

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 15 FEBRUARY 2018 AT 2.00PM

PRESENT: Councillor Mrs Riddle (Chairman), Councillors Allison (from 2.45pm), Birks, Mrs Bowman, Mallinson J, McNulty (as substitute for Councillor Mrs Glendinning), Mrs Mckerrell (as substitute for Councillor Robson).

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

OFFICERS: Chief Finance Officer
Corporate Director of Governance and Regulatory Services
Strategic Asset Investment Services Manager
Policy and Performance Officer

BTSP.10/18 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs Glendinning, Robson and Watson and the Town Clerk and Chief Executive.

BTSP.11/18 DECLARATIONS OF INTEREST

Councillor Mrs Birks declared an interest in respect of agenda item A.5 – Capital Budget Overview and Monitoring report. The interest related to the fact that she had been employed by Riverside.

BTSP.12/18 PUBLIC AND PRESS

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

BTSP.13/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) To note that Council, on 9 January 2018, received and adopted the minutes of the meetings held on 26 October 2017 and 4 December 2017. The Minutes were signed by the Chairman (Minute Book Volume 44(4)).

2) That the minutes of the meeting held on 4 January 2018 and the minutes of the Joint Business and Transformation Scrutiny Panel and Health and Wellbeing Scrutiny Panel held on 29 January 2018 be agreed.

BTSP.14/18 CALL - IN OF DECISIONS

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

BTSP.15/18 OVERVIEW REPORT AND WORK PROGRAMME

The Chairman presented report OS.04/18 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 12 January 2018. KD.34/17 – Civic Centre Ground Floor Reinstatement fell within the remit of the Panel and would be considered at the March meeting.

The report included a table of the progress on resolutions from previous meetings, many of the actions had been completed and this would be reflected in the next report.

The Panel's Work Programme had been attached as appendix 1 to the report for the Panel's consideration.

The Chairman reported that the Community Asset Transfer Task and Finish Group had met on 13 February 2018. The proposed Policy was being consulted on before being reported back to the Executive for approval. The Strategic Asset Investment Services Manager was preparing a list of assets which may be suitable for disposal and a case would be tested.

The Chairman referred to the minutes of the Joint Business and Transformation and Health and Wellbeing Scrutiny Panel which had been considered by the Executive on 12 February. The Executive had provided a response to each of the resolutions and the Chairman thanked the Executive for their prompt responses.

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.04/18) be noted.

BTSP.16/18 QUARTER 3 PERFORMANCE REPORT

The Finance, Governance and Resources Portfolio Holder presented the third quarter performance against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. The new Service Standards and Key Performance Indicators (KPIs) were also included (PC.01/18).

Details of the standards were set out in section 1 and section 2 of the report contained the Council's delivery of the Carlisle Plan within the Panel's remit. The Portfolio Holder drew the Panel's attention to the summary of exceptions which showed that the KPI for sickness absence was below the target, this had been as a result of the recent outbreak of flu. He added that the quarterly sickness absence report which was submitted to the Panel would include more details of the changes.

In considering the Performance Report members raised the following comments and questions:

- Had any consideration been given to stretching the targets of the service standards that the Council consistently met?

The Portfolio Holder responded that the Council always tried to make improvements where possible and he clarified that the service standard targets were national targets. In response to a further question he agreed to circulate comparison data on service standard 10 – Average number of working days to process benefit claimants' changes of personal details.

- Did the target for the number of corporate complaints dealt with within 15 days include the whole process for a corporate complaint including any holding letter

The Portfolio Holder confirmed that the 15 days target was for the resolution of a corporate complaint.

A Member informed the Panel that an Appeals Panel had recently, as part of a complaint, considered the corporate complaints procedure and had asked that the process included transparent holding letters to ensure that the complainant was fully aware of what was happening with their complaint.

- The Panel asked that the discussion paper which had been presented to SMT in November 2017 regarding city centre redevelopment projects be circulated to them.

RESOLVED – 1) That the Quarter 3 Performance Report 2017/18 (PC.01/18) be welcomed.

2) That the Finance Governance and Resources Portfolio Holder circulate the following information to Panel Members:

- comparison data for previous years on service standard 10 – Average number of working days to process benefit claimants' changes of personal details.
- Discussion paper on the city centre redevelopment which had been presented to SMT in November 2017.

BTSP.17/18 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2017

The Chief Finance Officer submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2017 (RD.43/17). She outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement.

Details of the main variances in the Directorates' budgets; together with a subjective analysis of the summarised budgetary position as at December 2017 were provided at tables 3.1 and 3.4 to the report.

In terms of the forecast outturn position 2017/18, the report recorded that the Council's financial position was affected by a number of external factors including the general effect of local economic activity on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.

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

The Executive had considered the matter at their meeting on 12 February 2018 (EX.14/18 refers) and resolved:

“That Executive:

1. Noted the budgetary performance position of the Council to December 2017;
2. Noted the potential year end commitments as detailed in paragraph 4;
3. Noted the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
4. Noted the virements and release of reserves as set out in paragraph 2.1 and Appendix A.

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

- The Panel understood the ICT Strategy and the need for an up to date system but wanted more information on the finances for the project, they had concerns regarding the amount of overspend on the project.

The Chief Finance Officer responded that the next agenda item showed an underspend on the ICT project and there was a need for further work on the profiling of the project. She agreed to circulate more details regarding the financing of the project to Members.

