

# AGENDA

## Business & Transformation Scrutiny Panel

Thursday, 07 October 2021 AT 16:00  
In the Council Chamber, Civic Centre, Carlisle, CA3 8QG

**\*\*A pre meeting for Members to prepare for the Panel will  
take place 45 minutes before the meeting\*\***

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 (Chair) , Councillors Alcroft (Vice Chair), Allison, Mrs  
Bowman, Mrs Mitchell, Mitchelson, Sunter, Dr Tickner

#### Substitutes:

Councillors Mrs Atkinson, Mrs Birks, Brown, Collier, Ms Ellis-Williams, Mrs  
Finlayson, Mrs Glendinning, Glover, Lishman, Mrs McKerrell, Meller, Morton,  
Patrick, Robson, Shepherd, Miss Sherriff, Southward, Mrs Tarbitt, Miss  
Whalen.

## **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**

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any items 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**

**9 - 18**

To note that Council, on the 14th September 2021, received and adopted the minutes of the meetings held on 15 July 2021. The minutes will be signed by the Chair.

(Minute Book Volume 48(2))

The Chair will move the minutes of the meeting held on 26 August 2021 as a correct record. The only part of the minutes that may be discussed is their accuracy.

(Copy minutes herewith)

### **A.1 CALL-IN OF DECISIONS**

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

**A.2 REVENUE BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO JUNE 2021**

**19 -  
44**

Portfolio:	Finance, Governance and Resources
Directorate:	Finance and Resources
Officer:	Alison Taylor, Corporate Director of Finance and Resources
Report:	RD.32/21 and Minute Excerpt herewith

**Background:**

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's overall budgetary position for April to June 2021 for revenue schemes only and provides details of the impact of Covid-19 on the revenue budget which was considered by the Executive on 31 August 2021.

**Why is this item on the agenda?**

Budget monitoring report.

**What is the Panel being asked to do?**

To scrutinise the variances contained within the report.

**A.3 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO JUNE 2021**

**45 -  
62**

Portfolio:	Finance, Governance and Resources
Directorate:	Finance and Resources
Officer:	Alison Taylor, Corporate Director of Finance and Resources
Report:	RD.33/21 and Minute Excerpt herewith

**Background:**

The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2021 which was considered by the Executive on 31 August.

**Why is this item on the agenda?**

Budget monitoring report.

**What is the Panel being asked to do?**

To scrutinise the variances contained within the report.

#### **A.4 COMMERCIALISATION TASK AND FINISH GROUP**

63 -  
68

Portfolio:	Finance, Governance and Resources
Directorate:	Finance and Resources
Officer:	Alison Taylor, Corporate Director of Finance and Resources
Report:	RD 43/21 herewith

##### **Background:**

The Corporate Director of Finance and Resources to submit a report summarising the work undertaken by the Commercialisation Task and Finish Group and the rationale for not progressing any further work on a detailed Commercialisation Strategy for Carlisle City Council.

##### **Why is this item on the agenda?**

Report on the findings and conclusions of the Commercialisation Strategy Task and Finish Group.

##### **What is the Panel being asked to do?**

Members are asked to note the contents of this report and to ratify the conclusions of the Task and Finish Group, or conversely ask that the Task and Finish Group continue with their work in developing a Commercial Strategy for Carlisle City Council.

#### **A.5 SANDS CENTRE PROJECT MONITORING REPORT**

69 -  
86

Portfolio:	Leader
Directorate:	Community Services
Officer:	Darren Crossley, Deputy Chief Executive
Report	CS.42/21 herewith

##### **Background:**

The Deputy Chief Executive to submit a report providing an update on the current progress of the redevelopment of the Sands Centre site.

##### **Why is this item on the agenda?**

Item agreed by Chair.

##### **What is the Panel being asked to do?**

Review the report, note the progress and provide feedback.

**A.6 CIVIC CENTRE REINSTATEMENT AND DEVELOPMENT**

**87 -  
98**

Portfolio:	Finance, Governance and Resources
Directorate:	Community Services
Officer:	Darren Crossley, Deputy Chief Executive
Report:	CS.39/21 herewith

**Background:**

The Deputy Chief Executive to submit an update on the progress of the reinstatement of the ground floor of the Civic Centre, including Phase 2 of the project: demolition of the former chamber and extension to the Civic Centre public car park.

**Why is this item on the agenda?**

The Chair requested a report on progress of the Civic Centre re-instatement.

**What is the Panel being asked to do?**

Review the report and the progress made on the project.

**A.7 SQUAD WORKING**

**99 -  
148**

Portfolio:	Finance, Governance and Resources
Directorate:	Community Services
Officer:	Darren Crossley, Deputy Chief Executive
Report:	CS.40/21 herewith

**Background:**

The Deputy Chief Executive to submit a report acquainting Members with the Council's approach to Squad Working and potential of this new part of our Project Managers Toolbox.

**Why is this item on the agenda?**

To provide the Panel with an update on new methods of working being adopted by the Council.

**What is the Panel being asked to do?**

Review this report and appendices, note the progress made to date and form a view on the future involvement of the Panel in monitoring the progress of Squad Working.

**A.8 EMERGING AGILE WORKING POLICY - FINDING OF STAFF SURVEY****149 -  
166**

Portfolio:	Finance, Governance and Resources
Directorate:	Community Services
Officer:	Darren Crossley, Deputy Chief Executive
Report:	CS.38/21 herewith

**Background:**

The Deputy Chief Executive to submit a report.

**Why is this item on the agenda?**

To provide the Panel with findings of the staff survey and provide information on developing approaches to agile working following the Covid-19 pandemic.

**What is the Panel being asked to do?**

Consider and comment of the information provided.

**A.9 OVERVIEW REPORT****167 -  
170**

Portfolio:	Cross cutting
Directorate:	Cross cutting
Officer:	Rowan Jones, Overview and Scrutiny Officer
Report	OS.24/21 herewith

**Background:**

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

**Why is this item on the agenda?**

The Business and Transformation Scrutiny Panel operates within a work plan which has been set for the 2021/22 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 the Panel remit on the most recent Notice of Executive Key Decisions and note the current work programme.

## **PART B**

**To be considered when the Public and Press are excluded from the meeting**

### **B.1 ICT SERVICES PROJECT STATUS REPORT**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Enquiries, requests for reports, background papers etc to:  
[committeeservices@carlisle.gov.uk](mailto:committeeservices@carlisle.gov.uk)







## **Business & Transformation Scrutiny Panel**

**Date:** Thursday, 26 August 2021    **Time:** 16:04

**Venue:** Council Chamber

**Chair:** Councillor James Bainbridge

**Present:** Councillors Allison, Bainbridge, Mrs Bowman, Ms Ellis-Williams, Mrs Mitchell, Mitchelson, Sunter and Dr Tickner

**Apologies for Absence:** Councillor Alcroft

**Also Present:** Councillor Ellis, Finance, Governance and Resources Portfolio Holder  
Corporate Director of Governance and Regulatory Services  
Corporate Director of Finance and Resources  
Health and Wellbeing Manager  
Arts Development Officer  
HR Manager  
Policy and Communications Manager  
Overview and Scrutiny Officer

### **BTSP.56/21 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Alcroft (substituted by Councillor Ms Ellis-Williams), the Town Clerk and Chief Executive and the Deputy Chief Executive.

### **BTSP.57/21 DECLARATIONS OF INTEREST**

No declarations of interest were submitted.

### **BTSP.58/21 PUBLIC AND PRESS**

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

### **BTSP.59/21 MINUTES OF PREVIOUS MEETINGS**

RESOLVED – 1) It was noted that Council, at its meeting on 20 July 2021, received and adopted the minutes of the meetings held on 1 April and 2 June 2021. The Chair signed the minutes.

2) That the minutes of the meeting held on 15 July 2021 be agreed as a correct record.

### **BTSP.60/21 AGENDA**

RESOLVED – That agenda item B.1 be considered as the first item on the agenda.

