

Business & Transformation Scrutiny Panel

Agenda

Thursday, 22 August 2019 AT 16:00

In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

****A preparatory meeting for Members will be held at 3.30pm in the Flensburg Room****

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

Members of the Business & Transformation Scrutiny Panel

Councillor Bainbridge (Chairman) , Councillors Alcroft, Mrs Birks (Vice Chairman), McNulty, Mitchelson, Paton, Robson

Substitutes:

Councillors Mrs Atkinson, Mrs Bowman, Mrs Bradley, Mrs Brown, Collier, Mrs Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, Mrs McKerrell, Meller, Morton, Patrick, Robinson, Rodgerson, Shepherd, Miss Sherriff, Southward, Tarbitt, Dr Tickner

PART A

To be considered when the Public and Press are present

Apologies for Absence

To receive apologies for absence and notification of substitutions.

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

Members are invited to declare any disclosable pecuniary interests, other registrable interests, and any interests, relating to any time 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

7 - 14

The Chairman will move the minutes of the meeting held on 25 July 2019 as a correct record. The only part of the minutes that may be discussed is their accuracy.

(Copy Minutes herewith)

A.1 CALL-IN OF DECISIONS

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

A.2 OVERVIEW REPORT

15 - 20

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Rowan Jones, Overview and Scrutiny Officer

Report: OS.20/19 herewith

Background:

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

Why is this item on the agenda?

The Business and Transformation Scrutiny Panel operates within a work plan which has been set for the 2019/20 municipal year. The Plan will be reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

- Note the items (within the Panel remit) on the most recent Notice of Executive Key Decisions
- Discuss the work programme and prioritise is necessary

A.3 REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2019 21 - 42

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.20/19 herewith and Minute Excerpt to follow

Background:

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's General Fund revenue budgetary position for the period April to June 2019 which was considered by the Executive on 19 August 2019.

Why is this item on the agenda?

Budget monitoring report

What is the Panel being asked to do?

To scrutinise the overall budgetary position for the period April to June 2019.

A.4 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2019 43 - 60

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.21/19 herewith and Minute Excerpt to follow

Background:

The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2019 which was considered by the Executive on 19 August 2019.

Why is this item on the agenda?

Budget monitoring report.

What is the Panel being asked to do?

To scrutinise the overall budgetary position for the period April to June 2019.

A.5 PROCUREMENT AND COMMISSIONING STRATEGY 2019-2021 61 - 84

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Steven Tickner, Deputy Chief Finance Officer

Report: RD.2319 herewith

Background:

The Corporate Director of Finance and Resources to submit the updated Procurement and Commission Strategy covering the period 2019 - 2021.

Why is this item on the agenda?

The matter has been included in the Notice of Executive Key Decisions and will be considered by the Executive on 16 September 2019.(KD.17/19 & PF.05/19)

What is the Panel being asked to do?

To scrutinise and comment on the Procurement and Commissioning Strategy 2019-2021.

A.6 QUARTER 1 PERFORMANCE REPORT 2019/20 85 - 98

Portfolio: Finance, Governance and Resources

Directorate: Corporate Support

Officer: Gary Oliver, Policy and Performance Officer

Report: PC.11/19 herewith

Background:

The Town Clerk and Chief Executive to submit a report on the Quarter 1 2019/20 performance against the Council's current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'.

Why is this item on the agenda?

Annual monitoring of performance.

What is the Panel being asked to do?

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

PART B
To be considered in Private

- NIL -

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer, (01228) 817039 or
rachel.plant@carlisle.gov.uk

A copy of the agenda and reports is available on the Council's website at www.carlisle.gov.uk or
at the Civic Centre, Carlisle.

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 25 JULY 2019 at 4.00PM

PRESENT: Councillor Bainbridge (Chairman), Councillors Alcroft, Allison, Birks, McKerrell (as substitute for Councillor Mitchelson), McNulty and Robson.

ALSO PRESENT: Councillor J Mallinson - Leader
Councillor Ellis - Finance, Governance and Resources Portfolio Holder

OFFICERS: Town Clerk and Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Policy and Communications Manager

BTSP.50/19 APOLOGIES FOR ABSENCE

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

BTSP.51/19 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.52/19 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.53/19 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That it be noted that Council, at its meeting on 16 July 2019, received and adopted the minutes of the meetings held on 28 March 2019, 30 May 2019 and 6 June 2019. The Minutes were signed by the Chairman.

BTSP.54/19 CALL – IN OF DECISIONS

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

BTSP.55/19 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Communications Manager submitted report OS.19/19 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The report detailed the most recent Notice of Executive Key Decisions, copies of which had been circulated to all Members, which had been published on 21 June 2019. All the relevant items in the Notice had been included on the Panel's agenda.

Progress on resolutions from previous meetings had been set out at section 3.1 of the report and the Policy and Communications Manager reported that resolutions 2 (BTSP.17/19), 3 (BTSP.43/19 a), 5 (BTSP.43/19 b), and 6 (BTSP.43/19 c) had been completed since the publication of the report. The Policy and Communications Manager added that the Key Performance Indicators on the Sands Centre Redevelopment project would be built into the Performance Monitoring Report and would be scrutinised by the Panel in August.

A Member highlighted the written response from the Finance, Governance and Resources Portfolio Holder regarding the waste receptacle overspend. The response stated that 435 new homes had been provided with a suite of recycling bags, boxes and wheeled bins at a cost of £18,338. It had been Members understanding that developers paid for the receptacles through Section 106 agreements and the Member asked for clarification.

The Finance, Governance and Resources Portfolio Holder agreed to circulate further details to the Panel.

The Panel's work programme for 2019/20 had been attached for the Panel's consideration and the Panel agreed that the following be added to the Work Programme:

- an update on Community Asset Transfers be included in a future Overview Report;
- Customer Services Update on 3 October 2019.

RESOLVED – 1) That the Panel scrutinised the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.19/19);

2) That the items detailed in the work programme for 2019/20 be noted and the following items be added:

- an update on Community Asset Transfers be included in a future Overview Report;
- Customer Services Update on 3 October 2019.

3) That the Finance, Governance and Resources Portfolio Holder provides the Panel with further information regarding developers contributions to the provision of recycling and waste receptacles for new homes.

BTSP.56/19 DRAFT ASSET MANAGEMENT PLAN 2020 TO 2025

The Corporate Director of Governance and Regulatory Services presented report GD.41/19 which set out the revisions to the Asset Management Plan which had been updated to reflect key issues and changes affecting the management and use of the City's portfolio resource. The Plan also reported on the current position and performance of the portfolio, and the Asset Disposal Programme.

The Corporate Director of Governance and Regulatory Services drew the Panel's attention to the outcome of the portfolio condition survey which showed that over 90% of the portfolio was classed as either excellent or good and was testimony to the proactive management regime. He also informed the Panel that the disposal programme had successfully delivered over £10m of capital receipts for the Council.

The Executive had considered the Draft Asset Management Plan 2020 to 2025 at their meeting on 22 July 2019 (Minute Excerpt EX.58/19 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Asset Management Plan Members raised the following comments and questions:

- A Member commented that the Council should be aware of the benefits of open green spaces for the health and wellbeing of residents and asked if the Council considered purchasing assets that had a social value opposed to an economic value?

The Leader responded that community benefit would be considered when acquiring land. He added that the Council had to consider future disposals carefully to ensure that the revenue position of the Council was not damaged.

- How did the £10m of capital receipts measure up to the expectations?

The Corporate Director of Governance and Regulatory Services reminded the Panel that the disposal programme had been agreed by Council and that the capital receipts were ahead of what was expected.

- A Member had concerns regarding the financial position of some of the tenants for the Gateway 44 bulky goods retail scheme and asked if the Council had any concerns moving forward with the scheme?

The Corporate Director of Governance and Regulatory Services responded that the Council had adopted the position to undertake to develop the scheme and retain it as a long term investment. The Council had carried out its due diligence of the scheme including an independent review which had agreed that the scheme was a sensible way forward for the Council. He added that there were always risks when entering into projects of this nature but the Council was as confident as it could be that the scheme would bring in revenue at a sensible rate of return.

The Town Clerk and Chief Executive commented that he was responsible for the careful stewardship of resources within the Council and he had requested the independent review. The review had given clear recommendations that it was sensible for the Council to proceed and he was assured that the appropriate due diligence had been carried out by finance and property services as well as the independent review. The outcome of the review was available for Members should they wish to see it.

- Why was the capital value in the report different to the capital value in the Capital Strategy report?

The Corporate Director of Finance and Resources explained that the capital value in the Draft Asset Management Plan only included assets that were under Property Services, the Capital Strategy included all assets including equipment, infrastructure and heritage assets.

- What was the timescale for the review of the category C (mediocre) assets?

The Corporate Director of Governance and Regulatory Services explained that the assets were constantly reviewed to see if they required further maintenance or investment.

- Were the Council in a position to act quickly to react to market demands?

The Corporate Director of Governance and Regulatory Services responded that the Council was a corporate entity with responsibility for public money and therefore decisions needed to be made properly. However, the Council tried to run Property Services as a business and therefore were able to move quickly to seize any opportunities and react to market demands.

RESOLVED – That the Draft Asset Management Plan 2020 to 2025 (GD.41/19) be received.

BTSP.57/19 DRAFT MEDIUM TERM FINANCIAL PLAN 2020/21 to 2024/25

The Corporate Director of Finance and Resources reported (RD.16/19) on the draft Medium Term Financial Plan (MTFP) 2020/21 to 2024/25 which set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The MTFP was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 20 February 2019. In addition, the Corporate Charging Policy had been reviewed and included within the MTFP. The Charging Policy provided a framework detailing potential policy options for each charging area, whilst recognising the

different approaches that might be required for different services and the various influences which needed to be acknowledged in setting charges.

The Corporate Director of Finance and Resources highlighted the fact that the overarching policy guidelines of the MTFP were that resources would be redirected to Council priorities via the budget process within the overall caveats that:

- Redirection of resources towards areas of high priority would be contained within existing budgets, unless increases could be justified and funded through the budget process.
- Council Tax increases would be limited to fair and reasonable levels, taking account of national guidance from Government.
- External grants and income would be maximised wherever possible to mitigate the effects of budget increases.
- Partnership working and funding opportunities would be explored wherever feasible.

As well as some significant pressures, there was scope for some additional savings and additional income opportunities to be considered as part of the budget process. Those considerations were likely to be around Business Rate Retention Growth and Pooling; and more commercial and investment opportunities.

The Corporate Director of Finance and Resources informed the Panel that the outcome of the Government's consultations on the Fair Funding Review and Business Rate Retention Review had been delayed for a year therefore it was very difficult to predict the future potential funding for the Council from Central Government beyond 2019/20. It was likely that the Spending Review would be for one year only.

The Executive had considered the Draft Medium Term Financial Plan 2020/21 to 2024/25 at their meeting on 22 July 2019 (Minute Excerpt EX.57/19 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan 2020/21 to 2024/25 Members raised the following comments and questions:

- Was there still a requirement to have the Emergency Contingency funds?

The Corporate Director of Finance and Resources explained that it was prudent for the authority to have contingency funds and reminded the Panel that the funds had been used for the maintenance work on the Central Plaza building and then were built back up.

- Could the Enterprise Zone negatively impact the Business Rates income?

The Corporate Director of Finance and Resources confirmed that the Enterprise Zone could impact the Business Rates income and as a result had been included in the report.

- Members asked for an update on the new Carlisle Plan.

The Town Clerk and Chief Executive reported that officers were working with the new administration on their priorities so that they could be reflected in the new Carlisle Plan.

- Would Carlisle Airport impact the Business Rates income?

The Corporate Director of Finance and Resources clarified that the commercial flights would not impact the rateable value at the Airport. All but one of the buildings on the site had been valued in 2018 and incorporated into the budget, the value of the outstanding building may impact the income.

- How long could the Rickergate Ringfenced provision be kept for?

The Corporate Director of Finance and Resources explained that the area was a Local Plan Redevelopment Area and therefore the Homes and Communities Agency had indicated that the Council could retain the income and reinvest it in the area.

- How were the fund in the bequests accessed?

The Corporate Director of Finance and Resources responded that members of the public could write in to apply for the funds, however, officers were currently checking the criteria for the bequests and investigating how the funds could be used and accessed better.

- The Business Rate Retention growth assumption had reduced from £1,750,000 to £900,000, would this change due to the delay in the reset and re-design of the Business rate Retention Scheme.

The Corporate Director of Finance and Resources clarified that the matter would be considered as part of the budget process. She reminded the Panel that the Council benefited significantly from being part of the pooling arrangement, but it was not yet known if the arrangements would be allowed to continue in 2020/21.

- A Member felt that budget consultation process with Unions and Businesses needed to be more inclusive and asked for a refresh of the process.

The Corporate Director of Finance and Resources reminded the Panel that the Council consulted with all residents, staff, business rate payers and Trade Unions. The budget consultation documents had been changed to make the papers easier to use and more understandable.

The Leader agreed that the budget consultation meetings were attended by the same people and he would welcome any suggestions to change the process and engage more people in the budget.

The Town Clerk and Chief Executive commented that members of the public were happy to engage if they felt there was an opportunity for change. The Council needed to consider the purpose and outcome of the budget consultation.

Members suggested that the budget consultation could be held as an event and suggested the Carlisle Ambassadors as a potential event.

- The Panel asked for an update on the rent reviews.

The Corporate Director of Finance and Resources reported that a saving requirement of £1m had been included in the MTFP and to date £420,000 had been achieved against the target.

The Corporate Director of Governance and Regulatory Services added that the process was still ongoing and involved a lot of work and arbitration.

- Would the concessions be reviewed?

The Governance, Finance and Resources Portfolio Holder responded that the budget was the review process and reminded the Panel that should the concessions be increased there would be a reduction in the income base and it could become a budget pressure.

The Panel discussed the concessions and felt that it would be appropriate to include veterans in the concessions as the City Council had signed the Armed Forces and Community Covenant.

RESOLVED - 1) That the Draft Medium Term Financial Plan 2020/21 to 2024/25 be welcomed (RD.16/19);

2) That the Panel recommend that the Executive give detailed consideration to including veterans in the concessions list given that the City Council has signed the Armed Forces and Community Covenant.

BTSP.58/19 DRAFT CAPITAL INVESTMENT STRATEGY 2020/21 to 2024/25

The Corporate Director of Finance and Resources reported (RD.17/19) on the Draft Capital Investment Strategy 2020/21 to 2024/25, which directed the Council's Capital Programme and the allocation of resources for the five year period 2020/21 to 2024/25. The guidance in the strategy complimented and supplemented the Medium Term Financial Plan.

The Corporate Director of Finance and Resources drew attention to the key messages in the report and the financial principles which supported the Capital Investment Strategy as detailed in section 2 of the Strategy.

The Executive had considered the Draft Capital Investment Strategy 2020/21 to 2024/25 at their meeting on 22 July 2019 (Minute Excerpt EX.58/19 refers) and made the report available to the Panel for scrutiny.

In considering the draft Capital Investment Strategy Members raised the following comments and questions:

- Given that the City Council had made a climate change commitment could consideration be given to replacing vehicles and equipment with more environmentally friendly options?

The Corporate Director of Governance and Regulatory Services reminded the Panel that the primary goal for the Council was to deliver its services, however, alternative options would be considered at the appropriate time to try and meet the Council's climate change pledge.

