

## **BUSINESS AND TRANSFORMATION SCRUTINY PANEL**

**THURSDAY 31 MAY 2018 AT 2.00PM**

**PRESENT:** Councillor Mrs Birks (Chairman), Councillors Alcroft, Allison, Mrs Bowman, Ellis, Mrs Mallinson, McDonald and Ms Williams (as substitute for Councillor McNulty)

**ALSO PRESENT:** Councillor Dr Tickner – Deputy Leader, and Finance, Governance and Resources Portfolio Holder

**OFFICERS:** Town Clerk and Chief Executive  
Corporate Director of Governance and Regulatory Services  
Chief Finance Officer  
Principal Accountant  
Acting Customer Services Manager  
Strategic Asset Investment Services Manager  
Policy and Performance Officer

### **BTSP.35/18 APOLOGIES FOR ABSENCE**

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

### **BTSP.36/18 DECLARATIONS OF INTEREST**

No declarations of interest were submitted.

### **BTSP.37/18 PUBLIC AND PRESS**

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

### **BTSP.38/18 MINUTES OF PREVIOUS MEETINGS**

**RESOLVED** – To note that Council, on 24 April 2018, received and adopted the minutes of the meeting held on 15 February 2018 and 22 March 2018. The minutes were signed by the Chairman.

### **BTSP.39/18 CALL - IN OF DECISIONS**

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

### **BTSP.40/18 OVERVIEW REPORT AND WORK PROGRAMME**

The Policy and Performance Officer presented report OS.12/18 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 1 May 2018. Two items fell within the remit of the Panel and both had been included on the agenda for this Panel meeting.

With regard to the table of the progress on resolutions from previous meetings Members asked for an update on the following matters:

- 1 –Discussion paper on the city centre redevelopment
- 3 – ‘Lessons Learned’ report

The Town Clerk and Chief Executive agreed to report back to the Panel on the discussion paper and stated that the ‘Lessons Learned’ report had been with regard to the recovery of the Council’s assets. Now that the ground floor reinstatement had been agreed the report could be produced and would come to the Panel on completion.

The Policy and Performance Officer drew the panel’s attention to section 4 of the report which detailed updates for the Panel to note.

Suggested items for the 2018/19 Panel work programme had been attached as appendix 1 to the report for the Panel’s consideration.

A Member suggested and it was agreed that an item on the impact of the new General Data Protection Regulation (GDPR) be added to the Panel’s work programme for September.

A Member raised the importance of the authority preparing fully for the management of the Council following the all-out Elections in May 2019 and the changes made by the Boundary Commission Review. The reduction in Members would impact the existing committee structure and consideration and planning needed to be given to the proposed committee structure to ensure it was in place for the start of the 2019/20 municipal year.

The Panel had a detailed discussion regarding a special Panel meeting to discuss the Boundary Commission’s draft proposals in August, however, it was felt that the Panel would not need to discuss the warding patterns from the Boundary Commission but agreed that there needed to be work on the administration of the authority.

The Town Clerk and Chief Executive informed the Panel of the various pieces of work which were being undertaken with the Local Government Association and the North West Employers with regard to the future of the authority following the Boundary Review and suggested that a special meeting be held in the future when the work had been completed and as part of the decision making process.

The Panel asked for more clarity for the Legal Services Team on the decision making process with regard to the changes to the Council following the Boundary Commission Review.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.12/18) be noted.

2) That the Information Governance Manager submit a report to the Panel in September on the impact on the authority of the General Data Protection Regulations along with any compliance issues.

3) That Legal Services provides the Panel with more details regarding the decision making process for the future administration of Carlisle City Council following the Boundary Commission review.

## **BTSP.41/18      2017/18 PROVISIONAL OUTTURN REPORTS**

### **(a) Provisional General Fund Revenue Outturn 2017/18**

The Chief Finance Officer presented report RD.03/18 summarising the 2017/18 provisional outturn for the General Fund Revenue Budget. Members were advised that the outturn position showed that the net underspend for Council services as at 31 March 2018, once items to be carried forward / transferred to reserves and accounting treatment changes were taken into account, there would be an overspend of £400,521; however additional funding from Business rates income of £1,336,000 had also been realised.