### **BTSP.61/21 PUBLIC AND PRESS**

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

## **BTSP.62/21 CALL IN OF DECISION**

(Public and Press excluded by virtue of Paragraph 3)

Councillors Dr Tickner, Sunter and Ms Ellis-Williams Called-in for Scrutiny Executive Decision EX.78/21 – Outcome of Old Fire Station Tender. The reasons given for the Call-in were:

The decision, which was made by the Executive on 2nd August 2021 report number CS.28/21, was to select Greystone Developments Ltd as the preferred supplier and to proceed to agree terms for and enter into, a lease for the premises. The lease would include a Service Agreement requiring the operator to run the Old Fire Station (OFS) for the purpose and in the manner required by the City Council.

The purpose of calling in the decision was to enable Overview and Scrutiny to scrutinise the decision and then, if concerned, refer it back to Executive or on to Council.

The grounds for calling in the decision was because there was concern around the business case and the belief that the decision would not lead to an efficient use of public resources and assets.

Councillor Dr Tickner was nominated as Lead Call-in Member, he began by thanking officers for providing the additional information that he had requested and taking the time to answer his questions. Despite seeking further information he had remained unsatisfied with the outcome of the tender.

He stated that the business plan had been the predominant reason for the call-in. The business plan had not contained any costing against activities and the costings were not supported by experience or detail. He had also been very concerned regarding the low tender scoring.

He felt that the proposed review period for the lease of 3 and 6 year was too long to wait should the business fail. He supported the appointment of a local provider but did not believe that Greystone Development Ltd understood Carlisle and the local need. The business had experience in sales and property development but not in operating a diverse hospitality venue such as the OFS.

Councillor Dr Tickner summed up by commenting that he believed more due diligence was required especially with the business plan.

Councillor Ms Ellis-Williams supported Councillor Dr Tickner's comments that the business plan was vague, and she felt it did not offer a unique selling point. She had concerns that some of the proposed events clashed with similar events already being offered in the town centre, she also felt that the events did not give an identity to the OFS or what Greystone Developments Ltd hoped the venue would be.

She was not opposed to the venue being externally operated, however, she was very concerned with the low scoring criteria and questioned how robust the business plan and the figures contained in it were. She did not have confidence that Greystone Developments Ltd could run and manage the venue.

Councillor Ms Ellis-Williams wanted more details to prove that the company was the right fit for the venue, if they were not she suggested that City Council officers maintained the venue until an appropriate proposal came forward to run the OFS as an arts and culture venue.

The Finance Governance and Resources Portfolio Holder responded to the call-in. He commented that he had made similar points when the Council initially began the OFS project.

He had felt the Council had no business plan, the budget had been indicative, and it had increased significantly. The Portfolio Holder at the time had said the Old Fire Station would be cost neutral but this had not happened.

It had taken approximately 3 years to get to reach this point and previous tender processes had been unsuccessful, he agreed the tender should not be rushed but consideration also had to be given to the scheduled events and reputational damage to the Council should they be cancelled because the City Council did not have the staff to operate the venue. The Executive were confident that Greystone Developments Ltd would be able to run the OFS with the vision to get people back into the venue and get the OFS operational and successful.

The Health and Wellbeing Manager responded to some issue raised by the call-in Members:

- officers had initially felt that some of details in the plan had been overambitious, as a result the Heads of Terms had determined that the income to the Council would not be predicated on the income of the venue;
- there were clauses within the legal agreement which allowed the City Council to terminate the contract should Greystone Developments Ltd not deliver on the requirements of the service level agreement or fail with their business, the Council did not have to wait until the 3 year review;
- Greystone Developments Ltd had been working with promoters to secure a full calendar of events from October.

The Arts Development Officer commented that initially he had not been confident in the tender, however, on meeting the individuals he had been impressed with their passion for the business and was pleased to learn they had already held discussions with promoters to secure 68 events taking the schedule up to 2023. He felt the company was ready to run the OFS and that Carlisle needed a local venue. He added that the company wanted the venue for the community and to be inclusive, he summed up by stating that the Council could not make the venue a success in the same way Greystone Developments Ltd could.

The Corporate Director of Finance and Resources outlined the net cost of running the OFS and detailed the proposed saving should the contract be awarded. The contract was not a profit share contract, the Council would be a leaseholder and as a result the business plan was not analysed fully by finance. She stated that the main issue was to ensure that there were sufficient funds in the company to deliver financial liability to the Council which were the lease payments.

In considering the Call-in, Members raised the following comments and questions:

- A Member had been concerned by the company finances and the impact on the subsidy that the Council provided to the venue. He felt he could not support the appointment of the contract to Greystone Developments Ltd.
- What had been the tender scoring of the previous tender for the venue?

The Health and Wellbeing Manager responded that each tender was considered individually based on the requirements set by the Council for the tender at that time.

A Member then asked what score the City Council would have received when it began the project and the Arts Development Officer responded that the score would have been very low as the project had been a very steep learning curve for all involved.

- Were there any incidences where the Council had considered a business plan as part of a lease agreement?

The Corporate Director of Finance and Resources confirmed that there had been one previous project, that she could recall, where the business case had been considered due to the financial support the Council provided to operate the service. She added that usually business plans were not considered when it is a lease, referring to the OFS she clarified that the business plan was asked for as part of the tender process to provide clarity on the activities which would be undertaken at the venue.

- Had the Council received any profit as a result of the previous profit share arrangements?

The Health and Wellbeing Manager gave an overview of the previous arrangements and confirmed that there had not been any profits delivered.

A Member reminded the Panel that the subject of the call-in had been the current tender and did not feel it was appropriate to discuss previous tenders.

- A Member asked for clarification regarding the other businesses that tendered.

The Health and Wellbeing Manager gave an overview of the process and the reasons the other tenders had not moved forward.

- A Member asked for clarification with regard to the income the City Council would receive.

The Health and Wellbeing Manager confirmed that the income would come from the lease only.

- What would be the impact of the tender not being awarded?

The Arts Development Officer highlighted the will in the City for the venue to reopen, if the tender did not go ahead the venue would remain closed and would leave a gap in the market.

The Health and Wellbeing Manager added that, should the tender not be awarded, the Council would work to try and meet the obligations of the events scheduled in September / October, however, there was no staff to operate the venue and it would be costly to the Council to run the events.

- Was the move to online ticket sales important to the future of the venue?

The Arts Development Officer confirmed that most venues had an online based ticket service. The OFS had an online presence and sold physical tickets previously, however the majority of ticket sales were online. There would still be an opportunity to buy tickets at the door through the online portal, it was a much more efficient modern way to sell tickets.

The Corporate Director of Governance and Regulatory Services clarified the risk to the Council stating that legally the relationship was landlord / tenant. The financial risk was loss of rent, however, there was a reputational risk which needed to be considered if the venue did not open or if the business failed.

Councillor Ms Ellis-Williams reiterated the reason for the call-in. She acknowledged what had been said about the enthusiasm of the proposed operator noting that the 68 acts had not been confirmed. She also felt that an online only booking system could cause some people to be disadvantaged as it was not practical for everyone. She felt that the tender had been rushed and questioned what would happen if the tender did not go forward.

- How would the clause to end the lease agreement be activated?

The Health and Wellbeing Manager outlined the provisions in the Service Level Agreement which would allow the Council to end the contract.

The Property Services Manager informed the Panel that he had also had reservations with regard to the proposals, but he had since been reassured that the contract protected the Council and its asset. The Council did not have the staff or resources to operate the venue, if the tender did not move forward the venue would remain closed.

- A Member suggested a short trial period to allow Greystone developments Ltd time to demonstrate its ability to make the OFS a successful business.

The Health and Wellbeing Manager responded that the Service Level Agreement included performance management arrangements to deal with any issues that may arise.

The Finance, Governance and Resources Portfolio Holder understood the concern regarding the risk of success and suggested that some of the savings were placed into a reserve for the OFS.

- What would the Council lose if the tender was referred back to the Executive?

The Arts Development Officer explained that should the venue not open, events would have to be cancelled and this would risk the Council's reputation with promoters as they may not come back to the venue.

