car parking expenditure	158%	71% Income 60% down on target due to Covid-19

2. PROPOSALS

None

3. RISKS

None

4. CONSULTATION

The report was reviewed by relevant senior management and will be considered at the other Scrutiny Panels.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise the Performance Report prior to it being submitted to Executive.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Performance Dashboard

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report raises no explicit issues relating to the Public Sector Equality Duty.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

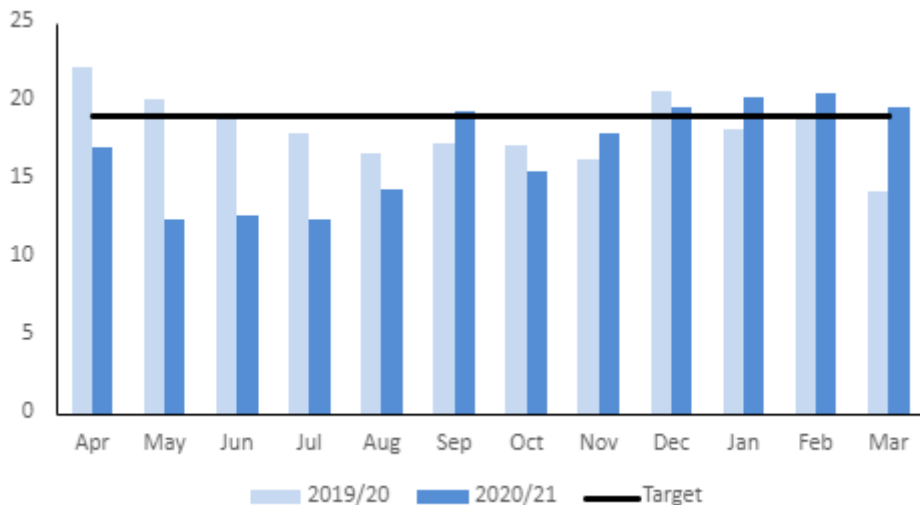
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Section 1: Service Standards 2020/21

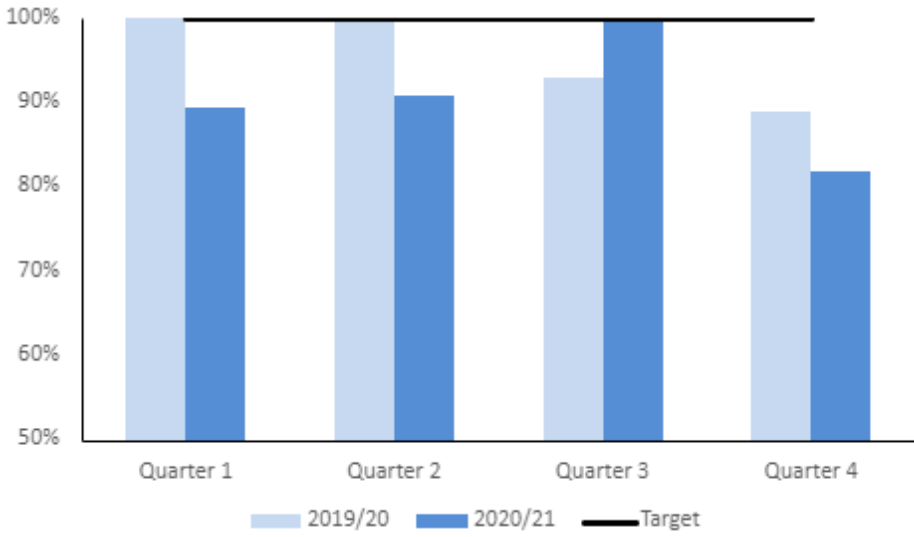
Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Five further measures were introduced from Quarter 2 2017/18 and all are reviewed during Quarter 3 each year as part of the service planning process. Service Standards are the measures judged to be the most important to our customers, therefore, the most likely to influence the overall satisfaction with how the Council performs.

The following pages contains the Council's performance against the Service Standards within the Panel's remit.