The report recorded that:

- the Council's revised budget for 2017/18 which totalled £12,261,200;
- the net Council budget (Section 2.2); and
- the Council's original gross budget for 2017/18 was £56.25m and, although there were many individual variances as detailed by directorates, the net overspend equated to 0.71% of the budget.

The Chief Finance Officer highlighted the provisional outturn shown at Section 2, further details for each Directorate being included in Appendices B1 – B6; together with some of the significant service expenditure and income variances set out at Section 3.2. The reallocation of central departments' balances to service areas still had to be carried out, which explained many of the small balances held on some management and support service centres. That reallocation would be completed before the Statement of Accounts was prepared and had no impact on the overall out-turn position.

Members' attention was also drawn to the carry forward requests submitted by Directorates, details of which were set out at Appendix C1 to the report. The requests had been subject to the scrutiny of the relevant Chief Officer and Portfolio Holder prior to formal consideration by SMT and the Chief Finance Officer; however, given the projected overspend on Council Services, the Chief Finance Officer did not have the delegated authority to approve all of the requests and the Executive had been asked to consider two options as set out in the report.

The level of Council reserves had been approved by Council in February 2017. Due to the level of underspend identified within the report after all carry forward requests were approved and transfers to/from earmarked reserves, approximately £513,000 would be returned to the General Fund Reserve.

Information on the Council's bad debt provision and balance sheet issues was also provided at Sections 6 and 7 of the report.

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

- Why did section 3 of the report not include any figures for the Old Fire Station?

The Chief Finance Officer explained that section 3 set out the significant variances, the Old Fire Station had not been included as there were no significant variances with service expenditure or income.

- Members asked for clarity with regard to the insurance monies and the ground floor reinstatement.

The Chief Finance Officer reported that all income from the loss adjuster had been accounted for in 2017/18 and the balance of funding would be carried forward. With regard to the outstanding flood reinstatement work (Civic Centre ground floor and Bitts Park) there was just over £2m available for the works through insurance and the flood reserves.

- A Member drew attention to the revenue contribution in the report with regard to the rewiring of the Pools and asked if this was still required in light of the proposed redevelopment of the Sands Centre.

The Chief Finance Officer agreed to provide a written response to the Panel.

- A Member asked for clarity regarding the variances in Recycling & Waste Management in revenue and capital..

The Chief Finance Officer responded that the net underspend on Recycling and Waste Management included additional in year savings from the Rethinking Waste Project and it was proposed that they were used to fund the purchase of waste receptacles in the capital programme via a Direct Revenue Financing contribution.

The Finance, Governance and Resources Portfolio Holder placed on record his thanks to members of staff within Financial Services who had made remarkable achievements in managing the authority's finances in difficult circumstances. The Panel supported the Portfolio Holder in thanking the team.

- The report showed an overspend on ICT Services and Members were concerned that the ICT Strategy work had continually reported an overspend.

The Town Clerk and Chief Executive explained that there had been some increases to the Microsoft licence costs and it had impacted the budget. With regard to the work being undertaken as part of the ICT Strategy the Town Clerk and Chief Executive was comfortable with the levels of overspend as it was important that Members and staff had access to the up to date technology. He agreed to inform the Panel of the roll out programme of the new Officer 365 system to Members.

RESOLVED – (1) That the Business and Transformation Scrutiny Panel welcomed the submission of Report RD.03/18 summarising the 2017/18 provisional outturn for the General Fund Revenue Budget.

(2) That the Chief Finance Officer circulate further information to the Panel regarding the following:

- the reason for the rewiring of the Pools.
- if the Recycling & Waste Management revenue underspend was recurring or a one off capital contribution.

(3) That the Town Clerk and Chief Executive provide the Panel with the programme for the roll out of the new Office 365 system to Members.