The Finance, Governance and Resources Portfolio Holder highlighted the appetite for live events in the area. There was a demand for the venue to reopen; the Council had mitigated the risk where possible and he asked the Scrutiny Panel to consider the risk to the authority of doing nothing.

The Lead Call-in Member summed up the Call-in by highlighting the proposed operator's business background and finances. He felt that the business plan relied on the support of City Council officers and did not have evidence to support the figures stated. He felt that the proposed operators were not experienced enough to successfully run the venue.

A Member proposed, and it was seconded, that the matter not be referred back to the Executive, in which case the decision would take effect from the date of this meeting.

A Member proposed, and it was seconded, that the matter be referred to Full Council.

Following voting it was

RESOLVED – That the Business and Transformation Scrutiny Panel not refer the decision back to the Executive, the decision shall take effect from the date of this meeting.

*The Panel adjourned at 17.28 and reconvened at 17.35.*

## **BTSP.63/21 DRAFT MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27**

The Corporate Director of Finance and Resources presented the Medium Term Financial Plan (RD.28/21) which set out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP would inform the budget

process and would be updated for changes when known.

The Corporate Director of Finance and Resources reported that the Council had been notified of the outcome of the proposed Local Government Reorganisation (LGR) in Cumbria. The draft MTFP and Capital Investment Strategy had both been prepared based on the Council in its existing form and structure as a going concern for the next five years. However, the decision announced that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria from 1 April 2023. The Council needed to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond that date were for illustrative purposes only and would fall under the responsibility of the new Authority.

The Executive had considered the matter at their meeting on 2 August 2021 (EX.65/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan (MTFP) 2022/23 to 2026/27 Members raised the following comments and questions:

- Was the reduction in overall funding from Business Rates of £1,800,000 for 2022/23 secure?

The Corporate Director of Finance and Resources clarified that the reduction detailed within the report was an assumption pending notification and implications of revised retentions scheme, pooling arrangements and baseline reset.

- What work was being undertaken with the other authorities to co-ordinate financial policy in preparation for the LGR?

The Corporate Director of Finance and Resources explained that the Cumbria Finance Officers were meeting weekly, and a detailed data collection exercise was underway as a basis for the work needed for the LGR.

- When would the Tullie House Levelling Up application outcome be announced?

The Corporate Director of Finance and Resources responded that the announcement was expected in the autumn.

- There was some concern that the Council Tax Reduction Scheme (CTRS) would be significantly impacted due to Covid-19, would this Scheme continue?

The Corporate Director of Finance and Resources reminded the Panel that the Scheme was considered and agreed annually as part of the Council budget process.

RESOLVED – That the Panel had considered and commented upon the draft Medium Term Financial Plan 2022/23 TO 2026/27 (RD.28/21).

#### **BTSP.64/21 DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27**

The Corporate Director of Finance and Resources submitted the Council's draft Capital Investment Strategy which was intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 to 2026/27 (RD.29/21). The guidance in the strategy complements and supplements the Medium-Term Financial Plan.

The Corporate Director of Finance and Resources highlighted the key messages as detailed in

section 2 of the report, which included the announcement on the Local Government Reorganisation.

The Executive had considered the Draft Capital Investment Strategy 2022/23 - 2026/27 at their meeting on 2 August 2021 (Minute Excerpt EX.66/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Capital Investment Strategy Members raised the following comments and questions:

- The current asset portfolio supported operational and non-operational activities; how confident could the Council be that the income could be relied on given the current downturn in retail.

The Corporate Director of Finance and Resources responded that the projections had been reduced previously and work would be undertaken with Property Services to determine how realistic the projections were now and what budget pressures there could be as a result of the current economic situation.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that although high street retail was struggling the Industrial Estates were performing well and were more robust. The Property Services Manager agreed that the large Industrial Estate portfolio, which included Gateway 44, were performing well as out of town retail continued to be successful.

RESOLVED – That the Panel had considered and commented upon the draft Capital Investment Strategy 2022/23 - 2026/27 (RD.29/21).

#### **BTSP.65/21 DRAFT ASSET MANAGEMENT PLAN 2022 TO 2027**

The Property Services Manager presented the draft Asset Management Plan 2022 to 2027 which was being updated to reflect the key issues and changes affecting the management and use of the City's property resources (GD.54/21). The Plan also reported on the current position and performance of the Portfolio, and the Asset Disposal Programme.

The Property Services Manager was delighted to report that the Gateway 44 project had been completed on time, under budget and was fully let out. Given the circumstances of the last 18 months this had been an excellent achievement for the Property Services Team.

The Executive had considered the Draft Asset Management Plan 2022 to 2027 at their meeting on 2 August 2021 (Minute Excerpt EX.67/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Asset Management Plan Members raised the following comments and questions:

- Chancerygate had successfully carried out many rent reviews, would their contract be renewed?

The Property Services Manager acknowledged the work that Chancerygate had carried out in securing evidence for the rent reviews and added that the five-year contract with Chancerygate would end in October. Discussions were taking place to determine the best options moving forward.

- The Pools had been removed from the outstanding maintenance programme due to the impending closure, did this include the Victorian pools and health suite?

The Property Services Manager confirmed that all of the pools and health suite were excluded from the programme at this time. However, the Borderlands project included work to identify what repairs were necessary to the buildings, when the work was finished the Victorian pools and health suite would be incorporated back into the maintenance programme.

- Who was leading on the work to understand the energy consumption across the Council's portfolio and the assessment of the carbon footprint and when would the baseline be ready?

The Property Services Manager explained that a team of people with a variety of knowledge and skills were working to establish a baseline as well as trying to secure funding to support the work. It was hoped that the baseline would be established by the end of the financial year.

- A Member sought confirmation that removal of the older, poorly functioning assets such as the Pools was with regard to just the 1970s pool.

The Property Services Manager confirmed that the removal was the actual swimming pool element which would be transferred to the Sands Centre as a modern facility.

- When would the feasibility study which had been undertaken on the health suite be available so Members could understand the implications of the recommendations?

The Chair informed the Panel that the Economic Growth Scrutiny Panel were scheduled to scrutinise the report at their meeting on 21 October 2021.

- Were the rent reviews up to date?

The Property services Manager explained that the rent reviews would be an ongoing project each year. Evidence had to be gathered to support any reviews, Chancerygate had been very good at providing open market evidence to support reviews but the process took some time.

RESOLVED - That the Panel had considered and commented upon the draft Asset Management Plan 2022 to 2027 (GD.54/21).

#### **BTSP.66/21 EXTERNAL AUDIT REPORT ACTION PLAN AND RECOMMENDATIONS FOLLOW UP**

The Corporate Director of Finance and Resources reported that the Audit Committee had considered the External Audit Report for Carlisle City Council at its meeting on 20 May 2021 (AUC.17/21 refers). The Audit Committee referred the matter to the Panel for information and ongoing monitoring.

RESOLVED – That the Panel noted the progress on implementation of the recommendations in the External Findings Report for 2019/20 (RD.35/21)

#### **BTSP.67/21 SICKNESS ABSENCE REPORT QUARTER 1 2021/22**

The HR Manager presented the authority's sickness absence levels for the period April 2021/22 and other sickness absence information (RD.30/21).

The HR Manager highlighted the current sickness statistics as detailed in section 2 of the report along with the absence levels split by directorates with comparison years. She reported that so far in 2021/22 there had been an increase in overall days lost per employee compared to the



same period in the previous year. The report set out comparison data, trends, sickness absence reasons and an update on return to work interviews. The HR Manager gave an overview of the key activities which the City Council undertook to support attendance management.

The HR Manager reported that the direct impact of the Covid-19 pandemic on absenteeism had been monitored since the first national restrictions were announced in 2020. The majority of staff had been able to work from home or had been redeployed into other roles. For clarity, in the few cases when staff had been unable to work for non-sickness related reasons, the days had not been included in the totals. The table at section 4.3 of the report showed how the reasons for sickness absences had changed since pre-pandemic along with a detailed explanation of the changes.

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

- How would it be recorded if a member of staff was advised to self-isolate by NHS Track and Trace?

