

AGENDA

Resources Overview and Scrutiny Panel

Thursday, 20 February 2014 AT 10:00
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

****Briefing meeting for Members will be at 9.15 am in the
Flensburg Room****

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest

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 MEETING 6 JANUARY 2014

5 - 12

To note the minutes of the meeting held on 6 January 2014. (Copy Minutes herewith)

PART A

To be considered when the Public and Press are present

A.1 CALL-IN OF DECISIONS

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

A.2 OVERVIEW REPORT AND WORK PROGRAMME

13 - 18

To consider a report providing an overview of matters related to the work of the Resources Overview and Scrutiny Panel, together with the latest version of the Work Programme and details of the Key Decisions items relevant to this Panel as set out in the Notice of Executive Key Decisions.

(Copy Report OS.05/14 herewith)

A.3 2013.14 SICKNESS ABSENCE REPORT APRIL TO DECEMBER 2013

19 - 26

(Finance, Governance and Resources Portfolio)

The Town Clerk and Chief Executive to submit a report on the City Council's sickness absence levels for April to December 2013, 2013/14 benchmarking and other sickness absence.

(Copy Report CE.03/14 herewith)

A.4 PERFORMANCE MONITORING REPORTS

(Finance, Governance and Resources Portfolio)

(a) QUARTER THREE PERFORMANCE REPORT 2013.14

27 - 44

The Policy and Communications Manager to submit performance monitoring reports relevant to the remit of the Resources Overview and Scrutiny Panel.

(Copy Report PC.02/14 herewith)

(b) ORGANISATIONAL DEVELOPMENT PLAN 45 - 50

The Organisational Development Manger to submit a performance monitoring report with regard to the Organisational Development Plan.
(Copy Report CE.04/14 herewith)

**A.5 REVENUE BUDGET OVERVIEW AND MONITORING REPORT - 51 - 74
APRIL TO DECEMBER 2013**

(Finance, Governance and Resources Portfolio)

The Director of Resources to submit a report providing an overview of the Council's revenue budgets for the period April to December 2013.
(Copy Report RD.83/13 herewith)

**A.6 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT- 75 - 92
APRIL TO DECEMBER 2013**

(Finance, Governance and Resources Portfolio)

The Director of Resources to submit a report providing an overview of the Council's budgetary position on the capital programme for the period April to December 2013.
(Copy Report RD.82/13 herewith)

PART B

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

-NIL-

Members of the Resources Overview and Scrutiny Panel

Conservative – Bowman S, Craig,
Layden,Bainbridge(sub), Mallinson J (sub), Mrs Prest (sub)

Labour – Mrs Atkinson, Dodd, McDevitt, Watson (Chairman),
Forrester (sub),Ms Patrick (sub), Miss Sherriff (sub)

Liberal Democrat - Allison (Vice Chairman), Mrs Luckley(sub)

**Enquiries, requests for reports, background papers,
etc to Lead Committee Clerk: Rachel Rooney – 817039**

RESOURCES OVERVIEW AND SCRUTINY PANEL

MONDAY 6 JANUARY 2014 AT 10.00AM

PRESENT: Councillor Watson (Chairman), Councillors Allison, Mrs Atkinson, Bowman S, Craig, Dodd, Ms Patrick (as substitute for Councillor McDevitt) and Layden.

ALSO PRESENT Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder
Councillor J Mallinson - Observer

OFFICERS Town Clerk and Chief Executive
Director of Resources
Scrutiny Officer

ROSP.01/14 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor McDevitt.

ROSP.02/14 DECLARATIONS OF INTEREST

Councillor Ms Patrick declared an interest in accordance with the Council's Code of Conduct in respect of Agenda Items A.3(a), (b)(i), (b)(ii) and (b)(iii) Budget 2014/15. The interest related to the fact that she was the Chairman of the Council's Audit Committee.

ROSP.03/14 CALL-IN OF DECISIONS

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

ROSP.04/14 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 10 October 2013 and 28 November 2013 be agreed as a correct record of the meeting and signed by the Chairman.

ROSP.05/14 OVERVIEW REPORT AND WORK PROGRAMME

The Scrutiny Officer presented report OS.01/14 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel.

The Scrutiny Officer reported that the Notice of Key Executive Decisions had been published on 16 December 2013. The only item that fell within the remit of this Panel was KD.030/13 Budget Process 2014/15 which was on the agenda for this meeting.

The Scrutiny Officer drew the Panel's attention to Minute Excerpt EX.150/13 as set out in appendix 2 of the report. The Excerpt detailed the response of the Executive to the comments made by the Overview and Scrutiny Panels in response to the first round of Budget scrutiny, namely:

“That the Overview and Scrutiny Panels be thanked for their consideration of the draft Budget reports; and their comments, as detailed within the Minutes submitted, would be taken into account as part of the Executive’s deliberations on the 2014/15 Budget.”

The minutes of the Scrutiny Chairs Group held on 12 December had been included in the report. The Scrutiny Officer highlighted minute 11/13 and informed the Panel that the options set out in the minutes would be put into action to increase public awareness of Overview and Scrutiny.

The Chairman also raised minute 14/13 which looked at the structure of Scrutiny. The Group had agreed to ask their relevant Groups for feedback on the future of Scrutiny and the Scrutiny Officer would gather further information on available models and everyone would report back to the next meeting on 6 February 2014.

The Scrutiny Officer drew Members attention to the Work Programme and the high number of monitoring reports which were scheduled for the February meeting. She also asked Members to consider areas for Task and Finish work to be discussed at the next meeting.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.01/14) be noted.

2) That the decision of the Executive (EX.150/13) be received.

3) That the minutes of the Scrutiny Chairs Group held on 12 December 2013 be noted.

ROSP.06/14 BUDGET 2014/15

(1) Executive Draft Budget Proposals 2014/15

There was submitted the Executive draft Budget proposals 2014/15 which had been issued for consultation purposes.

The draft Budget proposals comprised –

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2013/14 to 2018/19 <ul style="list-style-type: none"> • Schedule 1 - Existing Net Budgets • Schedule 2 - Proposed Budget Reductions • Schedule 3 - Recurring Budget Increases • Schedule 4 - Non-Recurring Budget Increases • Schedule 5 - Summary Net Budget Requirement • Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2013/14 to 2018/19 <ul style="list-style-type: none"> • Schedule 7 - Estimated Capital Resources • Schedule 8 - Proposed Capital Programme • Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2018/19 <ul style="list-style-type: none"> • Schedule 10 - Usable Reserves Projections

E	Budget Discipline and Saving Strategy
F	Statutory Report of the Director of Resources
G	Glossary of Terms

The draft Budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular, reports of the Director of Resources considered at the Executive meeting of 16th December 2013.

The Finance, Governance and Resources Portfolio Holder reported that the budget proposals assumed that significant savings must be found within the next five year period; £3.939million in total, with £1.839million to be found by 2015/16 with £2.1million in later years.

The Executive had a history of achieving savings, having identified and achieved approximately £6million since 2010/11. That was due to cuts in funding from central Government.

Despite having to make these savings, which included an approximate 38% reduction in Government grant, due to prudent financial management, the Council had a sound financial base upon which to set its 2014/15 budget. The Executive was still able to deliver on their proposals despite savage cuts.

The Executive's budget:

- Had frozen car parking charges for the third year running
- Maintained the Council's ambitious capital programme including the Arts Centre
- Provided additional funding for Council events in promoting Carlisle
- Maintained the popular 'Clean Up Carlisle' initiative, which had been well received by businesses and the community
- Supported the recruitment and development of four new apprentices for a two year period

It was with some reluctance that the Executive required to recommend a 1.99% increase in Council Tax for 2014/15 after four years of maintaining a council tax freeze.

(2) Background Information reports

(a) Revenue Estimates: Summary of Overall Budgetary Position 2014/15 to 2018/19

The Director of Resources submitted report RD.62/13 summarising the Council's revised revenue base estimates 2013/14, together with base estimates for 2014/15 and updated projections to 2018/19. The report had been updated since the Executive meeting in November 2013 and set out the potential impact of new savings and new spending pressures currently under consideration, together with the potential impact on the Council's overall revenue reserves.

He added that it was clear, even at this stage of the budget process, that all of the pressures currently identified could not be accommodated without identifying additional savings. Decisions would need to be made to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies.

The Director of Resources informed Members that there were still a large number of significant issues affecting the projections that were not yet known, but which were nonetheless key to the Council's budget process including the Government Finance Settlement – RSG and NNDR; Welfare Reform Act; Triennial Revaluation of the Pension Fund; and Transformation.

The decision of the Executive on 16 December 2013 (EX.151/13) was:

“That the Executive:

1. Noted the updated budget projections for 2013/14 to 2018/19, and made recommendations in the light of the budget pressures and savings submitted to date, together with the potential use of balances and reserves, in order to issue a draft Budget for consultation purposes.
2. Approved, for recommendation to Council as part of the budget process, the 2014/15 Local Support for Council Tax Scheme.”

(b) Provisional Capital Programme 2014/15 to 2018/19

The Director of Resources submitted report RD.65/13 providing revised details of the capital programme for 2013/14, together with the proposed method of financing. He informed Members that a Corporate Programme Board of senior Officers continued to take the lead on the prioritisation of investment and the monitoring and evaluation of schemes, with a view to improving performance monitoring and business case analysis of capital projects.

The report also summarised the proposed programme for 2014/15 to 2018/19 in light of the capital pressures identified; and summarised the estimated capital resources available to fund the programme.

The decision of the Executive on 16 December 2013 (EX.152/13) was:

“That the Executive:

1. Noted the revised Capital Programme and relevant financing for 2013/14 as set out in Appendices A and B of Report RD.65/13.
2. Recommended that Council approve reprofiling of £710,000 from 2013/14.
3. Made recommendations on the Provisional Capital Programme for 2014/15 to 2018/19 in the light of the capital bids submitted to date, together with the estimated available capital resources for budget consultation purposes.
4. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

(c) Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2014/15

The Director of Resources submitted report RD.63/13 setting out the Council's Treasury Management Strategy Statement for 2014/15 in accordance with the CIPFA Code of Practice on Treasury Management.

He informed Members that the Investment Strategy and the Minimum Revenue Provision Strategy for 2014/15 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The decision of the Executive on 16 December 2013 (EX.153/13) was:

“That the Executive approved the draft Treasury Management Strategy Statement for 2014/15 incorporating the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2014/15 for draft Budget consultation purposes as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D to Report RD.63/13.”

In considering the Executive's draft Budget proposals 2014/15 and supporting reports Members raised the following comments and questions:

- The Executive's budget proposals stated that “the consultation responses will be considered by the Executive and Resources Overview and Scrutiny Panel in January”. The Resources Overview and Scrutiny Panel did not get the opportunity to scrutinise the consultation responses as stated in the document. The Panel Members felt that they should be given the opportunity to scrutinise the responses to enable them to give accurate advice on the budget to the Executive or the document itself should be changed to accurately reflect the actual process.

The Director of Resources agreed that the wording in the document was incorrect and that the text actually referred to the scrutiny of the budget documents at this meeting. He explained that the timetable did not allow for the consultation responses to come back to Overview and Scrutiny before the Executive meeting in January. He reminded the Panel that they would have the opportunity to see the consultation responses alongside the Executive's final budget proposal at full Council.

The Town Clerk and Chief Executive added that a special meeting of the Panel could be arranged to consider the consultation responses if the Panel so wished or the Chairman of the Panel could attend the consultation meetings.

- What was the difference between the 1.99% increase in Council Tax and the Council Tax Freeze Grant settlement?

The Director of Resources explained that the Council Tax Freeze Grant was non-recurring and when it stopped there would be a shortfall in income as the Council had not increased the Council Tax for four years

- A Member asked for clarity with regard to the funding for the moving of the swimming pool.

The Director of Resources clarified that it was proposed that the Council would take a 25 year mortgage to move the swimming pool into the Sands Centre so that there was one leisure facility to run. It was hoped that this would result in a saving on the leisure contract that would pay for the mortgage. The business case would also look at the best way of borrowing the £5m and would include looking at internal borrowing.

The Town Clerk and Chief Executive reminded Members that the swimming pool was subject to a business case and approval by Members. If it was possible to borrow the money over 25 years and reduce the management fee by at least £250,000 to off set the mortgage then it would be a feasible business case. If this could not be achieved alternative solutions would have to be considered.

- A Member asked for clarity with regard to the Voluntary Redundancy initiative, the Transformation savings and the Council's reserves.

The Director of Resources reported that there was a saving of £1.89m to be achieved in 2015/16 which was addressed by the 2014/15 budget reports. It was proposed that up to £1m would be achieved through the Voluntary Redundancy initiative, £250,000 achieved from the reduction in grants and further savings achieved by initiatives such as Digital by Default. The Transformation Board would then look to make the necessary savings to achieve any shortfall in the £1.89m savings.

