



Business & Transformation Scrutiny Panel

Agenda

Thursday, 14 September 2017 AT 14:00
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

**** A pre meeting for Members to prepare for the Panel will be held at 1.30pm in the Flensburg Room****

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

Members of the Business & Transformation Overview and Scrutiny Panel

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

Substitutes:

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

PART A

To be considered when the Public and Press are present

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest (including declarations of “The Party Whip”)

Members are invited to declare any disclosable pecuniary interests, other registrable interests, and any interests, relating to any item on the agenda at this stage.

Public and Press

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

Minutes of the previous meetings

To note that Council, on the 11 September 2017, received and adopted the minutes of the meeting held on 3 August 2017. (Minute Book Volume 44(2)).

The Minutes will be signed by the Chairman.

A.1 CALL-IN OF DECISIONS

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

A.2 OVERVIEW REPORT AND WORK PROGRAMME

7 - 12

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Steven O'Keeffe, Policy and Communications Manager

Report: Copy report OS.20/17 herewith

Background:

To consider a report providing an overview of matters related to the work of the Business and Transformation Scrutiny Panel.

Why is this item on the agenda?

The Business and Transformation Scrutiny Panel operates within a work plan which has been set for the Municipal Year 2017/18. The Plan will be reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

- Note the items (within Panel remit) on the most recent Notice of Executive Key Decisions
- Discuss the work programme and prioritise if necessary.

A.3 REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2017 13 - 30

Portfolio Finance, Governance and Resources

Directorate: Corporate Support and Resources

Officer: Alison Taylor, Chief Finance Officer

Report Copy report RD.18/17 herewith and copy Minute Excerpt EX.86/17 to follow

Background:

The Chief Finance Officer to submit a report providing an overview of the Council's General Fund revenue budgetary position for the period April to June 2017. This matter was considered the Executive on 29 August 2017.

Why is the item on the agenda?

Budget performance monitoring

What is the Panel being asked to do?

Note the variances contained within the report and the overall budgetary position for the period April to June 2017.

A.4 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2017 **31 - 46**

Portfolio: Finance, Governance and Resources

Directorate: Corporate Support and Resources

Officer Alison Taylor, Chief Finance Officer

Report Copy report RD.19/17 herewith and copy Minute Reference EX.87/17 to follow

Background:

The Chief Finance Officer to submit a report providing an overview of the budgetary position of the City Council's Capital Programme for the period April to June 2017. This matter was considered by the Executive on 29 August 2017.

Why is this item on the agenda?

Budget performance monitoring report.

What is the Panel being asked to do?

To note the variances contained within the report and the overall budgetary position for the period April to June 2017.

A.5 QUARTER 1 PERFORMANCE REPORT 2017/18 **47 - 56**

Portfolio: Finance, Governance and Resources

Directorate: Community Services

Officer: Steven O'Keeffe, Policy and Communications Manager

Report: Copy report PC.16/17 herewith

Background:

The Policy and Communications Manager to submit the first quarter performance against current service standards and a summary of the Carlisle Plan 2015 - 18 actions

Why is the item on the agenda?

Quarterly performance monitoring report.

What is the Panel being asked to do?

1. Consider the performance of the City Council presented in the report with a view to seeking continuous improvement in how the Council delivers its priorities.
2. Consider the new service standards and Key Performance Indicators on the report with a view to providing a more holistic view of the Council's performance.

A.6 BITTS PARK - FLOOD REINSTATEMENT**57 - 66**

Portfolio: Finance, Governance and Resources

Directorate: Governance and Regulatory Services

Officer: Mark Lambert, Corporate Director of Governance and Regulatory Services

Report: Copy report GD.54/17 herewith

Background:

The Corporate Director of Governance and Regulatory Services to submit a report outlining the proposals for the reinstatement of flood affected assets in Bitts Park.

Why is this item on the agenda?

For the Panel to provide any observations and comments for consideration by the Executive in order to inform the way forward.

What is the Panel being asked to do?

Note the proposals and provide any observations and comments for consideration by the Executive in order to inform the way forward.

PART B
To be considered in Private

- NIL -

Enquiries, requests for reports, background papers, etc to Democratic
services Officer:

Rachel Plant 817039 or rachel.plant@carlisle.gov.uk

A copy of the agenda and reports is available on the Council's website at www.carlisle.gov.uk or at
the Civic Centre, Carlisle.

Business and Transformation Scrutiny Panel

**Agenda
Item:
A.2**

Meeting Date: 14th September 2017
Portfolio: Cross Cutting
Key Decision: No
Within Policy and
Budget Framework
Public / Private Public

Title: OVERVIEW REPORT AND WORK PROGRAMME
Report of: Overview and Scrutiny Officer
Report Number: OS 20/17

Summary:

This report provides an overview of matters related to the Business and Transformation Scrutiny Panel's work. It also includes the latest version of the work programme.

Recommendations:

Members are asked to:

- Note the items (within Panel remit) on the most recent Notice of Key Executive Decisions
- Consider the work programme and prioritise if necessary

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

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

1. Notice of Key Executive Decisions

The most recent Notice of Key Executive Decisions was published on 25th August 2017. This was circulated to all Members. The following items fall within the remit of this Panel:

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

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

KD.21/17 Bitts Park Lodge – Flood Reinstatement (on today's agenda)

2. References from the Executive

There are no references from the Executive.

3. Work Programme

The Panel's current work programme is attached at **Appendix 1**. Members may wish to give further consideration to the items selected for in-depth scrutiny work – Community Asset Transfer Policy and Customer Services.

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

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Current Meeting – 14 September 2017															
Performance Monitoring Gary Oliver	✓					✓	Quarterly monitoring of performance within remit of Panel	✓		✓		✓		✓	
Bitts Park Lodge – Flood Reinstatement Mark Lambert		✓					Key Decision			✓					
Budget Monitoring 17-18 Alison Taylor					✓	✓	Monitoring of budget – both revenue and capital			✓		✓		✓	
Task & Finish Groups															
Future Items															
Sickness Absence Gary Oliver	✓						To consider reports relating to sickness absence levels. Biannual reporting	✓				✓			

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Customer Services Jill Gillespie			✓				Consider workflow and new technology within Customer Services – incorporating Customer Contact Strategy					✓			
Kingstown Industrial Estate Mark Walshe						✓	Consider business plan. Update on progress after 6 months requested		✓					✓	
Community Asset Transfer Policy Becky Tibbs							Assist in policy development process				?				
Corporate Risk Register Tracey Crilley						✓	Bi-annual monitoring				✓				✓
Budget setting 2018/19 Alison Taylor					✓		Draft budget consultation					✓	✓		
Transformation + Business Management and Development SMT Sub-Groups Jason Gooding/Mark Lambert			✓				Bi-annual update for Panel on work of SMT Sub-groups to aid work programme planning for the Panel				?				

