CARLISLE
CITY COUNCIL

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Business & Transformation Scrutiny Panel

Agenda

Tuesday, 05 December 2017 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.

Members of the Business & Transformation Scrutiny Panel

Councillor Mrs Riddle (Chairman), Councillors Allison, Mrs Birks, Mrs Bowman (Vice Chairman), Mrs Glendinning, Mallinson J, Robson, Watson

Substitutes:

Bainbridge, McDonald, Mrs McKerrell, McNulty, Shepherd, Sidgwick S

Apologies for Absence
To receive apologies for absence and notification of substitutions.

Declarations of Interest (including declarations of "The Party Whip")
Members are invited to declare any disclosable pecuniary interests, other registrable interests, and any interests, relating to any time on the agenda at this stage.

Public and Press
To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of previous meetings   **9 - 14**
To note that Council, on 7 November 2017, received and adopted the minutes of the Business and Transformation Scrutiny Panel held on 14 September 2017 (Minute Book Vol 44(3)). The minutes will be signed by the Chairman.

To approve the minutes of the meeting held on 26 October 2017 (Copy herewith).

A.1   CALL-IN OF DECISIONS

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

A.2   OVERVIEW REPORT AND WORK PROGRAMME   **15 - 22**
Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Steven O'Keeffe, Policy and Communications Manager

Report: OS.24/17 herewith

Background:
To consider a report providing an overview of matters related to the business of the Business and Tranformation Scrutiny Panel.

Why is this item on the agenda?

The Business and Transformation Scrutiny Panel operates within a Work Programme which has been set for the 2017/18 municipal year. The Programme 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 the Panel in the latest Notice of Executive Key Decisions.

A.3   BUDGET 2018/19

Portfolio: Finance, Governance and Resources

Directorate: Corporate Support and Resources

Members are reminded that the Budget reports were circulated to all Scrutiny Members on 10 November 2017. Members are asked to bring the relevant budget reports to the meeting. The Executive Decisions from 20 November 2017 will be circulated prior to the meeting.

(a) Minutes of the Health and Wellbeing Scrutiny Panel and Economic Growth Scrutiny Panel

To receive the views of the Health and Wellbeing Scrutiny Panel and the Economic Growth Scrutiny Panel on the service implications of the Budget reports.
(Copy Minutes of 23 November 2017 and 30 November 2017 to follow)

Revenue Budget Reports:
(b) Budget Update - Revenue Estimates 2018/19 to 2022/23

Report: RD.31/17 pages 1 - 30

Officer: Alison Taylor, Chief Finance Officer

Background:

To consider and comment on the summary of the Council's revised revenue base estimates for 2017/18, together with base estimates for 2018/19 and forecasts up to 2022/23 for illustrative purposes.

Potential new spending pressures and savings are also considered. The following areas are those where the Panel has service responsibility in addition to its overall budget scrutiny responsitbility:

Revenue Support Grant (RSG)	4.1	Page 4
Retained Business Rates and Council Tax Reduction Scheme	4.2	Page 4
Welfare Reform Act	4.3	Pages 4 - 5

To consider new savings proposals and additional income generation. The following areas are those where the Panel has service responsibility in addition to its overall budget scrutiny responsibility:

(c) Individual Charges Reviews -
Background:
To consider and comment upon Individual Charges Review reports as follows:

Community Services
Report**:** CS.33/17 pages 31 - 58
Officer: Darren Crossley, Deputy Chief Executive

Economic Development
Report: ED.38/17 pages 59 - 68
Officer: Jane Meek, Corporate Director of Economic Development

Governance and Regulatory Services
Report: GD.66/17 pages 69 - 104
Officer: Mark Lambert, Corporate Director of Governance and Regulatory Services

Licensing
Report: GD.68/17 pages 105 - 118
Officer: Mark Lambert, Corporate Director of Governance and Regulatory Services

(d) Revised Capital Programme 2017/18 and Provisional Capital Programme 2018/19 to 2022/23
Report: RD.32/17 pages 119 - 130
Officer: Alison Taylor, Chief Finance Officer

Background:
To consider and comment on the revised capital programme for 2017/18, together with the proposed method of financing and the proposed programme for 2018/19 to 2022/23.

(e) Corporate Assets - 3 Year Repair and Maintenance Programme 2018/19 - 2020/21
Report: GD.72/17 pages 131 - 136
Officer: Mark Lambert, Corporate Director of Governance and Regulatory Services

Background:
To consider and comment on the maintenance programme and budget proposals for the Council's corproate operational property assets for the 3 year period 2018/19 to 2020/21 together with an update on building maintenance.

(f) Treasury Management September 2017 and Forecasts for 2018/19 to 2022/23
Report: RD.30/17 pages 1337 - 150
Officer: Alison taylor, Chief Finance Officer

Background:
To receive the regular quarterly report on Treasury Transactions and the City Council's Treasury Management estimates for 2018/19 with projections to 2022/23

(g) Local Taxation 2018/19 - 2022/23
Report: RD.33/17 pages 151 - 160
Officer: Alison Taylor, Chief Finance Officer

Background:
To receive the considerations as part of the budget process that need to be made in relation to aspects of funding received by the Council from Local Taxation.

BUDGET MONITORING REPORTS   23 - 40

(h) Revenue Budget Overview and Monitoring Report - April to September 2017

 Report: RD.28/17 herewith

 Officer: Alison Taylor, Chief Finance Officer

                                                                    41 - 56

(i) Capital Budget Overview and Monitoring Report - April to September 2017
Report: RD.29/17
Officer: Alison Taylor, Chief Finance Officer

Background:
The Budget Monitoring Reports are submitted for informaiton

Why are the Budget 2018/19 Reports on the agenda?
Annual Scrutiny as part of the Budget process

What is the Panel being asked to do?
Scrutinise the budget reports and provide feedback to the Executive

A.4   COMMUNITY ASSET TRANSFER   57 - 80

Portfolio: Finance, Governance and Resources

Directorate: Community Services

Officer   Steven O'Keeffe, Policy and Communications Manager

Report: OS.21/17 herewith

Background:
The Policy and Communications Manager to submit a report which presents the work of the Community Asset Transfer Task and Finish Group.

Why is this item on the agenda?
Agenda item agreed by the Panel in their Work Programme.

What is the Panel being asked to do?
1. Consider and coment on the Draft Community Asset Transfer Policy (Appendix 1) and supporting documents to enable the Council to implement the policy.

2. Refer the report to Executive for consideration on 18 December 2017.

A.5   CORPORATE PROJECTS STATUS REPORT   81 - 126

Portfolio: Cross Cutting

Directorate: Corporate Support and Resources

Officer: Jason Gooding, Town Clerk and Chief Executive

Report: CE.15/147 herewith

Background:
The Town Clerk and Chief Executive to submit a report which provides an update on the work of the Transformation Board and projects curently being undertaken in the Council and includes the draft Project Manager's Handbook.

Why is the item on the agenda?
Bi-annual monitoring report.

What is the Panel being asked to do?
1. To note and comment on the most recent summary of projects and governance arrangements and the actions being taken to support projects with issues.

2. To comment on the draft Project Manager's Handbook

A.6   **2017/18 SICKNESS ABSENCE QUARTER 2**   **127 -**
        Portfolio: Finance, Governance and Resources   **134**

        Directorate Community Services

        Officer: Gary Oliver, Policy and Performance Officer

        Report: CE.16/17 herewith

Background:
The Town Clerk and Chief Executive to submit a report detailing the authorty's sickness absence levels for the period April 2017 to September 2017 and other sickness absence information.

Why is this item on the agenda?
Bi-annual monitoring report.

What is the Panel being asked to do?
To consider and comment on the information on sickness absence provided in the report.

A.7   **QUARTER 2 PERFORMANCE REPORT 2017/18**   **135 -**
        Portfolio: Finance, Governance and Resources   **148**

        Directorate: Community Services

        Officer: Gary Oliver, Policy and Performance Officer

        Report: PC.20/17 herewith

Background:
The Policy and Communications Manager to submit the second quarter perfofrmance against curent sevrice standards report and summary of the Carlisle Plan 2015-18 actions.

Why is this item on the agenda?
Quarterly performance monitoring report.

What is the Panel being aked to do?
To consider the performance of the City Council presented in the report with a view to seeking continuois improvement on 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) 817036 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 26 OCTOBER 2017 AT 10.00AM

PRESENT: Councillor Mrs Riddle (Chairman), Councillors Allison, Mrs Birks, Mrs Bowman, Mrs Glendinning, Mallinson J, Robson and Watson.

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

OFFICERS: Deputy Chief Executive
                  Corporate Director of Governance and Regulatory Services
                  Chief Finance Officer
                  Policy and Communications Manager

BTSP.28/17   APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of the Town Clerk and Chief Executive.

BTSP.29/17   DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

BTSP.30/17   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.31/17   MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of meeting held on 14 September 2017 be approved.

BTSP.32/17   CALL - IN OF DECISIONS

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

BTSP.33/17   OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Communications Manager presented report OS.20/17 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 22 September 2017. The following items included in the Notice fell within the Panel's remit:

Items which have been included in the Panel's Work Programme:
KD.23/17 – Budget Process 2018/19 (December meeting)

Items which have not been included in the Panel's Work Programme:
KD.22/17 – ICT Replacement Programme 2017/18 – Release of Capital Scheme Monies
KD.28/17 – Polling Station Review 2017/18

KD.29/17 – Land and Property Transaction – Land at Low Harker Dene

The Chairman gave a verbal update on the progress made through the Community Asset Transfer Policy Task and Finish Group. She explained that the Group had met with the Policy and Performance Officer and had compared various policies from other authorities. It was felt that a simpler, plain English policy was the best way forward.

The Chairman proposed that a draft Policy be submitted to the Panel at their meeting on 5 December with recommendations from the Panel being made to the Executive on 18 December. It was recognised that the Community Asset Transfer was a cross cutting matter and it was proposed that the Task and Finish Group be opened up to the other Scrutiny Panels and membership would be sought through the November meeting of the Scrutiny Chairs Group.

The Panel's work programme was attached to the report as appendix 1. The Panel discussed the heavy agenda for the December meeting and agreed to move the Customer Services report and the Flood Update report to January 2018. They also agreed that the Community Asset Transfer Policy be added to the work programme for December.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.20/17) be noted.

2) That the update on the Community Asset Transfer Policy Task and Finish Group be welcomed and that the Task and Finish Group be opened up to Members of the Health and Wellbeing Scrutiny Panel and the Economic Growth Scrutiny Panel.

3) That the Business and Transformation Scrutiny Panel's work programme be amended as follows:

- Community Asset Transfer Policy be added on the 5 December 2017
- Customer Services moved from 5 December 2017 to 4 January 2018
- Flood Update report moved from 5 December 2017 to 4 January 2018

BTSP.34/17   SMT SUB GROUPS

(a) Transformation

The Deputy Chief Executive presented report CE.14/17 which detailed the work of the Business and Transformation Board which was a sub group of the Senior Management Team (SMT).

The Deputy Chief Executive informed the Panel that the purpose of the Business and Transformation Board was to oversee corporate programme management, corporate standards for project management, the progress of Smarter Service Delivery, ICT projects and other related works as determined by SMT.

The Board was chaired by the Town Clerk and Chief Executive and the terms of reference and membership had been attached to the report for Members' information. The report set out the work which was being undertaken by the Board and information on which projects were due to be scrutinised by the Panel at a future date.

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

- When would the new Corporate Plan and the Competency Framework be available for scrutiny by the Panel?

The Deputy Chief Executive responded that both areas of work were at an early stage and a timescale had not yet been established.

- Members felt that the report was difficult to understand, had too much jargon, was complicated and there was concern that the core membership was top heavy. Members asked for clarity with regard to the Corporate Programme Board and the Smarter Services Delivery Board.

The Deputy Chief Executive clarified that the two Boards had been replaced with the Business and Transformation Board. He took on board comments regarding the use of jargon language in the document. The intention of the new SMT Sub Groups was to include service managers and draw together work so opportunities were not missed and work was not duplicated.

- How would the Management Competency Framework be used and monitored?

The Deputy Chief Executive responded that the Framework was already monitored through performance appraisals and used by managers to identify opportunities and training needs. The Framework provided Managers with a variety of skills for good leadership, motivation and to equip them in dealing with change within the organisation.

- Would it be possible for the Council's Project Managers Handbook to be scrutinised by the Panel in December alongside the Corporate Programme report.

The Policy and Communications Manager reported that the Handbook was being updated and if a draft of the document was ready in time for the December meeting it would be submitted to the Panel. If it was not ready it would be included in the Panel's Work Programme for a future meeting.

- The report stated that a Targeting Operating Model (TOM) was not suitable for the authority; however the Terms of Reference for the Transformation Board included designing a TOM as one of their initial tasks.

This observation was gratefully received and the terms of the reference will be amended.

RESOLVED – 1) That the SMT Sub Group – Transformation report (CE.14/17) be noted;

2) That the following matters be added to the Panel's work Programme:

- Council's Project Handbook on 5 December 2017 if available
- Customer Services Charter on 4 January 2018

(b) Business Management and Development

The Corporate Director of Governance and Regulatory Services presented report GD.70/17 which detailed the work of the Business Management and Development Senior Management Team (SMT) Sub Group.

The Corporate Director reported that he chaired the Sub Group which was primarily tasked with taking care of operational matters, looking for improvements where possible and considering commercial opportunities for the Council. The report set out the membership of the Sub-Group, the Task Groups and their remits which came under the sub group and the work areas which were being undertaken.

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

- The Panel thanked the Corporate Director for his clear, well set out report which had given the Panel the information they needed to consider their future work programming.

- A Member asked for further information with regard to the electronic voting system and how it would deal with recorded votes. He felt that any system should allow those watching Council meetings to be able to see clearly, as they do now, who had voted.

The Corporate Director responded that there were many options available for voting systems and they could be tailored to the Council's requirements. Any system which was considered would have to be able to deal with recorded votes as it was a legislative requirement for the budget meeting.

- It had been previously recommended that a review of the budget process be undertaken to simplify the process where possible and make the information easier to understand, Members asked for an update on this work.

The Chief Finance Officer responded that work had been undertaken with the Communications Team on the consultation documents to make them easier to understand how money comes into the authority and where money was spent. It was hoped that a presentation would be given to the Panel in December utilising the work that had been carried out. Officers were still working on the budget monitoring process.

- A Member asked for further information regarding the potential for Crowd Funding.

The Corporate Director explained that the SMT Sub Group was encouraged to be free thinking and make suggestions for further investigation. The feasibility of Crowd Funding would be considered and if there was the potential for a project it would be brought to the Panel for Members scrutiny and input.

- Members understood that income from Building Control was ring fenced but it had been included in the Commercial Strategy/Income/Savings section of the table.

The Corporate Director confirmed that the income from Building Control was ring fenced but there were opportunities for the Service to increase their income and grow the service they delivered and move to becoming self-funding.

In discussing the tasks in the report the Panel agreed that it would be most beneficial for Officers to submit reports on tasks and projects at the point that they were ready for Members input and would not be scheduled into the Work Programme at this time.

RESOLVED – 1) That the Corporate Director of Governance and Regulatory Services be thanked for his clear, well-structured and informative report on the SMT Sub Group – Business Management and Development (GD.70/17);

2) That reports on individual projects from the Business Management and Development Sub Group be submitted to the Panel at the appropriate time for Members input.

BTSP.35/17　　CORPORATE RISK REGISTER

The Deputy Chief Executive presented report CS.39/17 which provided an update on the Corporate Risk Register.

The Deputy Chief Executive reminded the Panel that the Corporate Risk Management Group (CRMG) was responsible for delivering and reviewing the Risk Management Strategy,

maintaining and improving risk management processes and monitoring and advising on the Council's Corporate Risk Register.

It was recognised that the City Council's Risk Management Policy and Risk Management Strategy both needed to be reviewed and updated. The review was underway and was being considered alongside work being led by internal audit which focused on the Council's approach to assurance.

The Deputy Chief Executive informed the Panel that there was a Risk Management sub group of the Business Management Board which met monthly and focused on risks at an operational/directorate level. Issues raised at the sub group could be escalated to the CRMG when deemed appropriate. Following discussions at the Risk Management sub group additional training had been arranged for officers, through the City Council insurers and the training would take place in October and November.

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

- The Panel asked that amendments to the Register, within the previous quarter, be clearly identified in each report.

- Was the Regeneration Strategy being aligned with the Medium Term Financial Plan and Budget? If so would this take place before or after the approval of the Strategy?

The Deputy Chief Executive explained that the Regeneration Strategy was under development and would not be fully aligned with the forthcoming Budget. The MTFP was updated on an annual basis and it would be aligned with the Strategy once it was agreed.

- The Panel asked for an update on the Economic Strategy and its process through the committee structure and the withdrawal of the University of Cumbria from the Business Interaction Centre.

The Deputy Chief Executive responded that the Economic Strategy had been substantially refreshed and the committee process for the adoption of the Strategy would be a matter for Members determination.

With regard to the Business Interaction Centre (BIC), the Corporate Director informed the Panel that the University of Cumbria would cease to operate within the BIC in December and the Council would, in the short term, lease space to the existing tenants. Work was being undertaken on the future of the BIC and information was being gathered on the operating costs and potential income. There had been significant interest in the BIC and it was an important part of the economic growth of Carlisle. The matter was being closely scrutinised and monitored by the Economic Growth Scrutiny Panel.

- Was the new Leisure Contract tied to the development of new facilities at the Sands Centre or was there room for negotiations?

The Deputy Chief Executive clarified the current status as set out in the report explaining that the previous contract with GLL ended in November 2017 and the new contract took full account of the Sands project and closure of the Pools. The matter had been discussed in some detail at the previous meeting of the Health and Wellbeing Scrutiny Panel and had centred on the new Leisure Contract. Further work on the proposals and design would need to be undertaken and then considered by the Executive. Full costings and designs would go through the committee process at the appropriate time.

The Chairman asked if the risks, as set out in the Risk Register, had been considered by the Health and Wellbeing Panel. The Deputy Chief Executive explained that all of the information within the risk had been included in the Health and Wellbeing report but it had not been set out in the same format as the Risk Register report.

RESOLVED – 1) That the Corporate Risk Register (CS.39/17) be noted;

2) That future Corporate Risk Register reports clearly identified amendments to the Register which had happened within the previous quarter.

3) That future reports to all Scrutiny Panels include the relevant risk register information in the same format as presented in the Risk register report where appropriate.

(The meeting ended at 11.01am)

		Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk	**Business and Transformation Scrutiny Panel**	**A.2**

Meeting Date:	5th December 2017
Portfolio:	Cross Cutting
Key Decision:	No
Within Policy and Budget Framework	
Public / Private	Public

Title:	OVERVIEW REPORT AND WORK PROGRAMME
Report of:	Policy & Communications Manager
Report Number:	OS 24/17

Summary:

This report provides an overview of matters related to the Business and Transformation 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

- Consider the work programme and prioritise if necessary

Contact Officer: **Steven O'Keeffe**   **Ext:**   **01228 817258**

Appendices attached to report: **1. Business and Transformation Scrutiny Panel Work Programme 2017/18**

1. Notice of Key Executive Decisions

The most recent Notice of Key Executive Decisions was published on 17th November 2017. 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.23/17 Budget Process 2018/19 (Today's Panel)

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

KD.28/17 Polling Station Review 2017/18

KD.33/17 Sands Centre Redevelopment

2. References from the Executive

There are no references from the Executive.

3. Progress on resolutions from previous meetings

At the recent Scrutiny Chairs Group meeting (10/11/17) there was a discussion on tracking progress with resolutions. The Lead Member reported that the Business and Transformation Scrutiny Panel had begun tracking the outcome of their resolutions to enable the monitoring of responses and outcomes. The Scrutiny Chairs Group felt that this was a positive move for Scrutiny and resolved that the Overview Report for each Scrutiny Panel would include a section which tracked the progress of resolutions of the Panel.