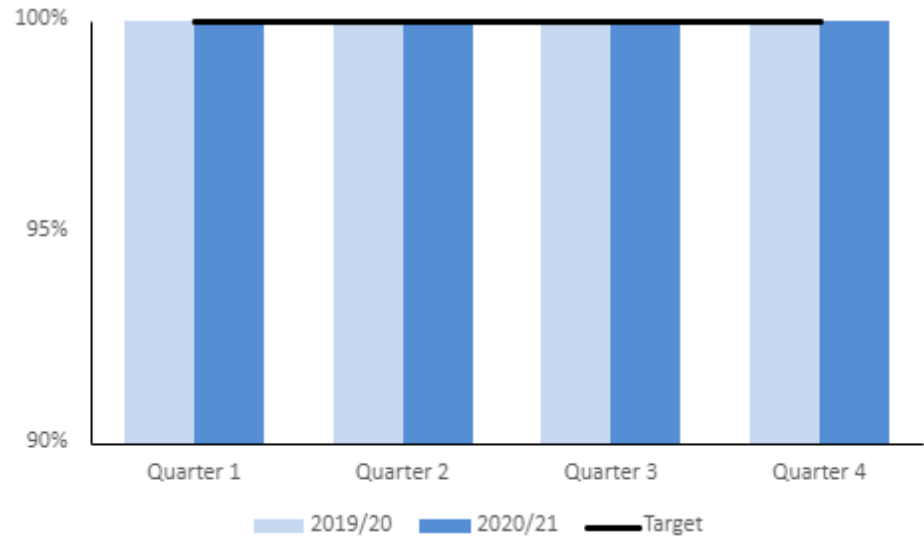
SS04: Average number of working days to process new benefits claims

Service Standard	2020/21	Performance by Month	Further Information																																																				
New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities	17.1 days (2019/20: 17.0 days)	 <table><caption>Monthly Performance Data (Average working days)</caption><thead><tr><th>Month</th><th>2019/20</th><th>2020/21</th><th>Target</th></tr></thead><tbody><tr><td>Apr</td><td>22.0</td><td>17.0</td><td>19.0</td></tr><tr><td>May</td><td>20.0</td><td>12.5</td><td>19.0</td></tr><tr><td>Jun</td><td>19.0</td><td>12.5</td><td>19.0</td></tr><tr><td>Jul</td><td>18.0</td><td>12.5</td><td>19.0</td></tr><tr><td>Aug</td><td>16.5</td><td>14.0</td><td>19.0</td></tr><tr><td>Sep</td><td>17.0</td><td>19.0</td><td>19.0</td></tr><tr><td>Oct</td><td>17.0</td><td>15.5</td><td>19.0</td></tr><tr><td>Nov</td><td>16.0</td><td>17.5</td><td>19.0</td></tr><tr><td>Dec</td><td>20.5</td><td>19.0</td><td>19.0</td></tr><tr><td>Jan</td><td>18.0</td><td>20.0</td><td>19.0</td></tr><tr><td>Feb</td><td>19.0</td><td>20.5</td><td>19.0</td></tr><tr><td>Mar</td><td>14.0</td><td>19.5</td><td>19.0</td></tr></tbody></table>	Month	2019/20	2020/21	Target	Apr	22.0	17.0	19.0	May	20.0	12.5	19.0	Jun	19.0	12.5	19.0	Jul	18.0	12.5	19.0	Aug	16.5	14.0	19.0	Sep	17.0	19.0	19.0	Oct	17.0	15.5	19.0	Nov	16.0	17.5	19.0	Dec	20.5	19.0	19.0	Jan	18.0	20.0	19.0	Feb	19.0	20.5	19.0	Mar	14.0	19.5	19.0	3,188 new claims were made in 2020/21; almost identical number to the previous year (3,174).
	Month		2019/20	2020/21	Target																																																		
	Apr		22.0	17.0	19.0																																																		
May	20.0	12.5	19.0																																																				
Jun	19.0	12.5	19.0																																																				
Jul	18.0	12.5	19.0																																																				
Aug	16.5	14.0	19.0																																																				
Sep	17.0	19.0	19.0																																																				
Oct	17.0	15.5	19.0																																																				
Nov	16.0	17.5	19.0																																																				
Dec	20.5	19.0	19.0																																																				
Jan	18.0	20.0	19.0																																																				
Feb	19.0	20.5	19.0																																																				
Mar	14.0	19.5	19.0																																																				
On target?																																																							
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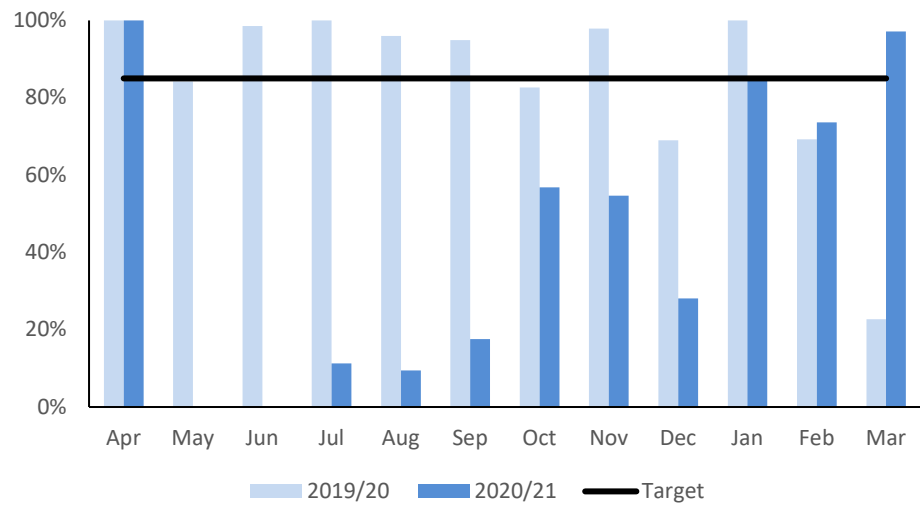
SS05: Proportion of corporate complaints dealt with on time