- What would the revenue contribution to the Tennis Canopy Project be used for?

The Chief Finance Officer reported that the virement had been an officer decision taken by the Deputy Chief Executive and she agreed to circulate further details to the Panel.

- The Panel discussed the terms used for the virements and felt that permanent and temporary were not appropriate.

The Chief Finance Officer explained that the terms were accounting terms for non recurring and recurring virements, she agreed to change the term in future reports.

- Members asked for clarification with regard to the proposed use of the GLL Reserve.

The Chief Finance Officer reminded the Panel that the GLL Reserve had been established with the original leisure contract in case the service came back in house. The reserve would allow for the replacement of any equipment required in order to continue to run the service. She added that any use of the reserve would require approval from Council to release the monies.

The report showed an overspend against the Leisure Contract and Members asked for an explanation for the overspend and if it would be funded from the reserves.

The Panel discussed whether the reserve needed to be retained under the new Leisure Contract arrangements and whether it was necessary for it to be of the same value.

The Finance, Governance and Resources Portfolio Holder agreed to circulate a written response to the Panel.

- Were the bad debts due to Housing Benefit Overpayment paid back? Were they paid back to the Government or to the Council?

The Chief Finance Officer explained that the recovery of overpayments was dependent on the reason for the over payment, some overpayments may be reclaimed. She added that the City Council received a housing benefit admin grant which contributed towards the running of the section.

RESOLVED – 1) That the overall budgetary position for the period April to December 2017, as set out in the Revenue Overview and Monitoring Report (RD.43/17) be noted.

2) That the Chief Finance Officer circulate to the Panel Members further information on the following:

- ICT project finances including the overspend
- Details of the revenue contribution to the Tennis Canopy Project

3) That the Chief Finance Officer change the term 'Permanent / Temporary' to 'Recurring / Non recurring' with regard to virements.

4) That Finance, Governance and Resources Portfolio Holder provide a written response to the Panel regarding the overspend in the new Leisure Contract, if the GLL Reserve would be used to cover the overspend and whether the GLL Reserve would be required in the same amount going forward.

BTSP.18/18 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2017

The Chief Finance Officer submitted report RD.44/17 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2017. She outlined for Members the overall budget position of the various Directorates and the financing of the 2017/18 Capital Programme, details of which were set out in the report.

Paragraph 3.3 recorded that an initial review of the 2017/18 capital programme had been undertaken and the Executive had been asked to recommend to Council the re-profiling of £1,100,000 from 2017/18 to 2018/19, further details of which were set out at Appendix A. The unspent balance remaining of the revised annual budget of £7,400,000 was £3,077,036 as at December 2017.

The Executive had considered the matter at their meeting on 12 February 2018 (EX.15/18 refers) and resolved:

“That the Executive:

1. Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2017;
2. Noted adjustments to the 2017/18 capital programme as detailed in paragraph 2.1
3. Made recommendations to Council to approve reprofiling of £1,100,000 as detailed in paragraph 3.3 and Appendix A from 2017/18 into 2018/19.”

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

- A Member asked for further details regarding the expenditure against Waste Minimisation.

The Chief Finance Officer responded that the expenditure had been for new bins and recycling boxes. She explained that the expenditure was recorded as an asset at the time of purchase and not when it was used. She agreed to investigate the matter further and circulate details to the Panel.

- When entering into Section 106 agreements in regard to cycle paths, did the Council secure future maintenance funding?

The Chief Finance Officer responded that maintenance costs were subject to the agreement; however, the Council did strive to secure maintenance support in agreements.

- Did the emergency measures which had been carried out at the old Central Plaza Hotel building include the road closure?

The Corporate Director of Governance and Regulatory Services reminded the Panel that the building was not owned by the City Council. The Council had an obligation to secure the building and make it safe; the road closure was not part of the Council's obligations.

RESOLVED – 1) That the overall budgetary position for the period April to December 2017, as set out in the Capital Budget Overview and Monitoring report (RD.44/17), be noted.

2) That the Chief Finance Officer circulate further information on the waste minimisation expenditure.

BTSP.19/18 PUBLIC AND PRESS

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

The Strategic Asset Investment Services Manager presented an update on progress with implementation of the business plan for Kingstown Industrial Estate and Parkhouse Business Park.

The Strategic Asset Investment Services Manager reminded the Panel that Chancerygate had been appointed in October 2016 to manage Kingstown Industrial Estate and Parkhouse Business Park. One of their first tasks was to prepare a business plan to deliver the Council's objectives for the Estate as detailed in section 1 of the report.

Chancerygate prepared an annual Key Performance Indicator report which detailed progress in achieving the indicators and the first annual report had been attached as appendix 1 to the report. The Strategic Asset Investment Services Manager gave an overview of the key achievements and other Estate Management Issues as detailed within the report.

In response to a question the Strategic Asset Investment Services Manager detailed the process for third party determination of the rent reviews and the potential outcome.

The Panel discussed the proposals for the old HSBC site and how the development may affect the litter issues that Kingstown Industrial Estate had with existing fast food outlets. The Strategic Asset Investment Services Manager explained that Chancerygate were proactive in engaging with other occupiers around Kingstown Industrial Estate and it was hoped that they could discuss potential issues with the occupier.

RESOLVED – That the update on progress of the implementation of the business plan for Kingstown Industrial Estate and Parkhouse Business Park be noted (GD.12/18).

(The meeting ended at 3.12pm)