#### **(b) Provisional Capital Outturn 2017/18 and revised Capital Programme 2018/19**

The Chief Finance Officer presented report RD.04/18 summarising the provisional outturn for the Council's capital programme and details of the revised capital programme for 2018/19.

The Chief Finance Officer set out the position with regard to carry forward requests on the Capital Programme commenting that, the position for 2017/18 after committed carry forwards had been taken into account was an overspend of £43,196. The main variances after carry forwards were summarised in section 2.4.

She also identified for Members the resources which had been used to fund the 217/18 Capital Programme and detailed the 5 year Capital Programme for the period 2018/19 to 2022/23.

The programme for 2018/19 totalling £7,388,800 was based upon the programme as agreed by Council in February 2018 of £4,032,600, the commitments brought forward from 2017/18 as identified of £2,091,900, the commitments brought forward from 2017/18 already approved of £1,100,000 and an increase of £164,300 (subject to the release of Car Park reserve through an Officer Decision Notice).

The 2018/19 programme would be continually reviewed to ensure that the Council had the capacity to deliver that level of programme. The proposed funding arrangements for the revised 2018/19 programme were also outlined within the report.

The Chief Finance Officer pointed out that the information contained within the report was provisional and subject to the formal audit process.

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

- The Capital Programme had included reserves for the regeneration of Botchergate and London Road but Members had not been made aware of this project and the Panel asked for more information.

The Chief Finance Officer reminded the Panel that the Capital reserves including the regeneration of Botchergate & London Road had been approved by full Council a part of the budget. The project was subject to a further report to the Executive for the release of money.

The Finance, Governance and Resources Portfolio Holder added that the monies would be released if grant funding was successful. The project would then go through the normal committee process.

- The Panel requested an update on the Central Plaza Hotel building.

The Town Clerk and Chief Executive informed the Panel that the Council had secured the services of a demolition engineer who would provide a report to the Council following his inspection. Once the report had been received the Council could make an informed decision on how to move forward. The building was listed but the listing did not prevent the building being demolished if it was considered to be dangerous. The Council's priority was to ensure the safety of its residents and visitors to the City.

The Panel thanked the Town Clerk and Chief Executive for keeping Members well informed of the process and thanked officers involved for the work they had undertaken in addition to their daily work, they did an excellent job of keeping Carlisle residents safe.

RESOLVED – That Report RD.04/18 and the information contained therein be noted and received.

### **(c) Treasury Management Outturn 2017/18**

The Chief Finance Officer presented report RD.05/18 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. Also submitted was the regular report on Treasury Transactions.

RESOLVED – That Report RD.05/18 be noted and received.

#### **(d) Council Tax & NNDR Provisional Outturn 2017/18**

The Chief Finance Officer presented report RD.06/18 summarising the 2017/18 provisional outturn and performance position for Council Tax and National Non Domestic Rates.

She informed Members that for 2017/18, the estimated position on the collection fund for was a surplus of £1,066,888, with the Council's share being £136,682.

When the actual position was calculated at the end of 2016/17 the surplus on the Council Tax Collection Fund was £1,708,288 of which the Council's share was £217,388. That increase in the surplus was then redistributed in the estimate for 2018/19 for budgeting purposes.

The actual collection fund position for 2017/18 had been calculated and the surplus had again decreased, now standing at £937,227. The current position on the Council Tax Collection Fund was as detailed at Section 2.1.4 of the report, with the Council's Council Tax collection performance for 2017/18 being 97.5%.

The Chief Finance also outlined the position with regard to the NNDR provisional outturn for 2017/18; bad debt write-offs and write-ons as itemised within the report.

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

- How many properties and business premises continued to be effected by the 2015 floods and had this affected the collection rate?

The Chief Finance Officer responded that there were 35 properties uninhabited and 9 businesses not open that were in receipt of a discount, however this did not impact the collection rate as the discount was fully funded by Central Government.

- Had there been an increase in write offs?

The Chief Finance Officer responded that the total amount written off in 2017/18 of £281,314.22 was a reduction compared to total write-offs in 2016/17 of £459,039.32.