Service Standard	2020/21	Performance by Quarter	Further Information																				
Corporate complaints should be dealt with within 15 working days	88%	 <table><caption>Performance by Quarter Data</caption><thead><tr><th>Quarter</th><th>2019/20 (%)</th><th>2020/21 (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Quarter 1</td><td>100</td><td>89</td><td>100</td></tr><tr><td>Quarter 2</td><td>100</td><td>91</td><td>100</td></tr><tr><td>Quarter 3</td><td>93</td><td>100</td><td>100</td></tr><tr><td>Quarter 4</td><td>89</td><td>82</td><td>100</td></tr></tbody></table>	Quarter	2019/20 (%)	2020/21 (%)	Target (%)	Quarter 1	100	89	100	Quarter 2	100	91	100	Quarter 3	93	100	100	Quarter 4	89	82	100	Majority of late replies were due to resources reallocated to the Covid-19 response. 2020/21 also saw a 65% increase in the volume of complaints received.
	Quarter		2019/20 (%)	2020/21 (%)	Target (%)																		
	Quarter 1		100	89	100																		
Quarter 2	100	91	100																				
Quarter 3	93	100	100																				
Quarter 4	89	82	100																				
On target?																							
✗																							

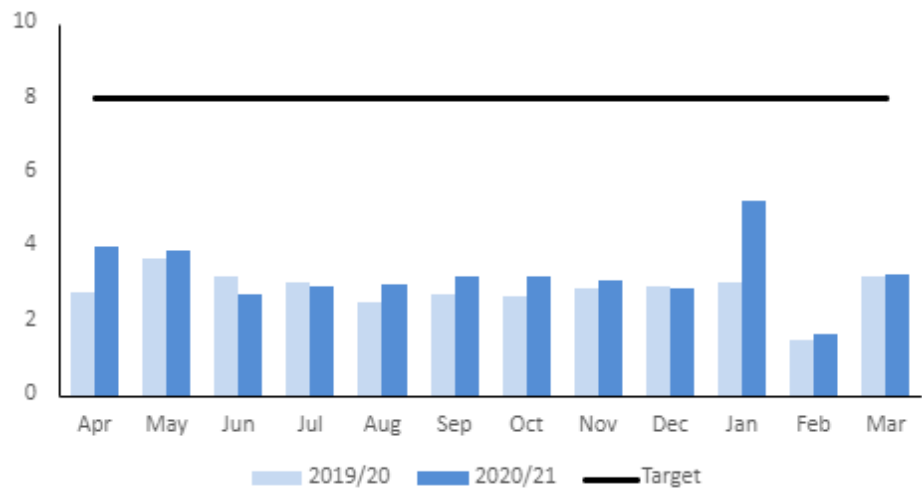
SS07: Proportion of non-contentious licence applications completed on time

