

Business & Transformation Scrutiny Panel

Agenda

Tuesday, 03 December 2019 AT 16:00

In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

****A preparatory meeting for Members will be held at 3.30pm 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 Scrutiny Panel

Councillor Bainbridge (Chairman) , Councillors Alcroft, Allison, Mrs Birks (Vice Chairman), McNulty, Mitchelson, Paton, Robson

Substitutes:

Councillors Mrs Atkinson, Mrs Bowman, Mrs Bradley, Mrs Brown, Collier, Ms Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, Mrs McKerrell, Meller, Morton, Patrick, Robinson, Rodgerson, Shepherd, Miss Sherriff, Southward, Tarbitt, Dr Tickner

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 previous meetings

To note that Council, on the 5 November 2019, received and adopted the minutes of the meetings held on 22 August 2019 and 3 October 2019.

The Minutes will be signed by the Chairman. Minute Book Volume 46(3).

A.1 CALL-IN OF DECISIONS

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

A.2 OVERVIEW REPORT

9 - 16

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Rowan Jones, Overview and Scrutiny Officer

Report: OS.29/19 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 2019/20 municipal year. 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 BUDGET 2019/20

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Members are reminded that the Budget Book was circulated to all Councillors on 8 November 2019 and are asked to bring it to the meeting. The Executive Decisions from 18 November 2019 will follow.

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

To receive the views of the Health and Wellbeing Scrutiny Panel and the Economic Growth Scrutiny Panel on the service implications of the Budget reports.

(Copy Minutes of 21 November 2019 and 28 November 2019 to follow)

Revenue Budget Reports:**(b) Budget Update - Revenue Estimates 2020/21 to 2024/25**

Report: RD.29/19 Pages 1 - 30

Officer: Alison Taylor, Corporate Director of Finance and Resources

Background:

To consider and comment on the summary of the Council's revised revenue base estimates for 2019/20, together with base estimates for 2020/21 and forecasts up to 2024/25 for illustrative purposes.

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

Government Settlement Funding Assessment	4.1 Page 4
Retained Business Rates and Council Tax	4.2 Page 4
Pension Fund Triennial Revaluation	4.3 Page 5
Pay Award 2020/21	4.4 Page 5
Resources Assumptions	4.5 Page 5

- Business Interaction Centre - rental income
- Lanes rental income
- Rental income from other properties
- Land Charges income
- Market Hall income
- Carlisle Southern Relief Road developer contributions
- Income from advertising
- Car park income
- Gateway 44

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

Business Rates Pooling 6.4.1 Page 8

Rural Services Delivery Grant 6.4.2 Page 8

New Homes Bonus 6.4.3 Page 9

Base Budget Review 6.5 Page 9

(c) Individual Charges Reviews -

Background:

To consider and comment upon individual charges review reports as follows:

Community Services:

Report: CS.25/19 Pages 31 - 58

Officer: Darren Crossley, Deputy Chief Executive

Economic Development:

Report: ED.36/19 Pages 59 - 68

Officer: Jane Meek, Corporate Director of Economic Development

Governance and Regulatory Services:

Report: GD.46/19 Pages 69 - 104

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

Licensing:

Report: GD.64/19 Pages 105 - 122

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

(d) Revised Capital Programme 2019/20 and Provisional Capital Programme 2020/21 to 2024/25

Report: RD.30/19 Pages 123 - 132

Officer: Alison Taylor, Corporate Director of Finance and Resources

Background:

To consider and comment on the revised capital programme for 2019/20, together with the proposed method of financing and the proposed programme for 2020/21 to 2024/25 in light of the new capital proposals identified, and the estimated capital resources to fund the programme.

(e) Corporate Assets - Capital Programme 2020/21 and a 3 Year Repair and Maintenance Programme 2020/21 to 2022/23

Report: GD.62/19 Pages 133 - 138

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

Background:

To consider and comment on the repair and maintenance programme budget proposals for the Council's corporate operational property assets for the three year period 2020/21 to 2022/23 together with an update on building maintenance.

(f) Treasury Management Quarter 2 2019/20 and Forecasts for 2020/21 to 2024/25

Report: RD.31/19 Pages 139 - 152

Officer: Alison Taylor, Corporate Director of Finance and Resources

Background:

To receive the regular quarterly report on Treasury Transactions and the City Council's Treasury Management estimates for 2020/21 with projections to 2024/25.

(g) Local Taxation 2020/21 - 2024/25

Report: RD.32/19 Pages 153 - 160

Officer: Alison Taylor, Corporate Director of Finance and Resources

Background:

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

Why are these items on the agenda?

Annual scrutiny as part of the budget process.

What is the Panel being asked to do?

Scrutinise the reports and provide feedback to the Executive.

A.4 REVENUE BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO SEPTEMBER 2019 17 - 40

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.33/19 herewith

Background:

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's General Fund revenue budgetary position for the period April to September 2019 which was considered by the Executive on 18 November 2019.

Why is this item on the agenda?

Budget monitoring report.

What is the Panel being asked to do?

To scrutinise the overall budgetary position for the period April to September 2019.

A.5 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO SEPTEMBER 2019 41 - 58

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.34/19

Background:

The Corporate Director of Finance and Resources to submit an overview of the budgetary position of the City Council's capital programme for the period April to September 2019 which was considered by the Executive on 18 November 2019.

Why is this item on the agenda?

Budget monitoring report.

What is the Panel being asked to do?

To scrutinise the overall budgetary position for the period April to September 2019.

A.6 EXTERNAL AUDIT FINDINGS FOR CARLISLE CITY COUNCIL 2018.19 59 - 64

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.42/19 and Minute Excerpt herewith

Background:

The Corporate Director of Finance and Resources to submit the Action Plan from the External Audit Report for the year end 31 March 2019.

Why is this item on the agenda?

The Audit Committee, at their meeting on 30 July 2019, referred the Action Plan to the Business and Transformation Scrutiny Panel to inform their scrutiny of the Medium Term Financial Plan and Capital Programme.

What is the Panel being asked to do?

To consider the Action Plan as part of the scrutiny of the Medium Term Financial Plan and Capital Programme.

Portfolio:	Finance, Governance and Resources
Directorate:	Community Services
Officer:	Gary Oliver, Policy and Performance Officer
Report:	PC.17/19 herewith

Background:

The Policy and Communications Manager to submit 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'.

Why is this item on the agenda?

Quarterly performance monitoring report.

What is the Panel being asked to do?

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.

PART B
To be considered in Private

- NIL -

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer, (01228) 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: 03 December 2019
Portfolio: Cross-cutting
Key Decision: No
Within Policy and Budget Framework
Private/Public Public

Title: Overview Report
Report of: Overview and Scrutiny Officer
Report Number: OS.29/19

Purpose / Summary:

This report provides an overview of matters related to the 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
- Review the current work programme and resolutions and make recommendations for the future work programme

Tracking

Executive:	Not applicable
Scrutiny:	BTSP 03/12/19
Council:	Not applicable

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 15/11/19. This was circulated to all Members. The following items fall within the remit of this Panel:

Items which are included in the Panel's Work Programme:

- Budget Process 2020/21 – 2024/25

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

- None

2. References from Executive

2.1 None

3. Progress on resolutions from previous meetings

3.1 The following table sets out the meeting date and resolution that requires following up. The status is presented as either “completed”, “pending” (date expected), or “outstanding”. An item is considered outstanding if no update or progress has been made after three panel meetings. All the completed actions will be removed from the list following the meeting.

	Meeting date	Minute reference	Action	Status
1	06/06/19	BTSP 49/19	That a monitoring report which included a range of Key Performance Indicators on the redevelopment project be submitted to the Panel on a quarterly basis should the project be approved on 25 June 2019;	Pending To be included in the Corporate Projects Report – March 2020
2	22/08/19	BTSP 69/19	2) That Corporate Director of Finance and Resources provide the Panel with written responses: <ul style="list-style-type: none">- from the Property Services Manager detailing the impact on the rental income in the Chancerygate contract and the budget following the loss of the appeal for the rental review;- from the Homelessness Prevention and Accommodation Manager detailing the reasons for the shortfall	Complete Complete

			<p>in Homeless Accommodation income;</p> <ul style="list-style-type: none"> - from the Neighbourhood Services Manager detailing the reasons for the shortfall in car parking income. 	Complete
3	22/08/19	BTSP 70/19	2) That the Capital Programme – Risk Assessment be updated as detailed above.	Complete (Page 232 Budget Book)
4	22/08/19	BTSP 71/19	<p>2) That the Procurement and Commissioning Strategy 2019-2021 be amended as follows:</p> <ul style="list-style-type: none"> - That the Clean Air Act 1993 be included in the list of legislation which the Strategy complied with; - Section 6.1 – ‘carbon dioxide emissions’ be changed to ‘carbon emissions and dioxins’; - That the Council’s approach to ethical procurement and the STEEPLE Analysis tool was included in the Strategy 	Accepted by Executive 16/09/19
5	22/08/19	BTSP 71/19	3) That the Procurement Team provide the Panel with further information regarding areas of procurement where the Council finds it difficult to appoint local suppliers and contractors.	Complete
6	22/08/19	BTSP 72/19	2) That a Key Performance Indicator which monitors and measures the response to the Climate Emergency be developed for inclusion in future Performance Reports	Pending
7	22/08/19	BTSP 72/19	<p>3) That the Policy and Performance Officer seek written responses for circulation to the Panel as follows:</p> <ul style="list-style-type: none"> - An update on the redevelopment of the Sands Centre from the Deputy Chief Executive; - Information on the provision of funding for the City Centre Masterplan from the Corporate Director of Economic Development - Information on the breakdown of the number of emails fully answered by Customer Services, the number of holding responses and the number of emails passed on to be dealt with by other teams. 	Complete

8	03/10/19	BTSP 78/19	2) That the Borderlands Collaboration Agreement report be circulated to Panel Members for their information.	Complete
9	03/10/19	BTSP 78/19	3) That the Town Clerk and Chief Executive undertake to receive a written response from GLL within two weeks of this meeting with regard to resolution BTSP.49/19 "That further information on GLL's outreach programme be circulated to Members".	Complete

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The overview and scrutiny of the Carlisle Plan items that match the panel remit contribute to ongoing policy development.

Contact Officer: Rowan Jones

Ext: 7257

**Appendices
attached to report:**

1. Scrutiny Panel Work Programme 2019/20
2. Expert from the Minutes of the Executive 16/09/2019

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:

LEGAL -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE –

APPENDIX 1: Scrutiny Panel Work Programme 2019-20

Title	Lead Officer	Meeting Date
End of Year Performance Report	Gary Oliver	30/05/2019
Outturn Reports	Steven Tickner	30/05/2019
Sickness Absence	Sue Kaveney	30/05/2019
Medium Term Financial Plan and Capital Strategy	Alison Taylor	25/07/2019
Asset Management Plan	Mark Walshe	25/07/2019
Corporate Risk Register	Darren Crossley	25/07/2019
Corporate projects	Jason Gooding	25/07/2019
Budget monitoring	Steven Tickner	22/08/2019
Draft Procurement Strategy	Steven Tickner	22/08/2019
Performance Report	Gary Oliver	22/08/2019
Customer Services Update	Matthew Ward	03/10/2019
Budget monitoring	Steven Tickner	03/12/2019
Budget setting	Alison Taylor	03/12/2019
External Audit Findings Report – Action Plan	Alison Taylor	03/12/2019
Performance Report	Gary Oliver	03/12/2019
Budget setting	Alison Taylor	02/01/2020
Performance Report	Gary Oliver	13/02/2020
Sickness Absence	Sue Kaveney	13/02/2019
Budget monitoring	Steven Tickner	26/03/2020
Corporate Risk Register	Darren Crossley	26/03/2020
Corporate projects	Jason Gooding	26/03/2020
Scrutiny Annual Report	Rowan Jones	26/03/2020
Asset Management Plan – performance update	Mark Walshe/ Mark Lambert	TBC
Update on how City Council is supporting Brexit preparations	Jane Meek	TBC

**EXCERPT FROM THE MINUTES OF THE
EXECUTIVE
HELD ON 16 SEPTEMBER 2019**

EX.77/19 PROCUREMENT AND COMMISSIONING STRATEGY 2019 - 2021
(Key Decision – KD.17/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.23/19 outlining the updated Procurement and Commissioning Strategy covering the period 2019 – 2021.

