

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 13 FEBRUARY 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Allison, Mrs Birks, Mrs Bowman, Ms Ellis-Williams (as substitute for Councillor McNulty) and Mitchelson.

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

OFFICERS: Town Clerk and Chief Executive
Corporate Director of Finance and Resources
HR Manager
Overview and Scrutiny Officer

BTSP.08/20 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor McNulty and Councillor Paton.

BTSP.09/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.10/20 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.11/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) It was noted that Council had, on 7 January 2020, received and adopted the minutes of the meeting held on 3 December 2019. The Chair signed the minutes.

2) That the minutes of the meeting held on 2 January 2020 be agreed as a correct record.

BTSP.12/20 CALL – IN OF DECISIONS

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

BTSP.13/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.02/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The report included a table of progress on resolutions from previous meetings. The Panel were unhappy that that resolution 1 had been outstanding since June 2019. The Panel requested that options for potential Key Performance Indicators for the Redevelopment of the Sands Centre be submitted for scrutiny as soon as possible.

The Overview and Scrutiny Officer reminded the Panel that the Audit Committee had made a reference for the Panel to receive an update on how the City Council was supporting Brexit preparations. The matter had been added to the work programme to be reported to the Panel at this meeting. As the likelihood of a no deal Brexit receded the Chair had instructed that a report was no longer required.

The Overview and Scrutiny Officer reported that the Scrutiny Chairs Group had met on 23 January 2020 and asked that the notes be circulated to each Panel to allow for a discussion on the potential of reducing the number of Members on each Panel, how well the substitution system was working and the timing of meetings.

The Panel discussed the current substitution system and the timing of meetings and felt strongly that the substitution system was not working. Having all non Executive Members as substitutes had resulted in a lack of continuity and understanding of Scrutiny subjects. They had also noted that substitute Members often arrived unprepared for the meeting.

Referring to the change in start time of the meeting, the Panel had a mixed view, some Members preferred the 10am start whilst others preferred a later start time. The Panel agreed that this would need to be investigated further.

The Leader understood the reasoning and difficulty in changing meeting times and the impact different times had on Members and Officers. He commented that 39 Councillors were fitting into a system designed for 52 and suggested that the review of the meeting times be included in an overall review of Scrutiny including the number and size of the Panels.

The Panel discussed how the matter could be taken forward and agreed that the view of each Political Group should be sought and reported back to the Panel.

The Town Clerk and Chief Executive reminded the Panel that any work on the future of Scrutiny should be carried out in a timely manner to allow for the changes to be implemented in May.

The Overview and Scrutiny Officer drew the Panel's attention to their Work Programme and asked the Panel what they expected for each of the items which were scheduled for 26 March 2020:

Corporate Projects – The Panel requested an overview and update on each of the corporate projects including information on the financial impact of any delays.

Annual Property Survey Report – The Panel requested a report detailing any exceptional costs which had been identified in the survey along with an update on the Asset Management and Disposal programme. The Panel requested information on the number of assets being disposed of.

Budget Monitoring -The Corporate Director of Finance and Resources clarified that the next budget monitoring reports would be available in May not March. The Panel agreed to remove the item from their Work Programme.

Corporate Risk Register – The Panel asked for an update on the Sands Centre Risk Assessment.

Annual Report – The Panel requested that the report detail the Scrutiny that had taken place which influenced the Council and what the Panel would be looking at moving forward.

The Panel discussed a reference from the Executive regarding Local Taxation – Flood Discounts and agreed to add the matter to the Work Programme for March.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.02/20).

2) The Panel requested that options for potential Key Performance Indicators for the Redevelopment of the Sands Centre be submitted for scrutiny as soon as possible.

3) That the Panel's Work Programme be amended as follows:

Items to be submitted to the meeting on 26 March 2020

- Corporate Projects
- Annual Property Survey Report
- Corporate Risk Register
- Scrutiny Annual Report
- Local Taxation – Flood Discounts

Items to be removed from the 26 March 2020

- Budget Monitoring

BTSP.14/20 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APTIL TO DECEMBER 2019

The Corporate Director of Finance and Resources submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2019 (RD.51/19). She outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement. Details of the main variances in the Directorates' budgets; together with a subjective analysis of the summarised budgetary position as at December 2019 were provided.

The Council's financial position would continue to be closely monitored and the likely year end position would be reported fully at the outturn. Some of the significant service and income variances estimated for the year were detailed at paragraph 3.2.

The Executive had considered the matter on 10 February 2020 (EX.23/20 refers) and resolved:

“That Executive:

1. Noted the budgetary performance position of the Council to December 2019;
2. Noted the action taken by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
3. Noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A.”

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

- The revenue budgetary position showed the GLL reserve, would it be removed?

The Corporate Director of Finance and Resources confirmed that the Reserve had been used to fund the Sands Centre Redevelopment budget.

- How had the recent flooding affected the Flood Reserve budget?