Service Standard	2020/21	Performance by Quarter	Further Information																				
100% of non-contentious licence applications should be completed within 10 working days	100%	 <table><thead><tr><th>Quarter</th><th>2019/20 (%)</th><th>2020/21 (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Quarter 1</td><td>100</td><td>100</td><td>100</td></tr><tr><td>Quarter 2</td><td>100</td><td>100</td><td>100</td></tr><tr><td>Quarter 3</td><td>100</td><td>100</td><td>100</td></tr><tr><td>Quarter 4</td><td>100</td><td>100</td><td>100</td></tr></tbody></table>	Quarter	2019/20 (%)	2020/21 (%)	Target (%)	Quarter 1	100	100	100	Quarter 2	100	100	100	Quarter 3	100	100	100	Quarter 4	100	100	100	573 out of 573 applications completed on time so far in 2020/21.
	Quarter		2019/20 (%)	2020/21 (%)	Target (%)																		
	Quarter 1		100	100	100																		
Quarter 2	100	100	100																				
Quarter 3	100	100	100																				
Quarter 4	100	100	100																				
On target?																							
✓																							

SS08: Proportion of official local authority searches completed on time

Service Standard	2020/21	Performance by Month	Further Information																																							
85% of official local authority searches should be completed within 10 working days	45.5% (2019/20: 93%)	 <table><thead><tr><th>Month</th><th>2019/20 (%)</th><th>2020/21 (%)</th></tr></thead><tbody><tr><td>Apr</td><td>100</td><td>100</td></tr><tr><td>May</td><td>85</td><td>85</td></tr><tr><td>Jun</td><td>98</td><td>98</td></tr><tr><td>Jul</td><td>100</td><td>10</td></tr><tr><td>Aug</td><td>95</td><td>8</td></tr><tr><td>Sep</td><td>95</td><td>18</td></tr><tr><td>Oct</td><td>82</td><td>58</td></tr><tr><td>Nov</td><td>98</td><td>55</td></tr><tr><td>Dec</td><td>70</td><td>28</td></tr><tr><td>Jan</td><td>100</td><td>85</td></tr><tr><td>Feb</td><td>70</td><td>75</td></tr><tr><td>Mar</td><td>22</td><td>97</td></tr></tbody></table> <p>2019/20 2020/21 Target</p>	Month	2019/20 (%)	2020/21 (%)	Apr	100	100	May	85	85	Jun	98	98	Jul	100	10	Aug	95	8	Sep	95	18	Oct	82	58	Nov	98	55	Dec	70	28	Jan	100	85	Feb	70	75	Mar	22	97	Increased demand (by nearly 50% in Quarters 2, 3 and 4) and capacity issues brought on by the Covid-19 pandemic have had a significant impact on the Service Standard. Performance in Quarter 4 was 83% and 97% in March.
	Month		2019/20 (%)	2020/21 (%)																																						
	Apr		100	100																																						
May	85	85																																								
Jun	98	98																																								
Jul	100	10																																								
Aug	95	8																																								
Sep	95	18																																								
Oct	82	58																																								
Nov	98	55																																								
Dec	70	28																																								
Jan	100	85																																								
Feb	70	75																																								
Mar	22	97																																								
On target?																																										
✗																																										

SS10: Average number of working days to process benefit claimants' changes of personal details

Service Standard	2020/21	Performance by Month	Further Information																																							
Changes should be processed within 8 days	3.1 days (2019/20: 2.7 days)	 <table><tr><th>Month</th><th>2019/20 (days)</th><th>2020/21 (days)</th></tr><tr><td>Apr</td><td>2.7</td><td>3.9</td></tr><tr><td>May</td><td>3.6</td><td>3.8</td></tr><tr><td>Jun</td><td>3.1</td><td>2.7</td></tr><tr><td>Jul</td><td>3.0</td><td>2.8</td></tr><tr><td>Aug</td><td>2.5</td><td>2.9</td></tr><tr><td>Sep</td><td>2.7</td><td>3.1</td></tr><tr><td>Oct</td><td>2.6</td><td>3.1</td></tr><tr><td>Nov</td><td>2.8</td><td>3.0</td></tr><tr><td>Dec</td><td>2.8</td><td>2.8</td></tr><tr><td>Jan</td><td>3.0</td><td>5.1</td></tr><tr><td>Feb</td><td>1.5</td><td>1.6</td></tr><tr><td>Mar</td><td>3.1</td><td>3.2</td></tr></table>	Month	2019/20 (days)	2020/21 (days)	Apr	2.7	3.9	May	3.6	3.8	Jun	3.1	2.7	Jul	3.0	2.8	Aug	2.5	2.9	Sep	2.7	3.1	Oct	2.6	3.1	Nov	2.8	3.0	Dec	2.8	2.8	Jan	3.0	5.1	Feb	1.5	1.6	Mar	3.1	3.2	Over twenty-six thousand changes were processed in 2020/21.
	Month		2019/20 (days)	2020/21 (days)																																						
	Apr		2.7	3.9																																						
May	3.6	3.8																																								
Jun	3.1	2.7																																								
Jul	3.0	2.8																																								
Aug	2.5	2.9																																								
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Nov	2.8	3.0																																								
Dec	2.8	2.8																																								
Jan	3.0	5.1																																								
Feb	1.5	1.6																																								
Mar	3.1	3.2																																								
On target?																																										
✓																																										