The report recorded that the Procurement and Commissioning Strategy, which had been updated to reflect the current position and activity to be undertaken in 2019-2021, detailed how the Council would operate its procurement function and conformed with the required legislation. The aim of the Procurement and Commissioning Strategy was to set a clear framework for activity throughout the authority, which reflected the Council's Corporate Plan and complimented the Council's Constitution and Contracts Procedure Rules.

Effective procurement and commissioning would support the key strategies and goals of the Council and help deliver corporate priorities. They would be used as a lever to support the efficiency agenda and the wider council objectives such as equal opportunities, sustainability, the environment and local economic regeneration.

The Deputy Leader informed Members that the Procurement and Commissioning Strategy had been last updated in 2017. The main change to the updated version concerned recognition of the Council's responsibilities in terms of climate change and environmental sustainability in order to reduce its carbon footprint, and that be fully considered when undertaking procurement activities where it was appropriate to do so.

The Business and Transformation Scrutiny Panel had scrutinised the matter on 22 August 2019 (Minute BTSP.70/19), and resolved:

“1) That the Procurement and Commissioning Strategy 2019-2021 (RD.23/19) be welcomed.

2) That the Procurement and Commissioning Strategy 2019-2021 be amended as follows:

- That the Clean Air Act 1993 be included in the list of legislation which the Strategy complied with;
- Section 6.1 – ‘carbon dioxide emissions’ be changed to ‘carbon emissions and dioxins’;
- That the Council’s approach to ethical procurement and the STEEPLE Analysis tool was included in the Strategy

3) That the Procurement Team provide the Panel with further information regarding areas of procurement where the Council finds it difficult to appoint local suppliers and contractors.”

The Chairman of the Business and Transformation Scrutiny Panel indicated that the Panel was generally receptive, subject to the above-mentioned recommendations.

In response, the Deputy Leader moved that the Executive accept the recommendations made by the Business and Transformation Scrutiny Panel and approve the Procurement Strategy for 2019-2021.

Summary of options rejected that the Procurement Strategy be not approved

DECISION

That, having considered and accepted the resolution and comments made by the Business and Transformation Scrutiny Panel, the Executive approved the Procurement Strategy for 2019 – 2021.

Reasons for Decision

Effective procurement would enable the Council to achieve its priorities in relation to the Carlisle Plan

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.4

Meeting Date: 3 December 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO SEPTEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 33/19

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to September 2019 which was considered by the Executive on 18 November 2019.

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 scrutinise the overall budgetary position for the period April to September 2019.

Tracking

Executive:	18 November 2019
Scrutiny:	3 December 2019
Council:	7 January 2020

Report to Executive

Agenda
Item:

Meeting Date: 18 November 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO SEPTEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 33/19

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to September 2019 for revenue schemes only. The revenue report includes details of balance sheet management issues, bad debts written off in the period and progress against the transformation savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2019;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Make recommendations to Council to approve a virement of £734,100 from Business Rates Retention as a contribution towards Transformation Savings.

Tracking

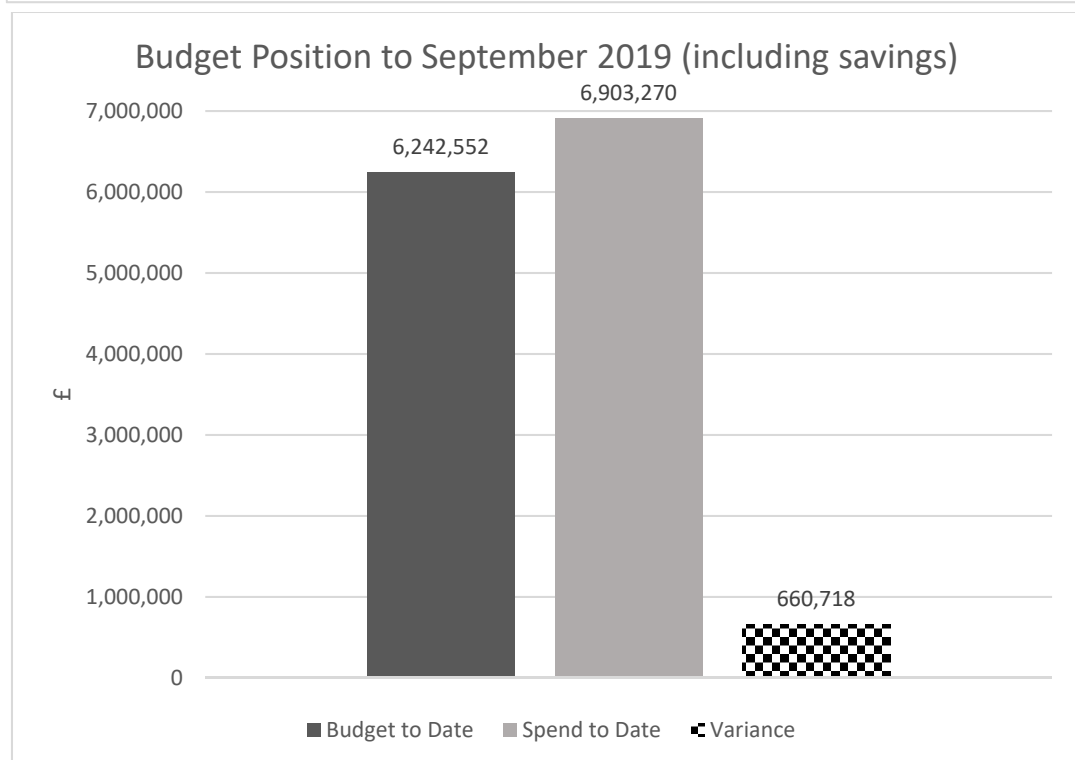
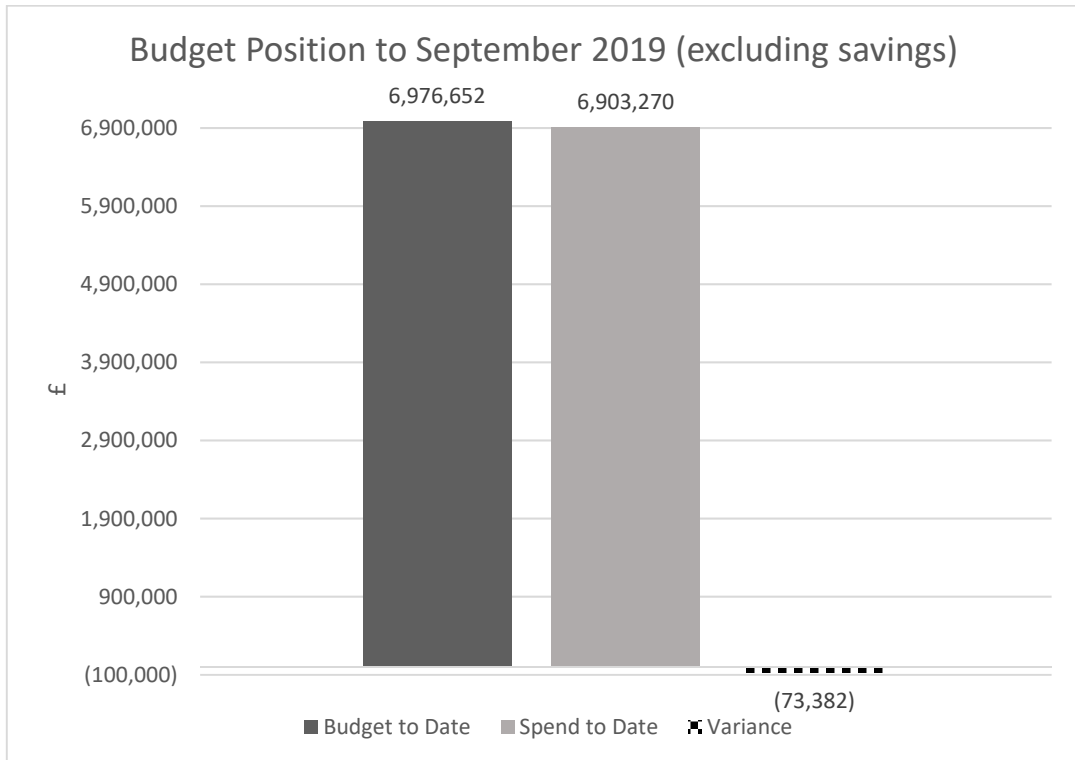
Executive:	18 November 2019
Scrutiny:	3 December 2019
Council:	7 January 2020

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources 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 Corporate Director of Finance and Resources.
- 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 shortfall in income.

2. 2019/20 REVENUE BUDGET MONITORING

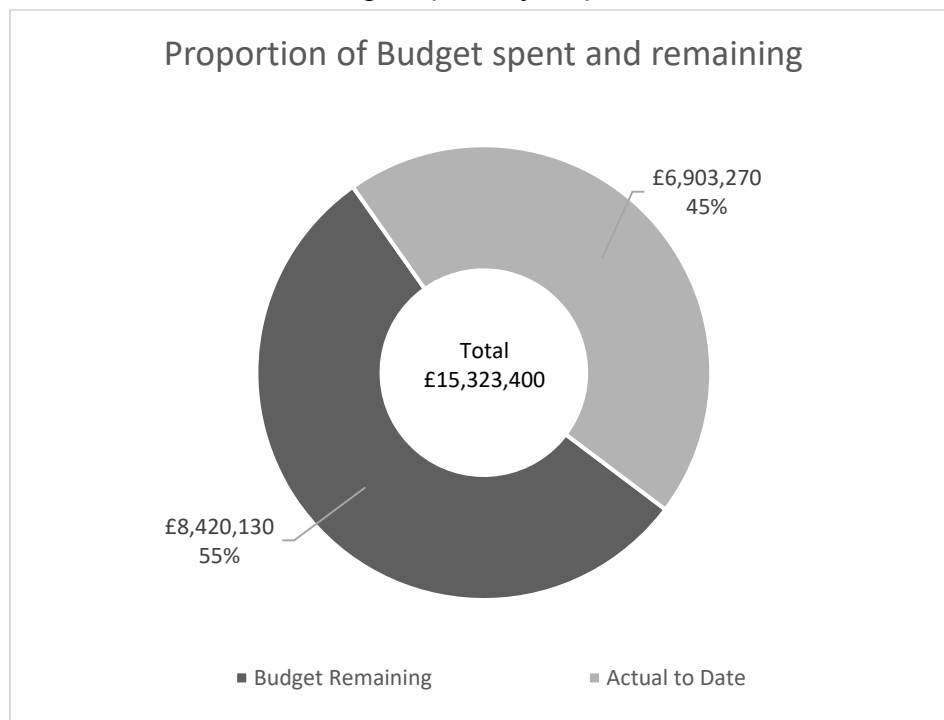
2.1 The budget position of the Council as at September 2019 is presented below:



2.2 The summarised revenue budgetary position as at September 2019 is shown below:

		Original Budget £	Updated Budget £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	8,523,900	10,147,800	4,023,930	4,116,477	92,547
Corporate Support	B2	3,081,500	1,596,200	433,645	368,434	(65,211)
Economic Development	B3	977,600	1,575,400	627,018	821,113	194,095
Finance and Resources	B4	3,331,200	1,683,600	666,048	340,227	(325,821)
Governance & Regulatory Services	B5	536,600	1,018,900	631,862	889,483	257,621
Corporate Management	B6	(2,095,700)	(698,500)	594,149	367,536	(226,613)
Service Expenditure		14,355,100	15,323,400	6,976,652	6,903,270	(73,382)
Transformation & Base Budget Savings		(734,100)	(734,100)	(734,100)	0	734,100
Service Expenditure		13,621,000	14,589,300	6,242,552	6,903,270	660,718
Parish Precepts		637,600	637,600	637,600	637,394	(206)
Total		14,258,600	15,226,900	6,880,152	7,540,664	660,512
Transfers to/(from) Reserves						
Transformation Reserve		(152,100)	(152,100)			
Welfare Reform Reserve		(200,000)	(200,000)			
Asset Investment Reserve		(47,600)	(47,600)			
Revenues and Benefits Reserve		(338,400)	(338,400)			
Building Control Reserve		0	(36,900)			
Cremator Replacement Reserve		0	44,800			
Carry Forward Reserve		47,600	18,800			
Revenue Grants Reserve		0	(274,500)			
General Fund Reserve		(558,600)	(965,300)			
Planning Services Reserve		0	37,700			
GLL Reserve		0	(273,000)			
Flood Reserve		0	(30,900)			
Total Transfer to/(from) Reserves		(1,249,100)	(2,217,400)	(375,402)	(3,450)	371,952
Financed by:						
Precept from Collection Fund		(7,870,700)	(7,870,700)	(3,935,350)	(3,935,362)	(12)
Business Rate Retention		(5,138,800)	(5,138,800)	(2,569,400)	(3,601,852)	(1,032,452)
Total Grants		(13,009,500)	(13,009,500)	(6,504,750)	(7,537,214)	(1,032,464)
Total		(14,258,600)	(15,226,900)	(6,880,152)	(7,540,664)	(660,512)

2.3 The amount of the overall budget spent by September is as follows:



2.4 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised in the table below.