The HR Manager responded that it would not be classified as a sickness absence unless the individual became ill. If an individual was absent whilst waiting on test results, they also would only be recorded as an absence if they became ill. The HR Manager confirmed that short term COVID related absence was not generally included when considering triggers for sickness absence reviews for employees.

- When would the work of the Task and Finish Group be implemented?

The HR Manager reported that the Attendance Management Policy would be submitted to the Employment Panel on 14 September for their approval.

- One directorate had a very high absence level under 'stress, depression, mental health, fatigue symptoms', how was this being addressed?

The HR Manager acknowledged the issue and outlined the work being carried out to address the issue. A culture review was being carried out alongside more proactive absence management. She added that the Council had a duty of care as an employer to support those on long term sick to return to work and a proactive and supportive approach is being taken. An Action Plan had been established for each employee currently on long term absence with a view to support them in a sustained return to work at the earliest opportunity and it was anticipated that this approach would reduce the overall figures by the end of quarter 3.

RESOLVED – That the Panel had scrutinised the information on sickness absence provided in report RD.30/21.

## **BTSP.68/21 QUARTER 1 PERFORMANCE REPORT 2021/22**

The Policy and Communications Manager submitted the Quarter 1 2021/22 performance against the current Service Standards and a summary of the Carlisle Plan 2021-23 actions as defined in the draft Plan. Performance against the Panel's 2021/22 Key Performance Indicators (KPIs) were also included. (PC.33/21)

The Policy and Communications Manager highlighted the changes to the report as a result of the Performance Reporting Task and Finish Group and drew the Panel's attention to the summary of exceptions and the explanation for each missed target.

In considering the performance a Member noted that some of the targets had not been changed

for some time and asked if work was carried out to assess the performance related to the targets. The Policy and Communications Manager reminded the Panel that some of the targets had been stretched in recent years and teams did meet to discuss targets and working practices. He suggested that the Panel may find it useful to identify some of the information in the individual targets.

RESOLVED -That the Panel had scrutinised the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities (PC.33/21).

## **BTSP.69/21 OVERVIEW REPORT**

The Overview and Scrutiny Officer presented report OS.21/21 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The Overview and Scrutiny Officer reported that the Health and Wellbeing Scrutiny Panel had met on 22 July and discussed the Future Scrutiny Arrangements Task and Finish Group. The Panel resolved "That the Future Scrutiny Arrangements Task and Finish Group should not progress. That no changes be made to the scrutiny arrangements for the final year as the City Council".

The Panel discussed the matter, some Members agreed that the Task and Finish Group should not go ahead, and some felt that the work would not take long and should be progressed.

The Overview and Scrutiny Officer suggested that the Scrutiny Chairs Group meet to discuss how to progress the matter.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.21/21).

2) That the Scrutiny Chairs Group meet at the earliest convenience to discuss how the Future Arrangements Task and Finish Group should be progressed.

The Meeting ended at: 18.54

# Report to Business & Transformation Scrutiny Panel

Item  
A.2

Meeting Date: 7 October 2021  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework YES  
 Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
 APRIL TO JUNE 2021  
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
 Report Number: RD 32/21

**Purpose / Summary:** This report provides an overview of the Council’s General Fund revenue budgetary position for the period April to June 2021 which was considered by the Executive on 31 August 2021.

**Questions for / input required from Scrutiny:**

Members are asked to scrutinise 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 June 2021.

**Tracking**

Executive:	<b>31 August 2021</b>
Scrutiny:	<b>7 October 2021</b>
Council:	n/a

# Report to Executive

Agenda  
Item:

Meeting Date: 31 August 2021  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
APRIL TO JUNE 2021  
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
Report Number: RD 32/21

**Purpose / Summary:** This report provides an overview of the Council's overall budgetary position for the period April to June 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.

## Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2021;
- (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.

## Tracking

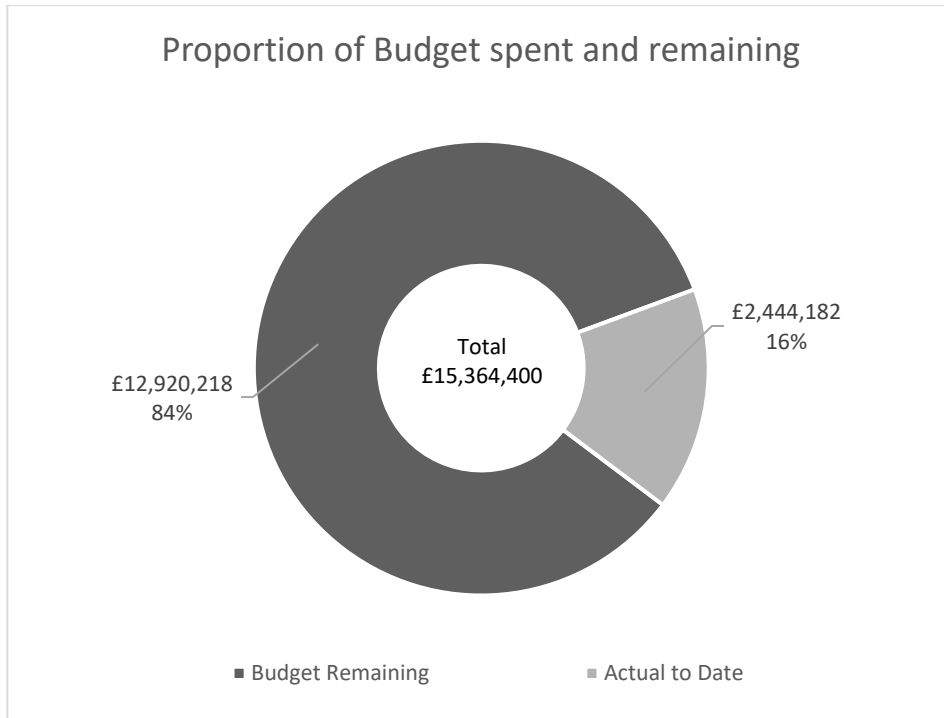
Executive:	<b>31 August 2021</b>
Scrutiny:	<b>7 October 2021</b>
Council:	<b>n/a</b>

## 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. 2021/22 REVENUE BUDGET MONITORING

2.1 The budget position of the Council as at June 2021 is as follows:



2.2 The summarised revenue budgetary position as at June 2021 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	9,480,600	11,556,900	2,187,811	2,050,347	(137,464)
Corporate Support	B2	2,632,600	321,300	402,745	412,419	9,674
Economic Development	B3	974,700	1,904,900	411,367	288,575	(122,792)
Finance & Resources	B4	2,054,500	2,098,600	849,747	752,835	(96,912)
Governance & Regulatory Services	B5	1,305,800	2,325,600	563,775	414,809	(148,966)
Corporate Management	B6	(3,042,200)	(2,900,700)	(199,824)	(144,751)	55,073
<b>Service Expenditure</b>		<b>13,406,000</b>	<b>15,306,600</b>	<b>4,215,621</b>	<b>3,774,234</b>	<b>(441,387)</b>
Exceptional Items	B7	(25,000)	57,800	(804,742)	(1,330,052)	(525,310)
<b>Service Expenditure</b>		<b>13,381,000</b>	<b>15,364,400</b>	<b>3,410,879</b>	<b>2,444,182</b>	<b>(966,697)</b>
Parish Precepts		708,300	708,300	708,300	707,086	(1,214)
<b>Total</b>		<b>14,089,300</b>	<b>16,072,700</b>	<b>4,119,179</b>	<b>3,151,268</b>	<b>(967,911)</b>
<b>Transfers to/(from) Reserves</b>						
Cremator Replacement Reserve		0	23,600			
Revenue Grants Reserve		0	(335,900)			
General Fund Reserve		466,600	(1,255,200)			
Planning Services Reserve		0	50,700			
<b>Total Transfer to/(from) Reserves</b>		<b>466,600</b>	<b>(1,516,800)</b>	<b>(480,204)</b>	<b>487,698</b>	<b>967,902</b>
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(2,086,725)	(2,086,716)	9
Business Rate Retention		(6,209,000)	(6,209,000)	(1,552,250)	(1,552,250)	0
<b>Total Grants</b>		<b>(14,555,900)</b>	<b>(14,555,900)</b>	<b>(3,638,975)</b>	<b>(3,638,966)</b>	<b>9</b>
<b>Total</b>		<b>(14,089,300)</b>	<b>(16,072,700)</b>	<b>(4,119,179)</b>	<b>(3,151,268)</b>	<b>967,911</b>

