



Business & Transformation Scrutiny Panel

Date: Thursday, 06 January 2022

Time: 16:02

Venue: Cathedral Room

Present: Councillor Ruth Alcroft, Councillor Trevor Allison, Councillor James Bainbridge, Councillor Mrs Marilyn Bowman, Councillor Ms Jo Ellis-Williams, Councillor Mrs Linda Mitchell, Councillor Michael Mitchelson, Councillor Dr Les Tickner

Also Present: Councillor Ellis, Finance, Governance and Resources Portfolio Holder

Officers: Town Clerk and Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Infrastructure and Services Desk Manager
Overview and Scrutiny Officer

BTSP.01/22 APOLOGIES FOR ABSENCE

No apologies for absence were submitted.

BTSP.02/22 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

BTSP.03/22 PUBLIC AND PRESS

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

BTSP.04/22 MINUTES OF PREVIOUS MEETINGS

RESOLVED – It was noted that Council, at its meeting on 4 January 2022, received and adopted the minutes of the meeting held on 7 December 2021. The Chair signed the minutes.

BTSP.05/22 MEMBER'S COMMENTS

Councillor Dr Tickner noted that some Members of the Panel were not wearing face masks in accordance with advice. The Chair had advised it was a decision for individual members, Councillor Dr Tickner asked that his objection to non mask wearing be recorded.

BTSP.06/22 CALL-IN OF DECISIONS

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

BTSP.07/22 BUDGET 2022/23

(1) EXECUTIVE'S RESPONSE TO THE FIRST ROUND OF BUDGET SCRUTINY

Minutes of the special meeting of the Executive held on 13 December 2021 were submitted detailing the response of the Executive to the comments made by the Scrutiny Panels in response to the first round of Budget scrutiny.

RESOLVED - That the decisions of the Special Executive held on 13 December 2021 be received.

(2) EXECUTIVE DRAFT BUDGET PROPOSALS

The Executive's draft Budget proposals 2022/23 which had been issued for consultation purposes were submitted for scrutiny by the Panel.

The budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular the reports of the Corporate Director of Finance and Resources which had been discussed at the Executive meeting on 13 December 2021.

The Corporate Director of Finance and Resources detailed a number of updates to the budget documents including the incorporation of recommendations from Scrutiny to freeze the City Council portion of Council Tax for 2022/23, freeze the first hour of car park charges and the review of the Talk Tarn car parking permits. She highlighted areas of reprofiling as well as outstanding items which would be incorporated into the budget for 19 January 2022 Executive meeting if available.

In considering the draft Budget proposals, Members raised the following questions and comments:

- Members noted the vacant properties within the Lanes and asked if the Council was liable for unpaid Business Rates and any losses that the Lanes may experience.

The Corporate Director of Finance and Resources agreed to provide the Panel with a written response.

- A Member highlighted the borrowing requirements in the report and asked if the Council would have to borrow the £1.6million required for the Local Government Reorganisation.

The Corporate Director of Finance and Resources confirmed that there was no additional borrowing requirement for the £1.6million, it would be funded from the Operational Risk Reserve. She acknowledged that there was a significant borrowing requirement for the capital programme due to a lack of available capital grants. It was prudent to budget for the maximum requirement, however reviews of spending profiles and the cash position may reduce the actual borrowing required.

- A Member asked for clarity on the savings position.

The Corporate Director of Finance and Resources explained that the savings requirement had not increased and remained at £2million. It had been possible to reprofile the amount and meet some savings on a non recurring basis but the saving requirement had moved to 2023/24. There was a savings strategy in place and the Council would continue to look for the savings to either achieve in 2022/23 or to inform the new authority.

- The saving strategy included service reviews which reviewed services not in line within the Councils core priorities or which were not statutory. How confident was the budget that it would not impact on the services offered to residents?

The Corporate Director of Finance and Resources highlighted previous work which had been undertaken to identify savings which did not impact on service provision, however, this work would need to be reviewed and updated. She clarified that this budget was based on the current service provision with no cuts to services. All budget pressures and savings had been identified by budget holders and Directors who knew if proposed savings would impact services. She reminded the Panel that £9million in savings had been achieved since 2010/11 without stopping any services.

- What did the Rural Services Grant cover?

The Corporate Director of Finance and Resources agreed to provide a written response.