Budget Area		Underspend £	Overspend £
Recycling & Waste Management Savings	B1	0	25,500
Recycling & Waste Management Income	B1	0	76,091
Bereavement Services	B1	(34,917)	0
Special Events	B1	0	39,980
Car Parking Income	B1	0	60,162
Revenues and Benefits	B2	(79,214)	0
Business Interaction Centre	B3	0	55,251
Development Control Fee Income	B3	0	182,419
Building Control Income	B3	(39,807)	0
Loan Interest (including new borrowing)	B4	(284,919)	0
Investment Interest	B4	0	42,953
Insurance Premiums	B4	(76,334)	0
Legal Services	B5	0	47,000
Homeless Accommodation	B5	0	103,081
Lanes Rent	B5	0	162,897
Other Rental Properties Income	B5	0	40,234
Chancerygate	B5	0	20,429
Regulatory Services	B5	(136,728)	0
Salary Turnover Savings	B6	(202,782)	0

2.5 Some of the **significant** service expenditure and income variances are set out below:

- A shortfall in Waste Services towards the savings required from revenue to fund the capital costs of replacement vehicles. This will be accommodated from within existing base budgets.
- A shortfall from income from the sale of recyclates due to a fall in the price of plastic.
- A net underspend in Bereavement Services due to increased cremation fee income received.
- A shortfall in Special Events income from lamp post and digital banner advertising. The income targets are currently unachievable, and a budget pressure has been highlighted as part of the 2020/21 budget process.
- A shortfall in car parking income from tickets, permits and penalty charge notices. The reduction in income across our car parks is being analysed year on year and month by month to understand the reasons behind the reduction in income to identify any actions that may be needed to mitigate any pressures on income by year-end.
- A net underspend in Revenues and Benefits due to underspends on printing costs and legal fees and additional government grants received.
- A net overspend at the Business Interaction Centre due to a shortfall in income and there being no budgets identified to fund the monthly running costs.
- A shortfall from Development Control fee income due to slower progression on new sites and construction slowing down. Income in the first half of 2019/20 is lower than the income in the first half of 2018/19. The position is being closely monitored.
- Surplus income from fees and charges in Building Control.
- A saving from interest on borrowing due to the level and rate of new borrowing arrangements entered into and the date the new arrangements commenced.
- A shortfall in investment interest. It is expected this position will improve during the remainder of the financial year as the monies received from the new borrowing will be invested until they are required to fund the expenditure on capital projects.
- Underspend relating to reduced insurance premiums as a result of the retender exercise.
- An overspend on Legal Services employee costs and a shortfall from Land Charges fee income.
- An overspend of £49,754 on expenditure on Homeless Accommodation mainly relating to a shortfall in savings required to offset the loss of the supporting people funding. Also, a shortfall in income of £53,327 due to some units being vacant for refurbishment.

- A shortfall in Lanes rental to date. Anticipated shortfall at year end is expected to be around £325,000 due to current market conditions as there remains great uncertainty in the high street with few active enquiries and where any new lettings are agreed, these are often on short-term flexible agreements that do not produce significant and certain rental receipts.
- Shortfall in rental income from Other Properties mainly from vacant properties that are being considered for disposal. Further pressures are expected due to vacant units and downward rent review, which will need to be carefully monitored during the year.
- An overspend on expenditure relating to the Chancerygate contract. Recurring budgets will be established from upward rent reviews and any remaining overspend at the year end will be funded from balances held within the Revenue Carry Forward Reserve.
- A net underspend in Regulatory Services due to increased levels of Licence fee income, HMO registration fee income and Home Improvement fee income. Civil Penalties income has also been received and is intended to be utilised in part to enhance the stock condition survey.
- Additional salary turnover savings achieved against the budget.

2.6 A subjective analysis of the summarised budgetary position excluding flood related items as at September is shown in **Appendix C**.

2.7 The following table shows the position as at September 2019 of savings achieved against the transformation savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2016/17	23,000	0	23,000
Previous Year Target	706,300	44,000	662,300
Net Recurring Position	729,300	44,000	685,300
Base Budget Review	107,800	59,000	48,800
Net Recurring position 2019/20	837,100	103,000	734,100
To be found from 2020/21 onwards	400,000	4,500	395,500
Total Net Recurring position 2020/21	1,237,100	107,500	1,129,600

2.8 Based upon current projections, and as discussed further in this report at paragraph 4.3, the Council is expecting to benefit from Business Rate growth from being part of the Cumbria Business Rates Pool. The position for quarter 2 2019/20 is estimated to be £1,032,452 greater than the budgeted figure however, this is still

subject to variability from pooling contributions and the performance of the other partners in the Cumbria Pool. There is also variability in the amount of reliefs that are granted that affect the amount of reimbursement from central government. A clearer picture of the projections for retained rating income will be known further into the year. It is proposed that any over achievement of retained rating income should be vired to offset the outstanding savings required for 2019/20 (£734,100).

- 2.9 The recurring savings target will continue to be monitored closely during the year with a zero-base budget exercise, as part of the overall Savings Strategy, commencing during 2019/20 to fundamentally review all base budgets; however, there may be a potential requirement to temporarily utilise reserves in the short term.

3. FORECAST OUTTURN POSITION 2019/20

- 3.1 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, and property rentals especially in relation to the retail sector.
 - 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.
 - The impact of any delay to the Spending Review, the Fair Funding Review and Business Rates Retention Review.
- 3.2 The Council's financial position will continue to be closely monitored and likely year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.
- 3.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2020/21 budget process if the position is deemed to be recurring in nature.

4. FUNDING

- 4.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget.

- 4.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 4.3 The current estimates of Business Rates income for the quarter to the end of September compared to initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on current estimates, the Council may receive an extra £1,032,452 in business rates income over and above what it has budgeted for. However, this position could change throughout the year depending upon the performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement.

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 31/03/2019	Balance at Sep 2019	Note
Investments	£19.5m	£36.4m	(i)
Loans	£15.0m	£29.0m	(ii)
Debtors System	£1.06m	£1.80m	(iii)
Creditors System	£0.002m	£0.150m	

- (i) The anticipated annual return on these investments is estimated at £442,900 for 2019/20 with current forecasts anticipated to be slightly below these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £2,021,700 in 2019/20 with costs currently below target due to the level and rate of new borrowing arrangements entered into.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose.

Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.

- (iv) The Council's VAT partial exemption calculation for the period ending September 2019 has been calculated and, at 2.66%, is well below the 5% limit set by HMRC. 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 Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £227,660.52 have been written off during Quarter 2 to the end of September 2019. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	3,048.71
Council Tax (Collection Fund)	19,295.22
NNDR	205,316.59
Total Write-offs	227,660.52

- 6.2 The "write-ons" itemised in Table 2 in **Appendix E**, totalling £10,947.87, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.09
Council Tax (Collection Fund)	544.02
NNDR	10,403.76
Total Write-ons	10,947.87

- 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. RISKS

- 7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

8. CONSULTATION

- 8.1 Consultation to date.

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

- 8.2 Consultation Proposed

Business and Transformation Scrutiny Panel will consider the report on 3 December 2019.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2019;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Make recommendations to Council to approve a virement of £734,100 from Business Rates Retention as a contribution towards Transformation Savings.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2019/20 shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

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

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

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

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2019/20

VIREMENTS PROCESSED FOR PERIOD APRIL TO SEPTEMBER 2019

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
02/08/2019	Release of funding from Revenue Grants Reserve for Green Spaces arboriculture	Non-recurring	15,000	Corporate Director of Finance and Resources
06/08/2019; 06/09/2019; 07/10/2019	Release of funding from Revenue Grant Reserve for Rogue Landlord Officer	Non-recurring	13,700	Corporate Director of Finance and Resources
06/08/2019; 06/09/2019	Release of funding from Revenue Grant Reserve for Homelife	Non-recurring	2,600	Corporate Director of Finance and Resources
08/08/2019	Release of funding from Revenue Grant Reserve for Healthy Cities	Non-recurring	10,900	Corporate Director of Finance and Resources
21/08/2019	Release of funding from Revenue Grant Reserve for Low Carbon Carlisle	Non-recurring	26,000	Corporate Director of Finance and Resources
27/08/2019	Release of funding from Flood Reserve to fund the installation of a Qmatic system	Non-recurring	7,000	Corporate Director of Finance and Resources (OD.067/19)
02/09/2019	Provision of budget for external cleaning costs at the Old Fire Station	Recurring	9,800	Corporate Director of Governance and Regulatory Services
06/09/2019	Release of funding from Revenue Grant Reserve for Play Areas	Non-recurring	4,000	Corporate Director of Finance and Resources
06/09/2019	Release of funding from Revenue Grant Reserve for Conservation work	Non-recurring	4,300	Corporate Director of Finance and Resources
02/09/2019	Release of the Land Charges Provision	Non-recurring	25,000	Corporate Director of Governance and Regulatory Services
13/09/2019	Release of funding from Flood Reserve to fund fencing at Bitts Park Tennis Courts	Non-recurring	23,900	Corporate Director of Finance and Resources (OD.075/19)
07/10/2019	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	600	Corporate Director of Finance and Resources
07/10/2019	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	200	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				

REVENUE BUDGET MONITORING 2019/20

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	18,863,300	(5,965,200)	(2,750,300)	10,147,800
Budget to date	8,764,725	(3,151,284)	(1,589,511)	4,023,930
Total Actual	8,727,330	(3,018,658)	(1,592,195)	4,116,477
Variance	(37,395)	132,626	(2,684)	92,547
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(37,395)	132,626	(2,684)	92,547

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(444)	(34,534)	61	(34,917)
Car Parking	2	(4,425)	57,556	23	53,154
Special Events	3	(443)	40,423	0	39,980
Recycling and Waste Services	4	22,707	76,091	(4,260)	94,538
Miscellaneous	5	(54,790)	(6,910)	1,492	(60,208)
Total Variance to date		(37,395)	132,626	(2,684)	92,547

