

THURSDAY 3 SEPTEMBER 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Birks, Bomford (as substitute for Councillor Paton), Mrs Bowman, Dr Tickner and Mitchelson.

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

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

BTSP.42/20 APOLOGIES FOR ABSENCE

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

BTSP.43/20 DECLARATIONS OF INTEREST

Councillor Allison declared an interest in accordance with the Council's Code of Conduct in relation to agenda item A.5 Corporate Risk Register. The interest related to the fact that his son in law worked for Story Construction.

BTSP.44/20 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.45/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – The minutes of the meeting held on 23 July 2020 were agreed.

BTSP.46/20 CALL – IN OF DECISIONS

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

BTSP.47/20 REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2020

The Corporate Director of Finance and Resources submitted report RD.20/20 (amended) which provided an overview of the Council's overall budgetary position for the period April to June 2020 for revenue schemes only, together with details of the impact of COVID-19 on the revenue budget. The budgetary position as at June 2020 showed an updated annual Budget totalling £17,427,800 with an underspend of £535,478 at the end of June. The report also included details of balance sheet management issues, bad debts written off in the period and progress against budget savings.

The Executive had considered the report at their meeting on 17 August 2020 (EX.96/20 refers) and decided:

“That the Executive:

1. Noted the budgetary performance position of the Council to June 2020;

2. Noted the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6 of Report RD.20/20;
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.
4. Make recommendations to Council to approve virements of £640,000 as detailed in paragraph 2.4 to fund the Leisure Contract variation.”

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

- The Panel expressed their gratitude towards the Corporate Director of Finance and Resources and the finance team for their continued work on the Council budget during a particularly difficult and busy time.
- A Member asked for clarity regarding the co-payment mechanism for irrecoverable Sales, Fees and Charges income.

The Corporate Director of Finance and Resources explained that the City Council had submitted a monthly return to MHCLG which showed the Council's additional expense incurred and shortfalls in income. The Government would cover 75% of losses over 5% with the Council covering the remaining 25%. Work had started to consider the variance to the set budget and budget managers had been asked to confirm the shortfall to income and the reasons for any shortfalls.

- There was concern that the impact on business rate collection would not be fully known until the furlough scheme ended and therefore the impact on the budget would not be known until 2021/22. Had there been any indication that the Government would continue to recompense the Council into the next financial year?

The Corporate Director of Finance and Resources reminded the Panel that government had announced that any deficit on the Collection Fund (i.e Council tax and Business Rates) could be recovered over a three year period and would be considered as part of the 2021/22 budget process. As previously reported the Council had undertaken a 'soft reminder' process, the impact of that on collection rates was not yet known and detailed guidance had not yet been received from government. She added that it was key that the situation was closely monitored and reported to MHCLG each month.

- Did the Sales, Fees and Charges Government scheme support a deficit in Council Tax and Business Rate income?

The Corporate Director of Finance and Resources clarified that the scheme did not cover Council Tax, Business Rates or commercial rent shortfall. The main risk of the shortfall was the impact on the Council's cash flow, she reminded the Panel that part of the Council Tax and Business Rate income went to Cumbria County Council and the Police and Crime Commissioner. Usual practice saw year end deficit recovered from the main preceptors in the following year, however, government had given the Council three years to recover the debt. She added that a separate exercise to look at commercial income would be undertaken but it was hoped any shortfall could be met from the £1.3m received from government.

- A Member asked for an update on the impact of Covid 19 to GLLs finances and the support the Council could provide.

The Corporate Director of Finance and Resources assured the Panel that the Council had ongoing discussions with GLL regarding their financial position. The Council could not receive any direct emergency funding to support GLL because it was an outsourced service, however, the Council had followed government guidance and adopted an 'open book' approach to support GLL financially due to the impact of Covid-19.

- A Member asked for clarity with regard to the uninsured and reinstatement costs overspend.

The Corporate Director of Finance and Resources responded that the Council had a full and comprehensive insurance policy, however, some areas such as bare land was deemed uninsurable.

- How was the Council preparing to meet the £1m savings target and had work on the commercialisation strategy moved forward?

The Corporate Director of Finance and Resources explained that work on the savings strategy had begun and the commercialisation strategy would feed into it. Work would be carried out with the LGA to investigate the options open to the Council to become more commercial and to define the meaning of becoming more commercial.

- It was suggested that the Panel establish a Task and Finish Group to support the production of a commercialisation strategy.
- The report showed a shortfall in income for homeless accommodation as a direct result of Covid-19, why was there a shortfall when government funds had been released to support homelessness and rough sleepers?

The Corporate Director of Finance and Resources clarified that the income shortfall was the impact on the Council's revenue budget, the funding from the Government had not yet been amalgamated in the budget. She agreed to ask the Homeless Prevention and Accommodation Manager for more information for the Panel.

- How would the inflation savings be met?

The Corporate Director of Finance and Resources reported that, in the long term, the inflation savings would be considered as part of the £1m savings, however, there was scope in the revenue budget for a virement to bridge the shortfall in 2020/21.

- How did the Government's Hardship Scheme fit into the Council's budget?

The Corporate Director of Finance and Resources reported that the Council had received £989,736 from the £500m Hardship Fund. The Government had asked Councils to provide £150 to working age recipients of the Council Tax Reduction Scheme (CTRS), however, the City Council's scheme provided £300 to reduce council tax liability as close to 0 as possible. The remainder of the Fund would be used for the Council's own Local Hardship Scheme which would provide support to households which were not eligible for CTRS but were experiencing hardship, and this support would be provided on a case by case basis.

- Were there any areas of income shortfall that the Government would not support or provide funding for?

The Corporate Director of Finance and Resources reiterated that the main risk to the budget was Council Tax and NNDR receipts, the only support given for those areas had been the extension to the debt recovery period. One area that the Council really needed to be mindful of was the impact on commercial income and shortfalls on the budget.

RESOLVED – 1) That the Panel had scrutinised the overall budgetary position for the period April to June 2020 as set out in the Revenue Budget Overview and Monitoring report (RD.20/20 (amended)).

2) That the Homeless Prevention and Accommodation Manager provide the Panel with a written response giving further details on the income shortfall for homeless accommodation due to Covid-19.

3) That a Task and Finish Group be established to support the development of the Commercialisation Strategy and the invitation to join the Task Group be circulated to all Members.

The Corporate Director of Finance and Resources presented report RD.21/20 providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2020.

The Corporate Director of Finance and Resources reported that the position statement recorded that, as at the end of June 2020, expenditure of £2,834,243 had been incurred on the Council's core capital programme. When considered against the profiled budget of £3,305,574 that equated to an underspend of £471,331.

The unspent balance remaining of the revised annual budget of £29,607,700 was £26,773,457. A review of the 2020/21 capital programme would be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years. A number of schemes were included in the capital programme for 2020/21 that required reports to be presented to the Executive for the release of funding before the project could go ahead.

