

Business & Transformation Scrutiny Panel

Agenda

Thursday, 30 May 2019 AT 10:00

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

****A preparatory meeting for Members will be held at 9.15am in the Flensburg Room****

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

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 THE PREVIOUS MEETING

7 - 14

To note that Council had, on the 30 April 2019, received and adopted the minutes of the meetings held on 14 February 2019 and 22 February 2019. The Minutes will be signed by the Chairman.
Minute Book Volume 45(6)

To agree the minutes of the meeting held on 28 March 2019. (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

Officers: Rowan Jones, Overview and Scrutiny Officer
Steven O'Keffee, Policy and Communications Manager

Report: OS.14/19 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 Panel remit) on the most recent Notice of Executive Key Decisions
- Discuss the work programme and prioritise if necessary

A.3 2018/19 PROVISIONAL OUTTURN REPORTS

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Reports: RD.01/19, RD.02/19, RD.03/19, RD.04/19 and RD.05/19
herewith

Background:

The Corporate Director of Finance and Resources to submit the Provisional Outturn Reports for 2018/19.

(a)	Provisional General Fund Revenue Outturn 2018/19	21 - 44
(b)	Provisional Capital Outturn 2018/19 and Revised Capital Programme 2019/20	45 - 62
(c)	Treasury Management Outturn 2018/19	63 - 82
(d)	Council Tax and NNDR Provisional Outturn 2018/19	83 - 96
(e)	Elected Members' Allowances - Provisional Outturn for 2018/19	97 - 102
	Why are these items on the agenda?	
	the items were included in the Notice of Executive Key decisions and were considered by the Executive on 29 May 2019. The Provisional Outturn Reports are part of the annual budget process.	

What is the Panel being asked to do?

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

A.4 SICKNESS ABSENCE REPORT 2018/19 **103 -**
Portfolio: Finance, Governance and Resources **110**

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.06/19 herewith

Background:

The Corporate Director of Finance and Resources to submit a report on the authority's sickness absence levels for the period April 2018 to March 2019 and other sickness absence information.

Why is this item on the agenda?

Annual monitoring of sickness absence within the authority.

What is the Panel being asked to do?

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

A.5 END OF YEAR PERFORMANCE REPORT 2018.19 **111 -**
Portfolio: Finance, Governance and Resources **126**

Directorate: Corporate Services

Officer: Gary Oliver, Policy and Performance Officer

Report: PC.05/19 herewith

Background:

The Town Clerk and Chief Executive to submit an update on the Council's service standards that help measure performance. It also includes updates on key actions contained within the Carlisle Plan.

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 28 MARCH 2019 AT 10.00AM

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

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

OFFICERS: Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Customer Services Manager
Chief Executive's Office Manager
Regeneration Manager
Policy and Performance Officer

BTSP.24/19 APOLOGIES FOR ABSENCE

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

BTSP.25/19 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.26/19 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.27/19 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) That it be noted that Council, at its meeting on 8 March 2019, received and adopted the minutes of the meeting held on 3 January 2019. The Minutes were signed by the Chairman.

2) That the minutes of the special meeting held on 22 February 2019 be agreed.

BTSP.28/19 CALL – IN OF DECISIONS

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

BTSP.29/19 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Performance Officer submitted report OS.07/19 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 8 February 2019. There was only one item within the Panel's remit and it had not been included in the Panel's Work Programme:

KD.05/19 – 2018/19 Provisional Outturn Reports

The Policy and Performance Officer reported that the special meeting of the Panel which had been scheduled for 26 March had been cancelled and the Sands Centre Redevelopment report would be kept in the Panel's Work Programme.

The Panel asked for an update on the position with regard to the Sands Centre Redevelopment decision and the Town Clerk and Chief Executive explained that the decision would take place following the Elections in May. The purdah period had begun and the Council scheduled for April was the same week as the election, it was the view of officers that given purdah and the potential political sensitivities, it was not fair to bring the matter before Members in advance of the meeting.

The Town Clerk and Chief Executive added that officers did not want Members to feel they were being pushed into making a decision quickly because it coincided with the elections rather than making well-informed balanced judgments based on all the information that they should have. It was in the Council's interest to move forward with the redevelopment sooner rather than later but it was not in the Council's interest to make decisions without all the relevant information.

The Finance, Governance and Resources Portfolio Holder agreed that the redevelopment was a big decision for the Council and, until officers were satisfied with the information received, he was sure that the public would want the Council to consider the matter properly rather than hastily.

In response to a question the Town Clerk and Chief Executive confirmed that the redevelopment was part of the contractual arrangements with GLL which linked to the reduction and abolition of the subsidy. All of the financial implications would be detailed in the report submitted to Council.

The Panel's work programme for 2018/19 had been attached to the report for consideration and Members were asked to agree the proposed items for the 2019/20 work programme.

A Member noted that the Bitts Park Lodge had been removed from the work programme and asked the Deputy Chief Executive for an update. The Deputy Chief Executive explained that the Bitts Park Lodge had been out to tender and the tenders had been higher than the allocated budget. Following a redesign, the project would go back out to tender and further consideration was being given to other capital options such as the Tennis Facilities monies. The matter would come back to the Panel and would go back into the Work Programme.

The Panel asked that the outstanding resolutions from previous meetings be submitted to the Panel as soon as possible.

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.03/19);

2) The Panel asked that the outstanding resolutions from previous meetings be submitted to the Panel as soon as possible.

3) That the items detailed in the work programme for 2019/20 be noted

4) That the Bitts Park Lodge be added to the 2019/20 work programme

The Policy and Performance Officer submitted the draft Business and Transformation Scrutiny Panel sections for the Scrutiny Annual Report 2018/19 (OS.10/19).

The Constitution required that Overview and Scrutiny Committees report annually to Council the requirement to produce an Annual Scrutiny. The report before Members had contained the draft sections of the 2018/19 Annual report for consideration before recommending it to full Council.

RESOLVED – That the Business and Transformation Scrutiny Panel had scrutinised the draft sections of the Scrutiny Annual Report (OS.10/19) and had agreed them for inclusion in the final report to full Council.

BTSP.31/19 CUSTOMER SERVICES UPDATE

The Customer Services Manager submitted an update on the ongoing work within Customer Services including performance, improvements and actions (CE.03/19).

The report set out the changes to working patterns and the increase to front line advisors which had taken place. The consultation period for the proposed 8am opening hours of the telephony service had finished, and the new start time would be introduced when staff were fully trained.

The report detailed the introduction of Sharepoint and the proposed new performance management structure along with the changes that would be happening in the next year which included investigations of an upgraded contact centre telephone system and a review of the Emergency Planning processes for Customer Services.

The Customer Services Manager informed the Panel that the Riverside customer officer would be closed and from April 2019, Customer Services would be providing a signposting service for Riverside tenants to access the Choice Based Lettings (CBL) service and wider Riverside services. The income from the new service was welcomed following Universal Credit Support services move to the Citizens Advice from April 2019.

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

- A Member commented that he felt that there had been a backward step in Customer Services following the flood in 2015 and that the qmatic system or a cloud-based system should be reintroduced for query management.

The Customer Services Manager acknowledged that it had been considered too costly to install the qmatic system into the temporary customer contact centre and then remove it and reinstall it when the ground floor work had been completed. The ground floor work had taken longer than anticipated and as a result work was being undertaken to bring in the new query management system earlier.

- The Panel felt that the report lacked any performance data or Key Performance Indicators and they requested that work be carried out with the Policy and Performance Officer to determine which performance information should be presented to the Panel in future as part of the Performance Monitoring reports.

The Town Clerk and Chief Executive reminded the Panel that the Customer Services Manager had submitted a report to the Panel 31 May 2018 which had detailed the proposed changes to the Customer Contact Service. The Panel had requested that an update on those changes be brought back to the Panel.

The Customer Services Manager assured the Panel that the performance information data was being captured and a snap shot of the information had been included as the appendix to the report. In addition, the Customer Service Charter included performance measures with a goal to capture performance information for all customer interaction throughout the Council.

- The Panel asked for an update on the ground floor reinstatement works.

The Deputy Chief Executive informed the Panel that the tender for the ground floor was due to be sent out and a revised programme for the works would be prepared.

- The Panel asked if the Council charged for the service it provided on behalf of Riverside and commented that it was disappointing that Riverside were closing the customer facing office in Carlisle. Riverside had 8,000 tenants in the City and it was unfortunate that they would have an absentee landlord.

The Customer Services Manager confirmed that the Council would receive an income of £9,000 plus VAT for the signposting service and the amount had been based on reception costs and the projected footfall information provided from Riverside. He felt that it was important that the Council worked with Riverside as the Council shared many customers and were best placed to help. In addition, it was a step closer to the Council becoming a one stop shop and it was hoped that the work with Riverside would lead to further collaboration work.

- When would the training be completed and the 8am telephony service begin?

The Customer Services Manager responded that it was anticipated that the 8am telephony service would begin in September following completion of the training and a review of how successful the new structure had been.

RESOVLED – 1) That the Customer Services Update (CE.03/19) be welcomed;

2) That a further update on the changes to Customer Services be brought to the Panel in six months time;

3) That the Customer Services Manager and the Policy and Performance Officer discuss the performance data which was being collected in Customer Services and add Key Performance Information relevant to the remit of the Panel to future Performance Monitoring reports.

BTSP.32/19 CORPORATE RISK REGISTER

The Chief Executive's Officer Manager submitted an update on the management of the Council's Corporate Risk register (CS.16/19).

The report included the revised Corporate Risk Register which contained additional corporate risks around ICT Security.

The Corporate Risk Register was last reviewed by the Corporate Risk Management Group (CRMG) on 11 March 2019, since then the control strategy narrative and the dates had been updated and had been included as appendix one. The Risk Management Assurance Framework had been approved by the Executive in January 2019 and was available on the City Council's intranet. In addition, Managers would be briefed on the Framework at the Management Briefing in April in a bid to raise awareness.

Operational risk registers were being reviewed and were stored, updated and monitored through Project Server. Work was underway to develop a Sharepoint solution which would be user friendly and provide greater functionality. It would be able to manipulate data to feed into the Council's reporting requirements as well as a dashboard which would show at a glance the number of risks with a red rating; those risk registers which required updating and the risks which had escalated in the last quarter which may require attention.

Member raised the external audit concerns regarding the MTFP and asked how this had been factored into the control strategy. The Corporate Director of Finance and Resources clarified that it was not a significant risk, external audit identified the MTFP as a standard risk on all Councils to ensure that authorities were resilient and would be reviewing financial assumptions as part of their annual VFM conclusion

The Panel were pleased to see the inclusion of IT in the Corporate Risk Register.

RESOLVED – That the Panel had scrutinised and commented on the current Corporate Risk Register (CS.16/19).

BTSP.33/19 FLOOD RECOVERY LESSONS LEARNT REPORT

A summary of the lessons learnt from the Storm Desmond Flood Event 2015 (ED.13/19) was submitted.

The report detailed the strength and scale of Storm Desmond in 2015 and the recovery challenges which faced Cumbria had been unprecedented. The Cumbria Resilience Forum Strategic Co-ordinating Group (SCG) led on the acute phase response which had been thoroughly debriefed and the improvement plan continued to drive the work of the partnership.

In addition, a countywide Impact Assessment and a recovery debrief had been completed. The Cumbria Resilience Forum had recently recruited a manager to continue the development of the partnership. The role would add more capacity to deliver on the existing Improvement Plan and the recommendations from the recovery debrief.

Recovery and reinstatement projects had been reported to the Panel over the last three work programmes. Key Services areas based on Panel remits had been selected as a focus and in each case the service manager had been asked to respond to three questions as detailed in section 2.2 of the report.

The Service Managers from Human Resources, Property/Estates and Facilities Management, ICT, Customer Services, Revenues and Benefits and Homelessness Service responded to the questions and a summary of the responses was set out in section 2 of the report.

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

- There was some concern regarding the resilience of the proposed material for the walls in the proposed ground floor design.

The Deputy Chief Executive informed the Panel that the design for the ground floor had taken three areas into consideration when being developed:

- Materials which were resistant being used in the most appropriate areas
- Less substantive materials used in some areas because it was more efficient to rip out the materials and replace
- The removal of all unnecessary walls and partitions.

- Insurance had become an issue for residents and businesses following the flood, what lessons had been learned regarding insurance for Council properties?

The Corporate Director of Finance and Resources responded that there had been concern that the Council would be unable to procure insurance however there had been three responses to the tender process. The tender responses had been slightly lower than the budget figure however the excess for buildings, for flood perils, had remained at the increased levels following Storm Desmond.

- Would the City Council be making a financial contribution towards the Cumbria Resilience Forum manager and how would Members receive information from the Forum?

The Town Clerk and Chief Executive responded that he would provide Members with a written answer, however, he thought any contribution would be minimal given the partners involved in the Forum. He added that the minutes from the Forum meetings were publicly available, but he would ask the Policy and Communications Manager to provide the Panel with an update on the work of the Forum.

- Had the issue of contacting staff through an SMS text service been resolved?

The Corporate Director of Finance and Resources explained that the SMS text service had not been suitable for contacting staff due to GDPR regulations. Staff were encouraged to keep their iTrent details up to date, this information was downloaded and kept on two fobs securely off site so that staff could be contacted in an emergency.

The Panel thanked the Policy and Communications Manager for his report and the helpful hyperlinks included which allowed Members to access background information.

RESOLVED – The Panel scrutinised and made comments on the Flood recovery Lessons learnt report (ED.13/19);

2) That the Town Clerk and Chief Executive provide Members with a written response regarding any financial contribution that the City Council makes towards the Cumbria resilience Forum;

3) That the Policy and Communications Manager provide the Panel with an update on the work of the Cumbria Resilience Forum.

The Panel adjourned for a short break at 10.47am and reconvened at 10.50am.

BTSP.34/19 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 1 of Schedule 12A of the 1972 Local Government Act.

BTSP.35/19 BIC PROJECT, PATERNOSTER ROW, CARLISLE (Public and Press excluded by virtue of paragraph 3)

The Regeneration Manager submitted an overview of options for the Business Interaction Centre Project, Paternoster Row, Carlisle.

The Regeneration Manager explained that the building was owned by the City Council and comprised of over 700m² of office space arranged over three floors. Located within the Historic Quarter, the buildings were Grade II Listed and were located within the City Centre Conservation Area.

The building had been comprehensively refurbished and leased to the University of Northumbria in 1992 to provide a satellite campus in Carlisle and subsequently to the University of Central Lancashire. The buildings were passed to the University of Cumbria at its formation in 2007 and were used latterly as the Carlisle Business Interaction Centre.

The University of Cumbria withdrew from the building and transitional arrangements covering ICT and security were implemented to keep the building operational. This enabled the businesses sub-leasing office space from the University to remain and allowed the Council to explore other options for the building.

Two options had been identified for the future of the building and the Regeneration Team had been successful in securing European Regional Development Fund (ERDF) funding which would contribute to option1. Section two of the report detailed the two options and the key considerations.

The Panel scrutinised the two options in detail and sought clarity from officers on the terms for the ERDF funding, how existing tenants would be supported, ownership of the building under both options, the impact on other businesses in the area and support which could be offered to them by the City Council.

RESOLVED – That the Panel had scrutinised the two options for the Business Interaction Centre (ED.12/19) and recommended to the Executive a preference for Option 2 for the future use of the Business Interaction Centre.

BTSP.36/19 CHAIRMAN'S COMMENTS

The Chairman thanked Members for their valued work and input over the last twelve months and she thanked officers for their hard work and Governance for their continued guidance.

(The meeting ended at 11.21am)

Business & Transformation

Scrutiny Panel

CARLISLE
CITY COUNCIL

Agenda
Item:

A.2

Meeting Date:

Portfolio:

Key Decision:

Within Policy and
Budget Framework

Private/Public

30

Crwww.carlisle.gov.uk

No

Public

Title:

Report of:

Report Number:

Overview Report

Policy & Communications Manager

OS.14/19

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:	B&TSP 30/5/19
Council:	Not applicable

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 30th April 2019. This was circulated to all Members. The following items fall within the remit of this Panel:

Items which have been included in the Panel's Work Programme:

KD.05/19 2018/19 Provisional Outturn Reports

KD.08/19 The Medium-Term Financial Plan (including the Corporate Charging Policy & the Capital Investment Strategy 2020/21 to 2024/25)

KD.09/19 The Asset Management Plan 2019 to 2024

KD.14/19 Sands Centre Redevelopment

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. [WP is work programme].

	Meeting Date	Minute Reference	Action	Status
	14/2/2019	BTSP.16/19 2	That the Corporate Director of Finance and Resources provide a written response to the Panel clarifying the reason for the payment for equipment in relation to the previous Leisure Contract and the position with regard to the reserve for GLL.	Completed
	14/2/2019	BTSP.16/19 3	That the Finance, Governance and Resources Portfolio Holder provide the Panel with a written update on the progress with the rent reviews.	Pending
	14/2/2019	BTSP.17/19	That the Finance, Governance and Resources Portfolio Holder provide the Panel with a written response explaining why Kingstown Industrial Estate and Open Space Improvements were still included in the Capital Programme.	Pending
	28/3/2019	BTSP.33/19 3	That the Policy and Communications Manager provide the Panel with an update on the work of the Cumbria Resilience Forum	Completed
	28/3/2019	BTSP.33/19	That the Town Clerk and Chief Executive provide Members with a written response regarding any financial contribution that the City Council makes towards the Cumbria Resilience Forum;	Completed

4. Task and Finish Groups update

4.1 Task & Finish Group: An efficiency and efficacy review of the current governance structures of the Council.

A report was presented to a special meeting of this panel on 22 February. The Panel resolved:

- That the consultation responses from the Economic Growth Scrutiny Panel and the Health and Wellbeing Scrutiny Panel be noted;
- That the Task and Finish Group report, with amendments, be noted;
- That the Chairman and Vice Chairman of the Business and Transformation Scrutiny Panel undertake to gather further evidence on the efficiency and efficacy of scrutiny for consideration by the first Business and Transformation Scrutiny Panel in the new municipal year.

This resolution was discussed at Scrutiny Chairs Group on 11 April and the Chair of Business and Transformation Scrutiny Panel explained that work was ongoing on the further evidence.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 Overview and scrutiny of the Carlisle Plan items that match the remit, contributing to ongoing policy development.