Note	Community Services - Comments
1.	A net underspend due to increased cremation fee income received.
2.	Shortfall in ticket income, contract income and penalty charge notice income. Officers are looking into the reduction in income across our car parks to identify any actions that may be needed to mitigate any pressures on income by the year-
3.	Shortfall in income from lamp post and digital banner advertising. The income targets are currently unachievable and a budget pressure has been highlighted as part of the 2020/21 budget process.
4.	Budget shortfall of £25,500 towards the capital costs of replacement vehicles; shortfall in income from sale of recyclates due to a fall in the price of plastic.
5.	Minor underspends and surplus income across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	6,616,400	(1,438,900)	(3,581,300)	1,596,200
Budget to date	3,363,720	(1,138,709)	(1,791,366)	433,645
Total Actual	3,344,146	(1,185,087)	(1,790,625)	368,434
Variance	(19,574)	(46,378)	741	(65,211)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(19,574)	(46,378)	741	(65,211)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Revenues and Benefits	1	(33,735)	(45,548)	69	(79,214)
Miscellaneous	2	14,161	(830)	672	14,003
Total Variance to date		(19,574)	(46,378)	741	(65,211)

Note	Corporate Support - Comments
1.	Various minor underspend where costs are anticipated to now come in during quarter 4; additional government grants received. Cost of resources will increase from quarter 3 onwards.
2.	Minor overspends and surplus income across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	3,962,600	(1,646,500)	(740,700)	1,575,400
Budget to date	1,958,477	(960,959)	(370,500)	627,018
Total Actual	1,989,760	(798,297)	(370,350)	821,113
Variance	31,283	162,662	150	194,095
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	31,283	162,662	150	194,095

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Business Interaction Centre	1	43,931	11,320	0	55,251
Development Control	2	5,743	182,419	0	188,162
Building Control	3	(11,782)	(39,807)	0	(51,589)
Miscellaneous	4	(6,609)	8,730	150	2,271
Total Variance to date		31,283	162,662	150	194,095

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; shortfall in income.
2.	Overspend on scanning expenditure and software maintenance as a result of digitising and improvements to planning information; shortfall in fee income due to slower progression on new sites and construction slowing down.
3.	Underspend on salary expenditure; increased fee income received.
4.	Minor underspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	28,122,300	(23,218,900)	(3,219,800)	1,683,600
Budget to date	13,433,843	(10,800,300)	(1,967,495)	666,048
Total Actual	13,099,170	(10,790,885)	(1,968,058)	340,227
Variance	(334,673)	9,415	(563)	(325,821)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(334,673)	9,415	(563)	(325,821)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(278,760)	42,953	0	(235,807)
Insurance	2	(76,413)	0	79	(76,334)
Miscellaneous	3	20,500	(33,538)	(642)	(13,680)
Total Variance to date		(334,673)	9,415	(563)	(325,821)

Note	Finance and Resources - Comments
1.	Savings on borrowing costs due to the level and rate of new borrowing arrangements entered into and the date new arrangements commenced; under achieved market deposit investment interest.
2.	Underspend relating to reduced insurance premiums from the recent tender process.
3.	Minor overspends and surplus income across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	10,453,800	(6,115,800)	(3,319,100)	1,018,900
Budget to date	5,527,064	(3,232,994)	(1,662,208)	631,862
Total Actual	5,657,554	(3,106,782)	(1,661,289)	889,483
Variance	130,490	126,212	919	257,621
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	130,490	126,212	919	257,621

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Legal Services	1	32,432	14,450	118	47,000
The Lanes	2	(3)	162,897	0	162,894
Other Rental Properties	3	18,966	40,234	0	59,200
Chancerygate	4	20,429	0	0	20,429
Homeless Accommodation	5	49,754	53,327	0	103,081
Regulatory Services	6	(6,982)	(128,870)	(876)	(136,728)
Miscellaneous	7	15,894	(15,826)	1,677	1,745
Total Variance to date		130,490	126,212	919	257,621

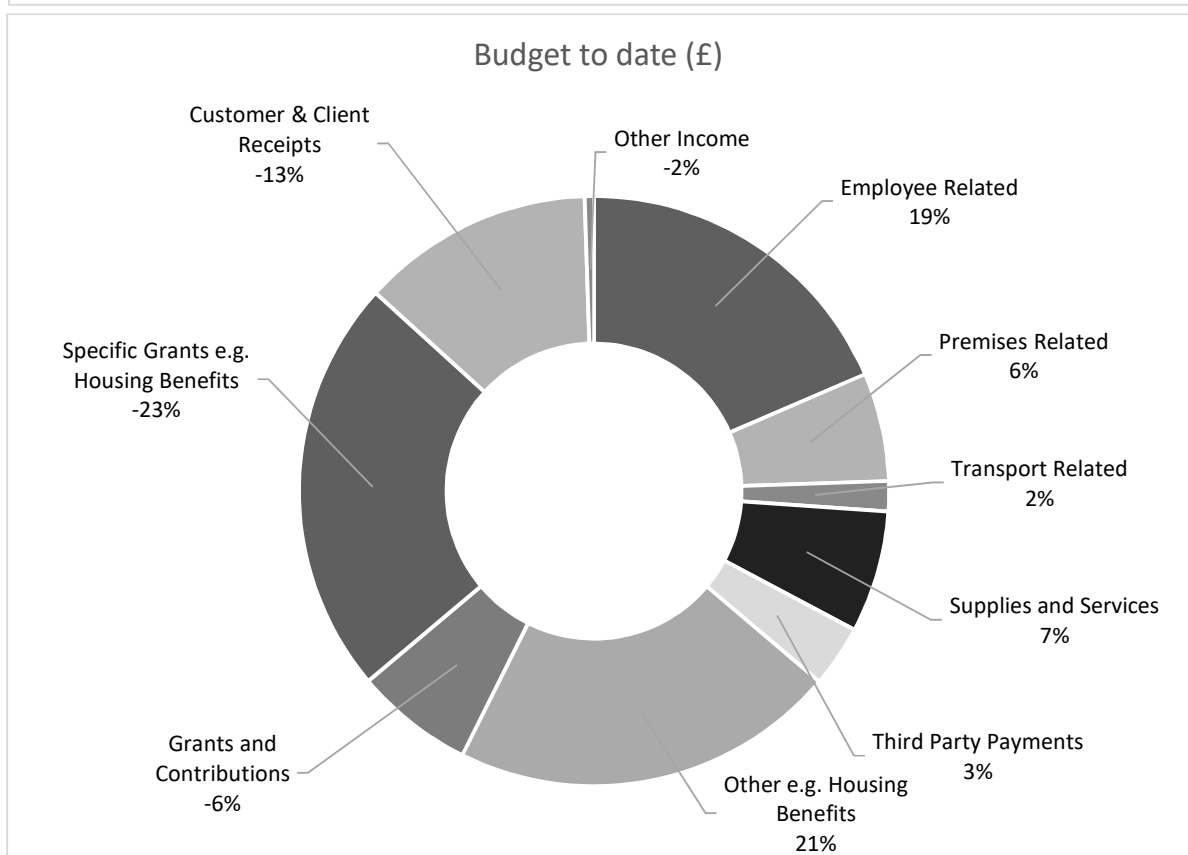
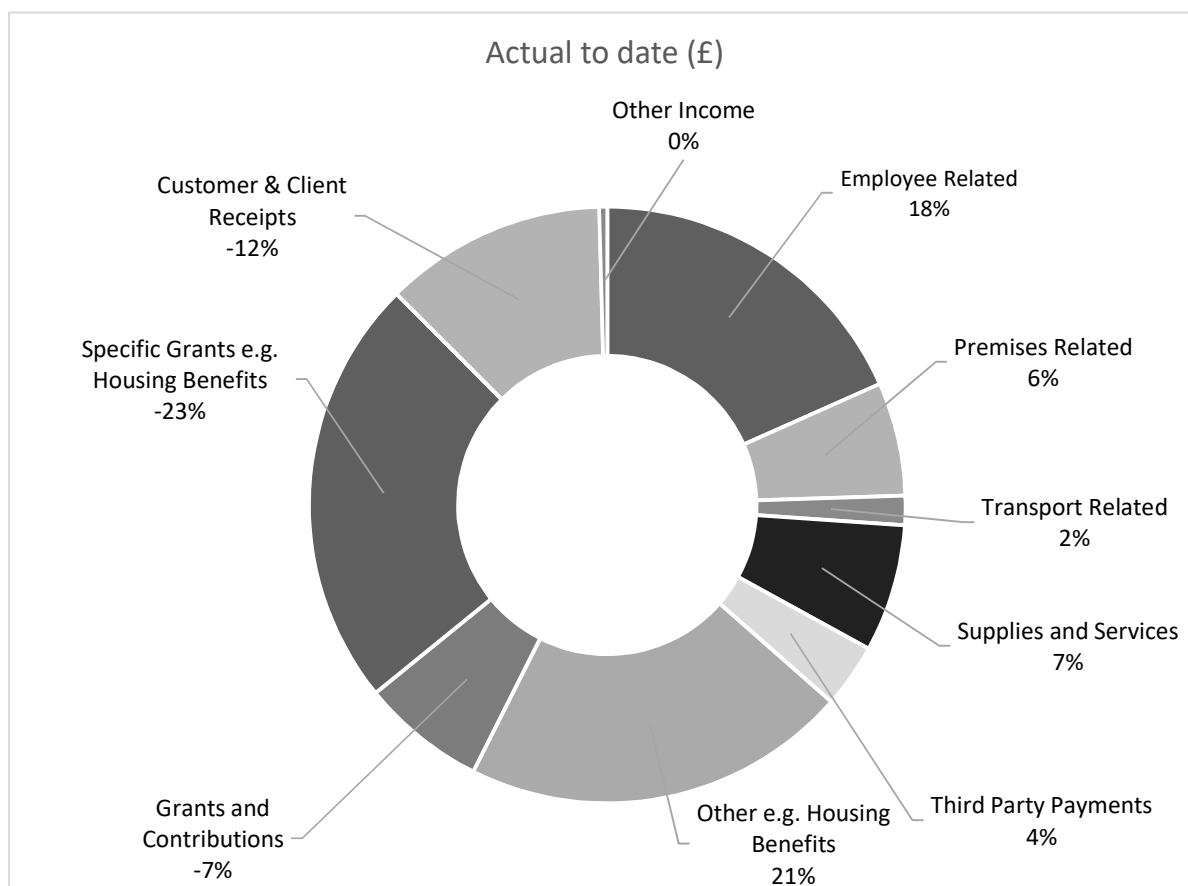
Note	Governance & Regulatory Services - Comments
1.	Overspend on employee costs; shortfall in Land Charges fee income.
2.	Shortfall in rent income for 2019/20. Annual deficit of £325,300 projected.
3.	Overspend on surveyor fees and energy costs; Shortfall in rental income due to vacant properties. Additional pressures are anticipated due to downward rent reviews.
4.	Overspend on Chancerygate costs. Recurring budget will be established from any increased rental income as a result of rent reviews. Any remaining overspend at the year end will be funded from balances held within the Revenue Carry Forward Reserve.
5.	Shortfall on budget savings required due to the loss of Supporting People funding; shortfall in income due to units being vacant for refurbishment.
6.	Minor underspends on supplies and services; Additional licence income, HMO fee income and Home Improvement Agency fee income received.
7.	Minor underspends and surplus income across other services within the Directorate.

REVENUE BUDGET MONITORING 2019/20

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27 September 2019	£	£	£	£
Annual Budget	1,128,300	(1,826,800)	0	(698,500)
Budget to date	1,489,903	(895,754)	0	594,149
Total Actual	1,289,735	(922,199)	0	367,536
Variance	(200,168)	(26,445)	0	(226,613)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(200,168)	(26,445)	0	(226,613)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(197,586)	(26,444)	0	(224,030)
Direct Revenue Financing	1	0	0	0	0
Miscellaneous	2	(2,582)	(1)	0	(2,583)
Total Variance to date		(200,168)	(26,445)	0	(226,613)

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£202,782). Additional government grants received.
2.	Minor underspends across other services within the Directorate.