RESOLVED – That Report RD.06/18 be noted and received.

#### **(e) Elected Members' Allowances – Provisional Outturn Report for 2017/18**

The Chief Finance Officer presented report RD.01/18 setting out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2017/18. She informed Members that £350,561 had been paid in allowances to individual Members which represented an underspend of £11,639.

A Member noted that there was no budget for the Dependent Carers' Allowance and asked how if this would be funded if it was required and what as the eligibility for applying the Allowance. The Chief Finance Officer explained that there was not a budget because there was no uptake, should an application be made it would be funded and this was supported by the Members Allowance Scheme.

RESOLVED – That Report RD.01/18 be noted and received.

The Town Clerk and Chief Executive presented report CE.08/18 which updated the Panel with ongoing work within Customer Services including current performance, upcoming improvements and ongoing actions that fall under the Smarter Service Delivery Project.

The Town Clerk and Chief Executive reported that a broad review had been conducted into the performance of customer services. Each element of the service had been scrutinised with focus on peak demand, resource and performance management. The aim of the review had been to structure the department to enable growth and provide consistent customer service across the organisation whilst freeing up valuable front line resources.

The appendices to the report summarised the peak demand times for telephone contact and a high level summary of the current Customer Service Advisor working pattern. The outcome of the summaries was a change to the opening hours of the Contact Centre for calls only to 8.00am and a restructure in working hours of the Customer Service Advisor to provide resources for peak periods and reducing resources in quieter times.

The Acting Customer Services Manager highlighted the number of My Account users and set out the Salesforce development, full details of which had been included in the report. He summed up by reminding the Panel that the Universal Credit would rollout in July and would present a significant opportunity for partnership working. Services such as Personal Budgeting Support and Assisted Digital Support were in place for customers who were struggling with their finances or did not have access to online services. In addition mechanisms were in place to identify the most vulnerable in society so that they could be visited at home by the Department of Work and Pensions.

In considering the update Members raised the following queries and comments:

- Members had some difficulty in understanding the graphs which supported the report.

The Acting Customer Services Manager explained the purpose of each graph and clarified the information contained in them. The graphs had been included in the report as evidence to support the changes being made to Customer Services. He clarified the following information:

- The total calls per day reflected the entire year. The numbers on the 'y'-axis were the number of occasions in the year that time period had the highest demand in the day
  - The peak times graph showed that more resources were required early in the morning and that an earlier opening time for calls would be beneficial to members of the public
  - The graphs had not included any abandon rates for calls
- How would the Customer Service Charter be implemented and how would performance be monitored?

The Acting Customer Services Manager responded that the aims set out in the Charter were in effect key performance indicators and the charter tied in with the changes to Customer Services.

With regard to the Customer Services Charter the Town Clerk and Chief Executive informed the Panel that work was being undertaken to introduce a competency framework for all staff.

- Once a call had been passed to a specific Directorate how long did it take for the call to be dealt with?

The Acting Customer Services Manager explained that the information was not recorded, however, changes to the Salesforce system and the introduction of the generic query handling module would result in all queries being managed in one system. The system was being built and would be tested before being rolled out.

- Was there a Service Level Agreement with the Department of Works and Pensions (DWP) and what income did the Council receive as a result of the work?

The Acting Customer Services Manager confirmed that there was a Service Level Agreement in place with the DWP and the Council received approximately £60 per referral. He felt that the Customer Services Team were at an advantage in terms of supporting customers through the Personal Budgeting Support and Assisted Digital Support. Customer services had access to data which would enable them to identify those in need and provide advice and support for them much earlier in the process.

RESOLVED – (1) That the Customer Services Update (CS.08/18) be welcomed.

(2) That Key Performance Indicators with regard to Customer Services be included in future performance reports.

(3) That an update on the changes being implemented within Customer services be submitted to the Panel in six months' time.