The Town Clerk and Chief Executive agreed that the Council did look at ways to procure vehicles and equipment that would have the minimum impact on the environment, however, work needed to be carried out to change behaviour to minimise the demand for the service.

- A Member asked why a number of the capital programmes were only funded for one year?

The Corporate Director of Finance and Resources explained that it was usual for the capital programme funding to be one off expenditure. The funding would be included for one year only as the programme would then be delivered. The Expenditure Forecast in section 3.2 of the report set out the approved current forecast for the next five years.

- A Member asked for clarity regarding the Authorised Limit, and the Operational Boundary and the authority to borrow.

The Corporate Director of Finance and Resources explained that the Authorised Limit was consistent with the authority's current commitments, plans and proposals for capital expenditure and its financing. However, the overall authorised limit should not be exceeded without prior Council approval. The Corporate Director of Finance and Resources added that the Operational Boundary limit could be exceeded in exceptional circumstances without prior Council approval providing that it remained within the authorised limit.

- The Panel requested that members budget training included more details on pensions, minimum revenue provision and capital financing requirement .

The Corporate Director of Finance and Resources that a Cumbria Chief Finance Officer meeting was taking place in September and a representative from the Pensions Team would be attending to discuss the triannual revaluation of the pensions fund. It would be prudent for

Members' training to take place after that to ensure the most up to date information was available for Members.

RESOLVED – 1) That the Draft Capital Strategy 2020/21 to 2024/25 (RD.17/19) be welcomed;

2) That delegated authority be given to the Corporate Director of Finance and Resources to effect movement between the separately agreed limits for borrowing and other long-term liabilities.

BTSP.59/19 CORPORATE PROJECT STATUS REPORT

The Town Clerk and Chief Executive submitted an update against corporate projects being undertaken by the Council (CE.04/19).

The Town Clerk and Chief Executive reported that a risk based audit review of Programme and Project Management had taken place in June 2019. The scope of the audit had been to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls were in place over the service objectives. The outcomes of the audit would be reported to the Panel when they were available.

A summary of current projects and their status was attached to the report as appendix 1. The majority of the projects were progressing to schedule and there were no projects which were experiencing major issues. The key achievements in the last period were also detailed within the report.

The Town Clerk and Chief Executive explained that the only project with an amber rating was the Asset Recovery Programme. There had been some concerns with regard to the progress with the programme, following constructive discussions with WYG, the work was now progressing.

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

- The Panel felt strongly that the new e-purchasing/ledger update did not alienate small suppliers and suggested that they be invited to receive training on the system from officers within the Council.

The Town Clerk and Chief Executive highlighted the benefits of the system in improving the ordering, invoicing and payment of services. The system would allow for small businesses and individuals who provide services to do business with the Council in an effective way. The Council was aware of the risks associated with alienating those small businesses and individuals and the Town Clerk and Chief Executive was confident that the process had considered those risks.

The Corporate Director of Finance and Resources agreed to circulate a note to Members explaining how the risks associated with small businesses and individuals had been dealt with.

- Referring to the Public Realm Improvements, a Member asked if the ongoing dialogue with Cumbria County Council had reached a conclusion.

The Town Clerk and Chief Executive confirmed that the dialogue was ongoing as most of the public realm improvements that the City Council wished to undertake required consent or approval by Cumbria County Council.

RESOLVED – 1) That the Panel scrutinised the most recent summary of projects and governance arrangements in place and the actions being taken to support projects with issues (CE.04/19);

2) That the Corporate Director of Finance and Resources circulate a note to Members explaining how the risks associated the e-purchasing/ledger upgrade and small businesses and individuals had been dealt with.

BTSP.60/19 CORPORATE RISK REGISTER

The Town Clerk and Chief Executive submitted an update on the management of the Council's Corporate Risk register (CS.22/19).

The report included the revised Corporate Risk Register (CRR).

The Corporate Risk Register was last reviewed by the Corporate Risk Management Group (CRMG) in June, since then the control strategy narrative and the dates had been updated and had been included as appendix one. The CRR reflected the most up to date version of the Carlisle Plan and included risks around ICT security.

The Risk Management Assurance Framework was live and available on the City Council's intranet, Service Managers had been briefed at the April Management Briefing.

Operational risk registers had been migrated across from Project Server and were hosted on Sharepoint. The new system was user friendly, provided greater functionality and the ability to manipulate data to feed into the Council's reporting requirements as well as a dashboard which could show at a glance the number of risks with a red rating; those risk registers which had yet to be updated and those risks which had escalated in the last quarter and may require attention.

In response to a Member's question the Corporate Director of Finance and Resources explained that the 'Preparing for the future funding of local government from 2019' risk matrix would need to be readdressed to reflect the target date of 2020.

RESOLVED – That the Panel had scrutinised the current Corporate Risk Register (CS.22/19).

(The meeting ended at 5.28pm)

Business and Transformation Scrutiny Panel

**Agenda
Item:**

Meeting Date: 22 August 2019
Portfolio: Cross-cutting
Key Decision: No
Within Policy and
Budget Framework
Private/Public Public
Title: Overview Report
Report of: Overview and Scrutiny Officer
Report Number: OS.20/19

Purpose / Summary:

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

Recommendations:

Members are asked to:

- Note the items (within Panel remit) on the most recent Notice of Key Executive Decisions
- Review the current work programme and resolutions and make recommendations for the future work programme

Tracking

| | |
|------------|-----------------------|
| Executive: | Not applicable |
| Scrutiny: | BTSP 22/08/19 |
| Council: | Not applicable |

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 19/07/19. This was circulated to all Members. The following items fall within the remit of this Panel:

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

- KD 09/18 The Medium Term Financial Plan (including the Corporate Charging Policy) & the Capital Investment Strategy 2020/21 to 2024/25 (22 July 2019)
- KD 09/19 The Asset Management Plan 2019 to 2024 (22 July 2019)

These items were both scrutinised at the Panel meeting on 25 July 2019.

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

None

2. References from Executive

2.1 None

3. Progress on resolutions from previous meetings

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

| | Meeting date | Minute reference | Action | Status |
|---|--------------|------------------|--|----------|
| 1 | 30/05/19 | BTSP 43/19 a) | 2) That the Corporate Director of Finance and Resources provide Members with a briefing note on the repayment of the grant to Ministry of Housing, Communities and Local Government and the impact on the authority. | Complete |
| 2 | 30/05/19 | BTSP 43/19 b) | 2) That the Finance, Governance and Resources Portfolio Holder provide the Panel with a written response regarding the waste receptacle overspend. | Complete |

| | | | | |
|----|----------|------------------|---|---|
| 3 | 30/05/19 | BTSP 43/19 c) | 2) That the Corporate Director of Finance and Resources provide the Panel with written information on the terms for the CCLA Property Fund and how it was reconciled on the Council's balance sheet. | Complete |
| 4 | 30/05/19 | BTSP 43/19 d) | 2) That the Revenues & Benefits Operations Manager provide the Panel with details of the increase in Council Tax discounts. | Complete |
| 5 | 30/05/19 | BTSP 43/19 d) | 3) That the Corporate Director of Finance and Resources provide the Panel with written information regarding CVAs. | Complete |
| 6 | 06/06/19 | BTSP 49/19 | That a monitoring report which included a range of Key Performance Indicators on the redevelopment project be submitted to the Panel on a quarterly basis should the project be approved on 25 June 2019; | Pending Now to be included in the Corporate Projects Report, received 6-monthly by BTSP. |
| 7 | 06/06/19 | BTSP 49/19 | That the Deputy Chief Executive provide the Panel with written details of the liability should the site flood during construction; | Pending |
| 8 | 06/06/19 | BTSP 49/19 | That further information on GLL's outreach programme to be circulated to Members. | Pending |
| 9 | 25/07/19 | BTSP 55/19 | That the items detailed in the work programme for 2019/20 be noted and the following items be added: <ul style="list-style-type: none">- an update on Community Asset Transfers be included in a future Overview Report; | Pending (03/10/2019) |
| 10 | 25/07/19 | BTSP 55/19 | That the items detailed in the work programme for 2019/20 be noted and the following items be added: <ul style="list-style-type: none">- Customer Services Update on 3 October 2019. | Complete |

4. Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities

4.1 In May 2019, Ministry of Housing Communities and Local Government published guidance for local authorities to help them carry out their overview and scrutiny functions effectively. This is statutory guidance, which means that local authorities should have regard to it when carrying out their functions.

4.2 The guidance places a high value on authorities having a strong organisational culture, with commitment from senior officers and Members, that welcomes challenge and values the role of scrutiny. Topics that are covered by the guidance include:

- culture;
- resourcing;
- selecting committee members;
- power to access information;
- planning work;
- evidence sessions.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Rowan Jones

Ext: 7257

**Appendices
attached to report:**

1. Scrutiny Panel Work Programme 2019/20

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

- None

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

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

INFORMATION GOVERNANCE –

APPENDIX: Scrutiny Panel Work Programme 2019-20

| Title | Lead Officer | Meeting Date |
|---|---------------------|---------------------|
| End of Year Performance Report | Gary Oliver | 30/05/2019 |
| Outturn Reports | Steven Tickner | 30/05/2019 |
| Sickness Absence | Sue Kaveney | 30/05/2019 |
| Medium Term Financial Plan and Capital Strategy | Alison Taylor | 25/07/2019 |
| Asset Management Plan | Mark Walshe | 25/07/2019 |
| Corporate Risk Register | Darren Crossley | 25/07/2019 |
| Corporate projects | Jason Gooding | 25/07/2019 |
| Performance Report | Gary Oliver | 22/08/2019 |
| Budget monitoring | Steven Tickner | 22/08/2019 |
| Draft Procurement Strategy | Steven Tickner | 22/08/2019 |
| Customer Services Update | Matthew Ward | 03/10/2019 |
| Performance Report | Gary Oliver | 03/12/2019 |
| Sickness Absence | Sue Kaveney | 03/12/2019 |
| Budget monitoring | Steven Tickner | 03/12/2019 |
| Budget setting | Alison Taylor | 03/12/2019 |
| Budget setting | Alison Taylor | 02/01/2020 |
| Performance Report | Gary Oliver | 13/02/2020 |
| Budget monitoring | Steven Tickner | 26/03/2020 |
| Corporate Risk Register | Darren Crossley | 26/03/2020 |
| Corporate projects | Jason Gooding | 26/03/2020 |
| Scrutiny Annual Report | Rowan Jones | 26/03/2020 |

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 22 August 2019
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 JUNE 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.20/19

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to June 2019 which was considered by the Executive on 19 August 2019.

Questions for / input required from Scrutiny:

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

Recommendations:

Members of the Business & Transformation Scrutiny Panel are asked to scrutinise the overall budgetary position for the period April to June 2019.

Tracking

| | |
|------------|----------------|
| Executive: | 19 August 2019 |
| Scrutiny: | 22 August 2019 |
| Council: | n/a |

Report to Executive

Agenda
Item:

Meeting Date: 19 August 2019
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 JUNE 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 20/19

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to June 2019 for revenue schemes only. The revenue report includes details of balance sheet management issues, bad debts written off in the period and progress against the transformation savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2019;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

Tracking

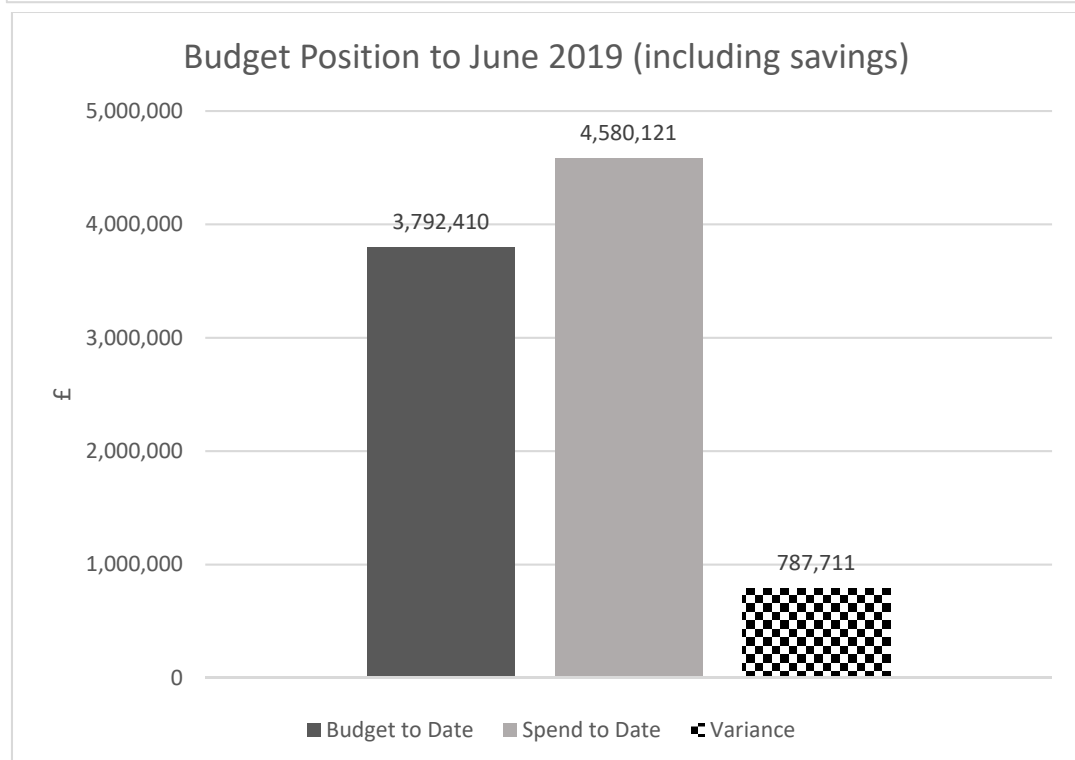
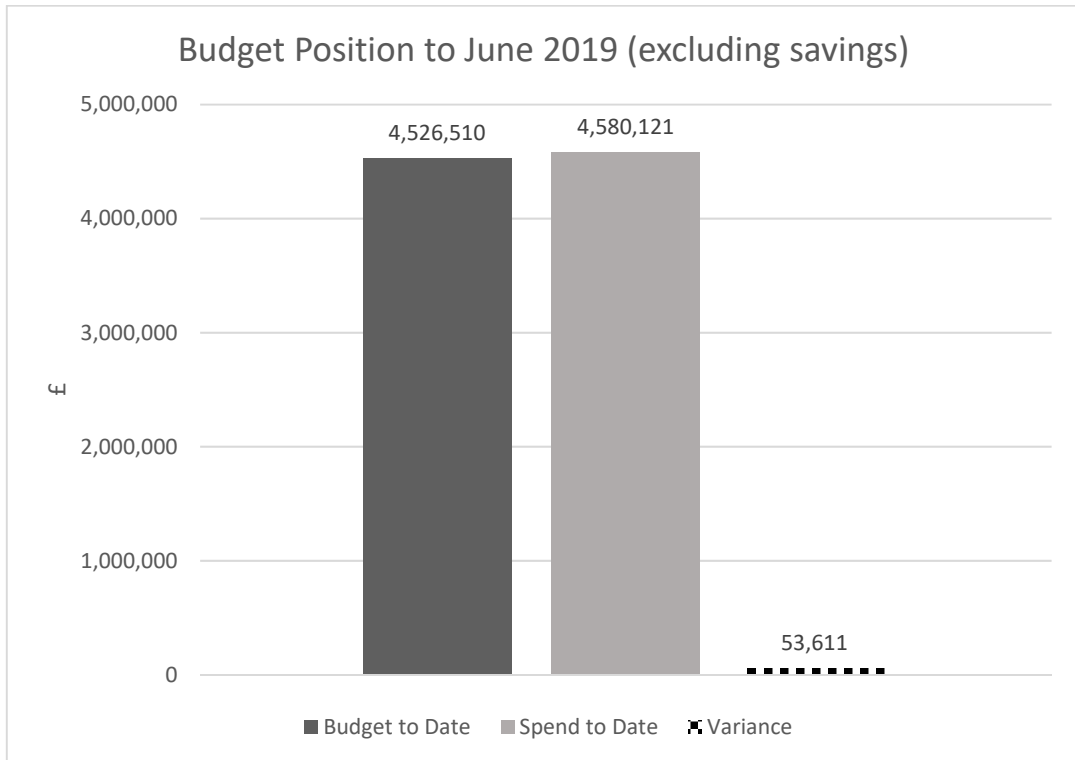
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|------------|----------------|
| Executive: | 19 August 2019 |
| Scrutiny: | 22 August 2019 |
| Council: | n/a |

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 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 shortfall in income.