The Director added that Appendix 1 of the Budget proposals gave a detailed overview of how the Council's minimum reserve provision was calculated.

The Finance, Governance and Resources Portfolio Holder added that it was difficult yet necessary for the Council to find creative ways to deliver services and to keep an ambitious capital programme scheme to help Carlisle grow.

- Members valued the Small Scale Community Fund but it had not been included in the Executive's budget proposals.

The Finance, Governance and Resources Portfolio Holder confirmed that the Fund had not been included but it was being considered.

- Was the Voluntary Redundancy initiative on target?

The Director of Resources responded that there had been several applications submitted and significant savings were expected. Some of the applications would impact on services so the £1m target would not be reached. There would be a special Senior Management Team meeting on 13 January and Joint Management Team meeting on 20 January 2014 to discuss the applications.

- A Member asked for clarification with regard to Note 4 of Schedule 8 of the Executive's budget proposals which stated that the provision for acquisitions had been removed from the budget.

The Director of Resources reminded the Panel that the original Asset Management Plan had intended to sell and purchase assets. The Council had sold some assets but had not had the opportunity to make acquisitions which had a good return. The acquisitions had been removed from the Capital Programme until the opportunity to make good acquisitions arose.

- A Member asked if the Business Rates growth was still estimated at £600,000 as set out in Schedule 6 of the budget proposals.

The Director of Resources explained that the estimated additional £600,000 growth from Business Rates had been calculated before the Autumn Statement and this figure had now been amended to £500,000.

- Was the Existing Non Recurring Commitment Approval for the Lanes Income as set out in Schedule 5 a shortfall?

The Director of Resources reported that the £138,000 Lanes income was a shortfall but the Lanes management were negotiating good deals with tenants to keep the units full.

- Did the £170,000 shortfall in car parking income reflect a reduction in usage?

The Director of Resources explained that, on the advice of consultants, the car parking charges had been reduced with the intention that the use of car parks would increase. The changes had stopped the decline but had not resulted in an increase in usage. The Director of Local Environment was to review the car parks charges and usage again in 2014.

The Finance, Governance and Resources Portfolio Holder highlighted national issues with regard to car parking because of the change in patterns of retail.

RESOLVED – 1) That the Director of Resources make the necessary changes to the Consultation Responses section of the Executive's Budget Proposals to accurately reflect the budget consultation process.

2) That the comments and concerns of the Committee as set out above regarding the Executive draft Budget Proposal be forwarded to the Executive for their consideration.

3) That reports RD.62/13, RD.65/13 and RD.63/13 be welcomed.

(The meeting ended at 10.45am)

Resources Overview and Scrutiny Panel

Agenda
Item:

A.2

Meeting Date: 20th February 2014
 Portfolio: Cross Cutting
 Key Decision: No
 Within Policy and
 Budget Framework
 Public / Private Public

Title: OVERVIEW REPORT AND WORK PROGRAMME
 Report of: Overview and Scrutiny Officer
 Report Number: OS 05/14

Summary:

This report provides an overview of matters related to the Resources O&S Panel's work. It also includes the latest version of the work programme.

Recommendations:

Members are asked to:

- Decide whether the items on the Notice of Key Executive Decisions should be included in the Panel's Work Programme for consideration.
- Note and/or amend the Panel's work programme

Tracking

Executive:	Not applicable
Overview and Scrutiny:	20th February 2014
Council:	Not applicable

1. Notice of Key Executive Decisions

The most recent Notice of Key Executive Decisions was published on 7th February 2014. There are no issues which fall into the remit of this Panel:

2. References from the Executive

The following references have been received from the Executive following their meeting on 15th January 2014 and are attached at Appendix 1.

- Ex.01/14 Budget 2014/14 – Consideration of Consultation Feedback (not included as attached to Council papers for meeting of 4th February 2014)
- Ex.06/14 Executive Response for the Budget Consultation and Recommendations for the 2014/15 Budget (not included as attached to Council papers for meeting of 4th February 2014).

3. Scrutiny Chairs Group

A meeting of the Chairs Group was held on 6th February 2014 and the Panel will be updated verbally on items discussed at the meeting.

4. Scrutiny Annual Report

All Scrutiny Members were sent an e-mail asking if there were particular issues they wished to see discussed in the annual report. If Members have not given their views yet, they are invited to do so at today's meeting or by e-mail soon afterwards. A draft of the annual report will come to the Panel's final meeting of this civic year, on Thursday 3rd April 2014.

5. Work Programme

The Panel's current work programme is attached at **Appendix 2** for comment/amendment.

Contact Officer: Nicola Edwards **Ext:** 7122
Appendices attached to report: 1. Notice of Key Decisions
2. Resources Work Programme 2013/14

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

APPENDIX 2

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 07 February 2014



Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Current Meeting – 20th February 2014																
Performance Monitoring						✓	Quarterly monitoring of performance within remit of Panel	✓		✓		✓		✓		
Organisational Development Plan	✓					✓	To consider review of Plan July – monitor performance in Nov & Feb		✓			✓		✓		
Sickness Absence	✓						To consider reports relating to the authority’s sickness absence levels to invite OH		✓		✓			✓		
Budget Monitoring 13-14					✓	✓	Monitoring of budget			✓		✓		✓		
Task & Finish Groups																
Saving Paper Task Group			✓				Completed			✓						

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 07 February 2014

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Future Meetings																
Corporate Programme Board						✓	Bi-annual monitoring of significant projects	✓		✓		✓				
Corporate Risk Register						✓	Bi-annual Monitoring				✓				✓	
Transformation Board						✓	To receive six monthly updates (first on agenda)				✓				✓	
Employee Opinion Survey							To inform Members of feedback and action plan								✓	
Significant Partnerships				✓			Bi-Annual scrutiny			✓					✓	June 14 Jan 15
Scrutiny Annual Report							Draft report for comment before Chairs Group								✓	
COMPLETED ITEMS																

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 07 February 2014

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Budget					✓		Budget setting 2014/15-2018/19					✓	✓			
Asset Management		✓				✓	Monitor disposal and investment programme Review of Plan					✓				
Member Training Report 2012-13						✓	Annual training report				✓					
Localisation of Business Rates							To consider a report detailing the impact of the policy				✓					
Medium Term Financial Plan		✓			✓					✓						
Asset Management Plan		✓			✓		2013-18 Plan			✓						
Carlisle Leisure Ltd				✓			Continued scrutiny of contract monitoring - Audit Report and update	✓								

RESOURCES OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2013/14

Date last revised: 07 February 2014

Issue	Type of Scrutiny						Comments/Current Status	Meeting Dates								
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		6 Jun 13	18 Jul 13	29 Aug 13	10 Oct 13	28 Nov 13	6 Jan 14	20 Feb 14	3 Apr 14	
Treasury Management Counterparties		✓					Scrutinise report recommending amendments to Treasury Management	✓								
2012/13 Provisional Outturn Reports					✓		Outturn reports and requests to Council	✓								

Resources Overview and Scrutiny Panel

Agenda Item:

A.3

Meeting Date: 20/02/14
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: NO
 Public / Private: Public

Title: 2013/14 SICKNESS ABSENCE REPORT - APRIL TO DECEMBER 2013
 Report of: Chief Executive
 Report Number: CE 03/14

Purpose / Summary:

This report sets out the authority’s sickness absence levels for the period April 2013 to December 2013, 2013/14 benchmarking and other sickness absence related information.

Recommendations:

1. Consider and comment on the information on sickness absence provided in the report.

Tracking

Executive:	N/A
Overview and Scrutiny:	Resources 20/02/14
Council:	N/A

1. BACKGROUND

The Authority experienced an 18% reduction in absenteeism in 2012/13 (year end 9.06 days) compared to the previous year. This was attributed to less stress related absences (the main cause in 2011/12), revised attendance management policies and the introduction of a wider employee assistance programme. HR Officers also worked closely with managers of teams with high absenteeism.

2. 2013/14 PERFORMANCE

Appendix 1 starting on page 3 shows the sickness absence levels split by directorate in the first three quarters of the year. Compared to the same period of last year, 2013/14 levels have reduced by approximately 4% to 7.2 days lost per FTE employee. Profiled over a year this equates to a forecast of 8.7 days.

Four out of six directorates have experienced a reduction in sickness absence whilst the percentage of long term sickness has remained fairly static.

Note that from December 2013 employees from the old Community Engagement directorate are included in their new directorates. Because of the small numbers of people involved the Deputy Chief Executive's Team is added in with the Chief Executive's Team for reporting purposes.

The reasons for sickness absence are shown in Table 1 below. The table shows the days lost due to each reason for the sickness absence and is split by directorate. As with 2012/13 *Other musculo-skeletal problems* continues to be the biggest contributor. *Stress, depression, mental health, fatigue syndromes* was the highest in 2011/12.

Table 1

Days lost by reason and directorate	CE & DCE's Teams	CE	ED	Gov	LE	Res	Total
01 Back and neck problems	0	38	13	0	139	7	197
02 Other musculo-skeletal problems	52	194	3	25	549	262	1086
03 Stress, depression, mental health, fatigue syndromes	31	161	86	14	444	84	819
04 Infections (incl. colds and flu)	10	133	24	8	79	54	308
05 Neurological (incl. headaches and migraine)	1	33	6	6	10	16	72
06 Genito-urinary / gynaecological	3	11	3	0	22	7	45
07 Pregnancy related (not maternity leave)	0	4	0	0	0	0	4
08 Stomach, liver, kidney & digestion (incl. gastroenteritis)	16	80	19	7	152	94	369
09 Heart, blood pressure & circulation	0	0	0	0	35	48	82
10 Chest & respiratory (incl. chest infections)	14	153	10	3	3	43	226
11 Ear, eye, nose & mouth / dental (incl. sinusitis)	4	14	4	0	29	11	62
12 Other and No Reason Given	1	45	4	0	144	61	255

For the rolling twelve months to end of December 2013, 97.4% of return to work interviews were completed. This is a slight increase from 97.1% for the previous quarter and 95.5% in 2012/13. See the table below for a breakdown by directorate.

Table 2

Directorate	% of RTW conducted
Chief Executive's and Deputy Chief Executive's Teams	94.3
Community Engagement	98.7
Economic Development	100
Governance	100
Local Environment	94.5
Resources	98.9
All Directorates	97.4

North West Employers now produce a benchmark summary of the region's local authorities' sickness absence statistics at the midpoint of the financial year. For the first six months of 2013/14 Carlisle were fifth out of thirteen district councils. This compares favourably to the 2012/13 end of year benchmarking which placed Carlisle fourteenth out of eighteen and 2011/12 when the authority was ranked as the worst performing. Overall, Carlisle is bucking the regional trend of increased sickness absence levels.

Appendix 1: Sickness Absence Levels 2013/14 (April to December 2013)

1. All Directorates

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
CC912	Working days lost due to sickness absence per FTE	9.3	11.1	9.1	7.2	8.7
CC912_num	Number of working days lost due to sickness absence	5910 (FTE)	6200	5372	3693	4481
CC923	Proportion of sickness absence that is long term (over 28 days)	47%	58%	57%	57%	n/a

2. Community Engagement

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-30/11/13	Year End Forecast
CE912	Working days lost due to sickness absence per FTE	9.2	14	8.8	5.3	n/a
CE912_num	Number of working days lost due to sickness absence	2132	2700	1785	892	n/a
CE923	Proportion of sickness absence that is long term (over 28 days)		67%	51%	46%	n/a

3. Economic Development

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
ED912	Working days lost due to sickness absence per FTE	5.7	4.7	4.3	2.9	3.6
ED912_num	Number of working days lost due to sickness absence	320	206	206	174	211
ED923	Proportion of sickness absence that is long term (over 28 days)		30%	42%	44%	n/a

4. Governance

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
GV912	Working days lost due to sickness absence per FTE	5.8	5.1	5.4	3	3.6
GV 912_num	Number of working days lost due to sickness absence	143	108	136	63	76
GV923	Proportion of sickness absence that is long term (over 28 days)		51%	57%	61%	n/a

5. Local Environment

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
LE912	Working days lost due to sickness absence per FTE	10.2	11.8	9.7	10.3	12.5
LE912_num	Number of working days lost due to sickness absence	2262	2436	2042	1634	1983
LE923	Proportion of sickness absence that is long term (over 28 days)		58%	59%	67%	n/a

6. Resources

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
RS912	Working days lost due to sickness absence per FTE	10.2	8.4	13	6.3	7.6
RS912_num	Number of working days lost due to sickness absence	840	636	1143	778	944
RS923	Proportion of sickness absence that is long term (over 28 days)		43%	67%	50%	n/a

7. Chief Executive's & Deputy Chief Executive's Teams (DCE Team added from December 2013)

PI Code	PI Name	2010/11	2011/12	2012/13	01/04/13-31/12/13	Year End Forecast
CT912	Working days lost due to sickness absence per FTE	10.7	6.7	3.3	3.6	4.4
CT912_num	Number of working days lost due to sickness absence	214	114	61	154	187
CT923	Proportion of sickness absence that is long term (over 28 days)		61%	0%	60%	n/a

Report to:
**Resources Overview &
Scrutiny Panel**

Agenda
Item:
**A.4
(a)**

Meeting Date: 20 February 2014
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Quarter Three Performance Report 2013/14
Report of: Policy and Communications Manager
Report Number: PC 02/14

Purpose / Summary:

This Performance Report updates the Panel on the Council’s service standards that help measure performance and customer satisfaction. It also includes updates on key actions contained within the Carlisle Plan.