The Executive had considered the report at their meeting on 17 August 2020 (EX.97/20 refers) and decided:

"That the Executive:

1. Noted and had commented upon the budgetary position and performance aspects of the capital programme for the period April to June 2020.
2. Noted adjustments to the 2020/21 capital programme as detailed in paragraph 2.1 of Report RD.21/20."

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

- At the request of the Panel the Corporate Director of Finance and Resources agreed to circulate a breakdown of the asset review sales and general sales receipts.
- The Panel was concerned that there was a backlog in the provision of essential adaptations through the Disabled Facilities Grants and questioned how the Council would address the backlog and if any monies would be lost or rolled into the next financial year.

The Corporate Director of Finance and Resources confirmed that, should it be required, funds could roll into the next financial year. She agreed that it was important that those who needed the adaptations received them as soon as possible and agreed to circulate timescales and methods which the Council would use to deal with the Disabled Facilities Grants backlog as a result of Covid-19. She also agreed to include an update in the next quarter report.

- The Central Plaza Scheme showed some costs for emergency works still required, the Corporate Director of Finance and Resources agreed to seek clarification on the matter and report back to the Panel.
- A Member asked for an update on the appointment of the new Head of Digital and Technology.

The Deputy Chief Executive informed the Panel that the new Head of Digital and Technology had been appointed and would begin work at the Council in November, until then the management of ICT would remain under the Town Clerk and Chief Executive.

RESOLVED – 1) That the Panel had scrutinised the overall budgetary position for the period April to June 2020 as set out in the Capital Budget Overview and Monitoring report (RD.21/20).

2) That the Corporate Director of Finance and Resources provides the Panel with written responses with regard to the following:

- a breakdown of the asset review sales and general sales receipts
- an update on the emergency works that were outstanding on the Central Plaza Scheme.

3) That the Panel receive information on the timescales and methods which the Council will use to deal with the Disabled Facilities Grants backlog as a result of Covid-19.

BTSP.49/20 SICKNESS ABSENCE REPORT 2019/20 AND Q1 2020/21

The Corporate Director of Finance and Resources presented the authority's sickness absence levels for the period April 2019 to June 2020 and other sickness absence information (RD.24/20).

The Corporate Director of Finance and Resources highlighted the current sickness statistics as detailed in section 2 of the report along with the absence levels split by directorates with comparison years. She reported that 2019/20 saw a 16% increase in overall days lost per employee compared to 2018/19 along with an increase in long term absences. The report set out comparison data, trends, sickness absence reasons and an update on return to work interviews. The Corporate Director of Finance and Resources gave an overview of the key activities which the City Council undertook to support attendance management.

The HR Manager reminded the Panel that a Task and Finish Group had been established to review the Attendance Management Policy which would enable Managers to more effectively manage absence. The Task and Finish Group had contributed to the development of new trigger points and a flow chart which would be circulated to Trade Unions for their feedback. The focus on whole review was to make the Attendance Management Policy clearer, have better detailed trigger points to manage sickness in a proactive way and have more clarity for staff and managers.

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

- There had been a significant rise in sickness absence under 'Stress, depression, mental health , fatigue syndromes' between April and June, was there anything additional that the Council could do to support staff during this time?

The HR Manager explained that the absence was a mixture of Covid-19 related anxiety and long term sickness where the individual had to remain out of work for a variety of reasons. The Council had changed its occupational health provider and work was being carried out to work closely with staff who had been referred to them to assess their situation and how to move forward.

- The Panel understood that working from home could be very stressful for some people and asked how staff could be encouraged to return to work safely.

The HR Manager reported that the Civic Centre reopened to those staff that wanted to return to the building on 17 August. The Health and Safety Team had made the building Covid-19 secure and each floor was treated as a bubble. The option was there for staff to return and equally there was no pressure on staff to return if they wished to remain working from home.

- Prior to Covid-19 there had been a consistent increase in working days lost due to stress, was this work related stress?

The HR Manager responded that there had been a mixture of work related stress along with other categories. Unfortunately there had been a number of people off with very serious long term illnesses, often as treatment progressed the absence changed to stress related. The updated Attendance Management Policy would allow clearer categories and triggers to be reported in future.

- Was there a mechanism which enabled staff to raise anxiety or stress issues so that matters could be addressed before the individual became ill?

The HR Manager confirmed that managers held one to ones and appraisals where issues could be raised. Additionally individuals could contact HR for formal or informal support and equally the Council had good relationships with Trade Unions who could also offer support..

- It was very important that managers led the way with attendance management, had they been consulted on the new Policy?

The HR Manager confirmed that managers were aware that the Policy was being reviewed. The Trade Unions had been consulted as the trigger points were a significant change. Other work was being undertaken to make the process simpler included more use of the payroll and HR system iTrent. When the new Attendance Management Policy was finalised a training programme for managers would be rolled out.

- How had staff felt about being referred to occupational health?

The HR Manager clarified that the 70 referrals to Occupational Health had all been related to those absent from work due to Covid-19. The majority of staff had seen the referral as positive as they had wanted to return to work.

- A Member had concerns that absences due to back, neck and musculo-skeletal problems may increase because those working from home may not have the correct equipment and facilities to do so.

The HR Manager agreed that work needed to be undertaken to ensure those working from home had the correct equipment, she agreed to raise the matter at the next safety meeting.

A Member commented that it was expected that all staff would have completed a self assessment regarding their work space at home and she sought reassurance that this matter would be taken forward.

The Deputy Chief Executive reassured the Panel that the Council were serious about staff wellbeing. Self assessments were carried out at the start of the lockdown but what was deemed satisfactory at the time may not be for longer term use. Longer term assessments needed to be undertaken and timescales needed to be formalised.

- How did the Council ensure that the wellbeing message was being received by staff?

The Corporate Director of Finance and Resources explained that Learning and Development sent out fortnightly newsletters to all staff including those not on email. In addition training continued to be provided by virtual means.

RESOLVED – That the Panel had scrutinised the information on sickness absence provided in report RD.24/20.

BTSP.50/20 CORPORATE RISK REGISTER

The Deputy Chief Executive presented an update on the management of the Council's Corporate Risk register (CS.21/20).

The Deputy Chief Executive reported that the Corporate Risk Register had been reviewed by the Corporate Risk Management Group at its meeting on 3 August 2020, following the meeting the control strategy narrative, the assessment dates and target risk scores had been updated and were attached to the report as appendix one.

Members were asked to note two additional corporate risks. The first related to the potential financial implications on the Council's revenue and capital budgets due to the impact of the

Covid-19. The threat the virus continued to present warranted escalating to the Corporate Risk Register. The second risk related to the Carlisle Southern Link Road. In July 2020 the City Council and Cumbria County Council signed a grants Agreement with Homes England for £134m funding for the Southern relief Road. In addition, the City Council entered into a Collaboration Agreement with Cumbria County Council, as a result the City Council were obliged to achieve certain milestones which were set out in appendix one of the report.