The following table sets out the meeting date and resolution that requires following up. The status is presented as either 'completed', 'pending' or 'outstanding'. An item is considered outstanding if no update or progress has been made after three panel meetings.

No.	Meeting Date	Action	Status
1	26/9/2017	That reports on individual projects from the Business Management and Development Sub Group be submitted to the Panel at the appropriate time for Members input.	Pending
2	26/9/2017	That the update on the Community Asset Transfer Policy Task and Finish Group be welcomed and that the Task and Finish Group be opened to Members of the Health and Wellbeing Scrutiny Panel and the Economic Growth Scrutiny Panel.	Pending
3	14/9/2017	That an update on the progress being made with rent reviews be circulated to all Members of the Panel	Completed
4	14/9/2017	That the timetable of works using the Better Care Funding be circulated to Members of the Panel to enable them to identify any potential areas for Scrutiny.	Completed
5	14/9/2017	That the Deputy Chief Executive circulate the timescales for the new leisure contract to Members of the Panel.	Completed

No.	Meeting Date	Action	Status
6	14/9/2017	That the Panel support the proposed design the re-use of the Lodge and look forward to seeing the final designs at a future meeting;	Pending
7	14/9/2017	That details of contractual arrangements for the garden waste service be circulated to all Members of the Panel.	Completed
8	3/8/2017	Asset Management of Kingstown Industrial Estate & Parkhouse Business Park Business. That the Panel receive a progress report on the Business Plan in six months' time.	Pending (Feb. 2018)
9	3/8/2017	That the Business and Transformation Scrutiny Panel receive an update on the Leisure Contract at the appropriate time;	Pending
10	3/8/2017	That future reports on information requests be submitted for scrutiny on an exception only basis.	Pending

4. Work Programme

The Scrutiny Chairs Group (10/11/17) discussed a special meeting to scrutinise the Sands Centre Redevelopment. It is recommended that this key decision is added to the work programme, work is underway to arrange the meeting.

The Panel's current work programme is attached at **Appendix 1**.

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

Appendix 1: Work Programme

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Current Meeting – 5 December 2017															
Budget Monitoring 17-18 Alison Taylor					✓	✓	Monitoring of budget – both revenue and capital			✓		✓		✓	
Budget setting 2018/19 Alison Taylor					✓		Draft budget consultation					✓	✓		
Transformation Board: Corporate programme of projects Tracey Crilley						✓	Bi-annual monitoring of significant projects/ To include Project Manager's Handbook					✓			
Community Asset Transfer Policy Becky Tibbs			✓				Assist in policy development process					✓			
Sickness Absence Gary Oliver	✓						To consider reports relating to sickness absence levels. Biannual reporting	✓				✓			
Performance Monitoring Gary Oliver	✓					✓	Quarterly monitoring of performance within remit of Panel	✓		✓		✓		✓	

Issue / Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Task & Finish Groups															
Community Asset Transfer Policy Becky Tibbs			✓				Assist in policy development process					✓			
Future Items															
Flood Update Report Darren Crossley		✓	✓			✓	Final report						✓		
Customer Services Jill Gillespie			✓				Consider workflow and modern technology within Customer Services – incorporating Customer Contact Strategy & Customer Services Charter						✓		
Kingstown Industrial Estate Mark Walshe						✓	Consider business plan. Update on progress after 6 months requested		✓					✓	
Corporate Risk Register Tracey Crilley						✓	Bi-annual monitoring				✓				✓
Flood Update Report Darren Crossley		✓	✓			✓	Final report						✓		

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Scrutiny Annual Report Dave Taylor							Draft report for comment before Chairs Group approval								✔
COMPLETED ITEMS															
Street Trading Policy Scott Burns			✔				New policy being developed	✔							
Freedom of Information Requests Clare Furlong						✔	Annual Report on Freedom of Information requests. From 2018 onwards, for information only		✔						
Medium Term Financial Plan and the Capital Strategy 2018/19 to 2022/23 Alison Taylor		✔			✔		Policy Documents Consultation		✔						
Asset Management Plan Mark Walshe		✔					2017 to 2022 Plan		✔						
2016/17 Provisional Outturn Reports Alison Taylor					✔		Outturn reports and requests to Council	✔							

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Asset Recovery: Civic Centre Darren Crossley			✔				Consultation on reinstatement plans		✔						
Performance Monitoring Gary Oliver	✔					✔	Quarterly monitoring of performance within remit of Panel	✔		✔					
Bitts Park Lodge – Flood Reinstatement Mark Lambert		✔					Key Decision			✔					
Budget Monitoring 17-18 Alison Taylor					✔	✔	Monitoring of budget – both revenue and capital			✔					
Transformation + Business Management and Development SMT Sub-Groups Jason Gooding/Mark Lambert			✔				Bi-annual update for Panel on work of SMT Sub-groups to aid work programme planning for the Panel						✔		
Corporate Risk Register Tracey Crilley						✔	Bi-annual monitoring						✔		

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
FOR INFORMATION ONLY ITEMS															
Details								**Date Circulated**							

	Business & Transformation Scrutiny Panel	**Agenda Item:**
CARLISLE CITY COUNCIL www.carlisle.gov.uk		**A.3 (h) (i)**

Meeting Date:	5th December 2017
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	REVENUE BUDGET OVERVIEW & MONITORING REPORT: APRIL TO SEPTEMBER 2017
Report of:	CHIEF FINANCE OFFICER
Report Number:	RD 28/17

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to September 2017 and was considered by the Executive on 20th November 2017.

Questions for / input required from Scrutiny:

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

Recommendations:

The Members of the Business & Transformation Scrutiny Panel are asked to note the overall budgetary position for the period April to September 2017.

Tracking

Executive:	**20th November 2017**
Scrutiny:	**5th December 2017**
Council:	**n/a**

	Report to Executive	**Agenda Item:**
CARLISLE CITY COUNCIL www.carlisle.gov.uk		

Meeting Date: 20th November 2017

Portfolio: Finance, Governance and Resources

Key Decision: No

Within Policy and

Budget Framework   YES

Public / Private   Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
            APRIL TO SEPTEMBER 2017

Report of: CHIEF FINANCE OFFICER

Report Number: RD 28/17

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to September 2017 for revenue schemes only. The revenue report includes details of balance sheet management issues, bad debts written off in the period and progress against the transformation savings is also provided.

Recommendations:

The Executive is asked to:

(i)   Note the budgetary performance position of the Council to September 2017;

(ii)   Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;

(iii)   Note the virements and release of reserves as set out in paragraph 2.1 and Appendix A.

Tracking

Executive:	**20th November 2017**
Scrutiny:	**5th December 2017**
Council:	**n/a**

1. **BACKGROUND INFORMATION AND OPTIONS**

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

1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.

1.3 Please note that throughout this report:
    (i)   the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
    (ii)   the term 'underspend' is taken to include both reduced expenditure and/or increased income,
    (iii)   the term 'overspend' includes both spending above budget and/or reduced income levels.

2. **REVENUE BUDGET OVERVIEW**

2.1 The following statement shows the total annual revenue budget as at September 2017:

2017/18 Revenue Budget	£
Approved Budget (Council resolution – February 2017)	11,038,000
Carry forward requests (2016/17 in-year)	97,000
Carry forward requests (2016/17 out-turn)	393,000
Council Resolution 2017/18	**11,528,000**
Non-Recurring Transfers to/(From) Reserves:	
IT Renewals Reserve (Enterprise Licences & IT Strategy)	214,200
Leisure Reserve	30,900
Revenue Grants Reserve	96,300
Cremator Replacement Reserve (Environmental Surcharge Income)	(41,100)
Building Control Reserve (Admin Support)	31,700
GLL Reserve	69,000
Promoting Carlisle Reserve	10,000
General Carry Forward Reserve	50,300
Updated Budget 2017/18	**11,989,300**

3. 2017/18 BUDGET MONITORING

3.1 The summarised budgetary position as at September 2017 is shown below:

Directorate / Appendix		Annual Net Budget (£)	Net Budget to date (£)	Net Spend to date (£)	Adjusted Variance (£)
Community Services	B1	9,179,400	4,257,140	3,880,343	(376,797)
Corporate Support & Resource	B2	3,004,400	796,576	746,530	(50,046)
Economic Development	B3	1,321,200	413,502	190,861	(222,641)
Governance & Regulatory	B4	510,100	310,783	265,247	(45,536)
Corporate [1]	B5	(2,025,800)	(658,412)	(128,288)	530,124
Sub Total		**11,989,300**	**5,119,589**	**4,954,693**	**(164,896)**
Flood Expenditure (net) [2]	B6	0	0	117,079	117,079
Total		**11,989,300**	**5,119,589**	**5,071,772**	**(47,817)**
%age of budget (excluding flood)			42.7%	41.3%	

Note 1: Corporate underspends include Salary Turnover Savings, Budget Savings, Inflation Savings, Direct Revenue Financing, Non-Distributed (Pension) costs and corporate management costs (which include bank and audit charges).

Note 2: Net Flooding expenditure relates to costs incurred as a result of the flood, some of which will be able to be claimed back through insurance claims. Non-insured costs will be funded from the

£500,000 flood reserve unless the expenditure can be funded from underspends on base budgets. The overspend to date reflects the current funding required from the flood reserve.

3.2 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variance for the Directorate, with comments and a note of any performance issues.

3.3 The main income and expenditure variances are summarised below:

Under achieved Income
- Underachieved investment income of £25,500.
- Shortfall on income of £194,900 at John Street Accomodation due to closure from flood damage. Discussions are ongoing with the Council's insurance provider to agree the level of income that can be recovered as part of our insurance claim.
- Shortfall on income from Lanes of £37,800.

Over achieved Income/Grants & Contributions
- Improved levels of car parking income from PCNs, tickets and contract income of £41,100.
- Improved income levels from Recycling of £16,800 and Bring Sites of £26,800.
- Improved levels of income from property rent reviews of £157,000. These are in advance of the £1m additional income from the Council's assets to be achieved from 2018/19 onwards. This is partly offset by contractual costs in relation to Chancerygate of £79,600.
- Improved levels of Development Control income of £100,400.
- Improved levels of Building Control income of £104,000.
- Improved levels of Licensing income of £34,300.

Under budget Expenditure
- Underspend on Councillors' small scale community schemes of £20,600.
- Additional in year savings from Rethinking Waste of £152,800.
- Underspend on Minimum Revenue Provision of £39,600 due to a lower Capital Financing Requirement (CFR) at 31st March 2017.
- Additional salary turnover saving achieved of £104,400.
- Savings on previous year inflation of £16,700.
- Net underspend on Revenues and Benefits of £61,700.
- NNDR costs underspent by £104,000 following appeals against properties to be demolished.

<u>Over budget Expenditure</u>

- Overspend of £44,100 in relation to the ICT Strategy costs. A review of ICT Strategy costs is in progress to realign the profiles of expenditure budgets with revised implementation plans.
- Overspend of £117,100 in relation to flood recovery costs not covered by insurance settlements which may be funded from the £500,000 flood reserve.
- Shortfall on Base Budget Review savings of £108,100 against annual target of £403,000; work is in progress with the aim of achieving this target in full.
- Shortfall on recurring transformation savings of £572,000 mainly in relation to Rethinking Waste (£400,000) and VR/ER savings.

A subjective analysis of the summarised budgetary position excluding flood related items as at September is shown below:

Subjective Analysis	Annual Budget (£)	Budget to date (£)	Actual to date (£)	Adjusted Variance (£)
Employee Related [1]	14,748,600	7,447,717	7,995,948	548,231
Premises Related	3,837,700	2,584,754	2,447,758	(136,996)
Transport Related	1,382,900	744,743	717,423	(27,320)
Supplies and Services	5,465,300	3,652,162	3,121,249	(530,913)
Third Party Payments	2,685,300	1,174,958	1,322,473	147,515
Other e.g. Housing Benefits	25,860,500	12,035,198	12,224,567	189,369
Total Expenditure	**53,980,300**	**27,639,532**	**27,829,418**	**189,886**
Grants and Contributions	(4,905,900)	(3,072,484)	(3,201,465)	(128,981)
Specific Grants e.g. Housing Benefits	(25,739,900)	(13,568,504)	(13,573,790)	(5,286)
Customer & Client Receipts	(11,074,000)	(5,739,403)	(5,971,822)	(232,419)
Other Income	(271,200)	(139,552)	(127,648)	11,904
Total Income	**(41,991,000)**	**(22,519,943)**	**(22,874,725)**	**(354,782)**
Total	**11,989,300**	**5,119,589**	**4,954,693**	**(164,896)**

Note 1: the adjusted variance in Employee Related costs include the underachieved transformation savings to date.

3.4   The following table shows the position as at September 2017 of savings achieved against the transformation savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2014/15		44,400	(44,400)
2015/16	1,211,000	1,127,600	83,400
2016/17	1,201,000	1,217,000	(16,000)
2017/18 Target	795,000	395,000	400,000
2017/18 Base Budget Review	403,000	294,900	108,100
Net Position 2017/18	**3,610,000**	**3,078,900**	**531,100**
2017/18 Base Budget Review	0	300	(300)
2018/19 Current Target	1,479,000	453,600	1,025,400
Net Recurring position	**5,089,000**	**3,532,800**	**1,556,200**

4. FORECAST OUTTURN POSITION 2017/18

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

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

4.2 The Council's financial position along with budget profiling will continue to be closely monitored and likely year end position will be reported more fully in the Quarter 3 report to the end of December 2017. It will be important to maintain a prudent approach so as to ensure a sustainable budget position for future years to avoid any significant variance at the year end.

4.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2018/19 budget process if the position is deemed to be recurring in nature.

5. BALANCE SHEET MANAGEMENT

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

Balance Sheet item	Balance at 31/03/2017	Balance at Sep 2017	Note
Investments	£14.7m	£16.0m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£1.32m	£1.33m	(iii)
Creditors	£0.004m	£0.188m	

(i) The anticipated annual return on these investments is estimated at £262,400 for 2017/18 with current forecasts anticipated to be below these projections.

(ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,700 in 2017/18 with costs currently on target.

(iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.

(iv) The Council's VAT partial exemption calculation for the period ending September 2017 has been calculated and is well below the 5% limit set by HMRC at 1.43%. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

6. BAD DEBT WRITE-OFFS

6.1 The Chief Finance Officer has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £53,124.22 have been written off during Quarter 2 to the end of September 2017. A summary of bad debts is given in Table 1, **Appendix C** of this report and these costs will fall against the following:

	£
General Fund	17,377.03
Council Tax (Collection Fund)	11,440.18
NNDR	24,307.01
Total Write-offs	53,124.22

6.2 The "write-ons" itemised in Table 2, **Appendix C,** totalling £4,313.18, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	2.27
Council Tax (Collection Fund)	196.62
NNDR	4,114.29
Total Write-ons	4,313.18

6.3   In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

6.4   At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

7.   CONSULTATION
7.1   Consultation to date.
SMT and JMT have considered the issues raised in this report.

7.2   Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 5th December 2017.

8.   CONCLUSION AND REASONS FOR RECOMMENDATIONS
8.1   The Executive is asked to:
   (i)   Note the budgetary performance position of the Council to September;
   (ii)   Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
   (iii)   Note the virements and release of reserves as set out in paragraph 2.1 and Appendix A.

9.   CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES
9.1   The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2017/18 shows the delivery of these priorities within budget.

Contact Officer: **Emma Gillespie**   **Ext: 7289**

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

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

• **None**

CORPORATE IMPLICATIONS/RISKS: SMT and JMT have been involved in the preparation of this report. Risks to budgets and development of ongoing impact of issues identified are monitored carefully and appropriate action taken.

Community Services – N/A

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

Economic Development – N/A

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

REVENUE BUDGET MONITORING 2017/18

VIREMENTS PROCESSED FOR PERIOD JULY TO SEPTEMBER 2017

Date	Virement Details	Permanent/ Temporary	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
11/08/2017	Revenue contribution to Cycle Track Capital Project	Temporary	34,900	Deputy Chief Executive/ Contracts & Community Services Manager
22/08/2017	Release of £10,000 from the Promoting Carlisle Reserve to support the Roman archaeological dig at Carlisle Cricket Club	Temporary	10,000	PH.010/17 Leader of the Council
08/09/2017	Release of funds from Leisure Reserve to fund Design Team & Employers Agent for Sands Redevelopment (up to £47,500)	Temporary	9,200	PH.011/17 Culture, Heritage & Leisure Portfolio Holder
Various	Release of funding held in Revenue Grants Reserve	Temporary	24,300	Chief Finance Officer
Various	Release of funding from General Carry Forward Reserve	Temporary	39,600	Chief Finance Officer
21/12/2015	Appointment of Leisure Contract Retender Advisor (up to £125,000)	Temporary	11,400	OD 184/15 Deputy Chief Executive
Approved by Executive (£35,000 to £70,000)				
none				
Approved by Council (over £70,000)				
none				

REVENUE BUDGET MONITORING 2017/18

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 29the September 2017	£	£	£	£
Annual Budget	17,425,800	(5,590,800)	(2,655,600)	**9,179,400**
Budget to date	8,663,320	(3,077,836)	(1,328,344)	**4,257,140**
Total Actual	8,506,171	(3,291,696)	(1,334,132)	**3,880,343**
Variance	**(157,149)**	**(213,860)**	**(5,788)**	**(376,797)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(157,149)**	**(213,860)**	**(5,788)**	**(376,797)**

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	**Note**	£	£	£	£
Bereavement Services	1	(21,429)	(30,979)	53	**(52,355)**
Small Scale Community Schemes	2	(20,569)	0	0	**(20,569)**
Green Spaces	3	11,182	(65,349)	86	**(54,082)**
Parking	4	(17,379)	(41,073)	14	**(58,438)**
Waste Services	5	(81,586)	(88,098)	137	**(169,548)**
Miscellaneous	6	(27,367)	11,640	(6,078)	**(21,805)**
Total Variance to date		**(157,149)**	**(213,860)**	**(5,788)**	**(376,797)**

Note	Community Services - Comments
1.	Various minor underspends including energy costs; increased cremation fee & interment income.
2.	Under budget on Councillors' small scale community schemes.
3.	Various minor overspends & additional income across the service.
4.	Under budget on supplies and services; additional PCN income received to date
5.	Over budget employee & transport costs offset by savings achieved in advance of target; surplus income from Recycling & Bring Sites.
6.	Various minor underspends & shortfall in income across the service.

REVENUE BUDGET MONITORING 2017/18

CORPORATE SUPPORT AND RESOURCE Position as at 29th September 2017	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	36,589,400	(27,027,400)	(6,557,600)	**3,004,400**
Budget to date	18,915,966	(14,484,717)	(3,634,673)	**796,576**
Total Actual	18,886,957	(14,516,360)	(3,624,067)	**746,530**
Variance	**(29,009)**	**(31,643)**	**10,606**	**(50,046)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(29,009)**	**(31,643)**	**10,606**	**(50,046)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
ICT Services	1	35,771	(13,657)	9,540	**31,653**
Treasury and Debt Management	2	(40,815)	25,497	0	**(15,319)**
Revenues & Benefits	3	(18,145)	(43,653)	120	**(61,677)**
Miscellaneous	4	(5,820)	170	946	**(4,703)**
Total Variance to date		**(29,009)**	**(31,643)**	**10,606**	**(50,046)**

Note	Corporate Support & Resources - Comments
1.	Overspend in relation to ICT Strategy expenditure.
2.	Under budget on Minimum Revenue Provision, under achieved market deposit investment interest.
3.	Various minor underspends; additional grant income & court cost income received to date.
4.	Various minor underspends across the service.