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

	2018/19 Outturn	2019/20 NNDR1	2019/20 Q1
Local Share of Income (Per NNDR1)	(16,305,689)	(16,465,732)	(16,580,578)
Renewables (Per NNDR1)	(264,957)	(355,377)	(352,625)
Renewables Bfwd (NNDR3 Previous Year)	(250,585)	(54,492)	(54,492)
Enterprise Zone (Per NNDR1)	28,315	0	0
Tariff (Per Final Settlement)	12,090,274	12,367,342	12,367,342
Section 31 Grants (reimbursement of funded reliefs)	(1,516,801)	(2,062,020)	(1,905,547)
Section 31 Grants (Flooding)	(83,869)	0	0
Estimated Collection Fund Deficit per NNDR1	835,515	(180,118)	(180,118)
Levy Account Surplus	(4,681)	0	0
Levy Payable to Pool	1,031,049	1,360,000	1,234,766
Pool Redistribution	(624,035)	(610,000)	(700,000)
Total Income	(5,065,464)	(6,000,397)	(6,171,252)
Budget			
Baseline Funding	(3,281,700)	(3,388,600)	(3,388,600)
Additional Rates Income - Pooling/Growth	(1,650,000)	(1,750,200)	(1,750,200)
Total Budget	(4,931,700)	(5,138,800)	(5,138,800)
Additional Income retained	(133,764)	(861,597)	(1,032,452)

BAD DEBT PROVISION

TABLE 1		Write-Offs September 2019		Comments
Type of Debt	No.	£		
NNDR (General)	12	205,316.59	01/07/19 to 27/09/19	
Council Tax	30	19,295.22	01/07/19 to 27/09/19	
Debtors:				
Private Tenants	0	0.00	01/07/19 to 27/09/19	
Housing Benefit Overpayments	0	0.00	01/07/19 to 27/09/19	
General Fund	10	2,550.71	01/07/19 to 27/09/19	
Penalty Charge Notices:				
On Street	0	0.00	01/07/19 to 27/09/19	
Off Street	6	498.00	01/07/19 to 27/09/19	
TOTAL	58	227,660.52		
TABLE 2		Write-Ons September 2019		Comments
Type of Debt		£		
NNDR (General)	9	10,403.76	01/07/19 to 27/09/19	
Council Tax	6	544.02	01/07/19 to 27/09/19	
Debtors:				
Private Tenants	0	0.00	01/07/19 to 27/09/19	
Housing Benefit Overpayments	0	0.00	01/07/19 to 27/09/19	
General Fund	1	0.09	01/07/19 to 27/09/19	
TOTAL	16	10,947.87		

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.5

Meeting Date: 3 December 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO SEPTEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 34/19

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to September 2019 which was considered by the Executive on 18 November 2019.

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 scrutinise the overall budgetary position for the period April to September 2019.

Tracking

Executive:	18 November 2019
Scrutiny:	3 December 2019
Council:	n/a

Report to Executive

Agenda
Item:

Meeting Date: 18 November 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
APRIL TO SEPTEMBER 2019
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 34/19

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to September 2019.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to September 2019;
- (ii) Note adjustments to the 2019/20 capital programme as detailed in paragraph 2.1.

Tracking

Executive:	18 November 2019
Scrutiny:	3 December 2019
Council:	n/a

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources 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 Corporate Director of Finance and Resources.
- 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 2019/20:

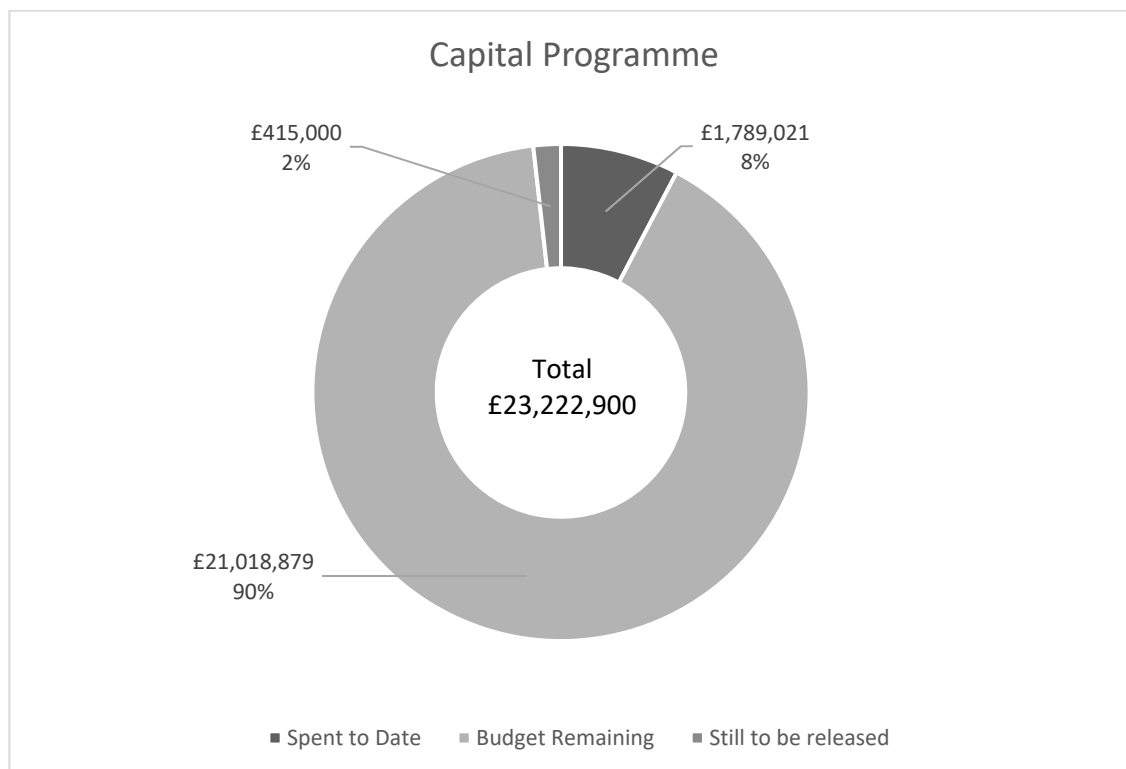
2019/20 Capital Budget	£
2019/20 Capital Programme (RD14/19 Council 16/07/19)	23,192,000
Revenue contribution towards Customer Contact Centre (OD.067/19)	7,000
Revenue contribution towards Bitts Park Tennis Court (OD.075/19)	23,900
Revised 2019/20 Capital Programme (at Sep 2019)	23,222,900
Less Capital Reserves to be released by Executive (see para 3.7)	(415,000)
Revised 2019/20 Capital Programme (released)	22,807,900

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

3. 2019/20 BUDGET MONITORING

3.1 The position statement as at September 2019 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	12,386,300	277,436	272,463	(4,973)	3.3
Corporate Support	123,900	41,091	2,336	(38,755)	3.4
Economic Development	200,400	50,400	62,386	11,986	3.5
Governance & Regulatory Services	10,141,500	1,782,680	1,448,435	(334,245)	3.6
Total	22,852,100	2,151,607	1,785,620	(365,987)	
Flood Related Capital	(44,200)	(68,100)	3,401	71,501	
Total	22,807,900	2,083,507	1,789,021	(294,486)	
Reserves to be released	415,000	0	0	0	3.7
Total	23,222,900	2,083,507	1,789,021	(294,486)	



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

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

- 3.2 As at the end of September, expenditure of £1,789,021 has been incurred on the Council's core capital programme. When considered against the profiled budget of £2,083,507 this equates to an underspend of £294,486.

The unspent balance remaining of the revised annual budget of £22,807,900 is £21,018,879. This will be closely monitored over the following months to identify accurate project profiles and any potential slippage into future years.

- 3.3 There are no significant variances to report within Community Services.
- 3.4 The variance in Corporate Support is attributable to an underspend of £38,755 on ICT Upgrades against the profiled budget to date. Implementation has been delayed and a revised plan for delivery will be developed over the coming months with the current expectation that all projects will be completed within the current financial year. This will continue to be closely monitored.

- 3.5 The variance in Economic Development is attributable to an overspend of £11,986 on Durranhill Industrial Estate due to additional footpath works that have been carried out. There is currently no budget allocated to fund these works.
- 3.6 The variance in Governance & Regulatory Services is attributable to an underspend of £343,696 on Disabled Facilities Grants. Spend in the first half of 2019/20 is £1,098,489 which is greater than the expenditure in the first half of 2018/19 (£874,723). Activity in the delivery of DFG is increasing and the position is being closely monitored. An Action Plan confirms expenditure until 2021 - presently on target with 2019/20 estimates. £250,000 returned from the County Council will require re apportioning.
- 3.7 A number of schemes are included in the capital programme for 2019/20 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £
Play Area Improvements	35,000
Public Realm Improvements	380,000
Total	415,000

4. FINANCING

- 4.1 The 2019/20 capital programme can be financed as follows:

	Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	23,222,900	22,807,900
<u>Financed by:</u>		
Capital Receipts / Internal Borrowing	3,545,400	3,130,400
Borrowing undertaken	14,000,000	14,000,000
Capital Grants		
• Disabled Facilities Grant	1,899,800	1,899,800
• General	2,024,700	2,024,700
Direct Revenue Financing	1,618,100	1,618,100
Other Contributions	134,900	134,900
Earmarked Reserves	0	0
Total Financing	23,222,900	22,807,900

5. CAPITAL RESOURCES

5.1 The following table shows the position as at September 2019 of the capital resources due to be received during 2019/20:

	2019/20 Annual Budget £	2019/20 Actual £	2019/20 Not yet received £	Note
Capital Receipts				
· General	0	(18,000)	(18,000)	1
· Asset Review	(1,700,000)	0	1,700,000	1
· Vehicle Sales	0	(53,770)	(53,770)	2
Capital Grants				3
· Disabled Facilities Grant	(1,899,800)	(1,899,764)	36	
· Sands Centre	(2,000,000)	0	2,000,000	
Capital Contributions				4
· Section 106	(134,900)	(52,400)	82,500	
· Disabled Facilities Grants	0	(17,780)	(17,780)	
· General	0	0	0	
Total	(5,734,700)	(2,041,714)	3,692,986	

Notes:

1. Receipts for 2019/20 are anticipated to be received from asset review sales (£1,700,000). Included within general sales are receipts of £6,000 that are below the de minimis for capital receipts and will be transferred to revenue.
2. Included within vehicle sales are receipts of £31,770 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue and the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
4. Contributions from Section 106 agreements to Affordable Homes (£50,400) and Open Space Improvements (£84,500).

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 2018/19 accounts, fixed assets totalled £157million (2017/18 £157million). 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. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at September 2019 debtors of £194,075 (£274,010 at 31 March 2019) were outstanding for capital grants, contributions and receipts.
- 6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at September 2019 totalled £75,546 (£449,990 at 31 March 2019).
- 7. PERFORMANCE**
- 7.1 The 2019/20 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 now totalling £415,000 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities

and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.

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

8. RISKS

- 8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix G**.