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Transformation Board: Corporate programme of projects Tracey Crilley						✓	Bi-annual monitoring of significant projects					✓			
Flood Update Report Darren Crossley		✓	✓			✓	Final report					✓			
Scrutiny Annual Report Dave Taylor							Draft report for comment before Chairs Group approval								✓
COMPLETED ITEMS															
Street Trading Policy Scott Burns			✓				New policy being developed	✓							
Freedom of Information Requests Clare Furlong						✓	Annual Report on Freedom of Information requests. From 2018 onwards, for information only		✓						
Medium Term Financial Plan and the Capital Strategy 2018/19 to 2022/23 Alison Taylor		✓			✓		Policy Documents Consultation		✓						

Issue Contact Officer	Type of Scrutiny						Comments/Current Status	Meeting Dates							
	Performance Management	Notice of Key Decision /Referred from Executive	Policy Review or Development	Scrutiny of Partnership/ External Agency	Budget	Monitoring		13 Jun 17	03 Aug 17	14 Sep 17	26 Oct 17	05 Dec 17	04 Jan 18	15 Feb 18	22 Mar 18
Asset Management Plan Mark Walshe		✓					2017 to 2022 Plan		✓						
2016/17 Provisional Outturn Reports Alison Taylor					✓		Outturn reports and requests to Council	✓							
Asset Recovery: Civic Centre Darren Crossley			✓				Consultation on reinstatement plans		✓						
FOR INFORMATION ONLY ITEMS															
Details								Date Circulated							

Business & Transformation Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 14th September 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO JUNE 2017
Report of: CHIEF FINANCE OFFICER
Report Number: RD 18/17

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to June 2017 which was considered by the Executive on 29th August 2017.

Questions for / input required from Scrutiny:

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

Recommendations:

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

Tracking

Executive:	29 th August 2017
Overview and Scrutiny:	14 th September 2017
Council:	n/a

Report to Executive

Agenda
Item:

Meeting Date: 29th August 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO JUNE 2017
Report of: CHIEF FINANCE OFFICER
Report Number: RD 18/17

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

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2017;
- (ii) Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
- (iii) Note the virements and release of reserves as set out in paragraph 2.1 and Appendix A.

Tracking

Executive:	29 th August 2017
Scrutiny:	14 th September 2017
Council:	n/a

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Chief Finance Officer is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Chief Finance Officer.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

2. REVENUE BUDGET OVERVIEW

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

2017/18 Revenue Budget	£
Approved Budget (Council resolution – February 2017)	11,038,000
Carry forward requests (2016/17 in-year)	97,000
Carry forward requests (2016/17 out-turn)	393,000
Council Resolution 2017/18	11,528,000
Non-Recurring Transfers to/(From) Reserves:	
IT Renewals Reserve (Enterprise Licences & IT Strategy)	214,200
Leisure Reserve	10,300
Revenue Grants Reserve	72,000
Cremator Replacement Reserve (Environmental Surcharge Income)	(21,300)
Building Control Reserve (Admin Support)	31,700
General Carry Forward Reserve	10,700
Updated Budget 2017/18	11,845,600

- 2.2 Carry Forward requests relating to 2016/17 totalling £393,000 were approved by Council on 11th July 2017.

3. 2017/18 BUDGET MONITORING

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

Directorate / Appendix		Annual Net Budget	Net Budget to date	Net Spend to date	Adjusted Variance
		(£)	(£)	(£)	(£)
Community Services	B1	9,208,400	2,115,496	1,981,931	(133,565)
Corporate Support & Resource	B2	3,106,500	1,173,690	1,164,834	(8,856)
Economic Development	B3	1,369,700	140,043	(103,635)	(243,678)
Governance & Regulatory	B4	433,400	255,281	195,316	(59,965)
Corporate ⁽¹⁾	B5	(2,272,400)	215,498	207,398	(8,100)
Sub Total		11,845,600	3,900,008	3,445,844	(454,164)
Flood Expenditure (net) ⁽²⁾	B6	0	0	138,484	138,484
Total		11,845,600	3,900,008	3,584,328	(315,680)

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

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

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

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

3.3 The main income and expenditure variances are summarised below:

Under achieved Income

- Shortfall on income of £100,100 at John Street Accomodation due to closure from flood damage. Discussions are ongoing with the Council's insurance provider to agree the level of income that can be recovered as part of our insurance claim.
- Shortfall on income from Lanes of £29,400.

Over achieved Income/Grants & Contributions

- Improved levels of income from property rent reviews of £157,000. These are in advance of the £1m additional income from the Council's assets to be achieved from 2018/19 onwards. This is partly offset by costs in relation to Chancerygate of £47,500.
- Improved income levels from Garden Waste of £15,000, Recycling of £19,800 and Bring Sites of £13,800.
- Improved levels of Development Control income of £130,700.
- Improved levels of Building Control income of £107,500.

Under budget Expenditure

- Underspend on Councillors' small scale community schemes of £13,100.
- Underspend on Minimum Revenue Provision of £39,600 due to a lower CFR at 31st March 2017.
- Additional salary turnover saving achieved of £74,900.
- Savings on previous year inflation of £19,700.

Over budget Expenditure

- Overspend of £45,600 in relation to the ICT Strategy costs. A review of ICT Strategy costs is in progress to realign the profiles of expenditure budgets with revised implementation plans.
- Overspend of £138,500 in relation to flood recovery costs not covered by insurance settlements.
- Shortfall on Base Budget Review savings of £109,500.

A subjective analysis of the summarised budgetary position excluding flood related items as at June 2017 is shown below:

Subjective Analysis	Annual Budget (£)	Budget to date (£)	Actual to date (£)	Adjusted Variance (£)
Employee Related	14,610,200	4,243,990	4,257,071	13,081
Premises Related	3,798,200	1,604,977	1,584,938	(20,039)
Transport Related	1,363,900	347,396	334,529	(12,867)
Supplies and Services	5,272,500	2,129,140	1,925,704	(203,436)
Third Party Payments	2,661,200	635,514	703,642	68,128
Other e.g. Housing Benefits	25,751,700	6,660,823	6,639,891	(20,932)
Total Expenditure	53,457,700	15,621,840	15,445,775	(176,065)
Grants and Contributions	(4,782,500)	(1,955,665)	(2,007,975)	(52,310)
Specific Grants e.g. Housing Benefits	(25,739,900)	(6,798,342)	(6,797,902)	440
Customer & Client Receipts	(10,822,700)	(2,898,047)	(3,129,880)	(231,833)
Other Income	(267,000)	(69,778)	(64,174)	5,604
Total Income	(41,612,100)	(11,721,832)	(11,999,931)	(278,099)
Total	11,845,600	3,900,008	3,445,844	(454,164)

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

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2014/15		44,400	(44,400)
2015/16	1,211,000	1,127,600	83,400
2016/17	1,201,000	1,217,000	(16,000)
2017/18 Target	795,000	395,000	400,000
2017/18 Base Budget Review	403,000	293,500	109,500
Net Position 2017/18	3,610,000	3,077,500	532,500
2018/19 Current Target	1,479,000	453,600	1,025,400
Net Recurring position	5,089,000	3,531,100	1,557,900

4. FORECAST OUTTURN POSITION 2017/18

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

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

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

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

5. BALANCE SHEET MANAGEMENT

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

Balance Sheet item	Balance at 31/03/2017	Balance at Jun 2017	Note
Investments	£14.7m	£10.8m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£1.32m	£1.67m	(iii)
Creditors	£0.004m	£0.24m	

- (i) The anticipated annual return on these investments is estimated at £262,400 for 2017/18 with current forecasts anticipated to be slightly below these projections.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,700 in 2017/18 with costs currently on target.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are

written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.