The Deputy Chief Executive summed up by informing the Panel that none of the corporate risks had been escalated in their RAG rating since the last report to the Panel.

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

- What were the implications for the Carlisle Southern Relief should the proposed change to local government structures in Cumbria go ahead?

The Deputy Chief Executive responded that any change to local government structure was a very detailed piece of work and part of the work would be to prioritise projects. It was difficult to predict what the outcome would be but the nature, size and importance of the project to Carlisle would influence any decisions.

- A Member requested an update on the Civic Centre ground floor reinstatement works.

The Deputy Chief Executive explained that Story Construction had prepared a secure entrance and exit to the building for staff, secured the site and made some fire safety improvement works. The main 60 week contract work would begin as soon as the final contract was agreed.

- The Panel sought assurance that the IT risks were being addressed as a priority.

The Deputy Chief Executive assured the Panel that progress was being monitored closely. Covid-19 had tested the authority and the City Council had been lucky that IT had had the foresight to roll out the full microsoft package which had enabled the Council to move quickly with Teams and continue service. The risks in the register related to legacy systems which were at risk of no longer being supported.

The Panel thanked the IT section for their quick response in issuing laptops, equipment, support and advice during the pandemic. They also noted their ongoing work in ensuring the Council's IT systems were safe and protected from phishing and scam emails.

- Where in the risk register did the Council include the risk of funding not coming forward to progress with the projects or schemes?

The Deputy Chief Executive explained that the projects and schemes had to be ready so that they were eligible to be supported by government. The risks did not address what happens if the funding did not come forward, he agreed to undertake some work to improve the control strategy in the next report.

RESOLVED - That the Panel had scrutinised current Corporate Risk Register, as set out in appendix one of report CS.21/20.

BTSP.51/20 QUARTER 1 PERFORMANCE REPORT 2020/21

The Policy and Performance Officer submitted the Quarter 1 2020/21 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 2020/21 Key Performance Indicators (KPIs) were also included.

The Policy and Performance Officer drew the panel's attention to the summary of exceptions which included measures CSe14 Actual car parking revenue as a percentage of car parking

expenditure and SS05 Proportion of corporate complaints dealt with on time, both of which had been due to the impact of Covid-19. The report included the results of the Customer Services Satisfaction survey.

In considering the report the Panel sought clarity on the recharges for Measure CSe14 car parking revenue and hoped that the reduction in car parking at Castle car park was not considered negatively due to the test centre, which was important to the community.

The Corporate Director of Finance and Resources explained that the recharges included building costs, support services, staffing costs and internal recharges.

The Panel had concerns that the performance targets were not aiming for the highest quartiles or were being stretched enough and asked that more comparison data be included in future reports.

The Town Clerk and Chief Executive commented that officers needed to improve the Member engagement in setting targets and needed to be clearer about what kind of targets were being set and the reason for the targets.

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.21/20).

2) That the Panel be involved in setting the future performance indicators and targets that would be reported to the Panel.

BTSP.52/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.18/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Overview and Scrutiny Officer reminded the Panel that a special meeting had been scheduled for 17 September 2020 to consider a report on the Sands Centre redevelopment project. She set out the items in the work programme for 15 October 2020 and reported that the Civic Centre reinstatement and development report had been moved from October to December or January.

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.18/20).

2) That the following items be submitted to the Panel on 15 October 2020:

- Review of Attendance Management Policy – Task and Finish Group Report
- Corporate Peer Review
- Allocation of Section 106 funds
- Planning for no deal Brexit

3) That the following item be moved in the Panel's work programme from 15 October to December 2020 or January 2021:

- Civic Centre reinstatement and development

(The meeting ended at 6.20pm)

SPECIAL BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 17 SEPTEMBER 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Birks, Mrs Bowman, Dr Tickner, Mitchelson and Paton.

ALSO PRESENT: Councillor Ellis, Finance, Governance and Resources Portfolio Holder
Councillor Nedved, Economy, Enterprise and Housing Portfolio Holder
Councillor Mrs Finlayson, Vice Chair of the Health and wellbeing Scrutiny Panel (observer)

OFFICERS: Deputy Chief Executive
Corporate Director of Finance and Resources
Health and Wellbeing Manager
Property Services Manager
Overview and Scrutiny Officer

BTSP.53/20 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of the Town Clerk and Chief Executive.

BTSP.54/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.55/20 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.56/20 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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph numbers (as indicated in brackets against the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

BTSP.57/20 THE SANDS CENTRE REDEVELOPMENT PROJECT – FINAL CONTRACT SUM AND COVID-19 IMPLICATIONS (Public and Press excluded by virtue of Paragraph 3)

The Deputy Chief Executive submitted an update on the progress made in the development of the Sands Centre Redevelopment Project. The update included a revised estimated final contract budget which included COVID-19 implications for the project together with an appraisal of project costs and other factors affecting the final budget.

The Deputy Chief Executive detailed the progress that had been made on the project since June 2019 including the conversion of the former Newman Catholic School into a temporary health and wellbeing facility; provision made for an NHS Musculoskeletal treatment service; a fully accessible temporary events centre reception at the Sands Centre and the development of the Main Contract design, works and sum ready for completion. In addition the Deputy Chief Executive gave an overview of the challenges and project impediments which had been addressed during the time, some of which, including the Covid-19 pandemic, had caused a delay in preparations for the conclusion and signing of the Main Contract. The report also included an update Sands Centre strategic risk register.

The Corporate Director of Finance and Resources set out the financial implications for the redevelopment, including Covid-19 cost implications. An addendum to the report had been circulated and provided the Panel with further information regarding the revised business case.

In response to Members questions the Deputy Chief Executive and the Corporate Director of Finance and Resources clarified the following:

- the contract had a fixed price and the contractor would take the responsibility for any increase in costs. The contract allowed for Wates to make a claim for compensation if a proven cost could be shown, Pick Everard had been engaged as contract administrator and one of their roles was to independently review any claims for compensation and the value of that claim;
- contingency costs had been included in the business case and would not be used for any increase in the revised estimated final contract budget;
- expert external advice would be sought to determine the scale of the required works on the roof and to establish the best time to undertake the work;
- the business case had been updated to include the impact of Covid 19 on the project in comparison to the figures agreed by Council in 2019;
- the Council had an excellent working relationship with GLL and had developed an open book approach to support GLL financially if required. In addition GLL had submitted a request to the Department for Digital, Culture, Media and Sport (DCMS) for money to be provided to the industry as well as applying for support from Sports England. Prior to the pandemic GLL had reported a surplus in their 2019 finances which showed that the demand for the services was there;
- GLL were part of the Project Team and were aware of the impact of Covid-19 on the project, the impact to any subsidy had been discussed with them;
- GLL had seen a predicted decrease in membership as a result of Covid-19, however, they reopened in the new temporary facility and had seen an increase in the use of facilities by members. GLL were actively promoting their facilities and held an open weekend to encourage new membership;
- a claim for additional support for expected costs due to Covid-19 had been submitted to the MHCLG.

