

## **RESOURCES OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 20 FEBRUARY 2014 AT 10.00AM**

**PRESENT:** Councillor Watson (Chairman), Councillors Allison, Mrs Atkinson, Bowman S, Dodd, Layden, J Mallinson and McDevitt (from 10.10).

**ALSO PRESENT** Councillor Dr Tickner – Finance, Governance and Resources Portfolio Holder  
Councillor Mrs Luckley – Observer  
Councillor Whalen – Observer

**OFFICERS** Town Clerk and Chief Executive  
Director of Resources  
Organisational Development Manager  
Overview and Scrutiny Officer  
Performance and Policy Officer

### **ROSP.07/14 APOLOGIES FOR ABSENCE**

There were no apologies for absence submitted.

### **ROSP.08/14 DECLARATIONS OF INTEREST**

There were not declarations of interest submitted in relation to the business to be transacted at the meeting.

### **ROSP.09/14 CALL-IN OF DECISIONS**

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

### **ROSP.10/14 MINUTES OF PREVIOUS MEETING**

In response to a query from a Member the Director of Resources advised that the voluntary redundancy initiative and the savings in 2015 would realise the required £1million saving in the staffing budget. The voluntary redundancy initiative was currently going through the appeal process and had saved £150,000. The Director explained that the Executive had given clear direction that compulsory redundancies would be minimal if at all.

The Finance, Governance and Resources Portfolio Holder explained that with regard to voluntary redundancies Managers would be looking at how the organisation would work in the future.

**RESOLVED** – That the minutes of the meeting held on 6 January 2014 be noted.

## **ROSP.11/14      OVERVIEW REPORT AND WORK PROGRAMME**

The Scrutiny Officer presented report OS.05/14 which provided an overview of matters that related to the work of the Resources Overview and Scrutiny Panel.

The Scrutiny Officer reported that the Notice of Key Executive Decisions had been published on 7 February 2014. There were no items which fell within the remit of the Panel.

The Scrutiny Officer drew the Panel's attention to the following Minute Excerpts:

- EX.01/14 – Budget 2014/15, and
- EX.06/14 – Executive Response for the Budget Consultation and Recommendations for the 2014/15 Budget.

A meeting of the Scrutiny Chairs Group was held on 6 February 2014. The Overview and Scrutiny Officer advised that notes of the meeting had been circulated and highlighted the key points from the meeting. Some clashes with meetings of the County Council had been identified and would be discussed at the first meeting of the Panels in the new municipal year to determine whether any meetings dates needed to be amended. The Group had also looked at the structure of the Panels but had agreed, after consultation with their groups that the current structure would remain. The Deputy Chief Executive had suggested that the Senior Management Team could provide more support to the Panels in the development of the Work Programme which would be considered at the first meeting of the new municipal year.

The Annual Scrutiny Report 2013/14 would be submitted to each of the Panels in March and April before going back to the Scrutiny Chairs Group for approval. The final report would then be submitted to Council on 29 April 2014. The Overview and Scrutiny Officer requested any issues to be included in the Report to be forwarded to her as soon as possible.

The Scrutiny Officer drew Members attention to the Work Programme and advised that the Financial Services and HR Manager had requested that the item on Significant Partnerships could be deferred to June to allow for a full year end report to be submitted.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to this Panel (OS.05/14) be noted.

2) That the decisions of the Executive (EX. 01/14 and EX.06/14) be received.

3) That the item on Significant Partnerships be deferred on the Work Programme until June to allow for a full year end report to be provided.

**ROSP.12/14      2013/14 SICKNESS ABSENCE REPORT APRIL TO DECEMBER  
2013**

The Chief Executive presented Report CE.03/14 which set out the authority's sickness absence levels for the period April 2013 to December 2013, 2013/14 benchmarking and other sickness related information. He explained that there had been an 18% reduction in absenteeism in 2012/13 compared to the previous year, which had been attributed to less stress related absences, revised attendance management policies and the introduction of a wider employee assistance programme.