REVENUE BUDGET MONITORING 2017/18

ECONOMIC DEVELOPMENT Position as at 29th September 2017	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	3,137,000	(1,354,900)	(460,900)	**1,321,200**
Budget to date	1,418,772	(774,725)	(230,545)	**413,502**
Total Actual	1,450,137	(1,028,826)	(230,450)	**190,861**
Variance	**31,365**	**(254,101)**	**95**	**(222,641)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**31,365**	**(254,101)**	**95**	**(222,641)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Development Control	1	(2,112)	(100,376)	0	**(102,488)**
Building Control	2	9,041	(103,984)	0	**(94,944)**
Miscellaneous	3	24,436	(49,741)	95	**(25,210)**
Total Variance to date		**31,365**	**(254,101)**	**95**	**(222,641)**

Note	Economic Development - Comments
1.	Improved levels of income from fees and charges.
2.	Various minor overspends; surplus fee income received to date.
3.	Various net minor overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2017/18

GOVERNANCE AND REGULATORY Position as at 29th September 2017	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	9,734,600	(6,144,700)	(3,079,800)	**510,100**
Budget to date	5,102,594	(3,251,276)	(1,540,535)	**310,783**
Total Actual	4,909,024	(3,100,801)	(1,542,976)	**265,247**
Variance	**(193,570)**	**150,475**	**(2,441)**	**(45,536)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(193,570)**	**150,475**	**(2,441)**	**(45,536)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Homeless Accommodation	1	(9,736)	177,182	0	**167,446**
Civic Centre	2	(24,532)	(7,330)	168	**(31,694)**
The Lanes	3	(2)	37,835	0	**37,833**
Industrial Estates	4	(86,695)	(789)	0	**(87,484)**
Asset Review Income	5	(157,000)	0	0	**(157,000)**
Property Services	6	93,176	(4,861)	71	**88,387**
Miscellaneous	7	(8,781)	(51,563)	(2,680)	**(63,024)**
Total Variance to date		**(193,570)**	**150,475**	**(2,441)**	**(45,536)**

Note	Governance & Regulatory Services - Comments
1.	Lower expenditure levels & shortfall in income due to temporary closure of John Street.
2.	Underspend on premises related expenditure; additional income received.
3.	Shortfall in rent income for 2017/18.
4.	NNDR refunds received.
5.	Additional income generated from rent reviews being set aside as savings in advance of a future year's saving target.
6.	Contractual costs incurred on Chancerygate.
7.	Various net minor underspends and surplus income across the service.

REVENUE BUDGET MONITORING 2017/18

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 29th September 2017	£	£	£	£
Annual Budget	201,000	(2,226,800)	0	**(2,025,800)**
Budget to date	449,853	(1,108,265)	0	**(658,412)**
Total Actual	996,244	(1,124,532)	0	**(128,288)**
Variance	**546,391**	**(16,267)**	**0**	**530,124**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**546,391**	**(16,267)**	**0**	**530,124**

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	557,789	(16,266)	0	**541,523**
Miscellaneous	2	(11,398)	(1)	0	**(11,399)**
Total Variance to date		**546,391**	**(16,267)**	**0**	**530,124**

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£104,400) & Inflation savings (£16,700). Shortfall on base budget review savings (£108,100) & transformation savings (£572,000); additional grant income received.
2.	Various minor underspends.

REVENUE BUDGET MONITORING 2017/18

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 29th September 2017	£	£	£	£
Annual Budget	713,500	(713,500)	0	**0**
Budget to date	0	0	0	**0**
Total Actual	2,866,673	(2,749,594)	0	**117,079**
Variance	**2,866,673**	**(2,749,594)**	**0**	**117,079**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**2,866,673**	**(2,749,594)**	**0**	**117,079**

Analysis of Variances	Note	Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service		£	£	£	£
Flood Damage Recovery	1	274,524	(157,445)	0	**117,079**
Flood Government Grant	2	2,592,149	(2,592,149)	0	**0**
Total Variance to date		**2,866,673**	**(2,749,594)**	**0**	**117,079**

Note	Flood - Comments
1.	Additional costs incurred as a result of the floods which will be recoverable through Insurance in full or in part. Variance shown is the balance required to be funded from revenue reserves as this is not covered by insurance.
2.	Flood grants paid out; fully recoverable through government grants.

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs September 2017 No.	£	Comments
NNDR (General)	11	24,307.01	01/07/17 to 30/09/17
Council Tax	25	11,440.18	01/07/17 to 30/09/17
Debtors:			
Private Tenants	0	0.00	01/07/17 to 30/09/17
Housing Benefit Overpayments	38	10,236.81	01/07/17 to 30/09/17
General Fund	11	723.72	01/07/17 to 30/09/17
Penalty Charge Notices:			
On Street	40	3,676.50	01/07/17 to 30/09/17
Off Street	33	2,740.00	01/07/17 to 30/09/17
TOTAL	158	53,124.22	

TABLE 2 Type of Debt	Write-Ons September 2017	£	Comments
NNDR (General)	14	4,114.29	01/07/17 to 30/09/17
Council Tax	4	196.62	01/07/17 to 30/09/17
Debtors:			
Private Tenants	0	0.00	01/07/17 to 30/09/17
Housing Benefit Overpayments	0	0.00	01/07/17 to 30/09/17
General Fund	3	2.27	01/07/17 to 30/09/17
TOTAL	21	4,313.18	

	Business & Transformation Scrutiny Panel	**Agenda Item:**
CARLISLE CITY COUNCIL www.carlisle.gov.uk		**A.3 (i)**

Meeting Date:	5th December 2017
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	CAPITAL BUDGET OVERVIEW & MONITORING REPORT: APRIL TO SEPTEMBER 2017
Report of:	CHIEF FINANCE OFFICER
Report Number:	RD 29/17

Purpose / Summary: This report provides an overview of the budgetary position for the City Council's capital programme for the period April to September 2017 and was considered by the Executive on 20th November 2017.

Questions for / input required from Scrutiny:
Members are asked to note the variances contained within this report.

Recommendations:
The Members of the Business & Transformation Scrutiny Panel are asked to note the overall budgetary position for the period April to September 2017.

Tracking

Executive:	**20th November 2017**
Overview and Scrutiny:	**5th December 2017**
Council:	**n/a**

	Report to Executive	Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk		

Meeting Date: 20th November 2017

Portfolio: Finance, Governance and Resources

Key Decision: No

Within Policy and
Budget Framework YES

Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO SEPTEMBER 2017

Report of: CHIEF FINANCE OFFICER

Report Number: RD 29/17

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to September 2017.

Recommendations:

The Executive is asked to:

(i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to September 2017;

(ii) Note adjustments to the 2017/18 capital programme as detailed in paragraph 2.1.

Tracking

Executive:	**20th November 2017**
Scrutiny:	**5th December 2017**
Council:	**n/a**

1. BACKGROUND

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

1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.

1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.

1.4 It is important to understand the distinction between capital and revenue expenditure.

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

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

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

2. CAPITAL BUDGET OVERVIEW

2.1 The following statement shows the annual capital programme for 2017/18:

2017/18 Capital Budget	£
2017/18 Capital Programme (RD04/17 Council 11/07/17)	**9,010,700**
Affordable Homes (S106) (ED24/17 Executive 31/07/17)	229,400
Additional contributions & increased revenue financing including use of GLL Reserve for Harraby Cycle Track (OD92/17)	157,300
Increase for additional contributions to Public Realm Scheme	25,000
Release of funding from reserve for ICT Strategy (CE01/17 13/02/17)	49,600
Revenue contributions towards Talkin Tarn Play Area	41,400
Revised 2017/18 Capital Programme (at Sept 2017)	**9,513,400**
Less Capital Reserves to be released by Executive	(505,000)
Revised 2017/18 Capital Programme	**9,008,400**

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

2.3   The Council has approved (CS22/17) the release of a further sum, up to a prescribed amount, from the GLL Reserve to provide a contingency to ensure that the Council meets its contractual obligations on the Harraby Cycle Track project.

3.   2017/18 BUDGET MONITORING

3.1   The position statement as at September 2017 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	3,639,800	1,430,277	1,521,959	91,682	3.3
Corporate Support & Resources	185,200	117,430	102,968	(14,462)	-
Economic Development	667,600	86,875	54,406	(32,469)	3.4
Governance & Regulatory Services	3,802,300	1,797,252	939,422	(857,830)	3.5
Total	**8,294,900**	**3,431,834**	**2,618,755**	**(813,079)**	
Flood Related Capital	713,500	713,500	1,076,448	362,948	3.6
Total	**9,008,400**	**4,145,334**	**3,695,203**	**(450,131)**	
Reserves to be released	505,000	0	0	0	3.7
Total	**9,513,400**	**4,145,334**	**3,695,203**	**(450,131)**	

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

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

3.2   As at the end of September, expenditure of £3,695,203 has been incurred. When considered against the profiled budget of £4,145,334 this equates to an underspend of £450,131.

The unspent balance remaining of the revised annual budget of £9,008,400 is £5,313,197. This will be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

3.3   The variance in Community Services is attributable to the following:
(i)   An overspend of £29,374 on vehicle replacements to date. The overspend to date will be managed and contained within the overall vehicle replacement budget allocation.
(ii)   An overspend of £92,822 on Waste Minimisation purchases. A review of expenditure is currently underway including the level of stock held.
(iii)   An underspend of £17,711 on Open Space Improvements.

3.4   The variance in Economic Development is attributable to the following:
(i)   An underspend of £34,969 on Durranhill Industrial Estate improvements.

3.5   The variance in Governance & Regulatory Services is attributable to the following:
(i)   An underspend of £838,011 on Disabled Facilities Grants. The DFG funding increased in 2016 and the Government expects Council's to produce action plans for expenditure between 2017 and 2019. The plans should involve health and social care. The target is to have a completed plan of expenditure by February 2018.

3.6   The variance in Flood Related Projects is attributable to the following:
(i)   An overspend of £362,948 on Building reinstatement costs. Budgets will be adjusted once final accounts from the contractors have been received and insurance settlement figures have been agreed with the loss adjusters. This will then determine the balance to be funded from the Council's own balances and reserves.

3.7   A number of schemes are included in the capital programme for 2017/18 that require reports to be presented to the Executive for the release of funding before the project can go ahead, some of which may slip into future years capital programmes.

Scheme	Budget £	Note
ICT Infrastructure	100,000	1
Old Town Hall / Greenmarket	380,000	
Play Area Green Gyms	25,000	
Total	**505,000**	

Notes:

1. A report was considered by Executive on 23rd October for the release of this budget (CS20/17).

4. FINANCING

4.1 The 2017/18 capital programme can be financed as follows:

	Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	**9,513,400**	**9,008,400**
<u>Financed by:</u>		
Capital Receipts / Internal Borrowing	3,782,100	3,277,100
Capital Grants		
• Disabled Facilities Grant	1,613,900	1,613,900
• General	1,144,100	1,144,100
Direct Revenue Financing	1,976,500	1,976,500
Other Contributions	987,000	987,000
Earmarked Reserves	9,800	9,800
Total Financing	**9,513,400**	**9,008,400**

5. CAPITAL RESOURCES

5.1 The following table shows the position as at September 2017 of the capital resources due to be received during 2017/18:

	2017/18 Revised Budget £	2017/18 Actual £	2017/18 Not yet received £	Note
Capital Receipts				
· General	0	0	0	1
· Asset Review	(200,000)	(47,400)	152,600	1
· Vehicle Sales	0	(2,800)	(2,800)	2
· PRTB Sharing agreement	(150,000)	0	150,000	3
Capital Grants				
· Disabled Facilities Grant	(1,613,900)	(1,613,944)	(44)	4
· Tennis Facilities	(400,000)	0	400,000	5
· Cycle Track Development	(68,000)	0	68,000	5
· General	0	(2,000)	(2,000)	
Capital Contributions				
· Section 106	(856,600)	(338,295)	518,305	6
· Cycle Track Development	(90,400)	(90,480)	(80)	
· General	(40,000)	(61,044)	(21,044)	7
Total	**(3,418,900)**	**(2,155,963)**	**1,262,937**	

Notes:

1. Receipts for 2017/18 are anticipated to be received from asset review sales (£200,000). The asset review sales anticipated to be received have been revised downwards in line with the updated expectations included within the Capital Strategy that was approved by Council in September.

2. Included within vehicle sales are receipts of £2,800 for individual vehicle sales that are below the deminimis of £10,000 for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.

3. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. It should be noted that Riverside Group are currently preparing forecasts for PRTB receipts for 2017/18. Forecast projections will be provided in a future report to the Executive.

4. Disabled facilities grant allocation for 2017/18 received totalling £1,613,944.

5. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.

6. Contributions from Section 106 agreements to Castle Way scheme (£266,000), Public Realm S106 (£49,600), Crindledyke Cycleway (£268,700), Open Space Improvements (£42,900) and Affordable Homes (£229,400).

7. Additional contributions received towards Public Realm (£25,000) and Public Realm/Cracker Packer (£15,000).

6. BALANCE SHEET MANAGEMENT

6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.

6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.

6.3 The value of fixed assets is a significant part of the balance sheet. In the 2016/17 accounts, fixed assets totalled £161million (2015/16 £160million). This represents 94% of the net current assets of the City Council.

6.4 Debtors
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure, and receipts for the Council's share of the PRTB (Preserved Right to Buy) agreement. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at September 2017 debtors of £11,935 (£226,803 at 31 March 2017) were outstanding for capital grants, contributions and receipts. PRTB receipts for 2016/17 were received in April in accordance with the agreement.

6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess

and correct any defects outstanding on the scheme. Amounts earmarked for retention as at September 2017 totalled £114,435 (£456,407 at 31 March 2017).

7. PERFORMANCE

7.1 The 2017/18 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets totalling £505,000 are being held in reserves until approved by Executive for release.

7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.

7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. CONSULTATION

8.1 Consultation to Date
SMT & JMT have considered the issues raised in this report.

8.2 Consultation Proposed
Business & Transformation Scrutiny Panel will consider the report on 5th December 2017.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:
(i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to September 2017;
(ii) Note adjustments to the 2017/18 capital programme as detailed in paragraph 2.1.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: **Emma Gillespie**   **Ext: 7289**

Appendices   A to F
attached to report:

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

• **None**

CORPORATE IMPLICATIONS/RISKS:

Community Service – Not applicable

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

Economic Development – Not applicable

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

2017/18 CAPITAL PROGRAMME

Scheme	Original Capital Programme 2017/18 £	Other Adjustments £	Revised Capital Programme 2017/18 £
Current non-recurring commitments			
Public Realm/Cracker Packer (S106)	64,600	0	64,600
Castle Way (S106)	266,000	0	266,000
Arts Centre	47,300	0	47,300
Tennis Facilities	497,000	0	497,000
Cycle Track Development	717,000	157,300	874,300
Market Hall Roof	460,000	0	460,000
Crindledyke Cycleway	268,700	0	268,700
Durranhill Industrial Estate	105,400	0	105,400
Play Area Developments	10,900	0	10,900
Open Space Improvements	42,900	0	42,900
Kingstown Industrial Estate	9,800	0	9,800
Public Realm Improvements	243,200	25,000	268,200
IC Buildings Flood Reinstatement	713,500	0	713,500
Revenues & Benefits ICT Upgrades	45,200	0	45,200
Asset Review	203,600	0	203,600
Talkin Tarn	0	41,400	41,400
Affordable Homes (S106)	0	229,400	229,400
	3,695,100	**453,100**	**4,148,200**
Recurring commitments			
Planned Enhancements to Council Property	215,000	0	215,000
Vehicles, Plant & Equipment	1,857,300	0	1,857,300
ICT Infrastructure	90,400	49,600	140,000
	2,162,700	**49,600**	**2,212,300**
Disabled Facilities Grants			
Private Sector Grants	2,594,700	0	2,594,700
Minor Works Grants	53,200	0	53,200
	2,647,900	**0**	**2,647,900**
TOTAL	**8,505,700**	**502,700**	**9,008,400**
Capital Reserves to be released			
ICT Infrastructure	100,000	0	100,000
Play Area Green Gyms	25,000	0	25,000
Old Town Hall / Greenmarket	380,000	0	380,000
	505,000	**0**	**505,000**
REVISED TOTAL	**9,010,700**	**502,700**	**9,513,400**

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Art Centre	47,300	6,773	0	(6,773)	Budget carried forward to provide for works postponed due to the 2015 floods.
Vehicles & Plant	1,857,300	597,400	626,774	29,374	Replacement of vehicle purchases in 2017/18 on target to date. Overspend to date will be retained within the overall budget allocation.
Waste Minimisation	0	0	92,822	92,822	A review of expenditure is currently underway.
Tennis Facilities	497,000	0	0	0	Approved by Council 08/09/15 (SD16/15).
Cycle Track Developments	874,300	618,873	618,246	(627)	Approved by Executive 27/07/15 (SD13/15). Budget increased for additional grant, contributions and funding approved by Council from GLL Reserve.
Play Area Developments	10,900	5,452	0	(5,452)	External funding carried forward to complete schemes.
Open Space Improvements	42,900	21,462	3,751	(17,711)	External funding carried forward to complete schemes.
Crindledyke Cycleway (S106)	268,700	138,917	138,932	15	Approved by Executive 01/06/15 (LE10/15). Funded by Section 106 monies. Various factors have delayed the project.
Talkin Tarn	41,400	41,400	41,434	34	
Grand Total	**3,639,800**	**1,430,277**	**1,521,959**	**91,682**	

CORPORATE SUPPORT & RESOURCES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	140,000	94,820	102,968	8,148	Part of ICT Strategy Business Case. Budget carried forward to accommodate contracts and orders placed to upgrade IT infrastructure, network & equipment. Additional £100,000 budget now released by Executive on 23/10/17 (CS20/17). Not currently included in the figures presented.
Revenues and Benefits ICT Upgrades	45,200	22,610	0	(22,610)	Budget carried forward as part of ICT Strategy.
Grand Total	**185,200**	**117,430**	**102,968**	**(14,462)**	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Public Realm Work	268,200	24,139	24,196	57	Budget released by Executive 10/03/14 (ED10/14). Additional budget released by Executive 07/04/15 (ED15/15). Revised Project Plan developed and is being implemented in line with revised timescales.
EA Central Plaza	0	0	2,442	2,442	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 (OD.104/16).
Public Realm (S106)	64,600	10,015	10,016	1	Approved by Executive 3/9/12 (RD34/12). Funded by Section 106 monies. Tender awarded and work progressing.
Durranhill Industrial Estate	105,400	52,721	17,752	(34,969)	Approved by Executive 15/01/14 (ED02/14). Revised programme of works approved by Executive 7/04/15 (ED14/15).
Affordable Homes	229,400	0	0	0	Approved by Executive 31/07/17 (ED24/17). Spend expected by end December 2017.
Grand Total	**667,600**	**86,875**	**54,406**	**(32,469)**	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
Planned Enhancements to Council Property	215,000	124,187	115,015	(9,172)	Individual projects progressing as planned.
Market Hall Roof	460,000	0	0	0	Budget released by Executive 26/09/16 (GD51/16). Negotiations ongoing regarding the Council's contribution towards the works.
Asset Management Plan	203,600	146,477	146,431	(46)	Budget carried forward in relation to remaining payments from Escrow account & demolition costs.
Kingstown Industrial Estate Roads	9,800	4,904	0	(4,904)	Remaining budget required for additional public realm signage on the estate.
Castle Way (S106)	266,000	188,062	188,197	135	Approved by Executive 11/4/12 (RD01/12). Funded by Section 106 monies. Completed early 2017/18. Final account due to be paid to contractor.
Disabled Facilities Grants	2,594,700	1,297,872	459,861	(838,011)	Mandatory Grants. Increased grant allocation for 2017/18. The position is being closely monitored.
Minor Works Grants	53,200	35,750	29,918	(5,832)	Budget approved by Executive 04/04/16 (ED09/16).
Grand Total	**3,802,300**	**1,797,252**	**939,422**	**(857,830)**	

APPENDIX F

FLOOD RELATED CAPITAL EXPENDITURE

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
IC Buildings Flood Capital	713,500	713,500	1,076,448	362,948	Capitalisation of building improvements as a result of the flood.
Grand Total	**713,500**	**713,500**	**1,076,448**	**362,948**	

		Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk	**Report to Business and Transformation Scrutiny Panel**	**A.4**

Meeting Date:	5 December 2017
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Within Policy and Budget Framework	YES
Public / Private	Public

Title:	COMMUNITY ASSET TRANSFER
Report of:	Policy and Communications Manager
Report Number:	OS 21/17

Purpose / Summary:

This report presents the work of the Community Asset Transfer task group to develop a draft Community Asset Transfer Policy and identify how this can be implemented by the Council.