9. CONSULTATION

- 9.1 Consultation to Date
SMT & JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed
Business & Transformation Scrutiny Panel will consider the report on 3 December 2019.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 10.1 The Executive is asked to:
- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to September 2019;
 - (ii) Note adjustments to the 2019/20 capital programme as detailed in paragraph 2.1.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A to G

attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers: • None

CORPORATE IMPLICATIONS:

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

FINANCE – Financial implications are contained in the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

Scheme	Original Capital Programme 2019/20 £	Carry Forwards from 2018/19 £	Carry Forwards from 2018/19 £	Other Adjustments £	Revised Capital Programme 2019/20 £
<u>Current non-recurring commitments</u>					
Gateway 44	6,500,000	0	(40,800)	0	6,459,200
Play Area Green Gyms	0	25,000	7,800	0	32,800
Open Space Improvements	0	84,500	0	0	84,500
Bitts Park (Tennis/Reinstatement)	0	0	94,000	0	94,000
Cemetery Infrastructure	0	0	11,200	0	11,200
Affordable Homes	0	0	46,400	4,000	50,400
Planning Software	0	0	150,000	0	150,000
Property Purchase	0	0	150,000	0	150,000
Flood Reinstatement Projects	0	0	(68,100)	23,900	(44,200)
Sands Centre Redevelopment (1)	15,395,000	0	550,700	(5,572,200)	10,373,500
Civic Centre Digital Banner	0	0	0	20,500	20,500
Customer Contact Centre	0	0	0	7,000	7,000
	21,895,000	109,500	901,200	(5,516,800)	17,388,900
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	250,000	0	79,600	0	329,600
Vehicles, Plant & Equipment	896,000	0	828,800	0	1,724,800
Recycling Containers	45,000	0	0	0	45,000
ICT Infrastructure	102,900	0	14,000	0	116,900
	1,293,900	0	922,400	0	2,216,300
<u>Disabled Facilities Grants</u>					
Private Sector Grants	1,467,300	872,600	407,100	432,500	3,179,500
Minor Works Grants	0	0	23,200	(23,200)	0
Empty Properties Initiative	0	0	0	23,200	23,200
	1,467,300	872,600	430,300	432,500	3,202,700
TOTAL	24,656,200	982,100	2,253,900	(5,084,300)	22,807,900
<u>Capital Reserves to be released</u>					
Play Area Improvements	35,000	0	0	0	35,000
Public Realm Improvements	380,000	0	0	0	380,000
	415,000	0	0	0	415,000
REVISED TOTAL	25,071,200	982,100	2,253,900	(5,084,300)	23,222,900

Note (1): The 2019/20 budget allocation now reflects the increased level of spend in 2018/19.

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Civic Centre Digital Banner	20,500	0	0	0	Revenue contribution to capital approved under delegated authority to provide a replacement digital banner. The equipment is faulty and not possible to repair due to obsolete technology and therefore needs to be replaced. The work has taken place and is due to be invoiced shortly.
Vehicles & Plant	1,724,800	32,400	32,040	(360)	Replacement of vehicles to date is within the allocated budgets. A revised replacement plan for the next 5-10 years has been provided as part of the 2020/21 budget process to confirm the capital funding needed to ensure the Council's fleet remains fit for purpose.
Cemetery Infrastructure	11,200	5,602	3,172	(2,430)	Footbridge improvements are underway and due to be completed in 2019/20.
Open Space Improvements	84,500	2,003	2,000	(3)	Funded by Section 106 monies.
Green Gyms	32,800	0	(3,171)	(3,171)	Project slipped from 2018/19. Credit in relation to reduced fee for works completed.
Bitts Park/Tennis Reinstatement	94,000	0	0	0	Revenue contribution to capital towards the Bitts Park Tennis Facilities project has been carried forward into 2019/20 as potential funding towards a proposed scheme at Bitts Park. Further information will be presented to a future meeting.
Sands Centre Redevelopment	10,373,500	192,431	192,639	208	Budget reprofiled based on revised report approved by Council (CS.17/19 - 25/06/19).
Waste Minimisation	45,000	45,000	45,783	783	Purchase of waste receptacles are overspent against the annual budget. The Council is no longer able to charge developers for the cost of new bins, bags and boxes provided for new homes. This will impact the level of revenue income generated which has previously been used to increase the capital budget.
Grand Total	12,386,300	277,436	272,463	(4,973)	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	116,900	41,091	2,336	(38,755)	Part of ICT Strategy Business Case. Implementation has been delayed and a revised plan for delivery will be developed over the coming months with the current expectation that all projects will be completed within the current financial year..
Customer Contact Centre	7,000	0	0	0	Release of Flood Reserve for the installation of Qmatic System (OD.067/19).
Grand Total	123,900	41,091	2,336	(38,755)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Durranhill Industrial Estate	0	0	11,986	11,986	Additional footpath works for which there is currently no budget allocated.
Planning Software	150,000	0	0	0	The project has been delayed whilst software options are being evaluated and core components of the project (for example data migration) are being further considered prior to the detail business case and tenders being prepared.
Affordable Homes	50,400	50,400	50,400	0	S106 funding towards provision of Affordable Homes. Project now complete.
Grand Total	200,400	50,400	62,386	11,986	

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	329,600	41,840	50,686	8,846	Individual projects progressing as planned.
Property Acquisition	150,000	150,000	153,429	3,429	Property purchase now complete. Slight overspend in relation to stamp duty land tax.
Gateway 44	6,459,200	145,333	145,831	498	Development and Improvement costs associated with the Junction 44 development. Tenders are being assessed.
Empty Properties Initiative	23,200	3,322	0	(3,322)	Funding provided from minor works grant allocation. This will be at Economic Growth Scrutiny Panel on the 17th October and Executive on the 18th November 2019. Once agreed the Grant initiative can start to be used for bringing empty homes back into use.
Disabled Facilities Grants	3,179,500	1,442,185	1,098,489	(343,696)	Mandatory Grants. Increased grant allocation for 2019/20. The position is being closely monitored. An Action Plan confirms expenditure until 2021 - presently on target with 2019/20 estimates. £250,000 returned from the County Council will require re apportioning.
Grand Total	10,141,500	1,782,680	1,448,435	(334,245)	

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	(44,200)	(68,100)	3,401	71,501	Negative budget carry forward was in relation to expenditure incurred in 2018/19 on the reinstatement of Bitts Park and Civic Centre. Once schemes have been fully developed and approved, budgets will be released from reserves to cover both projected expenditure and also costs incurred in 2018/19.
Grand Total	(44,200)	(68,100)	3,401	71,501	

Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	Marginal	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Reasonably Probable	Marginal	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning. This may need to be reviewed if major schemes progress, e.g. Sands
VAT partial exemption rules are not considered.	Reasonably Probable	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not monitored nor reviewed (post contract) to ensure that the original business case assumptions have been achieved	Reasonably probable	Marginal	Better project management skills (including contract monitoring) have been introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects, including post contract reviews.
Capital projects are not delivered to time	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council.	Reasonably Probable	Marginal	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Probable	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. MHCLG grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.

Shortfall in level of capital resources generated from Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.
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Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.6

Meeting Date: 3 December 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework
Public / Private Public

Title: EXTERNAL AUDIT FINDINGS FOR CARLISLE CITY COUNCIL 2018/19
Report of: Corporate Director of Finance and Resources
Report Number: RD.42/19

Purpose / Summary:

The Audit Committee, at their meeting on 30 July 2019, referred the Action Plan to the Business and Transformation Scrutiny Panel to inform their scrutiny of the Medium Term Financial Plan and Capital Programme.

Recommendations:





To consider the Action Plan as part of the scrutiny of the Medium Term Financial Plan and Capital Programme.

Tracking

Executive:	
Scrutiny:	3 December 2019
Council:	

Action plan

We have identified four recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2019/20 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
1	 <ul style="list-style-type: none"> There is a savings gap in the MTFP of £1.242m. General fund balances have fallen by 19% from £5.7m at 31 March 2018 to £4.6m at 31 March 2019. Overall usable reserves have fallen by 15% from £12.1m to £10.3m as at 31 March 2019. 	<ul style="list-style-type: none"> Identify potential recurrent savings or income generation opportunities to address the current savings gap and the projected revenue reductions, whilst also monitoring the run rate on its use of revenue reserves. <p>Management response</p> <ul style="list-style-type: none"> The budget for 2020/21 will include an exercise to identify any base budget savings through a zero based budget review and further savings and income generation opportunities will also be examined in line with the Council's agreed Savings Strategy. The level of reserves is closely monitored through the MTFP with a risk assessment of the minimum level required to adequately protect the Council from the potential risks identified. The level of reserves are carefully considered when setting the budget and the forecasts for future years.
2	 <ul style="list-style-type: none"> The total cost of the Sands Centre redevelopment project has increased from an initial £14.2 million then £20.122 million to £25.301 million. 	<ul style="list-style-type: none"> Update the MTFP to reflect the revised projected costs for the Sands Centre redevelopment, and include a sensitivity analysis of revenue costs based on changes in variables such as interest rates. <p>Management response</p> <ul style="list-style-type: none"> The MTFP for 2020/21 – 2024/25 has been updated for the Sands project and will be considered by Executive in August and Council in September 2019. Further analysis on borrowing will be included where necessary.
3	 <ul style="list-style-type: none"> See above, there has been a significant increase in the capital cost of the Sands Centre redevelopment. 	<ul style="list-style-type: none"> Review the arrangements for costing future major capital projects. <p>Management response</p> <ul style="list-style-type: none"> All capital projects are subject to detailed reports and appraisal to ensure they offer value for money and are affordable. Recent examples of Sands Development and Gateway 44 demonstrate robust reports and challenge by members and officers prior to being given the go ahead.
4	 <ul style="list-style-type: none"> The Council is involved in significant capital projects relating to the Sand Centre, Gateway 44 and the Southern link road, which require significant external borrowing. 	<ul style="list-style-type: none"> Monitor borrowing levels to ensure that the Authorised Borrowing Limit is not breached. <p>Management response</p> <ul style="list-style-type: none"> The Authorised Limit and Operational Boundary will be kept under review and will be updated for current projections in the MTFP to be considered by Council in September. Further amendments will be included in the updated Treasury Management Strategy Statement for 2020/21.

Controls

- High – Significant effect on control system
- Medium – Effect on control system
- Low – Best practice

EXCERPT FROM THE MINUTES OF THE AUDIT COMMITTEE HELD ON 30 JULY 2019

AUC.35/19 EXTERNAL AUDIT FINDINGS FOR CARLISLE CITY COUNCIL 2018/19

The Key Audit Partner (Grant Thornton) submitted a report summarising the audit findings and other matters arising from Grant Thornton's statutory audit of the City Council's financial statements for the year ended 31 March 2019 for those charged with governance.

Referencing page 7 of the document pack, the Key Audit Partner summarised in some detail the three headline messages concerning the financial statements; value for money arrangements; and statutory duties.

No adjustments to the financial statements that had resulted in an adjustment to the Council's Comprehensive Income and Expenditure Statement had been identified. Audit adjustments were as detailed in Appendix C, in addition to which recommendations for management as a result of Grant Thornton's audit work had been raised in Appendix A, with the follow up of recommendations from the prior year's audit being detailed at Appendix B.

Grant Thornton's work was substantially complete and there were no matters of which they were aware that would require modification of their audit opinion as outlined in Appendix E, or material changes to the financial statements.

That said, there were two un-adjusted audit matters appertaining to the recent judgement made in the Court of Appeal in the Sargeant / McCloud cases concerning pension liability which ruled that the transitional protections afforded to older members when the Public Service Provision schemes were amended constituted unlawful age discrimination. That was a national issue, affecting all public sector authorities, and one which had resulted in a considerable amount of work for both officers and external audit.

The Key Audit Partner indicated that, as reported at the last meeting, the Cumbrian local authorities had collectively asked Mercers to undertake work on their behalf and provide an updated estimate of the potential impact of the McCloud ruling. That indicated an increase in past service cost and therefore an increase in net liability of £0.273m. The impact thereof was estimated to be an:

- Increase in past service costs +£1.020m
- Increase in net pension liability +£1.020m

Effectively, the younger the workforce, the greater the potential liability would be. The average age of Local Government Pension Scheme members was 46 years, the City Council's average being 46.7. Some additional assurance could be taken therefrom.

Management had assessed the work undertaken by Mercer and judged that the potential impact on the Council was not material, and therefore had decided not to update their financial statements in relation to those amounts.

The Key Audit Partner emphasised that, importantly, the decision taken by management not to amend the statements was not unreasonable from Grant Thornton's perspective. Subject to outstanding queries being resolved, Grant Thornton planned to issue an unqualified audit opinion on the financial statements which was excellent.

Members' attention was drawn to the key findings against the significant risks identified through Grant Thornton's initial risk assessment and further risks identified through their ongoing review of documents, details of which were provided.

The Key Audit Partner was delighted to report that, having undertaken a very detailed review, he anticipated issuing an unqualified value for money conclusion that in all significant respects, the City Council had put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2019. Nevertheless, it would moving forward be necessary for the Council to retain focus on the issues identified in the conclusion on page 22 of the pack, including the rate run on the use of useable reserves and the latest projected costs for the Sands Centre Redevelopment project. That was particularly important pending the outcome of the Fair Funding Review.