2.3 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. Although the net position is shown in the table above, the main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl. contracts)	B1	0	125,421
Recycling and Waste Management	B1	(94,007)	0
Development Control Income	B3	(82,905)	0
Loan Interest (incl. new borrowing)	B4	(102,543)	0
The Lanes Income	B5	0	88,158
Industrial Estates	B5	(60,383)	0
Profiled Budget Savings to Find	B6	0	103,756
Salary Turnover Savings	B6	(52,143)	0

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

- A shortfall in car parking income from tickets, permits and PCNs due to Covid-19.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Development Control fee income due to a significant application fee being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into yet.
- Rental income losses from the Lanes to date. Projections for 2021/22 are being prepared and reviewed on a regular basis and the likely year end position will be reported more fully in a future monitoring report
- A net underspend on Industrial Estates due to additional income from rent reviews and backdated rent
- An overspend due to profiled budget savings to end of June for 2021/22 of £103,756. The annual position is reported more fully in paragraph 2.8.
- Additional salary turnover achieved against the budget to date.

2.5 A subjective analysis of the summarised budgetary position excluding exceptional items as at June is shown in **Appendix C**.

2.6 The following table provides a summary position of the income and expenditure within Exceptional Items:



		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Flood Related	B7	0	(10,500)	0	0	0
Covid-19 Related Expenditure	B7	0	93,300	23,353	88,052	64,699
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(616,032)	(591,032)
Covid-19 Government Grants	B7	0	0	(803,095)	(803,017)	78
Covid-19 Specific Grants	B7	0	0	0	945	945
<b>Total Exceptional Items</b>		<b>0</b>	<b>57,800</b>	<b>(804,742)</b>	<b>(1,330,052)</b>	<b>(525,310)</b>

2.7 Further details for this directorate can be found in **Appendix B7**. The main variances are also summarised below.

- A net underspend position on Council related expenditure as a result of Covid-19. However, the balance will be required to support other pressures/shortfalls in income (reported above) that are currently reported against individual service areas but are as a direct result of Covid-19 e.g. car parking income, and therefore will reduce the current reported underspend. The current Covid-19 position is as follows:

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	63,578	63,578
Reopening the High Street	14,930	0	14,930
Elections	18,353	0	18,353
Compliance and Enforcement	0	65,809	65,809
RBS New Burdens Expenditure	0	1,147	1,147
Rough Sleeping	5,384	0	5,384
Sales Fees & Charges Income Shortfalls	147,229	0	147,229
Sales Fees & Charges Reduction in Expenditure	(38,601)	0	(38,601)
Other Income Shortfalls	96,836	0	96,836
Commercial Income	60,430	0	60,430
<b>Total Covid Pressures</b>	<b>304,561</b>	<b>130,534</b>	<b>435,095</b>
Funding Received	0	(616,032)	(616,032)
Compliance and Enforcement Funding Applied	0	(65,809)	(65,809)
Reopening the High Street Funding Applied (to be claimed)	(14,930)	0	(14,930)
Additional Funding for Elections	(7,996)	0	(7,996)
<b>General Fund Surplus June 2021</b>	<b>281,635</b>	<b>(551,307)</b>	<b>(269,672)</b>
Accommodation and Support Charges	0	23,327	23,327
Government Grants to Businesses & Individuals	0	(803,017)	(803,017)
Covid-19 Specific Grants	0	945	945
<b>Revised Net Position on Covid-19</b>	<b>281,635</b>	<b>(1,330,052)</b>	<b>(1,048,417)</b>

Note: Government grants to businesses and individuals are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government on completion of the schemes.

2.8 The following table shows the position as at June 2021 of savings achieved against the budget savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	21,900	48,300	(26,400)
Energy Savings	20,000	0	20,000
To be found from 2021/22 onwards	500,000	0	500,000
<b>Net Recurring position 2021/22</b>	<b>541,900</b>	<b>48,300</b>	<b>493,600</b>

The recurring savings targets will need to be achieved in accordance with the three current strands contained within the approved Savings Strategy i.e. Asset Strategy; Service Reviews; Core Budgets. £1.6million has been set aside in an earmarked reserve as part of the 2020/21 outturn which can be used on a non-recurring basis

to fund any savings unachieved in year subject to approval to release funds by The Executive. However, the required savings as at the end of June 2021 (£103,756) can be accommodated from other underspends in the revenue budget.

### **3. FORECAST OUTTURN POSITION 2021/22**

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 and especially economic recovery following Covid-19.
- 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 the delay to the Spending Review, the Fair Funding Review and Business Rates Retention Review.
- The impact of Covid-19 on Council's budgetary position.

3.2 The Council's financial position will continue to be closely monitored and the projected 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 be scrutinised fully and incorporated into the 2022/23 budget process where necessary.

3.4 Members should note that the impact of Covid-19 on the Council's revenue budget and the level of funding received to date makes forecasting the outturn position particularly difficult.

### **4. IMPACT OF COVID-19**

#### **4.1 Emergency Funding**

4.1.1 The MHCLG has allocated emergency funding to local authorities to meet pressures across council services, as a result of reduced income, rising costs or increased demand. Monthly returns are submitted through DELTA to the MHCLG to report additional costs and loss of income. An assessment of the annual impact is very difficult to predict but as more data is collected each month, the position will become clearer and therefore the estimates of lost income and additional costs incurred may change.

4.1.2 Government funding has also been received to distribute Covid-19 grants to businesses in the area and these have been distributed as quickly as possible. All grants paid are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government.

#### 4.2 Collection Fund

4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector for the 1<sup>st</sup> quarter of 2021/22 and a 66% reduction from July 2021 to March 2022, the net business rates payable for 2021/22 has reduced by approximately £8.177million from £45.023million to £36.846million.

4.2.2 The Council will be recompensed during the year for the additional reliefs granted through a Section 31 grant so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £37million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported elsewhere on the agenda (RD33/21) and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

### 5. **FUNDING**

5.1 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 usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the MHCLG has announced a 3-year deficit recovery period for any arrears as at 31<sup>st</sup> March 2021.

5.2 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.

5.3 The current estimates of Business Rates income for the quarter to the end of June has not yet been completed due to pooling information not yet being received and are therefore as per initial estimates submitted in January 2021 for 2021/22 and are shown in **Appendix D**.

The figures show that based on 2021/22 NNDR1 (prepared in January 2021), the Council may receive an extra £260,910 in business rates income over and above

what it has budgeted for. However, it is anticipated that this position could change significantly throughout the year depending upon the performance of other authorities in the Cumbria Pool, the implications of Covid-19 and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported later in the year. A 3-year deficit period is now permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by MHCLG. There is likely to be a further deficit on the Business Rates Collection Fund in 2021/22 due to the continuation of business rate reliefs to retail, leisure and hospitality sectors for the first quarter of 2021/22 and reduced rates liabilities beyond that not being announced until after the NNDR1 estimates were submitted to MHCLG. Government is, however, compensating local authorities for this loss of income in the form of additional Section 31 grant and this will need to be set aside at the end of the year to match the deficit falling on general fund in 2022/23.

## 6. BALANCE SHEET MANAGEMENT

6.1 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 31/03/2021	Balance at Jun 2021	Note
Investments	£14.29m	£20.79m	(i)
Loans	£13.30m	£13.30m	(ii)
Debtors System	£1.38m	£1.64m	(iii)
Creditors System	£0.007m	£0.228m	

- (i) The anticipated annual return on these investments is estimated at £166,800 for 2021/22 with current forecasts anticipated to be in line with these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt (including any new debt budgeted for from 2021/22 onwards), in terms of interest payable, is budgeted at £624,900 in 2021/22 with costs currently showing a saving against budget due to new borrowing not entered into yet.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose.