Recommendations:

The Scrutiny Panel is asked to:

1. Consider and comment on the draft Community Asset Transfer Policy (Appendix 1) and supporting documents to enable the Council to implement the policy:
   - Community Asset Transfer Process (Appendix 2)
   - Community Asset Transfer Application Form (Appendix 3)
   - Community Asset Transfer Assessment Matrix (Appendix 4)
2. Refer this report to the Executive for consideration on 18 December 2017.

Tracking

Executive:	18 December 2017
Overview and Scrutiny:	5 December 2017
Council:	

1.   BACKGROUND

1.1   At their meeting on 14 September 2017, the Business and Transformation Scrutiny Panel agreed to form a task and finish group to support officers in shaping and developing the Community Asset Transfer Policy. The group is comprised of the Chairman (Councillor Riddle), Vice Chairman (Councillor Bowman) and Councillor Allison.

Community Asset Transfer

1.2   Community Asset Transfer (CAT) is the transfer of management and/or ownership of public land and buildings from its owner (usually a local authority) to a community organisation (such as a Development Trust, a Community Interest Company or a social enterprise) for less than market value – to achieve a local social, economic or environmental benefit.

1.3   The Local Government Act 1972 section 123 (2) states: *"Except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained."* A general consent for local authorities to dispose of land to community organisations at below market value was given under this section in 2003.[1] The consent specifies the following conditions:

The specified circumstances are:
a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
i) the promotion or improvement of economic well-being;
ii) the promotion or improvement of social well-being;
iii) the promotion or improvement of environmental well-being; and

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

1.4   The Quirk Review (2007) found that many councils were not using the powers to their full benefit, and the Government confirmed its commitment to the policy through the

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[1] DCLG, *Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained*, 2006

Community Empowerment White Paper (2008). This was further strengthened by the introduction of community rights through the Localism Act (2011).

1.5   The Government has encouraged greater use of asset disposal in recent years, in particular to benefit community organisations. The key shift in public policy as it affects asset transfer and development is that there has been a move from a 'demand pull' for transfer of ownership and control of assets from community based organisations to a 'supply push' from public sector bodies to transfer assets to community based organisations. As reductions in public spending and the need to consider the costs of running assets increases, more and more public bodies are likely to look to community based organisations to take on publicly owned assets to enable them to stay in local control and be used for wider community benefit.

National picture

1.6   Information on CAT activity is not routinely collected on a national level, however, Locality[2] commissioned three waves of a national survey in 2009, 2010 and 2012. [3] As of September 2012, the Advancing Assets Programme had worked with 88 councils on their strategic approach to CAT, and more than 154 councils in England had CAT strategies and policies.[4]

1.7   In 2015/16, Locality delivered the Community Ownership and Management of Assets (COMA) programme on behalf of the Department for Communities and Local Government. This supported 52 partnerships between local public bodies and community groups to develop multiple asset transfer or single, more complex, asset projects. [5]

1.8   Research into the progress of CAT recommends, *"Local authorities are advised to consider the important role that CAT can play as part of their asset management strategies. The wider strategic objectives of the authority, considering the full range of social impacts of asset disposal should be considered alongside financial considerations. For those that utilise CAT effectively, there can be significant benefits for communities, local organisations as well as financial savings."[6]*

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[2] Locality is a national network that supports and empowers communities to develop community asset ownership, community enterprise and social action.
[3] p10 Community Asset Transfer: A review of progress and practice in post-recession England
[4] p3 Empowering communities: making the most of local assets

[5] p3 Places and spaces: The future of community asset ownership

[6] p60 Community Asset Transfer: A review of progress and practice in post-recession England

Current position at Carlisle City Council

1.9   The Council already leases a number assets such as Tullie House, community centres and leisure facilities to third sector organisations (TSOs), whilst retaining the maintenance and liability. Asset leases vary depending on the type and use. For example, community centres are leased for up to 35 years to help secure funding, as grant providers prefer longer term leases. The Council also provides differing levels of funding and support to these TSOs. This approach enables the Council to maintain influence in the provision of the services and the outcomes for the community.

1.10   Some assets have been leased with the responsibility for insurance, maintenance and upkeep transferred to TSOs (eg allotments, Lismore St Green, Old Bowling Green, Currock - The Rock Youth Project). The possibility of asset transfers is also explored in other Council strategies – for example the Playing Pitch Strategy states, *"In the context of the Comprehensive Spending Review, which announced public spending cuts, it is increasingly important for the Council to work with voluntary sector organisations in order that they may be able to take greater levels of ownership and support the wider development and maintenance of facilities. To facilitate this, the Council needs to be willing to consider and work with clubs to promote self management of sites."[7]*

1.11   The Council continues to receive enquiries about potential transfers of specific assets and properties generally available in Carlisle for asset transfer.   This demonstrates a need for the Council to have an agreed Community Asset Transfer policy in place to be able to respond effectively to the requests from the community.

1.12   The Asset Management Plan (AMP) 2017-2022[8] sets out the Council's approach to managing its land and property assets. It includes progress on the Asset Review Business Plan and Disposal Programme. Although the Council has no formally agreed CAT process, the AMP is supportive of the potential for development in this area, demonstrated by the strategic objectives within the plan:

"2. Make services aware of the costs of occupying property, maximising the use of the asset base, identifying 'expensive' and 'obsolete' assets.""

"3. Respond to changing property needs for service delivery improvements, identifying improvements to assets or the asset base to enhance service

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[7] p30, Carlisle City Council Playing Pitch Strategy & Action Plan, May 2013
[8] Full Council, 12 September 2017

delivery, disposing of assets no longer required for operational purposes and acquiring new assets to support service delivery."

"7. Encourage community and partnership use of assets by identifying opportunities for shared services, liaising with partners and working with the community."

1.13   The AMP also states, *"Surplus Property Strategy - the Council will dispose of surplus assets on a freehold or leasehold basis at best consideration. Disposals at less than best consideration may be agreed subject to the necessary statutory and Council approvals."*

"Value for money

4.1 There is a Council-wide approach to managing assets as a corporate resource, using assets to help to deliver social, environmental and economic outcomes for local communities.

4.2 Collaborating with partner organisations on strategic asset management planning is an important requirement. The Council will continue to develop its strategic approach to working with other bodies to identify opportunities for shared use and alternative options for the management and ownership of its assets."

2.   PROPOSALS

2.1   The task group has developed a draft Community Asset Transfer Policy (Appendix 1) and supporting documents to enable the Council to implement the policy:
- Community Asset Transfer Process (Appendix 2)
- Community Asset Transfer Application Form (Appendix 3)
- Community Asset Transfer Assessment Matrix (Appendix 4)

2.2   The documents are based on research and consultation undertaken by the task group. Members identified that a CAT policy should be clear and concise, whilst remaining flexible, as each case will be different and require individual consideration. The task group also recognised the need for a clear process for asset transfers to be considered within the Council, to ensure that an officer has responsibility for each stage of the process, members are informed and decision making is transparent.

2.3   Members felt that an application form will assist groups in applying as they will understand clearly from the outset what is required from them. The assessment matrix aligns to the application form, enabling an initial assessment of an application to determine if it should proceed to be considered further.

2.4 By supporting groups through the CAT process, they will be more likely to be successful and work effectively with the Council to achieve the agreed outcomes. The CAT policy and processes provide a clear framework for asset transfers, helping to identify the resources required to implement the process and who will lead on these at each stage.

2.5 The task group has identified further work it wishes to undertake on Community Asset Transfer regarding the Council's asset list, and recognising that this subject is a cross cutting matter, opened up the task and finish group to the other Scrutiny Panels. Membership of this expanded group was sought through the November meeting of the Scrutiny Chairs Group.

3. CONSULTATION

3.1 The task group undertook research of other authorities' policies and processes. They also commissioned the Policy and Communications Team to review how asset transfers had been applied in other authorities.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Council has demonstrated its commitment to working with partners and the community to maximise the effectiveness of assets through existing leases and transfers. It recognises the benefits of Community Asset Transfer to both the authority and the community; however, this has not been explored and developed to its full potential. There could be many further opportunities to obtain the best use of resources for social and economic benefit that are not being realised. The Council does not have agreed policies and processes in place to manage Community Asset Transfers, and there is a risk that we could be open to challenge regarding the transparency of our approach thus far.

4.2 Recent enquiries regarding Community Asset Transfer have highlighted there is growing interest in Carlisle. This is an excellent opportunity to build a comprehensive response, learning from the experiences of other authorities.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The Community Asset Transfer policy supports the Carlisle Plan by looking at how we can work with our communities to improve the health, wellbeing and economic prosperity of the people of Carlisle through our assets.

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

Appendices   **Appendix 1 - Community Asset Transfer Policy**
attached to report: **Appendix 2 - Community Asset Transfer Process**
                              Appendix 3 - Community Asset Transfer Application Form
                              Appendix 4 - Community Asset Transfer Assessment Matrix

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

• None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Deputy Chief Executive –

Economic Development –

Governance –

Local Environment –

Resources -

DRAFT - Carlisle City Council Community Asset Transfer Policy

1.   Introduction

1.1   This policy outlines the Council's approach to Community Asset Transfer. The aim of this policy is to provide a set of guidelines to be considered in the transfer of assets from the Council to other bodies where the transfer is on a non-commercial basis. There are two options for transfer: as a one off permanent disposal or transfer by way of a long lease. This policy also outlines the process to be used in such transfers.

2.   Context

2.1   Asset transfer has continued to develop through Government policy to create sustainable communities, empowerment and regeneration (e.g. Community Empowerment White Paper (2008). The Quirk Review (2007) found that many councils were not using the powers to their full benefit and strongly advocated in favour of local ownership and management of public assets. The Localism Act (2011) devolved decision making powers to neighbourhood level and promoted new rights for communities, further encouraging people to play a more active part in society and opening up public services to the voluntary and community sector, social enterprises and the private sector.

2.2   The Council is committed to working with our communities to improve the health, wellbeing and economic prosperity of the people of Carlisle[1]. We work in partnership to empower communities, diversify how services are provided and enable greater public scrutiny and accountability. The Asset Management Plan (AMP) 2017-2022 supports this in the strategic objective to, *"Encourage community and partnership use of assets by identifying opportunities for shared services, liaising with partners and working with the community."*[2]

3.   Policy Statement on Community Asset Transfer

3.1   The Council is committed to using its assets to form long-term partnerships with organisations that meet our criteria and where they will bring benefits to communities.

3.2   For voluntary and community sector organisations, asset transfer can strengthen an organisation's confidence and give them the opportunity to develop an asset to meet the community's needs and aspirations, whilst providing opportunities for income generation and funding. It can be a part of supporting and sustaining local communities, ensuring that assets can be operated by the people who regularly use them.

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[1] Vision, Carlisle Plan 2015-18
[2] Full Council, 12 September 2017

3.3   Asset transfers also create the opportunity for investment that may not be possible within Council ownership and can provide a catalyst for inward investment through local purchasing and employment.   It can contribute to our objective to rationalise our estate and facilitate more effective and efficient use of our asset base. Transfers can also be a stimulus for partnership working between voluntary and community sector organisations, the Council and other partners, improving provision and accountability of services within communities, which in turn helps us to achieve the priorities set out in the Carlisle Plan.

3.4   The Council recognises that asset transfer is not suitable for all properties or all organisations. We will continue to work with local organisations to ensure that a range of tools, programmes and initiatives are in place to support the development of a strong and sustainable voluntary and community sector in the district.

4.   **Guidelines**

4.1   The Council will use a transparent process to assess potential asset transfers. Each case will to be considered on its own merits and the decision process will follow the normal process for Council decisions in accordance with the Council's constitution. The timescale for each case will vary, depending on the circumstances, and the Council will clearly define the expected timescales throughout the process. The guidelines below provide a framework for the consideration and decision making of asset transfers. Appendix 1 provides an overview of the Community Asset Transfer process.

4.2   While fully supporting the principle of asset transfer, we recognise that some assets must remain under Council control to support the delivery of essential services or strategic priorities.   The strategic importance of assets will vary from case to case but the contribution of the asset to the Council's finances and the impact on the Council's ability to deliver strategic objectives are key considerations.

4.3   The Council will decide if an asset is surplus and possibly available for a Community Asset Transfer if the answer to the following 4 key questions is **NO**:
1. Has a capital receipt for this asset already been ring-fenced to support a corporate project?
2. Is the estimated capital receipt needed as a contribution to the overall Capital Programme?
3. a). Does the Council require the asset to support its own requirements/objectives?
   b). Does it need a specific organisation to manage the asset to help deliver the Council's objectives?
   c). Is there already an established working relationship between the Council and organisation?
4. Is there any other reason why the asset is not to be made available for Community Asset Transfer e.g. because of its condition.

If the answer to any of the above questions is "YES" then the asset will be declared surplus for sale on the open market or used to achieve another corporate objective.

4.4   There may be cases where Council properties do not provide an income but attract costs in upkeep and maintenance. The Council will also look for opportunities to transfer liabilities to other parties as part of an overall approach to transfers involving a package of assets and liabilities. In this case the proportion of assets and liabilities and the balance of the financial impact are important considerations.

4.5   In implementing this policy the Council will have regard to its powers to transfer assets at below market value as given under *Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained*.[3]

4.6   We will openly advertise opportunities for Community Asset Transfer and invite applications from the community once an asset is identified as suitable for asset transfer.

4.7   The Council will consider transfer of an asset to any organisation that makes a credible application, supported by an appropriate business plan, and demonstrates it has the skills and capacity to manage the asset and the associated legal responsibilities. The application should include details of:
 • How the use of the asset will support the Council's priorities and benefit the community.
 • Cash flow and budgeting details.
 • Capacity of the organisation to manage the asset.
 • Experience and skills of the board/managing group.
 • Confirmation of the legal structure of the group and how the group will hold the asset.
 • Succession planning to ensure the organisation maintains the right skills and knowledge to manage the asset.

4.8   Although transfers being considered in this context are on a non-commercial basis it is prudent to consider the impact on the Council of a transfer. The preparation of a business case in the same way as for commercial transfers is a useful way of assessing the impact and benefits of a transfer to the Council. Benefits could be in the form of enhanced partnership working, improved community relations, reputation enhancement or as a means to unlock asset potential for the benefit of the community. The potential negative impacts could include financial implications, in particular hidden costs or opportunity costs arising as a result of the transfer.

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[3] DCLG, *Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained*, 2006

4.9   The level of support the community or body taking on an asset will need is an important consideration. This may be short term during the transfer or longer term and is part of the potential hidden costs mentioned in 4.8 above. The Council should be mindful of identifying a clear exit strategy at an early stage in the process so that all parties are aware of the end result and appreciate fully the implications. Consideration should also be given to how a worst case scenario is to be handled. For example the Council may wish to take back the asset if the project fails. The long term liabilities in this situation need to be considered.

4.10   The benefit to the community should be assessed and quantified if possible. The transfer may be part of a package of measures to assist in community development. The guiding principle should be that the community can identify and buy into the benefit, for example if the possession of an asset allows them to attract funding. In some instances there may not be a benefit as in when the transfer is of a liability.

4.11   This policy covers a broad range of potential transfers of both assets and liabilities. There are therefore likely to be many technical issues involved ranging from physical maintenance, to planning implications as well as legal, HR and equality issues. All of these should be considered in the same way as for any Council decision. A full risk analysis should be carried out and controls identified for the significant risks where possible.

4.12   During the consideration period the Council and its partners may enter into a dialogue with the organisations who have submitted the application forms to seek clarification and additional information/evidence in support of the organisation's aspiration to acquire the asset. In certain circumstances the Council and its partners may ask a number of organisations to explore a collaborative bid for the asset.

4.13   Whilst this policy deals with the transfer of assets at less than open market value it does not automatically assume that the transfer is at zero value. In practice a range of discounted values may be applied ranging from a nominal amount to a significant percentage of Open Market Value. As a minimum the Council should seek to recover its transaction costs, for example legal and surveyor fees.

4.14   A key aspect of the transfer is whether it is to be a one off permanent disposal or transfer by way of a long lease. The former offers a clean break with complete transfer of responsibility but it also means the Council loses all practical control of the eventual use of the asset. A long lease arrangement provides all of the benefits of a complete disposal in practical terms but it allows for the Council to retain some control of the asset in the longer term by way of restrictive covenants. In practice there may be situations where either approach may be the most appropriate. The Council should decide on its preferred model as a starting point while allowing for consideration of alternative approaches in particular circumstances.

4.15   The successful organisation will be required to sign legally binding documents in relation to them acquiring the asset. In the granting of a lease the Council will attach legally binding restrictions (covenants) to ensure the asset remains in community use and/or cannot be disposed of for financial gain.

4.16   Once the Community Asset Transfer is completed, the organisation acquiring the asset becomes responsible for:

- Operation of the asset in accordance with the terms of the lease and with all other legal obligations. This will include insuring the contents, maintenance, repairs, cleaning, all outgoings and relevant health and safety requirements.

- Compliance with any transfer agreement and any other agreements.

- Delivery of agreed outcomes.

4.17   The successful organisation will have to report to the Council's agreed representative as per the lease. They will also have to comply with a periodic assessment conducted by the Council of them complying with their statutory obligations and any other conditions of acquiring the asset. Failure to comply with any of part of the agreement could result in the Council ending the lease and the organisation having to hand the asset back to the Council. Details of the other possible sanctions available will be contained in the signed legal documents, along with the details of the Council's agreed representative.

4.18   At the end of the lease the Council reserves the right to:

- Review the asset and decide it is no longer available for Community Asset Transfer and dispose of the asset at full market value or use it to meet another strategic objective of the Council.
- Negotiate a new lease with the existing occupier.
- Advertise the asset and invite fresh expressions of interest.

Asset identified for potential disposal through Asset Disposal Programme
(Property, other relevant teams)

Request received by the Council
(Policy & Communications notifies Property, other relevant teams and ward members)

Council assesses suitability of asset for CAT
(Property to lead with other relevant teams)

Asset identified as surplus/available by the Council
(Property confirms decision to Policy & Communications)

Council advertises CAT opportunity and invites applications
(Policy & Communications promotes opportunity and notifies ward members)

Applications scored against Application Assessment Matrix to determine if they should be considered by the CAT Panel (Policy & Communications to lead in conjunction with Property, other relevant teams)

Applicant notified of the outcome
(Policy & Communications)

Applications considered by CAT Panel
(ad-hoc Panel led by Property, also to include Finance, Legal, ward councillors, other relevant teams)

Decision recommendation from CAT Panel prepared
(Property to lead with other relevant teams)

Decision by the Council's Executive/Council

Applicant notified of the outcome
(Property)

CAT prepared, including legal documents, service level agreement, performance framework
(Property to lead with Legal, other relevant teams)

Post transfer of lease, including monitoring and review, lease renewal
(Property to lead with Legal, other relevant teams)

The timescale for each case will vary, depending on the circumstances, and the Council will clearly define the expected timescales throughout the process.