The Corporate Director of Finance and Resources reminded the Panel that the Flood Reserve had been part of the settlement from the 2015 flood to carry out works in Bitts Park and the Civic Centre. Work was being carried out to assess any damage caused by the recent flood. A loss adjuster had been appointed, however, the excess on the insurance was now £50,000 per asset and the authority may not incur that level of spending.

- Why was there a shortfall in the income from the digital banner?

The Corporate Director of Finance and Resources explained that the digital banner had been replaced and did achieve income however the income targets which had been set were currently unachievable and needed to be amended.

- Did the shortfall in car parking reflect the decline in city centre retail?

The Corporate Director of Finance and Resources responded that there were various reasons for the shortfall in car parking and she would provide the Panel with written details.

- A Member raised some concerns regarding the shortfall from Development Control fee income and asked for a breakdown of costs for Development Control.

The Corporate Director of Finance and Resources clarified that the shortfall was solely income against targets and not connected to the Development Control running costs.

- A Member asked for further details regarding the Lanes Head Rent reconciliation.

The Corporate Director of Finance and Resources explained that the Council received an annual estimate of the Lanes income and the share that the Council would receive. The Council then invoiced the Lanes on a quarterly basis based on the annual figure. At the end of the year the Head Rent reconciliation occurred, and the authority then received, or paid back, the difference. The Head Rent reconciliation was being reconciled and it was likely the authority would receive further income.

In response to a further question the Corporate Director of Finance and Resources agreed that the decline in city centre retail would have an impact on the income and occupancy levels, however, the managing agents were proactive and worked to attract tenants into the Lanes.

The Town Clerk and Chief Executive clarified that there was not a decline in the city centre, there was a decline in the rent levels. There was a challenge in retail, and this had resulted in a downward pressure in rent. The managing agents and the City Council were working hard to attract shoppers into the City including initiatives such as free car parking after 3pm.

- The Panel asked for an update on the Business Interaction Centre overspend.

The Finance, Governance and Resources Portfolio Holder gave an update on the building and outlined some of the issues which had been dealt with.

- Was the shortfall in income from vacant properties due to the proposed disposal of those properties?

The Corporate Director of Finance and Resources responded that the majority of the shortfall was due to the pending disposal of a vacant asset in the City Centre. Additional staff had been employed within Property Services to manage the Asset Disposal Plan and some reprofiling work had been undertaken which was reflected in the budget.

- Why was there an overspend of £65,000 on the Civic Centre?

The Corporate Director of Finance and Resources advised that the overspend was due to the rental of the portacabin which is being used as the Customer Contact Centre.

- What were the impact of CVAs on the write off budget?

The Corporate Director of Finance and Resources responded that CVAs would impact on the Bad Debt Write offs and there was a provision in place to deal with them, however, they would not impact the general fund.

- What was the Council's return on the £101,000 investment with Chancerygate?

The Corporate Director of Finance and Resources clarified that the report showed the impact on the budget not the return, she agreed to provide a written response.

RESOLVED – 1) That the Panel scrutinised and commented on the overall budgetary position for the period April to December 2019 as set out in the Revenue Budget Overview and Monitoring Report: April to December 2019 (RD.51/19).

2) That the Corporate Director of Finance and Resources provide the Panel with written responses as follows:

- the reasons for the shortfall in car parking income.
- the Council's return on the £10,000 investment with Chancerygate.

BTSP.15/20 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2019

The Corporate Director of Finance and Resources submitted report RD.52/19 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2019. She outlined for Members the overall budget position of the various Directorates and the financing of the 2019/20 capital programme, details of which were set out in the report.

As at the end of December, expenditure of £3,815,344 had been incurred on the Council's core capital programme. When considered against the profiled budget of £4,477,908 that equated to an underspend of £662,564.

The Executive had considered the matter on 10 February 2020 (EX.22/20 refers) and resolved:

“That the Executive:

1. Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2019;
2. Noted adjustments to the 2019/20 capital programme as detailed in paragraph 2.1;
3. Made recommendations to Council to approve reprofiling of £14,495,000 as detailed in paragraph 3.7 and Appendix A from 2019/20 into 2020/21 (£10,952,800) and 2021/22 (£3,542,200).”

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

- Was the annual revaluation of fixed assets undertaken internally or externally?

The Corporate Director of Finance and Resources responded that the revaluation of assets were undertaken by both internal and external valuers

- Was it possible for the Council to ask developers to contribute to the cost of new waste and recycling receptacles for new developments?

The Town Clerk and Chief Executive commented that placing additional costs on to the developer did not help with the affordability of housing.

- Were the Section 106 contributions kept in the capital programme?

The Corporate Director of Finance and Resources confirmed that the contributions were retained and used to support the capital programme.

In discussing Section 106 contributions Members felt strongly that Ward Members should be consulted on how the monies would be used in their wards. It was noted that the Economic Growth Scrutiny Panel had previously scrutinised Section 106 contributions after they had been allocated, however, Members wanted to be included in the consultation process before any monies were spent.

The Panel discussed the options available to them in some detail and agreed that the Development Manager should attend a future meeting to inform the Panel of the planning process and to discuss the most appropriate time for Ward Members to be consulted on Section 106 monies.