2. 2019/20 REVENUE BUDGET MONITORING

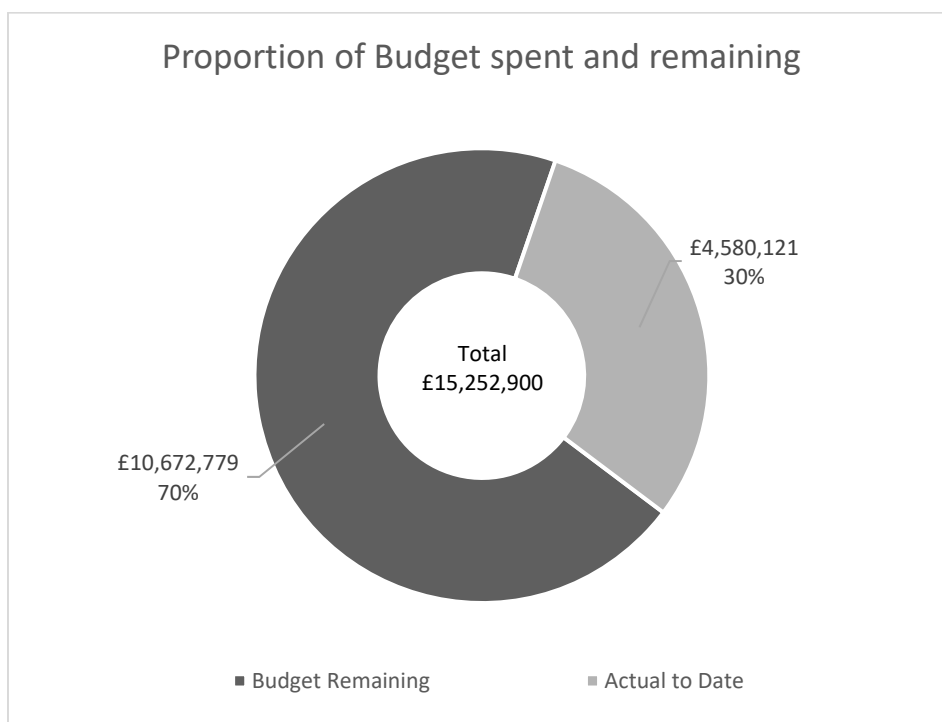
2.1 The budget position of the Council as at June 2019 is presented below:



2.2 The summarised revenue budgetary position as at June 2019 is shown below:

| | | Original Budget £ | Updated Budget £ | Net Budget to Date £ | Net Spend to Date £ | Variance £ |
|--|----|-------------------------|------------------------|----------------------------|---------------------------|------------------|
| Community Services | B1 | 8,523,900 | 10,233,800 | 1,898,464 | 2,008,081 | 109,617 |
| Corporate Support | B2 | 3,081,500 | 1,642,500 | 148,578 | 164,506 | 15,928 |
| Economic Development | B3 | 977,600 | 1,565,700 | 128,778 | 194,795 | 66,017 |
| Finance and Resources | B4 | 3,331,200 | 1,729,700 | 1,056,791 | 903,412 | (153,379) |
| Governance & Regulatory Services | B5 | 536,600 | 971,700 | 496,090 | 624,758 | 128,668 |
| Corporate Management | B6 | (2,095,700) | (890,500) | 797,809 | 684,569 | (113,240) |
| Service Expenditure | | 14,355,100 | 15,252,900 | 4,526,510 | 4,580,121 | 53,611 |
| Transformation & Base Budget Savings | | (734,100) | (734,100) | (734,100) | 0 | 734,100 |
| Service Expenditure | | 13,621,000 | 14,518,800 | 3,792,410 | 4,580,121 | 787,711 |
| Parish Precepts | | 637,600 | 637,600 | 637,600 | 637,394 | (206) |
| Total | | 14,258,600 | 15,156,400 | 4,430,010 | 5,217,515 | 787,505 |
| Transfers to/(from) Reserves | | | | | | |
| Transformation Reserve | | (152,100) | (152,100) | | | |
| Welfare Reform Reserve | | (200,000) | (200,000) | | | |
| Asset Investment Reserve | | (47,600) | (47,600) | | | |
| Revenues and Benefits Reserve | | (338,400) | (338,400) | | | |
| Building Control Reserve | | 0 | (36,900) | | | |
| Cremator Replacement Reserve | | 0 | 22,100 | | | |
| Carry Forward Reserve | | 47,600 | 18,800 | | | |
| Revenue Grants Reserve | | 0 | (197,200) | | | |
| General Fund Reserve | | (558,600) | (558,600) | | | |
| Planning Services Reserve | | 0 | 22,700 | | | |
| GLL Reserve | | 0 | (273,000) | | | |
| Total Transfer to/(from) Reserves | | (1,249,100) | (1,740,200) | (1,177,635) | (1,010,346) | 167,289 |
| Financed by: | | | | | | |
| Precept from Collection Fund | | (7,870,700) | (7,870,700) | (1,967,675) | (1,967,681) | (6) |
| Business Rate Retention | | (5,138,800) | (5,138,800) | (1,284,700) | (2,239,488) | (954,788) |
| Total Grants | | (13,009,500) | (13,009,500) | (3,252,375) | (4,207,169) | (954,794) |
| Total | | (14,258,600) | (14,749,700) | (4,430,010) | (5,217,515) | (787,505) |

2.3 The amount of the overall budget spent by June is as follows:



2.4 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised in the table below.

| Budget Area | | Underspend £ | Overspend £ |
|---|----|-----------------|----------------|
| Recycling & Waste Management Savings | B1 | 0 | 25,500 |
| Recycling & Waste Management Income | B1 | 0 | 35,517 |
| Car Parking Income | B1 | 0 | 34,150 |
| Special Events | B1 | 0 | 21,271 |
| Revenues and Benefits | B2 | (24,890) | 0 |
| ICT Services | B2 | 0 | 39,300 |
| Business Interaction Centre | B3 | 0 | 44,854 |
| Development Control Fee Income | B3 | 0 | 41,215 |
| Loan Interest (including new borrowing) | B4 | (176,439) | 0 |
| Investment Interest | B4 | 0 | 27,558 |
| Homeless Accommodation Income | B5 | 0 | 38,087 |
| Lanes Rent | B5 | 0 | 81,693 |
| Other Rental Properties Income | B5 | 0 | 22,085 |
| Chancerygate | B5 | 0 | 32,673 |
| Regulatory Services | B5 | (83,530) | 0 |
| Salary Turnover Savings | B6 | (137,973) | 0 |

2.5 Some of the **significant** service expenditure and income variances are set out below:

- A shortfall of £25,500 in Waste Services towards the capital costs of replacement vehicles.

- A shortfall of £35,517 from income from the sale of recyclates.
- A shortfall in car parking income of £34,150 from tickets, permits and penalty charge notices.
- A shortfall in Special Events income of £21,271 from lamp post and digital banner advertising.
- A net underspend of £24,890 in Revenues and Benefits due to additional government grants received.
- A net overspend of £39,300 in ICT Services mainly in relation to Microsoft Licences. A budget realignment exercise is planned to address this going forward.
- A net overspend of £44,854 for the Business Interaction Centre due to a shortfall in income and there being no budgets identified to fund the monthly running costs.
- A shortfall of £41,215 from Development Control fee income.
- A saving of £176,439 from interest on borrowing due to no new borrowing arrangements being entered into as yet..
- A shortfall in investment interest of £27,558.
- A shortfall in income of £38,087 in Homeless Accommodation.
- A shortfall in Lanes rental to date of £81,693.
- Shortfall in rental income of £22,085 from Other Properties. Further pressures are expected due to vacant units and downward rent review, which will need to be carefully monitored during the year.
- An overspend of £32,673 on expenditure relating to the Chancerygate contract. Recurring budgets will be established from any future upward rent reviews.
- A net underspend of £83,530 in Regulatory Services due to additional licence income and fee income received.
- Additional salary turnover savings of £137,973.

2.6 A subjective analysis of the summarised budgetary position excluding flood related items as at June is shown in **Appendix C**.

2.7 The following table shows the position as at June 2019 of savings achieved against the transformation savings targets to date.

| Savings Target | Target (£) | Achieved (£) | (Overachieved) /Outstanding (£) |
|---|------------------|-----------------|---------------------------------------|
| Up to & including 2016/17 | 23,000 | 0 | 23,000 |
| Previous Year Target | 706,300 | 44,000 | 662,300 |
| Net Recurring Position | 729,300 | 44,000 | 685,300 |
| Base Budget Review | 107,800 | 59,000 | 48,800 |
| Net Recurring position 2019/20 | 837,100 | 103,000 | 734,100 |
| To be found from 2020/21 onwards | 400,000 | 0 | 400,000 |
| Total Net Recurring position 2020/21 | 1,237,100 | 103,000 | 1,134,100 |

2.8 Based upon current projections, and as discussed further in this report at paragraph 4.3, the Council is expecting to benefit from Business Rate growth from being part of the Cumbria Business Rates Pool. The position for quarter 1 2019/20 is estimated to be £954,788 greater than the budgeted figure however, this is still subject to variability from pooling contributions and the performance of the other partners in the Cumbria Pool. There is also variability in the amount of reliefs that are granted that affect the amount of reimbursement from central government. A clearer picture of the projections for retained rating income will be known further into the year. It is projected that any over achievement of retained rating income should be enough to offset the outstanding savings required for 2019/20 (£734,100).

2.9 The recurring savings target will continue to be monitored closely during the year with a zero-base budget exercise, as part of the overall Savings Strategy, commencing during 2019/20 to fundamentally review all base budgets; however, there may be a potential requirement to temporarily utilise reserves in the short term.

3. FORECAST OUTTURN POSITION 2019/20

3.1 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 local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector.
- 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.
- The impact of any delay to the Spending Review, the Fair Funding Review and Business Rates Retention Review.

- 3.2 The Council's financial position will continue to be closely monitored and likely year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.
- 3.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2020/21 budget process if the position is deemed to be recurring in nature.

4. FUNDING

- 4.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget.
- 4.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 4.3 The current estimates of Business Rates income for the quarter to the end of June compared to initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on current estimates, the Council may receive an extra £954,788 in business rates income over and above what it has budgeted for. However, this position could change throughout the year depending upon the performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement.

5. BALANCE SHEET MANAGEMENT

- 5.1 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 31/03/2019 | Balance at June 2019 | Note |
|--------------------|-----------------------|----------------------|-------|
| Investments | £19.5m | £18.2m | (i) |
| Loans | £15.0m | £15.0m | (ii) |
| Debtors System | £1.06m | £1.78m | (iii) |
| Creditors System | £0.002m | £0.218m | |

- (i) The anticipated annual return on these investments is estimated at £442,900 for 2019/20 with current forecasts anticipated to be below these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,600 in 2019/20 with costs currently on target. New debt is also budgeted for from 2019/20 onwards and the cost of managing the new debt is currently showing a saving of £176,439 against budget.
- (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) The Council's VAT partial exemption calculation for the period ending June 2019 has been calculated and, at 2.36%, is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

6. BAD DEBT WRITE-OFFS

- 6.1 The Corporate Director of Finance and 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 £82,263.76 have been written off during Quarter 1 to the end of June 2019. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

| | £ |
|-------------------------------|-----------|
| General Fund | 13,279.14 |
| Council Tax (Collection Fund) | 24,877.92 |
| NNDR | 44,106.70 |
| Total Write-offs | 82,263.76 |

- 6.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £1,687.83, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

| | £ |
|-------------------------------|----------|
| General Fund | 123.31 |
| Council Tax (Collection Fund) | 1,370.48 |
| NNDR | 194.04 |
| Total Write-ons | 1,687.83 |

- 6.3 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. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 6.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

7. RISKS

- 7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

8. CONSULTATION

- 8.1 Consultation to date.
SMT and JMT have considered the issues raised in this report.
- 8.2 Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 22 August 2019.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The Executive is asked to:
- (i) Note the budgetary performance position of the Council to June 2019;
 - (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
 - (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the first quarter of 2019/20 shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A, B1 to B6, C to E.
attached to report:

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

- None

CORPORATE IMPLICATIONS:

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

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

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

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2019/20

VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2019

| Date | Virement Details | Recurring/ Non-recurring | Value | Authorised By |
|--|---|-----------------------------|---------|---|
| Requested by Officers (under £35,000 or delegated authority) | | | | |
| 23/07/2018 | Release of funding from Carry Forward Reserve to fund fixed term Planning post | Non-recurring | 28,800 | Corporate Director of Finance and Resources Health and Wellbeing Manager |
| 15/05/2019 | Revenue contribution towards replacement of Digital Banner | Non-recurring | 20,500 | |
| 04/06/2019 | Release of funding from Revenue Grant Reserve for Supporting People | Non-recurring | 98,600 | |
| 04/06/2019; 11/07/2019 | Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support | Non-recurring | 74,000 | |
| 04/06/2019; 11/07/2019 | Release of funding from Revenue Grant Reserve for Homelife | Non-recurring | 3,400 | |
| 04/06/2019 | Release of funding from Revenue Grant Reserve for Conservation work | Non-recurring | 1,000 | |
| 04/06/2019 | Release of funding from Revenue Grant Reserve for Carlisle South Garden Village | Non-recurring | 6,300 | |
| 04/06/2019; 11/07/2019 | Release of funding from Revenue Grant Reserve for Rogue Landlord Officer | Non-recurring | 13,900 | |
| Approved by Executive (£35,000 to £70,000 or delegated authority) | | | | |
| Approved by Council (over £70,000) | | | | |
| 16/07/2019 | Revenue carry forwards from 2018/19 into 2019/20. | Non-recurring | 406,700 | Council RD13/19 (amended) Council CS17/19 |
| 25/06/2019 | Release of GLL Reserve as a contribution towards Sands Centre Redevelopment | Non-recurring | 273,000 | |