#### **BTSP.43/18      SICKNESS ABSENCE REPORT 2017/18**

The Town Clerk and Chief Executive submitted the authority's sickness absence levels for the period April 2017 to March 2018 and other sickness absence information (CE.07/18).

The Town Clerk and Chief Executive reported that the 2016/17 levels of sickness absence decreased by approximately 14% to 7.4 days lost per full time equivalent (FTE) employee compared to 2015/16. 2015/16 had also decreased by 29% so there had been an overall reduction of 39% over the previous two years. The percentage of sickness which was long term also decreased as HR continued to work with managers to ensure support for their staff was available and accessible.

The table in appendix 1 provided sickness absence levels split by directorates. Authority wide, compared to 2016/17, 2017/18 levels had increased by over 25% to 9.3 days lost per FTE employee. The last ten consecutive months had been higher than the corresponding months in the previous year mainly due to an increase in long term absences.

The Town Clerk and Chief Executive drew the Panel's attention to the comments and analysis from the Chief Finance Officer which showed the top four reasons for sickness absence in 2017/18 with "Stomach, liver, kidney & digestion (inc gastroenteritis)" being the highest reason for absence. In addition the comments listed all of the initiatives which had been arranged to improve health and wellbeing and reduce sickness absence.

A Member asked if officers were aware of any specific reason for the increase in sickness absence from June 2017 onwards.

The Town Clerk and Chief Executive responded that there could be many reasons for an increase in sickness absence including the changes happening to Local Government, aging population and decrease in the number of staff. There was, however, no evidence in the Employee Opinion Survey that staff morale had dropped. Data from the most recent survey was being gathered and the matter would be reported to the next meeting.



RESOLVED – (1) That the Sickness Absence report for 2017/18 be noted (CE.07/18)

(2) That the Employee Opinion Survey be presented to the next meeting of the Panel.

#### **BTSP.44/18            END OF YEAR PERFORMANCE REPORT 2017/18**

The Policy and Performance Officer submitted the 2017/18 performance against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Performance against the Panel's 2017/18 Key Performance Indicators were also included.

The Policy and Performance Officer detailed the summary of exceptions as set out in section 1 of the report drew the Panel's attention to the Service Standards which fell within the Panel's remit and appended to the report.

RESOLVED – That the End of Year Performance Report 2017/18 be noted (PC.05/18).

#### **BTSP.45/18            PUBLIC AND PRESS**

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 3 of Schedule 12A of the 1972 Local Government Act.

#### **BTSP.46/18            LAND AND PROPERTY TRANSACTION – PARKHOUSE INDUSTRIAL ESTATE**

The Corporate Director of Governance and Regulatory Services presented report GD.42/18 which detailed an investment opportunity at Gateway 44, Parkhouse Industrial Estate.

The Corporate Director of Governance and Regulatory Services reminded the Panel that Chancerygate had been appointed as asset managers for the Council's Kingstown and Parkhouse property assets. Chancerygate had prepared a business plan that would guide the future management and development of the Council's property assets.

A key feature had been to maximise the development potential of three key development sites; Gateway 44, Site 1 Parkhouse and land to the east of Junction 44. Following approval of the business plan Chancerygate undertook further work to prepare a business case for an out of town retail scheme on the Gateway 44 site, the details of which had been attached to the report. The report set out the proposals and options for the funding of the development along with the steps needed to move forward with the project.

The Finance, Governance and Resources Portfolio Holder informed the Panel that the Executive had, on 30 May 2018, considered the report. The Executive had chosen Option 1 as their preferred option and had sought the Panel's observations and comments.

The Panel supported the investment opportunity and they discussed the financing, the development yield, the nature of the proposed development and impact on the City Centre and edge of City Centre retail.

The Strategic Asset Investment Services Manager gave details of the investment opportunity adding that it would be subject to planning agreement.

RESOLVED – (1) That the Land and Property Transaction – Parkhouse Industrial Estate report be welcomed (GD.42/18)

(2) That the Panel supports the proposed investment opportunity and supports the Executive choice of Option 1 as detailed within the report.

(The meeting ended at 4.25pm)