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Community Asset Transfer Application Form

CARLISLE CITY COUNCIL

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PART A: ABOUT THE ASSET

Please provide details of the asset in which you have an interest:	
Building or site name	
Address	
Postcode	

PART B: CONTACT DETAILS FOR YOUR ORGANISATION

Organisation name	
Is your organisation a branch or part of a larger organisation? Yes ☐ No ☐ If yes, please provide details:	
Organisation address	
Organisation postcode	
Who is the main contact for this application?	
Title and name	
Address	
Postcode	
Telephone number(s)	
Email address	
Position in the organisation	

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PART C: ABOUT YOUR ORGANISATION

Does your organisation have a governing document (Constitution, Articles and Memorandum of Understanding, etc.)? Yes ☐ (please attach a copy with your application) No ☐
Does your organisation hold an Annual General Meeting (AGM) or similar governance meeting? Yes ☐ No ☐ If yes, please provide the date of the last meeting:
Does your organisation produce annual reports or returns for Companies House, The Charity Commission or other governing body? Yes ☐ (please attach a copy with your application) No ☐
Please give details of your organisations management structure and how it is managed – please provide names, roles and responsibilities (if you have an organisation structure diagram please attach a copy with your application)
Does your organisation employ staff or is it run by volunteers? Employs staff ☐ (please attach your staffing structure to the application) Run by volunteers ☐
Please confirm the overall numbers of people in involved with running your organisation/delivering activities
Please confirm how many people currently use your organisation's services/activities (this should be clients/users, not number of visits).
Does your organisation have an audited or independently checked set of accounts for the last financial year? Yes ☐ (please provide a copy of the latest one) No ☐
Does your organisation have a bank account in its own name for which it receives bank statements? Yes ☐ (please provide a copy of the latest statement) No ☐
Does your organisation currently own or have a lease on an asset; or has it previously owned or had a lease on an asset? Yes ☐ (please give details) No ☐

One of the responsibilities attached to managing an asset is ensuring you have the right insurance cover in place. Does your organisation currently have any insurance policies in place?
Yes ☐ No ☐

Has your organisation ever been refused insurance cover?
Yes ☐ (please provide details of when and why) No ☐

Does your organisation have written procedures in place to cover the following areas?			
Area	**Yes**	**No**	**Comment**
Recruitment & Induction			
Training & Development			
Health & Safety			
Equality & Diversity			
Safeguarding			
Disclosure Barring Service Checks			
Grievances/complaints			

PART D: BUSINESS PLAN

As part of Carlisle City Council's Community Asset Transfer application process your organisation needs to submit a Business Plan along with its application. This needs to be a concise but robust document and as a minimum requirement it needs to cover/contain the following key areas:

- A statement of the aims and objectives of your organisation.

- A description of who the organisations clients/users are, its target group.

- An executive summary of why your organisation requires the proposed asset; what difference it will make to your organisation.

- Details of what activities, services, events and uses the asset will be required for, and how your organisation intends to deliver these. Please identify any new/additional activities/services that will be delivered as a result of managing the asset.

- Which Council priorities your organisation will deliver against and what outcomes will be delivered as a result of your organisation managing the asset.

- A community need statement outlining the community need and any community benefits from your organisation managing the asset - the how, who, how many and

> how you will measure this. Include details of stakeholders and evidence of community involvement and consultation.

- What improvements, both physical and cosmetic your organisation intends to make to the asset – including indicative costs and how your organisation intends to pay for these.

- A cash flow forecast and budget detailing the financial viability and sustainability of your organisation. This should demonstrate your organisation's ability to manage the asset and any resulting costs.

- The capacity for your organisation to manage the asset, including the expertise and skills of the board/managing group of the organisation in managing assets and delivering activities, services, managing health and safety requirements and projects.

- Arrangements for on-going business planning.

- Arrangements to be put in place to ensure effective management of the asset and compliance with relevant statutory regulation.

- Succession planning – how your organisation will replace people on its board/managing group and ensure the right skills and knowledge are maintained.

PART E: DECLARATION

The transfer of an asset into community management and/or ownership can be a complex process. The processes of the Council are the responsibilities of your organisation are outlined in Carlisle City Council's Community Asset Transfer Policy. If you require further advice please visit www.carlisle.gov.uk .

I confirm that I and the organisation's managing group have read the Community Asset Transfer Policy and understand the responsibilities and duties for our organisation as outlined within it.

I certify that the information supplied in this application form is accurate to the best of my knowledge and that I am authorised by the managing group of the organisation to submit this application form on its behalf (Please supply a copy of the minute from the managing group meeting where this authority was granted or a letter confirming this).

I understand it is a criminal offence to knowingly make a false statement, to give or offer any gift or consideration whatsoever as an inducement or reward

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to any Council officer, partner or representative and that any such action will empower the Council to cancel this application for the transfer of the asset.

By signing this form, you are confirming that you have read and agree with the above declaration.

Signed:

Print name:

Position within organisation:

Date:

Please send this form and supporting information to policy@carlisle.gov.uk or

Policy and Communications Team
Carlisle City Council
Civic Centre
Rickergate
CARLISLE
CA3 8QG

Application attachment check list:			
Item	Yes	No	Comments
Copy of governing document(s)			
Copy of annual report and/or returns			
Organisational structure diagram			
Staffing diagram			
Copy of audited/independently examined accounts for the last financial year			
Copy of the latest bank statement			
Business Plan			
Copy of minutes or letter confirming authority to submit application form on behalf of the organisation			

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<table>
<tr><td colspan="2">**Community Asset Transfer Application Assessment Matrix – For internal use only**</td></tr>
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CARLISLE
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Date application received	
Name of applicant Name of organisation	
Asset details	

A - Eligibility Check

Answering 'No' to the following questions may result in the application being declared ineligible and the application rejected.

A	Have the following documents been attached to the application?	Yes/ No	Comments
1	Copy of governing document(s)		
2	Copy of annual report and/or returns		
3	Organisational structure diagram		
4	Staffing diagram		
5	Copy of audited/independently examined accounts for the last financial year		
6	Copy of the latest bank statement		
7	Business Plan		
8	Copy of minutes or letter confirming authority to submit application form on behalf of the organisation		

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A score of 1 to 10 will be awarded by the assessors on responses/information provided by the applicant to each criterion, where the criteria number is marked with an *, e.g. 1* the scoring will be out of a total of 20 as this is a weighted criterion:

Inadequate	**Acceptable**	**Strong**
1 ————————————	5 ————————————	10
*1	*10	*20

B - Applicant organisation

B	Criterion	Score	Comments
1	Has the legal standing of the organisation been clearly defined and established?		
2	Does the organisation hold an AGM or similar governance meeting?		
3	Has the organisational management and staffing structure been clearly defined?		
4	Has the organisation demonstrated it is financially sustainable/viable?		
5	Does the organisation have written procedures covering: • Recruitment & Induction • Training & Development • Health & Safety • Equality & Diversity • Safeguarding • Disclosure Barring Service Checks • Grievances/complaints?		
6	Has the organisation any current insurance policies in place or been refused insurance cover?		

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The Business Plan for asset transfer:

C - The proposal

C	Criterion	Score	Comments
1	Are the aims and objectives of the organisation clearly defined and in accordance with the applicant's proposal?		
2	Are the organisation's clients/users a priority group for the Council?		
3	Does the executive summary clearly define why the organisation requires the asset and what difference it will make to them?		
4*	Does the proposal assist with the delivery of the Carlisle Plan?		
5*	Does the proposal assist the Council with other objectives?		
6	Does the proposal meet the specific criteria relating to this particular asset – as detailed in the advert for the asset? (This may not always be applicable)		

D - Community and partnership impact (involvement/consultation/working)

D	Criterion	Score	Comments
1	Has the organisation fully demonstrated a demand for their proposal?		
2*	Has the organisation demonstrated how their proposal will provide added community benefit by them acquiring the asset and how they will measure and evidence this?		

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3	Has the organisation undertaken consultation with the community and partners about their proposal?		
4	Is there evidence that the organisation works in partnership with other organisations and community groups in the area?		
5*	Is there evidence that the organisation has an inclusive approach to the needs of different groups of people within the wider community?		

E - The asset

E	Criterion	Score	Comments
1	Is the asset suitable to use for the organisation's proposal?		
2	Has the organisation given comprehensive details of all proposed works they intend to carry out to the asset, including indicative costs and means of funding these and are these realistic?		
3	Has the organisation demonstrated a full understanding of the issues affecting the asset: • Condition • Suitability • Accessibility • Health & Safety • Planning restrictions • Environmental • Specific criteria relating to this particular asset – as detailed in the advert for the asset? (This may not always be applicable)		

4

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F - Financial

F	Criterion	Score	Comments
1*	Has the organisation submitted a detailed cash flow forecast and budget which demonstrates their project is financially viable and sustainable – are the projected revenue and income sources reasonable?		
2	Have the capital costs of any improvement works been accounted for and sources of funding identified – are these reasonable?		

G - Capacity to manage the asset

G	Criterion	Score	Comments
1*	Has the organisation demonstrated it has the skills and capacity to manage the asset and deliver the proposal?		
2	Does the organisation demonstrate a clear understanding of the responsibilities and issues involved with managing the asset and delivering their proposal in areas such as: • Health & Safety • Day to day maintenance • Risks and management/control • Business continuity • Training and development • Specific criteria relating to this particular asset – as detailed in the advert for the asset? (This may not always be applicable)		

Summary

Area	Score	Comments
B - Applicant organisation		
C - The proposal		
D - Community and partnership impact		
E - The asset		
F - Financial		
G - Capacity to manage the asset		
TOTAL SCORE		
Assessment groups recommendation:		
Members of assessment group:		
Date of assessment:		

		Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk	**Business & Transformation Scrutiny Panel**	**A.5**

Meeting Date: 5th December 2017

Portfolio: CROSS CUTTING

Key Decision: No

Within Policy and

Budget Framework   YES

Public / Private   Public

Title: CORPORATE PROJECT STATUS REPORT

Report of: TOWN CLERK & CHIEF EXECUTIVE

Report Number: CE 15/17

Purpose / Summary:

Members will be aware that the Transformation Board has now subsumed the work of the Corporate Programme Board.

Its role is to ensure that there are effective governance arrangements in place for the projects that the Council undertakes. This report provides an update on the work of the Transformation Board and projects currently being undertaken in the Council.

Other work currently underway includes the refresh of the Council's Project Managers' Handbook. This sets out the corporate standards and methodology for project management in the Council. It is attached to this report at Appendix Three for comment and input by this Panel before being finalised. This describes how, for example, we wish business cases to be developed, project risk to be managed and set out how project governance and accountability must be addressed.

Recommendations:

The Panel is asked to note and comment on the most recent summary of projects and governance arrangements in place as contained in Appendix One, and the actions being taken to support projects with issues. At Appendix Two is a summary of the standalone IT projects and their current status.

1. BACKGROUND

1.1 The Transformation Board has a high level advisory and monitoring role in relation to the projects delivered by Carlisle City Council. As requested by the Panel, a six monthly progress update on projects has been provided by the Transformation Board.

2. PROPOSALS

2.1 Project progress in the last six months

A summary of the status of current projects within the Council is detailed in Appendix 1. This contains a summary of current project status. The majority of Council projects are progressing to schedule. Those that have issues are indicated with an amber rating, indicating that there are some issues which require attention. There are no projects experiencing major issues, which would have required a red rating.

The key achievements and achievements per project in the last six months are set out below:

Local Plan

As reported to Members in June 2017, the Project was considered complete, following adoption of the Local Plan by full Council on 8th November 2016. A project closure notification report was submitted and approved and this is now removed from the Corporate Project Status report.

Public Realm Improvements

The amber rating against this project is owing to delays due to the need for further consultation, which is now complete. It is anticipated that the next period of project activity will see the installation of the phase one signage.

Durranhill Industrial Estate – Environmental Improvements

The onsite works which have resulted in the regeneration of Durranhill Industrial Estate are complete. The only element of the project which remains outstanding is the reconciliation of the final accounts. It is anticipated that this will complete within the next period.

Rethinking Waste

A request was received to close this project. The service changes arising from this project have been implemented, are well embedded across the teams concerned and are now deemed to be business as usual. The request for project closure was approved at the October meeting of the Transformation Board.

E-Purchasing/Ledger Update

This project is rated as amber owing to a delay in the anticipated date of rollout. Some significant progress has been made however, including the update of software installed on servers. It is anticipated that the next period will see the implementation of the E-purchasing system across the authority which will streamline the ordering of goods and services.

Digital Information Services projects

Appendix Two sets out the current status of individual projects.

Public Realm Caldewgate

This project refers to the Section 106 money from Sainsbury's to improve hard landscaping in Caldewgate and the installation of the Cracker Packer statue. This project is progressing to schedule and within budget and the intention is to unveil the statue on International Women's Day on 8th March 2018.

At its October meeting the Transformation Board agreed this would be removed from the Corporate Project Status report.

Crindledyke Cycleway

Phase 1 of this project was completed both within schedule and budget. Some significant progress has been made within Phase 2 of the project including finalisation of design. There is a requirement to resubmit planning permission for

Phase 2 due to alteration in line of the path following a safety audit. Despite this the project has a green RAG rating and there are no significant risks identified at present.

Asset Recovery Programme

The recovery works programme for the Civic Centre, Bitts Park lodge and Adriano's restaurant is on-going. Many of the Council's flood affected property assets are now fully reinstated.

Castleway Crossing

The Castleway Crossing project is now considered complete and a request to close the project was received. This request was approved at the October meeting of the Transformation Board. A project closure notification report was received setting out lessons learnt from the project.

Affordable Housing Programme – this is now classed as business as usual and as such has been removed from the Corporate Project Status report.

European General Data Protection Regulation (GDPR)

This project has been subject to a full risk assessment and these risks are monitored and reviewed via the operational risk register within Governance & Regulatory Services.

Workshops have taken place with managers across the Council to raise awareness of the implications of GDPR for the City Council. The project is progressing to schedule and no significant risks are posed at this time.

Carlisle South Masterplan (now titled Carlisle South Masterplan- St Cuthbert's Garden Village)

It was agreed at the October meeting of the Transformation Board that this project be retitled "Carlisle South Masterplan - St Cuthbert's Garden Village". The project is currently progressing to schedule. Project risks continue to be monitored and reviewed. Work is due to commence on establishing a robust communications plan and a strategy for the delivery of the Garden Village

Community Infrastructure Levy

At the October meeting of the Transformation Board a request to remove the project from the corporate report was received and approved. The rationale for this was that a full assessment is required of the potential movement from the Community Infrastructure Levy to the Local Infrastructure Tariff and how Carlisle City Council can obtain best value from it.

3.   CONSULTATION

3.1   The Transformation Board met on 12th October and considered the Project Status report at this meeting.

4.   CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1   The Panel is asked to note the most recent summary of projects, as contained within Appendix 1 and 2 and the actions being taken to progress projects.

5.   CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Transformation Board works to ensure quality assurance, alignment to key objectives and sound risk management arrangements in the delivery of the Carlisle Plan**.**

Contact Officer: **Jason Gooding**   **Ext: 7001**

Appendices   Appendix One: Corporate Project Status report
attached to report: Appendix Two: ICT Project Status report
                                        Appendix Three: Draft Project Manager's Handbook

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:

Corporate Programme Board   Project status report September 2017

Key to Status
Red   Overdue; Significant issues
Amber   Some issues
Green   On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
1	**Public Realm Improvements** Develop and deliver a programme of public realm improvements in key areas of the City; Phase 1 Development of a comprehensive signage and interpretation package. Phase 2 - Public Realm interventions including cultural trails.	Zoe Sutton	Economic Development	5th September 2017 • Project delayed due to the need for further consultation which is now complete • Information Hub design signed off • Final amendments to the installation pack being made including installation programme. • Purchase order pending	🟧	None	• Install signage Phase 1	
2	**Durranhill Industrial Estate - Environmental improvements** Regeneration of Durranhill Industrial Estate. Funding has been secured from Cumbria LEP (£2m) to improve the road infrastructure on the estate. The Homes & Communities Agency funding (£225,000), will enable environmental improvements to be undertaken to assist with the disposal of the former Border TV site acquired through funding received from the former North West Development Agency (£1.8m).	Zoe Sutton	Economic Development	7th September 2017 • On site works complete • Currently undertaking final account reconciliation	🟩	None	• Complete final account reconciliation.	
3	**E-Purchasing / Ledger upgrade** The project will implement E-purchasing throughout the authority which will streamline the ordering of goods and services and streamline with payment of invoices. The web enabled Financials Ledger system front end is required to utilise automatic alerts and process information through system workflow. This will also allow further system enhancements to be undertaken in the future, such as the Civica Fixed Asset module, transparency reporting module and e-budgeting and contract management.	Steven Tickner	Corporate Support and Resources	September 2017 Software installed on servers and system upgraded to latest version. Client software installed on test pc and interface testing in progress. Detailed project plan being developed with assistance from Civica	🟧		Testing and interfaces and implementation	
4	**Digital Information Services projects** Standalone projects Security strategy projects IT strategy projects	Michael Scott	Corporate Support and Resources	See separate document detailing individual projects dated May 2017				

5	**Crindledyke Cycleway** Construction of part of the proposed Connect2 Kingmoor - Caldew cycleway along the former Waverly line between Kingmoor and Carlisle city centre (Eden Bridge). S106 funding £281,000. The planning agreement specifies that the funding must be spent within 5 years of receipt of the money (26/07/2013).	Luke Leathers	Community Services	30th August 2017
				• Phase 1 (Lowry Hill to Kingmoor Park) was completed on time and to budget
				• Phase 2 (Lowry Hill to Belah):
				  o Design finalised
				  o Cumbria County Council have agreed to adopt the surfacing (but not the lighting – the City currently maintains the lighting for most of the section and the new LED lighting will be cheaper to maintain)
				  o Due to be tendered in September and completed by Christmas
				  o
					🟩	13th September 2017 Requirement to re-submit planning permission for Phase 2 due to alterations in line of path following safety audit and changes to lighting	• Tender Phase 2	

6	**Asset Recovery Programme** To recover the Council's flood-affected services through the reinstatement of property assets, in the most cost effective, resilient, and timely way, having regard to the resources available and identified priorities. Significant redesign projects will report to CPB. Other projects by exception only.	Darren Crossley	Community Services	November 2017
				• Recovery works programme is ongoing. Completed buildings are:
				  - Old Fire Station
				  - Warwick Street residential properties
				  - Shaddongate Resource Centre
				  - John Street Homelessness Accommodation
				  - Botcherby Community Centre
				  - Stoney Holme Golf Course
					🟧	Key issues:
						• Issues relating to building completion are being managed via the contract administrator for Adrianos,
						• Design of the Civic Centre is now well underway with final (pre-tender costs) now being calculated to enable a		

Corporate Programme Board   Project status report September 2017

Key to Status
Red   Overdue; Significant issues
Amber   Some issues
Green   On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				• Buildings still under construction: - Sheepmount Athletics and Football (contract awarded to Thomas Armstrong works start delayed to accommodate athletics club request) now in works phase and on schedule for completion early new year. - Adrianos restaurant (delayed opening due to contractor kitchen design issues. Now being rectified with a new contractor) • Buildings in design phase - Civic Centre (insurance settlement agreed and initial design underway) - Bitts Park Lodge, Depot and Pavilion (new design for Lodge extension now being developed)	*(Amber)*	Council decision early 2018 • Design for Bitts Park Lodge is also now close to completion with full pre-tender costs being developed.		
7	**European General Data Protection Regulation (GDPR)** The European General Data Protection Regulation (GDPR) is a major refresh of data protection law which will apply to the UK whether or not it leaves the EU. The council will need to comply with the new law and **be able to evidence** that it complies.	Clare Liddle	Governance and Regulatory Services	1 September 2017 • Initial risk assessment undertaken • Job description drafted for Data Protection Officer/Information Governance Manager • Meetings arranged with managers to go through what GDPR will mean for their service areas	*(Green)*	Lack of resources Lack of corporate buy in Inability to recruit Data Protection Officer	• Ongoing information audit • Recruitment process for Data Protection Officer • Portfolio holder briefing/slot at JMT • Discussion with other local councils	
8	**St Cuthbert's Garden Village - Carlisle South Masterplan** Delivery of a Garden Village to meet future housing and employment related development needs in addition to the necessary supporting infrastructure including a new strategic link road.	Garry Legg	Economic Development	13 November 2017 Funding bid for GV 2017/18 capacity funding submitted on 21st Aug. Decision expected in Nov. HIF bid for CSLR submitted. HYAS advisory support role extended until 31st March 2018. Part 1 Masterplanning Procurement no awarded to Gillespies supported by Hemmingway Design. Draft communications strategy shared with Strategic Board and members and subject to ongoing refinement. Aecom appointed to undertake Sustainability Appraisal. New and dedicated website under development. DCLG visited the City and met with officers on 7th November to discuss potential future support around delivery.	*(Green)*	Inclusion within the Government's Locally Led Garden Village programme necessitates an adjustment of time scales and scope of the project i.e. now much more than just a 'planning' exercise. Overall however these are positive issues. Project risks continue to be monitored and reviewed. No risk warrants being reported at the current time.	Four emerging strands: Planning; Masterplanning; Southern Link Road; Delivery. Progression of Part 1 Masterplanning will be focus moving forward. Communications Strategy to be finalised and new website launched.	