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

- (iv) The Council's VAT partial exemption calculation for the period ending June 2021 is currently 1.76%, well below the 5% limit.

## 7. BAD DEBT WRITE-OFFS

- 7.1 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 £435,997.78 have been written off during Quarter 1 to the end of June 2021. 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	4,207.31
Council Tax (Collection Fund)	37,602.05
NNDR	394,188.42
Total Write-offs	435,997.78

- 7.2 The "write-ons" itemised in Table 2 in **Appendix E**, totalling £6,015.71, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.67
Council Tax (Collection Fund)	2,791.91
NNDR	3,223.13
Total Write-ons	6,015.71

- 7.3 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.
- 7.4 The level of outstanding debt has increased during the pandemic and although a 'soft' debt recovery process was initially agreed whereby letters were issued asking debtors to contact the Council to discuss flexible repayment terms, and a sign post to the CTRS scheme for council tax payers, more formal debt recovery procedures are now in place in order to safeguard the Council's cash position.

## **8. RISKS**

- 8.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.
- 8.2 The main risk to the Council is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any future funding package. The economic recovery of the city and surrounding areas is part of the Recovery Strategy and any financial impact will need to be closely monitored.

## **9. CONSULTATION**

- 9.1 Consultation to date.  
SMT and JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed  
Business and Transformation Scrutiny Panel will consider the report on 7 October 2021.

## **10. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 10.1 The Executive is asked to:
- (i) Note the budgetary performance position of the Council to June 2021;
  - (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.

## **11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 11.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the first quarter of 2021/22 shows the delivery of these priorities within budget.

**Contact Officer:** Emma Gillespie **Ext:** 7289

**Appendices** A, B1 to B7, 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.

**PROPERTY SERVICES** – Property asset implications are contained within the main body of the report.

**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 2021/22

## VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
<b>Requested by Officers (under £35,000 or delegated authority)</b>				
28/05/2021 & 15/06/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	31,900	Corporate Director of Finance and Resources
28/05/2021 & 04/06/2021	Release of funding from Revenue Grant Reserve for Rough Sleeping Initiative	Non-recurring	115,300	Corporate Director of Finance and Resources
28/05/2021 & 04/06/2021	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	114,700	Corporate Director of Finance and Resources
28/05/2021, 04/06/2021 & 15/06/2021	Release of funding from Revenue Grant Reserve for Flexible Homelessness Support & Prevention	Non-recurring	0	Corporate Director of Finance and Resources
28/05/2021	Release of funding from Revenue Grant Reserve for Hadrian's Wall Partnership	Non-recurring	7,200	Corporate Director of Finance and Resources
04/06/2021 & 07/07/2021	Release of funding from Revenue Grant Reserve for Gas Safe	Non-recurring	1,800	Corporate Director of Finance and Resources
04/06/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	5,600	Corporate Director of Finance and Resources
04/06/2021	Release of funding from Revenue Grant Reserve for Sustainable Food Co-ordinator	Non-recurring	24,900	Corporate Director of Finance and Resources
06/07/2021	Release of funding from Revenue Grant Reserve for Local Strategic Partnership	Non-recurring	4,400	Corporate Director of Finance and Resources
07/07/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	30,100	Corporate Director of Finance and Resources
<b>Approved by Executive (£35,000 to £70,000 or delegated authority)</b>				
<b>Approved by Council (over £70,000)</b>				
02/03/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	750,400	Council RD.64/20
20/07/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	971,400	Council RD.15/21

## REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	20,802,200	(5,525,600)	(3,719,700)	<b>11,556,900</b>
Budget to date	4,716,288	(1,488,840)	(1,039,637)	<b>2,187,811</b>
Total Actual	4,554,024	(1,492,431)	(1,011,246)	<b>2,050,347</b>
<b>Variance</b>	<b>(162,264)</b>	<b>(3,591)</b>	<b>28,391</b>	<b>(137,464)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(162,264)</b>	<b>(3,591)</b>	<b>28,391</b>	<b>(137,464)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(19,553)	133,524	61	<b>114,031</b>
Healthy Cities	2	(78,714)	22,387	0	<b>(56,327)</b>
Other Green Spaces	3	285	(41,564)	64	<b>(41,215)</b>
Recycling and Waste Services	4	23,766	(115,527)	(2,245)	<b>(94,007)</b>
Miscellaneous	5	(88,048)	(2,410)	30,512	<b>(59,946)</b>
<b>Total Variance to date</b>		<b>(162,264)</b>	<b>(3,591)</b>	<b>28,391</b>	<b>(137,464)</b>

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Main underspend relates to expenditure at the Art Centre; shortfall in income due to the venue being closed as a result of Covid-19 restrictions
3.	Improved levels of income at Talkin Tarn & Boathouse Tea Room
4.	Underspend on transport costs, overspend on savings not yet achieved. Surplus income from Plastic and Card recycling, sale of recyclates and Bring Sites income.
5.	Minor underspends, increased in income and reduced trading income (recharges) across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	3,757,700	(278,700)	(3,157,700)	<b>321,300</b>
Budget to date	1,400,153	(207,044)	(790,364)	<b>402,745</b>
Total Actual	1,402,556	(200,608)	(789,529)	<b>412,419</b>
<b>Variance</b>	<b>2,403</b>	<b>6,436</b>	<b>835</b>	<b>9,674</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>2,403</b>	<b>6,436</b>	<b>835</b>	<b>9,674</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact Centre	1	(22,819)	19,875	239	<b>(2,705)</b>
ICT Services	2	27,659	(39)	478	<b>28,098</b>
Miscellaneous	3	(2,436)	(13,400)	118	<b>(15,718)</b>
<b>Total Variance to date</b>		<b>2,403</b>	<b>6,436</b>	<b>835</b>	<b>9,674</b>

Note	Corporate Support - Comments
1.	Underspends on employee related costs; offset by shortfall in income. The loss of income is factored into the sales, fees & charges compensation claims to Government.
2.	Overspends on supplies and services including Microsoft Licenses & IT Support.
3.	Minor underspends and increased income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	3,450,100	(1,037,800)	(507,400)	<b>1,904,900</b>
Budget to date	843,942	(305,573)	(127,002)	<b>411,367</b>
Total Actual	865,426	(449,984)	(126,867)	<b>288,575</b>
<b>Variance</b>	<b>21,484</b>	<b>(144,411)</b>	<b>135</b>	<b>(122,792)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>21,484</b>	<b>(144,411)</b>	<b>135</b>	<b>(122,792)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Regeneration	1	67,101	(14,931)	0	<b>52,171</b>
Development Control	2	(7,105)	(82,905)	0	<b>(90,010)</b>
Building Control	3	(13,974)	(47,997)	0	<b>(61,971)</b>
Miscellaneous	4	(24,538)	1,422	135	<b>(22,982)</b>
<b>Total Variance to date</b>		<b>21,484</b>	<b>(144,411)</b>	<b>135</b>	<b>(122,792)</b>

Note	Economic Development - Comments
1.	Overspend in relation to ongoing revenue costs of Paton House which is due for demolition; overspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on supplies and services & consultants fees; increased fee income received.
3.	Underspend on employee related expenditure; increased fee income received.
4.	Minor overspends and shortfall in income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	24,769,700	(19,758,600)	(2,912,500)	<b>2,098,600</b>
Budget to date	6,635,905	(5,247,957)	(538,201)	<b>849,747</b>
Total Actual	6,541,175	(5,250,779)	(537,561)	<b>752,835</b>
<b>Variance</b>	<b>(94,730)</b>	<b>(2,822)</b>	<b>640</b>	<b>(96,912)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(94,730)</b>	<b>(2,822)</b>	<b>640</b>	<b>(96,912)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(101,789)	(861)	0	<b>(102,650)</b>
Miscellaneous	2	7,059	(1,961)	640	<b>5,738</b>
<b>Total Variance to date</b>		<b>(94,730)</b>	<b>(2,822)</b>	<b>640</b>	<b>(96,912)</b>