RESOLVED –That the Panel had reviewed the project update contained within report CS.22/20 together with the updated capital costs, expenditure profile and funding proposals for delivering the Sands Centre redevelopment main contract and supported the Executive in moving forward with the redevelopment project.

(The meeting ended at 5.54pm)

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 15 OCTOBER 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Birks, Mrs Bowman, Dr Tickner, Mitchelson and Paton.

ALSO

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

OFFICERS: Town Clerk and Chief Executive
Corporate Director of Economic Development
HR Advisor
Development Manager
Overview and Scrutiny Officer

BTSP.58/20 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of the Corporate Director of Finance and Resources and the HR Manager.

BTSP.59/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.60/20 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.61/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED- 1) It was noted that Council, at its meeting on 8 September 2020, received and adopted the minutes of the meeting held on 23 July 2020. The Chair will sign the minutes at the first practicable opportunity.

2) That the minutes of the meeting held on 3 September 2020 be approved as a correct record.

BTSP.62/20 CALL IN OF DECISIONS

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

BTSP.63/20 UPDATE ON ATTENDANCE MANAGEMENT TASK AND FINISH GROUP

The HR Advisor submitted an update on the Task and Finish Group established to review the Council's Attendance Management Policy (RD.31/20).

The HR Advisor reminded the Panel of the purpose and membership of the Task and Finish and reported that the Group was due to meet again to discuss the draft policy and manager's and toolkit.

The Task and Finish Group Members felt that the Group had worked well with Officers to produce a clear supportive Policy.

In considering the report Panel Members supported the change in emphasis in the Policy to a supportive one and were encouraged that the Unions had actively engaged in the production of the Policy.

In response to questions the HR Advisor clarified that any future policy updates would include Member and Union engagement and training on the new Policy would be rolled out to managers to ensure attendance management was being dealt with in a consistent and clear manner.

RESOVLED – That the Update on the Attendance Management Task and Finish Group (RD.31/20) be noted.

BTSP.64/20 CORPORATE PEER CHALLENGE – FOCUS ON SCRUTINY

The Overview and Scrutiny Officer submitted report OS.21/20 which outlined the key findings of the Corporate Peer Challenge in respect scrutiny activity and outlined the Council's responses thus far.

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

- What would a 'strong, Member led work programme' look like and how different would it be to the way Scrutiny operated currently?

The Overview and Scrutiny Officer explained that a Member led work programme would develop over time as Members began to take a stronger more robust approach to challenging reports. Members may consider items which they thought were important as their role as community champions and could ask for items that they considered to be missing from the work programme. In terms of how the Panel's work would add value to those areas, that would be explored with either the Overview and Scrutiny Officer or an Officer from the relevant service area in advance of items being included on the Work Programme.

- The current Business and Transformation Scrutiny Panel work plan graph showed that the Panel did not undertake partnership work, could this be introduced as part of the commercialisation work?

The Overview and Scrutiny Officer responded that the same five sub-headings within the graph had been used for each Panel and showed that partnership scrutiny fell more comfortably with the other Panels.

The Chair agreed that the Panel's had a largely a monitoring role with respect to scrutiny and acknowledged Panel's desire to move towards more challenging and policy influencing scrutiny. Referring to the suggestion in the report that the Panel set up a Commercialisation Strategy Task and Finish Group, he indicated that this may be an opportunity for the Panel to engage in partnership working.

A Member supported the setting up of the Task and Finish Group and agreed that it may provide opportunities for partnership working. He felt that the Panel could take a lead on identifying area where partnership working could add value to the Panel's work. Moreover, a number of reports submitted to the Panel sought Members' appraisal of work already undertaken, were as more value could be added if the Panel's input was sought at an earlier stage.

In relation to setting up a Commercial Strategy Task and Finish Group Members made the following suggestions: that local business leaders be invited to participate and, that it be

undertaken in the new year, due to the Panel already being involved in a Task and Finish Group on Attendance Management. The Chair agreed the suggestions.

Another Member noted that the LGA were currently keen to advance Climate Change on the scrutiny agenda, along with other regional scrutiny bodies. It was felt that the Council was, in comparison to some other authorities, further on in that work. Furthermore, the recent Sickness Absence Task and Finish Group, suggested that Members were leading the scrutiny process and working in policy development.

- A Member commented role of this Panel was different to the other Scrutiny Panels as it had a greater internal focus within the authority. In terms of expanding policy development work, he suggested that the Executive be approached to identify areas of policy that would be developed in the coming year and discussion be held as to how the Panel may be involved in that work. He further suggested another possible area of work for the Panel: the impact of Covid 19 on how the Council had operated.

In response to a question from the Chair about which other local authority meetings could be viewed to be understand how scrutiny operated in other Councils, the Overview and Scrutiny Officer undertook to compile a list of those who operated within similar structures.

- The Scrutiny Chair Group had determined that the number and constitution of Panel not be considered as part of the Peer Challenge Work, given the current undertakings in respect of local government reorganisation, a Member questioned whether those aspect of scrutiny did need to be considered.

Another Member proposed that the matter be referred back to the Scrutiny Chairs Group. The proposal was seconded, and the Panel indicated its agreement.

RESOLVED – 1) That a Commercialisation Strategy Task and Finish Group be set up in early 2021.

2) That the impact of Covid 19 on the Council's operations be added as an item to the Panel's Work Programme.

3) That the Panel refer the issue of incorporating the number and composition of Scrutiny Panels as part of the Peer Challenge work to the Scrutiny Chairs Group.

4) That the Overview and Scrutiny Officer compile a list of other local authority scrutiny panels virtual meetings for Members to compare different approaches to scrutiny.

BTSP.65/20 ALLOCATION OF SECTION 106 FUNDS

The Development Manager submitted report (ED.35/20) which set out the background to Section 106 Agreements (S106). The report outlined: The National Legislative and Policy Context (including the Town and Country Planning Act 1990 and The Planning Act 2008); the process used for creating Section 106 Legal Agreements; Contributions; Monitoring, and Risks.

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

- Did the process allow for pre-application discussion with locally elected representatives such as Parish or City Councillors?

The Development Manager explained that in terms of major developments (defined in the Carlisle District Local Plan 2015-30 as 10 or more dwellings), applicants were required to carry out community consultation which may identify potential capital projects which could be funded through a S106. These were open to the public and elected representatives and participating in the consultation did not preclude the submission of objections once an application had been formally submitted to the Council.

The process was well used, and in some cases developers would revise their plans based on the consultation responses received. The Development Manager noted that it was difficult for Members who sat on the Development Control Committee to take part in that process, however, all electoral wards of the Council were now served by three Councillors. In the event that funding was required it would be more appropriate for Councillors not on that Committee to engage in discussions with the developer or Planning Officers on the matter.