Contact Officer: **Steven O’Keeffe**
 Rowan Jones

Ext: **7258**
 7257

Appendices **1. Draft Work Programme 2019/20**
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

EQUALITY –

INFORMATION GOVERNANCE –

Appendix: Draft 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
Asset Management Plan	Mark Walshe	25/07/2019
Corporate projects	Jason Gooding	25/07/2019
Corporate Risk Register	Darren Crossley	25/07/2019
Medium Term Financial Plan and Capital Strategy	Alison Taylor	25/07/2019
Budget monitoring	Steven Tickner	22/08/2019
Performance Report	Gary Oliver	22/08/2019
Budget monitoring	Steven Tickner	03/12/2019
Budget setting	Alison Taylor	03/12/2019
Performance Report	Gary Oliver	03/12/2019
Sickness Absence	Sue Kaveney	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 projects	Jason Gooding	26/03/2020
Corporate Risk Register	Darren Crossley	26/03/2020
Scrutiny Annual Report	Rowan Jones	26/03/2020

Customer Contact Centre	Matt Ward	TBC
Customer Contact Centre/ Ground floor Reinstatement Project	Mark Walshe	TBC
External Funding: applications and outcomes	Steven O'Keeffe	TBC
Sands Centre Redevelopment	Darren Crossley	TBC
One Public Estate	Darren Crossley	TBC

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3 (a)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 01/19

Purpose / Summary: This report summarises the 2018/19 provisional outturn for the General Fund revenue budget considered by the Executive on 29 May 2019.

Questions for / input required from Scrutiny:

To scrutinise and provide feedback on the options available to the Council as set out in the report relating to the carry forward requests, noting the implications on Council Reserves and 2019/20 Directorate budgets.

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019 (BTSP)
Audit Committee:	08 July 2019
Council:	16 July 2019

Report to Executive

Agenda
Item:

Meeting Date: 29th May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 01/19

Purpose / Summary: This report summarises the 2018/19 provisional outturn for the General Fund revenue budget and gives reasons for the variances. The outturn position will require an additional use of General fund reserves of £41,000 (as set out in paragraph 5.3).

Requests are made to carry forward committed expenditure of £406,700, net transfers to/from reserves of £206,275 and transfer from the building control reserve of £32,637, which, if approved, will result in an overall net position of £631,660 on Council Services; however additional funding from Business Rates income of £558,000 has also been realised.

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Draft Statement of Accounts for 2018/19 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 30 July.

Recommendations:

The Executive is asked to:

- (i) Note the net overspend of £18,685 for Council Services as at 31 March 2019;
- (ii) Consider the committed expenditure totalling £406,700, to be incurred in 2019/20 and funded by a release from the General Fund Reserve in 2019/20 as detailed in Appendix D1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £206,275, in addition to the transfer from the building control

reserve of £32,637 as detailed in paragraphs 5.1 and 5.2 and Appendix D2 of the report for recommendation to Council;

- (iv) Approve, for recommendation to Council, the revised delegations for the release of the Building Control Reserve.

Tracking

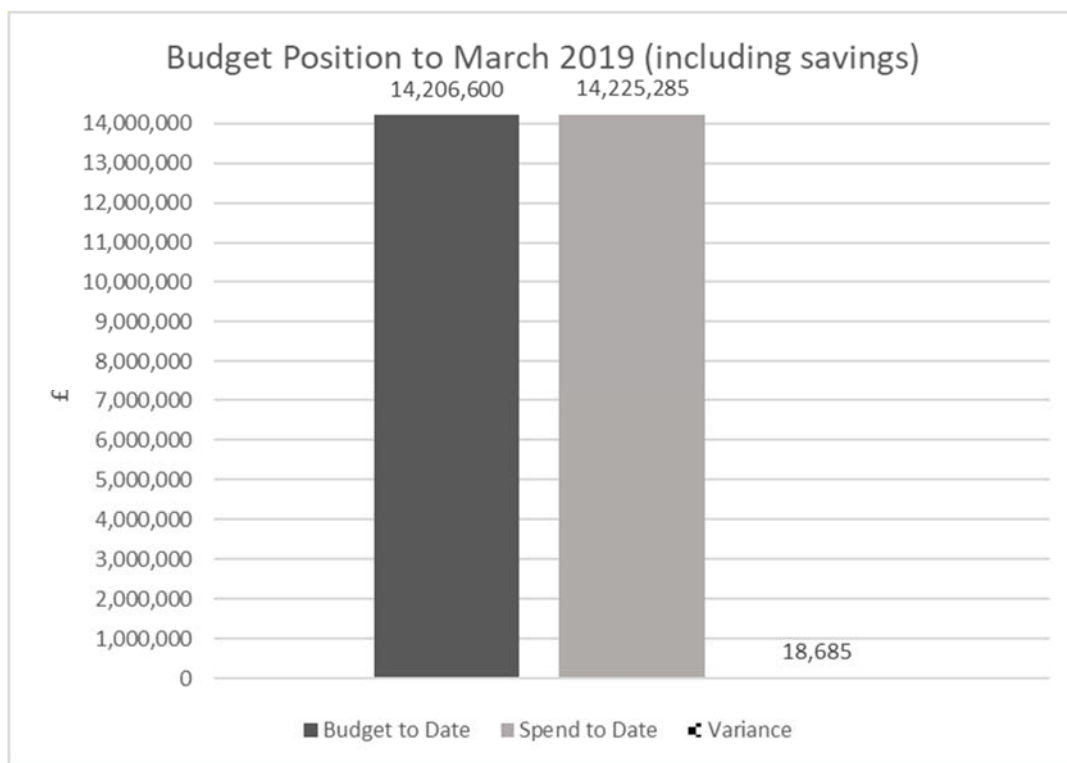
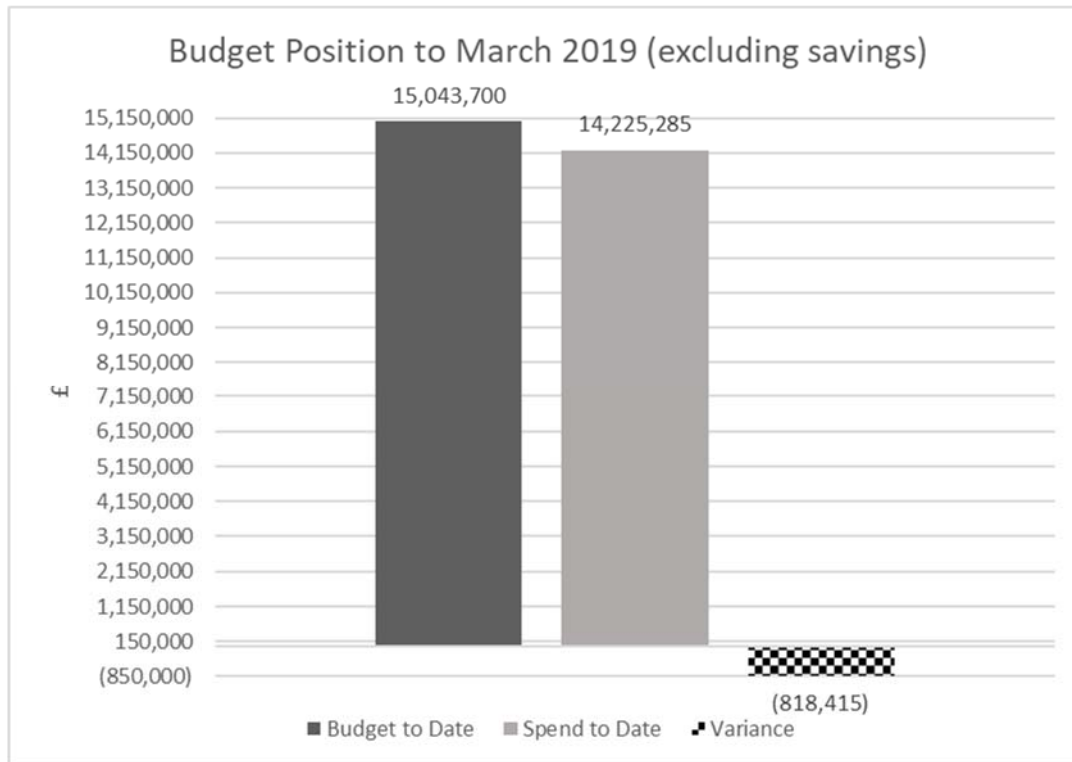
Executive:	29 May 2019
Scrutiny:	BTSP 30 May 2019
Audit Committee:	8 July 2019
Council:	16 July 2019

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 This report shows the provisional outturn position for the General Fund Revenue budgets for 2018/19.
- 1.3 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices B1 – B6** as follows:
 - (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Directors.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director after discussion with the Portfolio holder, and the Corporate Director of Finance and Resources.
 - (iv) Reserves to be established and/or increased to support possible future funding obligations.
- 1.4 Members should note that the information contained in this report is provisional and subject to the formal audit process. The draft Statement of Accounts for 2018/19 will be presented to the Audit Committee on 8 July, with formal approval of the audited accounts on 30 July. Any significant changes required following the approval of the 2018/19 accounts will, if necessary, be reported to a future Executive meeting.
- 1.5 Please note that throughout this report:
 - (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

2. SUMMARY REVENUE OUTTURN 2018/19

2.1 The draft outturn position of the Council for 2018/19 is presented below:



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

Directorate / Appendix	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves £	Adjusted Variance £
Community Services (B1)	7,603,800	9,357,900	9,626,091	268,191	61,700	25,123	355,014
Corporate Support (B2)	2,889,700	1,472,000	1,321,893	(150,107)	10,000	0	(140,107)
Economic Development (B3)	889,100	1,808,900	1,786,150	(22,750)	34,800	38,687	50,737
Finance & Resources (B4)	2,592,500	1,115,300	839,403	(275,897)	6,300	54,100	(215,497)
Governance & Regulatory Services (B5)	254,900	880,800	849,021	(31,779)	43,600	88,365	100,186
Corporate Management (B6)	(1,603,000)	408,800	(197,273)	(606,073)	250,300	0	(355,773)
Service Expenditure	12,627,000	15,043,700	14,225,285	(818,415)	406,700	206,275	(205,440)
Transformation & Base Budget Savings	(1,242,000)	(837,100)	0	837,100	0	0	837,100
Service Expenditure	11,385,000	14,206,600	14,225,285	18,685	406,700	206,275	631,660
Parish Precepts	613,100	613,100	613,051	(49)	0	0	(49)
Total	11,998,100	14,819,700	14,838,336	18,636	406,700	206,275	631,611
Transfers to/(from) Reserves							
Car Park Improvement Reserve	0	(106,600)	(106,600)	0	0	0	0
Building Control Reserve	0	(32,300)	(64,937)	(32,637)	0	0	(32,637)
City Centre Reserve	0	(32,800)	(32,800)	0	0	0	0
Cremator Replacement Reserve	0	113,500	113,507	7	0	0	7
Carry Forward Reserve	(235,000)	(415,100)	(415,100)	0	0	0	0
Promoting Carlisle Reserve	0	(10,000)	(10,000)	0	0	0	0
Revenue Grants Reserve	0	(918,800)	(918,933)	(133)	0	0	(133)
General Fund Reserve	817,800	(543,000)	28,862	571,862	(406,700)	(206,275)	(41,113)
Planning Services Reserve	0	121,600	121,600	0	0	0	0
Prosecution Fund	0	(15,300)	(15,300)	0	0	0	0
Total Transfer to/(from) Reserves	582,800	(1,838,800)	(1,299,701)	539,099	(406,700)	(206,275)	(73,876)
Financed by:							
Precept from Collection Fund	(7,600,700)	(7,600,700)	(7,600,643)	57	0	0	57
Business Rate Retention	(4,531,700)	(4,931,700)	(5,489,451)	(557,751)	0	0	(557,751)
Revenue Support Grant	(448,500)	(448,500)	(448,541)	(41)	0	0	(41)
Total Grants	(12,580,900)	(12,980,900)	(13,538,635)	(557,735)	0	0	(557,735)
Total	(11,998,100)	(14,819,700)	(14,838,336)	(18,636)	(406,700)	(206,275)	(631,611)

2.3 The table above details the net Council budget. The Council's original gross budget for 2018/19 was £55.07m and although there are many individual variances

as detailed by directorates in **Appendices B1 – B6**, the net overspend equates to 1.15% of this budget.

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

- 3.1 The provisional outturn position for 2018/19 is an overspend of £631,660 after taking into account carry forward requests of £406,700 as set out in paragraph 4, and transfers to/from earmarked reserves totalling £206,275, as set out in paragraph 5.
- 3.2 Some of the **significant** service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.
- Additional expenditure of £73,703 on Arts and Museums contracts due to payment of IT services to Tullie House.
 - Additional requirement of £125,463 in Recycling and Waste Management mainly due to a shortfall in income from recycling and garden waste.
 - Net additional expenditure of £80,476 in Garage Services mainly due to staffing resource pressures and therefore also a reduced level of job recharges income.
 - An underspend of £165,783 on Direct Revenue Funding of the Capital Programme. This relates to funding for schemes that are no longer progressing.
 - Additional salary turnover savings of £103,600.
 - Additional costs of £127,782 in relation to Insurance claims in excess of the estimated provision.
 - Additional government grants received of £101,510.
 - An underspend of £84,000 on the corporate inflation allocation.
 - A net underspend of £93,906 on ICT Services mainly in relation to reduced software and maintenance costs.
 - An underspend of £85,938 in Revenues and Benefits mainly in relation to Grants.
 - Additional expenditure of £81,088 in relation to the running costs of the Business Interaction Centre.
 - A saving of £91,400 on the Council's Minimum Revenue Provision (as a direct result of the capital expenditure underspend in 2017/18). This is partly offset by a shortfall in investment income of £25,186.
 - A net underspend of £139,287 in Benefits Overpayments and Subsidy.
 - A net overspend of £113,879 in Homeless Accommodation in the main due to a shortfall in income of £143,311.
 - A shortfall in Lanes Rental of £145,032.

- Additional expenditure on the Market Hall of £102,770 as a result of backdated head rent calculations.
- Additional income of £275,000 for a dilapidation settlement at Castle Street.
- A net underspend of £80,146 on Regulatory Services due to additional income received.

- 3.3 A subjective analysis of the summarised outturn position is shown in **Appendix C**.
- 3.4 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service cost centres. This reallocation will be completed before the Statement of Accounts is prepared, but has no impact on the overall out-turn position.
- 3.5 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Business and Transformation Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2019/20 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2020/21 budget process.
- 3.6 During the 2019/20 budget process, a budget pressure was recognised totalling £837,000 mainly due to shortfalls of income in three key areas; The Lanes, Development Control and Recycling. There were also other items of anticipated additional expenditure identified where base budgets were not deemed sufficient. It was therefore agreed that a base budget review be carried out during 2019/20 to identify alternative savings to address these pressures as well as working with budget holders to assess the likelihood of the pressures occurring on a recurring basis. The impact of these shortfalls of income have been reported during the year as part of the quarterly budget monitoring procedures and as can be seen from the table below has added £463,150 as a budget shortfall for 2018/19.

	2019/20 Pressure identified £	2018/19 Net Variance £
City Centre Property rental income	23,000	37,311
Lances rental income	275,000	145,052
Rental income from other properties	96,000	128,338
Land Charges income	30,000	(24,753)
Reduced income from recyclates	164,000	133,283
Income from advertising	17,000	14,500
Development Control income	102,000	(7,220)
Local Plan monitoring fee	8,000	8,000
Loss of DWP funding	9,000	9,100
Asset valuations	10,000	10,200
Youth exchange	18,000	9,406
Revenue financing of capital	25,000	0
Increased Garden Waste tipping charges	60,000	(67)
	837,000	463,150

3.7 The Council also had to achieve £1.237million of transformation savings in the year of which £400,000 was vired from additional income generated from Business Rates (RD29/18 refers). This left £837,100 to be found, on a non-recurring basis, from the 2018/19 base budget although it was recognised that temporary use of reserves may be required to fund any shortfall (RD29/18 refers). Until the impact of the Fair Funding Review, the Comprehensive Spending Review and the Business Rate Retention scheme were clarified for 2020/21 and beyond, any savings and shortfalls of income were to be found on a non-recurring basis but which could also necessitate the temporary use of reserves (RD29/18 refers).

3.8 As can be seen from this provisional outturn report, the temporary use of additional general fund reserves is required; however, this, totalling £41,000, has been kept to a minimum whilst allowing transformation savings targets and income shortfalls to be met. This ensures that reserves are retained at above minimum levels in the medium term ensuring that all requested carry forwards are funded.

4. CARRY FORWARD REQUESTS

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

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

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

4.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix D1**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Corporate Director of Finance and Resources; however, given the projected overspend on Council Services of £631,660, the Corporate Director of Finance and Resources does not have the delegated authority to approve all of the requests and two options are therefore available to the Executive:

- The Executive can approve the carry forward requests for recommendation to Council as a supplementary estimate (£631,660 if all requests were approved). This would have an impact on the revenue reserves, or
- The Executive could decide not to approve the carry forward requests or limit the request to the level of budget available. This would result in any carry forward request refused being a first call on Directorates' 2019/20 budgets, which would reduce the amount available to support 2019/20 services.

Members should review these requests and the net outturn position in the context of the overall Reserves position. The increased income from Business Rates (paragraphs 5.3 and 7.5 refers) has been added to the General Fund Reserve with

the table at paragraph 5.4 below showing the impact on Reserves if all of the carry forward and net transfers to reserves are approved. The overall impact indicates a reduction in General Fund Reserves of £41,000 as a result of the 2018/19 net outturn position.

The relevant Director will be able to give further details of carry forward requests if required at the meeting.

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

	2018/19 Provisional £	2017/18 £	2016/17 £	2015/16 £	2014/15 £
Variance at 31 March	18,685	(1,539,526)	(1,242,132)	(2,612,443)	(3,517,344)
Carry forward requests	406,700	663,800	393,000	593,900	671,600
Final Variance	425,385	(875,726)	(849,132)	(2,018,543)	(2,845,744)
Less Transfers	206,275	1,276,247	407,300	1,993,500	1,411,000
Service Expenditure variance	631,660	400,521	(441,832)	(25,043)	(1,434,744)
Percentage variance on service expenditure of original gross budget	1.15%	0.71%	(0.75)%	(0.04)%	(2.39)%

5. RESERVES AND PROVISIONS

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

	Net Approval Requested £
Apprentice Infrastructure (new)	54,100
Prosecution Reserve	10,000
Revenue Grants Reserve	142,175
Total Additional Transfers to Reserves	206,275

The creation of the Apprentice Infrastructure Reserve is to hold allocated budgets for Apprentice posts that is committed but will not be required until future years.