REVENUE BUDGET MONITORING 2019/20

| COMMUNITY SERVICES | Gross Expenditure | Gross Income | Recharges | Total |
|---|-------------------|---------------|----------------|-------------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 18,754,200 | (5,770,100) | (2,750,300) | 10,233,800 |
| Budget to date | 4,360,717 | (1,771,248) | (691,005) | 1,898,464 |
| Total Actual | 4,398,736 | (1,697,212) | (693,443) | 2,008,081 |
| Variance | 38,019 | 74,036 | (2,438) | 109,617 |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | 38,019 | 74,036 | (2,438) | 109,617 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Car Parking | 1 | (3,235) | 34,146 | 19 | 30,930 |
| Special Events | 2 | 1,055 | 20,216 | 0 | 21,271 |
| Recycling and Waste Services | 3 | 48,902 | 35,517 | 195 | 84,614 |
| Miscellaneous | 4 | (8,703) | (15,842) | (2,652) | (27,197) |
| Total Variance to date | | 38,019 | 74,036 | (2,438) | 109,617 |

| Note | Community Services - Comments |
|------|---|
| 1. | Shortfall in ticket income, contract income and penalty charge notice income. |
| 2. | Shortfall in income from lamp post and digital banner advertising. |
| 3. | Exhibition and publicity expenditure is overspent and there is a £25,500 budget shortfall towards the capital costs of replacement vehicles; shortfall in income from sale of recyclates. |
| 4. | Minor underspends and surplus income across other services within the Directorate. |

REVENUE BUDGET MONITORING 2019/20

| CORPORATE SUPPORT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|-------------------|-----------------|-------------|------------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 6,627,400 | (1,404,000) | (3,580,900) | 1,642,500 |
| Budget to date | 1,962,920 | (918,051) | (896,291) | 148,578 |
| Total Actual | 1,996,225 | (936,406) | (895,313) | 164,506 |
| Variance | 33,305 | (18,355) | 978 | 15,928 |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | 33,305 | (18,355) | 978 | 15,928 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Revenues and Benefits | 1 | (1,791) | (23,202) | 103 | (24,890) |
| ICT Services | 2 | 38,851 | (67) | 517 | 39,300 |
| Miscellaneous | 3 | (3,755) | 4,914 | 358 | 1,518 |
| Total Variance to date | | 33,305 | (18,355) | 978 | 15,928 |

| Note | Corporate Support - Comments |
|------|--|
| 1. | Various minor underspends; additional government grants received. |
| 2. | Overspend mainly in relation to expenditure on Microsoft Licenses. A budget realignment exercise is planned to address this. |
| 3. | Minor underspends and shortfall in income across other services within the Directorate. |

REVENUE BUDGET MONITORING 2019/20

| ECONOMIC DEVELOPMENT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|-------------------|---------------|------------|------------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 3,839,600 | (1,533,200) | (740,700) | 1,565,700 |
| Budget to date | 837,687 | (523,512) | (185,397) | 128,778 |
| Total Actual | 867,468 | (487,498) | (185,175) | 194,795 |
| Variance | 29,781 | 36,014 | 222 | 66,017 |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | 29,781 | 36,014 | 222 | 66,017 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Business Interaction Centre | 1 | 33,190 | 11,663 | 0 | 44,854 |
| Development Control | 2 | 13,329 | 41,215 | 0 | 54,544 |
| Miscellaneous | 3 | (16,739) | (16,864) | 222 | (33,381) |
| Total Variance to date | | 29,781 | 36,014 | 222 | 66,017 |

| Note | Economic Development - Comments |
|------|---|
| 1. | Overspend on monthly running costs which do not have budgets identified; shortfall in income. |
| 2. | Overspend on scanning expenditure and software maintenance; shortfall in fee income. |
| 3. | Minor underspends and shortfall in income across other services within the Directorate. |

REVENUE BUDGET MONITORING 2019/20

| FINANCE AND RESOURCES | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|-------------------|---------------|-------------|------------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 26,615,900 | (21,668,300) | (3,217,900) | 1,729,700 |
| Budget to date | 7,147,940 | (5,479,894) | (611,255) | 1,056,791 |
| Total Actual | 6,967,201 | (5,453,238) | (610,551) | 903,412 |
| Variance | (180,739) | 26,656 | 704 | (153,379) |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | (180,739) | 26,656 | 704 | (153,379) |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Treasury and Debt Management | 1 | (175,686) | 27,558 | 0 | (148,128) |
| Miscellaneous | 2 | (5,053) | (902) | 704 | (5,251) |
| Total Variance to date | | (180,739) | 26,656 | 704 | (153,379) |

| Note | Finance and Resources - Comments |
|------|---|
| 1. | Savings on borrowing costs due to the new borrowing not yet being taken out; under achieved market deposit investment interest. |
| 2. | Minor underspends and surplus income across other services within the Directorate. |

REVENUE BUDGET MONITORING 2019/20

| GOVERNANCE AND REGULATORY | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|-------------------|-----------------|----------------|----------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 10,080,700 | (5,784,200) | (3,324,800) | 971,700 |
| Budget to date | 2,803,767 | (1,475,519) | (832,158) | 496,090 |
| Total Actual | 2,976,102 | (1,517,611) | (833,733) | 624,758 |
| Variance | 172,335 | (42,092) | (1,575) | 128,668 |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | 172,335 | (42,092) | (1,575) | 128,668 |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| The Lanes | 1 | (3) | 81,693 | 0 | 81,690 |
| Other Rental Properties | 2 | 6,112 | 22,085 | 0 | 28,197 |
| Chancerygate | 3 | 32,673 | 0 | 0 | 32,673 |
| Electoral Services | 4 | 123,851 | (98,287) | 14 | 25,578 |
| Homeless Accommodation | 5 | 20,182 | 38,087 | 0 | 58,270 |
| Regulatory Services | 6 | (5,279) | (78,094) | (157) | (83,530) |
| Miscellaneous | 7 | (5,201) | (7,576) | (1,432) | (14,209) |
| Total Variance to date | | 172,335 | (42,092) | (1,575) | 128,668 |

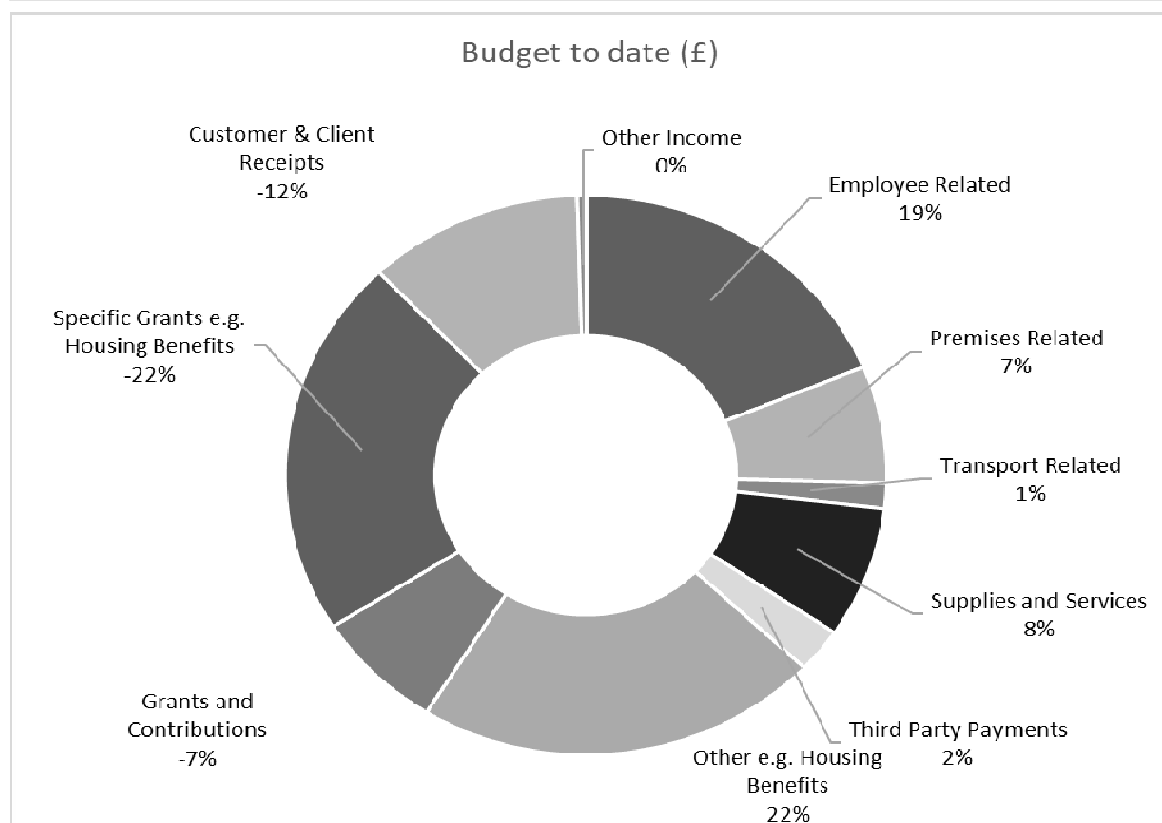
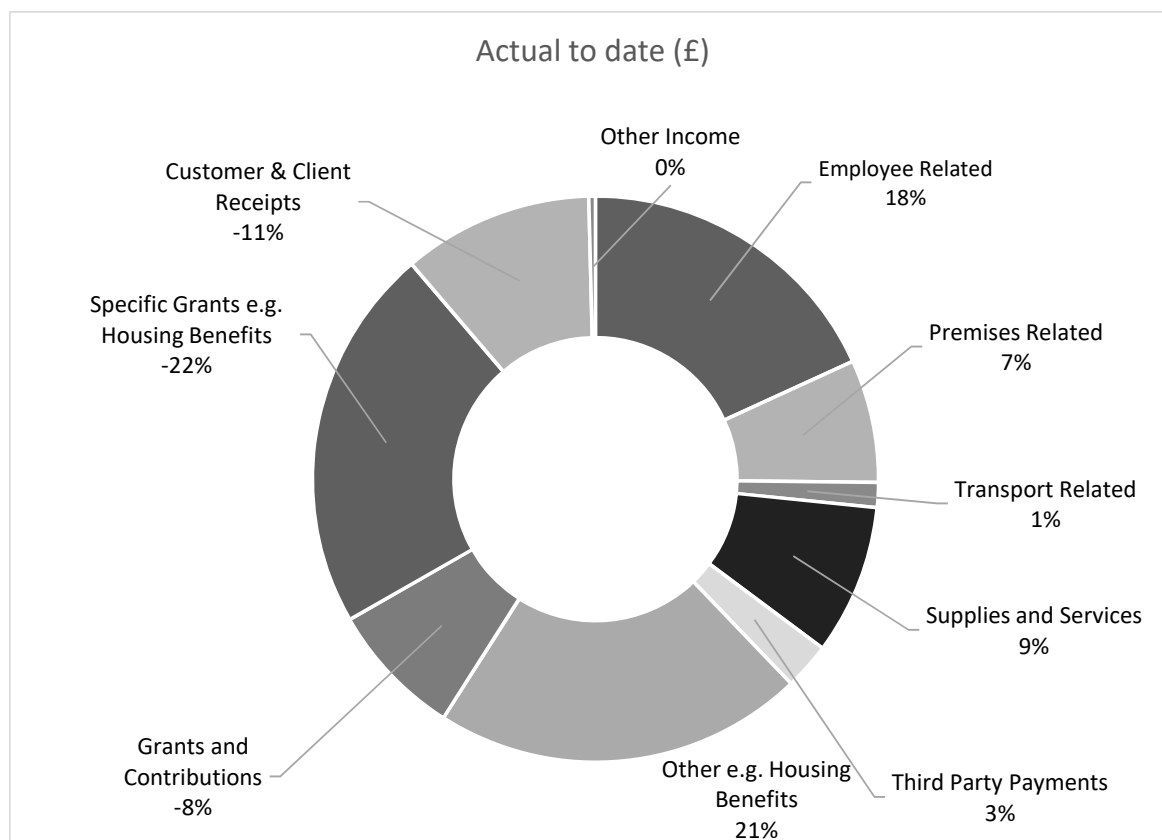
| Note | Governance & Regulatory Services - Comments |
|------|--|
| 1. | Shortfall in rent income for 2019/20. Annual deficit of £325,300 projected. |
| 2. | Overspend on surveyor fees and energy costs; Shortfall in rental income due to vacant properties. Additional pressures are anticipated due to downward rent reviews. |
| 3. | Overspend on Chancerygate costs. Recurring budget will be established from any increased rental income as a result of rent reviews. |
| 4. | Overspend mainly in relation to European Elections for which a claim for reimbursement of costs is to be submitted, budgets will be amended accordingly once claim agreed. |
| 5. | Shortfall on budget savings required due to the loss of Supporting People funding; shortfall in income. |
| 6. | Minor underspends on supplies and services; Additional licence income and fee income received. |
| 7. | Minor underspends and surplus income across other services within the Directorate. |

REVENUE BUDGET MONITORING 2019/20

| CORPORATE MANAGEMENT | Gross Expenditure | Gross Income | Recharges | Adjusted Total |
|---|-------------------|-----------------|-----------|------------------|
| Position as at 30 June 2019 | £ | £ | £ | £ |
| Annual Budget | 921,300 | (1,811,800) | 0 | (890,500) |
| Budget to date | 1,192,264 | (394,455) | 0 | 797,809 |
| Total Actual | 1,098,341 | (413,772) | 0 | 684,569 |
| Variance | (93,923) | (19,317) | 0 | (113,240) |
| Carry Forwards/Reserves & Provisions | | | | 0 |
| Adjusted Variance | (93,923) | (19,317) | 0 | (113,240) |

| Analysis of Variances | | Expenditure Variance | Income Variance | Recharges Variance | Adjusted Variance |
|-------------------------------|------|----------------------|-----------------|--------------------|-------------------|
| Service | Note | £ | £ | £ | £ |
| Other Financial Costs | 1 | (93,333) | (19,317) | 0 | (112,650) |
| Direct Revenue Financing | 1 | 0 | 0 | 0 | 0 |
| Miscellaneous | 2 | (590) | 0 | 0 | (590) |
| Total Variance to date | | (93,923) | (19,317) | 0 | (113,240) |

| Note | Corporate - Comments |
|------|--|
| 1. | Improvements in savings for Salary Turnover (£137,973). Overspend in relation to insurance claims in excess of the estimated provision. Additional government grants received. |
| 2. | Minor underspends across other services within the Directorate. |

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

| | 2018/19 Outturn | 2019/20 NNDR1 | 2019/20 Q1 |
|---|--------------------|--------------------|--------------------|
| Local Share of Income (Per NNDR1) | (16,305,689) | (16,465,732) | (16,580,578) |
| Renewables (Per NNDR1) | (264,957) | (355,377) | (355,377) |
| Renewables Bfwd (NNDR3 Previous Year) | (250,585) | (54,492) | (54,492) |
| Enterprise Zone (Per NNDR1) | 28,315 | 0 | 0 |
| Tariff (Per Final Settlement) | 12,090,274 | 12,367,342 | 12,367,342 |
| Section 31 Grants (reimbursement of funded reliefs) | (1,516,801) | (2,062,020) | (1,865,418) |
| Section 31 Grants (Flooding) | (83,869) | 0 | 0 |
| Estimated Collection Fund Deficit per NNDR1 | 835,515 | (180,118) | (180,118) |
| Levy Account Surplus | (4,681) | 0 | 0 |
| Levy Payable to Pool | 1,031,049 | 1,364,117 | 1,324,053 |
| Pool Redistribution | (624,035) | (763,000) | (749,000) |
| Total Income | (5,065,464) | (6,149,280) | (6,093,588) |
| Budget | | | |
| Baseline Funding | (3,281,700) | (3,388,600) | (3,388,600) |
| Additional Rates Income - Pooling/Growth | (1,650,000) | (1,750,200) | (1,750,200) |
| Total Budget | (4,931,700) | (5,138,800) | (5,138,800) |
| | | | |
| Additional Income retained | (133,764) | (1,010,480) | (954,788) |
| | | | |