- (iv) The Council's VAT partial exemption calculation for the period ending June 2017 has been calculated and is well below the 5% limit set by HMRC at 0.63%. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

6. BAD DEBT WRITE-OFFS

- 6.1 The Chief Finance Officer has delegated authority for the write-off of outstanding debts for NNDR (not available at the time of writing this report), Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £57,494.98 have been written off during Quarter 1 to the end of June 2017. A summary of bad debts is given in Table 1, **Appendix C** of this report and these costs will fall against the following:

	£
General Fund	34,137.29
Council Tax (Collection Fund)	23,357.69
NNDR	0.00
Total Write-offs	57,494.98

- 6.2 The "write-ons" itemised in Table 2, **Appendix C**, totalling £3,970.52, are in respect of balances originally written off that have since been paid, credit write-offs for the Quarter 1 to the end of June 2017. The write-ons will be credited as follows:

	£
General Fund	14.51
Council Tax (Collection Fund)	3,956.01
NNDR	0.00
Total Write-ons	3,970.52

- 6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 6.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad

debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

7. CONSULTATION

7.1 Consultation to date.

SMT and JMT have considered the issues raised in this report.

7.2 Consultation Proposed

Business and Transformation Scrutiny Panel will consider the report on 14th September 2017.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

8.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2017;
- (ii) Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
- (iii) Note the virements and release of reserves as set out in paragraph 2.1 and Appendix A.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

9.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the first quarter of 2017/18 shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

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

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

- **None**

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

Community Services – N/A

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

Economic Development – N/A

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

REVENUE BUDGET MONITORING 2017/18

VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2017

Date	Virement Details	Permanent/ Temporary	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
Various	Base Budget Review Savings	Permanent	293,500	Corporate Directors
07/04/2017	Funding Local Plan Examination costs from General Carry Forward Reserve	Temporary	6,800	Director of Resources (email 01/09/16)
20/04/2017	Provision of budget from Community centres to part fund increased Community Centre ICT costs	Permanent	3,400	Deputy Chief Executive
04/05/2016	Provision of budget from Revenues and Benefits for temporary post in Customer Services	Temporary	21,400	OSA10/16 & OSA51-16/17
Various	Release of funding held in Revenue Grants Reserve	Temporary	72,000	Director of Resources
June 2017	Release of funding from General Carry Forward Reserve for Graduate Planner post in line with OSA14-15 (approved October 2015)	Temporary	10,700	Chief Finance Officer
06/07/2017	Provision of NNDR budget for Corporate Properties	Permanent	22,900	OSA45/15 Director of Resources & OSA41-17/18.
21/12/2015	Appointment of Leisure Contract Retender Advisor (up to £125,000)	Temporary	10,300	Chief Finance Officer 06/07/17
Approved by Executive (£35,000 to £70,000)				
01/06/2015	Provision of budget for Microsoft Licences from Renewals Reserve	Temporary for 3 years	£48,000 per year	OD 184/15 Deputy Chief Executive
31/03/2017	Release of budget from the Repair & Renewals Reserve to fund ICT Strategy implementation	Temporary	116,600	Executive 01/06/15
Approved by Council (over £70,000)				
13/02/2017	Release of Building Control Reserve to support increased technical support	Temporary for 3 years	£31,700 (2017/18)	RD57/15 Executive 08/02/16
11/07/2017	Carry forward from 2016/17 into 2017/18	Temporary	393,000	ED04/17 Council 13/02/17
				Council 11/07/17

REVENUE BUDGET MONITORING 2017/18

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	17,207,600	(5,355,600)	(2,643,600)	9,208,400
Budget to date	4,315,726	(1,538,535)	(661,695)	2,115,496
Total Actual	4,302,676	(1,665,059)	(655,686)	1,981,931
Variance	(13,050)	(126,524)	6,009	(133,565)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(13,050)	(126,524)	6,009	(133,565)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(15,013)	(21,515)	79	(36,449)
Small Scale Community Schemes	2	(13,175)	0	0	(13,175)
Waste Services	3	10,024	(47,473)	203	(37,245)
Miscellaneous	4	5,114	(57,536)	5,727	(46,695)
Total Variance to date		(13,050)	(126,524)	6,009	(133,565)

Note	Community Services - Comments
1.	Various minor underspends including energy costs; increased cremation fee income.
2.	Under budget on Councillors' small scale community schemes.
3.	Over budget transport costs & supplies & services; surplus income from Garden Waste, Recycling & Bring Sites.
4.	Various minor overspends & additional income across the service.

REVENUE BUDGET MONITORING 2017/18

CORPORATE SUPPORT AND RESOURCE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	36,639,500	(26,999,900)	(6,533,100)	3,106,500
Budget to date	10,085,070	(7,451,698)	(1,459,682)	1,173,690
Total Actual	10,079,620	(7,456,855)	(1,457,931)	1,164,834
Variance	(5,450)	(5,157)	1,751	(8,856)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(5,450)	(5,157)	1,751	(8,856)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
ICT Services	1	47,954	(3,128)	773	45,598
Treasury and Debt Management	2	(40,474)	10,916	0	(29,558)
Miscellaneous	3	(12,930)	(12,945)	978	(24,897)
Total Variance to date		(5,450)	(5,157)	1,751	(8,856)

Note	Corporate Support & Resources - Comments
1.	Overspend in relation to ICT Strategy expenditure.
2.	Under budget on Minimum Revenue Provision, under achieved market deposit investment interest.
3.	Various minor underspends, and increased levels of income.

REVENUE BUDGET MONITORING 2017/18

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	3,209,000	(1,378,400)	(460,900)	1,369,700
Budget to date	736,837	(481,430)	(115,364)	140,043
Total Actual	734,814	(723,224)	(115,225)	(103,635)
Variance	(2,023)	(241,794)	139	(243,678)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(2,023)	(241,794)	139	(243,678)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Development Control	1	(6,985)	(130,688)	0	(137,672)
Building Control	2	10,180	(107,466)	0	(97,287)
Miscellaneous	3	(5,218)	(3,640)	139	(8,719)
Total Variance to date		(2,023)	(241,794)	139	(243,678)

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

REVENUE BUDGET MONITORING 2017/18

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	9,518,200	(6,005,000)	(3,079,800)	433,400
Budget to date	2,775,173	(1,749,012)	(770,880)	255,281
Total Actual	2,610,569	(1,642,521)	(772,732)	195,316
Variance	(164,604)	106,491	(1,852)	(59,965)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(164,604)	106,491	(1,852)	(59,965)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Homeless Accommodation	1	(11,192)	92,356	0	81,164
The Lanes	2	(1)	29,437	0	29,436
Asset Review Income	3	(157,000)	0	0	(157,000)
Property Services	4	56,961	(2,329)	104	54,737
Miscellaneous	5	(53,372)	(12,973)	(1,956)	(68,302)
Total Variance to date		(164,604)	106,491	(1,852)	(59,965)

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

REVENUE BUDGET MONITORING 2017/18

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	(45,600)	(2,226,800)	0	(2,272,400)
Budget to date	805,163	(589,665)	0	215,498
Total Actual	813,352	(605,954)	0	207,398
Variance	8,189	(16,289)	0	(8,100)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	8,189	(16,289)	0	(8,100)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	13,044	(16,289)	0	(3,245)
Miscellaneous	2	(4,855)	0	0	(4,855)
Total Variance to date		8,189	(16,289)	0	(8,100)

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£74,900) & Inflation savings (£19,700). Shortfall on base budget review savings (£109,500); additional grant income received.
2.	Various minor underspends.