- Referring to the Capital Programme Risk Assessment a Member asked how the impact of a risk was determined and questioned how appropriate some of the impacts were.

The Town Clerk and Chief Executive noted the Panel's concerns regarding some of the classifications of impact and explained that the Risk Management Policy stipulated the definition and rationale of the impact.

REOLVED – 1) That the Panel scrutinised and commented on the overall budgetary position for the period April to December 2019 as set out in the Capital Budget Overview and Monitoring Report: April to December 2019 (RD.52/19).

2) That the Development Manager attend a future Panel meeting to inform the Panel of the Section 106 planning process and to discuss the most appropriate time for Ward Member input when determining how Section 106 monies were allocated.

BTSP.16/20 QUARTER 3 PERFORMANCE REPORT 2019/20

The Quarter 3 Performance Report 2019/20 was submitted (PC.06/20).

The report contained the Quarter 3 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 Panels' 2019/20 Key Performance Indicators were also included along with a summary of exceptions which showed CSe14 as red.

The Panel asked that, in future reports, Service Standard SS05 (proportion of corporate complaints dealt with on time) include the actual number of corporate complaints received and dealt with.

RESOLVED – 1) That the Panel had scrutinised the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities (PC.06/20).

2) That future performance reports include the actual number of corporate complaints received and dealt with in respect of Service Standard SS05 (proportion of corporate complaints dealt with on time).

BTSP.17/20 SICKNESS ABSENCE REPORT 2019/20

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

The HR Manager reported that, as at December 2019, the number of days lost per full time equivalent (FTE) equated to 8.2 in the first nine months of 2019/20. The report provided details of the absence levels by directorate and showed a 4% increase in overall days lost per employee compared to the same period in 2018/19. 49 employees had been absent long term (four working weeks or more), 18 of which remained open on 14 January 2020 and 21 of which were due to 'Stress, depression, mental health, fatigue syndromes'. Section 4 of the report set out the number of days lost by reason and directorate and showed that 'Stress, depression, mental health, fatigue syndromes' had the greatest days lost.

The HR Manager detailed the key activities and initiatives that the Council had undertaken to support attendance management and informed the Panel that the Council had been awarded the Better Health at Work – Silver Award and work was being carried out to achieve the Gold Award.

She reminded the Panel that the Council's Attendance Management Policy had been implemented in 2004 and was due a fundamental review and would benefit from clearer, more transparent trigger points.

The HR Manager requested that a Task and Finish Group be established to review the Policy to ensure a robust policy with effective trigger points was in place which would provide support to Managers and HR when managing absences.

The Town Clerk and Chief Executive reminded the Panel that the City Council was a relatively small organisation therefore the figures were affected by a small increase in absence. Officers recognised that the Attendance Management Policy needed to be refreshed and wanted to address this with the input of a Task and Finish Group.

The Panel agreed to establish a Task and Finish Group with 5 Members. Councillors Allison, Mrs Bowman, Mrs Birks and Bainbridge volunteered for the Task Group and the Overview and Scrutiny Officer agreed to email all Members to ask for one more volunteer.

A Member asked if there was a reason why the proportion of Return to Work Interviews completed in 5 working days had remained low and the HR Manager informed the Panel that the interviews were being carried out; however, returning the paperwork in a timely manner was proving difficult. Work was being undertaken to simplify the process and where possible, introduce online completions through the Council's iTrent system.

The Panel asked if joint/partnership working was taking place to address attendance management and establish best practice. The HR Manager confirmed that joint working was being carried out and reported that the Cumbria HR Leaders Group, which included local authorities, the National Park and the Police was facilitated by North West Employers, met every three months. At the next meeting all partners would share their sickness figures and their Attendance Management Policies to allow for open and frank discussions on attendance management and the options which were open to authorities.

RESOLVED – 1) That the Panel had scrutinised the Sickness Absence Report 2019/20 (RD.56/19);

2) That Councillors Allison, Mrs Bowman, Mrs Birks and Bainbridge, plus one other Member, be nominated to a Task and Finish Group to assist the HR Manager in reviewing the Attendance Management Policy with the aim of more effectively managing absence.

BTSP.18/20 PUBLIC AND PRESS

RESOLVED - That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

BTSP.19/20 SICKNESS ABSENCE REPORT 2019/20

(Public and Press excluded by virtue of paragraph 2)

The Corporate Director of Finance and Resources submitted report RD.57/19 setting out the reasons for the authority's long term sickness absence levels for the period April to December 2019.

The HR Manager reported that long term sickness was any sickness absence which lasted more than four working weeks. The number of long term sickness absences had increased and the report set out the categories of the absences. The HR Manager explained that HR would continue to work closely with managers to encourage timely Occupational Health referrals when required, particularly in instances where long term sickness was anticipated.

RESOLVED - That the Panel noted the Sickness Absence Report 2019/20 (RD.57/19).

(The meeting ended at 5.38pm)