Details of each service standard are in the table at Appendix 1. The table illustrates the cumulative year to date figure, a month-by-month breakdown of performance and, where possible, an actual service standard baseline that has been established either locally or nationally. The updates against the actions in the Carlisle Plan follow on from the service standard information in Appendix 2.

Recommendations:

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

Tracking

Executive:	10 March 2014
Overview and Scrutiny:	Community – 13 February 2014 Resources – 20 February 2014 Environment and Economy – 27 February 2014

1. BACKGROUND

Service standards were introduced at the beginning of 2012/13. They provide a standard in service that our customers can expect from the City Council and a standard by which we can be held to account. The measures of the standard of services are based on timeliness, accuracy and quality of the service we provide in areas that have a high impact on our customers.

Regarding the information on the Carlisle Plan, 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 Overview and Scrutiny agendas and Portfolio Holder reports.

2. PROPOSALS

None

3. CONSULTATION

The report was reviewed by the Senior Management Team at their meeting on 4 February 2014 and was considered by the Overview and Scrutiny Panels on the following dates:

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to comment on the 3rd Quarter Performance Report prior to it being submitted to Executive.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

See Appendix 2

Contact Officer: Steven O’Keeffe **Ext:** 7258

Appendices attached to report: Appendix 1 – 2013/14 Quarter 3 Service Standards
Appendix 2 – Carlisle Plan Update

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's - Responsible for monitoring and reporting on service standards, customer satisfaction and progress in delivering the Carlisle Plan whilst looking at new ways of gathering and reviewing customer information.

Economic Development – Responsible for managing high level projects and team level service standards on a day-to-day basis.

Governance – Responsible for corporate governance and managing team level service standards on a day-to-day basis.

Local Environment – Responsible for managing high level projects and team level service standards on a day-to-day basis.

Resources - Responsible for managing high level projects team level service standards on a day-to-day basis.

APPENDIX 1: 2013/14 QUARTER 3 SERVICE STANDARDS

Service Standard: Percentage of Household Planning Applications processed within eight weeks

Service Standard	Year to Date Figure	Performance by Month																				
<p style="text-align: center;">80% (Nationally set target)</p>	<p style="text-align: center;">89.1%</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April 2013</td> <td>93.3%</td> </tr> <tr> <td>May 2013</td> <td>90.9%</td> </tr> <tr> <td>June 2013</td> <td>83.9%</td> </tr> <tr> <td>July 2013</td> <td>88.0%</td> </tr> <tr> <td>August 2013</td> <td>93.3%</td> </tr> <tr> <td>September 2013</td> <td>86.7%</td> </tr> <tr> <td>October 2013</td> <td>92.9%</td> </tr> <tr> <td>November 2013</td> <td>83.3%</td> </tr> <tr> <td>December 2013</td> <td>90.9%</td> </tr> </tbody> </table>	Month	Percentage	April 2013	93.3%	May 2013	90.9%	June 2013	83.9%	July 2013	88.0%	August 2013	93.3%	September 2013	86.7%	October 2013	92.9%	November 2013	83.3%	December 2013	90.9%
Month	Percentage																					
April 2013	93.3%																					
May 2013	90.9%																					
June 2013	83.9%																					
July 2013	88.0%																					
August 2013	93.3%																					
September 2013	86.7%																					
October 2013	92.9%																					
November 2013	83.3%																					
December 2013	90.9%																					

Service Standard: Number of missed waste or recycling collections

Service Standard	Year to Date Figure	Performance by Month																														
<p>40 missed collections per 100,000 (Industry Standard)</p>	<p>32 missed per 100,000 (2013/14 mean average)</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Missed Collections per 100,000</th> </tr> </thead> <tbody> <tr><td>Nov-12</td><td>25</td></tr> <tr><td>Dec-12</td><td>22</td></tr> <tr><td>Jan-13</td><td>23</td></tr> <tr><td>Feb-13</td><td>39</td></tr> <tr><td>Mar-13</td><td>28</td></tr> <tr><td>Apr-13</td><td>29</td></tr> <tr><td>May-13</td><td>31</td></tr> <tr><td>Jun-13</td><td>39</td></tr> <tr><td>Jul-13</td><td>22</td></tr> <tr><td>Aug-13</td><td>35</td></tr> <tr><td>Sep-13</td><td>33</td></tr> <tr><td>Oct-13</td><td>35</td></tr> <tr><td>Nov-13</td><td>24</td></tr> <tr><td>Dec-13</td><td>37</td></tr> </tbody> </table>	Month	Missed Collections per 100,000	Nov-12	25	Dec-12	22	Jan-13	23	Feb-13	39	Mar-13	28	Apr-13	29	May-13	31	Jun-13	39	Jul-13	22	Aug-13	35	Sep-13	33	Oct-13	35	Nov-13	24	Dec-13	37
Month	Missed Collections per 100,000																															
Nov-12	25																															
Dec-12	22																															
Jan-13	23																															
Feb-13	39																															
Mar-13	28																															
Apr-13	29																															
May-13	31																															
Jun-13	39																															
Jul-13	22																															
Aug-13	35																															
Sep-13	33																															
Oct-13	35																															
Nov-13	24																															
Dec-13	37																															

This service standard was previously measured as a percentage of all collections made whereas the industry standard is measured per 100,000 collections. To allow an easier comparison to be made with the industry standard and for benchmarking purposes the standard is now measured in the same format as the target.

On average there are approximately 0.4 million collections made every month.

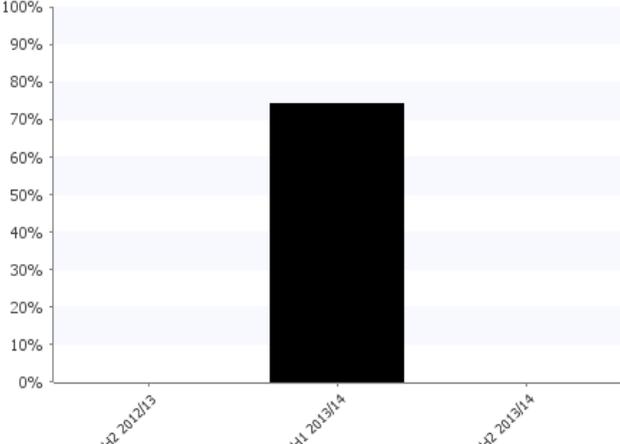
Service Standard: Percentage of household waste sent for recycling

Service Standard	Year to Date Figure	Performance by Month
<p>Nationally set target of 45% by 2015 and 50% by 2020.</p>	<p>47.2% (to end of November)</p>	

The graph above shows what the monthly target would be in order to achieve the EU 2015 target of 45% and the 2020 target of 50%. The monthly target changes to reflect seasonal variations of recycling rates; particularly garden waste tonnages. Work will be done to calculate the annual targets over the next six years in order to achieve a 50% recycling rate by 2020.

In reference to the 2013/14 performance, dry recycling (kerbside, bring site and third party) figures are down while bulky waste is up. Analysis has shown that the reduction is mainly in paper and cans (both part of the green box scheme). Figures for plastic, card and glass are similar to last year. The most obvious reason for the downturn in paper is due to more people using paperless systems. Supermarket's recyclable packaging has also reduced in weight.

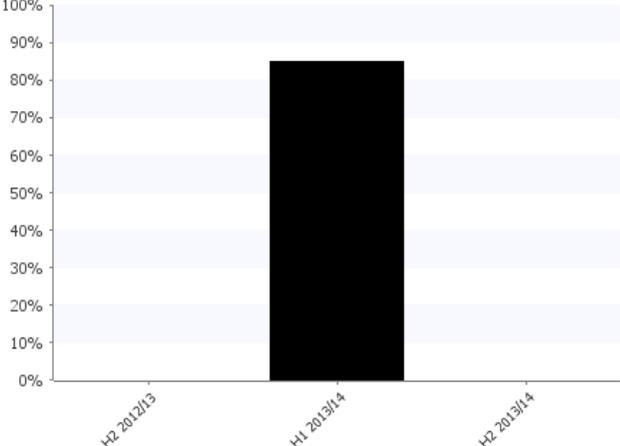
Service Standard 2013-14 - Customer satisfaction with street cleanliness

Service Standard	Year to Date Figure	Performance to date								
<p>There is currently no national standard for satisfaction with street cleanliness.</p>	<p>74%</p>	 <table border="1"> <caption>Performance to date data</caption> <thead> <tr> <th>Period</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>H2 2012/13</td> <td>0%</td> </tr> <tr> <td>H1 2013/14</td> <td>74%</td> </tr> <tr> <td>H2 2013/14</td> <td>0%</td> </tr> </tbody> </table>	Period	Performance (%)	H2 2012/13	0%	H1 2013/14	74%	H2 2013/14	0%
Period	Performance (%)									
H2 2012/13	0%									
H1 2013/14	74%									
H2 2013/14	0%									

Based on 960 responses in the Carlisle Focus Readers' Survey and an online survey.

Carlisle's satisfaction levels are on par with a recent Local Government Association (LGA) national survey.

Service Standard 2013-14 - Customer satisfaction with waste services

Service Standard	Year to Date Figure	Performance to date								
<p>There is currently no national standard for satisfaction with waste services.</p>	<p>85%</p>	 <table border="1"> <caption>Performance to date data</caption> <thead> <tr> <th>Period</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>H2 2012/13</td> <td>0%</td> </tr> <tr> <td>H1 2013/14</td> <td>85%</td> </tr> <tr> <td>H2 2013/14</td> <td>0%</td> </tr> </tbody> </table>	Period	Performance (%)	H2 2012/13	0%	H1 2013/14	85%	H2 2013/14	0%
Period	Performance (%)									
H2 2012/13	0%									
H1 2013/14	85%									
H2 2013/14	0%									

Based on 1010 responses in the Carlisle Focus Readers' Survey and an online survey.

Carlisle's satisfaction levels are on par with a recent Local Government Association (LGA) national survey. Interestingly there was virtually no difference between satisfaction with weekly and fortnightly household waste collections.

Service Standard: Average number of days to process new benefits claims

Service Standard	Year to Date Figure (Average)	Performance by Month																				
All new claims should be processed within 22 days	20.9 days	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>Average Days</th> </tr> </thead> <tbody> <tr> <td>April 2013</td> <td>20.4</td> </tr> <tr> <td>May 2013</td> <td>18</td> </tr> <tr> <td>June 2013</td> <td>19.7</td> </tr> <tr> <td>July 2013</td> <td>17.1</td> </tr> <tr> <td>August 2013</td> <td>22.2</td> </tr> <tr> <td>September 2013</td> <td>23.4</td> </tr> <tr> <td>October 2013</td> <td>25.6</td> </tr> <tr> <td>November 2013</td> <td>21.1</td> </tr> <tr> <td>December 2013</td> <td>23.1</td> </tr> </tbody> </table>	Month	Average Days	April 2013	20.4	May 2013	18	June 2013	19.7	July 2013	17.1	August 2013	22.2	September 2013	23.4	October 2013	25.6	November 2013	21.1	December 2013	23.1
Month	Average Days																					
April 2013	20.4																					
May 2013	18																					
June 2013	19.7																					
July 2013	17.1																					
August 2013	22.2																					
September 2013	23.4																					
October 2013	25.6																					
November 2013	21.1																					
December 2013	23.1																					

This standard was previously measured in 2012/13 as the proportion of new claims that were processed within 28 days. This was a specific measure defined locally and consequently did not enable us to easily benchmark with other authorities. As a result we have now adopted the industry standard way of measuring the performance of this service. The Department for Work and Pensions (DWP) ranks authorities into quartiles and Carlisle's target is to not fall lower than the 2nd quartile.

Below shows the quartile ranges based on 2012/13 data. Carlisle's performance from April to December of 20.9 days would put us in the 2nd quartile.