REVENUE BUDGET MONITORING 2017/18

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th June 2017	£	£	£	£
Annual Budget	0	0	0	0
Budget to date	0	0	0	0
Total Actual	1,134,997	(996,513)	0	138,484
Variance	1,134,997	(996,513)	0	138,484
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	1,134,997	(996,513)	0	138,484

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Flood Damage Recovery	1	167,749	(29,264)	0	138,484
Flood Government Grant	2	967,249	(967,249)	0	0
Total Variance to date		1,134,997	(996,513)	0	138,484

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

BAD DEBT PROVISION

TABLE 1		Write-Offs June 2017		
Type of Debt	No.	£	Comments	
NNDR (General)				
NNDR (PSCT)				
Council Tax	49	23,357.69	01/04/17 to 30/06/17	
Debtors:				
Private Tenants				
Housing Benefit Overpayments	95	25,394.67	01/04/17 to 30/06/17	
General Fund	33	2,709.62	01/04/17 to 30/06/17	
Penalty Charge Notices:				
On Street	42	4,214.00	01/04/17 to 30/06/17	
Off Street	22	1,819.00	01/04/17 to 30/06/17	
Ex FTA Benefit				
TOTAL	241	57,494.98		
TABLE 2		Write-Ons June 2017		
Type of Debt		£	Comments	
NNDR (General)				
Council Tax	10	3,956.01	01/04/17 to 30/06/17	
Debtors:				
Private Tenants				
Housing Benefit Overpayments				
General Fund	4	14.51	01/04/17 to 30/06/17	
Ex FTA Benefit				
TOTAL	14	3,970.52		

Business & Transformation Scrutiny Panel

Agenda
Item:
A.4

Meeting Date: 14th September 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO JUNE 2017
Report of: CHIEF FINANCE OFFICER
Report Number: RD 19/17

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2017 which was considered by the Executive on 29th August 2017.

Questions for / input required from Scrutiny:

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

Recommendations:

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

Tracking

Executive:	29 th August 2017
Overview and Scrutiny:	14 th September 2017
Council:	n/a

Report to Executive

Agenda
Item:

Meeting Date: 29th August 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO JUNE 2017
Report of: CHIEF FINANCE OFFICER
Report Number: RD 19/17

Purpose / Summary:

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

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2017;
- (ii) Note adjustments to the 2017/18 capital programme for ICT Strategy (£49,600), Harraby Cycle Track (£41,500) and Public Realm (£25,000) to account for all external funding available towards the projects as detailed in paragraph 2.1;

Tracking

Executive:	29 th August 2017
Scrutiny:	14 th September 2017
Council:	n/a

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Chief Finance Officer is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Chief Finance Officer.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

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

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

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

2. CAPITAL BUDGET OVERVIEW

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

2017/18 Capital Budget	£
Original 2017/18 Programme (approved Feb 2017)	3,182,100
Carry forwards from 2016/17 (RD55/16 Council 07/03/17)	1,164,300
Increase for ICT Strategy from Renewals Reserve	49,600
Increase for additional contribution to Harraby Cycle Track	41,500
Increase for additional contribution to Public Realm Scheme	25,000
Revised 2017/18 Capital Programme (at June 2017)	4,462,500
Carry forwards from 2016/17 (RD04/17 Council 11/07/17)	4,406,000
Increase for schemes funded from external contributions (RD04/17 Council 11/07/17)	258,300
Revised 2017/18 Capital Programme (after carry forwards)	9,126,800
Less Capital Reserves to be released by Executive	(1,944,800)
Revised 2017/18 Capital Programme	7,182,000

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

3. 2017/18 BUDGET MONITORING

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

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	2,042,800	791,800	1,028,050	236,250	3.3
Corporate Support & Resources	185,200	40,600	43,098	2,498	-
Economic Development	438,200	38,200	39,250	1,050	-
Governance & Regulatory Services	3,802,300	630,259	291,554	(338,705)	3.4
Total	6,468,500	1,500,859	1,401,952	(98,907)	
Flood Related Capital	713,500	713,500	802,605	89,105	3.5
Total	7,182,000	2,214,359	2,204,557	(9,802)	
Reserves to be released	1,944,800	0	0	0	3.6
Total	9,126,800	2,214,359	2,204,557	(9,802)	

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

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

3.2 As at the end of June, expenditure of £2,204,557 has been incurred. When considered against the profiled budget of £2,214,359 this equates to an underspend of £9,802.

The unspent balance remaining of the revised annual budget of £7,182,000 is £4,977,443. This will be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

- 3.3 The variance in Community Services is attributable to the following:
- (i) An overspend of £206,050 on vehicle replacements. There is budget of £1,439,800 for the 2017/18 allocation subject to release by Executive. A report is considered elsewhere on this agenda.
 - (ii) An overspend of £30,268 on Waste Minimisation purchases. A review of expenditure is currently underway.
 - (iii) The Harraby Cycle Track project reflects the position as at June 2017. Further contributions have since been received, and a report is considered elsewhere on this agenda.
- 3.4 The variance in Governance & Regulatory Services is attributable to the following:
- (i) An underspend of £329,034 on Disabled Facilities Grants. The grant allocation received for DFGs for 2017/18 is higher than the previous year.
- 3.5 The variance in Flood Related Projects is attributable to the following:
- (i) An overspend of £89,105 on Building reinstatement costs. Budgets will be adjusted once final accounts from the contractors have been received and insurance settlement figures have been agreed with the loss adjusters. This will then determine the balance to be funded from the Council's own balances and reserves.
- 3.6 A number of schemes are included in the capital programme for 2017/18 that require reports to be presented to the Executive for the release of funding before the project can go ahead, some of which may slip into future years capital programmes.