BAD DEBT PROVISION

| TABLE 1 | | Write-Offs June 2019 | | Comments |
|------------------------------|-----|-------------------------|----------------------|----------|
| Type of Debt | No. | £ | | |
| NNDR (General) | 9 | 44,106.70 | 01/04/19 to 30/06/19 | |
| Council Tax | 30 | 24,877.92 | 01/04/19 to 30/06/19 | |
| Debtors: | | | | |
| Private Tenants | 0 | 0.00 | 01/04/19 to 30/06/19 | |
| Housing Benefit Overpayments | 36 | 12,278.54 | 01/04/19 to 30/06/19 | |
| General Fund | 9 | 12.60 | 01/04/19 to 30/06/19 | |
| Penalty Charge Notices: | | | | |
| On Street | 0 | 0.00 | 01/04/19 to 30/06/19 | |
| Off Street | 12 | 988.00 | 01/04/19 to 30/06/19 | |
| TOTAL | 96 | 82,263.76 | | |
| | | | | |
| TABLE 2 | | Write-Ons June 2019 | | Comments |
| Type of Debt | | £ | | |
| NNDR (General) | 5 | 194.04 | 01/04/19 to 30/06/19 | |
| Council Tax | 15 | 1,370.48 | 01/04/19 to 30/06/19 | |
| Debtors: | | | | |
| Private Tenants | 0 | 0.00 | 01/04/19 to 30/06/19 | |
| Housing Benefit Overpayments | 3 | 123.11 | 01/04/19 to 30/06/19 | |
| General Fund | 1 | 0.20 | 01/04/19 to 30/06/19 | |
| TOTAL | 24 | 1,687.83 | | |
| | | | | |

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.4

Meeting Date: 22 August 2019
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 JUNE 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.21/19

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2019 which was considered by the Executive on 19 August 2019.

Questions for / input required from Scrutiny:

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

Recommendations:

Members of the Business & Transformation Scrutiny panel are asked to scrutinise the overall budgetary position for the period April to June 2019.

Tracking

| | |
|------------|-----------------------|
| Executive: | 19 August 2019 |
| Scrutiny: | 22 August 2019 |
| Council: | n/a |

Report to Executive

Agenda
Item:

Meeting Date: 19 August 2019
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 JUNE 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 21/19

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2019.

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 June 2019;
- (ii) Note adjustments to the 2019/20 capital programme as detailed in paragraph 2.1.

Tracking

| | |
|------------|-----------------------|
| Executive: | 19 August 2019 |
| Scrutiny: | 22 August 2019 |
| Council: | n/a |

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and 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 2019/20:

| 2019/20 Capital Budget | £ |
|--|-------------------|
| Original 2019/20 Programme (approved Feb 2019) | 25,071,200 |
| Carry forwards from 2018/19 (RD36/18 Council 05/03/19) | 982,100 |
| Reprofiling of Sands Centre Redevelopment (CS17/19 Council 25/06/19) | (5,572,200) |
| Carry forwards from 2018/19 (RD14/19 Council 16/07/19) | 2,253,900 |
| Additional Disabled Facilities Grant (RD14/19 Council 16/07/19) | 432,500 |
| S106 contributions towards Affordable Homes (OD.028/19) | 4,000 |
| Revenue contribution towards Digital Banner Replacement | 20,500 |
| 2019/20 Capital Programme (RD14/19 Council 16/07/19) | 23,192,000 |
| Less Capital Reserves to be released by Executive (see para 3.7) | (415,000) |
| Revised 2019/20 Capital Programme (released) | 22,777,000 |

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

3. 2019/20 BUDGET MONITORING

3.1 The position statement as at June 2019 can be summarised as follows:

| Directorate | Revised Annual Budget £ | Budget to Date £ | Spend to date £ | Variance to date £ | Para. Ref. |
|----------------------------------|------------------------------------|-----------------------------|----------------------------|-------------------------------|-------------------|
| Community Services | 12,386,300 | 136,294 | 147,101 | 10,807 | 3.3 |
| Corporate Support | 116,900 | 8,362 | 2,336 | (6,026) | 3.4 |
| Economic Development | 200,400 | 50,400 | 57,620 | 7,220 | 3.5 |
| Governance & Regulatory Services | 10,141,500 | 923,591 | 754,710 | (168,881) | 3.6 |
| Total | 22,845,100 | 1,118,647 | 961,767 | (156,880) | |
| Flood Related Capital | (68,100) | 0 | 0 | 0 | |
| Total | 22,777,000 | 1,118,647 | 961,767 | (156,880) | |
| Reserves to be released | 415,000 | 0 | 0 | 0 | 3.7 |
| Total | 23,192,000 | 1,118,647 | 961,767 | (156,880) | |



Schemes still to be released by the Executive are outwith the budget monitoring process until the budgets have been released.

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

- 3.2 As at the end of June, expenditure of £961,767 has been incurred on the Council's core capital programme. When considered against the profiled budget of £1,118,647 this equates to an underspend of £156,880.

The unspent balance remaining of the revised annual budget of £22,777,000 is £21,815,233. This will be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

- 3.3 The variance in Community Services is attributable to an overspend on the purchase of Waste Receptacles against the profiled budget to date.
- 3.4 The variance in Corporate Support is attributable to an underspend of £6,026 on ICT Upgrades against the profiled budget to date.

- 3.5 The variance in Economic Development is attributable to an overspend of £7,220 on Durranhill Industrial Estate due to additional footpath works that have been carried out. There is currently no budget allocated to fund these works.
- 3.6 The variance in Governance & Regulatory Services is attributable to an underspend of £164,150 on Disabled Facilities Grants. Spend in the first quarter of 2019/20 was £526,880 which is greater than the expenditure in the first quarter of 2018/19. Activity in the delivery of DFG is increasing. A revised Action Plan for Disabled Facilities Grants is being developed to further improve the delivery of DFGs.
- 3.7 A number of schemes are included in the capital programme for 2019/20 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

| Scheme | Budget £ |
|---------------------------|----------------|
| Play Area Improvements | 35,000 |
| Public Realm Improvements | 380,000 |
| Total | 415,000 |

4. FINANCING

- 4.1 The 2019/20 capital programme can be financed as follows:

| | Annual Budget £ | Current Programme £ |
|--|-----------------------|---------------------------|
| Total Programme to be financed (para 2.1) | 23,192,000 | 22,777,000 |
| <u>Financed by:</u> | | |
| Capital Receipts / Internal Borrowing | 17,545,400 | 17,130,400 |
| Capital Grants | | |
| • Disabled Facilities Grant | 1,899,800 | 1,899,800 |
| • General | 2,024,700 | 2,024,700 |
| Direct Revenue Financing | 1,587,200 | 1,587,200 |
| Other Contributions | 134,900 | 134,900 |
| Earmarked Reserves | 0 | 0 |
| Total Financing | 23,192,000 | 22,777,000 |

5. CAPITAL RESOURCES

- 5.1 The following table shows the position as at June 2019 of the capital resources due to be received during 2019/20:

| | 2019/20 Annual Budget £ | 2019/20 Actual £ | 2019/20 Not yet received £ | Note |
|------------------------------|----------------------------------|------------------------|-------------------------------------|------|
| Capital Receipts | | | | |
| · General | 0 | (5,000) | (5,000) | 1 |
| · Asset Review | (1,700,000) | 0 | 1,700,000 | 1 |
| · Vehicle Sales | 0 | (27,700) | (27,700) | 2 |
| Capital Grants | | | | 3 |
| · Disabled Facilities Grant | (1,899,800) | 0 | 1,899,800 | |
| · Sands Centre | (2,000,000) | 0 | 2,000,000 | |
| Capital Contributions | | | | 4 |
| · Section 106 | (134,900) | (50,400) | 84,500 | |
| · Disabled Facilities Grants | 0 | (11,354) | (11,354) | |
| · General | 0 | 0 | 0 | |
| Total | (5,734,700) | (94,454) | 5,640,246 | |

Notes:

1. Receipts for 2019/20 are anticipated to be received from asset review sales (£1,700,000). Included within general sales are receipts of £5,000 that are below the de minimis for capital receipts and will be transferred to revenue.
2. Included within vehicle sales are receipts of £27,700 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue and the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
4. Contributions from Section 106 agreements to Affordable Homes (£50,400) and Open Space Improvements (£84,500).

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 annually 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 2018/19 accounts, fixed assets totalled £157million (2017/18 £157million). This represents 94% 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. 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 June 2019 debtors of £194,075 (£274,010 at 31 March 2019) were outstanding for capital grants, contributions and receipts.

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 June 2019 totalled £108,046 (£449,990 at 31 March 2019).

7. PERFORMANCE

- 7.1 The 2019/20 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. Members are reminded that budgets now totalling £415,000 are being held in reserves until approved by Executive for release.
- 7.2 The 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 Transformation Sub-Group 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. RISKS

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

9. CONSULTATION

9.1 Consultation to Date

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

9.2 Consultation Proposed

Business & Transformation Scrutiny Panel will consider the report on 22 August 2019.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 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 June 2019;
- (ii) Note adjustments to the 2019/20 capital programme as detailed in paragraph 2.1.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A to G

attached to report:

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

- None

CORPORATE IMPLICATIONS:

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

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

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

INFORMATION GOVERNANCE – There are no information governance implications.

2019/20 CAPITAL PROGRAMME
APPENDIX A

| Scheme | Original Capital Programme 2019/20 £ | Carry Forwards from 2018/19 £ | Carry Forwards from 2018/19 £ | Other Adjustments £ | Revised Capital Programme 2019/20 £ |
|---|--|---|---|---------------------------|---|
| <u>Current non-recurring commitments</u> | | | | | |
| Gateway 44 | 6,500,000 | 0 | (40,800) | 0 | 6,459,200 |
| Play Area Green Gyms | 0 | 25,000 | 7,800 | 0 | 32,800 |
| Open Space Improvements | 0 | 84,500 | 0 | 0 | 84,500 |
| Bitts Park (Tennis/Reinstatement) | 0 | 0 | 94,000 | 0 | 94,000 |
| Cemetery Infrastructure | 0 | 0 | 11,200 | 0 | 11,200 |
| Affordable Homes | 0 | 0 | 46,400 | 4,000 | 50,400 |
| Planning Software | 0 | 0 | 150,000 | 0 | 150,000 |
| Property Purchase | 0 | 0 | 150,000 | 0 | 150,000 |
| Flood Reinstatement Projects | 0 | 0 | (68,100) | 0 | (68,100) |
| Sands Centre Redevelopment (1) | 15,395,000 | 0 | 550,700 | (5,572,200) | 10,373,500 |
| Civic Centre Digital Banner | 0 | 0 | 0 | 20,500 | 20,500 |
| | 21,895,000 | 109,500 | 901,200 | (5,547,700) | 17,358,000 |
| <u>Recurring commitments</u> | | | | | |
| Planned Enhancements to Council Property | 250,000 | 0 | 79,600 | 0 | 329,600 |
| Vehicles, Plant & Equipment | 896,000 | 0 | 828,800 | 0 | 1,724,800 |
| Recycling Containers | 45,000 | 0 | 0 | 0 | 45,000 |
| ICT Infrastructure | 102,900 | 0 | 14,000 | 0 | 116,900 |
| | 1,293,900 | 0 | 922,400 | 0 | 2,216,300 |
| <u>Disabled Facilities Grants</u> | | | | | |
| Private Sector Grants | 1,467,300 | 872,600 | 407,100 | 432,500 | 3,179,500 |
| Minor Works Grants | 0 | 0 | 23,200 | 0 | 23,200 |
| | 1,467,300 | 872,600 | 430,300 | 432,500 | 3,202,700 |
| TOTAL | 24,656,200 | 982,100 | 2,253,900 | (5,115,200) | 22,777,000 |
| <u>Capital Reserves to be released</u> | | | | | |
| Play Area Improvements | 35,000 | 0 | 0 | 0 | 35,000 |
| Public Realm Improvements | 380,000 | 0 | 0 | 0 | 380,000 |
| | 415,000 | 0 | 0 | 0 | 415,000 |
| REVISED TOTAL | 25,071,200 | 982,100 | 2,253,900 | (5,115,200) | 23,192,000 |

Note (1): The 2019/20 budget allocation now reflects the increased level of spend in 2018/19.

COMMUNITY SERVICES

| Scheme | Revised Annual Budget £ | Budget to date £ | Expenditure to date £ | Variance to date £ | Details of major variance |
|---------------------------------|----------------------------|---------------------|--------------------------|-----------------------|---|
| Civic Centre Digital Banner | 20,500 | 0 | 0 | 0 | Revenue contribution to capital approved under delegated authority to provide a replacement digital banner. The equipment is faulty and not possible to repair due to obsolete technology and therefore needs to be replaced. |
| Vehicles & Plant | 1,724,800 | 32,400 | 32,040 | (360) | Replacement of vehicles to date is within the allocated budgets. A revised replacement plan is being developed. |
| Cemetery Infrastructure | 11,200 | 0 | 0 | 0 | Footbridge improvements are underway and due to be completed in 2019/20. |
| Open Space Improvements | 84,500 | 0 | 0 | 0 | Funded by Section 106 monies. |
| Green Gyms | 32,800 | 0 | 0 | 0 | Project slipped from 2018/19. |
| Bitts Park/Tennis Reinstatement | 94,000 | 0 | 0 | 0 | Revenue contribution to capital towards the Bitts Park Tennis Facilities project has been carried forward into 2019/20 as potential funding towards a proposed scheme at Bitts Park. Further information will be presented to a future meeting. |
| Sands Centre Redevelopment | 10,373,500 | 92,630 | 92,644 | 14 | Budget reprofiled based on revised report approved by Council (CS.17/19 - 25/06/19). |
| Waste Minimisation | 45,000 | 11,264 | 22,417 | 11,153 | Purchase of waste receptacles are overspent against the profiled budget to date. |
| Grand Total | 12,386,300 | 136,294 | 147,101 | 10,807 | |

CORPORATE SUPPORT

| Scheme | Revised Annual Budget £ | Budget to date £ | Expenditure to date £ | Variance to date £ | Details of major variance |
|--------------------|----------------------------------|------------------------|-----------------------------|--------------------------|-------------------------------------|
| ICT Infrastructure | 116,900 | 8,362 | 2,336 | (6,026) | Part of ICT Strategy Business Case. |
| Grand Total | 116,900 | 8,362 | 2,336 | (6,026) | |