DWP official figures for 2012/3:

- 6–18 days – Top Quartile
- 18-22 days – 2nd Quartile
- 22-28 days – 3rd Quartile
- >28 days – Bottom Quartile

Appendix 2: Carlisle Plan Update

PRIORITY – We will support the growth of more high quality and sustainable business and employment opportunities

The Council's Key Decisions will support business growth, with its services being viewed as 'business friendly' through working more closely with them to meet business' needs.

Local Plan

The first stage public consultation on preferred options Local Plan (LP) ended on 16 September 2013. A Compliance Meeting with the Planning Inspector took place the following day. Initial consultation feedback of issues was raised to the LP Members Working Group on 10 October 2013. Following this it was recommended to insert an additional stage of consultation (Preferred Options Stage 2) in the Local Plan programme and thereby reduce the risk of any future challenge to the process of the Local Plan being prepared. This delayed the programme by approximately six months. A report outlining the additional stage of consultation was due to reach Full Council on 4 March 2014 with a period of consultation to commence on 10 March for 4 weeks.

Prospectus for Carlisle

A prospectus for Carlisle, based on the Carlisle Story, is being developed as part of a suite of documents available for use by the public and private sector to raise the profile of Carlisle. The prospectus will be available for use as a standalone document, or in conjunction with a range of inserts; each of which will have specific information relating to themes or specific sectors. An amended draft of the prospectus has now been circulated for comment and once approved will form the basis for the inserts.

PRIORITY - We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle

This priority supports tourism, the arts and creative industries. It is recognised that arts and leisure are important in making Carlisle a great place to work, live and visit. Developing public realm improvements is a key piece of work under this priority. This involves the City and County councils working together.

Old Town Hall Phase 2 / Tourist Information Centre

Following the receipt of tenders on 22nd November 2013 and completion of an evaluation exercise, an intention to 'Award Contract' letter was issued to the successful party on 31/12/13. An inception meeting was held on 2/1/14 to agree methodology and management procedures. The first Project Progress Meeting was held in mid January 2014.

Public Realm

The programme of public realm projects has been scored, ranked and prioritised. An overarching project has been identified to develop a signage design suite which can then be accurately costed for use in other projects. Concept designs are already in place and we are currently in the process of commissioning Thinkingplace to produce a comprehensive signage suite with a deadline of late February. This will enable procurement of a preferred manufacturer to work with the design team to finalise the products within quality and cost tolerances. The resulting 'shopping list' of items can then be incorporated within subsequent public realm projects as and when they are brought forward.

The commission for a hoardings design suite has been completed and has already attracted interest from private sector businesses wishing to use these designs. This should result in Carlisle Story inspired hoardings being seen in Carlisle over the coming months.

Arts Centre

The design and build scheme submitted by Thomas Armstrong (with Day Cummings) has been approved and final contracts and design variations are currently being negotiated. The wider construction timescales and deadlines remain on schedule. Pilot projects within the centre remain under development and the programme is growing. It will continue up to May 2014 before close down and refurbishment to gauge interest in using the Arts Centre.

PRIORITY - We will work more effectively with partners to achieve the City Council's priorities

The City Council wants to establish Carlisle as a nationally recognised sub-regional capital by becoming an effective partner in the key areas of housing and economic growth.

Home Improvement Agency

The Home Improvement Agency (HIA) has helped 73 clients to date including 35 home visits. Work has been delivered under the Electrical Safety Council Grant funding, the Sanctuary Scheme for victims of domestic and sexual violence, and the Keep Safe scheme for victims of anti-social behaviour.

Already, 38 volunteers have been recruited to the Community Neighbour Programme; of which 21 are fully trained and disclosure and barring service checked. Eight volunteers are actively working with older people in the urban and rural wards. An apprentice and caseworker have been recruited and new software has been installed to assist with case management, financial / budget management and reporting.

Carlisle Ambassador's Programme

The development of the Carlisle Story and place branding toolkit has provided the means to promote Carlisle as a regional capital. The establishment of the Carlisle Ambassador's Programme to work with individuals and organisations across all sectors and encourage the use of this place branding, has also provided an opportunity to review existing partnerships and establish connections where this may have proved difficult in the past. The focus for Carlisle Ambassador's is to raise the profile of Carlisle and thereby have a positive effect on the local economy. A series of projects utilising the Carlisle Story are already being delivered, the outputs of which will help us towards achieving our priorities.

PRIORITY - We will work with partners to develop a skilled and prosperous workforce, fit for the future

The City Council continues to work closely with partners through the Carlisle Economic Partnership (CEP). Part of the CEP action plan of key priorities sets out actions to address skills gaps by identifying skills needs for growth and encouraging provision which meets those needs. One of the outputs for this priority was to hold a careers event where young people could meet representatives of local businesses. A skills trade fair took place on Thursday 30 January 2014 at the Sands Centre.

The City Council is supporting the Knowledge Transfer Project which will help maximise the potential of 'e'-commerce by supporting local retailers (SMEs) and especially independents to make use of the internet to promote and grow their business. This two year project will support businesses to develop specific products together with experts from the University of Cumbria with the aim of maximising the use of proposed City Centre WiFi, using apps, for example, to support the local economy.

PRIORITY - Together we will make Carlisle clean and tidy

The City Council recognises the shared responsibility between it and the community and is committed to a pro-active approach to making Carlisle a place that its residents can be proud of.

Integrated Waste Management Project

A review of the waste collection service is underway. This is an exciting opportunity to improve the service and maximise value for money

Purple Sack and Gull Sack Projects

A part of the Love Where You Live campaign had been to identify sources of litter on the streets. We found that high levels of litter were caused by seagulls attacking waste in the purple sack collections.

The project has begun in Denton Holme where purple sack collections have moved to wheeled bins collections. This has reduced the levels of litter caused by the waste collections.

A further roll out of gull proof sacks is planned for early 2014/15.

Education and Enforcement

The table below provides a snapshot of the enforcement activity undertaken in 2013/14. A full overview, including details of the initiatives in place, will be included in the end of year performance report.

Enforcement Area	2013/14 Year to Date (end of January 2014)
Dog Fouling	
No. of dog fouling complaints received	469
No. of dog fouling fixed penalties issued	41
No. of dog fouling prosecutions	8
No. of fixed penalties issued for failing to keep a dog on a lead	12
No. of prosecutions for failing to keep a dog on a lead	4
Fly Tipping	
No. of fly tipping complaints received	251
No. of fly tipping prosecutions	2
Litter	
No. of littering fixed penalties issued	41
Warning letters issued to juveniles	6
No. of littering prosecutions	1
Fly Posting	
No. of warnings delivered for fly posting	10
No. of fixed penalties issued	8
Waste Receptacles	
No. of waste receptacle complaints received	96
No. of fixed penalties issued	8
No. of waste receptacle prosecutions	1

PRIORITY - We will address Carlisle's current and future housing needs

The key to this priority is the delivery of the City Council's housing strategy.

Delivery of the Affordable Housing Programme:

Riverside has reached agreement with Lovell to deliver and manage 37 affordable homes in the Raffles area at Dalton Avenue. Planning permission has been granted for these properties; 23 two-bed homes, 6 three-bed homes, 4 four-bed homes and 4 two-bed bungalows. Contracts were due to be exchanged late 2013 / early 2014, with a start on site by Spring 2014.

Land transfer has been completed which has led to a capital receipt of £150,000.

Empty Homes:

The Cluster of Empty Homes programme originally set out plans to return 45 empty properties back into use by the end of 2014/15. The City Council are the accountable body and the YMCA's Making Homes Programme is the provider for this programme. The YMCA's programme is based on lease and repair with an approximate 20% rental income stream in fees. Nationally these types of programmes have struggled to hit targets; primarily due to the complex nature of the work involved. In Carlisle ten properties were completed by the end of January 2014 and a further 24 are expected to come on stream by end of September 2014. A number of landlords with multiple properties are trialing the programme with a single property before committing further. The City Council will continue to closely monitor the performance of the programme provider.

Resources Overview and Scrutiny Panel

Agenda Item:
A.4
(b)

Meeting Date: 20 February 2014
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: No
Public / Private: Public

Title: Organisational Development Plan Report
Report of: Organisational Development Manager
Report Number: CE 04/14

Purpose / Summary:

The Organisational Development (OD) Plan 2013-15 sets out key objectives, outcomes for employees, key actions and measures of success for organisational development issues. It builds on the work done in the OD Plan 2011-13.

Progress against the Plan is reported to Resources Overview and Scrutiny Panel on a quarterly basis.

Recommendations:

Consider the Organisational Development Plan Report.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 Introduction

1.1.1 The Organisational Development Plan 2013-15 builds on the work of the 2011-13 Plan. The current Organisational Development Plan reflects the vision and priorities of the Carlisle Plan. It also references other organisational initiatives. The priorities are organisational culture, partnership working, a skilled workforce and health and wellbeing. A copy of the Plan is included as Annex A (*prints as A3*).

1.2 Organisational Culture

1.2.1 The Work Together, Get Results project will support *1.1 – Develop new organisational principles and values*. Workshops have been held at the Civic Centre, Bousteads Grassing depot and in west Cumbria for Revenues and Benefits staff in the Shared Service, ensuring that all staff have had the opportunity to help define the desired future culture. This process will result in a clear understanding of the principles, values and behaviours of staff that are consistent with future high performance and a commitment from staff to working in these ways.

1.2.2 Work is progressing on *1.2 - Embed the management competency framework including using the competencies in future management level job descriptions and interviews* through the appraisal process for managers and supervisors which will run from February to April 2014. Workshops are being developed for each of the six competency areas. Organisational Development will work with the HR Advisory Services Team to include the competencies in future management level job descriptions. Some managers have incorporated the competencies into interview questions.

1.2.3 As part of *1.3 – Support staff to manage change at an organisational and individual level*, a workshop on Building Resilient Teams took place in January to help managers explore and better understand the factors associated with long term success in the face of change.

1.2.4 The monthly staff newsletter, 'In the Loop', continues to support *1.4 – Continue to improve communication at all levels of the organisation*. Quarterly Chief Executive briefings also take place at the Civic Centre, Bousteads Grassing depot and in west Cumbria for Revenues and Benefits staff in the Shared Service. The next briefings will be in March.

1.2.5 In support of *1.5 – Develop the commercial awareness and commissioning skills of staff* a workshop on commercial awareness is being developed and will be included in the April to October corporate training programme.

1.3 Partnership Working

1.3.1 Work is progressing on 2.2 – *Work with partners to develop a coaching network in Cumbria*. The City Council has worked with partners to develop a tender specification for a Coaching Academy for Cumbria which has been posted on The Chest (the North West purchasing portal). The chosen provider will work with the City Council and other partners to develop an accredited coaching programme with an estimated start date of April 2014.

1.3.2 The Carlisle City Council Corporate Training Directory is shared with community centres, councils in Cumbria and other partners in support of 2.4 – *Work with partners to share costs on training courses*. Staff from Lake District National Park and community centres have come on courses put on by the City Council in recent months.

1.4 A Skilled Workforce

1.4.1 The Organisational Development Team works with managers across the City Council on 3.1 – *Support managers to develop their staff*, suggesting learning opportunities to meet the development needs of their staff. The annual appraisal process for 2014 will highlight staff learning and development needs which will be met in a range of ways including arranging internal workshops, qualifications and external courses.

1.4.2 The Organisational Development Team also works with managers and staff across the City Council on 3.2 – *Work with managers to identify internal promotion opportunities and support staff to apply for these*. This has included arranging CV and interview skills workshops for staff and working with individual staff who are interested in applying for internal vacancies.

1.4.3 A bid to take on four apprentices was included in the Budget 2014/15. This supports 3.3 – *Continue to identify areas of the Council where apprentices and graduate traineeships could be introduced*. A training programme is being created to enable the four managers to support and develop the apprentices.

1.4.4 Work has finished on 3.4 – *Update the qualification study policy* to revise the policy developed in 2004. This will now be taken forward for approval as part of an Organisational Development Framework which contains all the policies relating to learning and development.

1.4.5 Work has started on 3.5 – *Identify areas of the Council with development needs and offer relevant opportunities*. The Organisational Development Team is working with directors and managers as part of service reviews on this. Further work will continue to look at longer term development needs.

1.4.6 Workshops are being developed to support 3.7 – *Build on the leadership and management programmes to further develop the skills of managers*. A workshop on ‘Managing performance through change’ will take place in March and further workshops are planned for the April to October period.

1.5 Health and Wellbeing

1.5.1 Work is continuing on 4.1 – *Develop an annual programme of health and wellbeing activities*. In January a lunchtime learning workshop on ‘Look after your knees’ took place as well as a ‘Curry in a Hurry’ cookery demonstration. In February swimming vouchers have been offered to staff in partnership with Carlisle Leisure Ltd. A ‘Know your stats’ session took place in January for staff who wanted to know their height, weight, body fat %, body water %, basal Metabolic rate / age as well as their visceral fat ratings. Staff have also been invited to book a mini health check session with the Occupational Health Nurse which tests blood pressure, glucose and cholesterol and these will take place in February and March.

