

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 6 SEPTEMBER 2018 AT 10.00AM

PRESENT: Councillor Mrs Bowman (Vice Chairman), Councillors Alcroft, Allison, Ellis, Mrs Mallinson, McDonald and McNulty.

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

OFFICERS: Deputy Chief Executive
Chief Finance Officer
Policy Performance Officer x2
Overview and Scrutiny Officer

BTSP.57/18 APOLOGIES FOR ABSENCE

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

BTSP.58/18 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

BTSP.59/18 PUBLIC AND PRESS

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

BTSP.60/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 26 July 2018 be agreed.

BTSP.61/18 AGENDA

RESOLVED – That agenda items A.5 (Revenue Budget Overview and Monitoring Report) and A.6 (Capital Budget Overview and monitoring report) be considered after agenda item A.2 (Overview Report and Work Programme).

BTSP.62/18 CALL - IN OF DECISIONS

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

BTSP.63/18 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.19/18 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Notice of Executive Key Decisions had been published on 17 August 2018. There were no items included which fell within the Panel's remit.

The table of progress on resolutions from previous meetings had been included in section 3 of the report. The Overview and Scrutiny Officer reported that written responses from the Chief Finance Officer with regard to Minute References BTSP.53/18, BTSP.54/18 and BTSP.55/18 had been circulated to Members on 6 August 2018.

The Panel's work programme had been include in the report and the Overview and Scrutiny Officer highlighted a number of material items which had not yet been scheduled in for a particular meeting. The Panel agreed that the Overview and Scrutiny Officer should liaise with relevant officers to schedule the matters over the coming months.

The Overview and Scrutiny Officer reported that the Scrutiny Chairs Group had met on 16 August and had discussed the future structure of the Scrutiny function. It was resolved that the best way forward would be to establish a Cross Party Working Group to determine an appropriate and efficient future structure. Subsequent advice from the Corporate Director of Governance and Regulatory Services was to the effect that, if Members wished to have such a task and finish group then it should come under the ambit of the Business and Transformation Scrutiny Panel as the Chairs' Group did not have a remit for this type of action. The Director reiterated the Chief Executive's advice at the Chairs' Group that the Local Government Boundary Commission for England's decision (based on submission received) was that the Council could properly deliver its current structure with 39 Members. The Panel was asked to consider: -

- Whether the scope of any review should be around Scrutiny, or a more broadly based review of Governance structures
- Whether a separate Task and Finish Group should be established to take this matter forward
- In the event that the Panel agreed to limit any review to the Scrutiny function, to agree what additional information from the Overview and Scrutiny Officer was needed to allow a decision to be made.

The Panel discussed the matter and agreed that a Task and Finish Group should be established to look at the wider remit of the governance of the Council. The Task and Finish Group would include the Chairman, Vice Chairman, Councillor Ellis, Councillor Alcroft and Councillor Allison. Other relevant Members and Officers would be invited to take part in the Task Group. The Panel wanted the first meeting to take place as soon as possible to agree the Terms of Reference and to move the work forward.

A Member reminded the Panel that it was important that 'back bench' Members were engaged and highlighted the good work taking place at Kirklees Council.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.19/18) be noted.

2) That the Overview & Scrutiny Officer liaise with the relevant officers to schedule the outstanding items within the work programme for future meetings;

3) That a Task and Finish Group be established to scrutinise the governance arrangements for the Council. The Task and Finish Group would include the Chairman and Vice Chairman of the Business and Transformation Scrutiny Panel, Councillor Ellis, Councillor Alcroft and Councillor Allison. Relevant Members and Officers would also be invited to take part in the Task Group work.

BTSP.64/18 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2018

The Chief Finance Officer presented report RD.18/18 which provided an overview of the Council's overall budgetary position for the period April to June 2018 for revenue schemes only.

The Chief Finance Officer outlined the background information set out at Section 1. The budgetary position as at June 2018 showed an updated Budget 2018/19 totalling £13,340,500;

and the main income and expenditure variances were as summarised at paragraph 2.4 of the report.

Section 3 recorded that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end, including 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; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.

The Council's financial position would continue to be closely monitored and the likely year end position would be reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable budget position for future years and to avoid any significant variance at the year end.