Scheme	Budget £	Note
ICT Infrastructure	100,000	
Old Town Hall / Greenmarket	380,000	
Play Area Green Gyms	25,000	
Vehicle Replacement	1,439,800	1
Total	1,944,800	

Notes:

1. A report is considered elsewhere on this agenda for the release of this budget (CS20/17).

4. FINANCING

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

	Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	9,126,800	7,182,000
<u>Financed by:</u>		
Capital Receipts (including PRTB receipts)	3,789,400	1,844,600
Capital Grants		
• Disabled Facilities Grant	1,613,900	1,613,900
• General	1,144,100	1,144,100
Direct Revenue Financing	1,823,900	1,823,900
Other Contributions	745,700	745,700
Earmarked Reserves	9,800	9,800
Total Financing	9,126,800	7,182,000

5. CAPITAL RESOURCES

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

	2017/18 Revised Budget £	2017/18 Actual £	2017/18 Not yet received £	Note
Capital Receipts				
• General	0	0	0	1
• Asset Review	(3,194,000)	0	3,194,000	1
• Renovation Grants repaid	0	0	0	
• PRTB Sharing agreement	(150,000)	0	150,000	2
Capital Grants				
• Disabled Facilities Grant	(1,613,900)	(1,613,944)	(44)	3
• Tennis Facilities	(400,000)	0	400,000	4
• Cycle Track Development	(68,000)	0	68,000	4
• General	0	(2,000)	(2,000)	
Capital Contributions				
• Section 106	(627,200)	(69,291)	557,909	5
• Cycle Track Development	(78,500)	(78,580)	(80)	
• General	(40,000)	(53,226)	(13,226)	6
Total	(6,171,600)	(1,817,040)	4,354,560	

Notes:

1. Receipts for 2017/18 are anticipated to be received from asset review sales (£3,194,000). However, the Capital Strategy to be considered by Council in

September highlights that these receipts will be reprofiled in line with the revised asset disposal plan.

2. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. It should be noted that Riverside Group are currently preparing forecasts for PRTB receipts for 2017/18. Forecast projections will be provided in a future report to the Executive.
3. Disabled facilities grant allocation for 2017/18 received totalling £1,613,944.
4. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
5. Contributions from Section 106 agreements to Castle Way scheme (£266,000), Public Realm S106 (£49,600), Crindledyke Cycleway (£268,700), and Open Space Improvements (£42,900).
6. Additional contributions received towards Public Realm (£25,000) and Public Realm/Cracker Packer (£15,000).

6. BALANCE SHEET MANAGEMENT

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2016/17 accounts, fixed assets totalled £161million (2015/16 £160million). This represents 94% of the net current assets of the City Council.

6.4 Debtors

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

6.5 Creditors

This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at June 2017 totalled £114,435 (£456,407 at 31 March 2017).

7. PERFORMANCE

- 7.1 The 2017/18 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets totalling £1,944,800 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. CONSULTATION

8.1 Consultation to Date

SMT & JMT have considered the issues raised in this report.

8.2 Consultation Proposed

Business & Transformation Scrutiny Panel will consider the report on 14 September 2017.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2017;
- (ii) Note adjustments to the 2017/18 capital programme for ICT Strategy (£49,600), Harraby Cycle Track (£41,500) and Public Realm (£25,000) to account for all external funding available towards the projects as detailed in paragraph 2.1;

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Emma Gillespie

Ext: 7289

**Appendices A to F
attached to report:**

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

- None

CORPORATE IMPLICATIONS/RISKS:

Community Service – Not applicable

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

Economic Development – Not applicable

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

Scheme	Original Capital Programme 2017/18 £	Carry Forwards from 2016/17 £	Carry Forwards from 2016/17 £	Other Adjustments £	Revised Capital Programme 2017/18 £
<u>Current non-recurring commitments</u>					
Public Realm/Cracker Packer (S106)	0	0	49,600	15,000	64,600
Castle Way (S106)	0	0	236,300	29,700	266,000
Arts Centre	0	0	47,300	0	47,300
Tennis Facilities	0	497,000	0	0	497,000
Cycle Track Development	0	0	650,000	108,500	758,500
Market Hall Roof	0	0	460,000	0	460,000
Crindledyke Cycleway	0	0	268,700	0	268,700
Durranhill Industrial Estate	0	0	105,400	0	105,400
Play Area Developments	0	0	10,900	0	10,900
Open Space Improvements	0	0	42,900	0	42,900
Kingstown Industrial Estate	0	0	9,800	0	9,800
Public Realm Improvements	0	0	243,200	25,000	268,200
IC Buildings Flood Reinstatement	0	0	713,500	0	713,500
Revenues & Benefits ICT Upgrades	0	0	45,200	0	45,200
Asset Review	0	0	203,600	0	203,600
	0	497,000	3,086,400	178,200	3,761,600
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	150,000	0	65,000	0	215,000
Vehicles, Plant & Equipment	0	0	417,500	0	417,500
ICT Infrastructure	0	0	90,400	49,600	140,000
	150,000	0	572,900	49,600	772,500
<u>Disabled Facilities Grants</u>					
Private Sector Grants	1,467,300	667,300	313,500	146,600	2,594,700
Minor Works Grants	0	0	53,200	0	53,200
	1,467,300	667,300	366,700	146,600	2,647,900
TOTAL	1,617,300	1,164,300	4,026,000	374,400	7,182,000
<u>Capital Reserves to be released</u>					
ICT Infrastructure	100,000	0	0	0	100,000
Play Area Green Gyms	25,000	0	0	0	25,000
Vehicles, Plant & Equipment	1,439,800	0	0	0	1,439,800
Old Town Hall / Greenmarket	0	0	380,000	0	380,000
	1,564,800	0	380,000	0	1,944,800
REVISED TOTAL	3,182,100	1,164,300	4,406,000	374,400	9,126,800

COMMUNITY SERVICES

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
Art Centre	47,300	0	0	0	Budget carried forward to provide for works postponed due to the 2015 floods.
Vehicles & Plant	417,500	417,500	623,550	206,050	Report elsewhere on the agenda to request release of the 2017/18 budget.
Waste Minimisation	0	0	30,268	30,268	A review of expenditure is currently underway.
Tennis Facilities	497,000	0	0	0	Approved by Council 08/09/15 (SD16/15).
Cycle Track Developments	758,500	337,900	337,890	(10)	Approved by Executive 27/07/15 (SD13/15). Budget increased for additional grant and contributions.
Play Area Developments	10,900	0	0	0	External funding carried forward to complete schemes.
Open Space Improvements	42,900	1,800	1,751	(49)	External funding carried forward to complete schemes.
Crindledyke Cycleway (S106)	268,700	34,600	34,591	(9)	Approved by Executive 01/06/15 (LE10/15). Funded by Section 106 monies. Various factors have delayed the project.
Grand Total	2,042,800	791,800	1,028,050	236,250	