1.5.2 An article about the e-learning modules for managers and staff on the attendance management procedures was included in the February staff newsletter as part of 4.2 – *Support managers to implement the revised attendance management procedures*.

1.5.3 Work continues on 4.4 – *Improve promotion of existing employee benefits and research new benefits*. The Employment Panel and Executive have approved two new employee benefits; a Salary Sacrifice Car Scheme and a Computers for Staff Scheme. These are now being developed and will be launched in the spring.

2. CONCLUSION AND REASONS FOR RECOMMENDATIONS

2.1 The new OD Plan 2013-15 reflects the vision and priorities of the Carlisle Plan and references other organisational initiatives. The Resources Overview and Scrutiny Panel is asked to consider the report.

3. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

3.1 The OD Plan 2013-15 contributes to the Carlisle Plan priority of working with partners to develop a skilled and prosperous workforce, fit for the future.

Contact Officer: Emma Titley **Ext:** 7597

Appendices attached to report: Organisational Development Plan 2013-15

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/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

Governance –

Local Environment –

Resources –

ORGANISATIONAL DEVELOPMENT PLAN 2013-15

Vision	To promote Carlisle as a prosperous City, one in which we can all be proud.			
Our priorities	Organisational Culture	Partnership Working	A Skilled Workforce	Health and Wellbeing
Our key objectives	Develop the culture and performance of the organisation Empower staff to improve the organisation	Identify opportunities to work with partners to develop the organisation Improve the partnership working skills of our staff	Continue to develop a skilled workforce Support internal promotions Focus qualification budget on staff with lower level skills	Promote health and wellbeing in the workplace Early intervention to prevent long term sickness absence A flexible benefits package to suit the life stages and lifestyles of employees
Outcomes for our employees	Engaged and motivated with a clear understanding of what is expected of them	Understand the value of partnership working	Opportunities for career development including gaining qualifications in the workplace	Increased sense of feeling supported in the workplace
Our key actions	Develop new organisational principles and values Embed the management competency framework including using the competencies in future management level job descriptions and interviews Support staff to manage change at an organisational and individual level Continue to improve communication at all levels of the organisation Develop the commercial awareness and commissioning skills of staff	Work with partners to develop a leadership programme for Cumbria Work with partners to develop a coaching network in Cumbria Work with partners to identify skill shortage areas and develop solutions Work with partners to share costs of training courses Develop e-learning modules on partnership working	Support managers to develop their staff Work with managers to identify internal promotion opportunities and support staff to apply for these Continue to identify areas of the Council where apprenticeships and graduate traineeships could be introduced Update the qualification study policy Identify areas of the Council with development needs and offer relevant opportunities Introduce a postgraduate loan scheme for staff wanting to do relevant postgraduate courses Build on the leadership and management programmes to further develop the skills of managers	Develop an annual programme of health and wellbeing activities Support managers to implement the revised attendance management procedures Develop a stress management plan including assessing staff stress levels Introduce a workplace health and wellbeing agreement Improve promotion of existing employee benefits and research new benefits Make better use of technology to support staff who want to work flexibly
Our key measures of success	From annual Employee Opinion Survey: <ul style="list-style-type: none"> • % of employees rating the City Council as a good employer • % of employees who feel valued • % of employees who say SMT provides strong leadership • % of employees who say their line manager supports them in their role 	Management information for: <ul style="list-style-type: none"> • Number of organisations worked with • Income from other organisations sending their staff on City Council courses 	Management information for: <ul style="list-style-type: none"> • Number of employees working towards a higher level qualification • % of employees with qualifications 	Management information for: <ul style="list-style-type: none"> • Number of employees taking part in health and wellbeing activities • % of working days lost per FTE per year • Number of employees taking up employee benefits

Resources Overview and Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 20 February 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
 APRIL TO DECEMBER 2013
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD83/13

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to December 2013 and was considered by the Executive on 10 February 2014.

Questions for / input required from Scrutiny:

Members are asked to note the variances contained within this report.

Recommendations:

The Members of the Resources Overview and Scrutiny Panel are asked to note the overall budgetary position for the period April to December 2013.

Tracking

Executive:	10 February 2014
Overview and Scrutiny:	20 February 2014
Council:	n/a

Report to Executive

Agenda
Item:

Meeting Date: 10th February 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
 APRIL TO DECEMBER 2013
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD83/13

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to December 2013 for the revenue budget only. The revenue report includes details of balance sheet management issues, high-risk budgets and performance management.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2013;
- (ii) Note the potential forecast year end position;
- (iii) Make recommendations to Council to transfer £250,000 from overachieved Salary Turnover Savings to General Fund Reserves as detailed in paragraph 4.3;
- (iv) To approve for recommendation to Council, the funding of the non-recurring £1m savings in 2014/15 as detailed in paragraph 4.3; and
- (v) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

Tracking

Executive:	10 February 2014
Overview and Scrutiny:	20 February 2014

Council:	n/a
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1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of 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. 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 Director of Resources.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 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. REVENUE BUDGET OVERVIEW

- 2.1 The following statement shows the total annual revenue budget as at December 2013:

2013/14 Revenue Budget	£
Approved Budget (Council resolution – February 2013)	12,755,000
Carry forward requests (2012/13 out-turn)	677,400
Council Resolution 2013/14	13,432,400
Non-Recurring Expenditure (note 1)	
Transformation Costs (Transformation Reserve)	181,700
Updated Budget 2013/14	13,614,100

Note (1) use of earmarked reserves to fund 2013/14 expenditure

3. 2013/14 BUDGET MONITORING

3.1 The summarised budgetary position as at December 2013 is shown below:

Directorate / Appendix		Annual Net Budget	Net Budget to date	Net Spend to date	Adjusted Variance
		(£)	(£)	(£)	(£)
Chief Executive's Team	A1	170,800	99,229	58,419	(40,810)
Community Engagement	A2	(19,600)	(17,327)	(11,034)	6,293
Deputy Chief Executive's Team	A3	4,276,800	3,531,474	3,494,740	(36,734)
Economic Development	A4	2,677,200	1,756,429	1,790,065	33,636
Governance	A5	(1,812,700)	(2,021,577)	(2,081,158)	(59,581)
Local Environment	A6	5,914,800	4,473,442	4,316,499	(156,943)
Resources	A7	2,406,800	833,856	649,527	(184,329)
Total		13,614,100	8,655,526	8,217,058	(438,468)

3.2 Further details for each directorate can be found in **Appendices A1 – A7**. Each appendix shows a breakdown of the variance for the Directorate, with comments and a note of any performance issues.

3.3 The figures for the Resources directorate in the above table and attached **Appendix A7** include corporate budgets held centrally.

4. KEY ISSUES

4.1 The corporate Salary Turnover Savings target for 2013/14 is £242,500. Savings from staffing budgets across the authority are measured and transferred to it throughout the year. A summary of direct staffing expenditure to the end of December 2013, including transfers to Salary Turnover Savings, is provided in the table below.

Direct Employee Expenditure	Updated Budget	Budget to date	Actual to date	Variance to date	STOS to date	(Under)/Overspend
Directorate	£	£	£	£	£	£
Chief Executive's Team	1,127,900	844,843	852,655	7,812	(8,000)	15,812
Community Engagement	71,300	53,480	52,137	(1,343)	(2,900)	1,557
Deputy Chief Executive's Team	283,100	187,511	190,908	3,397	4,200	(803)
Economic Development	2,576,100	1,893,684	1,836,822	(56,862)	(33,300)	(23,562)
Governance	1,333,900	956,475	925,832	(30,643)	(28,400)	(2,243)
Local Environment	4,741,400	3,559,009	3,224,987	(334,022)	(334,600)	578 *
Resources	2,475,300	1,796,724	1,762,503	(34,221)	(51,000)	16,779
Total	12,609,000	9,291,726	8,845,844	(445,882)	(454,000)	8,118
Savings transferred to fund the Purple Sacks Review*					69,500	
Savings transferred from budgets set aside for Living Wage					(19,600)	
Net Salary Turnover Savings taken to date					(404,100)	

4.2 Members are reminded that Council, at its meeting on 10th September, approved the Savings Strategy which will focus on three areas to deliver savings, including the Asset Review, Service Delivery Models and, as part of the transformation programme, a review of those services that are neither core priorities nor statutory requirements. The recurring impact of these savings forms part of the 2014/15 budget process.

4.3 Additional transformational savings are required in order to bring reserves up to minimum levels, and the requirement for 2014/15 has been identified on a non-recurring basis from the first call on 2013/14 underspends, first call on any business rate growth in 2013/14 and first call on the 2014/15 allocation of New Homes Bonus. Executive are asked to recommend to Council the funding of the £1m non-recurring savings as follows:

	Use of General Fund Reserves	Additional Income
Salary Turnover Savings achieved in 2013/14	250,000	
Additional Use of General Fund Reserves	481,000	
New Homes Bonus 2014/15		269,000
	731,000	269,000
Total Funding to achieve Savings Target		1,000,000

5. FORECAST OUTTURN POSITION 2013/14

5.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:

- The general effect of the economic climate on the Council's income streams e.g. car parking, tourism and leisure activities.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.

5.2 The Council's financial position continues to be closely monitored and will be reported fully at outturn. The following table provides a broad estimate of the potential year end position.

Potential Additional Costs/Shortfall in Income	Over/(Under) Projection 13/14 £	Notes
Enterprise Centre lettings & NNDR costs	36,600	
Tourist Information Centres - ticket sales	45,600	
Recycling & Waste collection income	16,600	
Off Street Parking	240,000	
Countywide Parking Contracts	35,000	
Investment Income	230,000	
Lanes Income Shortfall	14,000	
Other Properties Net Income	21,300	
NNDR charges	34,700	
Bousteads Grassing rent income	10,200	
Total additional costs/income shortfalls	684,000	
Potential Reduction in costs/Additional income		
Bereavement Services income	(36,000)	
Development Control Inquiry Costs & Fees	(13,600)	
Sewerage & Water Charges	(68,000)	
Transport Repairs & Hire Costs	(26,800)	
Transport Fuel Costs	(19,400)	
Travel Review and Leased Cars	(31,700)	
Revenues & Benefits Shared Service	(23,000)	
Salary Turnover Savings/Pay Award	(171,000)	1
Pension Deficit Funding	(127,000)	
Elections	(82,600)	
City Lighting - Energy and New Lighting	(59,000)	
City Centre Events	(5,900)	
Total reduced costs/additional income	(664,000)	
Other Year End Implications/Requirements:		
VAT recovery Claims (DFGs)	195,000	
Insurance Excess Provision	(100,000)	
Inflation	(11,000)	
Transformation Savings	(351,900)	
Total requirements/(reductions)	(267,900)	
Total (under)/over spends	(247,900)	

Note:

1. The year end forecast has been reduced by £250,000 as detailed in paragraph 4.3.

6. HIGH RISK BUDGETS

6.1 A number of high-risk budgets have been identified which require detailed monitoring throughout the year. These particularly include income budgets, some of which have been adjusted by recurring and non-recurring bids, approved in the 2013/14 Council Resolution.

6.2 The summarised position of income budgets deemed to be high risk is as follows:

Budget Area	Directorate	Annual Budget £	Budget to date £	Actual to date £	Variance £	para.
Hostels	ED	(559,100)	(433,383)	(444,044)	(10,661)	6.3
Building Control	ED	(322,400)	(255,589)	(247,556)	8,033	6.4
Development Control	ED	(545,800)	(429,544)	(512,476)	(82,932)	6.5
Enterprise Centre	ED	(140,700)	(105,543)	(71,983)	33,560	6.6
Tourist Information Centres	ED	(133,600)	(117,624)	(85,558)	32,066	6.7
Land Charges	Gov	(165,700)	(124,293)	(124,774)	(481)	6.8
Industrial Estates	Gov	(2,445,600)	(1,961,864)	(1,969,385)	(7,521)	6.9
Lanes	Gov	(1,383,300)	(1,383,300)	(1,372,772)	10,528	6.10
Cemeteries	LE	(267,800)	(200,475)	(190,169)	10,306	6.11
Crematorium	LE	(852,800)	(622,544)	(621,807)	737	6.11
Off Street Parking	LE	(1,299,200)	(1,036,875)	(832,646)	204,229	6.12
On Street Parking	LE	(364,700)	(280,019)	(233,876)	46,143	6.12
Bring Sites	LE	(150,700)	(114,690)	(97,992)	16,698	6.13
Garden Waste	LE	(545,100)	(482,371)	(505,493)	(23,122)	6.13
Bulky Waste/Special Collections	LE	(36,300)	(27,230)	(25,662)	1,568	6.13
Plastics & Card	LE	(201,600)	(150,855)	(134,571)	16,284	6.13
Green Box Collection	LE	(343,300)	(254,007)	(228,740)	25,267	6.13

6.3 There is a delay in the implementation of the new charging structure for the **Hostels** although income to date is in excess of the target by 2.5%.