- 5.2 In accordance with statutory requirements any surplus generated by the Building Control function is required to be held as an identified earmarked reserve and can only be utilised for Building Control. In 2018/19 the required amount to be transferred from the Building Control Reserve is £32,637. This is in addition to £32,300 released during 2018/19 to fund eligible costs.

It is recommended that the delegations for the release of this reserve are amended to allow the Corporate Director of Economic Development to authorise release of the reserve through an Officer Decision Notice. The reserve is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council and any release will be in line with this condition.

- 5.3 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report and if all of the carry forward requests and transfers to/from earmarked reserves are approved, an additional £41,000 will be required from the General Fund Reserve.

	31/03/2019 £'000s	31/03/2020 £'000s	31/03/2021 £'000s	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s
Prudent Level of Reserves	(3,300)	(3,300)	(3,300)	(3,300)	(3,300)	(3,300)
Council Resolution General Fund Reserve	(4,867)	(4,354)	(3,327)	(3,655)	(3,861)	(4,248)
Overspend position to be taken from Reserves	19	0	0	0	0	0
Additional Funding from Business Rates	(558)					
Transfer (from)/to earmarked reserves & provisions: ⁽¹⁾						
- see paragraph 5.1	206					
- see paragraph 5.2	(33)					
Committed Carry Forwards	0	407	0	0	0	0
Revised Reserves Balance	(5,233)	(4,313)	(3,286)	(3,614)	(3,820)	(4,207)

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

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

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

6. BAD DEBT PROVISION

- 6.1 The Council's bad debt provision has been increased in respect of sundry debtors and penalty charge notices, and reduced in respect of housing benefit overpayments, and this has been allocated directly to the services. Further details can be found in report RD04/19 elsewhere on the agenda.

7. BALANCE SHEET

- 7.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2019 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 8 July, with final approval of the audited accounts on 30 July.
- 7.2 The VAT partial exemption calculation has been finalised for 2018/19 resulting in 3.33% for the year which is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.
- 7.3 The 2018/19 Council Tax Collection Fund projected surplus has decreased from £937,227 to £542,709 (Council share decreased from £117,885 to £66,944).
- 7.4 2018/19 is the sixth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the fifth year the Council has participated in the Cumbria Pooling arrangement.
- 7.5 The detailed figures for Business rates are considered elsewhere on the agenda in report RD04/19. The Council budgeted for additional income of £1,650,000, and the outturn shows that an additional £558,000 on top of this has been achieved in 2018/19. This surplus on the budget will be an additional contribution to General Fund Reserves.

The Council Tax and NNDR Provisional outturn report provides further details and is considered elsewhere on the agenda (RD04/19).

8. RISKS

- 8.1 Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

9. CONSULTATION

- 9.1 Consultation to date.

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

9.2 Consultation Proposed.

Business and Transformation Scrutiny Panel will consider the report on 30 May 2019.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

- (i) Note the net overspend of £18,685 for Council Services as at 31 March 2019;
- (ii) Consider the committed expenditure totalling £406,700, to be incurred in 2019/20 and funded by a release from the General Fund Reserve in 2019/20 as detailed in Appendix D1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £206,275, in addition to the transfer from the building control reserve of £32,637 as detailed in paragraphs 5.1 and 5.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Approve, for recommendation to Council, the revised delegations for the release of the Building Control Reserve.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

11.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2018/19 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

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Appendices A, B1 to B6, C and D1 to D2.
attached to report:

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

- None

CORPORATE IMPLICATIONS:

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

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 2018/19

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2019

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
07/02/2019;	Transfer of revenue from sale of waste receptacles to	Non-recurring	4,100	Neighbourhood Services Manager
08/03/2019	cover purchases in capital programme			
25/02/2019	Transfer of budgets from ICT back to Neighbourhood Services	Recurring	46,100	Neighbourhood Services Manager/ ICT Services Manager
27/02/2019; 0	Revenue contribution towards Green Gym at Harraby Community Centre	Non-recurring	32,500	Health and Wellbeing Manager
27/02/2019	Revenue contribution towards Skate Park	Non-recurring	1,000	Health and Wellbeing Manager
07/03/2019	Revenue contribution towards Car Park Improvements	Non-recurring	16,000	Neighbourhood Services Manager
07/03/2019; 1	Release of funding from Revenue Grant Reserve for Carlisle South Garden Village	Non-recurring	25,900	Corporate Director of Finance and Resources
08/03/2019	Revenue contribution towards Green Gym at Yewdale Community Centre	Non-recurring	6,300	Health and Wellbeing Manager
11/03/2019	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	13,000	Corporate Director of Finance and Resources
11/03/2019	Release of funding from Revenue Grant Reserve for Cycle Track Development	Non-recurring	5,100	Corporate Director of Finance and Resources
01/04/2019	Release of funding from Revenue Grant Reserve for Revenues and Benefits	Non-recurring	27,400	Corporate Director of Finance and Resources
01/04/2019	Transfer of budgets from Revenues and Benefits to provide funding for actuarial strain which are paid for corporately	Non-recurring	25,700	Revenues and Benefits Operations Manager
17/04/2019	Transfer of budgets from Civil Enforcement to provide funding for actuarial strain which are paid for corporately	Non-recurring	24,100	Neighbourhood Services Manager
25/04/2019	Revenue contribution towards capital works resulting from condition surveys on Council properties	Non-recurring	34,100	Corporate Director of Governance and Regulatory Services
26/04/2019	Release of carry forward reserve to fund capital works resulting from condition surveys on Council properties	Non-recurring	87,100	Corporate Director of Finance and Resources
30/04/2019	Transfer of Revenues and Benefits IT budgets from IT back into Revenues and Benefits	Non-recurring	13,500	Revenues and Benefits Operations Manager/ ICT Services Manager
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
20/02/2019	Use of additional Business Rates Pooling to fund transformation savings unachieved	Non-recurring	400,000	2019/20 Budget - Council 20/02/19

REVENUE BUDGET MONITORING 2018/19

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	18,319,900	(6,228,300)	(2,733,700)			9,357,900
Budget to date	18,319,900	(6,228,300)	(2,733,700)			9,357,900
Total Actual	18,267,996	(6,013,064)	(2,628,841)			9,626,091
Variance	(51,904)	215,236	104,859			268,191
Carry Forwards/Reserves & Provisions				61,700	25,123	86,823
Adjusted Variance	(51,904)	215,236	104,859	61,700	25,123	355,014

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Garage Services	1	(35,699)	8,695	107,480	0	0	80,476
Healthy City	2	78,655	28,417	0	2,000	(19,000)	90,072
Waste Services	3	(79,882)	151,593	(0)	47,900	5,854	125,465
Special Events	4	14,880	26,728	0	0	0	41,608
Miscellaneous	5	(29,859)	(197)	(2,621)	11,800	38,269	17,393
Total Variance to date		(51,904)	215,236	104,859	61,700	25,123	355,014

Note	Community Services - Comments
1.	Various minor underspends including employee related expenses and contract costs; shortfall in trading income.
2.	Additional contract payments made to Tullie House in respect of IT services, payment made in relation to previous Leisure Contract.
3.	Underspend on employee and transport related costs; shortfall in income from recyclates due to market prices for plastics and card being reduced.
4.	Overspend on running costs of events; shortfall in income from lamppost advertising.
5.	Various minor underspends and surplus in income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	6,550,600	(1,537,100)	(3,541,500)			1,472,000
Budget to date	6,550,600	(1,537,100)	(3,541,500)			1,472,000
Total Actual	6,508,396	(1,636,848)	(3,549,655)			1,321,893
Variance	(42,204)	(99,748)	(8,155)			(150,107)
Carry Forwards/Reserves & Provisions				10,000	0	10,000
Adjusted Variance	(42,204)	(99,748)	(8,155)	10,000	0	(140,107)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Revenues and Benefits	1	1,607	(87,545)	(0)	0	0	(85,938)
ICT Services	2	(76,532)	(19,220)	(8,155)	10,000	0	(93,906)
Miscellaneous	3	32,721	7,017	0	0	0	39,737
Total Variance to date		(42,204)	(99,748)	(8,155)	10,000	0	(140,107)

Note	Corporate Support - Comments
1.	Various minor overspends; additional government grants received.
2.	Underspend on supplies and services due to reduced software maintenance; additional grant income received.
3.	Various minor overspends and reduced levels of income across the service.

REVENUE BUDGET MONITORING 2018/19

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	4,548,500	(2,263,600)	(476,000)			1,808,900
Budget to date	4,548,500	(2,263,600)	(476,000)			1,808,900
Total Actual	4,374,556	(2,112,406)	(476,000)			1,786,150
Variance	(173,944)	151,194	0			(22,750)
Carry Forwards/Reserves & Provisions				34,800	38,687	73,487
Adjusted Variance	(173,944)	151,194	0	34,800	38,687	50,737

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Business Interaction Centre	1	64,104	16,984	0	0	0	81,088
Miscellaneous	2	(238,048)	134,210	0	34,800	38,687	(30,351)
Total Variance to date		(173,944)	151,194	0	34,800	38,687	50,737

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; shortfall in income.
2.	Various net underspends and shortfall in income across the service.

REVENUE BUDGET MONITORING 2018/19

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	30,235,400	(25,945,500)	(3,174,600)			1,115,300
Budget to date	30,235,400	(25,945,500)	(3,174,600)			1,115,300
Total Actual	30,172,740	(26,156,602)	(3,176,735)			839,403
Variance	(62,660)	(211,102)	(2,135)			(275,897)
Carry Forwards/Reserves & Provisions				6,300	54,100	60,400
Adjusted Variance	(62,660)	(211,102)	(2,135)	6,300	54,100	(215,497)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(91,343)	25,186	3,079	0	0	(63,079)
Benefits Payments and Subsidy	2	80,392	(219,679)	0	0	0	(139,287)
Miscellaneous	3	(51,709)	(16,609)	(5,214)	6,300	54,100	(13,131)
Total Variance to date		(62,660)	(211,102)	(2,135)	6,300	54,100	(215,497)

Note	Finance and Resources - Comments
1.	Underspend on Minimum Revenue Provision; under achieved market deposit investment interest.
2.	Surplus on Housing Benefit Overpayments following subsidy finalisation & increase to bad debt provision.
3.	Various minor underspends and increased levels of income.

REVENUE BUDGET MONITORING 2018/19

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	9,962,200	(5,892,900)	(3,188,500)			880,800
Budget to date	9,962,200	(5,892,900)	(3,188,500)			880,800
Total Actual	10,222,246	(6,212,388)	(3,160,837)			849,021
Variance	260,046	(319,488)	27,663			(31,779)
Carry Forwards/Reserves & Provisions				43,600	88,365	131,965
Adjusted Variance	260,046	(319,488)	27,663	43,600	88,365	100,186

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
The Lanes	1	(0)	144,977	0	0	0	144,977
Other Rental Properties	2	124,736	(222,408)	0	0	(65,559)	(163,232)
Homeless Accommodation	3	(29,432)	143,311	0	0	0	113,879
Homeless Prevention and Welfare	4	(24,355)	(108,128)	0	28,600	104,035	152
Regulatory Services	5	19,248	(148,365)	(919)	0	49,889	(80,146)
Miscellaneous	6	169,848	(128,874)	28,582	15,000	0	84,556
Total Variance to date		260,046	(319,488)	27,663	43,600	88,365	100,186

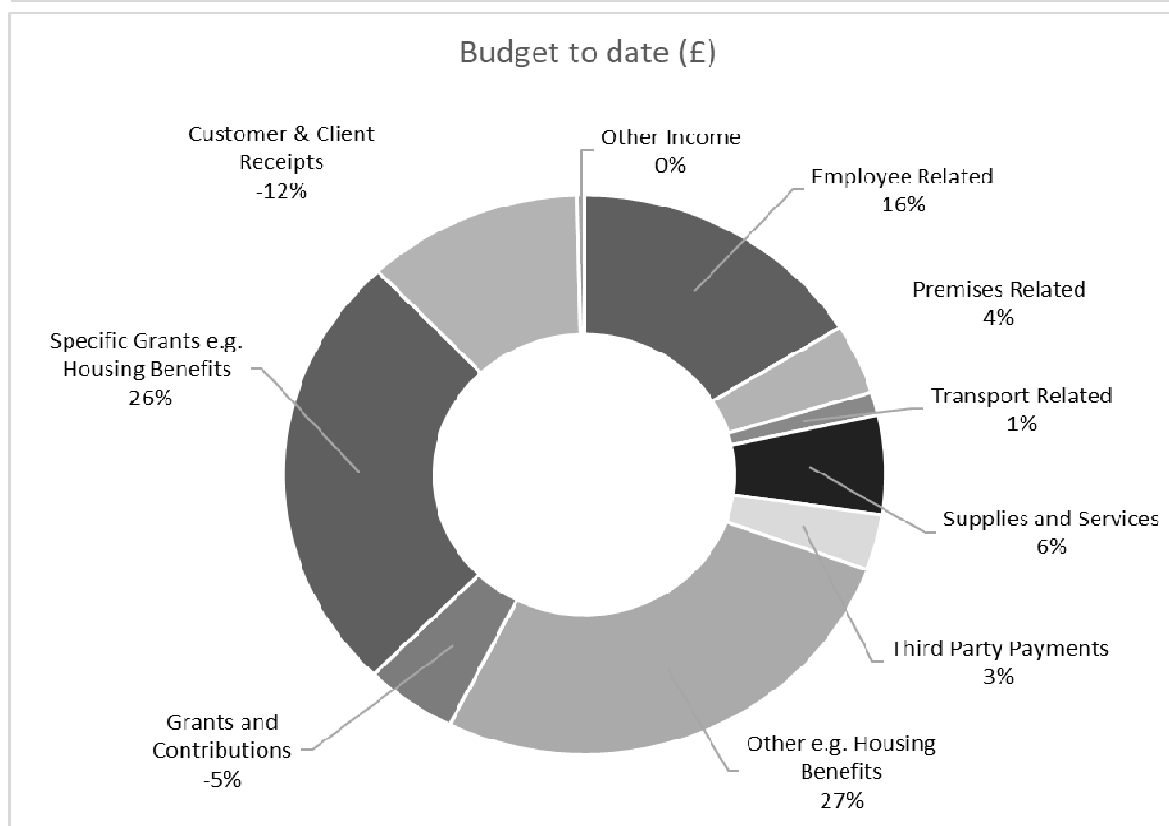
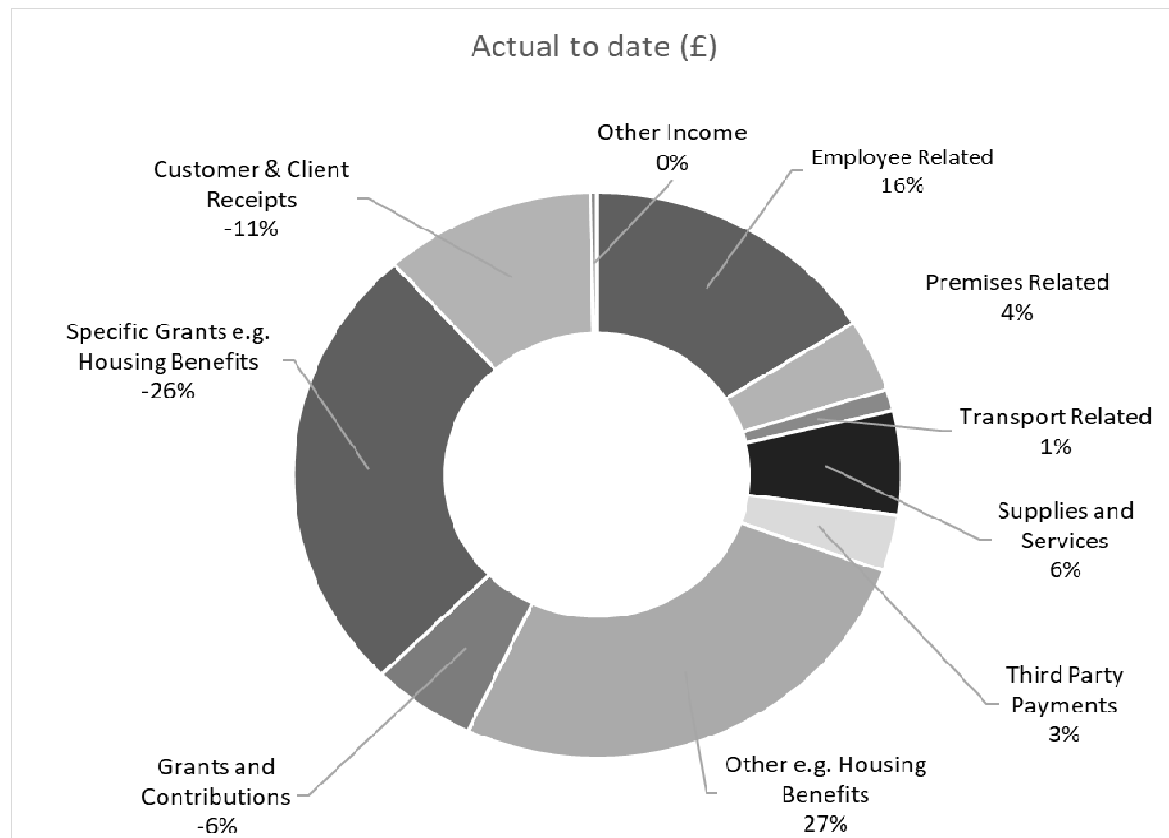
Note	Governance & Regulatory Services - Comments
1.	Shortfall in rent income for 2018/19.
2.	Overspend in relation to backdated head rent; Additional income generated mainly from a dilapidations settlement for premises on Castle Street.
3.	Underspend on premises maintenance; shortfall in income due to units being out of service during refurbishment.
4.	Underspend on supplies and services; additional government grants received.
5.	Minor overspends offset by additional fee income and government grants.
6.	Various overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	2,288,700	(1,879,900)	0			408,800
Budget to date	2,288,700	(1,879,900)	0			408,800
Total Actual	1,786,637	(1,983,910)	0			(197,273)
Variance	(502,063)	(104,010)	0			(606,073)
Carry Forwards/Reserves & Provisions				250,300	0	250,300
Adjusted Variance	(502,063)	(104,010)	0	250,300	0	(355,773)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Other Financial Costs	1	(72,190)	(104,009)	0	0	0	(176,199)
Direct Revenue Financing	2	(416,083)	0	0	250,300	0	(165,783)
Miscellaneous	3	(13,790)	(1)	0	0	0	(13,791)
Total Variance to date		(502,063)	(104,010)	0	250,300	0	(355,773)

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£103,600) & Inflation savings (£84,000). Overspend in relation to insurance claims in excess of the estimated provision. Additional government grants received.
2.	Carry forward to fund continuing capital schemes. Underspend due to schemes no longer progressing.
3.	Various minor underspends.