The Chairman responded by asking how Ward Members could best advise Planning Officers on capital projects they felt were needed in their area and would wish to include in a S106 prior to the submission of a formal planning application.

The Development Manager advised that, in order for an item to receive funding from an S106 it needed to meet the prescribed legal tests of: necessary to make the development acceptable in planning terms; directly related to the development; fair and reasonably related in scale and kind to the development. Each application was decided on a case by case basis in the context of local and national planning policy, therefore a "wish list" of items was not feasible. The Development Manager and the Principal Planning Officer through their processing of major applications and communications with Members had a good understanding of areas of work wanted in a particular Ward. The Panel was advised that, some funding contributions secured by a S106 were released when particular trigger points were hit, as such it could be some time after the commencement of development that monies were made available.

A Member responded that communication from the Planning Department to Members regarding applications likely to generate a S106 was important, as in his experience, developers did not usually contact Ward Members at the pre-application stage.

In relation to Parish Council's responding to consultations on applications, a Member commented that often they responded only to the particulars of the proposed scheme, rather than identifying potential areas for a S106 contribution.

The Development Manager acknowledged the Member's comments and said he would consider how to engage Parish Councils more fully in suggesting potential items for a Planning Obligation. He worked closely with Cumbria Association of Local Council who were the overarching body for Parish Council and indicated he would consider providing a briefing to that organisation.

- A Member noted a List of Planning Applications was circulated to all Members of the Council, he asked if it would be possible for that document to indicate applications that would likely be subject of a S106?

The Development Manager undertook to consider the format of the List to see how this information was able to be incorporated.

A Member commented that she wished to know at the earliest opportunity about applications likely to be subject of a S106 and asked the best way to do this.

The Corporate Director felt it was important the Members were involved in the dialogue when a S106 was being set up and undertook to consider the most effective format for that, suggesting a webpage may be appropriate.

The Chairman suggested that perhaps some training for Members on the issue of S106s may be arranged or an Informal Council briefing held so that all Members of the Council understood the process.

The Finance, Governance and Resources Portfolio Holder responded that he felt an Informal Council Briefing would be a useful way to engage with Members of the Council to explain the S106 process to them. In addition, training for Members on the application process would be useful, as well as a way for tracking planning applications as they were progressed.

In response to a question from a Member regarding the non-delivery of items agreed as part of a S106, the Development Manager set out the legal basis upon which a developer could challenge an agreement and alter its terms.

- Was it possible for S106 monies to be banked so that a collection of contributions may be used to fund a larger capital project?

Included within S106s were pay-back clauses which required the Council to return monies to a developer in the event that they were not spent on the stipulated project: usually the time scale for those was between 5 and 10 years.

- How would the current white paper on planning reform affect S106s?

There were currently two methods of securing Planning Obligations: S106 and Community Infrastructure Levy (CIL), the current white paper proposed a merger of the two systems. However, the form the new obligations would take was not yet known.

The Corporate Director added that she understood there was to be a nationwide stipulations on the level of contributions a Local Planning Authority could require when forming a S106, she was concerned by this as there was significant differences between development in the north and south of the country and also large variances in land values.

RESOLVED – 1) That the Allocation of Section 106 Funds report be noted (ED.35/20).

2) That an Informal Council Briefing on Section 106 Agreements be arranged.

3) That the Development Manager consider ways to include information on applications that would be subject to a Section 106 Agreement in the List of Planning Applications circulated to Members.

4) That the Corporate Director of Economic Development consider a method for involving Ward Members in the early stages of dialogue for a Section 106 Agreement.

BTSP.66/20 PLANNING FOR A NO DEAL BREXIT

The Corporate Director of Economic Development gave a verbal update on the Council's position with regard to a no deal Brexit which covered: the background to preparations for a No Deal Brexit; the main challenges; supporting small businesses; loss of employees who were European Union residents; The Track, Trace and Go programme. The Corporate Director felt that the District was in a good position to be able to deal with a No Deal Brexit, but that the issue would continue to be monitored so that appropriate actions may be taken in a timely manner.

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

- A Member wished to see an Impact Assessment on how a No Deal Brexit would impact the Council and its projects and schemes.

The Corporate Director noted that all Council projects had Risk Assessments associated with them, she undertook to review those within her Directorate in the context of a No Deal Brexit.

A Member questioned whether the Council had sufficient resources to carry out a review of its project Risk Assessments as it was so wide ranging, for example, the various materials and equipment the Council procured. She also felt it was important to understand the impact on the wider district.

The Corporate Director responded that project Risk Assessments were very detailed and considered the impact on external factors as well as the Council. In terms of the wider community it was important that the Council, in leadership role, was able to signpost organisations and individuals to appropriate sources of information and help, therefore it was important Officers had up to date information so that they could respond to inquiries appropriately.

The Member asked what level of staff would have the necessary information to signpost people when Britain officially left the European Union.

The Corporate Director advised that, within the Economic Development team an Officer would be specifically tasked with the work. Information would then be circulated through networks such as Carlisle Ambassadors.

The Town Clerk and Chief Executive added that the Council was not sufficiently resourced to be able provide advice to all organisations and individuals in the district. However, it would use its resources in the most effective ways it could to provide advice and signposting where it was able to do so. In terms of the impact to the Council, Officers were familiar with the risk assessment process and would apply those protocols accordingly in their work in the event of a No Deal Brexit.

The Panel and Officers discussed ways in which the Council could risk assess the impact of a No Deal. It was proposed, seconded and agreed that a No Deal Brexit be included as a risk in the Risk Register report submitted to the Panel.

RESOLVED – That the verbal report of the Corporate Director of Economic Development on Planning For A No Deal Brexit be noted.

BTSP.67/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.23/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel. Further to the publication of the report a Notice of Executive Key Decisions was circulated on 9 October 2020, it did not include any items within the Panel remit. The Panel were advised that the Corporate Director of Finance and Resources had indicated that she aimed to provide the outstanding responses shown in Section 3 of the report as soon as practicable.

The Overview and Scrutiny Officer advised that in the Panel's pre-meeting, Members had indicated that the Quarter 2 Sickness Absence report be submitted as a "For Information Only" document rather than a report. Members confirmed that change to the agenda.

A Member suggested that an item be added to the 1 December meeting on Brexit Risk Assessment. The Town Clerk and Chief Executive undertook to provide the report.

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.23/20).

2) That the Quarter 2 Sickness Absence report be submitted as a “For Information Only” document at the 1 December 2020 meeting of the Panel.

3) That the Town Clerk and Chief Executive submit a Brexit Risk Assessment report to the 1 December 2020 meeting of the Panel.