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet.
2.	Minor overspends and increased income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	11,933,800	(5,835,200)	(3,773,000)	<b>2,325,600</b>
Budget to date	3,144,076	(1,635,965)	(944,336)	<b>563,775</b>
Total Actual	2,986,110	(1,637,543)	(933,758)	<b>414,809</b>
<b>Variance</b>	<b>(157,966)</b>	<b>(1,578)</b>	<b>10,578</b>	<b>(148,966)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(157,966)</b>	<b>(1,578)</b>	<b>10,578</b>	<b>(148,966)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Buildings & Facilities Services	1	(54,836)	(5,775)	10,183	<b>(50,428)</b>
Industrial Estates	2	8,598	(68,981)	0	<b>(60,383)</b>
The Lanes	3	3	88,158	0	<b>88,161</b>
Homeless Accommodation	4	(34,003)	57,734	0	<b>23,731</b>
Regulatory Services	5	(9,910)	(56,603)	(167)	<b>(66,680)</b>
Miscellaneous	6	(67,817)	(16,111)	562	<b>(83,366)</b>
<b>Total Variance to date</b>		<b>(157,966)</b>	<b>(1,578)</b>	<b>10,578</b>	<b>(148,966)</b>

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); additional rental income received; shortfall in trading income.
2.	Additional income received due to rent reviews and backdated rents.
3.	Shortfall in rental income.
4.	Underspend on employee related expenditure and supplies and services; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
5.	Various minor underspends; Additional licence income and agency fee income received.
6.	Minor underspends and increased income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	(1,558,300)	(1,342,400)	0	<b>(2,900,700)</b>
Budget to date	87,698	(287,522)	0	<b>(199,824)</b>
Total Actual	141,844	(286,595)	0	<b>(144,751)</b>
<b>Variance</b>	<b>54,146</b>	<b>927</b>	<b>0</b>	<b>55,073</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>54,146</b>	<b>927</b>	<b>0</b>	<b>55,073</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	51,068	926	0	<b>51,994</b>
Miscellaneous	2	3,078	1	0	<b>3,079</b>
<b>Total Variance to date</b>		<b>54,146</b>	<b>927</b>	<b>0</b>	<b>55,073</b>

Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£52,143) and shortfall in inflation savings to be found (£103,756).
2.	Minor overspends across other services within the Directorate.

## REVENUE BUDGET MONITORING 2021/22

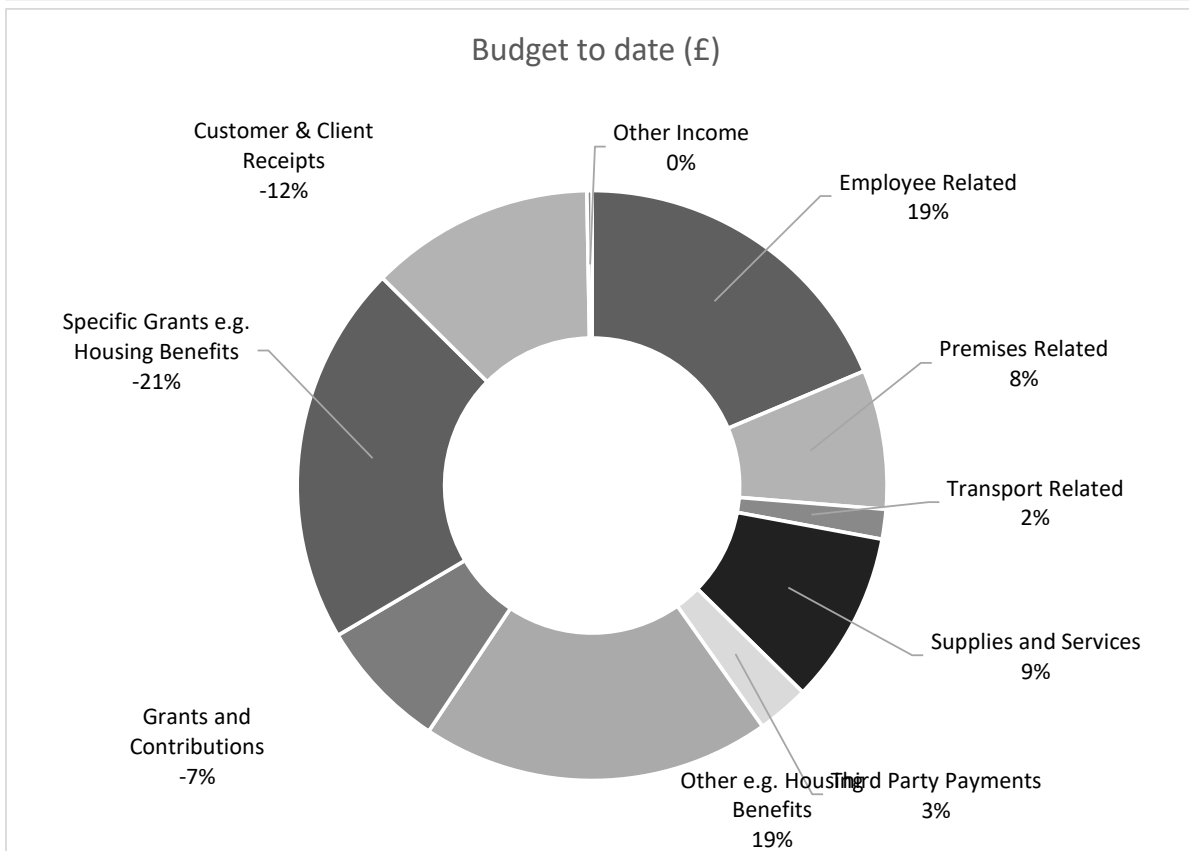
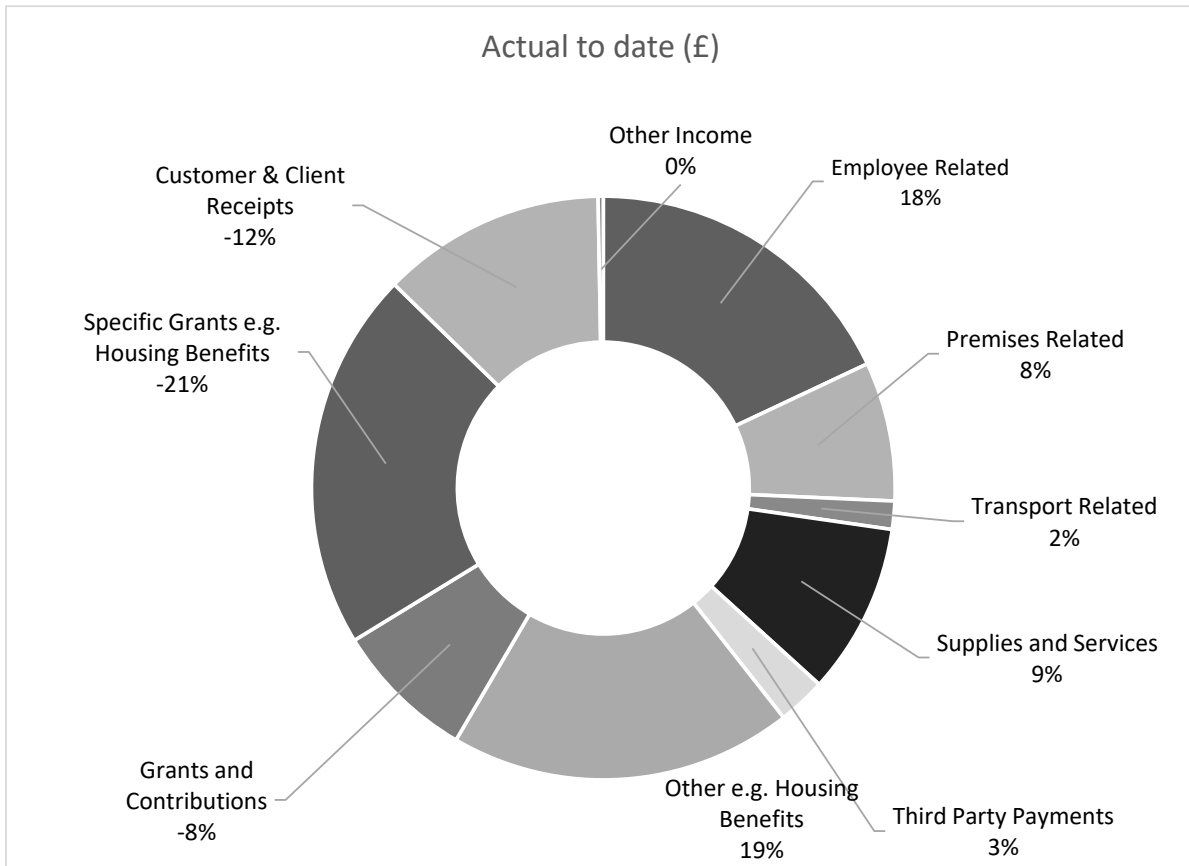
EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2021	£	£	£	£
Annual Budget	10,799,600	(10,741,800)	0	<b>57,800</b>
Budget to date	9,926,558	(10,731,300)	0	<b>(804,742)</b>
Total Actual	10,000,773	(11,330,825)	0	<b>(1,330,052)</b>
<b>Variance</b>	<b>74,215</b>	<b>(599,525)</b>	<b>0</b>	<b>(525,310)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>74,215</b>	<b>(599,525)</b>	<b>0</b>	<b>(525,310)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	69,793	(595,103)	0	<b>(525,310)</b>
Flood Recovery	2	4,422	(4,422)	0	<b>0</b>
<b>Total Variance to date</b>		<b>74,215</b>	<b>(599,525)</b>	<b>0</b>	<b>(525,310)</b>