ECONOMIC DEVELOPMENT

| Scheme | Revised Annual Budget £ | Budget to date £ | Expenditure to date £ | Variance to date £ | Details of major variance |
|------------------------------|----------------------------|---------------------|--------------------------|-----------------------|---|
| Durranhill Industrial Estate | 0 | 0 | 7,220 | 7,220 | Additional footpath works for which there is currently no budget allocated. |
| Planning Software | 150,000 | 0 | 0 | 0 | Project yet to start. |
| Affordable Homes | 50,400 | 50,400 | 50,400 | 0 | S106 funding towards provision of Affordable Homes. Project now complete. |
| Grand Total | 200,400 | 50,400 | 57,620 | 7,220 | |

GOVERNANCE & REGULATORY SERVICES

| Scheme | Revised Annual Budget £ | Budget to date £ | Expenditure to date £ | Variance to date £ | Details of major variance |
|--|----------------------------|---------------------|--------------------------|-----------------------|--|
| Planned Enhancements to Council Property | 329,600 | 50,061 | 40,127 | (9,934) | Individual projects progressing as planned. |
| Property Acquisition | 150,000 | 150,000 | 152,900 | 2,900 | Property purchase now complete. Slight overspend in relation to stamp duty land tax. |
| Gateway 44 | 6,459,200 | 32,500 | 34,803 | 2,303 | Development and Improvement costs associated with the Junction 44 development. Tenders are being assessed. |
| Minor Works Grants | 23,200 | 0 | 0 | 0 | Budget to be utilised towards Empty Homes Initiative. |
| Disabled Facilities Grants | 3,179,500 | 691,030 | 526,880 | (164,150) | Mandatory Grants. Increased grant allocation for 2018/19. The position is being closely monitored. |
| Grand Total | 10,141,500 | 923,591 | 754,710 | (168,881) | |

FLOOD RELATED CAPITAL EXPENDITURE

| Scheme | Revised Annual Budget £ | Budget to date £ | Expenditure to date £ | Variance to date £ | Details of major variance |
|----------------------------|----------------------------------|------------------------|-----------------------------|--------------------------|---|
| IC Buildings Flood Capital | (68,100) | 0 | 0 | 0 | Negative budget carry forward was in relation to expenditure incurred in 2018/19 on the reinstatement of Bitts Park and Civic Centre. Once schemes have been fully developed and approved, budgets will be released from reserves to cover both projected expenditure and also costs incurred in 2018/19. |
| Grand Total | (68,100) | 0 | 0 | 0 | |

Capital Programme – Risk Assessment

| Risk | Likelihood | Impact | Mitigation |
|---|---------------------|----------|---|
| Capital projects are approved without a full appraisal of the project and associated business case. | Remote | Marginal | Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases |
| Full capital and revenue costs of a project not identified. | Reasonably Probable | Marginal | Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning. This may need to be reviewed if major schemes progress, e.g. Sands |
| VAT partial exemption rules are not considered. | Reasonably Probable | High | Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services. |
| Capital projects are not delivered to time | Reasonably Probable | High | Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues. |
| Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council. | Reasonably Probable | Marginal | Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary. |
| Assumptions on external funding for capital projects are unrealistic | Probable | High | Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. MHCLG grants |
| Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget | Remote | Marginal | Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding. |
| Shortfall in level of capital resources generated from PRTB/Capital Receipts | Probable | High | Economic downturn will impact - early warning so as not to over commit capital resources. |

Report to Business and Transformation Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 22 August 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework NO
Public / Private Public

Title: PROCUREMENT AND COMMISSIONING STRATEGY 2019 - 2021
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.23/19

Purpose / Summary:

This report outlines the updated Procurement and Commissioning Strategy covering the period 2019-2021. The Procurement and Commissioning Strategy sets out the principles by which the Council will operate its Procurement and Commissioning activities. The Strategy includes relevant governmental and legislative requirements with regard to Procurement, including requirements of European Procurement Legislation.

Recommendations:

Business and Transformation Scrutiny Panel is asked to scrutinise and comment on the Procurement and Commissioning Strategy 2019-2021.

Tracking

| | |
|------------------------|--------------------------|
| Executive: | 16 September 2019 |
| Overview and Scrutiny: | 22 August 2019 |
| Council: | n/a |

1. BACKGROUND

- 1.1 The Procurement and Commissioning Strategy was last updated in 2017.
- 1.2 Therefore, the Procurement and Commissioning Strategy has been updated to reflect the current position and activity to be undertaken in the following two years. It details how the Council will operate its procurement function over the period 2019-2021 and conforms with the required legislation.
- 1.3 The aim of this Procurement and Commissioning Strategy is to set a clear framework for activity throughout the authority, which reflects the Council's Corporate Plan and which complements the Council's constitution and contracts procedure rules.
- 1.4 Effective procurement and commissioning will support the key strategies and goals of the Council and help to deliver corporate priorities. They will be used as a lever to support the efficiency agenda and the wider council objectives such as equal opportunities, sustainability, the environment and local economic regeneration.

2. MAIN CONSIDERATIONS

- 2.1 The main change made to the updated version of the Strategy concerns the addition of the Council's decision to declare a Climate Change Emergency and that the Council will have consideration to this when undertaking procurement where it is appropriate to do so.

3. RISKS

- 3.1 Without a Procurement and Commissioning Strategy the Council would not be setting out how it will undertake its procurement in an open and transparent manner and comply with the appropriate laws and regulations.

4. CONSULTATION

- 4.1 Business and Transformation Scrutiny Panel are considering this report on 22 August 2019 prior to the Executive considering and approving the Strategy on 16 September 2019.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 Business and Transformation Scrutiny Panel is asked to scrutinise and comment on the Procurement and Commissioning Strategy 2019-2021.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 Effective procurement will enable the Council to achieve its priorities in relation to the Carlisle Plan.

Contact Officer: Steven Tickner

Ext: 7280

Appendices **Appendix 1 – Procurement and Commissioning Strategy 2019-**
attached to report: **2021**

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:

LEGAL - effective and efficient procurement ensures that the Council gets best value when spending its public funds. There are internal and external controls, namely the Contract and Financial Procedure Rules, Public Contracts Regulations and EU Directives, all of which must be complied with. Approval of the Strategy is an Executive Function.

FINANCE – Contained within the report

EQUALITY – This report and strategy do not raise any specific equality issues.

INFORMATION GOVERNANCE – The Council's procurement procedure requires the processing of personal information in relation to individuals and sole traders. The Council should ensure its procurement documentation is open and transparent in terms of processing of personal information. The documentation should also make clear what information the Council is obliged to publish and/ or disclose in accordance with the Freedom of Information Act.

Procurement and Commissioning Strategy

Carlisle City Council

2019 to 2021

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1.0 Introduction

This document sets out the Council's strategic approach to procurement and commissioning for the period 1 April 2019 to 31 March 2021.

The Procurement and Commissioning Strategy is intended to ensure the council obtains optimum value for money in all its procurement and commissioning activities within a framework that supports the principles and priorities of sustainable development.

The principles contained within this strategy will be applied to all procurement and commissioning activity throughout the period 2019 to 2021.

Effective procurement and commissioning is crucial in securing high quality, value for money public services.

2.0 What is Procurement and Commissioning?

Procurement is:

The process of acquiring goods, work and services, including acquisitions from third parties and covers the full life-cycle from the initial concept to the end of the useful life of an asset or service. It has a wider scope than 'purchasing' or 'buying'.

Procurement requires local authorities to ensure sustainability and to secure continuous positive outcomes for the community whilst taking into account the fundamental principles of efficiency, economy and effectiveness. Value for money within a procurement context is defined as the optimum combination of whole life costs and positive social, economic and environmental outcomes.

Commissioning is:

The whole service approach to the design, management, delivery and monitoring of a specialist service. It is an ongoing cyclical process to secure the strategic development of services provided from public, private or voluntary organisations and involves planning, designing and implementing a range of services that are required. It is facilitated by procurement activity.

3.0 The Council's vision and values

The Council's vision is 'to improve the health, wellbeing and economic prosperity of the people of Carlisle.'

This strategy is informed by and supports the values and priorities of the Carlisle Plan. It will be periodically reviewed to ensure it reflects the evolving needs of the Council.

The Council's core principles of Clarity, Commitment and Confidence are also taken into account as part of the Procurement function.

The procurement function has a significant role to play with the council's vision and values being realised through responsible and innovative procurement.

There is a substantial challenge ahead with local government facing uncertainties around funding settlements from central government over the coming years which will place financial pressure on the council. The Council sees itself as being an enabling authority and through effective procurement will be able to obtain value for money for the public purse and promote economic growth thus contributing to the Council's efficiency plan.

4.0 Procurement Strategy in context

This strategy provides a corporate focus for procurement and commissioning. It provides a framework for a strategic approach to procurement throughout the council.

The strategy addresses:

- All elements of procurement and commissioning activity;
- A 'whole life' approach ensuring minimum environmental impact and maximum cost effectiveness wherever possible;
- The solutions available to the Council

The strategy complies with:

- Existing procurement legislation, including the EU Procurement Directives
- All related legislation and national policy drivers including, but not limited to the
 - Public Contracts Regulations 2015,
 - Children Act 2004,
 - Concession Contracts Regulations 2016,
 - Utilities Contracts Regulations 2016,
 - The Public Procurement (Amendments, Repeals and Revocations) Regulations 2016
 - Social Value Act 2012,
 - Localism Act 2011,
 - Freedom of Information Act 2000,
 - Equalities legislation,
 - National Procurement Strategy,
 - Transformational Government Agenda
 - EU General Data Protection Regulations,

The strategy also emphasises the importance of socially responsible procurement, using whole life costs, involving users and assessing the social, environmental and economic impact of procurement decisions.

Procurement at the Council is governed by the Council Constitution, predominantly the Contract Procedure Rules and Financial Regulations, and other internal policies and procedures.

The Council recognises the benefits of working with partner organisations and has informal arrangements for procurement support on an ad-hoc basis with Cumbria County Council when required. The Council is also a member of EPIc (Effective Procurement in Cumbria), a collaborative procurement arrangement across Cumbria which includes the County Council, the six District Councils, the NHS, Cumbria Police and the Lake District National Park Authority.

5.0 The Council's Commitment

The Council's sustainable procurement and commissioning strategy identifies:

- ✓ The role that procurement and commissioning plays in delivering the council's objectives and its contribution to the community, workforce issues, diversity, equality and sustainability.
- ✓ That all procurement activity will include due consideration of social, economic and environmental factors and will be addressed on whole life costing.
- ✓ How the Council will undertake procurement activity using the most efficient and effective methods and will select the most appropriate delivery mechanisms to ensure value for money.
- ✓ How robust contract management will support improved service and alternative delivery through continuous improvement in the quality of goods, works and services, and that all contracts are supported by a sound business case and options appraisal.
- ✓ That procurement will be fair, open and transparent and undertaken to the highest standards of probity, integrity, honesty and professionalism.
- ✓ Where the Council decide that the best value option is to aggregate supplies or let a longer term contract or framework agreement it will ensure that bidders demonstrate their track record in achieving value for money.
- ✓ The role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.
- ✓ The Council will promote a positive approach to equality and diversity issues throughout the region.

6.0 Procurement Responsibilities

6.1 Key Aim

The key aim of the Council's Sustainable Procurement and Commissioning Strategy is to support the procurement of goods, services and works that meet our obligations to stakeholders and customers whilst balancing our environmental, social, economic and equality objectives and our commitment to sustainable development.

Factors that may be considered when acquiring goods, services or works:

- Consideration of the entire life cycle of products/assets/services including costs of disposal.
- The environmental impact over the life cycle of a product/asset/service, including its impact in terms of carbon dioxide emissions.
- Social aspects such as labour conditions, equality and diversity and fairly traded products where appropriate.
- Any applicable regulations, requirements, conditions or specifications such as EU Directives.
- The consideration of price, quality, risk, availability and functionality of goods, works and services.
- The consideration of goods, works and services that may stimulate innovation, create jobs and retain wealth in the area or contribute to the establishment of a low carbon economy.

6.2 Social Responsibility

The council continues to work both regionally and nationally to ensure socially responsible procurement and commissioning is delivered, and engaging with organisations, agencies and the independent and voluntary sectors to do this. The three strands of socially responsible procurement and commissioning (economic, sustainable and environmental) are addressed in more detail below. The Council will also have regard to the Social Value Act 2012 when commissioning and procuring services to drive positive change in the local community and where appropriate will include requirements that can be evaluated in tenders.

6.3 Local Economic Responsibility

The council is one of the largest spending organisations in the city and the sub-region, and the more money that is spent locally, the greater positive impact this will have on the local economy, particularly for small and medium sized businesses.

The council can legitimately support locally based businesses, by:

- working pro-actively with local organisations to explain how to do business with the council, providing information about future procurement and commissioning activity, and advertising tenders on the council and other websites;
- participate in “Meet the Buyer” events which encourage businesses to bring along developing products and services;
- encouraging the development and utilisation of Business to Business portals to promote trading between businesses within Cumbria;
- encouraging suppliers to provide local services by local people where possible;
- encouraging suppliers to adopt the Living Wage, secure apprenticeships and delivering training;
- develop local supply chains through early engagement with the local market where there is the possibility to add value;
- acknowledging that sustainability needs to be embedded by developing longer term contracts therefore the council policy will be, when appropriate, to have a minimum of three year contracts except where the business case demonstrates this is not viable.

6.4 Social Enterprise Responsibility

The council recognises and values the added benefits that the voluntary and social enterprise sectors can provide and will explore the use of the voluntary and social enterprise sectors in its procurement and commissioning activities.

Proactive measures such as advertising on the Regional Improvement and Efficiency and other websites must always be considered as well as any required advertising routes as identified in the Council's Contracts procedure rules.

6.5 Environmental & Climate Change Responsibility

The council, along with its partners, is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being. The council recognises that procurement and commissioning is integral in delivering more sustainable outcomes for the city and the wider community. To

achieve this, it is necessary to ensure that environmental and broader sustainability considerations are taken into account throughout the procurement and commissioning process, along with the use of local suppliers where appropriate.

Following the Council's decision to declare a Climate Change Emergency in March 2019, the Council will now ensure that the procurement process will include obtaining details of tenderers' Climate Change Policies, alternative prices for recycled and recyclable products (where appropriate), and details of any other climate change action the bidder may be undertaking. This information will be used in the tender evaluation process.

6.6 Equality Responsibility

The Council, as an influential, democratically elected body, is able to promote a positive approach to equality throughout the region. In its procurement and commissioning processes, it demonstrates its commitment to all its users, suppliers and contractors, by ensuring that contractual arrangements actively promote equality.

Our Procurement and Commissioning Equality of Opportunity statement explains the Council's expectations:

“The City Council is committed to meeting its legal duties under the nine strands of equality. Our aim is to eliminate discrimination, promote equality of opportunity and promote positive relations in the delivery of all services. The Council is responsible for meeting its duty on all functions, including those which are carried out by an external supplier. All organisations wishing to contract with the Council must be able to demonstrate that all reasonable practicable steps are taken to allow equal access and equal treatment in employment and service delivery for all.”

6.7 Localism Responsibility

The Localism Act 2011 incorporates a Community Right to Challenge element which gives organisations the opportunity to express an interest in delivering a service. The Authority must be cognisant of this provision when assessing the criteria used to select the organisations invited to tender. A balance shall need to be found between a desire to simplify procurement processes for bidders and the requirement for robust checks of organisations' financial stability, commercial experience and legal compliance. This may be achieved through tailored procurement documentation and consideration of the risks that are proportionate for each project.