6.4 The reduced income levels from **Building Control** fees continue to challenge the service managers and spending is held at the lowest possible level in an attempt to offset the anticipated shortfall, currently running at 3%.

6.5 Fee income from **Development Control** charges has declined in recent years, with fewer planning applications received throughout the economic downturn, however there has been a slight upturn in recent months and this is now achieving almost 19% more than the target to date.

6.6 Local small businesses continue to feel the ongoing effects of the recession, this is reflected in the number of empty units at the **Enterprise Centre** and there is a significant drop in income (32% down on the budget to date) from lettings.

- 6.7 Income generated from sales at Carlisle's **Tourist Information Centre** was affected by its relocation whilst building improvements were carried out at the Old Town Hall and although it was expected that the refurbishment and changes would reverse this position on re-opening, the income has dropped and there is a shortfall of 27% up to the end of December 2013.
- 6.8 The annual budget for income from **Land Charges** has been reduced over the past few years to reflect the continuing impact of the economic climate on the housing market. However, there was a year end surplus of £6,000 on the budget set for 2012/13 and the target for this year includes an increase of 10% in anticipation of further recovery in this sector. The current activity levels are just above the improved target by 0.4%.
- 6.9 Adjustments for rent recovered from **Industrial Estates** now sold have helped to offset the full effects of the downturn in the property market.
- 6.10 The high street and town centres continue to be affected by the economic recession and changing trends in consumer spending. In spite of a credit in the region of £63,000 following the reconciliation after the end of last year, rental income from the **Lanes** is down 1% against the target for the first nine months.
- 6.11 There was a small surplus of 1.5% on **Bereavement Services** income at the end of last year and the budget uplift for 2013/14 was set at a lower rate than this level. The first nine months' receipts for the current year have fallen short of the updated target by over 1%.
- 6.12 Income generated from **Car Parking** has been consistently lower than the level budgeted for a number of years and significant changes to the charging strategy were introduced after a review undertaken in 2012. However, the combined impact of the recession and internet shopping on the high street and visitor numbers, and increasing private sector parking facilities makes it difficult to quantify any benefit that may have been realised from the changes. In addition, the budget for parking income increased by £45,300 for this year and there is now a deficit of 19% against the new level up to the end of December 2013.
- 6.13 The total income from the various **Waste and Recycling Collection Services** is 4% lower than the expected levels up to the end of the third quarter of 2013/14. Income from the Bring Sites is down by 15% against the nine months' target, Plastics and Card is down 11%, and Green Box Collection is down almost 10%. Garden Waste Collection is currently 5% above target.

7. S.106 COMMUTED SUMS

- 7.1 As at December 2013 balances totalling £1,876,646 are held in respect of Section 106 agreements and other commuted sums, with a further £4,462,586 expected. The expected sums, for the most part, relate to agreements for sites yet to be developed and include negotiated items that, in view of the terms of the agreement, may not be due until later phases of development. These sums are to be used for the provision and future maintenance of public open spaces, school buildings, children's play areas, cycleways and transport facilities etc.
- 7.2 The City Council acts as custodian only for £1,207,596 of the sums held, in respect of projects for which Cumbria County Council is responsible, including the Public Realm. Should the County Council not progress these projects, or they remain incomplete within the agreed deadlines, the custodial sums must be repaid, along with a premium for interest, to the Developers. A summary of the balances retained is set out in the table below:

Commuted Sums 2013/2014	Opening Balance & Receipts (£)	Spend (£)	Retained Balance Dec 2013 (£)	Expected Sums (£)
Affordable Housing Contributions	15,000	0	15,000	254,373
Cycleway & Public Realm	732,841	0	732,841	0
Education	0	0	0	3,500,000
Play Areas & Facilities	239,009	4,728	234,281	69,310
Public Open Spaces Provision/Maintenance	473,806	54,037	419,769	282,034
Sports Provision/Maintenance	0	0	0	48,584
Transport & Pedestrianisation	488,837	14,082	474,755	308,285
Total	1,949,493	72,847	1,876,646	4,462,586

8. DIRECTION OF TRAVEL

8.1 Balance Sheet Management

In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2013	Balance at 27/12/2013	Note
Investments	£18.7m	£20.8m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£1.07m	£1.80m	(iii)
Creditors	£0.06m	£0.07m	

- (i) The anticipated return on investments for 2013/14 was estimated at £473,100 with current projections anticipated to be significantly below this target.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,000 in 2013/14 with costs currently on target. There are no proposals for further borrowing during 2013/14.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR and Housing Benefit overpayments.
- (iv) Use of Reserves: The usage and level of all Council reserves are set out in the Medium Term Financial Plan (RD36/13), approved by Council in September 2013. It is anticipated that £0.4m will be required from the Council's Revenue Reserves to fund expenditure in 2013/14, including £667,400 of 2012/13 carry forwards. Any under or overspend at the year end will adjust the balance transferred to or from the reserve. Council reserves are under significant pressure for 2013/14 and the savings strategy approved in February 2013 will help to resolve the projected deficit. However, further savings must be identified to replenish usable revenue reserves to the minimum required.
- (v) The Council's VAT partial exemption calculation for the period ending December 2013 has been calculated and is well below the 5% limit set by HMRC at 1.55%.

9. BAD DEBT WRITE-OFFS

9.1 The Director of Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £496,362.06 have been written off during Quarters 2 and 3. A summary of bad debts is given in Table 1, **Appendix B** of this report and these costs will fall against the following:

	£
General Fund	24,044.72
Council Tax (Collection Fund)	47,520.94
NNDR	424,796.40
Total Write-offs	496,362.06

Note:

Of the £424,796 in Business Rates write-offs, £213,196.07 are in respect of The Public Safety Charitable Trust (PSCT). The PSCT engaged in taking leases on empty properties to relieve the liability on the landlords. This was known as Empty Rate avoidance. They were charged a nominal rent of £1.00.

The PSCT then claimed to be in occupation for its charitable purpose and claimed 80% Mandatory relief. However, the only “occupation” was the installation of a very small Bluetooth transmitter which broadcast public messages to people within the vicinity (crimestoppers).

We refused to grant Relief because we did not believe that the premises were “wholly or mainly” used for charitable purposes. Then in October 2012 when according to the latest legal decision this type of occupation was deemed both legal and for the purposes of this charity, the judge ruled it was a lawful “ruse”. The case was heard in West Cheshire Magistrates Court. The Council granted 80% Mandatory Relief.

This decision was challenged and in July 2013, the 80% Mandatory Relief was removed as per the high court decision. This raised a large amount of debt and many rating authorities obtained liability orders and in May 2013 South Cambridge District Council presented a petition for the company’s winding up. The winding up order was made on 8th July 2013. Write-offs were subsequently actioned in August 2013. There are approximately 150 Councils including Carlisle writing off a total of £15,245,000.

9.2 The “write-ons” itemised in Table 2, **Appendix B**, totalling £23,864.79, are in respect of balances originally written off that have since been paid, credit write-offs for Quarters 2 & 3. The write-ons will be credited as follows:

	£
General Fund	20.06
Council Tax (Collection Fund)	7,355.43
NNDR	16,489.30
Total Write-offs	23,864.79

9.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. HRA debts and provisions have transferred to the General Fund and any write-off/write-on of Council Tax will fall against the pool provisions within these accounts. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

9.4 At this stage of the year, the level of bad debts for NNDR is in excess of the provision established in the 2012/13 statement of accounts to fund the bad debts. The other areas are broadly in line with expectations and will be within the scope of the current provisions to fund the bad debts. This situation is continuously under review and any major deviations will be reported as part of the outturn report.

10. CONSULTATION

10.1 Consultation to date.

SMT and JMT have considered the issues raised in this report.

10.2 Consultation Proposed

Resources Overview and Scrutiny Panel will consider the report on 20th February 2014.

11. CONCLUSION AND REASONS FOR RECOMMENDATIONS

11.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2013;
- (ii) Note the potential forecast year end position;
- (iii) Make recommendations to Council to transfer £250,000 from overachieved Salary Turnover Savings to General Fund Reserves as detailed in paragraph 4.3;
- (iv) To approve for recommendation to Council, the funding of the non-recurring £1m savings in 2014/15 as detailed in paragraph 4.3; and
- (v) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

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 position to December 2013 shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

**Appendices A1 to A7, & B
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/RISKS: SMT and JMT have been involved in the preparation of this report. Risks to budgets and development of ongoing impact of issues identified are monitored carefully and appropriate action taken.

Chief Executive's – N/A

Economic Development – N/A

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process.

Local Environment – N/A

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

REVENUE BUDGET MONITORING 2013/14

CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	2,422,500	(88,400)	(2,163,300)	170,800
Budget to date	1,797,964	(80,522)	(1,618,213)	99,229
Total Actual	1,796,882	(124,493)	(1,613,970)	58,419
Adjusted Variance	(1,082)	(43,971)	4,243	(40,810)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact Section	1	(96)	(33,000)	104	(32,992)
Miscellaneous	2	(986)	(10,971)	4,139	(7,818)
Total Variance to date		(1,082)	(43,971)	4,243	(40,810)

Note	Chief Executive's Team - Comments
1.	Additional backdated income for reception services provided in 2011/12 and 2012/13.
2.	Various net minor underspends and surplus income across the service.

REVENUE BUDGET MONITORING 2013/14

COMMUNITY ENGAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	155,600	0	(175,200)	(19,600)
Budget to date	114,091	0	(131,418)	(17,327)
Total Actual	120,366	0	(131,400)	(11,034)
Adjusted Variance	6,275	0	18	6,293

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Miscellaneous	1	6,275	0	18	6,293
Total Variance to date		6,275	0	18	6,293

Note	Community Engagement - Comments
1.	Overspent expenses in relation to Tullie House Trust costs.

REVENUE BUDGET MONITORING 2013/14

DEPUTY CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	4,716,100	(274,800)	(164,500)	4,276,800
Budget to date	3,870,791	(215,925)	(123,392)	3,531,474
Total Actual	3,890,817	(272,702)	(123,375)	3,494,740
Adjusted Variance	20,026	(56,777)	17	(36,734)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Carlisle Partnerships	1	(33,042)	(2,284)	0	(35,325)
Miscellaneous	2	53,068	(54,493)	17	(1,409)
Total Variance to date		20,026	(56,777)	17	(36,734)

Note	Deputy Chief Executive's Team - Comments
1.	Underspends on building repairs, offset by an overspend on fireshow.
2.	Various net overspends offset by surplus income across the service.

REVENUE BUDGET MONITORING 2013/14

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	5,714,400	(2,316,800)	(720,400)	2,677,200
Budget to date	4,168,529	(1,871,722)	(540,378)	1,756,429
Total Actual	4,267,707	(1,936,365)	(541,277)	1,790,065
Adjusted Variance	99,178	(64,643)	(899)	33,636

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Hostels & Homeshares	1	38,016	(10,971)	0	27,046
Housing Regeneration	2	3,674	21,861	0	25,535
Enterprise Centre	3	2,013	33,560	0	35,573
Tourist Information Centres	4	(4,255)	37,826	0	33,570
Development Control	5	67,655	(82,109)	0	(14,454)
Miscellaneous	6	(7,925)	(64,811)	(899)	(73,635)
Total Variance to date		99,178	(64,643)	(899)	33,636

Note	Economic Development - Comments
1.	Overspend on salaries due to delay in implementing new structure.
2.	Under achievement of LA fees on Disabled Facilities Grants.
3.	Overspend on repairs and income shortfall from lettings due to empty business units
4.	Underspent staffing and supplies; offset by shortfalls on accommodation bookings' commission and sale of goods.
5.	Overspend includes £77,100 Airport application legal expenses, offset by fees' income surplus.
6.	Various net minor underspends and surplus income against budgets to date.