ICT Services Programme and Project Status Report

Technology Strategy Projects

Programme	Programme Manager	Project	Reference	Sub-Project	Senior Supplier	Project Manager	Progress Status	RAG Status	Description	Comment	Target Completion Date	Predecessor(s)	Dependant(s)
Office 365	MS	Windows and Office Upgrades	P0006	Create Windows 10 deployment environment	DS	CL	In-progress	🟢	Need a Windows 10 deployment environment as new devices no longer supporting Windows 7	Scoping exercise with Risual	Mar.-2018		
		Active Direction Upgrade	P0010	AD Health check and migration to a 2016 Forest	DS	CL	In-progress	🟢	Need to look at upgrading our 2003 Domain to a 2016 AD forest	Scoping exercise with Risual	Sep.-2017		
			P0011	ADFS Environment in Azure	DS	MS	In-progress	🟢	Have a hosted AD server in azure that Office 365 authenticates against so we aren't reliant on datacentre Domain controller	Building and testing underway	Dec.-2017		
		Implement Office 365 Services	P0012	Migrate to OneDrive for Business	DS	CL	In-progress	🟢	Migrate the contents of user's H: and K: drives to Microsoft's hosted file storage service.	Development of technical infrastructure design underway.	Mar.-2018		
			P0013	Implement Yammer	DS	CL	In-progress	🟢	Implement Yammer (internal social network) and Skype for Business (telephone/video calls and conferences.	Development of technical infrastructure design underway.	Mar.-2018		
			P0014	Implement Skype for Business	DS	CL	In-progress	🟢		Development of technical infrastructure design underway.	Mar.-2018		
			P0015	Implement SharePoint Online	DS	CL	In-progress	🟢	Migrate the Intranet and Project Portal to Microsoft's hosted service.	Development of technical infrastructure design underway.	Mar.-2018		
			P0016	Implement Office 365 Tools	DS	CL	In-progress	🟢	Implement Sway, Delve, Flow, PowerApps, etc.	Development of technical infrastructure design underway.	Mar.-2018		
Cloud Services		Document Classification and Control	P0018	Implement Digital Rights Management	DS	CL	Not Started	N/A	Implement a service to control the distribution and management of user's documents.	Development of technical infrastructure design underway.	Mar.-2018		
		User Identification and Authentication	P0019	Dual Factor Authentication	DS	CL	Not Started	N/A	Implement Dual Factor Authentication into office 365		Mar.-2018		
		End Point Security	P0020	Implement Enterprise Mobility Suite	DS	CL	In-progress	🟢	Ensure all devices connected to our network meet a minimum security standard.	Rescheduled to early next year to allow for completion of policy review so as to be able to implement any new requirements.	Mar.-2018		
Cloud Hosting	CL	Application Delivery	P0023	Implement application delivery solution	DS	MS	Not Started	N/A			Dec.-2017		
		Application Hosting	P0024	Personnel/HR Applications	MK	CL	Not Started	N/A	Migrate personnel/HR applications to chosen platform.		May.-2018		
			P0025	Planning Applications	MK	CL	Not Started	N/A	Migrate planning application to chosen platform.		To be agreed		
Salesforce Platform	MS	Implement Core CRM Functions	P0029	Phase 3 of Salesforce Roadmap	MK	CL	In-progress	🟢	Green Spaces and Waste Services are the focus.		Sep.-2017		
			P0030	Garage Database	MK	MS	Not Started	N/A	Develop Salesforce based app for the management of the council garage and fleet of vehicles/equipment.	Business case completed	To be agreed		
Master Data Management	CL	Spatial (GIS)	P0036	Dataset Rationalisation	MS	CL	In-progress	🟢	Rationalise spatial data and introduce processes to manage that data.	options appraised to deliver corporate GIS via cloud services	Oct.-2017		
			P0043	Migrate GIS service to the cloud	CL	CL	Not Started	🟢			Oct.-2017		

Project and Programme Management at Carlisle City Council

Project Managers Handbook

METADATA

Audience	Carlisle City Council
Creator	Policy and Comms
Date Issued	December 2017
Description	Carlisle City Council Project and Programme Management Handbook – provides guidance on project management processes at the City Council
Format	MS Word 2016
Language	English
Publisher	Carlisle City Council www.carlisle.gov.uk
Status	Version 1.2
Subject. Category	Guidance Document
Title	Project and Programme Management Handbook
Contact Officer	Tracey Crilley x7114

www.carlisle.gov.uk

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Part 1: Introduction

Purpose of this handbook

The purpose of this handbook is to advise project managers at the City Council of project management processes to be followed in progressing projects.

It is designed for both new and experienced project managers and also as a reference to project management processes and tools at the City Council.

It contains key questions to ask yourself as project manager when setting up and delivering a project. Templates to use are also available.

Definitions

A **project** as a 'temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case'.

Project management as the 'planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks'.

Programme management as the 'temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives'.

Source: The Cabinet Office

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The benefits of project management

The obvious benefit of using project management principles is the delivery of a successful project.   But there are other benefits -

Reducing risk - All projects usually contain a great deal of risk, uncertainty, and complexity that needs to be managed.

Capturing knowledge - Project management techniques can help capture the knowledge that's gained every time a project is completed, enabling you to learn from it.

Scrutiny and audit - Using project management techniques means that your project will stand up to scrutiny and audit.

Peace of mind - As a project manager you have a lot to think of and do. A way of keeping track of everything is needed and this differentiates it from other activities.

Scoring a project

The City Council uses a risk based approach to assess the level of project management required to run a project.

This is shown in the table below and can be downloaded from the Intranet.

All projects will go through a basic lifecycle and project management process.

All project managers will be required to score their project/initiative against each of the criteria on the following page to ascertain the level of project management required.

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Criteria	Score 1	Score 2	Score 3	Score 4	Project score
Cost £	<10,000	10,000 – 50,000	50,000 – 250,000	>250,000	
Timescale in months	<6	6 – 12	12 – 18	>18	
Integration with corporate objectives	No dependency	Contributing to other work that is linked	Direct contribution to a corporate objective	Direct contribution to more than one corporate objective	
Impact on City Council including organisational culture	None or very minimal	Some new business processes and possibly some re-training	Significant re-structure of processes and work areas	Transfer of staff or outsourcing	
Project visibility / Council reputation	Minimal eg. one ward	Wider eg. more than one ward	Authority wide visibility and high reputational risk	County wide visibility and high reputational risk	
Stakeholders	Internal and within single service area	Internal across more than one service area	Mainly external	Internal and external	
Contract complexity	No contracts required	Single contract with known supplier	Multiple contracts with known supplier	Contract(s) with new supplier(s)	
Process complexity	Have done this type of project before many times	Have done this type of project before once or twice	Have done a similar type of project before but not exactly the same	Have not done anything like this before	
				Project total score	

Projects that score below 15

Project Manager to notify the Transformation Board (TB) through the Chief Executive's Office Manager.

Project to be managed at service manager level.

Project requires the appropriate level of approval to proceed.

Use of project management principles (application tailored to size of project)

Documentation

  ➢ How the project is contributing to Council priorities
  ➢ Justification of project
  ➢ List of benefits
  ➢ Details of the budget
  ➢ Analysis of risks
  ➢ Data Protection Impact Assessment (DPIA) if appropriate (privacy impact assessment)
  ➢ Key stage dates on Gantt chart

Use of capital monitoring and project management for monitoring performance

Major issues raised to Transformation Board (by exception)

Notify Transformation Board on completion of project.

Significant projects that score 15 or over

Each project to have it's own project board.

Project sponsor is a member of the Senior Management Team.

Project requires the appropriate level of approval to proceed.

Use of project management principles.

Documentation: Detailed planning is required in the form of a detailed business case and PID. The documentation will be reviewed by the Transformation Board.

Project to be closely monitored by Transformation Board through monthly highlight RAG reports through project management.

Clearly defined management stages on Gantt chart.

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Project manager to present benefits realisation to Transformation Board at the appropriate time.

Project Organisation

Always define responsibilities and accountabilities.

Project planning and resourcing is administrated through line management and DMTs.

Project monitoring and assurance for projects scoring below 15 will be the responsibility of the relevant Economic Growth, Health & Wellbeing and Business & Management Boards. Smaller projects may not require a formal project board.

Projects scoring 15 or above will also be reported to Transformation Board for project assurance. These projects will form the basis for the reporting of corporate programme to O&S and Audit Cttee.

Project Board

Individual project boards are set up for significant projects. A project board will generally consist of the project sponsor and representatives of those delivering the project and those who will eventually use the project 'product'. The project board will provide direction, approve the plans, authorise the project budget and provide approval for change.

Project sponsor

The project sponsor is responsible for the business case and success of the project. This role is usually performed by a member of the Senior Management Team.

Project manager

The project manager focuses on the day to day management of the project. They will run the project within the constraints of the business case.

Part 2 Project Life Cycle

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Carlisle City Council Project Lifecycle

Pre-Project Stage → Approval Stage → Initiation Stage → Delivery Stage → Closure Stage

Proposal from Members or Directorates.

Develop Business Case:
Proj Score <15 Light BC
Proj Score >15 Detailed BC

Consideration by SMT/JMT/LTB

Project sponsor to approve project

Project to be approved by
- SMT?
- Executive?
- Full Council?
Financial approval

Approve project

Planning process:
- Project plan for light BC
- PID for detailed BC
- Prioritisation of project
- Link to Resource Pool and Master Programme Plan

Agree project plan

Delivery of project
Agreed project monitoring

Agree closure

Project review
Lessons learned

Finance Management

Quality Management

Risk Management

Issue and Change Management

Dependency Management

Benefits Management

Stakeholder Management

Project stages

A project will be broken down into stages as described below. Each stage has a specific aim and can be broken down into further, particularly in the case of larger projects.

The first 2 stages involve getting the project right before it starts.

Pre-project stage

This is the start up stage - the initial idea formulation.

- Starting a project
- Having an idea
- Meeting Council objectives
- Delivering the Carlisle Plan
- Identify sustainable funding solutions (Funding Strategy)

At Carlisle City Council there are a number of different projects

Projects that will deliver the objectives on the Carlisle Plan (The Carlisle Plan is available to view on the Intranet)

Projects to deliver transformation of the Council eg. Smarter Service Delivery

Other projects eg. some IT projects

Day to day tasks involved in running operational services are not projects.

- ❖ Does the proposal help to deliver the Council's key objectives?
- ❖ Transform the idea into a business case
- ❖ Score the project – what level of project management is needed?

Business case (light and detailed)

The business case defines the project.

It's the what, why and when of the project

and is the written document against which the project can be gauged.

It focuses on what the objectives of the project are.

It defines the deliverables in quantified terms.

A business case template is available (see the Appendix) and can be downloaded from the Council's Intranet. The level of detail required will depend on the significance of the project (project score). For projects that score less than 15, a light business case is usually sufficient. For projects scoring 15 or over, more detailed information is required (detailed business case template).

Notify the Transformation Board of the project.

The content of the business case includes the following:

- a detailed account of the project objectives
- an appraisal of the options
- the expected benefits of the project
- the impact on corporate priorities and service standards
- the impact on data protection and privacy
- the proposed timetable
- the input required from other teams/external parties
- a financial appraisal
- a risk assessment
- a summary investment appraisal

Project approval

Who needs to approve the project?

For projects NOT within the Budget and Policy Framework

A Director can approve a maximum of £35,000 from any one budget head per annum without the approval of the Executive or Council.

Executive can approve a project in excess of £35,000.

Full Council approval is required for projects in excess of £70,000 and for any additional use of reserves (regardless of the value)

Note that the Council's scheme of virement needs to be adhered to.

For projects within the Budget and Policy Framework (Budget approved)

This will depend on the delegation when the budget was approved.

Officer Decision Notices

Once a project has been formally approved, an officer may have delegated authority to make a decision. In this instance, an Officer Decision Notice must be completed. The delegated authority would be set out in a separate document signed by the officer sub-delegating the authority. This may just be a memo or note.

Initiation stage

Develop all the relevant information to get the project off the ground.

> ➤ Project Initiation Documentation for a detailed project or project plan for a light project.

This phase of the project should define the specific requirements and actions to complete the project including defining tasks, resources and team members.

Refine the scope of the project to meet the required result.

Identify the needs of resources and timescale to meet the required result.

List the tasks and activities that are required to achieve the project goals.

Group the tasks in the best manner to "break the project down" into manageable elements (workstreams).

Sequence the tasks so that they occur in the required relationship and are also phased to complete the project in the best time.

Develop a workable schedule with an associated plan that can be used by the team (on Gantt Chart).

Assign 'staff' resources to the relevant tasks.

Obtain approval from all resources or their managers that they will be available at the required times to carry out the tasks.

Develop a budget for the project.

Get the plan and the associated budget approved and signed off by all appropriate stakeholders.

Get sign up to the plan by the project team.

PID and Project Plan

The Project Initiation Documentation (PID) is the how and when (in detail) and who of the project.

It is the practical solution and contains the detail needed to run the project, providing more detailed information of the Who, When and How of the project.

The PID contains the following:

- outline business case
- project definition
- project plan
- organisation - roles and responsibilities
- project tolerances
- project controls
- resource requirements
- project costs
- project quality
- communication plan
- risk management - this should use the standard risk register template
- Data Protection Impact Assessment

This information does not necessarily need to be provided in one document. It can be contained in a number of documents.

Using a project plan template

Structure the project plan as on the template. This can be varied as appropriate. Some of these tasks can be set as milestones eg. Naming the project manager and project sponsor. The majority of tasks require a duration.

Stage / Task
Project Name
Pre-project
Project lifecycle and handbook
Named project sponsor
Named project manager
Score project
Business case preparation
Project approval
Initiation
Full project plan / PID
Delivery
Dummy stage
Dummy task
Dummy stage
Dummy task
Dummy stage
Dummy task
Dummy stage
Dummy task
Dummy stage
Dummy task
Dummy stage
Dummy task
Closure
Planned closure
Lessons learned report

Delivery stage

Delivery of the project to the agreed project plan.

During this phase the project manager should monitor progress to the plan. It will be up to the project manager to initiate corrective actions within agreed tolerance levels to bring the project back onto plan if and when slippage occurs. Any issues outside of the agreed tolerances will need escalating to the Project Sponsor or as initially agreed.

Any problems need to be identified at the earliest stage possible. This way contingencies can be put in place to minimise the effect of any issues that arise.

During the life of the project frequent and timely reviews need to be built in to monitor progress.

Highlight reports

This is a report used to communicate key pieces of project information, providing at-a-glance status of the project.

Red / Amber / Green (RAG) or traffic lights system immediately signals the current status

> Green status – no issues, project is progressing to project plan
>
> Amber status – some issues
>
> Red status – significant issues

Highlight reports can be communicated by varying means depending on the size and significance of the project. How progress is to be reported is decided at the planning stage.

For projects that score below 15 highlight reports may not be required. Any issues would be reported by exception and project progress assumed to be progressing to schedule and budget.

For projects that score 15 or over closer monitoring is required through monthly highlight reports sent to the project sponsor, team manager and Transformation Board. This can be communicated by email. This will provide a summary of the key achievements in that reporting period, RAG rating, any issues and how these are being progressed, emerging risks and any requests for change. Information on how to use the template can be found on the Council's Intranet E-library under Project and Risk Management.

Highlight report is also available in MS Word format (in the appendix). This can be downloaded from the Council's Intranet.

Project closure and lessons learnt report

Closing a project ensures that the project has a distinct endpoint rather than drifting into operational management.
Project closure is when the project's outputs are formally handed over to the support organisation or business-as-usual. The project outputs enable the organisation to realise the benefits that were the reason the project was undertaken in the first place. The process of transforming business-as-usual or implementing the new capability is when the benefits can be realised. The responsibility for benefit realisation should be allocated to those who can actually make the change happen.

Complete a Lessons Learned Report describing the lessons learned (good and bad) during the project

Records management and retention schedule

The records of a project and retention schedule will be managed in accordance with the Records Management Policy. The Chief Executive's Office will advise the Project Manager on the templates available and good practice.

Part 3: Project management processes

Part 3 of the handbook focusses on project management processes that apply to all projects. Use of these should be tailored according to the scale, nature and complexity of the project.

<div align="center">

Finance Management

Quality Management

Risk Management

Issue and Change Management

Dependency Management

Benefits Management

Stakeholder Management

</div>

Finance Management

Prior to the commencment of any project, the following financial areas should be addressed:

- The purchase/implementation costs of the project should be determined including the split between capital and revenue expenditure.
- Any ongoing revenue implications e.g. additional recurring expenditure requirements or additional income generation should be identified.
- Identify sustainable solutions for the project (Funding Strategy)

Identification of the above will enable the budget requirements to be established for the project initially, and any recurring requirements going forward. This will allow the sources and amount of funding required to be identified and sourced.

To establish the budgets for the project, the Council's scheme of virement will need to be adhered to:

- A maximum of £35,000 from any one budget head per annum can be vired without the approval of the Executive or Council.
- A report to Executive is required where virement in excess of £35,000 is required, or to Council for sums in excess of £70,000.
- Any additional use of reserves (regardless of the value) will require approval by Council.
- For any grant funding, procedures should be set up to ensure the terms and conditions of the grant award can be met, and the Council's Grants and External Funding Procedures should be adhered to.

The financial performance of the project will be monitored on a monthly basis as part of the overall budget monitoring of the Council. It is important that accurate expenditure and income profiles are communicated to Finance to ensure that the monitoring information is relevant and accurate.

Other financial areas to consider:

- VAT implications e.g. will this affect the Council's partial exemption calculation?
- Insurance implications e.g. will the project require additional insurance cover?
- Options analysis e.g. have all other options been exhausted and it is proven that this project & method of financing is the best value for the Council?
- External funding procedures are adhered to

For any queries about finance please contact Financial Services.

Quality Management

The Office of Government Commerce (OGC) defines quality as the totality of features and characteristics of the project products. A project product can also be a person, process, service and / or system. So the focus is on producing products fit for purpose.

Identify the products (the 'outputs') and their purpose.

Create a description for each product with quality criteria and expectations.

Define quality checks and acceptance criteria for each product.

Include tasks to create the products in the project plan (including the resource requirements and quality responsibilities).

Include quality check and review tasks in the project plan.

Manage the timely delivery of products.

Manage quality check and review tasks in the project plan.

Review progress of quality and include in highlight reports.

Obtain customer acceptance of each product with customer sign off.

Risk Management

Every project, regardless of size, will have risks and issues associated with doing the project. It is vital that these are recognised and managed to minimise disasters and maximise the chances of success.

Risk is described by the OGC as an uncertain event, or set of events which, should it occur, will have an effect on the achievement of objectives.

The outcome will be either negative or positive, depending on the actions and events that happen.

Risks are classified by two factors:

the likelihood of something happening

and

the impact on the project if the risk should happen.

Have the risks involved in the project been identified and clarified?

Risks associated with the project should be recorded and managed in line with the Council's Risk Management Policy, this is available on the intranet.

Risks may change as the project progresses. So the assessment will need to be updated regularly and any significant changes to these risks or significant new risks should be communicated to the project sponsor and escalated to the Transformation Board.

Issue and Change Management

A project issue is anything that is currently happening that could have an affect on the project. For example, an issue might be a problem or query raised by someone connected with the project, or a request for something to be changed or done differently. Issues are very often the results of risks that were considered earlier, but have now occurred.