Referring to the report the Chief Executive advised that in the same period as last year sickness levels had again reduced, by 4% and for the rolling twelve months to the end of December 2013 97.4% of return to work interviews were completed. That was an increase on the previous two years' figures.

North West Employers produced a benchmark summary of the region's local authorities' sickness absence statistics at the midpoint of the financial year. For the first six months of 2013/14 Carlisle were fifth out of thirteen district council; the authority had previously been placed fourteenth out of eighteen in 2012/13 and worst performing in 2011/12.

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

- *Members were pleased with the figures indicated within the report.*
- *A Member was concerned that the report did not address the long term sickness figures.*

The Chief Executive stated that the Council had been tackling short term sickness and the results of that were reflected in the report. The return to work interviews picked up any incidences of repeated short absences. Due to the improvement in short term absences it indicated a higher proportion of long term sickness but in fact there were very few in terms of numbers. The Chief Executive explained that he met with line managers of people on long term sick leave to check that they were doing all they could to support that member of staff and was satisfied with the support being provided.

- *The report indicated a figure over an eight month period. Calculating that to twelve months would give a figure of 10.8 days per employee.*

The Chief Executive explained that when the figures were calculated seasonal issues were taken into account. It was expected that there would be more sickness during the winter months and that had been included within the calculation.

- *A Member was concerned at the level of sickness due to stress and depression and queried whether that was due to the current circumstances.*

The Chief Executive was of the view that those levels were not due to the consequences of changes within the authority due to required savings and there had been a relative decrease in the last couple of years.

A stress audit would be undertaken shortly but overall numbers of absences due to stress had fallen.

The Chief Executive acknowledged that for those members of staff who had applied for voluntary redundancy it had been a stressful period waiting for the decision on their application but he stressed that he was trying to ensure that managers were communicating plainly and consistently on the situation and that if any issues were treated as confidential he was happy to explain the reason why. There were a number of issues in the next few years that would be outside the Council's control but how the Council dealt with those issues was within the Council's control.

- *One of the reasons for absence is "Other and no reason given". Can that option be removed as staff should provide a reason if they are unable to come into work.*

The Chief Executive explained that it may be the case that it was to cover a number of alternative reasons and the Director of Resources advised that the categories were national categories and not produced by the Council. The Chief Executive confirmed that he would discuss the matter with colleagues in the Policy unit and report back to Members.

RESOLVED: 1) That Report CE.03/14 – 2013/14 Sickness Absence Report – April to December 2013 – be noted.

2) that an explanation of the categories of sickness be reported by the Chief Executive to the Members of the Panel.

## **ROSP.13/14      PERFORMANCE MONITORING REPORTS**

### **(a)      QUARTER THREE PERFORMANCE REPORT 2013/14**

The Policy and Performance Officer presented report PC.02/14 that updated the Panel on the Council's service standards that helped measure performance and customer satisfaction, and included updates on key actions contained within the Carlisle Plan.

Details of each service standard were included in a table appended to the report. The table illustrated the cumulative year to date figure, a month-by-month breakdown of performance and, where possible, an actual service standard baseline that had been established either locally or nationally. The updates against actions in the Carlisle Plan followed on from the service standard information which was attached to the report as Appendix 2.

With regard to Service Standards relevant to the Panel the Policy and Performance Officer explained that the average number of days to process new benefit claims had improved since the end of last year and the Council was now in the second quartile compared to other authorities.

The Director of Resources explained that Officers were monitoring the situation as the final quarter would be busy with the distribution of Council Tax bills etc and that historically time taken to process new claims had increased in the fourth quarter.

The Policy and Performance Officer advised that the other service standards were on target and that the priorities of the Carlisle Plan were being successfully delivered. A more detailed overview of the progress made in the delivery of the Carlisle Plan would be included in the end of year report due at the Panel in the summer.

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

- *Does the Council obtain a set price for waste or does it look around for the best prices available?*

The Director of Resources advised that the Council were tied into a long term contract for waste disposal.