(The meeting ended at 5.53pm)

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

TUESDAY 1 DECEMBER 2020 AT 10.00AM

PRESENT: Councillor Birks (Vice Chair) Councillors, Allison, Mrs Bowman, Glover (as substitute for Councillor Alcroft), Mrs McKerrell (as substitute for Councillor Bainbridge) Mitchelson and Southward (as substitute for Councillor Dr Tickner).

ALSO

PRESENT: Councillor J Mallinson, Leader
Councillor Ellis, Finance, Governance and Resources Portfolio Holder
Councillor Mrs Mallinson, Communities, Health and Wellbeing Portfolio Holder
Councillor Christian, Environment and Transport Portfolio Holder

OFFICERS: Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Corporate Director of Economic Development
Property Services Manager
Policy and Performance Officer
Overview and Scrutiny Officer

BTSP.68/20 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Alcroft, Bainbridge, Paton and Dr Tickner.

BTSP.69/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.70/20 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.71/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED- 1) It was noted that Council, at its meeting on 3 November 2020, received and adopted the minutes of the meetings held on 3 September 2020 and 17 September 2020. The Chair will sign the minutes at the first practicable opportunity.

2) That the minutes of the meeting held on 15 October 2020 be approved as a correct record.

BTSP.72/20 CALL IN OF DECISIONS

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

BTSP.73/20 BUDGET 2021/22

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

The excerpts of the minutes of the meetings of the Health and Wellbeing Scrutiny Panel and Economic Growth Scrutiny Panel held on 19 November 2020 and 26 November 2020 respectively were submitted for consideration and were noted.

(b) Budget Update – Revenue Estimates 2021/22 to 2025/26

The Corporate Director of Finance and Resources submitted report RD.32/20 providing a summary of the Council's revised revenue base estimates for 2020/21, together with base estimates for 2021/22 and forecasts up to 2025/26 for illustrative purposes. The base estimates had been prepared in accordance with the guiding principles for the formulation of the budget over the next five year planning period as set out in the Medium Term Financial Plan (MTFP) and Charging Policy; Capital Strategy; and Asset Management Plan approved by Council on 8 September 2020.

The report set out known revisions to the MTFP projections, although there were a number of significant factors affecting the budget that were currently unresolved, details of which were recorded at Section 1.3. A summary of the outstanding key issues, together with the resource assumptions was also provided at Section 4. Details of the COVID-19 income and budget monitoring shortfalls were documented at paragraph 5.9. Potential new spending pressures which fell within the remit of the Panel were set out on the agenda.

The Executive had on 9 November 2020 (EX.122/20 refers) received the report and resolved:

“That the Executive:

- (i) Noted the revised base estimates for 2020/21 and base estimates for 2021/22;
- (ii) Noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken;
- (iii) Noted the initial budget pressures, bids and savings which needed to be taken into account as part of the 2021/22 budget process;
- (iv) Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F”

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

- How would the recent news regarding high street shops moving into administration affect the city centre income shortfall figures?

The Corporate Director of Finance and Resources clarified that the city centre property income shortfall in the report referred to a specific property with the assumption that the funding gap would be replaced by funding received from the Borderlands Project. With regard to the current situation on the high street there would need to be an assessment of the rental income and business rates income for the city centre. If the loss of income was as a direct result of Covid-19 discussions would take place with the MHCLG regarding emergency funding to compensate for the loss of income.

- The leisure industry was key for the health and wellbeing of the city, was there any projections on the impact of Covid-19 to GLL and was there any national support available for the leisure industry?

The Deputy Chief Executive explained that GLL had received some government support and the City Council had supported them locally. GLL had not submitted any further requests for support, however, the situation would be carefully monitored.

- How would the shortfall in industrial estate income be managed and was it possible to target the marketing of vacancies to those companies which remained in high demand to encourage them to locate to the City and grow their business.

The Corporate Director of Finance and Resources responded that the shortfall in industrial estate income had been the result of the disposal of an asset and the loss of income following the disposal. She agreed that the income for the industrial estates needed to be monitored to establish the reason for loss of income.

At the request of a Member the Corporate Director of Finance and Resources agreed to liaise with Property Services to provide a private report to a future meeting of the Panel on the Gateway 44 project focussing on the income and the companies involved.

In response to a question the Deputy Chief Executive confirmed that the digital banner had received sufficient income to pay for the first banner and raised some additional income.

RESOLVED – 1) That the Panel endorsed the Revenue Estimates 2021/22 to 2025/26 (RD.32/20)

2) That a private report providing an update on the Gateway 44 project, its income and the companies involved in the project be submitted to the Panel at its January meeting.

(c) Review of Charges

(i) Community Services

The Deputy Chief Executive presented Report CS.30/20 and addendum setting out the proposed fees and charges for 2021/22 relating to those services falling within the Community Services Directorate.

The charges highlighted within the report would result in an anticipated income level of £2,518,400 against the MTFP target of £3,006,000 which represented a shortfall of £487,600 against the MTFP target.

The Executive had on 9 November 2020 (EX.123/20) received the report and resolved:

“That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.30/20, the Addendum and relevant appendices with effect from 1 April 2021, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges and the Addendum available to relevant Scrutiny Panels for their review and comment.”

A Member raised concerns regarding the impact of some of the waste services charges on households that were struggling financially. He asked the Executive to look at the charges and consider if there would be any scope for flexibility to assist those that could not afford the charges.

The Member also asked that the Executive reconsider the introduction of a pest control charge for dealing with rats. This was a key public health area and he asked the Executive to consider the impact of people being unable to meet the pest control costs.

RESOLVED – 1) That the Charges Review report 2021/20 – Community Services (CS.30/20) be received.

2) That the Executive be asked to give further consideration to the introduction of the pest control charge for dealing with rats and the impact it would have if households could not meet the charge.

3) That the Executive be asked to look at introducing some flexibility for waste service charges to assist households that were struggling financially.

(ii) Economic Development

The Corporate Director of Economic Development submitted Report ED.38/20 setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The proposed charges in relation to Planning Services included Development Control income; Building Control income; and Local Plan income.

Acceptance of the charges highlighted within the report would result in an anticipated level of income of £595,200 against the Medium Term Financial Plan target of £637,000.

The Executive had on 9 November 2020 (EX.124/20) received the report and resolved:

“That the Executive agreed for consultation the charges, as set out in Report ED.38/20 and accompanying Appendices, with effect from 1 April 2021; noting the impact those would have on income generation as detailed within the report.”

RESOLVED – That Charges Review report 2021/22 – Economic Development (ED.38/20) be received.

(iii) Governance and Regulatory Services

The Corporate Director of Governance and Regulatory Services submitted Report GD.48/20 concerning the proposed fees and charges for areas falling within the responsibility of the Governance and Regulatory Services Directorate.

The report set out the proposed charges relative to Environmental Health and Housing; Homeless, Prevention and Accommodation Services; and Legal Services. The introduction of the proposed charges was forecast to generate income of £845,300 in 2021/22 as summarised in the table at Section 5.9.1 of the report.