Section 2: Key Performance Indicators (KPIs)

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and budget resolution were developed. The Panel's current KPIs are attached as a dashboard.

Section 3: [Carlisle Plan on a Page 2016–19](#) Delivery

The current [Carlisle Plan](#) covered the period 2016-19 and the majority of the key actions are now either delivered or considered business as usual and feature within existing service plans. Quarter 4 updates to the Panel's remaining key actions are contained within the following pages.

Priority: Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle

Business Property & Infrastructure:

Key Action 2: City Centre redevelopment projects (SMT Owner: J Meek, Scrutiny Panel: EG / B&T)

Project Description: The City of Carlisle is ambitious to grow, leading the way in unleashing the full economic potential of Cumbria and the wider Borderlands Area. As the business and population capital of the region, a university city and the strategically located Borderlands hub connecting Cumbria to the rest of the UK, Carlisle has the assets, strengths and potential to drive future prosperity and growth. Carlisle city centre regeneration programme will ensure that we provide the environment in which businesses can thrive, attract new jobs, provide a high quality environment in which to live, work or play and a well-connected flourishing visitor destination and attractive gateway to the wider Cumbrian and Borderlands region.

Timeline - Quarter 4 Update:

The business case for the improvements to Carlisle Station has been approved by government and £20m funding has been allocated to the project through the Borderlands Inclusive Growth Deal. Cumbria County Council will be the delivery body for the project and is in the process of letting contracts for the works, which will commence this financial year.

The business case for a new campus for the University of Cumbria on the Citadels site is nearing completion and will be submitted to government before summer this year. The business case will request £50m of funding through the Borderlands Inclusive Growth Deal to support the delivery of the project.

The government has confirmed that Carlisle City Council has secured £9.1m of investment through the Future High Street Fund. This will support the delivery projects designed to improve the vitality and viability of the city centre, including the redevelopment of the former Central Plaza site.

The government has also confirmed that Carlisle City Council has secured £19.7m through the Towns Deal programme. Increasing the vibrancy of the city centre is a key objective of the strategy set out in the Carlisle Town Investment Plan, which underpinned the bid. The investment will support the delivery of projects within city centre and compliment those in the Future High Street Fund programme.

Emerging risks/issues:

The Future High Street Fund and Town Deal programmes will require appropriate governance, financial and project / programme management arrangements.

The establishment of a dedicated Economic Development Programme Management Office and creating additional resources within the Economic Development/Regeneration team is underway to ensure that the required skills and capacity are in place.

Priority: Further develop sports, arts and cultural facilities to support the health and wellbeing of our residents

Service and Facilities Development:

Key Action 12: Develop and deliver the proposed new leisure contract to improve facilities at The Sands Centre in line with the City Sports Facilities Development Plan and enhance the leisure services across the city (SMT Owner: D Crossley, Scrutiny Panel: B&T / H&W)

Project Description: Remaining actions: Refurbishment of the leisure facilities and partial refurbishment of the events centre at the Sands Centre site including the addition of two swimming pools. Provision of temporary accommodation for GLL staff, resident NHS staff, and alternative leisure facilities, sports hall, temporary bar and WC's during the construction phase.