- Keeping control of issues and ensuring they are quickly and appropriately dealt with is an important part of managing any project. Similarly to risks, issues should not simply be ignored. Decide at project initiation stage how issues will be logged / what constitutes an issue in that project / how issues will be dealt with / when an issue would need escalating to the project sponsor / project board and Transformation Board.

Types of issues

- Request for change – this is a request for a significant change to the project baseline eg. for something that wasn't planned to be delivered

- Off-specification – something that should be provided by the project and

currently isn't eg. something that's missing or not meeting it's specification

- Problem / concern – this is any other issue that needs to be resolved or escalated.

If the change can be accommodated within tolerance levels, and will add value to the project, the project manager should plan for the change to be accommodated.

Resolving issues

Capture the issue

Examine the issue and assess the impact on the project

Identify options to deal with the issue

Decide what to do about the issue – this may include escalating the issue to the project sponsor / sub SMT boards/ project board (if appropriate) and / or Transformation Board.

Implement corrective action and update plans update relevant project information to reflect the change, for example, the business case, the PID or other information such as the risk register.

A template is available to record and manage issues.

Dependency Management

Dependencies can be:

Between projects reflecting how the projects depend on each other.

Dependencies external to the project / programme but still within the Council.

Dependencies external to the organisation. These are much harder to control.

Benefits Management

Benefits management is all about ensuring that the hard work and investment that's gone into the project gives the greatest possible business return. Projects tend to change over their lifecycles, and even small shifts can produce different results. That's why it's important to focus on the project's benefits, and not just it's timely completion.

Benefits management helps focus to be maintained on why the project was started. And it doesn't stop after the project ends, like traditional project management – it continues until all the benefits are clearly achieved. The same project planning framework can be used as the rest of the project, building in benefit-specific milestones, as well as establishing accountabilities clearly, and setting up appropriate communications systems.

The Cabinet Office describes a benefit as 'the measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders, which contributes towards one or more organisational objective(s)'.

So, while the success of project management is to deliver on time and on budget, the success of benefits management takes it one step further – to ensure that the initiative delivers the expected results.

Here are the main phases of benefits management:

Identifying the benefits

Identify the likely benefits, aligning with the Council's corporate objectives. This will be carried out early in the project cycle and involve engaging with key stakeholders.

What precisely is the benefit? Benefits are best titled with a change term at the beginning (such as 'increased', 'faster', 'lower', 'cheaper', 'bigger') accompanied by a measurement (such as percent, monetary value etc). Generic terms like 'better' or 'improved' without further details are best avoided, as these terms are not specific enough for further analysis.

When can the benefits be achieved?

How will the benefit be measured?

Plan the benefit realisation

This is a complete view of all the benefits to track the realisation of benefits and set review controls. This could be incorporated into the project and programme plan. The schedule will show when each benefit (and disbenefit) is to be realised, show milestones for benefits reviews and the reporting schedule.

Deliver the benefits

Delivering the benefits involves the transition from the project outcome/s into the realising the benefits. The key focus is the measurement of these benefits. Benefits should always be quantifiable and measurable. Make sure that a baseline measurement of the performance is taking before the project commences so that the baseline is known against which the performance changes are measured.

Review the benefits

Benefits reviews may be time- or event-driven and may occur after the project has finished to ensure that:

Benefits remain achievable

Check benefits remain aligned to Council objectives

Report progress of benefits realisation

Measure performance

Stakeholder Management

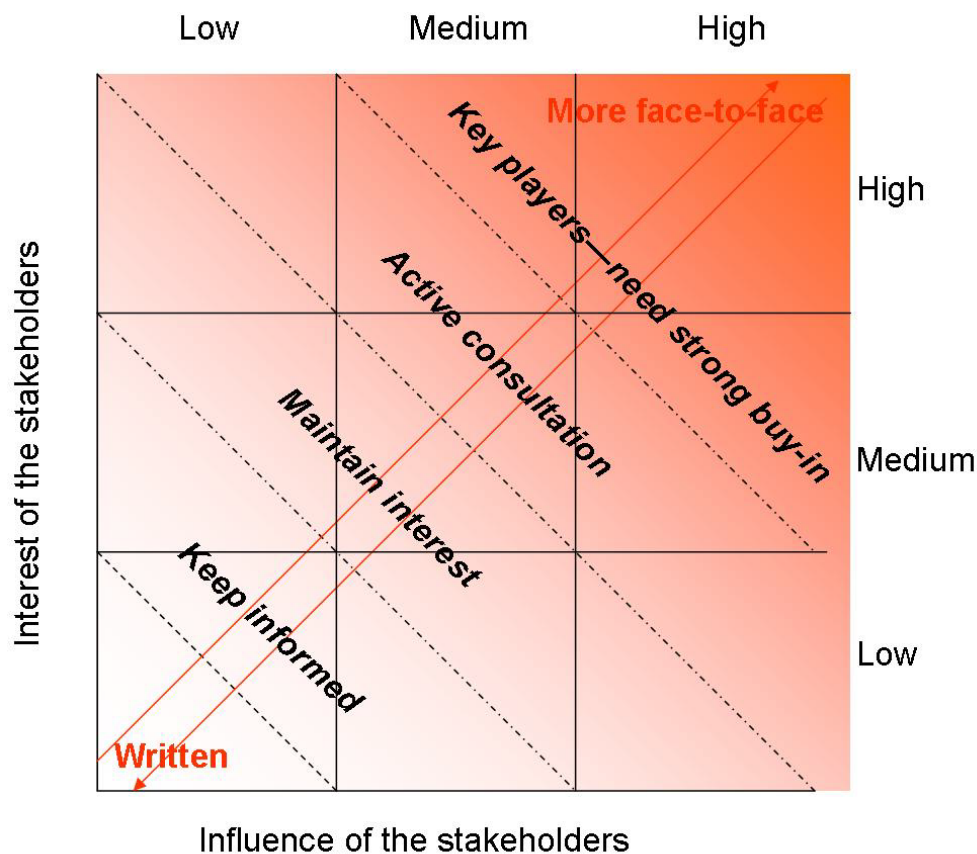A stakeholder is any individual, group or organisation that

- ✓ Can affect
- ✓ Be affected by
- ✓ Perceive to be affected by the project.

Identify and categorise stakeholders

Define commnunication strategy for each stakeholder

Face to face? Highlight reports? Review meetings? Email?

Stakeholder influence / interest matrix

Diagram from Managing Successful Programmes – Best Management Practice

Advise stakeholder of communication strategy

Include communication tasks in the project plan.

Manage the stakeholder engagement tasks in the project plan.

Part 4: Programme Management

Transformation

Chief Executive's Office

Managing programmes

The Transformation (TB) will make decisions regarding the rescheduling / prioritising of projects where bottlenecks are evident and be able to model the impact of new projects on the programme of work. Transformation Board meets 6-8 weekly, is chaired by the Chief Executive, and composed of representatives from each Directorate and supporting services.

The Chief Executive's Office facilitates:

  ➢ Support and training to project managers
  ➢ Regular reports on progress and project issues to TB and BTSP

For more information on Project and Programme Management at the City Council or have any queries, please contact Tracey Crilley, Chief Executive's Office Manager on 01228 817117 or tracey.crilley@carlisle.gov.uk

For more information on Project and Programme Management training opportunities including Microsoft Project, please contact Organisational Development.

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Appendix: Templates

Template scoring matrix

Light Business Case

Detailed Business Case

Project Initation Document

Issue Report

Highlight Report

Criteria	Score 1	Score 2	Score 3	Score 4	Project score
Cost £	<10,000	10,000 – 50,000	50,000 – 250,000	>250,000	
Timescale in months	<6	6 – 12	12 – 18	>18	
Integration with corporate objectives	No dependency	Contributing to other work that is linked	Direct contribution to a corporate objective	Direct contribution to more than one corporate objective	
Impact on City Council including organisational culture	None or very minimal	Some new business processes and possibly some re-training	Significant re-structure of processes and work areas	Transfer of staff or outsourcing	
Project visibility / Council reputation	Minimal eg. one ward	Wider eg. more than one ward	Authority wide visibility and high reputational risk	County wide visibility and high reputational risk	
Stakeholders	Internal and within single service area	Internal across more than one service area	Mainly external	Internal and external	
Contract complexity	No contracts required	Single contract with known supplier	Multiple contracts with known supplier	Contract(s) with new supplier(s)	
Process complexity	Have done this type of project before many times	Have done this type of project before once or twice	Have done a similar type of project before but not exactly the same	Have not done anything like this before	
				Project total score	

LIGHT BUSINESS CASE (for projects that score under 15)

[This document is used to inform the Director/SMT and the Transformation Board about the benefits of the project, budget details and analysis of risk. Please attach project score sheet]

Project Name	[What is the name of the project?]
Project Manager	[Who is the Project Manager?]
Directorate / Project Sponsor	[Name of Directorate and Project Sponsor]
Scope of Project	[What are the aims of the project? What will it deliver?]
Justification for the project	[Describe why the project is required/how is it justified?]
How does the project contribute to the Council's key priorities	[Explain how the project enables the achievement of the Council's key objectives?]
Impact on Privacy	[Say whether the project involves information about individuals or would have an impact on their privacy. If so, a Privacy Impact Assessment will be required]
List of benefits	[What are the key benefits of the project? When do you expect them to be realised? How will the benefits be measured?]
Reference to any reports	[Have any reports been circulated regarding this project? Please give report reference number or date of the report]
Proposed Timetable	[Start date, any key stages and anticipated finish date]
Anticipated Budget Required and Funding Source including any grant applications	**Capital** [What are the costs of the project? When are these costs expected to be made? When are invoices expected to be paid? Has Finance been informed?]
	Revenue [Are there any revenue costs in the project?]
	Income generation [Does the project expect to generate income? If so, how much and when is this expected?]
	VAT implications [Are there any VAT implications?]
	Grant and external funding [Has the Council's grant and external funding procedures been adhered to? Specify the Grant/External funding reference number]
Details of possible impact on Council operations or on other project	[Does this project have any impact on the daily operations of the Council or have any implications regarding staff resources? Are there any links/dependencies with any other project that the Council is running?]
Summary of Known Risks	[Give a summary of the key risks associated with the project together with the likely impact and plans should they occur]

Detailed Business Case (for projects that score 15 or over)

The Business Case documents the justification for the undertaking of the project, based on the estimated costs against the anticipated benefits to be gained and offset by any associated risks.

Please delete the text in […] using the information for guidance on completing the form

Project Name	[Insert project name]
Author of Business Case	
Project Sponsor (Director)	
Project Manager	
Portfolio Holder	
Document/Version Number	Date

Approvals

Individual or Group	Report number	Date Approved	Comments [Attach additional sheets if necessary]
Service Manager			
Director			
Transformation Board			
SMT			
Executive			
Council			

Executive summary
[Highlight the key points in the Business Case, which should include the benefits and whether the project will be provided by external providers or through in-house arrangements]

Reasons
[Describe the background to the project here. Include any history of events and a brief summary of any current system that is to be replaced. Define the reasons for undertaking the project and explain how the project will enable the achievement of corporate objectives, plans of programmes]

Options

[Provide an analysis of each option considered.
Include -
Do nothing
Do the minimum
Do something
Explain why the option being presented was chosen]

Expected benefits

[Be specific about the benefits to be gained.
When will the benefits be realised?
How will they be measured?]

Expected dis-benefits

[What outcomes are perceived as negative?]

Timescale [Indicative timetable for project milestones/ approvals]	Estimated Date & Comments
Earliest/latest feasible start date	
Earliest/latest feasible completion date	
Key dates in implementation programme	
When can Council expect to accrue benefits	

Details of input required from other teams in the Council to deliver the project	
	Involvement Required
Property Services	
Finance	
Procurement	
HR	
ICT	
Legal Services	
Resource Planning	
Other	
Details of Input required from External Bodies e.g. contractors, consultants, service providers, partners	

Impact on Council operations or other project

[Does this project have any impact on the daily operations of the Council or have any implications regarding staff resources? Are there any links/dependencies with any other project that the Council is running?]

Major Risks

[Give a summary of the key risks associated with the project together with the likely impact and plans should they occur]

Impact on Privacy

[Say whether the project involves information about individuals or would have an impact on their privacy. If so a Privacy Impact Assessment will be required]

Investment appraisal
[This part of the business case needs to demonstrate a 'return on investment'. Compare the development, operations and maintenance costs with the value of the benefits over a period of time]

Costs
[Provide a summary of the project costs, the ongoing operations and maintenance costs and their funding arrangements. Add details in columns below]
Grant and external funding
[Has the Council's grant and external funding procedures been adhered to? Specify the Grant/External funding reference number]
VAT implications
[Are there any VAT implications?

Capital Payments	**2013/14 £000**	**2014/15 £000**	**2015/16 £000**	**2016/17 £000**	**2017/18 £000**
Total/Gross Capital Cost [A]					
Capital Grants & Contributions					
Total Grants & Contributions [B]					
NET COST TO BE MET FROM CARLISLE RESOURCES [A] – [B]					
Revenue Costs					
Total/Gross Revenue Cost [C]	0 0	0 0			
Income					
Total Revenue Income [D]	0 0	0 0			
NET REVENUE COST TO BE INCLUDED in the BUDGET [C] – [D]					

The purpose of the PID is to define the project, in order to form the basis for its management and an assessment of its overall success. The PID gives the direction and scope of the project.

[The content of the PID can be maintained as separate documents (eg Project Plan can be held separately to enable information to be easily updated during course of project]
[Information provided in the PID can be tailored according to the significance of the project. The minimum requirement for smaller projects is a project plan with agreed tolerances, budget profile, reporting lines and reporting schedule, and risk register]
Please delete the text in […] using the information in red for guidance on completing the form.

[PROJECT NAME]

Project Initiation DOCUMENTATION

(PID)

Version:[…eg. Draft, v1.0]
Author: […..]
Project Manager: […..]
Project Sponsor: […..]

Project definition
[Explain what the project needs to achieve. This should include Background Project objectives and desired outcomes Project scope and exclusions Constraints and assumptions The user (s) and any other known interested parties Interfaces]

Project approach
[Define the choice of solution that will be used in the project to deliver the business option selected from the Business Case]

Business Case
[Describe the justification for the project based on estimated costs, risks and benefits]

Project management team structure
[Chart showing who will be involved in the project. What are the roles of the team members]

Quality Management
[What are the quality expectations of the users of the end product of the project? Define any standards or ways of working that need to be met (e.g. ISO standards, quality systems) Who is responsible for delivering and achieving the required quality levels? Who will sign off quality at the end of the project?]

Risk Management
[Describe any known risks, its probability, its potential impact. Explain how each risk will be managed and by

whom. This should use the standard corporate Risk Register format and can be attached as an appendix.
Please refer to the Council's Risk Management Policy in the Intranet E library for further guidelines]

Communication

[Define the parties interested in the project and the means and frequency of communication between them and the project]

Project controls

[Summarise the project-level controls such as stage boundaries, agreed tolerances, monitoring and reporting]

Project costs

[Please provide a detailed breakdown and description of costs with profile of expenditure – see chart below]
[This should reflect the month or quarter invoices are expected to be paid]
[The breakdown should be realistic and make allowances for agreed time tolerances such as adverse weather conditions]

Description/ Cost code	YEAR	**Anticipated Expenditure by Month or Quarter** **(show multiple years if applicable)**											
		Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth
		April - June			July – Sept			Oct – Dec			Jan - Mar		

Project plan

[Describe how and when the project's objectives are to be achieved, by showing the major products, activities and resources required on the project. It will provide a baseline against which to monitor the project's progress stage by stage.
The project plan should ideally be kept as a Microsoft Project document]

Issue Report

Project Name	
Author	
Date of Report	
Issue type	
Request for change	*What is the type of issue?*
Off-specification	
Problem / concern	
Issue description	*Describe the issue in terms of its cause and details of the impact of the issue on the project / service delivery / resources*
Recommendation	*How should the issue be resolved?* *What are the options?* *What is the preferred option and why?*
Escalation	*Who needs to know about the issue?* *Who is required to make a decision on the issue?*
Issue approved by	*Who made the decision?*
Decision date	*When was the decision made?*

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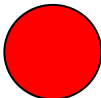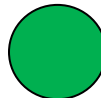
Highlight Report

Please send a copy of report to Project Sponsor, Director and Transformation Board representative.

Project Title				
Project Manager				
Author of Report				
Date of Report				
Reporting period	From		To	

Expenditure Code	
Original Budget	
Remaining Budget	

Key achievements in this period	
Key activities for next period	

RAG rating (to indicate overall status of project) Red (serious issues) Amber (some issues) Green (no issues)	☐ ☐ ☐ Double click on the box and select Checked or Not checked to select rating
What issues, if any, are affecting the project? What options are available / are being taken to progress the project? This includes issues relating to Health and Safety, quality, timescales and finance	
Emerging risks to project success	
Requests for change: Raised, approved / rejected and pending	

		Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk	**Business &Transformation Scrutiny Panel**	**A.6**

Meeting Date: 5 December 2017

Portfolio: Finance, Governance and Resources

Key Decision: No

Within Policy and

Budget Framework   No

Public / Private   Public

Title: 2017/18 SICKNESS ABSENCE QUARTER 2

Report of: Chief Executive

Report Number: CE 16/17

Purpose / Summary:

This report sets out the authority's sickness absence levels for the period April 2017 to September 2017 and other sickness absence information.

Recommendations:

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

Tracking

Executive:	**N/A**
Overview and Scrutiny:	**BTSP 5 December 2017**
Council:	**N/A**

1. BACKGROUND

2016/17 levels of sickness absence decreased by approximately 14% to 7.4 days lost per FTE employee compared to 2015/16. 2015/16 also decreased by 29% so there has been an overall reduction of 39% over the last two years. The percentage of sickness which was long-term also decreased as HR continued to work with managers to ensure the support for their staff was available and accessible.

2. 2017/18 Performance

The table in Appendix 1 towards the end of the report provides sickness absence levels split by the new directorates. Authority-wide, compared to Quarter 2 of 2016/17, 2017/18 levels have increased by nearly 9% to 3.7 days lost per FTE employee. The last four consecutive months have been higher than the corresponding months last year. This has been mainly due to an increase in long-term absences. 24 employees have been absent long-term (absent over 28 days or more) this year; three more than last year. Three of the 24 absences remain open.
The following two graphs compare the months of 2015/16 with those of 2016/17. The first graph provides the number of days lost per month and the second graph the number of days lost per person per month.
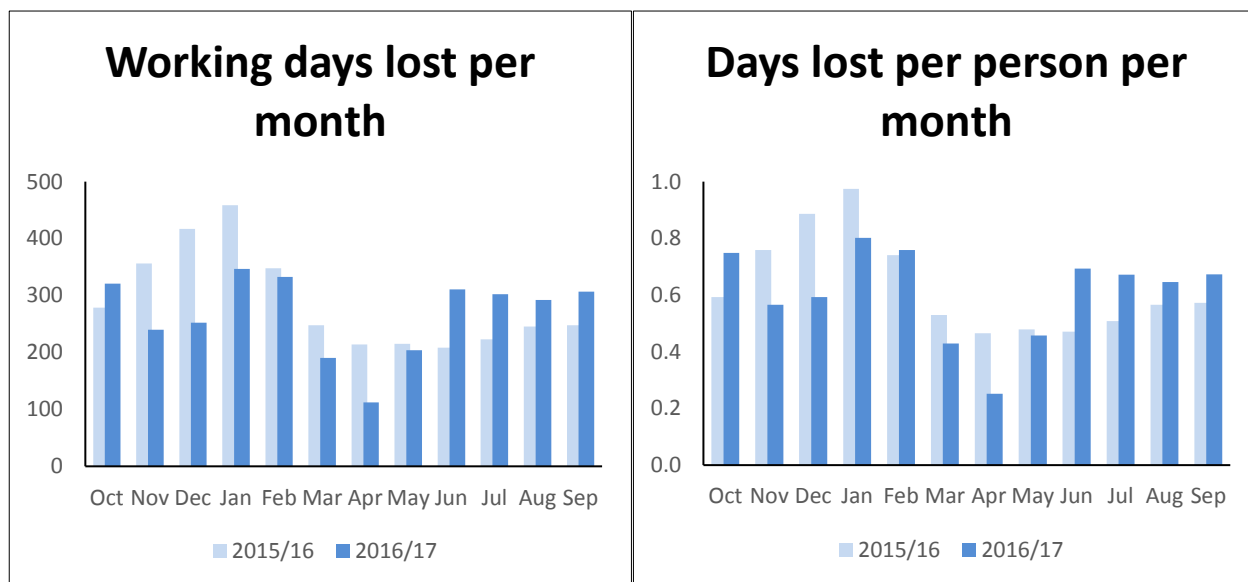
Sickness Absence Reasons

The reasons for sickness absence are shown in the table below. The table shows the days lost due to each reason for the sickness absence and is split by directorate. "Other musculo-skeletal problems" is now the highest reason and was second last year. "Stress, depression, mental health, fatigue syndromes" was the highest factor in 2015/16, second in 2016/17 and third in the first six months of this year.