Thirdly, he was pleased to report that Grant Thornton had not required to exercise the additional powers and duties for local government auditors.

Turning to the issue of fees, the Key Audit Partner advised that an additional audit fee of £1,500 would be charged (subject to Public Audit Board approval) for the additional work associated with the McCloud ruling alluded to above. It was important to note that audit fees had reduced significantly over recent years and the fees charged were in line with those charges across the board.

In conclusion, the Key Audit Partner commented upon the enormity of the task, adding that the Council had done an excellent job in achieving a clean bill of health. He thanked the Corporate Director of Finance and Resources; the Financial Services Manager (Deputy S.151) and the Principal Accountant for their work.

The Engagement Manager then presented the remainder of the report in greater detail. In so doing, he outlined at length Grant Thornton's approach to materiality; the significant findings – audit risks identified in their Audit Plan; other issues; key judgements and estimates; going concern; other communication requirements; and other responsibilities under the Code.

On a point of note, the Engagement Manager commended the Corporate Director of Finance and Resources and the Financial Services Manager (Deputy S.151) for the high-quality documentation produced, the Narrative Report being held as an example.

The Engagement Manager also provided an explanation of the background to their Value for Money approach and work, together with the key findings and conclusion emanating therefrom; the independence and ethics disclosures; the Action Plan at Appendix A; follow up of prior year recommendations at Appendix B; and audit adjustments set out at Appendix C.

A Member welcomed the very positive and detailed Audit Findings Report, together with the robust work undertaken by the Financial Services team.

The Key Audit Partner congratulated Officers for production of what was an exemplary, clear and transparent Narrative Report. He had challenged others to do likewise.

Speaking on behalf of the Committee, the Chairman echoed the sentiments expressed.

RESOLVED – That the Audit Committee:

(1) Noted and received the very positive External Audit Findings Report for the year ended 31 March 2019.

(2) Welcomed the unqualified opinion on both the Financial Statements and the Value for Money conclusion.

(3) Noted that the final audit fee would include an additional fee to reflect the additional work undertaken by Grant Thornton in relation to the McCloud ruling.

(4) Supported the decision taken by management not to amend the Financial Statements to reflect the McCloud judgement.

(5) Referred the Action Plan to the Business and Transformation Scrutiny Panel to inform their scrutiny of the Medium Term Financial Plan and Capital Programme.

(6) Recognised the excellent work undertaken by the Financial Services Team, and the success in achieving the statutory close down. The Committee was also most appreciative of the contribution of the Key Audit Partner, the Engagement Manager and the Grant Thornton team.

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.7

Meeting Date: 3 December 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: QUARTER 2 PERFORMANCE REPORT 2019/20
Report of: Policy and Communications Manager
Report Number: PC.17/19

Purpose / Summary:

This report contains the Quarter 2 2019/20 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 2019/20 Key Performance Indicators (KPIs) are also included.

Recommendations:

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

Tracking

Executive:	16/12/19
Scrutiny:	Health and Wellbeing 21/11/19 Economic Growth 28/11/19 Business and Transformation 3/12/19
Council:	N/A

1. BACKGROUND

This report contains the Quarter 2 2019/20 performance against the Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'.

The Panel's Key Performance Indicators (KPIs) are also included as an appendix.

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. The following pages contains the Council's performance against the Service Standards for this Panel.

The updates against the actions in the Carlisle Plan are presented in Section 3. Only actions within the remit of the Panel are included in this report. The intention is to give the Panel a brief overview of the current position without duplicating the more detailed reporting that takes place within the Scrutiny agendas and Portfolio Holder reports.

Summary of KPIs and Service Standards:

Service Standards – 0 'red', 0 'amber' and 5 'green'

KPIs – 1 'red', 2 'amber', 8 'green'

Summary of Exceptions (RED)

Measure	Target	Performance
CSe14 Actual car parking revenue as a percentage of car parking expenditure (including recharges).	129%	121% Most significant contributing factor is a £33k shortfall in carpark ticket sales across City Council carparks.

2. PROPOSALS

None

3. RISKS

None

4. CONSULTATION

The report was reviewed by Directorate Management Teams in October, by the Senior Management Team on 5 November 2019 and has been considered at the other Scrutiny Panels.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise the Quarter 2 Performance Report prior to it being submitted to Executive.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Performance Dashboard

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

- None

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report raises no explicit issues relating to the Public Sector Equality Duty.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

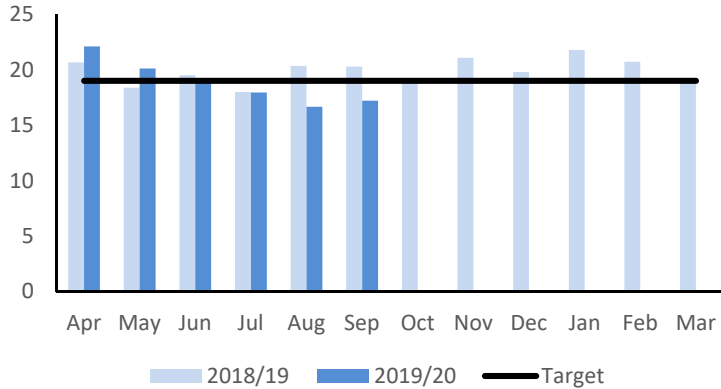

Section 1: Service Standards 2019/20

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Following a review of the initial set of five Service Standards, five further measures were introduced from Quarter 2 2017/18.

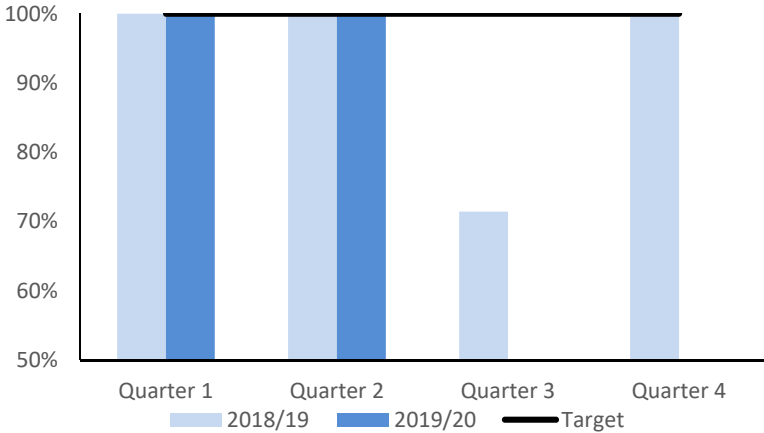
Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

The following pages contains the Council's performance against the Service Standards within the Panel's remit.

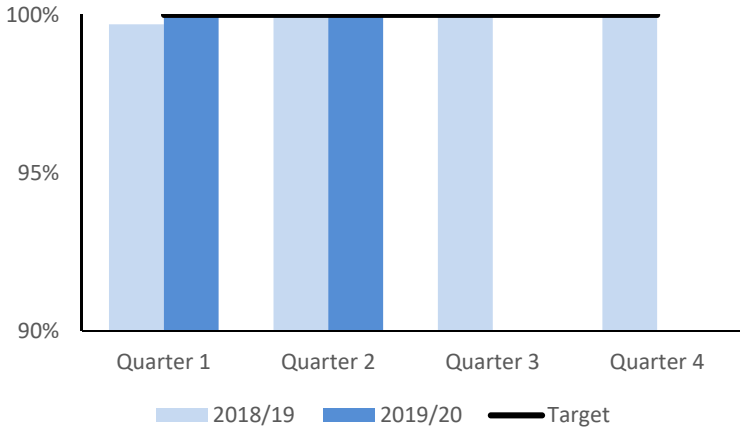

SS04: Average number of working days to process new benefits claims

Service Standard	To end of Quarter 2 2019/20	Performance by Month	Further Information																																																				
New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities	18.8 days (Q2 2018/19: 19.4 days)	 <table><tr><th>Month</th><th>2018/19 (days)</th><th>2019/20 (days)</th><th>Target (days)</th></tr><tr><td>Apr</td><td>21</td><td>22</td><td>19</td></tr><tr><td>May</td><td>19</td><td>20</td><td>19</td></tr><tr><td>Jun</td><td>19</td><td>19</td><td>19</td></tr><tr><td>Jul</td><td>18</td><td>18</td><td>19</td></tr><tr><td>Aug</td><td>20</td><td>17</td><td>19</td></tr><tr><td>Sep</td><td>20</td><td>17</td><td>19</td></tr><tr><td>Oct</td><td>19</td><td>-</td><td>19</td></tr><tr><td>Nov</td><td>21</td><td>-</td><td>19</td></tr><tr><td>Dec</td><td>19</td><td>-</td><td>19</td></tr><tr><td>Jan</td><td>22</td><td>-</td><td>19</td></tr><tr><td>Feb</td><td>21</td><td>-</td><td>19</td></tr><tr><td>Mar</td><td>19</td><td>-</td><td>19</td></tr></table>	Month	2018/19 (days)	2019/20 (days)	Target (days)	Apr	21	22	19	May	19	20	19	Jun	19	19	19	Jul	18	18	19	Aug	20	17	19	Sep	20	17	19	Oct	19	-	19	Nov	21	-	19	Dec	19	-	19	Jan	22	-	19	Feb	21	-	19	Mar	19	-	19	Applying our Risk Based Verification (RBV) policy to new claims continues to assist our performance. In 2018/19 2,537 claims were considered under the policy with 574 cases falling into the High Risk group and 1,141 cases deemed as Low Risk. The policy criteria has been reviewed and maintained for the current financial year.
	Month		2018/19 (days)	2019/20 (days)	Target (days)																																																		
	Apr		21	22	19																																																		
May	19	20	19																																																				
Jun	19	19	19																																																				
Jul	18	18	19																																																				
Aug	20	17	19																																																				
Sep	20	17	19																																																				
Oct	19	-	19																																																				
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On target?																																																							
																																																							

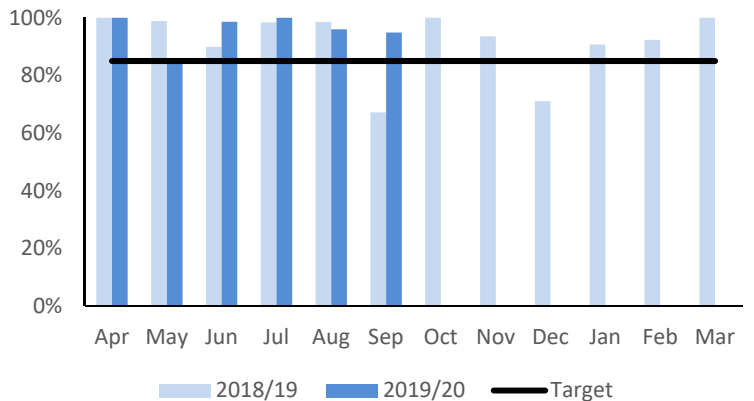

SS05: Proportion of corporate complaints dealt with on time

Service Standard	To end of Quarter 2 2019/20	Performance by Quarter	Further Information
Corporate complaints should be dealt with within 15 working days	100%	 <p>100% (Q2 2018/19: 100%)</p> <p>100% 90% 80% 70% 60% 50%</p> <p>Quarter 1 Quarter 2 Quarter 3 Quarter 4</p> <p>2018/19 2019/20 Target</p>	11 out of 11 corporate complaints have been completed on time so far in 2019/20.
	On target?		
	✓		

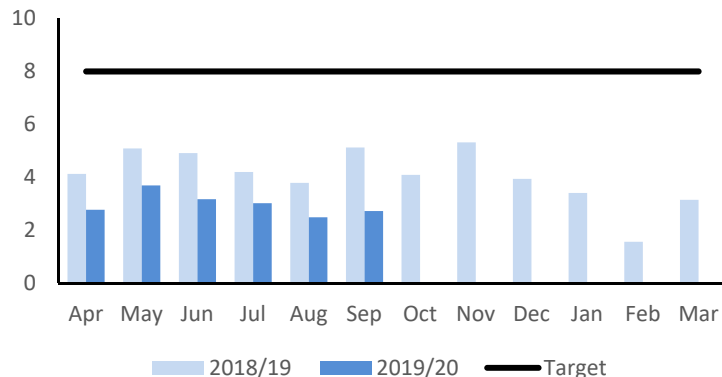

SS07: Proportion of non-contentious licence applications completed on time

Service Standard	To end of Quarter 2 2019/20	Performance by Quarter	Further Information
100% of non-contentious licence applications should be completed within 10 working days	<p>100%</p> <p>(Q2 2018/19: 99.8%)</p>	 <p>100%</p> <p>95%</p> <p>90%</p> <p>Quarter 1 Quarter 2 Quarter 3 Quarter 4</p> <p>2018/19 2019/20 Target</p>	<p>521 out 521 applications completed on time so far in 2019/20.</p>
	On target?		
			