SUBJECTIVE ANALYSIS

Directorate/Section	Description	Requests into			Total
		2019/20 £	2020/21 £	2021/22 £	
<u>Corporate Support</u>					
ICT	For the provision of new card payment devices and associated software to enable point-to-point encryption which is crucial to ensuring the Council can comply with the Payment Card Industry Data Security Standard).	10,000			10,000
		10,000	0	0	10,000
<u>Finance and Resources</u>					
Internal Audit	To provide dedicated support of a specialist IT auditor due to be undertaken in April/May 2019.	6,300			6,300
		6,300	0	0	6,300
<u>Corporate Management</u>					
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2019/20 and resources are required to be carried forward	250,300			250,300
		250,300	0	0	250,300
<u>Community Services</u>					
Policy & Communications	Two year fixed term Apprentice appointed (OSA044-18/19), part funded from Apprentice Infrastructure Fund and part from own budgets.	11,800			11,800
Neighbourhood Services	To ensure continuation of the apprentice scheme for approved posts in Neighbourhood Services	47,900			47,900
Small Scale Community Projects	Agreed contribution from 2018/19 allocation to Cowans Sheldon Art Project which is due to be paid across in 2019/20.	2,000			2,000
		61,700	0	0	61,700
<u>Economic Development</u>					
Community Infrastructure Levy	Project was unable to progress during 2018/19 as anticipated.	34,800			34,800
		34,800	0	0	34,800
<u>Governance & Regulatory</u>					
Homelessness Prevention Funding	To support Homeless Prevention Services in line with legislative/strategic requirements and objectives.	28,600			28,600
Electoral Registration	Income received to cover the additional costs of Individual Electoral Registration (EIR) however it is anticipated that it will instead be required in 2019/20.	15,000			15,000
		43,600	0	0	43,600
Total General Fund Carry Forward Requests		406,700	0	0	406,700

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3 (b)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2018/19 AND REVISED CAPITAL PROGRAMME 2019/20
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 02/19

Purpose / Summary:

This report summarises the 2018/19 provisional out-turn for the Council's capital programme and provides details of the revised capital programme for 2019/20. This report was considered by Executive on 29 May 2019.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position including the approved slippage of schemes and the resulting impact on the 2019/20 capital programme.

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019 (BTSP)
Audit Committee:	08 July 2019
Council:	16 July 2019

Report to Executive

Agenda
Item:

Meeting Date: 29th May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2018/19 AND REVISED CAPITAL PROGRAMME 2019/20
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.02/19

Purpose / Summary:

This report summarises the 2018/19 provisional out-turn for the capital budget and provides details of the revised capital programme for 2019/20. The out-turn shows that the net underspend for Council Services as at 31 March 2019 once committed expenditure totalling £2,253,900 is taken into account is £44,083.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The draft Statement of Accounts for 2018/19 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 30 July.

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2019 of £44,083 which includes committed expenditure to be met totalling £2,253,900, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Consider for recommendation to Council the ring-fencing of £120,000 capital receipts for repayment of a previous grant as set out in paragraph 4.1;
- (iii) Consider the revised programme for 2019/20, together with the proposed methods of financing, as detailed at paragraph 5 and Appendix B, for recommendation to Council, subject to any future decisions made on the Sands Centre Redevelopment.

Tracking

Executive:	29 May 2019
Scrutiny:	BTSP 30 May 2019
Audit Committee:	8 July 2019
Council:	16 July 2019

1. BACKGROUND

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

- (i) the out-turn for individual schemes for 2018/19, summarised in **Appendix A**
- (ii) the revised programme for 2019/20, and the provisional programme for 2020/21 to 2023/24, summarised in **Appendix B**.

1.2 The report sets out the financial implications arising from the out-turn including the impact on capital resources for 2019/20. Members should note that the information contained in this report is provisional and subject to the formal audit process. Any significant changes required following the approval of the 2018/19 accounts will, if required, be reported to a future Executive meeting.

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

2. PROPOSALS

2.1 The original capital programme of £4,032,600 for 2018/19 was approved in February 2018. Since then, a review of the capital programme has been undertaken and the capital funding has been revised. In accordance with proper accounting practices it has been necessary to gross up the expenditure budgets to properly reflect the total cost of the schemes including those fully funded from external grant/contributions.

The revised programme for 2018/19 of £8,561,500 is a result of the following funding streams:

2018/19 Capital Budget	£
Original 2018/19 Programme (approved Feb 2018)	4,032,600
Agreed Carry Forwards from 2017/18 (RD44/17 Council 06/03/18)	1,100,000
Agreed Carry Forwards from 2017/18 (RD04/18 Council 17/07/18)	2,091,900
Reprofiling of Sands Centre Redevelopment (CS16/18 Council 06/03/18)	1,769,100
Revenue contribution towards Central Plaza (ED23/18 Council 17/09/18)	650,000
Revenue contribution towards Harraby Cycle Track (CS30/18 Executive 20/08/18)	38,000
Revenue contribution towards Property Acquisition (GD51/18 Executive 23/07/18)	150,000
Additional grant towards Disabled Facilities Grants (RD19/18 Executive 20/08/18)	293,200
S106 contributions towards Affordable Homes (OD.065/18)	41,500
S106 contribution towards Crindledyke Cycleway (OD.068/18)	10,000
S106 contribution towards Open Space Improvements (CS28/18 Executive 25/06/18)	84,500
Agreed Carry forwards into 2019/20 (RD26/18 Council 08/01/19)	(380,000)
Agreed Carry forwards into 2019/20 (RD36/18 Council 05/03/19)	(982,100)
Removal of Projects by Executive (RD26/18 Executive 12/11/18)	(542,000)
Release of earmarked capital receipts for Chancergate (OD.06/19)	200,000
External contributions/grants/receipts	68,300
Schemes funded by Revenue budgets/reserves	446,500
Revised 2018/19 Capital Programme	9,071,500
Less Capital Reserves to be released by Executive	(510,000)
Revised 2018/19 Capital Programme (released)	8,561,500

2.2 The provisional out-turn position for the 2018/19 capital programme is shown below:

Directorate	Revised Annual Budget	Total Expenditure	Variance	Carry Forwards (Committed)	Proposed Reductions	Revised Variance
	£	£	£	£	£	£
Community Services	3,287,200	2,139,600	(1,147,600)	941,800	400,000	194,200
- Subject to further reports	723,200	0	(723,200)	550,700	0	(172,500)
Corporate Support	402,500	331,038	(71,462)	14,000	0	(57,462)
Economic Development	909,500	710,029	(199,471)	196,400	0	(3,071)
Governance & Regulatory Services	3,239,100	2,610,412	(628,688)	619,100	0	(9,588)
Total	8,561,500	5,791,079	(2,770,421)	2,322,000	400,000	(48,421)
Capital Flood Recovery	0	72,438	72,438	(68,100)	0	4,338
Total	8,561,500	5,863,517	(2,697,983)	2,253,900	400,000	(44,083)
Reserves to be released	510,000	0	(510,000)	0	510,000	0
Total	9,071,500	5,863,517	(3,207,983)	2,253,900	910,000	(44,083)

Schemes still to be released by the Executive have been removed from the budget monitoring process until the budgets have been released; however, the £510,000 relates to the Business Interaction Centre which is no longer required as the scheme is not progressing. The removal of this project will result in £75,000 being returned to capital reserves and £134,300 back into the revenue general fund reserve. The balance (£300,700) was expected to be received as an external grant.

The project to improve Tennis Facilities at Bitts Park is no longer progressing and the budget of £400,000 funded from external grant is to be removed from the programme. A carry forward is made for the remaining Council's contribution of £94,000 to be redirected towards a Bitts Park reinstatement project. (Progression of this scheme will be subject to further reports to the Executive).

2.3 The position for 2018/19 after committed carry forwards have been taken into account is an underspend of £44,083.

2.4 There main variances after carry forwards are summarised below:

- An overspend of £19,872 on the purchase of Waste Receptacles.
- An overspend of £172,428 on the released funding for the Sands Centre Development to progress the scheme to RIBA Stage 4. The overspend will be funded by restricting the available budget to carry forward which will reduce the balance available for the construction phase of the scheme.
- An underspend of £12,262 on IT Services after a carry forward of £14,000 is taken into account.
- An underspend of £45,200 on RBS ICT Upgrades. No request has been made to carry this budget forward so the project is to be removed from the capital programme.
- An overspend of £11,661 on expenditure at Central Plaza. The additional spend will be funded by an increased revenue contribution.
- An underspend of £14,962 at Durranshill Industrial Estate due to refunds received from contractors.
- Expenditure incurred on flood reinstatement projects at the Civic Centre and Bitts Park of £68,126 for which a negative carry forward has been included to be funded from the Flood Reserve in 2019/20.

2.5 Otherwise schemes are progressing within budget, although some schemes have not been completed to the original timescales which has resulted in the request for carry forwards.

2.6 Further details for each directorate are included in **Appendices A1-A5**.

- 2.7 The 2018/19 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work has been carried out throughout the year to monitor the profiling of budgets and these have been adjusted to reflect progress in current capital schemes. The year end position for the capital programme is improved from previous years due to the implementation of the corporate reserves procedure and the improved profiling.

3. CARRY FORWARD REQUESTS

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

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

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

Carry forwards at the end of the year have been analysed to assess the year of potential expenditure to enable better profiling of budgets for future years. Of the committed carry forwards shown in paragraph 2.2, it is estimated that the full £2,253,900 will be spent in 2019/20.

4. FINANCING OF CAPITAL PROGRAMME 2018/19

- 4.1 Utilisation of resources to fund the 2018/19 Capital Programme in light of the out-turn is provisionally estimated as follows:

	Revised Budget £	Provisional Out-turn £
Capital Programme expenditure in year	9,071,500	5,863,517
<u>Financed by:</u>		
Capital Receipts (including PRTB receipts) (note 1)	562,000	606,999
Capital Grants		
• Disabled Facilities Grant	1,760,500	1,760,573
• General (note 2)	764,100	39,345
Reserves & Balances (note 3)		
• Earmarked Reserves	9,800	0
• Direct Revenue Financing	2,526,400	2,110,317
Contributions from other bodies incl S106 (note 4)	337,000	289,115
Borrowing Requirement (In Year)	3,111,700	1,057,168
Total Financing	9,071,500	5,863,517

Notes:

1. There were no usable capital receipts carried forward from 2017/18. Capital receipts generated during the year amount to £606,999 compared to the revised estimate figure of £562,000, an increase of £44,999.

Included in the receipts is £120,000 from Durranhill Industrial Estate which is required to be ring-fenced for repayment of a grant in respect of a previous Durranhill capital project. It is recommended that the funds are earmarked for this purpose and release of the funds is delegated to the Corporate Director of Economic Development following consultation with the Chief Executive, the Corporate Director of Finance and Resources and the Portfolio Holder.

The total sum available, £606,999 has been used to fund the Capital Programme in 2018/19, with the balance of funding required (£1,057,168) being financed from an internal borrowing requirement that is significantly lower than anticipated.

2. Capital grants were budgeted for in relation to Business Interaction Centre (£300,700) and Tennis Facilities (£400,000) for which the projects are no longer progressing. It should also be noted that a grant of £10,000 towards Fusehill Street Play Area was not received and therefore an additional call on

capital reserves was required to fund this shortfall in income. £23,200 has been carried forward into 2019/20 to allow the schemes to complete

3. The use of capital receipts has been optimised in order to fund 2018/19 capital expenditure. Direct revenue funding, S106 receipts and earmarked reserves and provisions specifically set up to fund capital expenditure have also been used to fund capital expenditure in 2018/19. Capital receipts are the last source of funding applied to finance the capital programme, external funding is always applied first.
4. Additional contributions were received towards DFGs and Play Areas, and the use of Section 106 receipts towards Affordable Homes was less than budgeted. £46,400 has been carried forward into 2019/20 to allow the schemes to complete.

5. FIVE YEAR CAPITAL PROGRAMME

- 5.1 A five-year Capital Programme for 2019/20 to 2023/24 is detailed in **Appendices B1-B2**.
- 5.2 The programme for **2019/20** totalling £28,739,700 is based upon the programme as agreed by Council in February 2019 of £25,071,200, the commitments brought forward from 2018/19 as identified above of £2,253,900, the commitments brought forward from 2018/19 already approved of £982,100 and an increase of £432,500 for additional Disabled Facilities Grant awarded which has only recently been advised and totals £1,899,764.
- 5.3 The 2019/20 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme. The programme for 2019/20 and 2020/21 may be amended depending upon decisions made in respect of the Sands Centre Redevelopment, considered elsewhere on the agenda.
- 5.4 It is suggested that the revised programme for 2019/20 as detailed in Appendix B1 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	25,071,200	25,071,200
Add: Carried forward from 2018/19 (in Year)	0	982,100
Add: Carried forward from 2018/19 (Year End)	0	2,253,900
Add: Other adjustments to programme	0	432,500
Total Expenditure to be financed	25,071,200	28,739,700
<u>Financed by:</u>		
Capital Grants		
• DFG	1,467,300	1,899,800
• General	2,000,000	2,024,700
Capital Receipts	1,700,000	1,700,000
Contributions from other bodies	0	130,900
Direct Revenue Financing	1,316,400	1,566,700
Borrowing Requirement (In Year)	18,587,500	21,417,600
Total Financing	25,071,200	28,739,700

- 5.5 The proposed programme for **2020/21** to **2023/24** as detailed in Appendix B2 is based on the programme agreed by Council in February 2019 and the recommendations made in this report.

6. RISKS

- 6.1 Individual capital schemes have different risks involved.

7. CONSULTATION

- 7.1 Consultation to Date.

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

- 7.2 Consultation Proposed.

Business and Transformation Scrutiny Panel will consider the report on 30 May 2019.

8. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

- 8.1 The Executive is asked to:

- (i) Note the net underspend as at 31 March 2019 of £44,083 which includes committed expenditure to be met totalling £2,253,900, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Consider for recommendation to Council the ring-fencing of £120,000 capital receipts for repayment of a previous grant as set out in paragraph 4.1;

- (iii) Consider the revised programme for 2019/20, together with the proposed methods of financing, as detailed at paragraph 5 and Appendix B, for recommendation to Council, subject to any future decisions made on the Sands Centre Redevelopment.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Emma Gillespie

Ext: 7289

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

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

- None

CORPORATE IMPLICATIONS:

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

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. It is worth noting that the report includes the increase in funding for the Disabled Facilities Grants (DFGs).

INFORMATION GOVERNANCE – There are no information governance implications.

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Proposed Reductions £	Adjusted Variance £	Details of major variance
Cemetery Infrastructure	30,000	18,809	(11,191)	11,200	0	9	Footbridge improvements underway and due to be complete early 2019/20.
Vehicles & Plant	1,092,000	263,122	(828,878)	828,800	0	(78)	Slippage of planned vehicle replacements in 2018/19 into 2019/20. Revised replacement plan is being developed.
Play Area Developments	94,100	92,914	(1,186)	0	0	(1,186)	Individual schemes progressed as planned.
Crindledyke Cycleway (S106)	173,600	177,741	4,141	0	0	4,141	Funded by Section 106 monies. Phase 2 complete.
Green Gyms	40,300	32,500	(7,800)	7,800	0	0	Budget released by Executive 30/05/18 (CS27/18). Carry forward required of contributions to work now planned for 2019/20.
Tennis Facilities	502,900	8,869	(494,031)	94,000	400,000	(31)	Approved by Council 08/09/15 (SD16/15). Project no longer progressing, carry forward requested to be transferred to Bitts Park reinstatement project.
Cycle Track Developments	50,700	49,728	(972)	0	0	(972)	Budget carried forward from 2017/18. Project complete.
Sands Centre Redevelopment	1,057,100	1,229,528	172,428	0	0	172,428	Budget approved by Council 06/03/18 (CS16/18). Project progressing to RIBA Stage 4. The overspend on this part of the project will impact the current budget available for the construction phase.
Sands Centre Redevelopment - RIBA Stage 5	723,200	0	(723,200)	550,700	0	(172,500)	Budget required to be carried forward to continue progression of this scheme, subject to further reports to the Executive and Council.
Car Park Improvements	180,300	180,317	17	0	0	17	Work complete on all agreed sites.
Waste Minimisation	66,200	86,072	19,872	0	0	19,872	Purchase of waste receptacles are overspent against the revised annual budget.
Grand Total	4,010,400	2,139,600	(1,870,800)	1,492,500	400,000	21,700	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Proposed Reductions £	Adjusted Variance £	Details of major variance
ICT Infrastructure	357,300	331,038	(26,262)	14,000	0	(12,262)	Part of ICT Strategy Business Case.
Revenues and Benefits ICT Upgrades	45,200	0	(45,200)	0	0	(45,200)	Budget carried forward as part of ICT Strategy. No longer required.
Grand Total	402,500	331,038	(71,462)	14,000	0	(57,462)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Proposed Reductions £	Adjusted Variance £	Details of major variance
EA Central Plaza	598,000	609,661	11,661	0	0	11,661	Implementation of work under the Corporate Director of Economic Development's emergency powers with reference to the Building Act 1984 S78 Dangerous building - emergency measures. Use of General Fund Reserve approved to fund these emergency works.
Public Realm Work	5,300	5,530	230	0	0	230	Implementation of project plan now complete.
Durranhill Industrial Estate	0	(14,962)	(14,962)	0	0	(14,962)	Refund received for expenditure incurred in previous years.
Planning Software	150,000	0	(150,000)	150,000	0	0	Project yet to start.
Affordable Homes	156,200	109,800	(46,400)	46,400	0	0	Approved by Executive 31/07/17 (ED24/17) and OD.065/18.
Grand Total	909,500	710,029	(199,471)	196,400	0	(3,071)	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Proposed Reductions £	Adjusted Variance £	Details of major variance
Planned Enhancements to Council Property core programme	201,600	122,073	(79,527)	79,600	0	73	Some slippage of planned projects into 2019/20.
Enhancements to Council Property - From Condition Surveys	113,900	113,992	92	0	0	92	Additional works agreed based on the outcome of condition surveys. Funding is provided from the Revenue Carry Forward Reserve.
Kingstown Industrial Estate Roads	9,800	0	(9,800)	0	0	(9,800)	Budget for additional public realm signage on the estate no longer required.
Minor Works Grants	23,200	0	(23,200)	23,200	0	0	Budget approved by Executive 04/04/16 (ED09/16).
Disabled Facilities Grants	2,540,600	2,133,506	(407,094)	407,100	0	6	Mandatory & Discretionary Grants being delivered in line with the Disabled Facilities Action Plan. The position is being closely monitored.
Asset Management Plan	150,000	0	(150,000)	150,000	0	0	Budget approved by Executive 23/07/18 (GD51/18). Delays in the purchase have resulted in slippage into 2019/20.
Chancerygate	200,000	240,841	40,841	(40,800)	0	41	Development and Improvement costs associated with the Junction 44 development.
Grand Total	3,239,100	2,610,412	(628,688)	619,100	0	(9,588)	