6.8 Safeguarding Responsibility

The Council and its partners, contractors, voluntary and third party organisations that deliver services are all required to have regard to section 11 of the Children Act 2004

which includes the development of Child and Vulnerable Adult Protection Statements. If those parties do not have their own policy they must agree to abide by the Council's policy at the contract signing stage of their employment. Details of the Council's Safeguarding Policy can be found on the Council's website.

7.0 Procurement Principles

Procurement and commissioning decisions, such as whether to continue to provide the goods, services or works, and whether to provide them internally or externally are central to this strategy. The following principles will form the basis of all procurement and commissioning activity in order to achieve value for money and thereby demonstrate economy, efficiency and effectiveness of service delivery:

- Procurement will support improved service delivery through the freeing up of resources by coordinating procurement activity and improving the quality of goods, services and works.
- Procurement will ensure that the Council obtains value for money in the acquisition and management of its resources, balancing quality, total life, total acquisition costs and the wider well-being objectives.
- The council will undertake all procurement and commissioning activity within a corporate framework to enable all officers to obtain goods, services and works to the required quality and in the most efficient manner, to enable the council to respond promptly and effectively to internal services, citizens and businesses.
- The council will ensure that procurement and commissioning activity is undertaken in the most effective and appropriate manner, considering all options including but not exclusively:
 - developing and promoting use of corporate contracts
 - undertaking vendor and contract management
 - using approved nationally negotiated Framework Agreements (for example those arranged by the Crown Commercial Service where considered appropriate),
 - using approved e-procurement solutions wherever possible
 - developing strategic partnerships, particularly where they will deliver significant service improvement and/or efficiencies.
 - improving the capability of small and medium sized enterprises to bid for goods, works or services in accordance with the SME Concordat and of the capability of the third sector to tender for council contracts. (Also to identify gaps where we do not have local suppliers and to seek to develop the market).
 - utilising our partners/suppliers supply chains
 - undertaking collaborative procurement with other Councils and organisations
 - valuing innovation and creativity

- having consideration to climate change in the products and services procured and the suppliers used
- Procurement and commissioning activity will support, promote and be driven by council policies and priorities, including equality and diversity objectives, sustainability and economic regeneration and stakeholders interests.
- Procurement and commissioning activity will be transparent and fully compliant with the Freedom of Information Act, fair, consistent and be undertaken to the highest standards of probity and accountability. All procurement and commissioning decisions will be evidence based.
- The Council will administer procurement and commissioning through the Procurement Section. This is a corporate resource, which leads on corporate contracts and supporting projects, whilst enabling services (which have best knowledge of local service requirements) to procure and commission locally within a clear corporate framework. It provides support wherever required to each service and monitors procurement activity across the council. It will undertake reviews of all strategic procurement and commissioning projects to ensure compliance with the relevant rules and that the optimal benefit to the Council is achieved.
- The choice of procurement and commissioning methods will seek to ensure simple or routine transactions can be carried out in the most efficient manner, be dependent upon the strategic importance, the value of the goods, services or works, and the potential risk associated with each procurement option. Different procurement and commissioning options will be suitable for different goods, works and services and will involve undertaking different practical steps to achieve the desired outcome.

7.1 Procurement Skills

Intelligent procurement requires officers equipped with the relevant skills to carry it through. The Council will continue to ensure that there is sufficient ability and professional expertise to deliver this strategy, and will furthermore, build skill and capacity amongst council officers to identify the development of innovative procurement practices. Ultimately, the Council will seek to empower officers in their procurement activity and ensure that key personnel have the necessary skills and knowledge to employ best practice and obtain value for money.

The following objectives will be followed in respect of Procurement skills:

- The training and development needs of all officers involved in the Procurement process for the council will be assessed via the use of a competency framework, which will be developed by the Procurement Unit in conjunction with the Cumbrian collaborative (EPIC).
- Employees undertaking procurement and commissioning will not make a commitment to purchase unless there is an adequate budget in place.
- Employees undertaking tendering activity should ensure that they have the necessary skills in writing specifications for goods and services.
- Performance indicators and targets (based on both quality and cost) will be established as part of procurement and commissioning processes.
- Procedures to manage contractual arrangements will be established with performance measured and reported, including benchmarking arrangements.
- Procurement and commissioning procedures and processes will be developed and regularly reviewed.
- The management of risk will be an integral part of the procurement and commissioning process.
- The Council will invest where appropriate in procurement, commissioning and contract management training and the systems to support these processes.

7.2 Procurement Code of Conduct

All procurement and commissioning activity must be undertaken to the highest standards of ethics and probity. The council insists on high ethical standards from its suppliers, and in turn it must exhibit the highest ethical standards itself.

Officers and members must comply with the relevant Codes of Conduct when dealing with procurement and contract issues.

All employees must adhere to the requirements placed upon them by Contract Procedure Rules and Standing Orders and in terms of procurement and commissioning activities, act professionally by:

- Maintaining the highest possible standard of integrity in all business relationships, both inside and outside their organisations.

- Rejecting business practice, that might reasonably be deemed improper, and never use their personal authority for personal gain.
- Enhancing the proficiency and stature of the profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour.
- Fostering the highest possible standards of professional competence amongst those for whom they are responsible.
- Optimising the use of resources, which they are responsible for, or influence to provide the maximum benefit to their organisation.
- Complying both with the letter and the spirit of:
 - The Public Procurement Legislative Framework
 - Contractual obligations.

7.3 E-Procurement

The Council will continue to use advances in technology to improve the efficiency and effectiveness of its procurement function where it is cost effective to do so and there is a clear return on investment.

With this in mind, the Council will advertise all procurement activity via the e-procurement portal (currently The Chest), and will only consider tender responses submitted via this route. The Council also advertises all procurement activity on the Government's Contract Finder website.

7.4 Procurement Communication

7.4.1 The Council will publish the following information on its website:

- Guidance for suppliers on how to do business with the council,
- Details of forthcoming bidding opportunities,
- Contact details for each contract,
- Details of our key suppliers.
- We will advertise contracts by using electronic systems and other means in order to encourage greater diversity and competition.
- We will give potential suppliers an opportunity to discuss the procurement or commission in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.

- At tender stage we will require that all prime contractors outline their equality policies.

7.4.2 The Council will operate 'Fair Tender Processes' as follows:

- We will apply our rules and policies fairly.
- At pre-tender stage and during the tender process we will ensure that all responders have equal access to relevant information.
- We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
- If a pre-qualification stage is used we will use a council-wide prequalification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
- We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not be set unreasonably so as to exclude new or small businesses.

7.4.3 The Council will offer feedback on procurement submissions as follows:

- We will offer meaningful feedback, where requested, to suppliers following the procurement and commissioning process, in order that they can improve for future tenders.
- We will seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.
- We will publish a complaints procedure.

7.4.4 The Council will operate Contract Management as follows:

- We will treat suppliers openly and fairly.
- Suppliers will:
 - Be paid on time. (As quickly as possible but no more than 30 days from the receipt of an undisputed invoice).
 - Receive honest and constructive feedback on the supplier's performance of the contract.
 - Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.

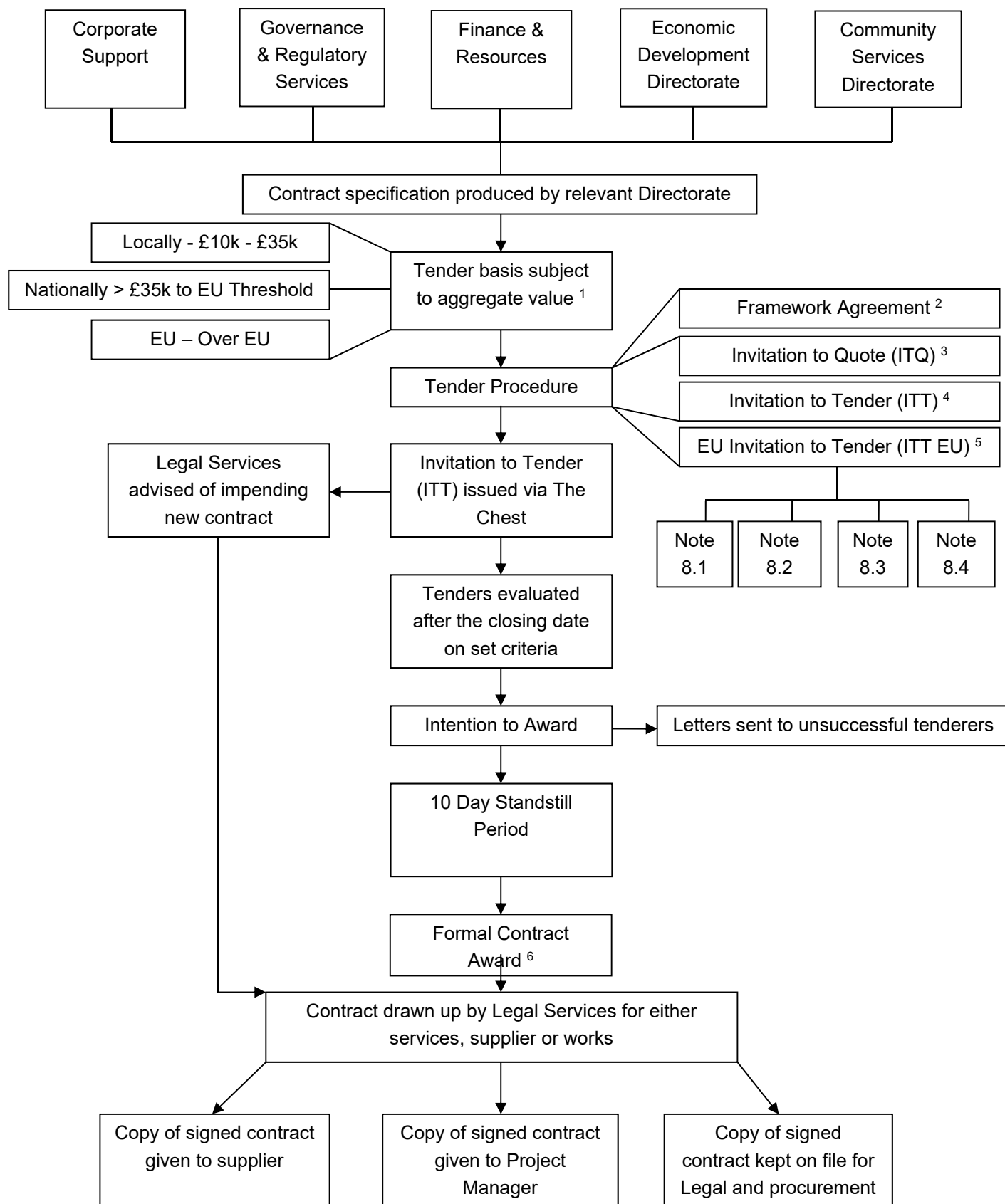
- All contracts will encourage our suppliers to pay their sub-contractors, throughout the supply chain, in line with the Council's payment terms as set out above.
- All contracts will clearly set out what is required of all parties.
- As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.
- The Council will treat personal information in line with GDPR Regulations. The Council has a published privacy notice on its website.

If you have any questions or comments about this strategy:

Telephone: 01228 817595
Email: dawn.reid@carlisle.gov.uk
Website: www.carlisle.gov.uk
Write: Carlisle City Council
Civic Centre
Rickergate
Carlisle
CA3 8QG

Appendices

Appendix 1 - Procurement procedure for all Contracts over £10k



Notes

1. All orders for works where the value exceeds £10,000 require a formal legal contract and should follow the procurement routes highlighted above.
2. Orders for works that fall below £10,000 should be placed with an official council order
3. The value of any contract should be determined by estimating how much is likely to be spent with the same supplier for the same service/works over a period of 4-years
4. EU threshold limits vary depending on contract type i.e. Services/Supplies or Works.
5. Framework Agreement – contact Procurement for details/advice.
6. ITQ – Invitation to Quote £10k < £35k
7. ITT – Invitation to Tender £35 – EU Threshold
8. ITT (EU) Above Threshold Invitation to Tender
 - 8.1 OPEN PROCEDURE
 - 8.2 RESTRICTED PROCEDURE – 2 stage including PQQ (only for over EU Threshold tenders)
 - 8.3 COMPETITIVE DIALOGUE PROCEDURE
 - 8.4 NEGOTIATED PROCEDURE

Standstill Period – 10 day period after the contract has been awarded for tenderers to query/appeal against contract award.

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.6

Meeting Date: 22 August 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: QUARTER 1 PERFORMANCE REPORT 2019/20
Report of: Policy and Communications Manager
Report Number: PC.11/19

Purpose / Summary:

This report contains the Quarter 1 2019/20 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 2019/20 Key Performance Indicators (KPIs) are also included.

Recommendations:

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

Tracking

| | |
|------------|---|
| Executive: | 16/9/19 |
| Scrutiny: | Business and Transformation 22/8/19 Health and Wellbeing 29/8/19 Economic Growth 5/9/19 |
| Council: | N/A |

1. BACKGROUND

This report contains the Quarter 1 2019/20 performance against the Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. The Panel's Key Performance Indicators (KPIs) are also included as an appendix.

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

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

Summary of KPIs and Service Standards:

Service Standards – 0 'red', 1 'amber' and 4 'green'

KPIs – 1 'red', 1 'amber', 9 'green'

Summary of Exceptions (RED)

CSe14 - Actual car parking revenue as a percentage of car parking expenditure (including recharges). Target is 99% (budget), performance is 91.8%. This due to carpark revenue being £37.5k under the expected total.

2. PROPOSALS

None

3. RISKS

None

4. CONSULTATION

The report was reviewed by Directorate Management Teams in July, by the Senior Management Team on 30 July 2019 and will be considered at the other Scrutiny Panels.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise the Quarter 1 Performance Report prior to it being submitted to Executive.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Performance Dashboard

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

- None

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

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

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

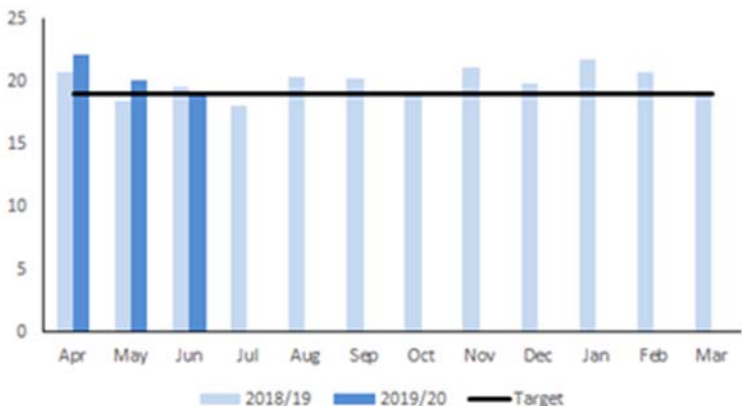

Section 1: Service Standards 2019/120

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Following a review of the initial set of five Service Standards, five further measures were introduced from Quarter 2 2017/18.