The Executive had considered the matter at their meeting on 20 August 2018 (EX.77/18 refers) and decided:

“That the Executive:

1. Noted the budgetary performance position of the Council to June 2018;
2. Noted the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6 of Report RD.18/18;
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 monitoring report Members raised the following comments and questions:

- The recommendation in the report asked the Panel to note the variances, Members asked that the recommendation in future reports covered the expected input from Scrutiny which better reflected the role of Scrutiny.

The Chief Finance Officer responded that the recommendations would be amended in future but added that the report reflected the current financial position and there was no formal decision for Scrutiny or the Executive to take on the report.

- The summarised revenue budgetary position set out in the table at page 53 showed a target of £1.2m from Transformation but did not show any savings made for this year. Would the £1.2m target be met in this financial year?

The Chief Finance Officer drew the Panel's attention to the table on page 55 of the report which set out the Transformation savings of £772,700 which had been achieved to date. The Council's financial position would continue to be closely monitored and work would continue to achieve the further £706,300 savings which were required. Information would be provided to the Panel in their quarterly monitoring reports.

- One of the main variances to the budget was an overspend to Chancerygate, how would this be dealt with?

The Deputy Chief Executive responded that the overspend reflected the upfront costs required to start the work with Chancerygate; those costs would be recovered when the rent reviews and other works made a return. The risks associated with the overspend and further details were included in the published Executive report. The Chief Finance agreed to provide a written response to the Panel.

- The Panel asked for clarity regarding the original General Fund Reserves contribution of £582,800 and the net spend to date contribution from reserves of £918,571.

The Chief Finance agreed to provide a written response to the Panel.

- The Panel asked for more narrative to be added to the report to aid scrutiny, in particular with regard to the variances.
- How would the overspend at the Business Interaction Centre (BIC) be funded?

The Chief Finance Office explained that the Corporate Director of Economic Development was looking at the BIC and the options available to the Council. Further information was included in the Capital Budget Overview and Monitoring Report.

- The Panel asked for reassurance that every step was taken to recover bad debts before they were written off, the Panel also asked how the monies were put back into the income stream

The Chief Finance Officer assured the Panel that the Council had a thorough process in place for collecting debts which ended in the use of bailiffs if necessary. An estimate of the Bad Debt Write Offs was calculated annually and a provision was made in the account, the debts were then written off against that provision.

- Were there any predictions for the impact of the introduction of the Universal Credit?

The Chief Finance Officer reported that there had been no significant impact to date since the introduction of Universal Credit in July. The main issues would be the recovery of overpayments of Housing Benefits and Council Tax arrears.

- A Member asked for confirmation that the sale of assets was a capital receipt.

The Chief Finance Officer confirmed that the sale of assets over £10,000 was a capital receipt.

RESOLVED – 1) That the Revenue Budget Overview and Monitoring Report: April to June 21018 (RD.18/18) be welcomed;

2) That the recommendations in future reports covered the expected input from Scrutiny which better reflected the role of Scrutiny;

3) That future reports include more narrative to aid Scrutiny, in particular with regard to the variances;

4) That the Chief Finance Officer provide the Panel with a written response to the following:
 - How would the overspend with regard to Chancerygate be dealt with?
 - An explanation regarding the original General Fund Reserves contribution of £582,800 and the net spend to date contribution from reserves of £918,571

BTSP.65/18 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2018

The Chief Finance Officer presented report RD.19/18 which provided an overview of the budgetary position of the City Council's capital programme for the period April to June 2018. She summarised the background position set out at Section 1 of the report.

The position statement recorded that, as at the end of June, expenditure of £1,549,842 had been incurred on the Council's core capital programme. When considered against the profiled budget of £1,446,956 that equated to an overspend of £102,886. The unspent balance remaining of the revised annual budget of £7,894,600 was £6,344,758. That would be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

A number of schemes were included in the capital programme for 2018/19 that required reports to be presented to the Executive for the release of funding before the project could go ahead, some of which may slip into future years capital programmes.

The Executive had considered the matter at their meeting on 20 August 2018 (EX.78/18 refers) and decided:

“That the Executive:

- (i) Noted and had commented upon the budgetary position and performance aspects of the capital programme for the period April to June 2018;
- (ii) Noted adjustments to the 2018/19 capital programme as detailed in paragraph 2.1 of Report RD.19/18;
- (iii) (iii) Approved an increase to the capital programme for the additional Disabled Facilities Grant received in 2018/19 (£293,200).”

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

- There was concern regarding the amount of carry forwards from 2017/18.