REVENUE BUDGET MONITORING 2013/14

GOVERNANCE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	4,341,900	(4,862,900)	(1,291,700)	(1,812,700)
Budget to date	3,135,893	(4,188,562)	(968,908)	(2,021,577)
Total Actual	3,114,708	(4,227,097)	(968,769)	(2,081,158)
Adjusted Variance	(21,185)	(38,535)	139	(59,581)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Miscellaneous	1	(21,185)	(38,535)	139	(59,581)
Total Variance to date		(21,185)	(38,535)	139	(59,581)

Note	Governance - Comments
1.	Underspent expenses and surplus income across the services

REVENUE BUDGET MONITORING 2013/14

LOCAL ENVIRONMENT	Gross Expenditure	Gross Income	Recharges	Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	14,699,500	(6,204,600)	(2,580,100)	5,914,800
Budget to date	11,197,887	(4,788,452)	(1,935,993)	4,473,442
Total Actual	10,696,291	(4,444,063)	(1,935,729)	4,316,499
Adjusted Variance	(501,596)	344,389	264	(156,943)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(28,683)	13,537	8	(15,138)
CCTV	2	(12,766)	(460)	0	(13,226)
Environmental Protection	3	(33,306)	(8,355)	28	(41,632)
Green Spaces Management	4	(38,715)	(27,686)	50	(66,350)
Off Street Parking	5	(20,743)	203,438	32	182,727
On Street Parking	6	(26,252)	46,143	0	19,891
Small Scale Community Schemes	7	(26,991)	0	0	(26,991)
City Lighting	8	(61,486)	0	0	(61,486)
Recycling & Waste Collection	9	(28,948)	10,092	55	(18,800)
Street Cleaning	10	(25,285)	(2,160)	0	(27,445)
Clean Up Carlisle	11	(49,325)	(6,622)	31	(55,916)
Miscellaneous	12	(149,098)	116,461	60	(32,577)
Total Variance to date		(501,596)	344,389	264	(156,943)

REVENUE BUDGET MONITORING 2013/14

Note	Local Environment - Comments
1.	Underspent utilities and premises repairs and offset by underachieved income from internments.
2.	Underspent equipment contract repairs and maintenance.
3.	Underspent supplies & services, offset by additional license Income received.
4.	Underspent premises, transport, equipment and materials; grants and surplus miscellaneous income
5.	Underspent staffing (£86,400) into Salary Turnover Savings; windfall (£45,500) from Lower Viaduct and John Street car parks backdated sewerage charge rebate offset by NNDR £27,600 increase; shortfall on ticket sales and PCNs' income.
6.	Net overspend after savings in administration costs and income shortfall from ticket sales and PCNs.
7.	Underspends on Councillors' small scale community schemes
8.	Underspent lighting maintenance and energy savings. Charging mechanism to be introduced for County works as work carried out has not yet been invoiced by the County Council.
9.	Underspent transport hire and repairs, partly offset by income shortfall.
10.	Efficiency savings on transport and cost of materials following purchase of new fleet of vehicles.
11.	Underspent expenses, any residual at the year end to be rolled forward to fund the scheme's completion.
12.	Various minor underspends more than offset income shortfalls across the services.

REVENUE BUDGET MONITORING 2013/14

RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	43,350,800	(34,593,400)	(6,350,600)	2,406,800
Budget to date	32,858,977	(27,163,066)	(4,862,055)	833,856
Total Actual	32,541,941	(27,091,574)	(4,800,840)	649,527
Adjusted Variance	(317,036)	71,492	61,215	(184,329)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Building Maintenance	1	(1,704)	(6,139)	42,277	34,433
Civic Centre	2	(13,084)	(5,369)	68	(18,385)
Public Conveniences	3	(19,762)	301	0	(19,461)
Treasury & Debt Management	4	(4,158)	179,498	0	175,339
Non Distributed Costs	5	(80,144)	0	0	(80,144)
Other Financial Costs	6	(219,471)	(64,582)	0	(284,052)
Corporate Management	7	39,112	0	0	39,112
Miscellaneous	8	(17,825)	(32,216)	18,870	(31,171)
Total Variance to date		(317,036)	71,492	61,215	(184,329)

REVENUE BUDGET MONITORING 2013/14

Note	Resources - Comments
1.	Shortfall on job recharges due to increased levels of sickness. This situation has now been addressed.
2.	Underspent premises and contract payments; surplus rental income achieved.
3.	Underspent premises expenses and provision for final Superloo lease charge.
4.	Continued decline in average interest rates is having a negative impact on investment income target.
5.	Savings on shared service pension costs.
6.	Improvements in savings from Salary Turnover (£222,200); and surplus income includes (£25,800) New Homes Bonus, (£19,800) Transition Grant for Rural LA's, (£8,500) New Burdens' Grants, (£7,800) Assets of Community Value Grant and (£11,500) compensation.
7.	Overspend on bank and credit card charges.
8.	Various minor overspends and surplus income, partly offset by recharged expenses shortfall.

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs December 2013		Comments
	No.	£	
NNDR (General)	60	211,600.33	01/04/13 to 31/12/13
NNDR (PSCT)	12	213,196.07	01/04/13 to 31/12/13
Council Tax	124	47,520.94	01/07/13 to 31/12/13
Debtors:			
Private Tenants			
Housing Benefit Overpayments	46	9,813.38	01/07/13 to 31/12/13
General Fund	35	755.22	01/07/13 to 31/12/13
Penalty Charge Notices:			
On Street	136	12,656.12	01/07/13 to 31/12/13
Off Street	10	820.00	01/07/13 to 31/12/13
Ex FTA Benefit			
TOTAL	423	496,362.06	

TABLE 2 Type of Debt	Write-Ons December 2013		Comments
	No.	£	
NNDR (General)	16	16,489.30	01/04/13 to 31/12/13
Council Tax	44	7,355.43	01/07/13 to 31/12/13
Debtors:			
Private Tenants			
Housing Benefit Overpayments			
General Fund	12	20.06	01/07/13 to 31/12/13
Ex FTA Benefit			
TOTAL	72	23,864.79	

Resources Overview and Scrutiny Panel

Agenda Item:

A.6

Meeting Date: 20 February 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: YES
 Public / Private: Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2013
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD82/13

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council’s capital programme for the period April to December 2013 and was considered by the Executive on 10 February 2014.

Questions for / input required from Scrutiny:

Members are asked to note the variances contained within this report.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to note the overall budgetary position for the period April to December 2013.

Tracking

Executive:	10 February 2014
Overview and Scrutiny:	20 February 2014
Council:	n/a

<h1>Report to Executive</h1>	Agenda Item:
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Meeting Date: 10 February 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: YES
 Public / Private: Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
 APRIL TO DECEMBER 2013
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD82/13

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council’s capital programme for the period April to December 2013.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2013; and
- (ii) Make recommendations to Council to approve reprofiling of £75,000 in relation to Public Realm Improvement Works from 2013/14 into 2014/15.

Tracking

Executive:	10 February 2014
Overview and Scrutiny:	20 February 2014
Council:	

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of 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. It is the responsibility of individual Directors to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Director of Resources.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

2. CAPITAL BUDGET OVERVIEW

- 2.1 The following statement shows the annual capital programme for 2013/14:

2013/14 Capital Budget	£
Original 2013/14 Programme (approved Feb 2013)	9,280,000
Carry forwards from 2012/13 (RD11/13 Council 16/7/13)	1,828,700
Removal of budgets (RD11/13 Council 16/7/13)	(6,348,500)
2013/14 Capital Programme (RD11/13 Council 16/07/13)	4,760,200
Direct Revenue Financing - Customer Contact Centre (OD 014/13 26/03/13)	40,000
Direct Revenue Financing - Employee Payment & Resource Management System (RD07/13 Executive 7/05/13)	70,000
Bring Sites Review (LE21/13 Council 16/07/13)	227,000
Reprofiling of Arts Centre (CD47/13 Council 10/09/13)	(200,000)
Purple Sacks Review (LE28/13 Council 10/09/13)	69,500
Empty Property Initiative (CD42/13 Council 16/07/13)	305,700
Asset Review Business Plan Reinvestment (RD20/13 Executive 05/08/13)	1,312,500
Asset Review Business Plan Reinvestment	1,400,000
Revised 2013/14 Capital Programme (at Sept 2013)	7,984,900
Old Town Hall Phase 2 Reprofiling (Subject to Council Approval ED236/13 5/11/13)	62,000
Cenotaph Funding (Subject to Council Approval RD43/13 5/11/13)	67,000
Use of Planning & Delivery Grant	8,100
Direct Revenue Financing - Old Town Hall	2,300
External contributions towards Play Area Developments	19,100
Revised 2013/14 Capital Programme (at December 2013)	8,143,400
Carry forwards into 2014/15 (Subject to Council Approval)	(710,000)
Further carry forwards into 2014/15 (Subject to Council Approval)	(75,000)
Revised 2013/14 Capital Programme	7,358,400

Note:

Budget proposal presented to Council in February 2014 requested the approval of £710,000 to be carried forward into 2014/15.

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

3. 2013/14 BUDGET MONITORING

3.1 The position statement as at December 2013 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Chief Executive's Team	40,000	38,724	38,395	(329)	3.4
Deputy Chief Executive's Team	710,000	0	1,394	1,394	3.5
Economic Development	2,350,300	1,819,323	1,460,705	(358,618)	3.6
Governance	2,712,500	1,312,500	1,315,307	2,807	3.7
Local Environment	1,132,000	67,237	56,632	(10,605)	3.8
Resources	1,198,600	650,182	570,781	(79,401)	3.9
Total	8,143,400	3,887,966	3,443,214	(444,752)	

A detailed analysis of the schemes within each directorate can be found in **Appendices B to G** with the main issues for each directorate being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £3,443,214 has been incurred. When considered against the profiled budget of £3,887,966 this equates to an underspend of £444,752.
- 3.3 A review of the 2013/14 capital programme has been undertaken to identify accurate project profiles. To date, £785,000 has been identified as needing profiled into future years. £710,000 of these have been put forward to Council for approval as part of the 2014/15 budget process, and Executive are asked to recommend to Council a further £75,000 to be carried forward in relation to Public Realm Improvement Works.

Directorate	Annual Budget £	Carry Forwards £	Revised Annual Budget £	Spend to Date £	Budget Remaining £
Chief Executive's Team	40,000	0	40,000	38,395	1,605
Deputy Chief Executive's Team	710,000	0	710,000	1,394	708,606
Economic Development	2,350,300	(75,000)	2,275,300	1,460,705	814,595
Governance	2,712,500	0	2,712,500	1,315,307	1,397,193
Local Environment	1,132,000	(660,000)	472,000	56,632	415,368
Resources	1,198,600	(50,000)	1,148,600	570,781	577,819
Total	8,143,400	(785,000)	7,358,400	3,443,214	3,915,186

The unspent balance remaining of the revised annual budget of £7,358,400 is £3,915,186 as at December 2013.

- 3.4 There are no significant variances to date in the Chief Executive's Team.
- 3.5 There are no significant variances to date in the Deputy Chief Executive's Team
- 3.6 The variance in Economic Development is attributable to the following:
- (i) An underspend on Disabled Facilities Grants. The take up of DFGs at the start of the financial year was slower compared to other years, but is now increasing. The position will be closely monitored to determine whether this will be an ongoing trend.
 - (ii) An underspend on Families accommodation replacement. The final account from the main contractor is awaited and due by the end of January, but it is expected the project will come in under budget.
 - (iii) An underspend on Empty Properties Initiative. 21 grant approvals have been issued so far, with further work schedules produced for interested clients to achieve the required 45 grant approvals by year end. A carry forward will be required at year end to honour commitments and allow the properties to be returned to use
- 3.7 There are no significant variances to date in Governance.
- 3.8 There are no significant variances to date in Local Environment.
- 3.9 The variance in Resources is attributable to the following:
- (i) An underspend on Planned Enhancements to Council Properties. Some work planned for various properties has been delayed and will now be carried out in 2014/15 subject to the approval of a carry forward at the year end.
 - (ii) An overspend on Town Clocks Invest to Save initiative. Funding is provided for this project from revenue savings generated from the work.
- 3.10 One scheme is included in the capital programme for 2013/14 that requires a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Public Realm	100,000	1
Total	100,000	

Note:

1. Executive are asked to recommend to Council the reprofiling of £75,000 into 2014/15.

4. FINANCING

4.1 The 2013/14 capital programme can be financed as follows:

	£
Total Programme to be financed (para 2.1)	7,358,400
<u>Financed by:</u>	
Capital Receipts (including PRTB receipts)	5,548,800
Capital Grants	
• Disabled Facilities Grant	663,000
• General	342,700
Direct Revenue Financing	322,200
Other Contributions	56,800
Earmarked Reserves	424,900
Total Financing	7,358,400

5. CAPITAL RESOURCES

5.1 The following table shows the position as at December 2013 of the capital resources due to be received during 2013/14:

	2013/14 Budget	2013/14 Revised Budget	2013/14 Actual	2013/14 Not yet received	Note
	£	£	£	£	
Capital Receipts					
• General	(660,000)	(660,000)	(6,300)	653,700	1
• Asset Review	(21,218,000)	(2,218,000)	(665,375)	1,552,625	1
• Vehicle Sales	0	0	(163,858)	(163,858)	2
• Renovation Grants repaid	0	0	(1,488)	(1,488)	
• PRTB Sharing agreement	(150,000)	(150,000)	(3,443)	146,557	3
Capital Grants					
• Disabled Facilities Grant	(663,000)	(663,000)	(667,717)	(4,717)	
• Old Town Hall	(33,700)	(33,700)	0	33,700	
• General	(255,700)	(296,700)	(267,224)	29,476	
Capital Contributions					
• Section 106	(716,800)	(56,800)	0	56,800	4
• Disabled Facilities Grant	0	0	(20,327)	(20,327)	
• General	0	0	(1,370)	(1,370)	
Total	(23,697,200)	(4,078,200)	(1,797,102)	2,281,098	

Notes:

1. Receipts for 2013/14 are anticipated to be received from the Lovells agreement (£160,000), general capital receipts (£250,000) and Hostel replacement (£250,000). The asset review sales anticipated to be received have been revised downwards to reflect delays in realising receipts.