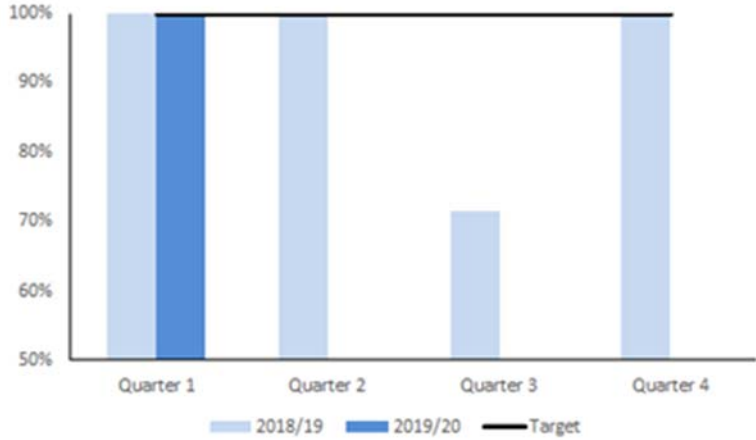
Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

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

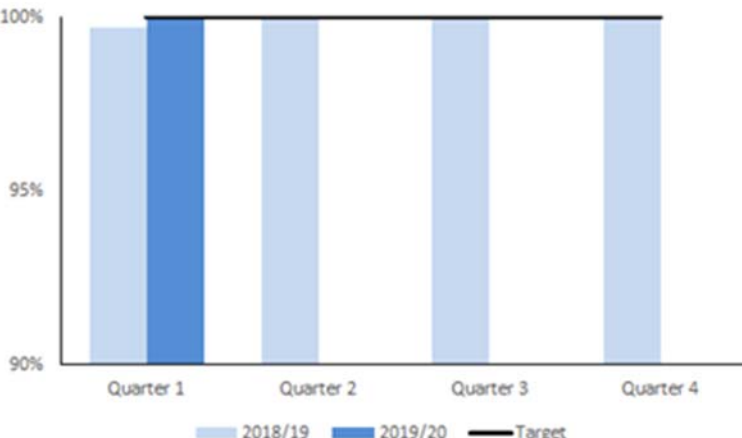
SS04: Average number of working days to process new benefits claims

| Service Standard | Quarter 1 2019/20 | Performance by Month | Further Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|---------------------|----------------|----------------|---------------|-----|------|------|------|-----|------|------|------|-----|------|------|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|-----|------|---|------|--|
| New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities | 20.4 days (Q1 2018/19: 19.5 days) |  <table><caption>Performance by Month Data</caption><thead><tr><th>Month</th><th>2018/19 (days)</th><th>2019/20 (days)</th><th>Target (days)</th></tr></thead><tbody><tr><td>Apr</td><td>20.5</td><td>22.0</td><td>19.0</td></tr><tr><td>May</td><td>18.5</td><td>20.0</td><td>19.0</td></tr><tr><td>Jun</td><td>19.5</td><td>19.0</td><td>19.0</td></tr><tr><td>Jul</td><td>18.0</td><td>-</td><td>19.0</td></tr><tr><td>Aug</td><td>20.0</td><td>-</td><td>19.0</td></tr><tr><td>Sep</td><td>20.0</td><td>-</td><td>19.0</td></tr><tr><td>Oct</td><td>18.5</td><td>-</td><td>19.0</td></tr><tr><td>Nov</td><td>21.0</td><td>-</td><td>19.0</td></tr><tr><td>Dec</td><td>19.5</td><td>-</td><td>19.0</td></tr><tr><td>Jan</td><td>21.5</td><td>-</td><td>19.0</td></tr><tr><td>Feb</td><td>20.5</td><td>-</td><td>19.0</td></tr><tr><td>Mar</td><td>19.0</td><td>-</td><td>19.0</td></tr></tbody></table> | Month | 2018/19 (days) | 2019/20 (days) | Target (days) | Apr | 20.5 | 22.0 | 19.0 | May | 18.5 | 20.0 | 19.0 | Jun | 19.5 | 19.0 | 19.0 | Jul | 18.0 | - | 19.0 | Aug | 20.0 | - | 19.0 | Sep | 20.0 | - | 19.0 | Oct | 18.5 | - | 19.0 | Nov | 21.0 | - | 19.0 | Dec | 19.5 | - | 19.0 | Jan | 21.5 | - | 19.0 | Feb | 20.5 | - | 19.0 | Mar | 19.0 | - | 19.0 | Measure combines the average processing for Housing Benefit (HB) claims and Council Tax Reduction Scheme (CTRS) applications. Performance for Qtr. 1 was HB 14 days, CTRS 22.31 days. Delays in Universal Credit claims being assessed is the main factor for the increased average processing for CTRS. |
| | Month | | 2018/19 (days) | 2019/20 (days) | Target (days) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Apr | | 20.5 | 22.0 | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 18.5 | 20.0 | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 19.5 | 19.0 | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 18.0 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 20.0 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 20.0 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 18.5 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 21.0 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 19.5 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 21.5 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 20.5 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 19.0 | - | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| On target? | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

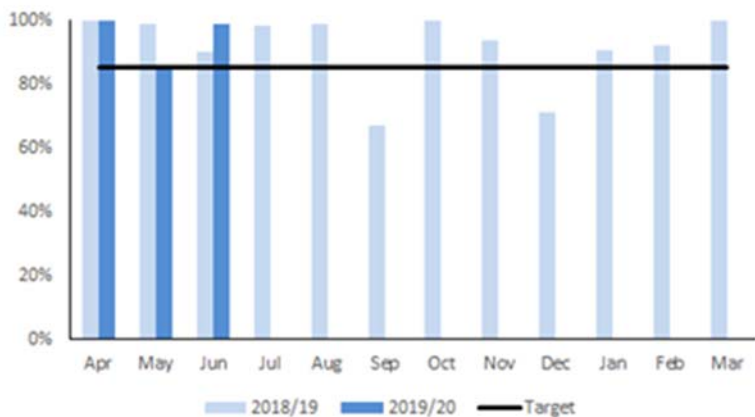
SS05: Proportion of corporate complaints dealt with on time

| Service Standard | Quarter 1 2019/20 | Performance by Quarter | Further Information |
|--|--------------------|---|--|
| Corporate complaints should be dealt with within 15 working days | 100% |  <p>100% 90% 80% 70% 60% 50%</p> <p>Quarter 1 Quarter 2 Quarter 3 Quarter 4</p> <p>2018/19 2019/20 Target</p> | 6 out of 6 corporate complaints have been completed on time so far in 2019/20. |
| | (Q1 2018/19: 100%) | | |
| | On target? | | |
| | ✓ | | |


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

| Service Standard | Quarter 1 2019/20 | Performance by Month | Further Information |
|---|-----------------------------|---|--|
| 100% of non-contentious licence applications should be completed within 10 working days | 100% (Q1 2018/19: 99.7%) |  <p>100%</p> <p>95%</p> <p>90%</p> <p>Quarter 1 Quarter 2 Quarter 3 Quarter 4</p> <p>2018/19 2019/20 Target</p> | 245 out of 245 applications completed on time so far in 2019/20. |
| | On target? | | |
| | ✓ | | |

SS08: Proportion of official local authority searches completed on time

| Service Standard | Quarter 1 2019/20 | Performance by Month | Further Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------|---|---------------------|-------------|-------------|------------|-----|-----|-----|----|-----|----|----|----|-----|----|----|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|-----|----|---|----|--|
| 85% of official local authority searches should be completed within 10 working days | 95.6% (Q1 2018/19: 96%) |  <p>The bar chart displays the proportion of official local authority searches completed on time by month. The Y-axis represents the percentage from 0% to 100%. The X-axis lists the months from April to March. For each month, there are two bars: a light blue bar for 2018/19 and a dark blue bar for 2019/20. A horizontal black line indicates the target at 85%. The 2019/20 data is only available for the first six months (Apr to Sep).</p> <table><tr><th>Month</th><th>2018/19 (%)</th><th>2019/20 (%)</th><th>Target (%)</th></tr><tr><td>Apr</td><td>100</td><td>100</td><td>85</td></tr><tr><td>May</td><td>98</td><td>85</td><td>85</td></tr><tr><td>Jun</td><td>90</td><td>98</td><td>85</td></tr><tr><td>Jul</td><td>98</td><td>-</td><td>85</td></tr><tr><td>Aug</td><td>98</td><td>-</td><td>85</td></tr><tr><td>Sep</td><td>68</td><td>-</td><td>85</td></tr><tr><td>Oct</td><td>98</td><td>-</td><td>85</td></tr><tr><td>Nov</td><td>92</td><td>-</td><td>85</td></tr><tr><td>Dec</td><td>72</td><td>-</td><td>85</td></tr><tr><td>Jan</td><td>90</td><td>-</td><td>85</td></tr><tr><td>Feb</td><td>90</td><td>-</td><td>85</td></tr><tr><td>Mar</td><td>98</td><td>-</td><td>85</td></tr></table> | Month | 2018/19 (%) | 2019/20 (%) | Target (%) | Apr | 100 | 100 | 85 | May | 98 | 85 | 85 | Jun | 90 | 98 | 85 | Jul | 98 | - | 85 | Aug | 98 | - | 85 | Sep | 68 | - | 85 | Oct | 98 | - | 85 | Nov | 92 | - | 85 | Dec | 72 | - | 85 | Jan | 90 | - | 85 | Feb | 90 | - | 85 | Mar | 98 | - | 85 | 159 searches were completed in the year to date. |
| | Month | | 2018/19 (%) | 2019/20 (%) | Target (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Apr | | 100 | 100 | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 98 | 85 | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 90 | 98 | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 98 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 98 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 68 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 98 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 92 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 72 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 90 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 90 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 98 | - | 85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| On target? | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| Service Standard | Quarter 1 2019/20 | Performance by Month | Further Information |
|---|------------------------------------|--|---------------------|
| Changes should be processed within 8 days | 3.2 days (Q1 2018/19: 4.7 days) |  <p>Over seven thousand changes have been processed in the 2019/20 year to date.</p> | |
| | On target? | | |
| | ✓ | | |

Section 2: Key Performance Indicators (KPIs)

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and Budget Resolution were developed. These are attached as a Dashboard.

All KPI changes that were proposed during Quarters 3 and 4 2018/19 have been implemented.

Section 3: Carlisle Plan on a Page Delivery

Priority 1: Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle

Business Property & Infrastructure:

| | |
|---|--|
| OUTCOME | <u>2. City Centre redevelopment projects</u> |
| SMT OWNER | Jane Meek |
| Scrutiny Panel | Economic Growth / Business & Transformation |
| Specific – What is the task | Promote development opportunities and regeneration opportunities within the city centre (including Carlisle Station, Caldew Riverside, The Citadel, English Street and the Pools.) |
| Measurable – How will success be measured? | Production of a city centre masterplan |
| Achievable – Is it feasible? | Yes |
| Realistic – Resources available | Consultancy support will be required to produce the masterplan. This will be funded by revenue budgets secured through the MTFP process. |
| Time Bound – Start/end dates | The preparation of the masterplan will commence Q3 2018-19. |
| Progress in Quarter 1 2019/20 against project plan / key milestones achieved | Detailed appraisal of development options for the city centre regeneration sites currently being undertaken to support the business cases for the Borderlands Growth Deal |
| Emerging issues / risks to the project | Project currently on track |

Priority 2: Further develop sports, arts and cultural facilities to support the health and wellbeing of our residents

Service and Facilities Development:

| | |
|---|--|
| OUTCOME | <u>12. Develop and deliver the proposed new leisure contract to improve facilities at The Sands Centre in line with the City Sports Facilities Development Plan and enhance the leisure services across the city.</u> |
| SMT OWNER | Darren Crossley |
| Scrutiny Panel | Business & Transformation / Health & Wellbeing |
| Specific – What is the task | Remaining task: Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. |
| Measurable – How will success be measured? | Executive approval for outline designs and consent (inc budgetary provision) to develop detailed design and works. |
| Achievable – Is it feasible? | Sufficient budget and permission has been secured to appoint a design team to take the project to the end of detailed design. |
| Realistic – Resources available | The project is on schedule and has adequate financial resource to be completed.. |
| Time Bound – Start/end dates | Route to Affordability to be completed by the end of October 2018 and contracts put in place for the Principal Contractor. The designers need to be novated to the Principal Contractor by the end 2018, to maintain programme. Temporary accommodation (or alternative arrangements') need to be put in place by the end of October 2018 to allow demolition and construction of the Sands Leisure facilities by March 2019. Completion of the project scheduled for December 2020. |

| | |
|---|--|
| Progress in Quarter 1 2019/20 against project plan / key milestones achieved | The design is now complete up to the end of RIBA stage 4A i.e. detailed design excluding subcontract specialist design. Work has now started on RIBA stage 4B - specialist subcontract design and RIBA Stage 5 - the planning element of the construction phase. On site survey work has been carried out as far as possible to determine how the two elements of the building can be split apart e.g. where the services are and the condition of the existing internal dividing wall. Survey work still needs to be carried out when the site is handed over e.g. an asbestos R & D Survey and an archaeological survey of the site. The tender price has been updated based on the design and survey work carried out to date. The tender sum has been submitted and reviewed in detail in terms of scope of work and third-party stakeholder requirements. Work is ongoing to de-risk the project price and scope of works. The temporary accommodation solution has also been progressed, in order to decant the GLL and NHS operations into alternative buildings prior to the commencement of the demolition phase of the main works. |
| Emerging issues / risks to the project | No new risks identified. |

Business & Transformation Scrutiny Panel Performance Dashboard 2019/20 - to end of Quarter 1

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

| On Target? | New Code | Measure | Q1 Performance 2019/20 | Q1 Performance 2018/19 | Trend | Target | Comments |
|------------|----------|---|------------------------|------------------------|-------|--------|--|
| ✗ | CSu14 | Actual car parking revenue as a percentage of car parking expenditure (including recharges). | 91.8% | 98.0% | ↓ | 99% | Revenue under target |
| ✓ | CSu02 | Proportion of customer "calls for service" logged in Salesforce completed on-line | 15.6% | 12.8% | ↑ | 12.8% | From calls logged in Salesforce CRM (1559 out of 9965 logs). |
| ✓ | CSu04 | Percentage of Council Tax collected | 29.1% | 29.1% | → | 29.1% | |
| ✓ | CSu05 | Percentage of NNDR collected | 31.5% | 31.2% | ↑ | 31.2% | |
| ✓ | CSu06 | Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours (work days) | 100% | 100% | → | 100% | |
| ✓ | CSu07 | Customer Services - Respond to customer emails within 48hrs | 95% | N/A | N/A | 90% | New measure for 2019/20 |
| ▲ | FR01 | Actual net spend as a percentage of annual net budget. | 30.7% | 35.0% | ↑ | 29.7% | |
| ✓ | FR02 | Percentage of all invoices paid within 30 working days | 99.5% | 98.2% | ↑ | 98% | 2359 invoices paid |
| ✓ | FR03 | Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee. | 2.0 | 2.2 | ↑ | 2.2 | Sickness Absence is a separate agenda item at the Business & Transformation Scrutiny Panel for Quarter 2 report. |
| ✓ | FR04 | Percentage of return to work interviews completed in five working days of returning to work. | 82% | 77% | ↑ | 77% | |
| N/A | FR06 | Proportion of debts recovered (sundry debtors) | 94.1% | N/A | N/A | N/A | New measure for 2019/20. Baseline year |
| N/A | GRS04 | Proportion of contested licence applications decided on within 50 working days. | N/A | N/A | N/A | 95% | 0 contested applications in Quarter 1 |
| ✓ | GRS05 | Proportion of Temporary Event Notices licences processed within 1 working day. | 100% | 100% | → | 100% | 61 applications in Quarter 1 |