The Executive had on 9 November 2020 (EX.125/20) received the report and resolved:

“That the Executive agreed for consultation the charges as detailed within Report GD.48/20 and accompanying Appendices, with effect from 1 April 2021; noting the impact those would have on income generation as detailed within the report.”

RESOLVED – That the Review of Charges 2021/22 report – Governance and Regulatory Services (GD.48/20) be received.

(iv) Licensing

The Corporate Director of Governance and Regulatory Services submitted Report GD.54/20 setting out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance and Regulatory Services Directorate. The Corporate Director of Governance and Regulatory Services advised Members that the Regulatory Panel had responsibility for determining the licence fees, with the exception of those under the Scrap Metal Dealers Act 2013, which fell to the Executive.

The Executive had on 9 November 2020 (EX.126/20) received the report and agreed:

“That the Executive:

1. Noted the charges which were considered by the Regulatory Panel on 14 October 2020, with the exception of charges under the Scrap Metal Dealers Act 2013.
2. Approved the charges detailed at Appendix A under the Scrap Metal Dealers Act 2013 with effect from 1 April 2021..”

RESOLVED – That the Review of Charges 2021/22 - Licensing Report (GD.54/20) be received.

(d) Revised Capital Programme 2020/21 and Provisional Capital Programme 2021/22 to 2025/26

The Corporate Director of Finance and Resources submitted report RD.33/20 detailing the revised Capital Programme for 2020/21, now totalling £19,390,400, together with the proposed method of financing; and highlighting an underspend of £714,250 against the profiled annual budget. Also summarised was the proposed programme for 2021/22 to 2025/26 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

Section 4 provided details of the current commitments and new spending proposals. Any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

In addition, a summary of the estimated resources compared to the proposed programme year on year was set out at Section 6 of the report.

The Executive had on 9 November 2020 (EX.127/20) received the report and resolved:

“That the Executive:

1. Noted the revised capital programme and relevant financing for 2020/21 as set out in Appendices A and B to Report RD.33/20;
2. Had given initial consideration and views on the proposed capital spending for 2021/22 to 2025/26 given in the report in the light of the estimated available resources;
3. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

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

- Was the Corporate Director of Finance and Resources satisfied that the level of borrowing/ cumulative deficit was sustainable? Were there risks involved and would the Council need to reduce borrowing levels in the future ?

The Corporate Director of Finance and Resources explained that, due to the lack of grant funding, should the Council want to invest in new assets or infrastructure then the borrowing requirement would need to be considered. A number of internal options were considered before borrowing was undertaken and the Corporate Director of Finance and Resources had to ensure prudent and affordable borrowing. She informed the Panel that the Public Works Loan Board (PWLb) had recently announced a reduction in borrowing rates which would be beneficial to the borrowing costs built into the budget.

- Would the funding for the ICT Infrastructure be sufficient given the new ways of working?

The Corporate Director of Finance and Resources responded that there was provision for IT within the budget, however, service reviews would have to be undertaken to identify potential savings. She reminded the Panel that the new Head of IT was now in post and her first priority was to review the IT Strategy to identify needs and how efficiencies could be generated.

- The Health and Wellbeing Scrutiny Panel discussed the gap in the budget in terms of resources to address the Climate Change Action Plan. A Member asked if comparison work with other authorities was taking place to understand what resources were being invested to meet their targets and what the City Council could learn from other authorities.

The Corporate Director of Economic Development assured the Panel that comparison work was being undertaken. She explained that it was a complicated process as each authority had their own targets and plans and they varied significantly. Work was being undertaken to identify short and long term actions and the impact on the MTFP.

RESOLVED – 1) That the Revised Capital Programme 2020/21 and Provisional Capital Programme 2021/22 to 2025/26 (RD.33/20) be received.

2) That a report be submitted to a future meeting of the Panel setting out the comparison work that has been undertaken with other authorities in addressing their climate change targets.

(e) Corporate Assets – 3 Year Repair and Maintenance Programme 2021/22 – 2023/24

The Property Services Manager presented report GD.52/20 setting out the repair and maintenance programme budget proposals for the Council's Corporate Property assets for the three year period 2021/22 to 2023/24, required to ensure that the legal responsibilities of the City Council were met. It also provided a progress update on building maintenance.

The Executive had on 9 November 2020 (EX.128/20) received the report and resolved:

“That the Executive approved:

1. The three-year revenue maintenance programme set out in Appendix A to Report GD.52/20 as part of the budget process.
2. The 2021/22 capital budget of £250,000 as part of the budget process.
3. The List of capital projects selected to meet the allocated capital budget of £250,000.”

The Panel discussed the maintenance of assets and the Property Services Manager explained that the current allocation in the planned maintenance capital programme included an additional £100,000 allocated to further address maintenance backlog. He added that it was not possible to increase resources so the programme of works targeted the most urgent work and further enhancements would be carried out within the limits of the available resources.

The Property Services Manager reported that there had been some delay in the maintenance works due to Covid-19 and some work would move into the next year's programme if necessary. The Corporate Director of Finance and Resources added that the maintenance budget that was not used could be carried forward through the usual Council processes with the agreement of Council.

RESOLVED – That the Corporate Assets 3 Year Repair and Maintenance Programme 2021/22 – 2023/24 (GD.52/20) be received.

(f) Treasury Management Quarter 2 2020/21 and Forecasts for 2021/22 to 2025/26

The Corporate Director of Finance and Resources submitted report RD.34/20 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2021/22 with projections to 2025/26, and set out information regarding the requirements of the Prudential Code on local authority capital finance.

The Corporate Director of Finance and Resources reminded the Panel that the announcement by the PWLB regarding borrowing rates would significantly alter the figures in the report during the budget process. The base Treasury Management estimates for 2020/21 with projections for 2024/25 were set out at Appendix C.

The Executive had on 9 November 2020 (EX.129/20) considered the report and resolved that Report RD.34/20 be received and the projections for 2021/20 to 2025/26 be incorporated into the Budget reports considered elsewhere on the Agenda.

RESOLVED – That the Treasury Management Quarter 2 2021/22 and Forecasts for 2021/22 to 2025/26 (RD.34/20) be received.

(g) Local Taxation 2021/22 – 2025/26

The Corporate Director of Finance and Resources submitted report RD.35/20 considering aspects of Local Taxation decisions which needed to be made as part of the Budget process for 2021/22 onwards.

The Corporate Director of Finance and Resources outlined the various considerations, including the levels of Council Tax for the City Council (including Parish Precepts), Council Tax Surplus calculations, Council Tax Base calculations, Local Support for Council Tax (LSCT), and Business Rate Retention (including Pooling arrangements). A summary of the assumptions made was also provided at Section 4.