Timeline - Quarter 4 Update:

Work has commenced on the main contract. The diversion of services and demolition of the leisure centre and NHS areas has been completed and the arisings removed and recycled where appropriate. The vibro-compaction piles 1for the new building have also been completed. Work is underway for the excavation for the swimming pools and foundations for the new leisure building steel frame. The under-slab filter drainage for the pool has been installed and preparations are underway for the installation of reinforcing bars in advance of the first pool slab concrete pour - due before the end of the May.

Preparation work is also underway for a new electricity substation need to replace the ageing existing one for the site.

Investigation work into the condition and suitability of the existing life safety systems to be retained in the existing events centre is ongoing.

The parallel work on the flood defences around the building is nearing completion. Work is currently taking place to replace the two flood gates in the adjacent flood wall.

Site welfare and ablution arrangements have been upgraded in line with current Government guidance Site Operating Procedures version 7 for construction sites.

¹ **Vibro Compaction** is an established ground improvement method for stabilising granular soils such as loose sands, gravels and some hydraulic fills. The technique is primarily used for seismic mitigation and in-situ densification of loose sands up to 30m deep.

Emerging risks/issues:

A full project risk assessment has recently been undertaken. From this new risk assessment, the following represent the most significant risks:

- Additional time and cost delays arising from material and / or labour supply during the ongoing Covid-19 pandemic.
- Additional time and cost delays arising from imported materials supplies due to developing import processes and practices emerging from the exit from the EU.

Business & Transformation Scrutiny Panel Performance Dashboard 2020/21

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Performance 2020/21	Performance 2019/20	Trend	Target	Comments
✗	CSe14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	71.4%	144.2%	↓	157.9%	Income 60% down on income due to Covid-19
N/A	CSe33a	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	24	26	↓	Info only	
N/A	CSe33b	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies that have been successful	15	14	↑	Info only	5 other applications either awaiting outcome or full bid in development
N/A	CSe33c	Additional income generated through applications to support the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	£ 23,304,581	£ 1,620,505	↑	Info only	Excludes Borderlands funds which is profiled over more than one year
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	27.1%	16.7%	↑	16.4%	From calls logged in Salesforce CRM (12,145 out of 44,789 logs).
▲	CSu04	Percentage of Council Tax collected	95.7%	97.1%	↓	97.1%	
▲	CSu05	Percentage of NNDR collected	94.3%	97.4%	↓	97.4%	
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours (work days)	100%	100%	→	100%	
✓	CSu07	Customer Services - Respond to customer emails within 48hrs	94%	96%	↓	90%	81% increase in 2020/21 (23,006 emails)
N/A	CSu08	Customer Services - Calls answered within 1 minute	N/A	N/A	N/A	80%	New measure for 2020/21. Unable to measure currently due to temporary telephony system in place while staff work from home.
N/A	CSu09	Customer Services - visitors served within 10 minutes	N/A	N/A	N/A	90%	New measure for 2020/21. Contact Centre is currently closed and was operating by appointment only for most of 2020.
✓	FR01	Actual net spend as a percentage of annual net budget.	95.5%	99.5%	↑	100%	
✓	FR02	Percentage of all received invoices paid within 30 working days	98.6%	99.5%	↓	98%	Over eight thousand invoices paid in the year.
✓	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	8.5	12.1	↑	12.1	
✓	FR04	Percentage of return to work interviews completed in five working days of returning to work.	76%	75%	↑	75%	
N/A	FR06	Proportion of debts recovered (sundry debtors)	95.0%	92.3%	↑	Info only	Rolling 12 months to end of Feb 2021
N/A	GRS01	Number of internal accidents/incidents per Full Time Equivalent (FTE)	0.06	0.09	↓	Info only	23 incidents reported in 2020/21
N/A	GRS02	Number of internal RIDDORS per FTE	0.007	0.005	↑	Info only	3 RIDDORS reported in 2020/21
✓	GRS03	% safety audits completed on time and sent to service manager	100%	100%	→	100%	All planned audits completed and numerous Covid measures put in place
✓	GRS04	Proportion of contested licence applications decided on within 50 working days.	100%	N/A	N/A	95%	1 contested application



Business & Transformation Scrutiny Panel Performance Dashboard 2020/21

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Performance 2020/21	Performance 2019/20	Trend	Target	Comments
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	100%	100%	→	100%	32 applications

Business and Transformation Scrutiny Panel

Agenda
Item:

A.7

Meeting Date: 03 June 2021

Portfolio: Cross-cutting

Key Decision: No

Within Policy and
Budget Framework

Private/Public Public

Title: Overview Report

Report of: Overview and Scrutiny Officer

Report Number: OS.14/21

Purpose / Summary:

This report provides an overview of matters related to the Scrutiny Panel's work.