- *A Member requested that the proposed Art Centre be included in the Work Programme for this Panel and the Community Overview and Scrutiny Panel and queried whether the Council was committed to producing a full business case. The Member had attended two recent events at the Arts Centre which were very poorly attended.*

The Finance, Governance and Resources Portfolio Holder explained that any project had to go through a process and that a business case would be developed further through the process. Plans had to be developed and an accurate cost of work calculated before a business case could be produced. The Executive were convinced that the Arts Centre would be successful and that it was what people wanted. Evidence showed that there was a great deal of interest and as part of the strategy moving forward Officers would monitor the levels of support.

The Chief Executive explained that a lot of information was needed before a business case was developed and when a final decision had been made and a business plan produced it would be presented to Members. The Chief Executive believed that members of the public would attend specific events rather than visit on a day to day basis. Any decision to proceed would be discussed at a meeting of the full Council and Scrutiny Panels.

- *A Member did not believe that it was the right time to prioritise the Arts Centre but wished it success if it went ahead.*
- *A Member was concerned that he did not know about the ice rink until he read about it in the newspaper. The Member queried whether the decision had been made by all Members or by the Executive?*

The Director of Resources explained that because the cost to the Council was less than £70,000 the decision could be made by the Executive but had been made available to Members through the regular monitoring reports.

The Finance, Governance and Resources Portfolio Holder explained that the Executive had considered the business case and that it had proved to be cost effective. The rink could be moved to other sites to be incorporated into special events around the city.

RESOLVED: That Report PC.02/14 – Quarter Three Performance Report 2013/14 – be noted.

## **(b) ORGANISATIONAL DEVELOPMENT PLAN**

The Organisational Development Manager presented Report CE.04/14 which updated Members of progress against the Organisational Development Plan 2013-15. The Plan set out key objectives, outcomes for employees, key actions and measures of success for organisational development issues and built on the work done in the Plan in 2011-13.

The Organisational Development Manager explained that the Plan reflected the vision and priorities of the Carlisle Plan and referenced other organisational initiatives including organisational culture, partnership working, a skilled workforce and health and wellbeing. She highlighted a number of successful issues including workshops, partnership working in relation to a Coaching Academy for Cumbria, the health and wellbeing workshops and the Salary Sacrifice Car and Computer Schemes.

The Organisational Development Manager advised that there would be a National Apprentice Week at the beginning of March and a bid to take on four apprentices had been included in the 2014/15 budget. She was working with the Chief Executive and the Deputy Chief Executive on finding providers.

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

- *Apprentices could be used in areas where most needed. Would four be sufficient?*

The Organisational Development Manager believed that four was the right number to start with and of the four apprentices employed by the Council in the last 2½ years three were now employed by the Council.

The Chief Executive explained that a pot of money had been identified for apprentices and managers were required to bid and explain how they could fit into their service. He further explained that the type of management required would change over the period of the apprenticeship and he wanted to see how managers could use the apprentices for their own development.

The Finance, Governance and Resources Portfolio Holder stated that if a post had been made redundant it would not be replaced by a person on the apprenticeship scheme.

- *With regard to appraisal would they be team appraisals or individual appraisals?*

The Organisational Development Manager explained that both types of appraisals would be undertaken and employees could request an individual appraisal.

- *A Member welcomed the Health and Wellbeing initiative but queried the take-up of the e-learning modules.*

The Organisational Development Manager explained that the e-learning modules had been set up approximately two years ago and included a wide range of topics. Whilst some members were quite enthusiastic others were not. Therefore it had been decided to include information on e-learning in the new starter induction training with one to one sessions explaining the system. Since that introduction a number of staff were now using the modules and more existing members of staff were using the system since raising the profile.

- *How did the salary sacrifice car scheme work?*

The Organisational Development Manager explained that the scheme was a new employee benefit that had been developed following work with Capita. Providers had been shortlisted and it was anticipated that the successful provider would be named shortly. The Organisational Development Manager explained how the scheme would work and outlined the benefits to employees and the Council.