FLOOD RELATED CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Proposed Reductions £	Adjusted Variance £	Details of major variance
IC Buildings Flood Capital	0	72,438	72,438	(68,100)	0	4,338	Capitalisation of building improvements as a result of the flood.
Grand Total	0	72,438	72,438	(68,100)	0	4,338	

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	0	46,400
Planning Software	0	0	150,000	0	150,000
Property Purchase	0	0	150,000	0	150,000
Flood Reinstatements Projects	0	0	(68,100)	0	(68,100)
	6,500,000	109,500	350,500	0	6,960,000
<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>Housing Related 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	9,261,200	982,100	1,703,200	432,500	12,379,000
<u>Capital Reserves to be released</u>					
Sands Centre Redevelopment	15,395,000	0	550,700	0	15,945,700
Play Area Improvements	35,000	0	0	0	35,000
Public Realm Improvements	380,000	0	0	0	380,000
	15,810,000	0	550,700	0	16,360,700
REVISED TOTAL	25,071,200	982,100	2,253,900	432,500	28,739,700

Scheme	Proposed Capital Programme 2020/21 £	Original Capital Programme 2021/22 £	Original Capital Programme 2022/23 £	Original Capital Programme 2023/24 £
Private Sector Grants	1,467,300	1,467,300	1,467,300	1,467,300
Planned Enhancements to Council Property	250,000	250,000	250,000	250,000
Vehicles, Plant & Equipment	647,000	1,486,000	1,297,000	0
ICT Infrastructure	82,600	82,600	115,600	170,700
Recycling Containers	45,000	45,000	45,000	45,000
Sands Centre Redevelopment	2,293,900	9,000	0	0
Carlisle Southern Link Road	0	0	5,000,000	0
TOTAL	4,785,800	3,339,900	8,174,900	1,933,000

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3
(C)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.03/19

Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B) that was considered by Executive on 29 May 2019

Questions for / input required from Scrutiny:

Members are asked to scrutinise the outturn position for Treasury Management in 2018/19.

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019
Audit Committee:	08 July 2019
Council:	16 July 2019

Report to Executive

Agenda
Item:

Meeting Date: 29 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD.03/19

Purpose / Summary:

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

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019
Audit Committee:	08 July 2019
Council:	16 July 2019

1. BACKGROUND

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 Appendix A1 to this report sets out a final report on Treasury Management in 2018/19 as required by the CIPFA Code of Practice on Treasury Management. Appendix A2 highlights some performance measures and Appendix A3 shows the final prudential indicators for 2018/19.
- 1.3 Appendices B1-B3 details the schedule of Treasury Transactions for the period 1 January 2019 – 31 March 2019.

2. RISKS

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

3. CONSULTATION

- 3.1 Business and Transformation Scrutiny Panel will consider the report on 30 May 2019 and the Audit Committee will do so on 08 July 2019.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Steven Tickner

Ext: 7280

Appendices attached to report:

- Appendix A1 – Treasury Management 2018/19**
- Appendix A2 – Performance Statistics**
- Appendix A3 – Prudential Code and Prudential Borrowing**
- Appendix B1 – Treasury Transactions**
- Appendix B2 – Investment Transactions**
- Appendix B3 – Outstanding Investments**

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

- None

CORPORATE IMPLICATIONS:

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

Finance – Included in the report

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

Information Governance – No implications

TREASURY MANAGEMENT 2018/19

1. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2018) requires that full Council should receive both a mid-term and an annual report on treasury management activities during the year. This report on the treasury function during 2018/19, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.
- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2018/19 was presented in November 2018 (RD27/18). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions are detailed and placed in the context of money market conditions in 2018/19 while the City Council's investment activities are also discussed.

Separate papers (A2 and A3) provide information on performance in 2018/19 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2018/19

	%	
1 April 2018	0.50	Average = 0.67%
31 March 2019	0.75	(2017/18= 0.35%)

- 2.2 The financial year began with bank rate at 0.50% however, the rate was increased to 0.75% in August 2018 and has remained at this level for the rest of 2018/19.
- 2.3 The pattern of long-term borrowing rates in 2018/19 can be gauged by the following table of Public Works Loans Board (PWLB) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2018	1.68	2.45	2.75
31 March 2019	1.68	2.09	2.60
Highest Rate in 2018/19	1.84	2.73	3.13
Lowest Rate in 2018/19	1.48	2.04	2.53
Span of Rates	0.36	0.69	0.60

3. LONG TERM FUNDING

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

3.2 The City Council did not, therefore, draw down any external long-term loans in 2018/19. The capital programme was funded internally by drawing from the authority's own resources, principally its stock of capital receipts, and from external grants and contributions.

4. DEBT RESCHEDULING

4.1 The City Council's long-term loans portfolio now consists entirely of the £15m stock issue, placed in 1995 and not due to mature until 2020. While there is a possibility that these funds could be repaid prior to that date, this is unlikely to be in the near future although the issue is regularly reviewed in conjunction with our treasury advisers. In the current financial climate, the cost of the premium that would be required to effect the early repayment remains prohibitive.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2019.

	£
Public Works Loans Board	NIL
Secured Loan Stock	15,000,000
Short Term Loans	<u>12,800</u>
Total Loans Outstanding	<u>£15,012,800</u>

6. INVESTMENT TRANSACTIONS

- 6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2019 is set out in Appendix B3. It should be noted that the Council's level of short-term investment reaches its lowest point each year on 31 March when any benefits accruing from positive annual cash flow are, by definition, extinguished.
- 6.2 The total at that date (£19.535m) can be compared with an average figure in 2018/19 of over £25.673m and a peak amount of over £35.956m. The closing balance in 2017/18 was £11.053m.
- 6.3 The Investment Strategy for 2018/19 embraced a mixture of longer-term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g. grant and precept payment dates. There were no changes made to counter-party limits in 2018/19.
- 6.4 Investment income in 2018/19 at £321,214 was below the original estimate of £346,400. Actual investment rates obtained from banks and building society investments in 2018/19 were generally below expectations when the budget was framed (even though there was a small interest rate rise part way through the year); however, this was mitigated by the outturn on average cash balances being higher than expected. The average yield on the Council's investments held excluding the property fund in 2018/19 was 0.99%. This is still a favourable return considering the position of bank base rates and compares well against other local authorities. This performance was assisted by a significant proportion of investments being placed for longer terms of up to a year and the use of deposit accounts for shorter dated cash requirements. At 31 March the investment in the CCLA Property Fund was yielding a return of 4.26%. Dividends received in 2018/19 totalled £145,400.29. The investment has also grown in capital value since the investment was placed in July 2014 from £2,836,893 (After entry costs of £163,107) to £3,435,773 (an increase of £598,880). The capital value for 2018/19 increased by £52,539. This overall increase in value offsets the initial entry costs but is still subject to fluctuations in the

overall performance of the fund. However, the fund is continuing to grow with more local authorities taking the decision to invest.

7 INVESTMENT STRATEGY 2019/20

- 7.1 The Investment Strategy must be agreed before the start of each financial year and the 2019/20 Strategy was approved by Council on 5 February 2019. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

- 8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long-term borrowing decision can affect an authority's measured performance for many years to come. In the case of the City Council, this is particularly the case with the £15m stock issue which will affect our average borrowing rate until 2020. Equally, borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.
- 8.2 Appendix A2 sets out some performance indicators in respect of both loans and investments outturn for 2018/19 and 2017/18.

9. TREASURY CONSULTANCY SERVICE (TCS)

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

10 CONCLUSIONS

- 10.1 The City Council has only one substantial long-term loan i.e. the £15m stock issue, which is likely to remain on the books until maturity as the cost of making a premature repayment would be very prohibitive in the present climate, particularly with interest rates being at such depressed levels. In addition, there are no plans to undertake any prudential or other borrowing in this financial year however the Medium-Term Financial Plan does anticipate external borrowing to fund leisure facilities in 2019/20 however this will be further assessed during future planning of the MTFP. The focus of the authority's treasury management activities therefore remains very much on the investment aspect of the function.
- 10.2 Investment conditions were very similar to as they were in 2017/18, although the increase in bank base rate saw a small increase in investment returns. The effect on the City Council's investment interest was slightly up on the previous year, the performance achieved was slightly better than bank base rate levels. For this authority, as indeed for

most others, the reduction in investment income poses a very significant financial challenge. This has been alleviated somewhat by the decision to invest in the CCLA property fund which has performed well since initial investment.

- 10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will start to rise again during 2019/20.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2018/19 %	2017/18 %
Average External Debt Rate - Carlisle	8.78	8.78

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years. The City Council's only substantial remaining external debt is the £15m stock issue which carries a high coupon (8.75% excluding management fee).

2. INVESTMENT MANAGEMENT (Excl. Property Fund)

	2018/19 %	2017/18 %
Average Return in Year - Carlisle	0.99	0.73
Average Bank Base Rate in Year	0.67	0.35

Comment

The City Council's rate of return in 2018/19 on its investments was slightly above that obtained in 2017/18 however was slightly below expectations when the budget was originally set.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

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

2. Prudential Indicators

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

3 Supported and Unsupported (or Prudential) Borrowing

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

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

	2018/19 Provisional Outturn £	2018/19 Revised Estimate £
(i) Capital Expenditure	5,863,517	9,071,500
(ii) Financing Costs		
Interest Payable - Re Borrowing	1,318,007	1,319,600
Minimum Revenue Provision	21,000	112,000
Investment Income	(321,214)	(346,400)
Total Financing Costs	1,017,793	1,085,200
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	13,538,635	12,981,000
(iv) Ratio of Financing Costs to Net Revenue Stream	7.52%	8.36%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	0.63	3.36
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	37,600,000	37,600,000
Maximum Level of Borrowing and Other Long term Liabilities	15,012,800	15,012,800
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2018/19 Provisional Outturn £	2018/19 Revised Estimate £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	32,600,000 15,012,800	32,600,000 15,012,800
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	13,686,521	16,463,000

(a) Prudence and Sustainability

	2018/19 £
(i) Target New Borrowing to Date No Long Term Borrowing has been taken in 2018/19	0 0
(ii) Target Percentage of Fixed Rate Long Term Borrowing Actual as at 31 March 2019	100% 100%
(iii) Target Percentage of Variable Rate Long Term Borrowing Actual as at 31 March 2019 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	100% 0%
(iv) Target Minimum Level of Investments Classified as Specified Actual Level of Specified Investments as at 31 March 2019 As part of the Investment Strategy for 2018/19, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%

TREASURY TRANSACTIONS
1 JANUARY 2019 TO 31 MARCH 2019

1. LOANS (DEBT)

1.1 Transactions 1 January 2019 to 31 March 2019

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	0	0
Local Bonds	0	0	0	0
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		0	

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

1.2 Loans (Debt) Outstanding at 31 March 2019

	£
City of Carlisle Stock Issue	15,000,000
Short Term Loans	12,800
	15,012,800

1.3 Loans Due for Repayment

	PWLB £	Overnight £	Total £
Short Term Debt at 31 March 2019	0	0	0
			0

Shown here is a calendar of future loan repayments which can be a useful aid to cash flow management. Following the repayment of the City Council's remaining PWLB debt in July 2004, no major debt repayments are anticipated.

1.4 Interest Rates

Link Asset Services suggest that the next interest rate rise will not be until February 2020, with rates climbing to 1.75% by March 2022.

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	23,500,000	0.65 - 1.25	30,900,000	0.65 - 0.91
	23,500,000		30,900,000	

A full schedule of investment transactions is set out in appendix B2. Appendix B3 shows outstanding investments at 31 March 2019.

3. REVENUES COLLECTED

	Collected £	% of Amount Collectable %
Council Tax	58,790,993	97.36
NNDR	43,904,416	98.42
2018/19	102,695,410	97.80
Council Tax	55,759,579	97.57
NNDR	43,478,923	97.83
2017/18	99,238,503	97.68
Council Tax	52,134,094	97.50
NNDR	44,527,817	98.27
2016/17	96,661,911	97.86

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

4. BANK BALANCE

At 31 March 2019 the bank balance was £837,456.64 in debit.

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

5. OUTTURN ON TREASURY MANAGEMENT IN 2018/19

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	(346)	(321)	25
Interest Payable	1,320	1,318	(2)
Less Rechargeable	(15)	(12)	3
	1,305	1,306	1
Principal Repaid	112	21	(91)
Debt Management	13	14	1
NET BALANCE	1,084	1,020	(64)

INVESTMENT TRANSACTIONS 1 JANUARY 2019 TO 31 MARCH 2019

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Outstanding Investments as at 31 March 2019

Appendix B3

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
	Barclays Bank (NRFB)	1,000,000	0.79%		Call1			0
	HSBC (RFB)	600,000	0.65%		Call1			0
	Goldman Sachs International Bank	1,000,000	0.85%	15/10/2018	12/04/2019	12	179	4,168
	Barclays Bank (NRFB)	1,500,000	0.78%	16/10/2018	12/04/2019	12	178	5,706
	Santander UK plc	2,000,000	1.00%	01/11/2018	29/04/2019	29	179	9,808
	Bank of Scotland PLC	1,000,000	1.00%	19/11/2018	20/05/2019	50	182	4,986
	Santander UK plc	1,000,000	1.00%	21/12/2018	19/06/2019	80	180	4,932
	Bank of Scotland PLC	1,000,000	1.00%	02/01/2019	28/06/2019	89	177	4,849
	Goldman Sachs International Bank	1,000,000	0.95%	31/01/2019	26/07/2019	117	176	4,581
	Standard Chartered Bank	1,000,000	0.96%	28/03/2019	27/09/2019	180	183	4,813
	Santander UK plc	1,000,000	1.00%	29/03/2019	27/09/2019	180	182	4,986
	Bank of Scotland PLC	2,000,000	1.15%	01/11/2018	05/11/2019	219	369	23,252
	Bank of Scotland PLC	2,000,000	1.25%	13/02/2019	21/02/2020	327	373	25,548
Total Investments		£16,100,000	0.99%			118	214	£97,630

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Investment (£)	Entry Cost (£) ¹	Initial Market Value (£)	Unrealised Growth (£)
CCLA Property Fund	3,435,773	4.26%	31/07/2014	3,000,000	(163,107)	2,836,893	435,773

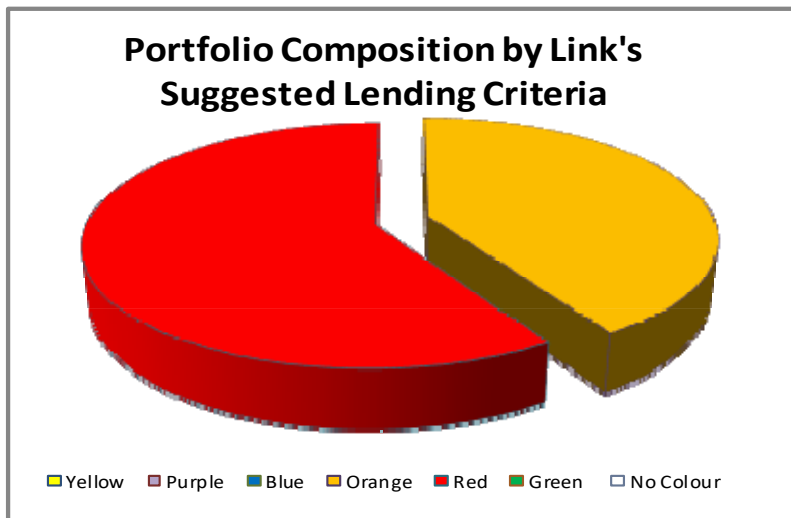
1. Entry Costs were charged against Treasury Management Budget in 2014/15

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

Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return WARoR	Weighted Average Days to Maturity WAM	Weighted Average Days to Maturity from Execution WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	40.99%	6,600,000	9.09%	600,000	3.73%	1.09%	187	279
Red	59.01%	9,500,000	10.53%	1,000,000	6.21%	0.92%	68	161
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	16,100,000	9.94%	1,600,000	9.94%	0.99%	117	209

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Mar 2019	Dec 2018	Sep 2018	Jun 2018
1	0.0	0.2	0.2	0.3
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	1.6	1.0	1.2	1.2
5	3.0	2.9	2.6	2.0
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	4.6	4.1	4.0	3.5



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

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

Agenda
Item:

A.3 (d)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Yes: Recorded in the Notice Ref:KD05/19

YES
Public

Title: COUNCIL TAX & NNDR PROVISIONAL OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD04/19

Summary:

This report summarises the provisional outturn and performance position for Council Tax, NNDR and was considered by Executive on 29 May 2019.