The Chief Finance Officer reminded the Panel that the carry forwards had been approved at Council in July and the accompanying report to the decision had the full explanation. She added that many capital programme schemes took longer than a financial year to complete and there was often additional slippage which resulted in the carry forward.

- Were the Council's assets revalued every year?

The Chief Finance Officer explained that the assets were revalued every five years; however, a desktop exercise was carried out annually for balance sheet purposes.

- Had other monies been spent on the Central Plaza other than the amount the Council had agreed?

The Chief Finance Officer was not aware of any further spending on the Central Plaza other than the amount already approved. She added that the Economic Development Team were dealing with the Central Plaza and were continuing to look at available options.

- A number of the schemes in the capital programme had been there for some time, who would make the decision to remove schemes that were not going ahead?

The Chief Finance Officer responded that the schemes would be considered as part of the budget process and removed if necessary.

A Member highlighted the Botchergate/London Road Scheme which had not been successful in securing funding. The Chief Finance Officer said this scheme would be removed if funding was not available and this would be reflected in the next quarterly monitoring report.

- The Panel felt that the narrative under the risks section of the report was insufficient and asked for more detailed narrative to be included in future reports.

The Deputy Chief Executive reminded the Panel that each of the capital schemes would include a detailed risk assessment as they were brought forward. The risks in the monitoring report reflected the overall risk to the Council and he agreed that this would be made clearer in future reports. The Chief Finance Officer added that a full risk assessment on the capital strategy was available and could be adapted and added to the future reports.

RESOLVED – 1) That the Capital Budget Overview and Monitoring Report: April to June 2018 be welcomed (RD.19/18);

2) That the recommendations in future reports covered the expected input from Scrutiny which better reflected the role of Scrutiny;

3) That more detail be added to the narrative in the risks section of the report and the capital strategy risk assessment be adapted and added to future reports.

BTSP.66/18 DRAFT ITINERARY FOR EFFICIENCY RELATED INQUIRY DAY

The Overview and Scrutiny Officer submitted report OS.23/18 which provided an outline itinerary for the inquiry day relating to efficiency and efficiency planning.

The Overview and Scrutiny Officer reminded the Panel that they had requested an inquiry day at their meeting on 26 July. The draft itinerary suggested some possible lines of inquiry within four main areas.

The Panel discussed the inquiry day and agreed that it should be split into two half days, the first half for training and the second half for the inquiry day. The training would be carried out by Council Officers and would be for Panel Members and Substitutes.

The Panel also requested that comparison information be provided and some consideration also be given to how income could be generated.

RESOLVED – 1) That the draft itinerary for the inquiry day relating to efficiency and efficiency planning (OS.23/18) be noted.

2) That the Overview and Scrutiny Officer to make the necessary arrangements for two half day sessions for the efficiency related inquiry day.

BTSP.67/18 COMMUNITY ASSET TRANSFER POLICY

The Policy and Performance Officer presented a Community Asset Transfer Policy (PC.16/18).

The Policy and Performance Officer reminded the Panel of the background to the Policy which had been developed through a Business and Transformation Scrutiny Panel Task and Finish Group.

The Panel was asked to comment on the amended draft Policy and recommend to the Executive the adoption of the Policy and Procedure.

The Panel asked that the Policy be promoted through a press release as well as being advertised on the website. They also asked that the Policy be emailed to any groups who registered an interest in a community asset.

RESOLVED – 1) The Panel recommend to the Executive that they adopt the Community Asset Transfer Policy (PC.16/18).

2) That the Policy and documents be emailed to any parties who expressed an interest in a community asset;

3) That a press release regarding the new Policy be prepared from the Panel through the Communications Team;

4) That the Panel thank the Policy and Performance Officer for her support and work in preparing the Community Asset Transfer Policy.

The Policy and Performance Officer presented an overview of the development of a Corporate Plan (PC.17/18).

The Policy and Performance Officer reported that a Corporate Plan set out clearly an organisation's aspirations for the future. It was a useful way to link the key strategic documents that drive the business planning within the organisation. The Corporate Plan 2018-21 brought together the key documents and plans, and set out how services would be improved and key projects delivered.

The Plan would be separate, but related to the Carlisle Plan, primarily through resourcing and delivering the 'big three' projects:

Borderlands Inclusive Growth Deal
St Cuthbert's Garden Village
Sands Centre Redevelopment

In addition, a new key area 'Low Carbon energy options and reducing environmental impact' would be developed in the revision of the Carlisle Plan.