SS08: Proportion of official local authority searches completed on time

Service Standard	To end of Quarter 2 2019/20	Performance by Month	Further Information																																							
85% of official local authority searches should be completed within 10 working days	96.4% (Q2 2018/19: 92.3%)	 <p>The chart displays monthly performance percentages for two financial years: 2018/19 (light blue bars) and 2019/20 (dark blue bars). A horizontal black line represents the 85% target. The x-axis lists months from April to March. The y-axis shows percentages from 0% to 100%.</p> <table><tr><th>Month</th><th>2018/19 (%)</th><th>2019/20 (%)</th></tr><tr><td>Apr</td><td>100</td><td>100</td></tr><tr><td>May</td><td>98</td><td>85</td></tr><tr><td>Jun</td><td>88</td><td>98</td></tr><tr><td>Jul</td><td>98</td><td>100</td></tr><tr><td>Aug</td><td>98</td><td>95</td></tr><tr><td>Sep</td><td>68</td><td>95</td></tr><tr><td>Oct</td><td>100</td><td>0</td></tr><tr><td>Nov</td><td>92</td><td>0</td></tr><tr><td>Dec</td><td>72</td><td>0</td></tr><tr><td>Jan</td><td>90</td><td>0</td></tr><tr><td>Feb</td><td>92</td><td>0</td></tr><tr><td>Mar</td><td>100</td><td>0</td></tr></table> <p>Legend: 2018/19 (light blue), 2019/20 (dark blue), Target (black line at 85%)</p>	Month	2018/19 (%)	2019/20 (%)	Apr	100	100	May	98	85	Jun	88	98	Jul	98	100	Aug	98	95	Sep	68	95	Oct	100	0	Nov	92	0	Dec	72	0	Jan	90	0	Feb	92	0	Mar	100	0	303 searches were completed in the year to date.
	Month		2018/19 (%)	2019/20 (%)																																						
	Apr		100	100																																						
May	98	85																																								
Jun	88	98																																								
Jul	98	100																																								
Aug	98	95																																								
Sep	68	95																																								
Oct	100	0																																								
Nov	92	0																																								
Dec	72	0																																								
Jan	90	0																																								
Feb	92	0																																								
Mar	100	0																																								
On target?																																										
																																										

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

Service Standard	To end of Quarter 2 2019/20	Performance by Month	Further Information																																							
Changes should be processed within 8 days	3.0 days (Q2 2018/19: 4.5 days)	 <table><tr><th>Month</th><th>2018/19 (Days)</th><th>2019/20 (Days)</th></tr><tr><td>Apr</td><td>4.2</td><td>2.8</td></tr><tr><td>May</td><td>5.1</td><td>3.7</td></tr><tr><td>Jun</td><td>4.9</td><td>3.2</td></tr><tr><td>Jul</td><td>4.3</td><td>3.1</td></tr><tr><td>Aug</td><td>3.8</td><td>2.5</td></tr><tr><td>Sep</td><td>5.2</td><td>2.8</td></tr><tr><td>Oct</td><td>4.1</td><td>-</td></tr><tr><td>Nov</td><td>5.4</td><td>-</td></tr><tr><td>Dec</td><td>3.9</td><td>-</td></tr><tr><td>Jan</td><td>3.4</td><td>-</td></tr><tr><td>Feb</td><td>1.6</td><td>-</td></tr><tr><td>Mar</td><td>3.2</td><td>-</td></tr></table>	Month	2018/19 (Days)	2019/20 (Days)	Apr	4.2	2.8	May	5.1	3.7	Jun	4.9	3.2	Jul	4.3	3.1	Aug	3.8	2.5	Sep	5.2	2.8	Oct	4.1	-	Nov	5.4	-	Dec	3.9	-	Jan	3.4	-	Feb	1.6	-	Mar	3.2	-	Over thirty-nine thousand changes have been processed in the 2019/20 year to date.
	Month		2018/19 (Days)	2019/20 (Days)																																						
	Apr		4.2	2.8																																						
May	5.1	3.7																																								
Jun	4.9	3.2																																								
Jul	4.3	3.1																																								
Aug	3.8	2.5																																								
Sep	5.2	2.8																																								
Oct	4.1	-																																								
Nov	5.4	-																																								
Dec	3.9	-																																								
Jan	3.4	-																																								
Feb	1.6	-																																								
Mar	3.2	-																																								
On target?																																										
																																										

Section 2: Key Performance Indicators (KPIs)

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 were developed. These are attached as a Dashboard.

Section 3: Carlisle Plan on a Page Delivery

The current Carlisle Plan covered the period 2015-18 and many of the key actions are now either delivered or considered 'business as usual' and feature within existing service plans. These were closed following the Quarter 1 report and will no longer be reported on. The following pages provide an update on the remaining key actions.

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

Business Property & Infrastructure:

OUTCOME	<u>2. City Centre redevelopment projects</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth / Business & Transformation
Specific – What is the task	Promote development opportunities and regeneration opportunities within the city centre (including Carlisle Station, Caldew Riverside, The Citadel, English Street and The Pools). Set out a strategy for the future vitality and viability of the city centre including development options for the regeneration opportunity sites (Carlisle Station, The Pools, Court Square, Caldew Riverside and the Citadel).
Measurable – How will success be measured?	Production of a city centre masterplan
Achievable – Is it feasible?	Yes
Realistic – Resources available	Consultancy support will be required to produce the masterplan. This will be funded by revenue budgets secured through the MTFP process.
Time Bound – Start/end dates	The preparation of the masterplan will commence Q3 2018-19, with a draft version produced by the end of Q4.
Progress in Quarter 2 2019/20 against project plan / key milestones achieved	The Council's application for the Future High Streets Fund has been selected to be taken forward to the 2nd stage of assessment as part of the 100 Wave One areas. The Council has secured specialist support to assist with the development of projects to be delivered through the Fund and the preparation of a detailed business case.
Emerging issues / risks to the project	None

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

Service and Facilities Development:

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
Scrutiny Panel	Business & Transformation / Health & Wellbeing
Specific – What is the task	<ol style="list-style-type: none"> 1. To retender and award a new leisure contract with a significantly reduced subsidy. 2. Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. 3. Complete works on cycle track and open the facility. 4. Complete works on tennis canopy and open the facility.
Measurable – How will success be measured?	<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. COMPLETE 2. Sufficient budget and permission has been secured to appoint a design team to take the project to the end of outline design. The design team are currently working on a more detailed design to RIBA Stage 3. 3. COMPLETE 4. Support in place from the LTA and a clear scheme identified, subject to planning permission the canopy can be delivered.
Realistic – Resources available	<ol style="list-style-type: none"> 1. COMPLETE 2. The project is on schedule and has adequate financial resource to be completed.

	<ul style="list-style-type: none"> 3. COMPLETE 4. Sufficient budgetary provision has been made via grant funding from the LTA and the city council's capital programme. Work is currently underway to procure the enabling work to get the tennis courts back into service.
Time Bound – Start/end dates	<ul style="list-style-type: none"> 1. COMPLETE 2. Route to Affordability to be completed by the end of October 2018 and contracts put in place for the Principal Contractor. The designers need to be novated to the Principal Contractor by the end 2018, to maintain programme. Temporary accommodation (or alternative arrangements') need to be put in place by the end of October 2018 to allow demolition and construction of the Sands Leisure facilities by March 2019. Completion of the project scheduled for December 2020. 3. COMPLETE 4. The enabling works was scheduled for completion by end November 2018.
Progress in Quarter 2 2019/20 against project plan / key milestones achieved	<p>The Sands Centre design is now complete up to the end of RIBA stage 4A i.e. detailed design excluding subcontract specialist design. Work has now started on RIBA stage 4B - specialist subcontract design and RIBA Stage 5 - the planning element of the construction phase. On site survey work has been carried out as far as possible to determine how the two elements of the building can be split apart e.g. where the existing building services are and the condition of the existing internal dividing wall. Survey work still needs to be carried out when the site is handed over e.g. an asbestos R & D Survey and an archaeological survey of the site. The tender price has been updated based on the design and survey work carried out to date. The tender sum has been submitted and reviewed in detail in terms of scope of work and third party stakeholder requirements.</p> <p>Work is ongoing to de-risk the project price and scope of works.</p> <p>The current focus is on dealing with issues which have arisen on the delivery of the temporary accommodation on both the Sands site and the old Newman School site and the</p>

	<p>enabling works required to link the temporary facilities to the main events space. Minor work has started on the main site to improve the fire doors on the ground floor and modifications to the existing accessible WC to maintain access during the refurbishment works.</p>
Emerging issues / risks to the project	<p>We have very recently encountered a significant problem commencing the temporary accommodation for the Events space, as a result of the Environment Agency's modified flood wall construction and access requirements to the site. This will need to be resolved and the temporary accommodation put in place before work can start on the demolition of the main works. Work is currently being undertaken to establish what the EA's requirements are now and what can be done to mitigate it. Other focus areas include the technical separation of the two halves of the building, asbestos in the existing Sands building, existing services on both sites, archaeological survey on the main site and completing the contract documentation and lease documents for all areas.</p> <p>Other areas of risk are: Insurance requirements Designer and Contractor Agreement terms CDM Regs activities.</p>

Business & Transformation Scrutiny Panel Performance Dashboard - to end of Quarter 2

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Q2 Performance 2019/20	Q2 Performance 2018/19	Trend	Target	Comments
✗	CSu14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	120.5%	129.0%	↓	128.4%	Revenue under target
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	15.9%	14.8%	↑	12.8%	From calls logged in Salesforce CRM (3214 out of 20196 logs).
✓	CSu04	Percentage of Council Tax collected	56.8%	56.6%	↑	56.6%	
▲	CSu05	Percentage of NNDR collected	57.0%	58.2%	↓	58.2%	Charge for a new car showroom applied midyear and instalments will be paid during the remainder of the financial year
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours (work days)	100%	100%	→	100%	
✓	CSu07	Customer Services - Respond to customer emails within 48hrs	96%	#N/A	N/A	90%	New measure for 2019/20
✓	FR01	Actual net spend as a percentage of annual net budget.	45.1%	45.1%	→	45.5%	
✓	FR02	Percentage of all invoices paid within 30 working days	99.5%	98.7%	↑	98%	4913 invoices paid
✓	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	4.6	5.2	↑	5.2	Sickness Absence is a separate agenda item at the Business & Transformation Scrutiny Panel for Quarter 2 report.
▲	FR04	Percentage of return to work interviews completed in five working days of returning to work.	73%	78%	↓	78%	
N/A	FR06	Proportion of debts recovered (sundry debtors)	95.3%	N/A	N/A	N/A	New measure for 2019/20. Rolling 12 months to end of Aug 2019
N/A	GRS04	Proportion of contested licence applications decided on within 50 working days.	N/A	N/A	N/A	95%	0 contested applications
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	100%	100%	→	100%	131 applications in first half of 2019/20