- Had the cost of additional electric vehicle charging points been factored into the budget for the replacement of Council refuse vehicles with electric vehicles?

The Corporate Director of Finance and Resources reminded the Panel that the Council could not currently replace their refuse vehicles with electric vehicles as there were no suitable options available. When it became a viable option additional electric charging points would be considered as a separate budget report which would set out all the funding options for the authority.

A Member commented that the replacement of electric vehicle batteries would also need to be considered as they could not be recycled. The Finance, Governance and Resources Portfolio Holder responded that the lifetime of a battery would outweigh the time that a refuse vehicle would be in use with the authority as they were replaced regularly.

RESOLVED - That Corporate Director of Finance and Resources provided the Panel with a written response to the following:

- Was the Council was liable for unpaid Business Rates and any losses that the Lanes may experience.
- What the Rural Services Grants covered.

(3) BACKGROUND INFORMATION REPORTS:

(3)(a) BUDGET UPDATE - REVENUE ESTIMATES 2022/23 TO 2026/27

The Corporate Director of Finance and Resources submitted report RD.52/21 which provided an update to report RD.46/21. The report summarised key budget considerations, the Council's revised revenue base estimates for 2021/22, together with base estimates for 2022/23, forecasts up to 2026/27 for illustrative purposes. Potential new spending pressures, bids and savings were also set out in the report in an indicative manner, the final position being subject to decisions taken further in the budget process.

The Executive had considered the matter on 13 December 2021 (EX.153/21 refers) and decided:

"That the Executive:

- (i) Noted the revised estimates for 2021/22 and base estimates for 2022/23;

- (ii) Noted the estimates in the report are draft and will be subject to the confirmation of the Local Government Finance Settlement due in December 2021;
- (iii) Noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues become clearer and decisions were taken;
- (iv) noted the budget pressures, bids and savings which needed to be taken into account as part of the 2022/23 budget process;
- (v) Approved the release of amounts from the Operational Risk Reserve for Treasury Management (£600,000) and Covid costs (£500,000) as outlined in paragraph 5.2 of report RD.52/21
- (vi) notes the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be reviewed in the future depending upon the outcome of the Local Government Finance review."

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

- Why had additional subsidy for the Leisure contract been included in the budget? Was it a local or national issue?

The Corporate Director of Finance and Resources explained that additional subsidy had been removed from the budget. The amount was not yet known and would therefore be dealt with outwith the budget process. The additional subsidy was unique to Carlisle due to the delay in the redevelopment of the Sands Centre.

- Would the increase in car parking during the recovery from Covid and the Christmas period improve the car parking shortfall income?

The Corporate Director of Finance and Resources clarified that the figures used for the shortfall were based on pre covid figures and there was a shortfall at that time. The shortfall would go forward as a recurring pressure.

- Did the level of external debt figures include the value of Gateway 44?

The Corporate Director of Finance and Resources confirmed that Gateway 44 had been included in the balance sheet from 2020/21.

RESOLVED - That the Panel had scrutinised report RD.52/21 and made comments on the revised base estimates for 2021/22 and the proposed overall budgetary position for 2022/23.

(3)(b) REVISED CAPITAL PROGRAMME 2021/22 AND PROVISIONAL CAPITAL PROGRAMME 2022/23 TO 2026/27

The Corporate Director of Finance and Resources submitted report RD.55/21 which detailed the revised capital programme for 2021/22 together with the proposed method of financing as set out in Appendices A and B. The report summarised the proposed programme for 2022/23 to 2026/27 in the light of new capital proposals identified along with the estimated resources available to fund the programme.

The Executive had considered the matter at its meeting of 13 December 2021 (EX.154/21 referred), and decided:

That the Executive:

- (i) Noted the revised capital programme and relevant financing for 2021/22 as set out in Appendices A and B of report RD.55/21;

(ii) Gave initial consideration and views on the proposed capital spending for 2022/23 to 2026/27 given in the report in the light of estimated available resources;

(iii) Noted that any scheme for which funding had been approved by the Council may only proceed after a full report, including business case and financial appraisal, has been approved.'

RESOLVED - That the revised capital programme for 2021/22 and the proposed overall capital budgetary portion for 2022/23 to 2026/27 (RD.55/21) be noted.