Days lost by reason and directorate	Comm. Servs	CS & Res	Gov & Reg Servs	ED	*Total*
01 Back and neck problems	115	7	20		141
02 Other musculo-skeletal problems	265	49	7	21	342
03 Stress, depression, mental health, fatigue syndromes	199	57	31	4	291
04 Infections (incl. colds and flu)	93	30	16	10	149
05 Neurological (incl. headaches and migraine)	4	12	8	2	26
06 Genito-urinary / gynaecological	6	9			15
07 Pregnancy related (not maternity leave)			2		2
08 Stomach, liver, kidney & digestion (incl. gastroenteritis)	163	66	59	7	294
09 Heart, blood pressure & circulation	7		2	7	16
10 Chest & respiratory (incl. chest infections)	2	7	3	3	15
11 Ear, eye, nose & mouth / dental (incl. sinusitis)	75	13	8	2	97
12 Other	2	1	137		140

3

Comment from HR Advisory Services Team Leader

There has been a significant increase in the number of working days lost from the first two quarters last year to this year. The number of working days lost last year being 1356 and currently now 1526. Average working days lost has increased from 3.4 this period last year to 3.7 currently. During the first two quarters of this year there has been 24 long-term absence cases (those cases absent over 28 days or more). All absences are being actively managed by line managers with advice and support from the HR Advisory Service and Occupational Health Service. Of the 24 long term absence cases during this period 21 cases have been resolved.

The remaining open long-term absences are genuine cases with serious and complex health issues where staff are receiving treatment or awaiting surgical procedures. It is envisaged that these cases will hopefully be able to return to work following treatment or surgery, however where this is not the case, and at the appropriate time, other options to resolve the absence will be discussed with employees.

The short-term absence for this period (absences less than 28 days) shows 602 working days lost over 202 separate episodes. Persistent short-term absence is being managed in line with the Council's Attendance Management Policy and short-term sickness absence triggers.

The top 4 reasons for sickness absence are Back and Neck, Other Musculo-skeletal, Stress & Depression and Infections.

HR, Organisational Development, Health & Safety and Occupational Health all continue to work closely to proactively manage all sickness absences cases, attendance at work and health surveillance and promotion. Since April 2017 the following initiatives to improve health and wellbeing and reduce sickness absence have been scheduled:

- Mental Health Awareness Week – May 17
- Lunch time learning on mindfulness and motivation - June 17
- Wellbeing survey and advertising for additional Health Advocates – June 17
- Lunch time learning – realising and releasing stress and anxiety – September 17
- Wellbeing box with payslips – September 17
- Blood pressure checks – September 17
- Flu injections – October 17
- Time to Change – Mental Health
- Lunch time learning – Health mind and healthy body – December 17
- Yoga classes – October, November, December 17

In addition to the above, and considering the recent increase in absence levels, I plan to review the current Attendance Management Policy; particularly around sickness absence triggers and how we use the information to manage cases. This review will be conducted in consultation with colleagues.

Melanie Milne
HR Advisory Services Manager

4.0 Return to Work Interviews (RTW)

Up to end of Quarter 2 of 2017/18, 99% of return to work interviews had been completed. 100% were completed in 2016/17. 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	99%	4.9	77%
Corporate Support & Resources	97%	3.7	84%
Economic Development	100%	8.2	67%
Governance & Regulatory Services	100%	4.4	90%
All Directorates	**99%**	**4.8**	**81%**

5.   PROPOSALS

The authority continues to monitor sickness absence levels.

6.   CONSULTATION

The initial report was reviewed by Senior Management Team on 7/11/17.

7. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

8. 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: **Jason Gooding**   **Ext:**   **7114**
                               Gary Oliver   **7430**

Appendices attached to report: **Appendix A: Sickness Absence by Directorate.**

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

- **None**

Appendix 1: Directorate Sickness Absence Levels to End Quarter 2 2017/18

(New Council structure in place with effect from 1 October 2016)

All Directorates (458 head count/399 Full-Time Equivalents (FTE))

Indicator	2014/15	2015/16	2016/17	2017/18 Q2	2017/18 End of Year Prediction
Working days lost due to sickness absence per FTE	12.1	8.6	7.4	3.7	7.9
Number of working days lost due to sickness absence	6268	4046	3037	1526	3276
Proportion of sickness absence that is long term (over 28 days)	62%	56%	48%	59%	-

Community Services (179 head count/171 FTE)

Indicator	2014/15	2015/16	Oct 2016 – Mar 2017	2017/18 Q2	2017/18 End of Year Prediction
Working days lost due to sickness absence per FTE			4.8	5.5	11.8
Number of working days lost due to sickness absence			761	929	1995
Proportion of sickness absence that is long term (over 28 days)			54%	70%	-

Corporate Support and Resources (129 head count/106 FTE)

Indicator	2014/15	2015/16	Oct 2016 – Mar 2017	2017/18 Q2	2017/18 End of Year Prediction
Working days lost due to sickness absence per FTE			4.4	2.2	4.7
Number of working days lost due to sickness absence			493	250	537
Proportion of sickness absence that is long term (over 28 days)			47%	47%	-

Economic Development (40 head count/37 FTE)

Indicator	2014/15	2015/16	Oct 2016 – Mar 2017	2017/18 Q2	2017/18 End of Year Prediction
Working days lost due to sickness absence per FTE			2.1	1.5	3.2
Number of working days lost due to sickness absence			72	56	120
Proportion of sickness absence that is long term (over 28 days)			0%	0%	-

7

Governance and Regulatory Services (110 head count/86 FTE)					
Indicator	**2014/15**	**2015/16**	**Oct 2016 – Mar 2017**	**2017/18 Q2**	**2017/18 End of Year Prediction**
Working days lost due to sickness absence per FTE			3.9	2.7	5.8
Number of working days lost due to sickness absence			359	292	627
Proportion of sickness absence that is long term (over 28 days)			46%	37%	-

	Report to Business & Transformation Scrutiny Panel	Agenda Item:
CARLISLE CITY COUNCIL www.carlisle.gov.uk		A.7

Meeting Date: 5 December 2017

Portfolio: Finance, Governance and Resources

Key Decision: No

Within Policy and

Budget Framework YES

Public / Private Public

Title: QUARTER 2 PERFORMANCE REPORT 2017/18

Report of: Policy and Communications Manager

Report Number: PC 20-17

Purpose / Summary:

This report contains the second quarter performance against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Performance against the Panel's Service Standards and new Key Performance Indicators (KPIs) are also included for the first time.

Recommendations:

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

2. Consider and comment on the layout of the new KPI dashboard with a view to providing a more holistic view of the Council's performance.

Tracking

Executive:	18/12/17
Overview and Scrutiny:	Health and Wellbeing 23/11/17
	Economic Growth 30/11/17
	Business and Transformation 5/12/17
Council:	**N/A**

1. BACKGROUND

This report contains the second quarter 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 new Key Performance Indicators (KPIs) are also included.

Service Standards were introduced at the beginning of 2012/13 to provide a standard in service that our customers can expect. The standards were reviewed at the end of 2016/17 and further standards and KPIs have been introduced.

The following criteria was applied to a long list of potential measures to create the new service standards:

1. A service directly used by our customers (residents, visitors and businesses)
2. Notable media or social media interest in the service
3. A high volume of customers uses the service
4. The service has a significant revenue budget
5. High quality data is accessible to report on the new measure on a quarterly cycle

The measures are based on timeliness, accuracy and quality of the service. Details of the standards for this Panel are in the table in **Section 1**. Only the standards relevant to this Panel are included. The following criteria was applied to the remaining long list of measures to create a shortlist of KPIs:

1. Data available or easily collected.
2. Measure linked to service plan objective and/or Budget Resolution.

The appendix attached contains the Council's performance against the KPIs within the Panel's remit. The greyed-out measures are annual measures and are only included in this report for information. Future reports will only include the quarterly and monthly measures.

The updates against the actions in the Carlisle Plan are presented in **Section 2**. Only actions within the remit of the Panel are included in this report. The intention is to give the

Panel a brief overview of the current position without duplicating the more detailed reporting that takes place within the Scrutiny agendas and Portfolio Holder reports.

Summary of KPIs and Service Standards:

Service Standards – 0 'red', 1 'amber' and 3 'green'

KPIs – 1 'red', 1 'amber', 6 'green'

2. PROPOSALS

None

3. CONSULTATION

The report was reviewed by Directorate Management Teams in October, by the Senior Management Team on 7 November 2017 and has been considered at the other Scrutiny Panels.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

1. The Panel are asked to comment on the Quarter 2 Performance Report and new KPI dashboard prior to it being submitted to Executive.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

| **Contact Officers**: | **Steven O'Keeffe** | **Ext:** | **7258** |
| | **Gary Oliver** | | **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/RISKS:

Corporate Support and Resources – Responsible for monitoring customer satisfaction, financial management and for managing high level projects.

Community Services – Responsible for monitoring and reporting on service standards and KPIs, progress in delivering the Carlisle Plan and for working with teams to develop team service standards for operational use.

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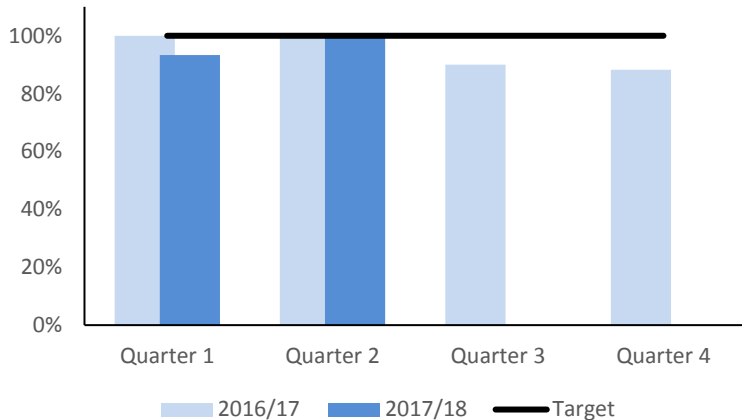
Governance and Regulatory Services – Responsible for corporate governance and managing team level service standards on a day-to-day basis.

Section 1: Service Standards

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

Service Standard	2017/18 to end of Quarter 2	Performance by Month	Further Information
New claims should be processed within 22 days to achieve top two quartiles compared to other local authorities	18.1 days (end of Q2 2016/17: 18.7 days) **On target?** ✓		1811 new claims in first six months of 2017/18 – increase of 5.4% compared to same period in 2016/17.
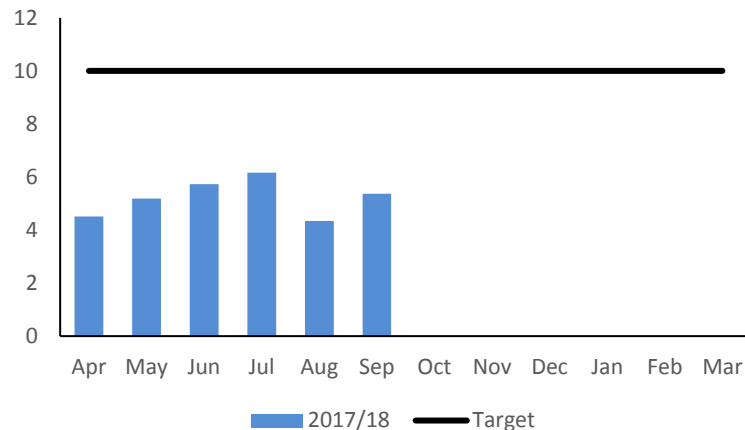
SS05: Proportion of corporate complaints dealt with on time

Service Standard	2017/18 to end of Quarter 2	Performance by Quarter		Further Information
Corporate complaints should be dealt with within 15 working days	97% (end of Q2 2016/17: 100%) **On target?** 🔺			31 out of 32 corporate complaints were completed on time. One complaint has been referred to the Ombudsman in 2017/18 but the Council was not found to be at fault.

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

Service Standard	2017/18 to end of Quarter 2	Performance by Month	Further Information
100% of non-contentious licence applications should be completed within 10 working days	100% **On target?** ✓	Baseline quarters. Monthly breakdown not yet available.	523 applications made Apr-Sept 2017. 2016/17 99.6% of 1005 applications were completed on time.

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

Service Standard	2017/18 to end of Quarter 2	Performance by Month	Further Information
Changes should be processed within 10 days	5.1 days **On target?** ✓		Nearly seventeen thousand changes have been processed in the first half of the year. 50% of these were processed on the same day they were received.

Section 2: Carlisle Plan Nov 16 – Mar 18 Delivery [BTSP Actions]

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

Business Property & Infrastructure:

OUTCOME	**2. City Centre redevelopment projects**
SMT OWNER	Jane Meek
O+S Panel	EGSP / BTSP
Specific – What is the task	Promote development opportunities and regeneration opportunities within the city centre (including Carlisle Station, Caldew Riverside, The Citadel, English Street and the Pools.)
Measurable – How will success be measured?	Produce a report setting out the alternatives and preferred options for the delivery of these city centre development opportunities.
Achievable – Is it feasible?	Yes
Realistic – Resources available	The technical and complex nature of the work will necessitate the engagement of external consultants drawing on the awarded Local Growth Funding
Time Bound – Start/end dates	The report will be completed within the current financial year. Work will commence Q3 2017/18 with a final draft produced by the end of Q4.
Progress in Quarter 2 2017/18 against project plan / key milestones achieved	The consultants will present an interim report outlining conceptual ideas and the scope of works required to produce a detailed options appraisal to SMT late October. The brief for the main report will be agreed at this meeting.
Emerging issues / risks to the project	None

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

Service & Facilities Development:

OUTCOME	**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.**
SMT OWNER	Darren Crossley
O+S Panel	HWSP / BTSP
Specific – What is the task	1. To retender and award a new leisure contract and 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?	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?	1. Work is underway to complete a competitive tender exercise with support from specialist advisors. 2. Sufficient budget and permission has been secured to appoint a design team to take the project to the end of outline design. 3. Works are underway and are being project managed by the team. 4. Support in place from the LTA and a clear scheme identified, subject to planning permission the canopy can be delivered.
Realistic – Resources available	1. The project is on schedule and has adequate financial resource to be completed. 2. The project is on schedule and has adequate financial resource to be completed.

	3. The project is on schedule and has adequate financial resource to be completed.
	4. Sufficient budgetary provision has been made via grant funding from the LTA and the city council's capital programme.
Time Bound – Start/end dates	1. By 1/12/17
	2. By 1/12/17
	3. By 1/10/17
	4. By 1/2/18
Progress in Quarter 2 2017/18 against project plan / key milestones achieved	Final submissions have been submitted and evaluated on the Leisure Contract have been submitted. A preferred bidder for both lots has been identified. Preferred bidder meeting has been scheduled and held and final contract negotiations are concluding. Reports are timetabled into the democratic cycle for both Health and Wellbeing (October) and Executive (Nov).
	A design team has been appointed for the Sands Centre project and first stage designs are being prepared, again this is scheduled to report to scrutiny and Executive in Winter 2017 and then on to Council January.
	The Cycle Track remediation works have now been completed and we are currently working to a revised completion date of the end of November.
	Work is progressing on confirming contracts for the Tennis Canopy works, these should be completed by November with works undertaken on the canopy itself between November – February.
Emerging issues / risks to the project	None.

Business & Transformation Scrutiny Panel
Performance Dashboard 2017/18 to end of Quarter 2

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Key

Symbol	Meaning
↓	Performance is deteriorating
↑	Performance is improving
→	No change in performance
✖	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	Code	Measure	Frequency of Measure	Year-to-date Performance	Trend	Year-to-date Target	Comments
✓	CSR01	Actual net spend as a percentage of annual net budget.	Quarterly	40.7%	↑	42.1%	£165k underspend to date
✓	CSR02	Percentage of all invoices paid within 30 working days	Monthly	98.8%	↑	98%	5355 invoices paid
✓	CSR04	Proportion of customer "calls for service" logged in Salesforce completed on-line	Monthly	7.5%	↑	7.3%	From calls logged in Salesforce CRM (461 out of 6147 calls)
✖	CSR05	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	Monthly	3.7	↓	3.4	
✓	CSR06	Percentage of return to work interviews completed in five working days of returning to work.	Monthly	81%	↑	79%	
N/A	CSR08	ICT measure(s) from revised ICT strategy (TBC)	TBC				Strategy under development
✓	CSR09	Percentage of Council Tax collected	Quarterly	56.6%	↑	56.3%	
▲	CSR10	Percentage of NNDR collected	Quarterly	57.3%	↓	57.9%	
N/A	CSR13	Proportion of debts recovered (sundry debtors) TBC	TBC				Measure definition TBC
N/A	GRS04	Proportion of contested licence applications decided on within 50 working days.	Quarterly	N/A		95%	No contested applications in 2017/18
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	Quarterly	100%	→	100%	213 applications to date
	CS34	Percentage of service plans complete	Annual				
	CSR03	Customer satisfaction (web survey and topped up with Focus survey, etc.) with how well Carlisle City Council is running things and how it has changed from three years ago.	Annual				
	CSR07	Percentage of staff appraisals completed	Annual				
	CSR11	Approval of a balanced budget by an agreed date	Annual				
	CSR12	Accounts signed off within statutory deadlines	Annual				
	CSR14	Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year	Annual				
	CSR15	Internal Audit - Percentage of audit scopes agreed with management and issues before commencement of the audit fieldwork	Annual				
	CSR16	Internal Audit - Percentage of draft internal reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client	Annual				

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Business & Transformation Scrutiny Panel
Performance Dashboard 2017/18 to end of Quarter 2

Key
↓ Performance is deteriorating
↑ Performance is improving
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❌ Off target
⚠ Close to target (within 5%)
✓ On target

On Target?	Code	Measure	Frequency of Measure	Year-to-date Performance	Trend	Year-to-date Target	Comments
	CSR17	Internal Audit - Percentage of final internal audit reports issued for Corporate Director comments within 8 working days of management response or closeout	Annual				
	CSR18	Internal Audit - Percentage of recommendations accepted by management	Annual				
	CSR19	Internal Audit - Percentage of individual reviews completed to required standard within target days	Annual				
	CSR20	Internal Audit - Percentage of Quality Assurance checks completed	Annual				
	CSR21	Internal Audit - Percentage of customer satisfaction survey scoring the service as "good"	Annual				
	CSR22	Internal Audit - Percentage of chargeable time	Annual				
	GRS01	Number of internal accidents/incidents per Full Time Equivalent (FTE)	Annual				
	GRS02	Number of internal RIDDORS per FTE	Annual				
	GRS03	% safety audits completed on time and sent to service manager	Annual				
	GRS09	Annual rental revenue from Kingstown Industrial Estate	Annual			£ 2,023,880	Target is to increase the rental revenue from October 2016 levels (commencement of Chancerygate management arrangements)