The Finance, Governance and Resources Portfolio Holder believed it to be an exciting initiative and advised that safeguards were in place should an employee leave the Council's service.

RESOLVED: That Report CE.04/14 – Organisational Development Plan – be noted.

#### **ROSP.14/14      REVENUE BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2013**

The Director of Resources submitted the Revenue Budget Overview and Monitoring Report for April to December 2013 (RD.83/13) which had been considered by the Executive at their meeting on 10 February 2014. He outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement. He further provided an explanation of balance sheet management issues; a number of high risk budgets; external factors (including the general effect of the economic climate on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control); Section 106 Commuted Sums and action taken to write off bad debts. The Council's overall position would be closely monitored as the year progressed.

The Director highlighted that of the £424,796 in Business Rates write-offs, £213,196.07 were in respect of The Public Safety Charitable Trust (PSCT). The PCST engaged in taking leases on empty properties to relieve the liability on the landlords. This was known as Empty Rate avoidance. They were charged a nominal rent of £1.00. Such action was deemed illegal by the High Court resulting in the significant write off. Nationally 150 Councils wrote off £15.3million.

The Director reported on a number of key issues together with their budgetary implications, including the corporate Salary Turnover Savings Budget; the Savings Strategy (which would focus on three areas to deliver savings, including the Asset Review, Service Delivery Models and, as part of the transformation programme, a review of those services that were neither core priorities nor statutory requirements). Details of the main variances in the Directorates' budgets were also set out in the report.

Members' attention was, in particular, drawn to the fact that additional savings were required in order to bring reserves up to minimum levels, and the requirement for 2014/15 had been identified on a non-recurring basis from the first call on 2013/14 underspends, first call on any business rate growth in 2013/14 and first call on the 2014/15 allocation of New Homes Bonus and the Executive had been asked to recommend to Council the funding of the £1m non-recurring savings as detailed at Section 4.3 of the report.

The Director advised that the main area of concern was around car parking although there had been a slight improvement since the second quarter of the year.

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

- *Income from car parking had always been an issue. Would the County Council intention to introduce on-street parking help the City Council income? The County Council would be a major competitor for parking in the City.*

The Director stated that it would have a positive impact in the medium term but the initiative was being phased in by the County Council and was subject to detailed consultation.

- *How reliant was the Council on money from the transformation programme? The issues raised in the report reflect the general decline of City Centres.*

The Director advised that the Council could only mitigate for any changes and carry out risk assessments where necessary.

The Finance, Governance and Resources Portfolio Holder stated that recovery and growth was slow but the Council would do all it could to mitigate the issues.

RESOLVED: 1) That Report RD.83/13 – Revenue Budget Overview and Monitoring Report: April to December 2013 – be noted.

### **ROSP.15/14      CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2013**

The Director of Resources submitted report RD.82/13, which had been considered by the Executive at their meeting on 10 February 2014, and provided an overview of the budgetary position of the City Council's capital programme for the period April to December 2013. He outlined for Members the overall budget position of the various Directorates and the financing of the 2013/14 Capital Programme, details of which were set out in the report.

The Director stated that a review of the 2013/14 capital programme had been undertaken to identify accurate project profiles. To date, £785,000 had been identified as needing profiled into future years. £710,000 of those had been put forward to Council for approval as part of the 2014/15 budget process and the Executive was asked to recommend to Council a further £75,000 to be carried forward in relation to Public Realm Improvement Works.

He further commented upon performance against the 2013/14 programme, informing Members that the Senior Management Team would provide a 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 would be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects would be made in the usual way in accordance with the Council's decision making framework.

In summary, the Director stated that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets.

RESOLVED: 1) That Report RD.82/13 – Capital Budget Overview and Monitoring Report: April to December 2013 – be noted.

(The meeting ended at 11.20am)