BTSP.08/22 DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2022/23

The Corporate Director of Finance and Resources submitted report RD.53/21 which set out the Council's draft Treasury Management Strategy for 2022/23, in accordance with the CIPFA Code of Practice on Treasury Management. The Investment Strategy and the Minimum Revenue Provision (MRP) Strategy for 2022/23 were also incorporated into the Statement, along with Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Executive had considered the matter on 13 December 2021 (EX.155/21 referred) and noted the draft Treasury Management Strategy Statement for 2022/23 and referred it to the Panel.

In considering the report, a Member asked how confident the Council was in the bank rate figures.

The Corporate Director of Finance and Resources drew the Panel's attention to section 10.3 of the report which set out the Council's investment strategy. The Council regularly monitored the interest rates and had daily updates from Link Asset Services.

RESOLVED - That the Draft Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2022/23 (RD.53/21) be noted.

BTSP.09/22 FUTURE SCRUTINY TASK AND FINISH GROUP REPORT

The Overview and Scrutiny Officer submitted report OS.01/22 which summarised the work of the Future Scrutiny Task and Finish Group and set out its findings for the Panel to consider.

The Task and Finish Group had been established by the Panel to reconsider Scrutiny arrangements within the Council. The Task and Finish Group proposed a two Panel structure, with a "Place Panel" and a "People Panel". The structure included an ad-hoc "Resources Panel" that would be serviced by Members of the Place and People Panels and would consider budget matters. The Panels would continue to be made up of 8 Members and the People and Place Panels would meet 8 times a year.

The Corporate Director of Governance and Regulatory Services had not been involved in the work of the Task Group, however, he indicated that the proposed change to the Panels would be relatively straightforward. He clarified that the Panel could not stipulate the Membership of the new Resources Panel. As a formal committee of the Council the Panel would be subject to the same proportionality rules as the other Panels and the seat allocations were a matter for each Group.

The Panel debated the proposals. Some Members felt it was not the appropriate time to create additional work for Members or Officers. The impact of the Local Government Reorganisation was unknown but he felt that two Panel may struggle to keep up with the workload.

Some Members spoke in support of the proposals. A change to Scrutiny had been discussed for many years, the proposals gave clear direction for the responsibility of the new Panels and reduced duplication of work.

The Corporate Director of Governance and Regulatory Services commented that, although the changes to the Panels would be a relatively straightforward process, he felt it was a misplaced use of resources given that the City Council would only be operational for a further 18 months. The proposed changes retained three Panels, each with 8 Members and a slightly reduced number of meetings. He clarified that, if the Panel supported the recommendations of the Task Group, they would be recommending that he, as Monitoring Officer, write a report to Council making recommendations to change the Scrutiny arrangements. The recommendation he would make to Council would differ from the Task and Finish Group recommendations as the membership of the new Resources Panel could not stipulated.

Following voting it was

RESOLVED - That the Monitoring Officer be recommended to make changes to the Carlisle City Council Constitution that would allow Scrutiny to move to a two scrutiny Panel arrangements, as outlined in the proposals set out in report OS.01/22.

BTSP.10/22 OVERVIEW REPORT

The Overview and Scrutiny Officer submitted report OS.02/22 which provided an overview of matters related to the Business and Transformation Scrutiny Panel.

RESOLVED - That the Overview Report incorporating the Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.02/22).

BTSP.11/22 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

BTSP.12/22 ICT SERVICES PROJECT STATUS REPORT

(Public and Press excluded by virtue of paragraph 3)

The Infrastructure and Service Desk Manager submitted an update on the ICT Services Project Status (CE.11/21). The report had been updated to offer the Panel an up to date snapshot of the current status of the ICT Services projects along with recent project activity; RAG rating; issues and emerging risks; key activities for the next period and requests for change.

The Infrastructure and Service Desk Manager responded to Members questions regarding the

recent recruitment process.

The Town Clerk and Chief Executive set out the current position with regard to recruitment, resources and impact of Local Government Reorganisation. He stated that the Service Desk Infrastructure and Service Desk Manager and team had carried out an excellent job managing IT in such challenging circumstances.

The Infrastructure and Service Desk Manager responded to questions regarding the Risk Register and he reported that each risk had been given a priority rating to enable effective work planning.

RESOLVED – 1) That the Panel had scrutinised the ICT Services Project Status report (CE.22/21).

2) That an updated ICT Services Project Status report be submitted to the Panel in three months time.

The Meeting ended at: 17:27