Recommendations:

Members are asked to:

- Note the items (within Panel remit) on the most recent Notice of Key Executive Decisions
- Review information raised within the report.

Tracking

Executive:	Not applicable
Scrutiny:	BTSP 03/06/21
Council:	Not applicable

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 4 May 2021. This was circulated to all Members. The following items fall within the remit of this Panel:

Items which are included in the Panel's Work Programme:

- KD 01/21 – Carlisle Plan

Items which are not included in the Panel's Work Programme:

- KD 08/21 – Medium Term Financial Plan and Capital Investment Strategy
- KD 09/21 – 2020/21 Provisional Outturn Reports
- KD 10/21 – Budget Process 2022/23 – 2026/27

2. References from Executive

2.1 None

3. Progress on resolutions from previous meetings

3.1 The following table sets out the meeting date and resolution that requires following up. The status is presented as either “completed”, “pending” (date expected), or “outstanding”. An item is considered outstanding if no update or progress has been made after three panel meetings. All the completed actions will be removed from the list following the meeting.

	Meeting date	Minute reference	Action	Status
1	03/09/20	BTSP 47/20	3) That a Task and Finish Group be established to support the development of the Commercialisation Strategy and the invitation to join the Task Group be circulated to all Members.	Complete
	15/10/20	BTSP 64/20	1) That a Commercialisation Strategy Task and Finish Group be set up in early 2021.	
2	18/02/21	BTSP 16/21	2) That the Corporate Director of Finance and Resources provide the Panel with the following information: - Up to date figures on the number of applicants for the Christmas support payments for wet led pubs and details of the promotion for the scheme; - Information on the head rent figures for the Lanes and any potential impact on income following the closure of Debenhams;	Complete Complete

3	18/02/21	BTSP 20/21	3) That the Deputy Chief Executive provide a written response to the Panel setting out what, if any, exit interviews were undertaken when staff leave the authority how work related stress was recorded and what triggers were in place to deal it what training was available to manage staff sickness.	Complete
4	01/04/21	BTSP 29/21	2) That the Head of Digital and Technology provide an update report on the projects of the TIT service in three months' time. 3) That the Deputy Chief Executive provide additional information to the Panel on the progress of the St Cuthbert's Garden Village Masterplan project to the Panel. 4) That the Deputy Chief Executive circulate the lessons learned report regarding the Discover England Fund Year Two project to the Panel.	Pending Complete Complete
5	01/04/21	BTSP 31/21	2) A further meeting of the Task and Finish Group would be convened so that it may consider the results of the staff consultation, following which a final report would be taken to Employment Panel for its review and agreement.	Complete
			2) That the section on the Task and Finish Group into long term absence be reworded as set out above. 3) That and additional section be added to the report including thanks to the Officer and Members for their work in delivering the Council's meetings and decision making in virtual format.	Complete Complete

4. Update from Scrutiny Chairs Group

4.1 At their meeting on 29th April 2021, Scrutiny Chairs worked with the Deputy Chair Executive, Darren Crossley, to consider the findings of the most recent Corporate Peer Challenge, which took place in November 2020 and to look at how we can respond to five recommendations that related specifically to scrutiny.

4.2 The recommendations from the Corporate Peer Challenge and the Scrutiny Chairs response on these are provided at Appendix 1 of this report.

5. Developing a workplan for Business and Transformation Scrutiny Panel

5.1 A draft workplan is currently being developed for BTSP. The Chair and Vice Chair will be working with Members of Senior Management Team (SMT) to discuss priorities and workstreams in order to develop a draft work programme. This will be shared with BTSP Members for comment and input at the earliest opportunity.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 The overview and scrutiny of the Carlisle Plan items that match the panel remit contribute to ongoing policy development.