2. Included within vehicle sales are receipts of £97,442 for individual vehicle sales that are below the deminimis of £10,000 for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. It should be noted that Riverside Group are currently preparing forecasts for PRTB receipts for 2013/14 and the current payment due to the Council is £340,748 based on 14 sales to date as at the end of December. This position is being monitored regularly and revised projections will be provided as part of the out-turn report. The income received to date relates to an adjustment on the 2012/13 receipts received.
4. Contributions from Section 106 agreements to Castle Way scheme (£46,800) and Public Realm S106 (£10,000). Although the monies have been received this will be a year end accounting adjustment. The reductions relate to reprofiling into 2014/15.

6. BALANCE SHEET MANAGEMENT

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued on a five-year rolling programme to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2012/13 accounts, fixed assets totalled £153million (2011/12 £167million). This represents 91% of the net current assets of the City Council.

6.4 Debtors

This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure, and receipts for the Council's share of the PRTB (Preserved Right to Buy) agreement. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at December 2013 debtors of £90,974 (£399,769 at 31 March 2013) were outstanding for capital grants, contributions and receipts. PRTB receipts for 2012/13 were received in April in accordance with the agreement.

6.5 Creditors

This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at December 2013 totalled £112,644 (£388,758 at 31 March 2013).

7. **PERFORMANCE**

- 7.1 The 2013/14 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 is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects.
- 7.2 Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. CONSULTATION

8.1 Consultation to Date

SMT & JMT have considered the issues raised in this report.

8.2 Consultation Proposed

Resources Overview & Scrutiny Panel will consider the report on 20 February 2014.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2013; and
- (ii) Make recommendations to Council to approve reprofiling of £75,000 in relation to Public Realm Improvement Works from 2013/14 into 2014/15.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The Council's capital programme reflects the current priorities in the Carlisle Plan e.g. Arts Centre and Public Realm work.

Contact Officer: Emma Gillespie

Ext: 7289

**Appendices A to G
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/RISKS:

Chief Executive's – Not applicable

Economic Development – Not applicable

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process

Local Environment – Not applicable

Resources – Financial implications are contained in the main body of the report.

Scheme	Original Capital Programme 2013/14 £	Carry Forwards from 2012/13 £	Other Adjustments 2012/13 Outturn £	Other Adjustments £	Proposed Carry Forwards £	Revised Capital Programme 2013/14 £
Current non-recurring commitments						
Public Realm (S106)	330,000	40,000	0	0	(360,000)	10,000
Clean Up Carlisle	12,000	8,500	0	0	0	20,500
	342,000	48,500	0	0	(360,000)	30,500
Recurring commitments						
Asset Review Purchases/Expenditure	6,272,500	0	(6,272,500)	2,712,500	0	2,712,500
Planned Enhancements to Council Property	300,000	0	0	0	(50,000)	250,000
Vehicles, Plant & Equipment	259,500	311,000	0	(78,300)	0	492,200
ICT Shared Service	114,000	108,300	0	0	0	222,300
IT Equipment	79,000	0	(76,000)	0	0	3,000
	7,025,000	419,300	(6,348,500)	2,634,200	(50,000)	3,680,000
New non-recurring commitments						
Arts Centre	250,000	0	0	(200,000)	0	50,000
Public Realm Work	100,000	0	0	0	(75,000)	25,000
Paternoster Row	100,000	0	0	0	0	100,000
Harraby School and Community Campus contribution	600,000	0	0	0	0	600,000
Customer Contact Centre	0	0	0	40,000	0	40,000
Employee Payment & Resource Management System	0	0	0	70,000	0	70,000
Bring Sites Review	0	0	0	227,000	0	227,000
Purple Sacks Review	0	0	0	69,500	0	69,500
Empty Property Initiative	0	0	0	305,700	0	305,700
Cenotaph & War Memorials	0	0	0	67,000	0	67,000
Old Town Hall Phase 2	0	0	0	62,000	0	62,000
Waste Optimisation Software	0	0	0	18,300	0	18,300
Leisure Initiatives	0	0	0	60,000	0	60,000
Planning & Delivery Grant	0	0	0	8,100	0	8,100
	1,050,000	0	0	727,600	(75,000)	1,702,600
Disabled Facilities Grants						
Private Sector Grants	863,000	0	0	0	0	863,000
	863,000	0	0	0	0	863,000
Continuing Schemes						
Play Area Developments	0	6,200	0	19,100	0	25,300
Old Town Hall	0	298,500	0	2,300	0	300,800
Trinity Church MUGA	0	2,100	0	0	0	2,100
Castle Street Public Realm	0	10,000	0	0	0	10,000
Female & Families Accommodation	0	608,600	0	0	0	608,600
Kingstown Industrial Estate	0	32,900	0	0	0	32,900
PCIDSS Capital	0	30,600	0	0	0	30,600
Document Image Processing	0	13,500	0	0	0	13,500
Connect 2 Cycleway	0	11,700	0	0	0	11,700
Castle Way (S106)	0	346,800	0	0	(300,000)	46,800
	0	1,360,900	0	21,400	(300,000)	1,082,300
TOTAL	9,280,000	1,828,700	(6,348,500)	3,383,200	(785,000)	7,358,400

CHIEF EXECUTIVE'S TEAM

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Customer Services	40,000	0	40,000	38,724	38,395	(329)	Improvements to Civic Centre reception/foyer area funded from additional revenue income generated. (OD 14/13 26.03.13)
Grand Total	40,000	0	40,000	38,724	38,395	(329)	

DECEMBER 2013 - CAPITAL BUDGET MONITORING

APPENDIX C

DEPUTY CHIEF EXECUTIVE'S TEAM

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Art Centre	50,000	0	50,000	0	0	0	Revised scheme approved by Council (CD47/13 10/09/13).
Leisure Initiatives	60,000	0	60,000	0	0	0	Budget approved by Executive 18/11/13 (RD50/13) from underspends on vehicle replacement programme to fund one-off capital costs of leisure initiatives.
Harraby School and Community Campus Contribution	600,000	0	600,000	0	1,394	1,394	Budget released by Executive 11/3/13 (SD02/13).
Grand Total	710,000	0	710,000	0	1,394	1,394	

ECONOMIC DEVELOPMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Public Realm Work	100,000	(75,000)	25,000	0	0	0	Budget still to be released by Executive.
Old Town Hall - Strategic TIC	300,800	0	300,800	300,800	300,879	79	Revised project approved by Council 13/11/12. There is potential for an overspend on this project due to the funding partner changing their mind about supporting additional work agreed over the original tender amount.
Old Town Hall Phase 2	62,000	0	62,000	0	0	0	Reprofiling and release of budget agreed by Council 5/11/13 (ED36/13).
Paternoster Row	100,000	0	100,000	100,000	100,000	0	Approved by Executive 17/12/12 (ED37/12).
EA Central Plaza	0	0	0	0	452	452	Implementation on an Urgent Works Notice under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to be funded from the Conservation Fund approved by Executive 30.08.11 (ED29/11)
Housing & Planning Delivery Grant	8,100	0	8,100	8,100	8,050	(50)	Purchase of planning plotter funded from unapplied capital grant.
Disabled Facilities Grants	863,000	0	863,000	647,337	502,345	(144,992)	The take up of DFGs has been slower at the start of this financial year compared to other years and the position is being closely monitored. Expenditure has increased during the last quarter.
Housing - Investment in Empty Homes	0	0	0	0	1,000	1,000	Outstanding commitment from previous year schemes.
Empty Properties Initiative	305,700	0	305,700	152,911	18,845	(134,066)	Approved by Council 16/07/13 (CD42/13) to allow the provision of loans and grants to be made to owners of empty property and assist in bringing them back into use. A carry forward will be required at the year end to allow commitments to grants to be met.
Families Accommodation Replacement	608,600	0	608,600	608,600	527,559	(81,041)	Project complete. Opening day held 15/07/13. Final account awaited and is expected by the end January 2014.
Trinity Church Multi Use Games Area	2,100	0	2,100	1,575	1,575	0	Budget provided to allow replacement of existing seat and grass resurfacing.
Grand Total	2,350,300	(75,000)	2,275,300	1,819,323	1,460,705	(358,618)	

GOVERNANCE

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Asset Management Plan	2,712,500	0	2,712,500	1,312,500	1,315,307	2,807	A five year Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue account on a recurring basis. The budgets have been returned to reserves.
Grand Total	2,712,500	0	2,712,500	1,312,500	1,315,307	2,807	

LOCAL ENVIRONMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Play Areas	25,300	0	25,300	23,753	19,526	(4,227)	Budget provided for additional furniture/equipment at St James Park and Richmond Green play areas. Additional grant received for St James Park.
Chances Park	0	0	0	0	(1,000)	(1,000)	Retention less than expected.
Kingstown Industrial Estate Roads	32,900	0	32,900	0	2,048	2,048	To complete refurbishment of Kingstown Broadway North carriageway to 10 year design life including additional works to a number of access crossings.
Castle Street Public Realm Improvements	10,000	0	10,000	7,501	1,053	(6,448)	To complete scheduled works carried over from 2012/13.
Connect 2 Cycleway	11,700	0	11,700	0	0	0	To ensure works required to ensure adoption of the cycleway can be completed.
Clean Up Carlisle	20,500	0	20,500	0	0	0	Approved by Council 17/07/12 (LE22/12). Budget required to ensure the 2 year Clean Up Carlisle Campaign can be completed and full benefits received.
Public Realm (S106)	370,000	(360,000)	10,000	0	350	350	Approved by Executive 3/9/12 (RD34/12). Funded by Section 106 monies. Slippage into 2014/15.
Castle Way (S106)	346,800	(300,000)	46,800	0	6,435	6,435	Approved by Executive 11/4/12 (RD01/12). Funded by Section 106 monies. Slippage into 2014/15.
Bring Sites Review	227,000	0	227,000	17,683	17,670	(13)	Approved by Council 16/07/13 (LE21/13) to purchase vehicle and equipment required to provide an in-house service. Use of capital receipts will be repaid from revenue savings.
Purple Sacks Review	69,500	0	69,500	0	0	0	Approved by Council 10/09/13 (LE28/13) to purchase additional wheeled bins and gull sacks. Orders have been placed
Waste Optimisation Software	18,300	0	18,300	18,300	10,550	(7,750)	Purchase and implementation of route optimisation software for Waste Services.
Grand Total	1,132,000	(660,000)	472,000	67,237	56,632	(10,605)	

DECEMBER 2013 - CAPITAL BUDGET MONITORING

APPENDIX G

RESOURCES

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
IT Shared Service	225,300	0	225,300	9,936	13,033	3,097	Part of Shared Service Business Case.
Planned Enhancements to Council Property	300,000	(50,000)	250,000	189,004	109,014	(79,990)	Budget released by Executive 8/4/13 (RD01/13). Slippage of £50,000 into 2014/15 for improvements to Civic Centre. Underspend to date due to delay in improvements at various sites. Carry forwards will be required at year end
Town Clocks Invest to Save	0	0	0	0	12,799	12,799	To fit auto-winding and regulation of town clocks. Revenue savings will be generated to repay the capital investment.
Vehicles & Plant	492,200	0	492,200	348,700	348,519	(181)	Replacement Plan on schedule.
Document Image Processing	13,500	0	13,500	10,128	9,629	(499)	Phased implementation in progress.
PCIDSS Capital	30,600	0	30,600	30,600	36,348	5,748	Implementation costs for a new security standard in line with the Payment Card Industry (RD26/12 Executive 6/8/12).
Employee Payment & Resource Management System	70,000	0	70,000	35,014	39,320	4,306	Approved by Executive 7/5/13 (RD07/13).
Genotaph	67,000	0	67,000	26,800	2,119	(24,681)	Approved by Council 5/11/13 (RD34/13). A carry forward into 2014/15 will be required.
Grand Total	1,198,600	(50,000)	1,148,600	650,182	570,781	(79,401)	