CORPORATE SUPPORT & RESOURCES

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
ICT Infrastructure	140,000	40,600	43,098	2,498	Part of ICT Strategy Business Case. Budget carried forward to accommodate contracts and orders placed to upgrade IT infrastructure, network & equipment. Additional £100,000 budget available subject to release by Executive.
Revenues and Benefits ICT Upgrades	45,200	0	0	0	Budget carried forward as part of ICT Strategy.
Grand Total	185,200	40,600	43,098	2,498	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
Public Realm Work	268,200	0	0	0	Budget released by Executive 10/03/14 (ED10/14). Additional budget released by Executive 07/04/15 (ED15/15). Revised Project Plan developed and will be implemented in line with revised timescales.
EA Central Plaza	0	0	1,056	1,056	Implementation of work under the Corporate Director of Economic Development's emergency powers with reference to the Building Act 1984 S78 Dangerous building - emergency measures (OD.104/16).
Public Realm (S106)	64,600	9,400	9,416	16	Approved by Executive 3/9/12 (RD34/12). Funded by Section 106 monies. Tender awarded and work progressing.
Durranhill Industrial Estate	105,400	28,800	28,778	(22)	Approved by Executive 15/01/14 (ED02/14). Revised programme of works approved by Executive 7/04/15 (ED14/15).
Grand Total	438,200	38,200	39,250	1,050	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
Planned Enhancements to Council Property	215,000	43,267	33,537	(9,730)	Individual projects progressing as planned.
Market Hall Roof	460,000	0	0	0	Budget released by Executive 26/09/16 (GD51/16). Negotiations ongoing regarding the Council's contribution towards the works.
Asset Management Plan	203,600	1,000	1,037	37	Budget carried forward in relation to remaining payments from Escrow account & demolition costs.
Kingstown Industrial Estate Roads	9,800	0	0	0	Remaining budget required for additional public realm signage on the estate.
Castle Way (S106)	266,000	23,500	23,532	32	Approved by Executive 11/4/12 (RD01/12). Funded by Section 106 monies. Completion early 2017/18.
Disabled Facilities Grants	2,594,700	534,292	205,258	(329,034)	Mandatory Grants. Increased grant allocation for 2017/18. The position is being closely monitored.
Minor Works Grants	53,200	28,200	28,190	(10)	Budget approved by Executive 04/04/16 (ED09/16).
Grand Total	3,802,300	630,259	291,554	(338,705)	

FLOOD RELATED CAPITAL EXPENDITURE

Scheme	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
	£	£	£	£	
IC Buildings Flood Capital	713,500	713,500	802,605	89,105	Capitalisation of building improvements as a result of the flood.
IC Equipment Flood Capital	0	0	0	0	Capitalisation of equipment purchases as a result of the flood.
Grand Total	713,500	713,500	802,605	89,105	

Report to Business and Transformation Scrutiny Panel

Agenda
Item:
A.5

Meeting Date: 14 September 2017
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: QUARTER 1 PERFORMANCE REPORT 2017/18
Report of: Policy and Communications Manager
Report Number: PC 16-17

Purpose / Summary:

This report contains the 1st quarter performance by exception against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Proposed new Service Standards and Key Performance Indicators (KPIs) are also included.

Recommendations:

1. Consider the performance of the City Council presented in the report with a view to seeking continuous improvement in how the Council delivers its priorities.
2. Consider the new Service Standards and KPIs in the report with a view to providing a more holistic view of the Council's performance.

Tracking

Executive:	25/9/17
Overview and Scrutiny:	Health and Wellbeing Overview & Scrutiny 31/8/17 Economic Growth Overview & Scrutiny 7/9/17 Business and Transformation Overview & Scrutiny 14/9/17
Council:	N/A

1. BACKGROUND

This report contains the 1st quarter performance by exception against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Proposed new Service Standards and Key Performance Indicators (KPIs) are also included.

Service Standards were introduced at the beginning of 2012/13 to provide a standard in service that our customers can expect. The measures are based on timeliness, accuracy and quality of the service. Details of the current standards are in the table in **Section 1**, only the standards relevant to this Panel are included in this report. A set of proposed new Service Standards and Key Performance Indicators (KPI) are presented in **Section 2**.

The Carlisle Plan actions are reported in a new template, designed to provide more detail on the delivery of the actions, only actions within the remit of the Panel are included in this report. The intention is to give the Panel a brief overview of the current position without duplicating the more detailed reporting that takes place within the Overview and Scrutiny agendas and Portfolio Holder reports. The updates against the actions in the Carlisle Plan are presented in **Section 3**.

2. PROPOSALS

1. The existing Service Standards are maintained with new standards being introduced, these will be reported by exception once a baseline and threshold or target has been set.
2. New Key Performance Indicators will be introduced and reported by exception once a baseline and threshold or target has been set.

3. CONSULTATION

The report was reviewed by Directorate Management Teams in August, by the Senior Management Team on 14 August 2017 and has been considered at the other Overview and Scrutiny Panels.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

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

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officers:	Steven O’Keeffe	Ext: 7258
	Gary Oliver	7430

**Appendices
attached to report:
None**

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

- **None**

CORPORATE IMPLICATIONS/RISKS:

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

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

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

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

Section 1: 2017/18 Service Standards

SS04	Average number of days to process new benefits claims
SS05	Percentage of Corporate Complaints dealt with within timescale

Both service standards are performing above target.

Section 2: Service Standards and Key Performance Indicators Review

Background

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT, O&S and JMT. An initial set of four Service Standards were added to in 2015/16 with one additional standard, creating the current set of five Service Standards (two for this Panel):

SS04 Average number of days to process new benefits claims

SS05 Percentage of Corporate Complaints dealt with within timescale

These are currently reported to SMT and by exception at Overview and Scrutiny and Executive.

Purpose

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

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and Budget Resolution are also proposed.

Review

SMT agreed to a review of Service Standards to assist the delivery of service objectives as part of the Performance Management Audit May 2017. This fitted with the requirements of O&S Members at the Performance Management workshops in June. We would recommend that a two-tier approach is maintained.

1. Service Standards are the measures that are judged to be the most influential.
2. A set of Key Performance Indicators, directly linked to service objectives and aligned to measure the success of service plan objectives.

Service Standard Criteria

The following criteria has been applied to a long list of potential measures to create a shortlist of proposed new service standards:

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

Proposed New Service Standards

It is proposed that the following service standards will also be reported at DMTs and SMT and by exception at Overview and Scrutiny and Executive. They will also be published on the Council's website.

The following list is what remains of a longer list following discussions at DMT and other feedback. Once agreed, further work will be needed to refine the definitions and targets.

Code	Name
SS07	We will support local businesses and the local economy by completing non-contentious licence applications within 10 working days (Currently 100%)
SS08	We will support the buying and selling of homes by completing official local authority searches within 10 working days (Currently 85%)
SS10	We will change your personal details in your benefit claim within 10 working days.

Proposed New Key Performance Indicators (KPIs)

The following criteria has been applied to the remaining long list of measures to create a shortlist of potential KPIs:

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

These would be reported at DMTs and SMT and, where appropriate, by exception at Overview and Scrutiny and Executive. Where exceptions are identified, consideration will be given for further work with the Service Manager for improvement actions.

The following list is a short list following discussions at DMT and other feedback. Once agreed, further work will be needed to refine the definitions and set targets, particularly where a response within a set number of working days is the performance indicator ('x' days).

The agreed KPIs will form the basis for service-level performance dashboards, enabling service managers and directors to monitor the delivery of their service plans and provide Members with a more holistic view of the Council's performance.