Contact Officer: Rowan Jones

Ext: rowan.jones@carlisle.gov.uk

Appendices attached to report: Appendix 1: LGA Remote Peer Challenge – Key Recommendations and Response from Scrutiny Chairs Group

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE –

Appendix 1

LGA Remote Peer Challenge – Key Recommendations for Scrutiny and Response from Scrutiny Chairs Group

Recommendation from Peer Challenge	Scrutiny Chairs Response
<p>Recommendation 5 – <i>provide Chairs of Scrutiny with further dedicated support.</i></p> <p>This can take the form of training, such as in deciding agendas which focus more on the key strategic issues and avoiding the overly operational. It can also help in shaping strong, meaningful recommendations. This offer of support, would also include the type of informal, open relationship Chairs of Scrutiny have with the Leader and Executive. It also includes the type of support officers provide them with.</p>	<p>The Group felt that the previous system of the Chairs and Vice Chairs meeting with SMT had worked well to reflect on projects and issues which Scrutiny may add value to and to help shape the work programmes.</p> <p>Resolution – That the Chairs and Vice Chairs of each Panel meet with members of SMT 3 - 4 times per year to discuss the upcoming work programme to enable the Panels to set their own agendas. This will include a meeting early in the new municipal year to assist in establishing a draft workplan.</p>
<p>Recommendation 6 – <i>officers working with Scrutiny and Chairs of Scrutiny are encouraged to speak with colleagues in councils elsewhere to share further learning in regards to the different ways of operating Scrutiny</i></p> <p>– which can include the methods that can be adopted by working groups, as well as other ways of engaging key ‘expert witnesses’. The LGA are happy to connect the Council with colleagues elsewhere who would be happy to help with this.</p>	<p>Information sharing and shared learning was already taking place through the North West Scrutiny Peer Group, Cumbrian Scrutiny Officers, Association of Democratic Services Officers and Cumbrian Democratic Services Officer groups. Scrutiny Members were encouraged to attend meetings of the Scrutiny Peer Group regional meetings.</p> <p>Resolution – Shared learning and knowledge would continue and would extend as opportunities arose.</p>
<p>Recommendation 7 – <i>further support and training for members of scrutiny, including for asking questions and the different methods of providing scrutiny.</i></p> <p>This can help to give members of Overview and Scrutiny further confidence in their roles and the value of this role.</p>	<p>A virtual training session for Scrutiny Members would be held at the end of May, in addition training notes had been prepared to support Scrutiny Members. The training would focus on questioning and the role of Scrutiny. There was also an ongoing schedule of corporate training available to all Members.</p> <p>Resolution – That the virtual training session be open to all Members of the Council and, if possible, recorded, to allow everyone to access the training.</p>
<p>Recommendation 8 – <i>whilst the role of scrutiny should be an important consideration for all senior officers, identifying and communicating a clear senior officer champion for Scrutiny can help to drive this agenda.</i></p>	<p>The Group discussed the potential role of a Scrutiny Champion and who this may be and how they would work with the Overview and Scrutiny Officer and Members.</p>

<p>This senior lead can help to progress the actions and improvements identified in relation to scrutiny, be a senior officer voice for the role of scrutiny and can support scrutiny officers to challenge both officers and members in relation to the role of scrutiny and how to engage with it. Having this can also help further empower scrutiny in deciding its own agenda, breaking down any obstacles that may present themselves (as appropriate).</p>	<p>Resolution – That the Deputy Chief Executive would discuss the nomination for a Scrutiny Champion with SMT and set out an outline of what the role would do.</p>
<p>Recommendation 9 – <i>consider the structure for Scrutiny and look again at the options for reducing the number of committees.</i></p> <p>In light of the Council’s wishes for improvement in Scrutiny, and in light of the reduction in the number of seats in May 2019, it is the view of the peer team that the Council would be well served by moving to a model with one committee. Building and brokering agreement on any alternative structure may need the support of the CEX but having these discussions can be important to the improvements you are trying to achieve. Equally, should agreement be found on this, ensuring this is implemented and not restricted by a date set for the AGM will avoid this debate repeating again.</p>	<p>To be discussed as a separate item by Scrutiny Chairs, with a further Chairs meeting to discuss this with Group Leaders.</p>
<p>Recommendation 10 – <i>all of the above is multi-faceted, involving a number of people and actions. Having a specific Scrutiny improvement plan in place that brings this all together will aid progress.</i></p>	<p>The Group supported an action plan which allowed the outcomes to be monitored.</p> <p>Resolution - that a Scrutiny Improvement Plan be prepared.</p>