Questions for / input required from Scrutiny:

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

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019
Council:	N/a

Report to Executive

Agenda
Item:

CARLISLE
CITY COUNCIL



Meeting Date: 29
Portfolio: Finance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD05/19
Within Policy and
Budget Framework YES
Public / Private Public

Title: COUNCIL TAX & NNDR PROVISIONAL OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD04/19

Purpose / Summary:

This report summarises the 2018/19 provisional outturn and performance position for Council Tax and NNDR.

Recommendations:

Members are asked to note the provisional outturn position at 31 March 2019 for Council Tax and NNDR and also note the position with regard to write offs and bad debt trends.

Tracking

Executive:	29 May 2019
Scrutiny Panel:	30 May 2019
Council:	N/A

1. BACKGROUND

1.1 The aim of this report is to:

- i) Advise Members of the current position on the 2018/19 Council Tax and Business Rates Accounts i.e. the total value of accounts raised and how much has been collected in the 2018/19 financial year.
- ii) Highlight and explain any variances against the expected (or budgeted) position.

2. COUNCIL TAX PROVISIONAL OUTTURN AS AT 31 MARCH 2019

2.1 Collection Fund (Council Tax)

- 2.1.1 The Council Tax Collection Fund records all the entries in relation to income and expenditure in relation to Council Tax. For budgeting purposes, the Collection Fund position is estimated on 15th January each year and it is this figure that forms the basis of the following year's budget.
- 2.1.2 For 2018/19, the estimated position on the collection fund was a surplus of £763,657, with the Council's share being £97,179.
- 2.1.3 When the actual position was calculated at the end of 2017/18 the surplus on the Council Tax Collection Fund was £937,227 of which the Council's share was £117,885. This increase in the surplus is then redistributed in the estimate for 2019/20 for budgeting purposes.
- 2.1.4 The actual collection fund position for 2018/19 has been calculated and the surplus has decreased, now standing at £542,709. The current position on the Council Tax Collection Fund is shown below:

Carlisle City Council	£000
Balance Brought Forward (Surplus)	(937)
Council Tax Income (Net)	(60,210)
Precepts from Major Preceptors	
Cumbria County Council	44,964
Police & Crime Commissioner for Cumbria	7,854
Carlisle City Council	7,601
Impairment of Debts / Bad Debt Provision	89
Contribution towards previous years surplus	97
In Year Deficit	395
Total Carried Forward Surplus	(542)
Distributed to preceptors:	
Cumbria County Council	(401)
Police & Crime Commissioner for Cumbria	(74)
Carlisle City Council	(67)

This surplus on the Collection fund is carried forward on the Balance Sheet and will be distributed as part of the budget process in 2020/21. The in-year deficit is as a result of an increased amount of discounts being given (both normal and Council Tax Reduction Scheme discounts have increased in 2018/19).

3. COUNCIL TAX COLLECTION PERFORMANCE

- 3.1 The Council's Council Tax collection performance for 2018/19 was 97.4% (2017/18 - 97.5%).

4. NNDR PROVISIONAL OUTTURN AS AT 31 MARCH 2019

- 4.1 2018/19 is the sixth year of the Business Rate Retention Scheme (BRRS) and the Collection Fund Accounting Regulations and the fifth year the Council has participated in the Cumbria Pooling arrangement.
- 4.2 For 2018/19, the BRRS baseline for the Council of £3.208m was used as its budget estimate for income to be retained from Business Rates and an additional £1.650m was estimated to be generated from additional business rate income over the baseline level and from the effects of participating in the Cumbria Pool.
- 4.3 Under normal circumstances any additional income over and above the baseline level is shared 50/50 between the Council and Central Government in what is known as a 'levy'. However, local areas can form combined pools, where the net

position of top ups and tariffs result in the pool being a net top-up authority. The benefit of forming the pool is that 100% of additional income is kept within that pool and not paid over to central government, meaning the local area benefits from growth in business rate income. However, there are also potential risks as the pool has to deal with any fall in business rates itself as the Government will not pay any safety net payments when income falls below 92.5% of the baseline.

- 4.4 The County Council are the administering body for the pool, with all Districts in Cumbria participating in the arrangement. Each district pays the 50% levy that would have gone to Central Government into the Pool. This is then distributed amongst the members on an agreed formula. The distribution is as follows:

Gross Retained Levies

- Administration Costs by County Council
- = Net Retained Levy

40% distributed on basis of spending baseline proportions

40% distributed on basis of gross levy proportions (i.e. how much each authority pays into the pool)

20% retained as a volatility reserve for any future decline in income

4.5 2018/19 Outturn

There are three elements to the 2018/19 outturn, firstly the performance of the City Council's Business Rate Retention, secondly the performance of the Pool and finally the performance of the Collection Fund.

4.6 Business Rate Retention & Pooling

The table below shows the outturn for the Council's Business Rate Retention Scheme.

Carlisle City Council	£000
Income due from Rates Retention	(16,133)
Tariff payable	12,090
	(4,043)
Small Business Rate Relief	(1,142)
Autumn Statement Reliefs, Localism Reliefs and 1/2 Small Business Rate Reliefs 13/14 - 18/19	(85)
Total Net Retained Income	(5,270)
Baseline Funding	(3,208)
Total Additional Income	(2,062)
Levy Payable (to Pool)	(1,031)
Income Retained	(1,031)

Therefore, the Council retains £1,031,049 and pays £1,031,049 into the pool. The table below shows the total performance of the pool and the redistribution the Council will receive.

Cumbria Business Rate Pool	Levies	Spending Baseline Proportions	Gross Levy Proportions	Total Retained levy	Share of Volatility Reserve
	£	£	£	£	£
Allerdale	980,460	86,204	390,301	476,505	118,412
Barrow	680,397	73,797	270,852	344,649	85,646
Carlisle	1,031,049	78,648	410,439	489,087	121,539
Copeland	1,249,257	59,468	497,303	556,771	138,358
Eden	660,029	40,457	262,744	303,201	75,346
South Lakeland	1,645,781	53,038	655,151	708,189	175,986
Cumbria		2,095,178	0	2,095,178	528,109
	6,246,973	2,486,790	2,486,790	4,973,580	1,243,396
Less Admin Cost	(30,000)				
Net Retained levy	6,216,973				

The Council has therefore benefited from the Pool by £489,087 and for 2018/19 it is not proposed to set the share of the Volatility Reserve up as a separate earmarked reserve as income is growing and the risk of approaching the safety net by any partner is extremely low (the pool members are between 13.3% and 44.2% away from requiring safety net support). Therefore, the retained shares that would normally be set aside in the Volatility reserve will be retained in the General Fund.

Therefore, the total income from pooling for the Council for 2018/19 is £610,626. There is also an adjustment due to the Council for the pooling gains from 2017/18 of £13,409 following the final reconciliation of 17/18 gains made during the year. Therefore, the total recognised pooling gains will be £624,035 for 2018/19. The benefit of participating in the pool has effectively reduced the levy rate from 50% to 19.7% i.e. the Council gains £1,655,084 out of £2,062,098 growth, as opposed to £1,031,049 without pooling.

4.6.1 2018/19 Budget

The budget for funding from Business Rates was set at the baseline level which is set by Government and an additional amount to allow for growth and pooling benefits. However, actual income credited to the general fund is based on the 'NNDR1' estimate produced at the end of January 2018 and includes the estimate of Business Rate Income, the estimate for grant funding (Section 31 Grants) and the actual position on the Collection Fund. Therefore, the position **against the budget for retained income** is as follows:

Carlisle City Council	£000
Business Rate Baseline	(3,208)
Business Rate Multiplier Grant	(74)
Budgeted Growth/Pooling	(1,650)
Total Budgeted Funding	(4,932)
Income due from Rates Retention per NNDR1	(16,306)
Deficit on Collection Fund Brought Forward	836
Tariff payable	12,090
Section 31 Grants for Funded reliefs	(1,517)
Section 31 Grants for Flooding Reliefs ¹	(507)
Income due from Renewables Rate Growth	(516)
Enterprise Zone Reliefs	28
2017/18 Levy Adjustments	(5)
Levy Payable	1,031
Pooling Redistribution	(624)
Total Net Retained Income against Budget	(5,490)
Total Additional Income to be returned to Reserves	(558)

Note1: It should be noted that the Council is still awaiting final confirmation and reconciliation of flood discounts funding from MHCLG and how the scheme for flood discounts will be closed.

The amount to be returned to reserves highlighted in report RD01/19 will therefore increase by the £558,000 identified above.

4.6.2 Collection Fund

The final aspect of Business Rate Retention relates to the position on the Collection Fund. The Business Rates Collection Fund records all the entries in relation to income and expenditure in relation to Business Rates. In 2017/18 the deficit on the Business Rates Collection Fund was £1,251,729 of which the Council's share was £500,692.

The current position on the Business Rates Collection Fund is shown below:

Carlisle City Council	£000
Balance Brought Forward (Deficit)	1,252
Net Rates Payable	(44,225)
Transition payments	1,792
Cost of Collection	179
Shares to Major Preceptors	38,675
Renewables	319
Appeals Settled Provided for in 2017/18	(294)
New Appeals to be provided for 2018/19	1,875
Losses on Collection	289
In Year Surplus	(1,390)
Total Carried Forward Surplus	(138)
Carlisle City Council Share	(55)
Cumbria County Council Share	(14)
Central Government Share	(69)

The main reason for the improved position from a brought forward deficit to a surplus is to do with a reduced amount of transitional payments following the revaluation in 2017.

The Surplus on the Collection fund of £137,523 is carried forward on the Balance Sheet and will be paid as part of the redistribution in 2020/21.

4.7 Summary Business Rates

- 4.7.1 Business Rates income has performed well in 2018/19 and has exceeded budgeted expectations by £558,000. The Council has achieved additional income from Retained Business Rates income of £2,062,098 in 2018/19 and by participating in the Cumbria Pool has managed to retain £1,655,084 of this. The Council's business rates collection performance for 2018/19 was 98.42% compared with 97.83% in 2017/18.

4.8 Overall Summary

- 4.8.1 In summary, the position on the Council Tax and Business Rates Collection Funds are as follows:

	Council Tax	Business Rates	Total
	£000	£000	£000
Balance Brought Forward (Surplus)/Deficit	(937)	1,252	315
In Year (Surplus)/Deficit	395	(1,390)	(995)
Total Carried Forward Deficit	(542)	(138)	(680)
Carlisle City Council Share	(67)	(55)	(122)
Cumbria County Council Share	(401)	(14)	(415)
Police & Crime Commissioner Share	(74)		(74)
Central Government Share		(69)	(69)

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

- 5.1 In accordance with Constitution, the Corporate Director of Finance and Resources is delegated with authority for the write-off of outstanding debts, without limit, and the Executive is asked to note that debts totalling £149,554.53 have been written off for the period 1st January 2019 to 31st March 2019; such bad debts are summarised for the Executive's information in Table 1 of this report. The total amount written off in 2018/19 of £548,483.81 compares to total write-offs in 2017/18 of £281,314.22.
- 5.2 The write-ons itemised in Table 1 totalling £12,231.78 are in respect of balances originally written off that have since been paid and credit write-offs for the period 1st January 2019 to 31st March 2019.
- 5.3 Also noted in Table 1 are the cumulative write offs and write-ons 1st April 2018- 31st March 2019. Total write-ons for 2018/19 were £24,832.80 compared to £15,094.57 in 2017/18.

Table 1

<u>Type of Debt</u>	Write offs 01/04/18 - 30/06/18 Quarter 1				Write offs 01/07/18 - 30/09/18 Quarter 2				Write offs 01/10/18 - 31/12/18 Quarters 3				Write offs 01/01/19 - 31/03/19 Quarter 4				Total Write offs 2018/19			
	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons
NNDR	9	43,054.28	7	194.12	11	59,462.61	10	372.17	16	151,182.54	4	43.22	29	74,275.42	11	11,153.39	65	327,974.85	32	11,762.90
NNDR (PSC)																	0	0.00	0	0.00
Council Tax	95	32,174.33	15	4576.62	53	26,425.25	15	1948.85	32	14,923.34	12	2,530.58	62	38,912.97	13	1,025.33	242	112,435.89	55	10,081.38
Debtors																	0	0.00	0	0.00
Private Tenants																	0	0.00	0	0.00
Housing Benefit	73	42,148.02	5	2811.13	56	17,807.55			20	5,033.85	3	123.11	62	18,529.79	1	39.31	211	83,519.21	9	2,973.55
Overpayments																	0	0.00	0	0.00
General Fund	20	1,254.22	5	0.92	8	1,023.55	3	0.04	5	5.00	1	0.26	20	17474.35	6	13.75	53	19,757.12	15	14.97
Penalty Charge																	0	0.00	0	0.00
Notices																	0	0.00	0	0.00
On Street 16	2	194.00			1	28.46			1	77.00			0	0			4	299.46	0	0.00
Off Street 3	30	2461.00			11	973.00			9	701.28			4	362.00			54	4,497.28	0	0.00
																	0	0.00	0	0.00
TOTAL	229	121,285.85	32	7,582.79	140	105,720.42	28	2,321.06	83	171,923.01	20.00	2,697.17	177	149,554.53	31	12,231.78	629	548,483.81	111	24,832.80

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

6.1 The outturn position in respect of 2018/19 on a cumulative basis by fund indicates total debts written off of £548,483.81.

6.2 Write offs were debited as follows:

	£
Council Tax (Collection Fund	112,435.89
NNDR	327,974.85
General Fund	108,073.07
Total	548,483.81

6.3 Write-ons were credited as follows:

	£
Council Tax (Collection Fund	10,081.38
NNDR	11,762.90
General Fund	2,988.52
Total	24,832.80

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

	General Fund	Council Tax	NNDR	Total
Opening Bad Debt Provision	1,511,910	1,430,212	290,228	3,102,940
Closing Bad Debt Provision	1,502,533	1,616,235	262,939	3,381,707

7. RISKS

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

8. CONSULTATION

- 8.1 Business and Transformation Scrutiny Panel will consider the report on 30 May 2019.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The provisional outturn position and comments on performance will feed into the overall Revenue accounts for 2018/19.
- 9.2 Members are asked to note the provisional outturn position at 31 March 2019 for Council Tax and NNDR and also note the position with regard to write offs and bad debt trends.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Steven Tickner

Ext: 7280

**Appendices
attached to report:**

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

- None

CORPORATE IMPLICATIONS:

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

Finance – Included within this report

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

Information Governance - No Implications

Report to Business and Transformation Scrutiny Panel

Agenda Item:
A.3 (e)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.05/19
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL OUTTURN REPORT FOR 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD05/19

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2018/19.

Questions for / input required from Scrutiny:

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

Recommendations:

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

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019
Council:	Not applicable

Report to Executive

Agenda
Item:

Meeting Date: 29th May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD05/19
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: ELECTED MEMBERS' ALLOWANCES - PROVISIONAL
OUTTURN REPORT FOR 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD05/19

Purpose / Summary:

This report sets out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2018/19.

Recommendations:

The Executive is asked to receive the report and note the overall underspend of £11,479 on allowances for 2018/19.

Tracking

Executive:	29/05/2019
Scrutiny:	BTSP 30/05/2019
Council:	Not applicable

1. BACKGROUND

- 1.1 Set out in the attached **Appendix 1** are the amounts paid directly to individual Members as part of the Elected Members' Allowances Scheme for 2018/19 as required under paragraph 15 of the Local Authority (Members Allowances) (England) regulations 2003.

2. PROPOSALS

- 2.1 The detail in respect of Travel and Subsistence for Members collectively is provided in paragraph 2.6.

- 2.2 The overall position is summarised as follows:

	Budget	Outturn	Variance
	£	£	£
Basic Allowance	258,500	253,360	(5,140)
Special Responsibility allowance	90,200	84,616	(5,584)
Dependent Carers' Allowance	0	0	0
Travel	9,700	7,714	(1,986)
Subsistence	2,600	3,831	1,231
Total	361,000	349,521	(11,479)

- 2.3 There is an underspend overall of £11,479.

- 2.4 The Basic Allowance budget is under-spent because budgets are allocated for a full year from April and there were vacancies on the Council for some part of the year.

- 2.5 The Special Responsibility Allowance budget is slightly under-spent. This is partly due to committees not sitting until later in the year and therefore allowances only being paid for part of the year. In addition, Members are only entitled to receive one Special Responsibility Allowance and therefore if they hold two positions that attract an allowance only one will be paid.