<u>Code</u>	<u>Name</u>
CS34	Proportion service plans complete
CSR01	Expenditure as a proportion of budget in period
CSR02a	Proportion of national invoices paid within 30 working days
CSR02b	Proportion of local invoices paid within 10 working days
CSR03	Customer satisfaction (web survey and topped up with Focus survey and other surveys)
CSR04	Proportion of customer transactions completed on-line
CSR05	Working days lost to sickness absence per Full-Time Equivalent (FTE)
CSR06	Proportion of return to work interviews completed in five working days
CSR07	Proportion staff appraisals completed
CSR08	ICT measures - to be confirmed
CSR09	Proportion Council Tax collected
CSR10	Proportion NNDR collected
CSR11	Approval of a balanced budget by an agreed date
CSR12	Accounts signed off within statutory deadlines
CSR13	Debt recovery (sundry debtors) – measure to be refined
CSR14	Proportion of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year
CSR15	Proportion of audit scopes agreed with management and issues before commencement of the audit fieldwork
CSR16	Proportion of draft internal reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client.
CSR17	Proportion of final internal audit reports issued for Corporate Director comments within 8 working days of management response or closeout
CSR18	Proportion of recommendations accepted by management
CSR19	Proportion of individual reviews completed to required standard within target days (Internal Audit)
CSR20	Proportion of Quality Assurance checks completed by Internal Audit

CSR21	Proportion of customer satisfaction surveys scoring the Internal Audit service as "good"
CSR22	Proportion chargeable time (Internal Audit)
GRS01	Number of accidents/incidents per FTE
GRS02	Number of RIDDORS per FTE
GRS03	Proportion safety audits completed on time
GRS04	We will support businesses and the local economy by deciding on contested licence applications within 50 working days (Currently determining 95% of contested applications)
GRS09	Asset Investment – measure(s) to be confirmed

Section 3: Carlisle Plan Nov 16 – Mar 18 Delivery [BTOSP Actions]

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

OUTCOME	<u>12. Develop and deliver the proposed new leisure contract to improve facilities at The Sands Centre in line with the City Sports Facilities Development Plan and enhance the leisure services across the city.</u>
SMT OWNER	Darren Crossley
O+S Panel	BTSP / HWSP
Specific – What is the task	<ol style="list-style-type: none"> 1. To retender and award a new leisure contract and significantly reduced subsidy. 2. Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. 3. Complete works on cycle track and open the facility. 4. Complete works on Tennis Canopy and open the facility.
Measurable – What are the standards and or parameters?	<ol style="list-style-type: none"> 1. The award of a new contract. 2. Executive approval for outline designs and consent (inc budgetary provision) to develop detailed design and works. 3. An operational track by October 2017. 4. Canopy covered courts by Spring 2018.
Achievable – Is it feasible?	<ol style="list-style-type: none"> 1. Work is underway to complete a competitive tender exercise with support from specialist advisors. 2. Sufficient budget and permission has been secured to appoint a design team to take the project to the end of outline design. 3. Works are underway and are being project managed by the team.

	4. Support in place from the LTA and a clear scheme identified, subject to planning permission the canopy can be delivered.
Realistic – Resources available	<ul style="list-style-type: none"> 1. The project is on schedule and has adequate financial resource to be completed. 2. The project is on schedule and has adequate financial resource to be completed. 3. The project is on schedule and has adequate financial resource to be completed. 4. Sufficient budgetary provision has been made via grant funding from the LTA and the city council's capital programme.
Time Bound – Start/end dates	<ul style="list-style-type: none"> 1. By 1/12/17 2. By 1/12/17 3. By 1/10/17 4. By 1/2/18
Progress in Quarter 1 2017/18 against project plan / key milestones achieved	Final submissions have been submitted and evaluated. A preferred bidder has been identified. The project is on track to deliver its objectives.
Emerging issues / risks to the project	None.

Report to Business and Transformation Scrutiny Panel

Agenda Item:
A.6

Meeting Date: 14th September 2017
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.21/17
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Bitts Park – Flood Reinstatement
Report of: The Corporate Director of Governance and Regulatory Services
Report Number: GD.54/17

Purpose / Summary:

The Purpose of this report is to outline proposals for the reinstatement of flood affected assets in Bitts Park.

The Panel is invited to consider the proposals, and provide observations and comments on the report for consideration by the Executive at its meeting on 25 September 2017.

Recommendations:

The Panel note the proposals and consider and provide any observations and comments for consideration by the Executive in order to inform the way forward.

Tracking

Executive:	25 September 2017
Scrutiny:	14 September 2017
Council:	

1. BACKGROUND

In December 2015, Storm Desmond caused wide spread damage across Carlisle, Cumbria and other parts of the North West. Bitts Park suffered extensive flooding with the Council's buildings (Pavilion, public toilets and depot) all suffering significant damage.

Working closely with WYG (commissioned for all flood recovery projects) officers reviewed all flood affected assets in the park and it quickly became apparent that the Pavilion was beyond repair. Substantial damage was also sustained to the depot and public toilets. With the park keepers lodge, vacant at the time of the floods, escaping with only minor flooding to the basement areas.

It became clear that the destruction caused by Storm Desmond presented an opportunity to redevelop the park facilities to provide an enhanced offer. Consultations with service users allowed the plans and proposals presented below to be developed.

2. PROPOSALS

2.1 Bitts Pavilion:

A location was sought for a replacement pavilion. Initially replacing the building on the existing site was considered, however the low-lying nature of the site meant that flood resilience would be virtually impossible.

Consideration then turned to the former lodge, the building sits in an elevated location within the flood defences constructed following the 2005 floods and is now unsuitable for residential occupation. However, as the building suffered only minor flooding to the basement during the 2015 floods, the lodge offers significant resilience advantages over the current pavilion location. The building is also an important feature within the park and its retention is seen as important.

Working closely with our service users we looked at what facilities were desired in the park. The former pavilion provided very limited catering options, the coffee culture prevalent in all city centres is now observed in parks across the country and we felt that an enhanced café facility could be an attractive addition to the park facilities. The public toilet provision in the park was poor with many incidents of vandalism and anti-social behaviour.

Having considered the location and user requirements, plans were then devised to redevelop the former lodge into a new pavilion facility. A new single storey addition would be built to the rear of the existing lodge and would encompass an enhanced café area with decked area overlooking the park, together with an integrated toilet facility within the building which would effectively be self-policed and only open when the facility was open, thus reducing the risk of anti-social behaviour.

The new pavilion would also deal with all bookings for the tennis courts and provide basic changing rooms with back office accommodation and storage at first floor level. The single storey extension has been kept to the rear of the building to preserve the appearance of the lodge from the front and extensive glazing has been used to allow visitors to view the park from the café area. Flood resilience measures would be incorporated into the design to minimise the risk of future flooding. Shutters would be included within the structure to secure the building when closed to reduce the risk of vandalism. Plans and visuals of the proposed layouts are contained in appendix 1.

The redundant buildings (toilets and former pavilion) would be demolished as part of the proposals.

2.2 Depot:

Use of the depot has changed over the years and is now restricted to that of a depot facility. A basic reinstatement of the ground floor of the depot is proposed to reflect the current use of the facility.

2.3 Timescales

It is anticipated that all works would be complete by late Spring 2018. This is of course subject to the decision-making timetable identified at the beginning of this report and a successful tender process.