The Executive had on 9 November 2020 (EX.130/20) received the report and resolved:

“That the Executive:

1. Noted the contents of Report RD.35/20 including the current assumptions built into the MTFP with regard to local taxation issues;
2. Approved, for recommendation to Council as part of the budget process, the 2021/22 Local Support for Council Tax scheme as set out in paragraph 2.4.
3. Approved the continuation of involvement in the Cumbria Business Rate Pool arrangements for 2021/22 subject to the continuing involvement of the other partners,

with the final decision on participation being delegated to the Corporate Director of Finance and Resources.”

The Panel supported the commitment to the current statutory default Council Tax Reduction Scheme and asked if there was government funding available to support the Scheme should there be a significant rise in applicants.

The Corporate Director of Finance and Resources explained that the MTFP included the cost to deliver the Scheme based on the current case load and council tax. There had not been a significant increase in applicants to the Scheme to date and she agreed to circulate the exact figures.

The Corporate Director reminded the Panel that monthly Covid-19 returns were submitted to the MHCLG regarding costs, income shortfalls, arrears on council tax and business rates and the number of CTRS applicants and this information was factored into the emergency funding provided by government.

RESOLVED – 1) That the Local Taxation 2021/22 – 2025/26 report (RD.35/20) be received.

2) That the Corporate Director of Finance and Resources provide Panel Members with further information on the number of applications for the Council Tax Reduction Scheme.

BTSP.74/20 REVENUE BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO SEPTEMBER 2020

The Corporate Director of Finance and Resources presented the Revenue Budget Overview and Monitoring Report (RD.36/20) for the period April to September 2019.

The report provided an:

- overview of the Council’s overall budgetary position for the period April to September 2020 for revenue schemes only;
- details of the impact of COVID-19 on the revenue budget;
- details of balance sheet management issues;
- bad debts written off in the period;
- progress against the budget savings.

The Executive had considered the matter on the 9 November 2020 (EX.135/20 refers) and resolved:

“That the Executive:

- (i) Noted the budgetary performance position of the Council to September 2020;
- (ii) Noted the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) 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 response to a question the Deputy Chief Executive confirmed that there was support available for leisure centres from government through a bidding process. There had not been an additional request for financial support against the contract from GLL. He assured the Panel that reports would be submitted to scrutiny on a regular basis on the performance of the contract and how the project was moving forward.

RESOLVED – That the Panel received the overall budgetary position for the period April to September 2020 as set out in the revenue Budget Overview and Monitoring Report (RD.36/20).

BTSP.75/20 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO SEPTEMBER 2020

The Corporate Director of Finance and Resources submitted report RD.37/20 providing an overview of the budgetary position of the City Council's capital programme for the period April to September 2020. Detailed therein were the capital budget overview; the overall budget position for the various Directorates; the monitoring and control of expenditure against budget allocations and the exercise of virement.

The Executive had considered the matter on the 9 November 2020 (EX.136/20 refers) and resolved:

“That the Executive:

- (i) Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to September 2020.
- (ii) Noted adjustments to the 2020/21 capital programme as detailed in paragraph 2.1.”

In response to a question the Corporate Director of Economic Development confirmed that developers were allowed to challenge Section 106 requirements for affordable housing in terms of viability. The Council did its own assessment to see if changes to Section 106's could be justified; the results were reported to committee. There had been no significant increase in challenges and the situation would be monitored.

RESOLVED – That the Panel receive the overall budgetary position for the period April to September 2020 as set out in the Capital Budget Overview and Monitoring Report. (RD.37/20)

BTSP.76/20 QUARTER 2 PERFORMANCE REPORT 2020/21

The Policy and Performance Officer presented the Quarter 2 Performance Report 2020/21 (PC.29/20).

The report contained the Quarter 2 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' 2020/21 Key Performance Indicators were also included.

The Policy and Performance Officer drew the Panel's attention to the summary of exceptions which showed as red:

CSe14: Actual car parking revenue as a percentage of car parking expenditure

CSu05: Percentage of NNDR collected

SS05: Proportion of corporate complaints dealt with on time

SS08: Proportion of official local authority searches completed on time

The Policy and Performance Officer reminded the Panel that all three Scrutiny Panels had requested that Members were involved with the reviewing of the content of performance reports including setting of measures and targets. A Member working group would be set up and run over the Winter months.

RESOLVED – That the Panel had received the quarter 2 performance report PC.29/20.

BTSP.77/20 BREXIT RISK ASSESSMENT

The Corporate Director of Economic Development submitted report ED.45/20 which considered the potential impacts and implications of a 'Hard' or 'No deal' Brexit on Carlisle City Council and its services.

The Corporate Director of Economic Development gave a brief background to the Brexit vote and set out the key issues which may impact on Carlisle as a result.

The Corporate Director of Economic Development reported that UK was in a transition period having left the European Union (EU) on the 31st January 2020. The transition period was an 11-month period in which the UK was still bound to EU rules, whilst in transition the UK would remain in both the EU customs union and the single market. As negotiations continued to take place, there would be no extension of the transition period and the UK would leave the EU without a deal should negotiations be unsuccessful.

There were many variables surrounding the Governments negotiations with the EU on Brexit and City Council officers had been working with partners to prepare various scenarios. Like many other authorities the Council was not able to address many of the issues itself but may well have to respond to them.

The Corporate Director of Economic Development set out the impact to businesses, importation and exportation of goods, workforce and finance. She explained that officers continued to monitor the situation and review various scenarios and assess the risks with partners.

A Member had been disappointed that the report had not included an actual risk assessment. Although the report set out the key issues there was no assessment of how likely the risk would happen, what the impact would be and how the risk would be mitigated. He was concerned that there was less than a month to go until the UK left the EU and Members were not aware of the impact on the City Council. He asked if other organisations were dealing with the matter and, if so, could Members see the assessments they were producing.

The Corporate Director of Economic Development responded that there was a Corporate Risk regarding Brexit contained in the Corporate Risk Register. The Corporate Risk addressed how to ensure that the Council could monitor the situation, what government were advising and maintaining the Government Transition Tracker. She explained that the situation was fluid and changed on a daily basis however many issues were Cumbria wide and were being addressed through the Local Resilience Forum (LRF) and the Local Enterprise Partnership (LEP). The City Council continued to liaise and understand the risk and would put measures in place to address risks as appropriate. She agreed to circulate links to the assessments of the LRF and LEP so Members could see how the City Council fit into the overall plans.

RESOLVED – 1) That the Brexit Risk Assessment be noted (ED.45/20).

2) That the Corporate Director of Economic Development circulate the links to the risk assessments of the Local Resilience Forum and the Local Enterprise Partnership.

BTSP.78/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.27/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel and the Panel's work programme.

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.27/20).

2) That the following items be confirmed for the Panel's agenda in January:

- Civic Centre Reinstatement and Development
- Budget Setting (including Treasury Management Strategy Statement)
- Covid-19 / Budget Item
- Update on the Gateway 44 Project (private report)

(The meeting ended at 11.20am)