2.6 Details of Travel and Subsistence:

	Budget £	Outturn £
Public Transport		
• Public transport costs in respect of attendance at committee meetings and other approved duties	1,825	858
• Planning Site visits and other approved duties	1,175	1,175
	3,000	2,033
Mileage Expenses		
Mileage costs in respect of attendance at committee meetings and other approved duties	6,700	5,681
Subsistence Expenses		
Subsistence costs in respect of attendance at committee meetings and other approved duties	2,600	3,831

Please note that subsistence covers items such as:

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

3. RISKS

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

4. CONSULTATION

4.1 The report will be considered by Business and Transformation Scrutiny Panel on 30 May 2019.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1 The Executive is asked to receive the report and note the overall under-spend of £11,479 with the Members' Allowances Scheme for 2018/19.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Alison Taylor

Ext: 7290

**Appendices
attached to report:**

Appendix 1 – Members' Allowances Summary 2018/19

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

- **None**

CORPORATE IMPLICATIONS:

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

FINANCE – Contained within the report

EQUALITY – not applicable

INFORMATION GOVERNANCE – not applicable

MEMBERS' ALLOWANCES SUMMARY 2018/19

APPENDIX 1

Init	Surname	Basic	Became a councillor	Ceased to be a councillor	SRA	Travel	Subsistence	Notes
Ruth	Alcroft	4,887.00						
Trevor	Allison	4,887.00						
James	Bainbridge	4,887.00						
John	Bell	4,887.00			1,128.00			
Robert	Betton	4,887.00						
Pamela	Birks	4,887.00			3,880.48			
Raynor	Bloxham	4,887.00			157.68	597.98		
Jeffrey	Bomford	4,887.00			3,276.04			
Steven	Bowditch	446.66		03/05/2018	103.10			
Cyril	Bowman	4,887.00				314.00		
Marilyn	Bowman	4,887.00				438.28		
Heather	Bradley	446.66		03/05/2018	615.56			
Lisa	Brown	2,782.88	06/09/2018			98.50	93.00	Accommodation, meals
Robert	Burns	446.66		03/05/2018				
Paul	Carrigan	4,453.48	03/05/2018					
Nigel	Christian	4,887.00						
Joanna	Coleman	4,887.00						
John	Collier	4,887.00			100.71			
Susan	Crawford	4,453.48	03/05/2018			14.00		
Robert	Currie	4,453.48	03/05/2018					
Barry	Earp	4,887.00			157.68	164.06		
Gareth	Ellis	4,887.00						
Chirstine	Finlayson	4,887.00						
Anne	Glendinning	4,887.00			5,811.65			
Colin	Glover	4,887.00			17,967.00	961.31	1,365.55	Accommodation, meals, car parking
David	Graham	4,453.48	03/05/2018					
Abdul	Harid	4,887.00			157.68			
Stephen	Higgs	4,887.00						
James	Layden	4,887.00				554.52		
John	Mallinson	4,887.00			4,497.00		922.00	Accommodation
Elizabeth	Mallinson	4,887.00						
Hugh	McDevitt	1,287.44	05/07/2018					
Maureen	McDonald	4,887.00						
Ann	McKerrell	4,887.00						
Niall	McNulty	4,887.00						
Michael	Mitchelson	4,887.00						
David	Morton	4,887.00						
Nigel	Nedved	4,887.00			4,497.00	97.00	73.50	Accommodation
Doreen	Parsons	4,887.00				1,035.48	161.65	Accommodation, meals
John	Paton	4,887.00			4,497.00	51.05		
Lucy	Patrick	4,887.00			628.61			
Ann	Quilter	4,887.00			6,735.00			
Jessica	Riddle	4,887.00			628.61			
Fiona	Robson	4,887.00						
David	Shepherd	4,887.00				849.89		
Lee	Sherriff	4,887.00			6,735.00	766.47	263.91	Accommodation
Therese	Sidgwick	4,887.00			3,685.04	57.37		
Stephen	Sidgwick	4,887.00						
Christopher John	Southward	4,887.00			6,735.00			
George	Stothard	4,887.00						
Les	Tickner	4,887.00			11,229.00	106.70	951.21	Accommodation, meals, expenses
Raymond	Tinnion	4,887.00				432.74		
Patricia	Vasey	4,887.00						
Ann	Warwick	4,887.00			628.61			
Reginald	Watson	4,887.00						
Jo-Anne	Williams	4,887.00						
David	Wilson	446.66		03/05/2018				
STANDARDS COMMITTEE					765.00			
PLANNING VISITS						1,175.00		
VAT								
MEMBER LEARNING								
	Sum:	253,359.88			84,616.45	7,714.35	3,830.82	

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

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.4

Meeting Date: 30th May 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: SICKNESS ABSENCE REPORT 2018/19
Report of: Corporate Director of Finance and Resources
Report Number: RD 06/19

Purpose / Summary:

This report sets out the authority's sickness absence levels for the period April 2018 to March 2019 and other sickness absence information.

Recommendations:

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

Tracking

Executive:	Not applicable
Scrutiny: BTSP	30 May 2019
Council:	Not applicable

1. BACKGROUND

The Council has a well-recognised, robust attendance management procedure to manage instances of attendance which cause concern. Current sickness statistics are shown below, with the number of days lost per FTE equating to 10.3 in 2018/19 (9.3 2017/18).

2. 2018/19 SICKNESS ABSENCE

The table below shows the 10.3 days lost per FTE in 2018/19 split between long and short-term sickness (long term sickness is defined as any absence more than 4 working weeks):

	Days Lost		Days Lost per FTE	
Year	2017/18	2018/19	2017/18	2018/19
Long-term	2,248 (58%)	2,769 (65%)	5.4 (58%)	6.7 (65%)
Short-term	1,627 (42%)	1,491 (35%)	3.9 (42%)	3.6 (35%)
Total	3,875	4,260	9.3	10.3

The tables below provide sickness absence levels split by directorates

Directorate Sickness Absence Levels (new Council structures in place with effect from 1 October 2016 and 1 October 2018)

All Directorates (454 head count/396 Full-Time Equivalents (FTE) as at 31/3/19)				
Indicator	2015/16	2016/17	2017/18	2018/19
Working days lost due to sickness absence per FTE	8.6	7.4	9.3	10.3
Number of working days lost due to sickness absence	4046	3037	3875	4260
Proportion of sickness absence that is long term (four working weeks or more)	56%	48%	58%	65%

Community Services (169 head count/161 FTE)				
Indicator	2015/16	2016/17	2017/18	2018/19
Working days lost due to sickness absence per FTE			12.6	13.1
Number of working days lost due to sickness absence			2078	2139
Proportion of sickness absence that is long term (four working weeks or more)			69%	68%

Economic Development (38 head count/35 FTE)				
Indicator	2015/16	2016/17	2017/18	2018/19
Working days lost due to sickness absence per FTE			3.6	4.4
Number of working days lost due to sickness absence			128	157
Proportion of sickness absence that is long term (four working weeks or more)			0%	33%

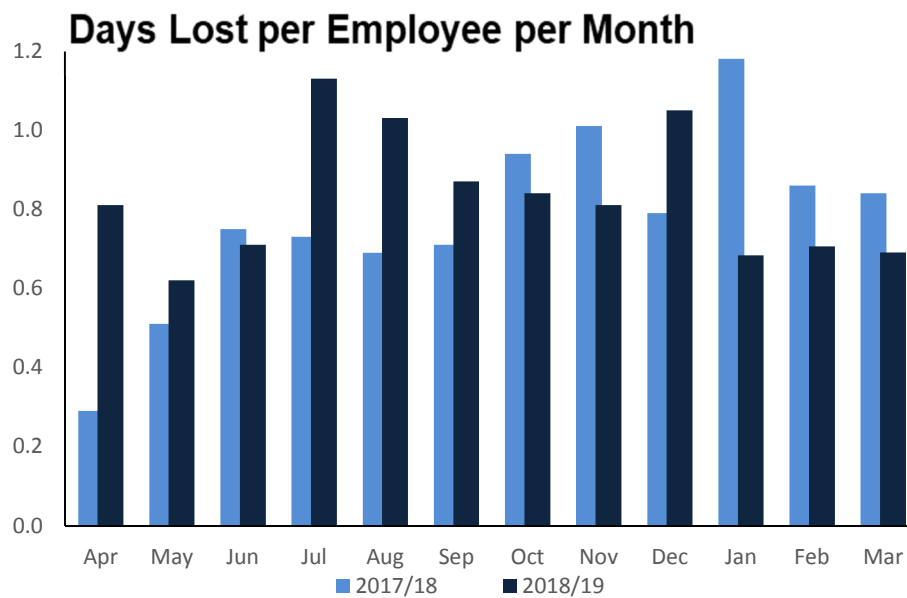
Governance and Regulatory Services (121 head count/97 FTE)				
Indicator	2015/16	2016/17	2017/18	2018/19
Working days lost due to sickness absence per FTE			8.6	11.1
Number of working days lost due to sickness absence			902	1165
Proportion of sickness absence that is long term (four working weeks or more)			59%	78%

Corporate Support and Finance and Resources directorates* (126 head count/102 FTE)				
Indicator	2015/16	2016/17	2017/18	2018/19
Working days lost due to sickness absence per FTE			6.8	7.8
Number of working days lost due to sickness absence			768	799
Proportion of sickness absence that is long term (four working weeks or more)			45%	44%

*Corporate Support and Finance and Resources directorates restructures took effect from 1/10/18, therefore reporting on new directorates will therefore commence from 2019/20.

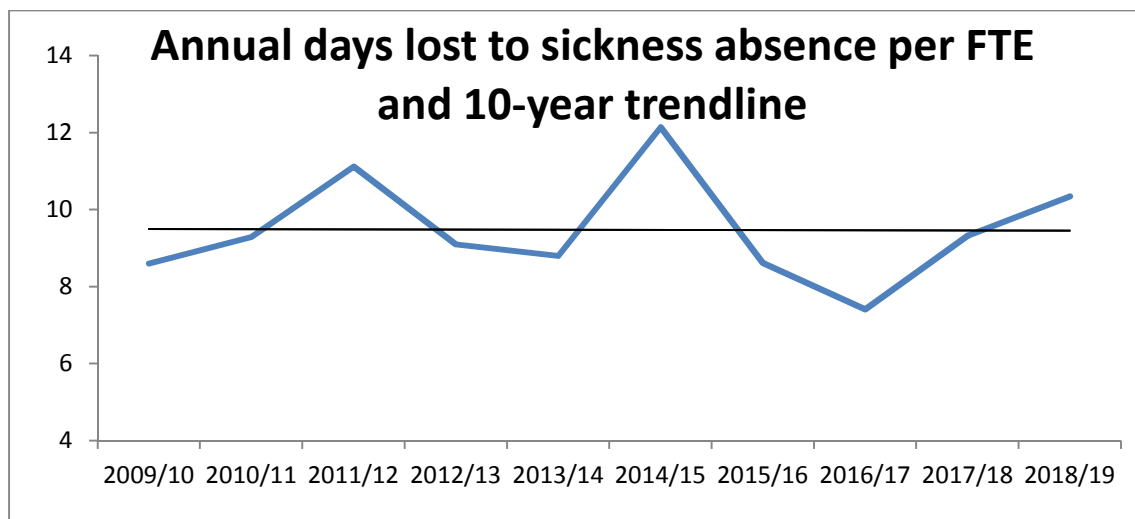
There has been an increase in overall days lost per employee when compared to the same period in the previous year. This has been mainly due to an increase in long-term absences. 54 instances (this relates to 51 employees) have been long-term (those cases where the absence is 4 working weeks or more) in 2018/19; seven more than the same period last year. 4 of the 54 instances remained open on 25 April 2019 and 21 of the 54 instances are due to 'Stress, depression, mental health, fatigue syndromes'.

The following graph compares the latest twelve months with those of the previous year. The trend of a year-on-year increase can be seen in this graph although in Quarter 4 significant improvements have been made and we hope that this will continue.



3. TRENDS

Authority-wide, compared to same period of 2017/18, 2018/19 levels of sickness have increased by 11%. The long-term trend can be seen in the graph below:



4. SICKNESS ABSENCE REASONS

The reasons for sickness absence are shown in the table below. The table shows the FTE days lost due to each reason for the sickness absence and is split by directorate. 'Stress, depression, mental health, fatigue syndromes' currently represents the absence reason with the greatest days lost. 88% of these 1,245 lost days were from the 21 long term instances of absence.

FTE Days lost by reason and directorate	Comm. Services	Gov & Reg Services	Economic Dev't	Other*	Total
Back and neck problems	213	17	11	22	262 (6%)
Other musculo-skeletal problems	364	54	1	20	439 (10%)
Stress, depression, mental health, fatigue syndromes	854	138		253	1245 (29%)
Infections (incl. colds and flu)	160	113	49	151	473 (11%)
Neurological (incl. headaches and migraine)	23	9	5	34	70 (1.6%)
Genito-urinary / gynaecological	39	4		12	55 (1.3%)
Pregnancy related (not maternity leave)		1	1	0	2 (0.1%)
Stomach, liver, kidney & digestion (incl. gastroenteritis)	201	248	77	155	681 (16%)
Heart, blood pressure & circulation	74	53		0	127 (3%)
Chest & respiratory (incl. chest infections)	126	141	7	46	319 (7%)
Ear, eye, nose & mouth / dental (incl. sinusitis)	77	3	3	32	114 (3%)
Other	9	385	3	77	473 (11%)

*Combination of Corporate Support and Finance and Resources Directorates – restructure occurred mid-year.

5. RETURN TO WORK INTERVIEWS (RTW)

In 2018/19, 98.3% of return to work interviews were conducted (2017/18: 99%). The time taken to complete the interviews and the proportion completed within five working days has also been included in the table below:

Directorate	Proportion of RTWs conducted	Average time taken to complete RTW (working days)	Proportion of RTWs completed within 5 working days
Community Services	98.3%	4.3	83.5%
Corporate Support and Finance & Resources Directorates	98.8%	6.3	75.9%
Economic Development	100%	11.7	62.5%
Governance & Regulatory Services	96.9%	6.3	67.4%
All Directorates	98.3%	5.8	76.7%

6. KEY ACTIVITIES TO SUPPORT ATTENDANCE MANAGEMENT

HR, Organisational Development, Health & Safety and Occupational Health all continue to work closely to proactively manage all sickness absence cases, attendance at work and health surveillance and promotion. The following initiatives have been arranged since January 2019 to improve health and wellbeing and reduce sickness absence:

- EAP Employee Newsletters sent to staff – February and March 2019 - covering subjects such as: Reduce commuting woes, Signs of employee mental health, Preventing workplace negativity, Eating disorder week and World sleep day;
- EAP Employer Newsletters sent to managers – February and March 2019 - covering subjects such as: Time to talk day, Wear red for BHF, Employee fitness, Eating disorders and Helping keep staff happy and motivated;
- The EAP telephone and face-to-face services were used on 35 occasions by employees in 2018/19, with the main reason being mental health, with calls relating to the legal advice service increasing. In addition, 3 management referrals were made. The online service was also accessed nearly 400 times.
- Having already been awarded the Better Health at Work – Bronze Award the Council are continuing to work towards the Silver Award;
- Bite Size course – Brilliance at Resilience & Less Stress (13 attendees) – February 2019;
- Masterclass – Mindfulness (10 attendees) – February 2019;
- Time to Talk Day (32 attendees) – February 2019;
- Wellbeing Survey (162 responses) – February 2019;
- Sleep Awareness sessions (15 attendees) – March 2019;
- The Council also holds the Disability confident award which is due for renewal in June 2019.
- Lunchtime Learning – Mindful craft classes, crochet and advanced crochet - ongoing;
- Lunch time walks, Physio Pilates, Meditation, Yoga – all ongoing;
- Counselling Service and Staff rest room – continuation of service/offer to staff;
- Wellbeing pages on the intranet - which include support for mental health, carers and general wellbeing – ongoing;

In addition to activities listed above, HR are working closely with line managers to ensure that Council policies are adhered to and being used effectively

7. PROPOSALS

None

8. RISKS

None

9. CONSULTATION

The report was reviewed by the Senior Management Team on 7 May 2019.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: **Gary Oliver**
 Sue Kaveney

Ext: **7430**
 7071

Appendices
attached to report:
N/A

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

- **None**

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

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

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

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: END OF YEAR PERFORMANCE REPORT 2018/19
Report of: Policy and Communications Manager
Report Number: PC.05/19

Purpose / Summary:

This report contains the 2018/19 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 2018/19 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:	17/06/19
Scrutiny:	Business and Transformation 30/5/19 Health and Wellbeing 06/06/19 Economic Growth 13/06/19
Council:	N/A

1. BACKGROUND

This report contains the 2018/19 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.

All measures were reviewed by officers in the previous quarter and changes consulted on at Scrutiny Panels in the last report.

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 appendix attached contains the Council's performance against the KPIs within the Panel's remit.

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 – 1 'red', 2 'amber' and 2 'green'

KPIs – 1 'red', 4 'amber' and 16 'green'

Summary of Exceptions (RED)

Service Standards:

Measure	Target	Performance
SS05: Corporate complaints should be dealt with within 15 working days	100%	93.3% (see comments in service standard section)

KPIs:

Measure	Target	Performance
FR03 Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	9.3	10.3 (separate agenda item at BTSP 30 May 19)

2. PROPOSALS

See KPI changes.

3. RISKS

None

4. CONSULTATION

The report was reviewed by Directorate Management Teams and Senior Management Team in April and will be considered at the other Scrutiny Panels.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to comment on the End of Year 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.

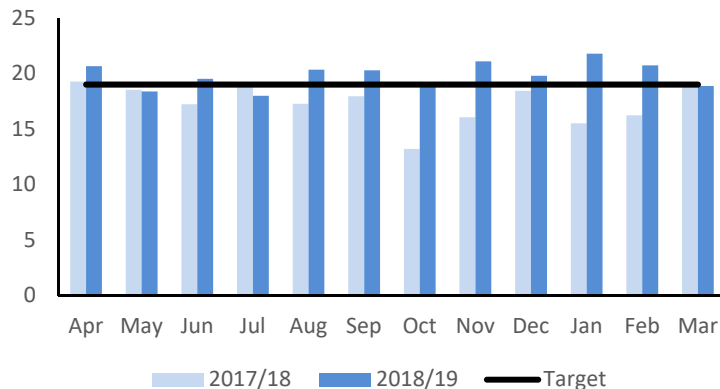

Section 1: Service Standards 2018/19

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Five further measures were introduced from Quarter 2 2017/18 and reviewed again at the end of 2017/18 and Quarter 3 2018/19.