2.5 Financing proposals

Following the significant flooding event in December 2015, all re-instatement work to assets affected by flood has followed a traditional route whereby the City Council's Loss Adjuster and Insurer have been fully involved in the scoping and pricing schedules leading up to the tendering and awarding of contracts. They remain involved during the re-instatement work to deal with any unexpected issues which may not have been included in the original scope so that any additional costs can form part of the insurance claim negotiations.

This route is used when re-instatement work is 'like for like'; however, given that this was the second time Bitts Park has been affected by flood waters in 10 years, it was the opinion of officers that the buildings affected should not be fully re-instated as previously and that the alternative reinstatement proposals represent an opportunity to not only make the facilities more flood resilient but also improve and enhance the offer within the Park.

From an Insurance Risk perspective, the Council's Insurers were keen to ensure that any work undertaken was resilient to mitigate the impact of any future flooding; nor did they deem a like for like re-instatement work programme as being a sensible option. Notwithstanding the potential for future flood risk; the increased cost of Insurance Premiums, increased excesses for flood perils, and the potential for any insurance cover to be declined, are other factors which make a like for like re-instatement unrealistic.

Our insurers have undertaken Risk and Resilience reviews on several assets affected by Storm Desmond, and their recommendations and the Council's response to the recommendations had, and will continue to have, a significant impact on the Insurance terms offered.

For the reasons stated above, discussions commenced with the Loss Adjuster and Insurer to consider the potential for a cash settlement; this would provide funding so that the Bitts Park facilities need not be re-instated on a like for like basis and would afford more flexibility in terms of how the assets could operate in future. A cash settlement, in effect, means that, once and if agreed, the Insurer would pay over a cash sum and then would not have any further involvement. The Council would be free to re-instate how it sees fits and the funds could be used without any constraints from the Insurer.

Conversely and more importantly, all risk would then lie with the Council and should any unexpected and unforeseen works be required, the associated costs would need to be funded from efficiency savings identified through value engineering elsewhere in the works programme or, as a last resort, from Council reserves.

Following detailed consideration of the risks involved, negotiations commenced between Senior Managers of the Council, representatives from WYG, Marsh FACS and of course the Loss Adjuster and a representative from the Council's Insurers.

A cash figure of £670,741 has been offered from the Insurers in 'full satisfaction and discharge of all claims for property loss or damage occasioned by flood which

occurred Saturday 5th December 2015'. This sum is to cover all costs incurred to date on clearing out, and subsequent re-instatement cost required in making the facilities operational (this sum includes for play equipment, water feature, contents, fixtures and fittings and loss of income).

An 'in principle' decision has been made to accept the offered cash settlement, although this has still to be agreed formally and an Officer Decision Notice will be prepared by the Chief Finance Officer in accordance with the Leader's scheme of delegation 'to deal with all aspects of insurance including acceptance of tenders relating thereto and the settlement of any claims not dealt with by Officers'.

Should the proposals outlined in this report be agreed, the scheme for Bitts Park would be market tested following a detailed specification drawn up by WYG. Should tenders be received in excess of the available budget a value engineering exercise would then be undertaken to ensure costs remained within the budgetary provision. Likewise, any 'surplus' over the available budget/cash settlement can be utilised on other flood re-instatement work at other sites

3. NEXT STEPS

Subject to member approval of the proposals the next steps will be:

- Finalise feasibility and design work
- Undertake a tender process
- Stakeholder consultation to ensure all key design considerations are taken into consideration
- Resolve any planning matters

Following these further reports will be placed before Members to gain the necessary approvals.

4. CONSULTATION

Internally via the Council's corporate structures and processes.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The December 2015 floods have created an opportunity to enhance the facilities in Bitts Park. The proposals also offer opportunities to create additional revenue streams for the City Council.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The proposals would improve the attractiveness of Bitts Park and encourage greater use of the facilities improving the health and wellbeing of residents.

The generation of additional income may help with the provision and support of front line services.

Contact Officer: Mark Walshe

Ext: 7427

**Appendices Appendix A - Concept designs and floor plans
attached to report:**

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

- **None**

CORPORATE IMPLICATIONS/RISKS:

Community Services -

Corporate Support and Resources – Included within the body of the report.

Economic Development –

Governance and Regulatory Services – The Council, in accordance with its fiduciary duty, must manage its resources, of which the Bitts Park facilities are one, so as to best deliver its services.

Appendix A: Concept designs and floor plans



Front elevation



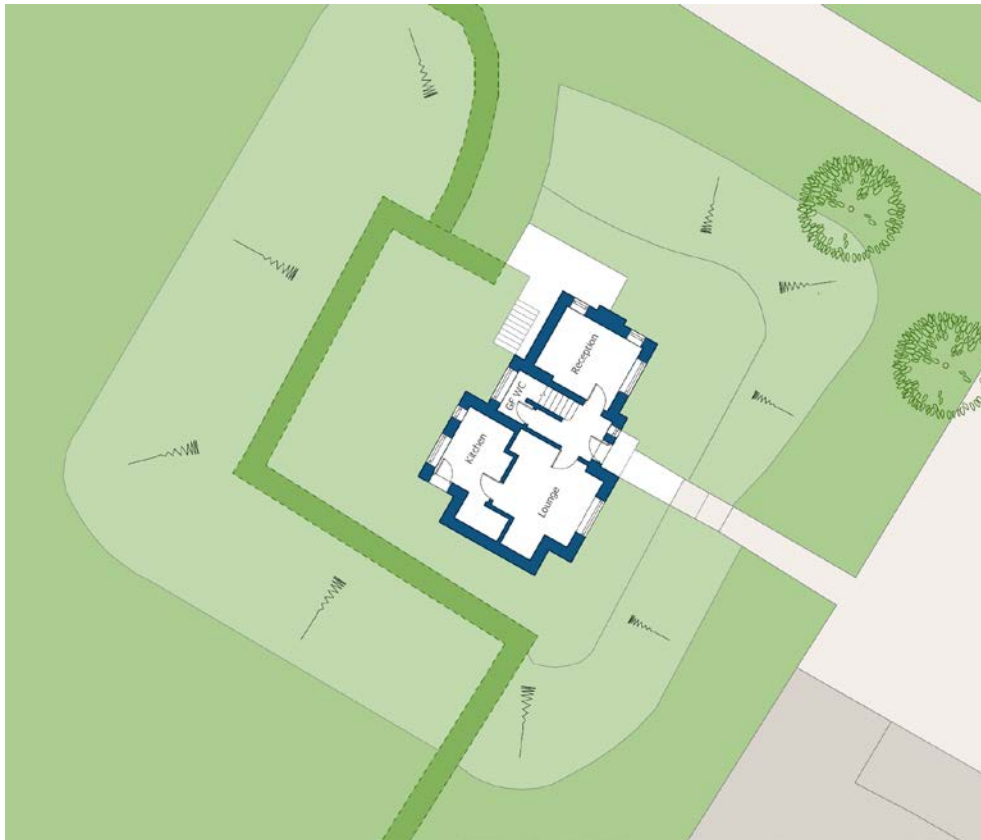
Side elevation showing new extension



Steps to new facility



Interior of new café area



Existing layout



Proposed layout