Progress against the Plan would be measured through the Performance Framework and would be reported in the End of Year Performance Report. A set of Key Performance Indicators were being developed to measure the Plan, drawn from the core documents. The baselines for the new measures would be reported later in 2018/19.

In considering the Corporate Plan Members raised the following comments and questions:

- The Panel asked for some clarity or additional narrative with regard to Key Performance Indicator (KPI) CP06.

The Policy and Performance Officer responded that the documents behind CP06 were very technical with a detailed explanation of the definition of the indicator and how it was measured. He agreed to circulate the full definition to Members.

- The Panel felt that the document was very light on narrative and the Panel had expected a mission statement and more detail regarding the purposed of the Plan.

The Finance, Governance and Resources Portfolio Holder explained that the Corporate Plan was an overarching document which brought together key documents and plans.

The Policy and Performance Officer added that the Carlisle Plan set out the vision and mission for the Council as a whole and the Corporate Plan was an internal document. Each of the strategies and policies within the Corporate Plan had their own vision and missions.

- The Plan identified the 'big three' projects, Members felt that the Kingstown Industrial Estate Retail Project should be included.

The Finance, Governance and Resources Portfolio Holder responded that the three projects were accepted as the biggest for the Council using a criteria, he agreed that the criteria may need to be investigated further.

- The Panel questioned the age of the Plan and if it was the most up to date document for scrutiny.

The Finance, Governance and Resources Portfolio Holder clarified that the Corporate Plan was for 2018-2021.

RESOLVED – 1) That the Corporate Plan (PC.17/18) be welcomed;

2) That future reports contain more narrative giving an explanation of the Key Performance Indicators;

3) That the Policy and Performance Officer circulate the definition of Key Performance Indicator CP06 to all Members of the Panel;

4) That the Finance, Governance and Resources Portfolio Holder circulate the criteria which was used to determine the 'big three' projects to all Members of the Panel

BTSP.69/18 EMPLOYEE OPINION SURVEY

The Policy and Performance Officer presented the Employee Opinion Survey 2018 (PC.18/18).

The Policy and Performance Officer reported that Employee Opinion Surveys took place within the authority every two years for the last ten years. The last Survey was carried out in February 2018 and had a response rate of 58% which was an increase since 2016. The report set out the response rate by Directorate and the changes since the Survey in 2016. A copy of the survey questions had been attached to the report. The survey tool which had been used had a word cloud tool which had been used to create a scaled font for the literal answers to questions 2, 15, 16 and 17. The images had been embedded in the relevant sections of the report and helped to summarise and count the literal answers.

In considering the Survey results Members raised the following comments and questions:

- A Member felt that the response rate was low and asked if it was possible to find out why staff were not completing the survey.

The Policy and Performance Officer reminded the Panel that the response rate had increased but it was difficult to find out why staff did not want to response to the survey as it was a voluntary survey. The survey was promoted by the Town Clerk and Chief Executive and the Organisational Development Team and hard copies were distributed to those who could not access the online version.

- The Panel were pleased that the survey had qualitative sections but questioned the meaningfulness of the 'word clouds' as they did not give any detail or indication if the comments made had been negative or positive.

The Policy and Performance Officer explained that the font size of the word reflected how frequently the word was used by respondents and agreed to look at a different way of presenting the qualitative information in future.

- Were the survey responses benchmarked against other authorities?

The Policy and Performance Officer responded that the surveys were predominantly used as an internal comparison tool. It was difficult to benchmark the survey as the questions were tailored to best suit the Council at that time. Work had been undertaken by BMG Research which compared staff satisfaction of 50 organisations including some Councils. Some of the City Council questions could be aligned to their questions and the Council had come out quite well in comparison. The Policy and Performance Officer agreed to investigate possible benchmarking opportunities further.

- The Panel asked that future surveys include a question asking staff what they did not like about the Council.

RESOLVED – 1) That the Employee Opinion Survey 2018 be welcomed (PC.18/18)

2) That future reports:

- present the responses of qualitative questions in a different and more meaningful way;
- better target the thoughts and feelings of staff through different questions;
- include the question 'What do you not like about the Council?'

3) That potential means for benchmarking the Council Employee Opinion Survey against other authorities be investigated further.

(The meeting ended at 11.56am)