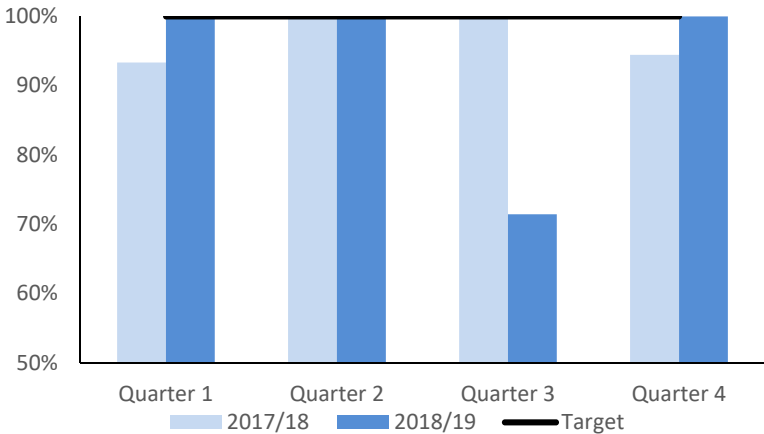
Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

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

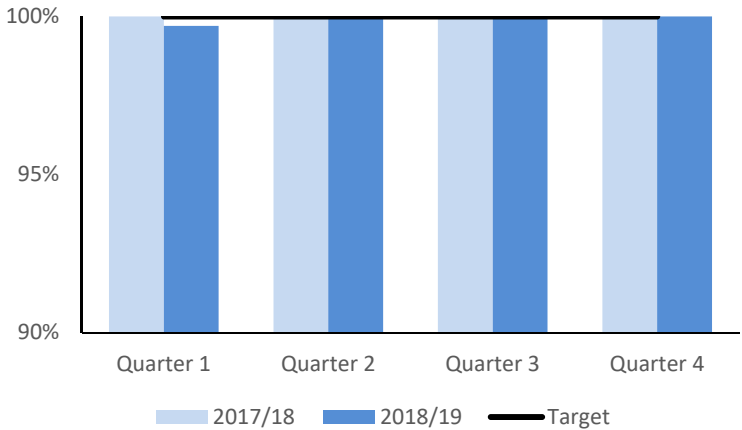
SS04: Average number of working days to process new benefits claims

Service Standard	To end of 2018/19	Performance by Month	Further Information																																																				
New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities	19.7 days (2017/18: 17.4 days)	 <table><caption>Monthly Performance Data (Estimated)</caption><thead><tr><th>Month</th><th>2017/18 (Days)</th><th>2018/19 (Days)</th><th>Target (Days)</th></tr></thead><tbody><tr><td>Apr</td><td>19.0</td><td>20.5</td><td>19.0</td></tr><tr><td>May</td><td>18.5</td><td>18.5</td><td>19.0</td></tr><tr><td>Jun</td><td>17.5</td><td>19.5</td><td>19.0</td></tr><tr><td>Jul</td><td>18.0</td><td>18.0</td><td>19.0</td></tr><tr><td>Aug</td><td>17.5</td><td>20.0</td><td>19.0</td></tr><tr><td>Sep</td><td>18.0</td><td>20.0</td><td>19.0</td></tr><tr><td>Oct</td><td>13.5</td><td>19.0</td><td>19.0</td></tr><tr><td>Nov</td><td>16.0</td><td>21.0</td><td>19.0</td></tr><tr><td>Dec</td><td>18.5</td><td>19.5</td><td>19.0</td></tr><tr><td>Jan</td><td>15.5</td><td>22.0</td><td>19.0</td></tr><tr><td>Feb</td><td>16.5</td><td>20.5</td><td>19.0</td></tr><tr><td>Mar</td><td>18.5</td><td>19.0</td><td>19.0</td></tr></tbody></table>	Month	2017/18 (Days)	2018/19 (Days)	Target (Days)	Apr	19.0	20.5	19.0	May	18.5	18.5	19.0	Jun	17.5	19.5	19.0	Jul	18.0	18.0	19.0	Aug	17.5	20.0	19.0	Sep	18.0	20.0	19.0	Oct	13.5	19.0	19.0	Nov	16.0	21.0	19.0	Dec	18.5	19.5	19.0	Jan	15.5	22.0	19.0	Feb	16.5	20.5	19.0	Mar	18.5	19.0	19.0	<p>This measure is the combined average for all new claims processed, both Housing Benefit (HB) and our Council Tax Reduction Scheme (CTRS). For universal credit customers there are delays in claims being made or all information being provided for CTRS. As a result, overall performance is being affected, in some cases by factors that are outside of our control.</p>
	Month		2017/18 (Days)	2018/19 (Days)	Target (Days)																																																		
	Apr		19.0	20.5	19.0																																																		
May	18.5	18.5	19.0																																																				
Jun	17.5	19.5	19.0																																																				
Jul	18.0	18.0	19.0																																																				
Aug	17.5	20.0	19.0																																																				
Sep	18.0	20.0	19.0																																																				
Oct	13.5	19.0	19.0																																																				
Nov	16.0	21.0	19.0																																																				
Dec	18.5	19.5	19.0																																																				
Jan	15.5	22.0	19.0																																																				
Feb	16.5	20.5	19.0																																																				
Mar	18.5	19.0	19.0																																																				
On target?		<p>The split of the 19.7 days achieved for 2018/19 is as follows</p> <p>HB 17.6 days CTRS 20.9 days</p>																																																					
																																																							

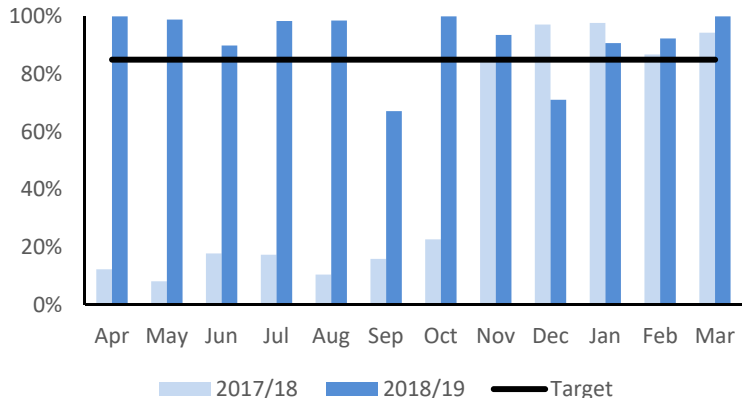
SS05: Proportion of corporate complaints dealt with on time

Service Standard	To end of 2018/19	Performance by Quarter	Further Information
Corporate complaints should be dealt with within 15 working days	93.3%	 <p>28 out of 30 corporate complaints were completed on time in 2018/19. Two Development Control complaints in Quarter 3 required lengthy and complex technical input to provide a full response.</p> <p>No complaints were referred to the Ombudsman in 2018/19.</p>	
	(2017/18: 96.9%)		
	On target?		
	✗		

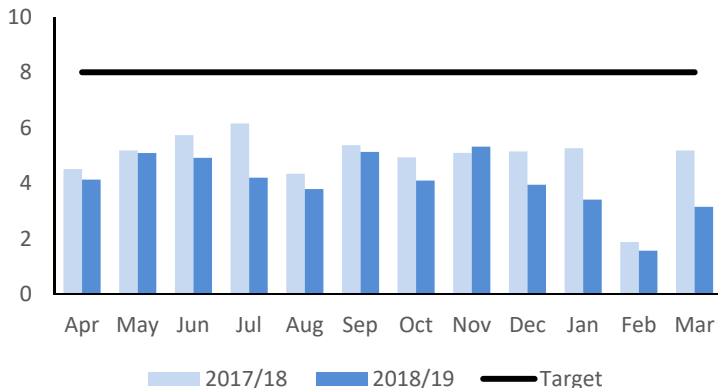
SS07: Proportion of non-contentious licence applications completed on time

Service Standard	To end of 2018/19	Performance by Quarter	Further Information
100% of non-contentious licence applications should be completed within 10 working days	99.9% (2017/18: 100%)	 <p>The chart displays performance across four quarters. The y-axis represents the percentage of applications completed on time, ranging from 90% to 100%. The x-axis lists Quarter 1, Quarter 2, Quarter 3, and Quarter 4. For each quarter, there are two bars: a light blue bar for 2017/18 and a dark blue bar for 2018/19. A horizontal black line at the 100% mark represents the target. In 2017/18, performance was consistently at 100%. In 2018/19, performance was 99.9% across all quarters.</p>	<p>932 out of 933 applications completed on time in 2018/19.</p> <p>In 2017/18 100% of 871 applications were completed on time.</p>
	On target?		
	▲		

SS08: Proportion of official local authority searches completed on time

Service Standard	To end of 2018/19	Performance by Month	Further Information																																							
85% of official local authority searches should be completed within 10 working days	92.2% (2017/18: 41.8%)	 <table><thead><tr><th>Month</th><th>2017/18 (%)</th><th>2018/19 (%)</th></tr></thead><tbody><tr><td>Apr</td><td>10</td><td>100</td></tr><tr><td>May</td><td>8</td><td>100</td></tr><tr><td>Jun</td><td>18</td><td>90</td></tr><tr><td>Jul</td><td>18</td><td>100</td></tr><tr><td>Aug</td><td>10</td><td>100</td></tr><tr><td>Sep</td><td>15</td><td>68</td></tr><tr><td>Oct</td><td>22</td><td>100</td></tr><tr><td>Nov</td><td>85</td><td>95</td></tr><tr><td>Dec</td><td>98</td><td>72</td></tr><tr><td>Jan</td><td>98</td><td>90</td></tr><tr><td>Feb</td><td>85</td><td>92</td></tr><tr><td>Mar</td><td>95</td><td>100</td></tr></tbody></table>	Month	2017/18 (%)	2018/19 (%)	Apr	10	100	May	8	100	Jun	18	90	Jul	18	100	Aug	10	100	Sep	15	68	Oct	22	100	Nov	85	95	Dec	98	72	Jan	98	90	Feb	85	92	Mar	95	100	704 searches were completed in the year.
	Month		2017/18 (%)	2018/19 (%)																																						
	Apr		10	100																																						
May	8	100																																								
Jun	18	90																																								
Jul	18	100																																								
Aug	10	100																																								
Sep	15	68																																								
Oct	22	100																																								
Nov	85	95																																								
Dec	98	72																																								
Jan	98	90																																								
Feb	85	92																																								
Mar	95	100																																								
On target?																																										
✓																																										

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

Service Standard	To end of 2018/19	Performance by Month	Further Information																																							
Changes should be processed within 8 days	3.8 days (2017/18: 4.5 days)	 <p>Legend: 2017/18 2018/19 Target</p> <table><caption>Monthly Performance Data (Estimated)</caption><thead><tr><th>Month</th><th>2017/18 (days)</th><th>2018/19 (days)</th></tr></thead><tbody><tr><td>Apr</td><td>4.5</td><td>4.2</td></tr><tr><td>May</td><td>5.2</td><td>5.1</td></tr><tr><td>Jun</td><td>5.8</td><td>4.9</td></tr><tr><td>Jul</td><td>6.2</td><td>4.3</td></tr><tr><td>Aug</td><td>4.4</td><td>3.8</td></tr><tr><td>Sep</td><td>5.4</td><td>5.1</td></tr><tr><td>Oct</td><td>4.9</td><td>4.2</td></tr><tr><td>Nov</td><td>5.2</td><td>5.3</td></tr><tr><td>Dec</td><td>5.1</td><td>4.0</td></tr><tr><td>Jan</td><td>5.3</td><td>3.5</td></tr><tr><td>Feb</td><td>2.0</td><td>1.8</td></tr><tr><td>Mar</td><td>5.2</td><td>3.2</td></tr></tbody></table>	Month	2017/18 (days)	2018/19 (days)	Apr	4.5	4.2	May	5.2	5.1	Jun	5.8	4.9	Jul	6.2	4.3	Aug	4.4	3.8	Sep	5.4	5.1	Oct	4.9	4.2	Nov	5.2	5.3	Dec	5.1	4.0	Jan	5.3	3.5	Feb	2.0	1.8	Mar	5.2	3.2	Over thirty-three thousand changes were processed in 2018/19.
	Month		2017/18 (days)	2018/19 (days)																																						
	Apr		4.5	4.2																																						
May	5.2	5.1																																								
Jun	5.8	4.9																																								
Jul	6.2	4.3																																								
Aug	4.4	3.8																																								
Sep	5.4	5.1																																								
Oct	4.9	4.2																																								
Nov	5.2	5.3																																								
Dec	5.1	4.0																																								
Jan	5.3	3.5																																								
Feb	2.0	1.8																																								
Mar	5.2	3.2																																								
On target?																																										
✓																																										

Section 2: Key Performance Indicators (KPIs)

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and Budget Resolution were developed. These are attached as a dashboard. The annual measures are reported on including the customer satisfaction survey results. The survey is ongoing and is available to complete via the Council's web pages and at the concluding page of online transactions. The survey is also promoted via social media and in Carlisle Focus magazine. Current KPIs were reviewed with Service Managers and proposed changes for 2019/20 communicated in the previous report (Quarter 3). Further changes are now proposed for 2019/20:

New Measures

Measure	Target	Notes
Internal Audit – Proportion of audit recommendations implemented	80%	2018/19 was 79%

Measures to be Removed

Code	Measure	Notes
FR16	Revenue gained from external delegates enrolled on City Council training events	The training programme has been streamlined and refined to meet training needs identified during the team appraisal process 2018 and workforce plan. Space for external delegates is not anticipated.
FR08	Internal Audit - Percentage of audit scopes agreed with management and issues before commencement of the audit fieldwork	These are both part of Internal Audit's standard methodology and will only ever be 100%. Monitoring performance is therefore meaningless.
FR13	Internal Audit - Percentage of Quality Assurance checks completed	

Target Changes

Code	Measure / Target	Changes
FR07	Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year (95%)	Split into a) completed in full (target 80%) b) Completed to draft (target 100%)

Section 3: Carlisle Plan on a Page 2016–18 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 Officer: Steven Robinson
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). Set out a strategy for the future vitality and viability of the city centre including development options for the regeneration opportunity sites (Carlisle Station, The Pools, Court Square, Caldew Riverside and the Citadel).
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, with a draft version produced by the end of Q4.
Progress in Quarter 4 2018/19 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 Officer: Amanda McCartney
Scrutiny Panel	Business & Transformation / Health & Wellbeing
Specific – What is the task	<ol style="list-style-type: none"> 1. To retender and award a new leisure contract with a significantly reduced subsidy. 2. Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. 3. Complete works on cycle track and open the facility. 4. Complete works on tennis canopy and open the facility.
Measurable – How will success be measured?	<ol style="list-style-type: none"> 1. The award of a new contract. 2. Executive approval for outline designs and consent (inc budgetary provision) to develop detailed design and works. 3. An operational track by October 2017. 4. Canopy covered courts by Spring 2018.
Achievable – Is it feasible?	<ol style="list-style-type: none"> 1. COMPLETE 2. Sufficient budget and permission has been secured to appoint a design team to take the project to the end of outline design. The design team are currently working on a more detailed design to RIBA Stage 3. 3. COMPLETE 4. CANCELLED
Realistic – Resources available	<ol style="list-style-type: none"> 1. COMPLETE 2. The project is on schedule and has adequate financial resource to be completed. 3. COMPLETE

	4. CANCELLED
Time Bound – Start/end dates	<p>1. COMPLETE</p> <p>2. 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 2020. Completion of the project scheduled for December 2020.</p> <p>3. COMPLETE</p> <p>4. CANCELLED</p>
Progress in Quarter 4 2018/19 against project plan / key milestones achieved	<p>Sands Centre:</p> <ul style="list-style-type: none"> • The design is currently part way through RIBA stage 4A i.e. detailed design excluding subcontract specialist design. • 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. • The tender price has been received based on the partially complete design and survey work. This is being reviewed by Pick Everard's. • The tender sum is under review in terms of scope of work and third party stakeholder requirements. • Work is also underway 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 during the main works.
Emerging issues / risks to the project	No new risks identified.



Business and Transformation Scrutiny Panel

Performance Dashboard 2018/19

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	Frequency	Annual Performance 2018/19	Annual Performance 2017/18	Trend	Target	Comments
▲	CSe14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	Quarterly	147.6%	151.8%	↓	149%	
N/A	CSe33a	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	Annual	39	57	↓	Info only	
N/A	CSe33b	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies that have been successful	Annual	24	38	↓	Info only	Awaiting the results of 8 other applications
N/A	CSe33c	Additional income generated through applications to support the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	Annual	£ 1,991,965	£ 6,657,907	↓	Info only	
N/A	CSu01	Customer satisfaction with how well Carlisle City Council is running things	Annual	72.6%	57.1%	↑	Info only	510/702 service users were either satisfied or very satisfied with the Council. Confidence Interval is +/- 3.7% at 95% Confidence Level.
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	Monthly	16.1%	8.5%	↑	8.5%	From calls logged in Salesforce CRM (5556 out of 34421 logs).
▲	CSu04	Percentage of Council Tax collected	Quarterly	97.4%	97.6%	↓	97.6%	
✓	CSu05	Percentage of NNDR collected	Quarterly	98.4%	97.9%	↓	97.9%	
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours	Monthly	100%	N/A	N/A	100%	New measure for 2018/19
▲	FR01	Actual net spend as a percentage of annual net budget.	Quarterly	99.4%	103.3%	↑	100%	
✓	FR02	Percentage of all invoices paid within 30 working days	Monthly	99.0%	99.0%	→	98%	10662 invoices paid
✗	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	Monthly	10.3	9.3	↓	9.3	Sickness Absence is a separate agenda item at the Business & Transformation Scrutiny Panel in May 2019.
▲	FR04	Percentage of return to work interviews completed in five working days of returning to work.	Monthly	77%	82%	↓	82%	
✓	FR07	Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year	Annual	92%	90%	↑	95%	77% to draft
✓	FR08	Internal Audit - Percentage of audit scopes agreed with management and issues before commencement of the audit fieldwork	Annual	100%	100%	→	100%	
✓	FR09	Internal Audit - Percentage of draft internal reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client	Annual	91%	N/A	N/A	80%	
✓	FR10	Internal Audit - Percentage of final internal audit reports issued for Corporate Director comments within 8 working days of management response or closeout	Annual	100%	94%	↑	80%	
✓	FR11	Internal Audit - Percentage of recommendations accepted by management	Annual	100%	100%	→	95%	

Business and Transformation Scrutiny Panel Performance Dashboard 2018/19

Key	
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▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Frequency	Annual Performance 2018/19	Annual Performance 2017/18	Trend	Target	Comments
✓	FR12	Internal Audit - Percentage of individual reviews completed to required standard within target days	Annual	69%	72%	↓	50%	
✓	FR13	Internal Audit - Percentage of Quality Assurance checks completed	Annual	100%	100%	→	100%	
✓	FR14	Internal Audit - Percentage of customer satisfaction survey scoring the service as "good"	Annual	100%	100%	→	80%	
✓	FR15	Internal Audit - Percentage of chargeable time	Annual	80%	83%	↓	80%	
N/A	FR16	Revenue gained from external delegates enrolled on City Council training events	Quarterly	£ 1,200	#N/A	N/A	Info only	
N/A	GRS01	Number of internal accidents/incidents per Full Time Equivalent (FTE)	Annual	0.07	0.09	↑	Info only	29 incidents reported in 2018/19
N/A	GRS02	Number of internal RIDDORS per FTE	Annual	0.01	0.01	→	Info only	4 RIDDORS reported in 2018/19
✓	GRS03	% safety audits completed on time and sent to service manager	Annual	100%	100%	→	100%	All planned audits completed
✓	GRS04	Proportion of contested licence applications decided on within 50 working days.	Quarterly	100%	100%	→	95%	1 contested application in 2018/19
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	Quarterly	100%	100%	→	100%	199 applications in 2018/19