Note	Exceptional Items - Comments
1.	A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income that are currently reported against individual service areas but are a direct result of Covid-19 e.g. car parking income
2.	Expenditure resulting from flooding caused by Storm Ciara funded by insurance settlement.



**SUBJECTIVE ANALYSIS**



**BUSINESS RATES INCOME**

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q1
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(378,052)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(307,797)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,568,847
Section 31 Grants (reimbursement of funded reliefs)		(1,780,234)	(1,780,234)
Section 31 Grants (Flooding)	(11,188,692)	0	0
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper		0	0
Section 31 Grant B/Fwd (Earmarked Reserve)	0	(9,463,000)	(9,463,000)
Estimated Collection Fund Deficit per NNDR1	216,038	9,265,582	9,265,582
Spreading of Deficit		197,036	197,036
Tax Income Guarantee Scheme Compensation	(22,487)	0	0
Tariff (Per Final Settlement)	1,256,125	1,439,547	1,439,547
Pool Redistribution	(712,221)	(600,000)	(600,000)
<b>Total Income</b>	<b>(15,741,409)</b>	<b>(6,469,910)</b>	<b>(6,469,910)</b>
<b>Budget</b>			
Baseline Funding	(3,335,200)	(3,335,200)	(3,335,200)
Business Rates Multiplier Grant	(133,700)	(173,800)	(173,800)
Additional Rates Income - Pooling/Growth	(2,400,000)	(2,700,000)	(2,700,000)
<b>Total Budget</b>	<b>(5,868,900)</b>	<b>(6,209,000)</b>	<b>(6,209,000)</b>
<b>Additional Income retained</b>	<b>(9,872,509)</b>	<b>(260,910)</b>	<b>(260,910)</b>

**BAD DEBT PROVISION**

TABLE 1 Type of Debt	Write-Offs June 2021		Comments
	No.	£	
NNDR (General)	20	394,188.42	01/04/21 to 30/06/21
Council Tax	31	37,602.05	01/04/21 to 30/06/21
Debtors:			
Private Tenants	0	0.00	01/04/21 to 30/06/21
Housing Benefit Overpayments	14	2,133.13	01/04/21 to 30/06/21
General Fund	11	105.18	01/04/21 to 30/06/21
Penalty Charge Notices:			
On Street	0	0.00	01/04/21 to 30/06/21
Off Street	23	1,969.00	01/04/21 to 30/06/21
<b>TOTAL</b>	<b>99</b>	<b>435,997.78</b>	

TABLE 2 Type of Debt	Write-Ons June 2021		Comments
	No.	£	
NNDR (General)	8	3,223.13	01/04/21 to 30/06/21
Council Tax	16	2,791.91	01/04/21 to 30/06/21
Debtors:			
Private Tenants	0	0.00	01/04/21 to 30/06/21
Housing Benefit Overpayments	0	0.00	01/04/21 to 30/06/21
General Fund	3	0.67	01/04/21 to 30/06/21
<b>TOTAL</b>	<b>27</b>	<b>6,015.71</b>	

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## EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

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**EX.95/21      REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO  
JUNE 2021**

(Non Key Decision)

**Portfolio**      Finance, Governance and Resources

**Relevant Scrutiny Panel**      Business and Transformation

### **Subject Matter**

The Finance, Governance and Resources Portfolio Holder submitted report RD.32/21 the purpose of which was to provide an overview of the Council's overall budgetary position for the period April to June 2021 for revenue schemes only, together with details of the impact of COVID-19 on the revenue budget.

The Finance, Governance and Resources Portfolio Holder highlighted, in particular, some of the significant service expenditure and income variances identified at paragraph 2.4. Section 3 recorded that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end. The Council's financial position would continue to be closely monitored and the likely year end position would be reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable position for future years and to avoid any significant variance at the year end.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations set out in the report, which were seconded by the Leader.

**Summary of options rejected**      None

### **DECISION**

That the Executive:

1. noted the budgetary performance position of the Council to June 2021;
2. noted the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6 of Report RD.32/21;
3. noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A of Report RD.32/21.

### **Reasons for Decision**

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position and to bring to their attention any areas of concern

# Report to Business & Transformation Scrutiny Panel

Item  
A.3

Meeting Date: 7 October 2021  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework YES  
 Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:  
 APRIL TO JUNE 2021  
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
 Report Number: RD 33/21

### Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2021 which was considered by the Executive on 31 August 2021.

### Questions for / input required from Scrutiny:

Members are asked to scrutinise 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 June 2021.

### Tracking

Executive:	<b>31 August 2021</b>
Scrutiny:	<b>7 October 2021</b>
Council:	n/a

# Report to Executive

Agenda  
Item:

Meeting Date: 31 August 2021  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework YES  
 Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:  
 APRIL TO JUNE 2021  
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
 Report Number: RD 33/21

## Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2021.

## Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2021;
- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1.

## Tracking

Executive:	<b>31 August 2021</b>
Scrutiny:	<b>7 October 2021</b>
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 2021/22:

2021/22 Capital Budget	£
<b>Original 2021/22 Programme (approved Feb 2021)</b>	<b>19,070,400</b>
Carry forwards from 2020/21 (RD65/20 Council 02/03/21)	3,031,500
Carry forwards from 2020/21 (RD16/21 Council 20/07/21)	4,454,600
Increase for Empty Property Grants (GD13/21 Executive 08/03/21)	109,400
Increase from S106 contributions towards Play Area Improvements (OD26/21 & OD34/21)	153,200
Increase for Carlisle Citadels Project (LD02/21 23/02/21)	902,500
Increase for Swifts Wildlife Haven (OD27/21)	70,000
Increase for Bitts Park Water Feature (CS33/20 Executive 14/12/20)	10,500
Additional Disabled Facilities Grant (RD16/21 Council 20/07/21)	255,800
<b>2021/22 Capital Programme (RD16/21 Council 20/07/21)</b>	<b>28,057,900</b>
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	5,000
Revenue Contribution towards Bitts Park Towns Deal	30,000
Increase for grant funding towards Litter Bin/infrastructure project	24,300
<b>Revised 2021/22 Capital Programme (at Jun 2021)</b>	<b>29,649,200</b>
Less Capital Reserves to be released by Executive (see para 3.7)	(1,980,000)
<b>Revised 2021/22 Capital Programme (released)</b>	<b>27,669,200</b>

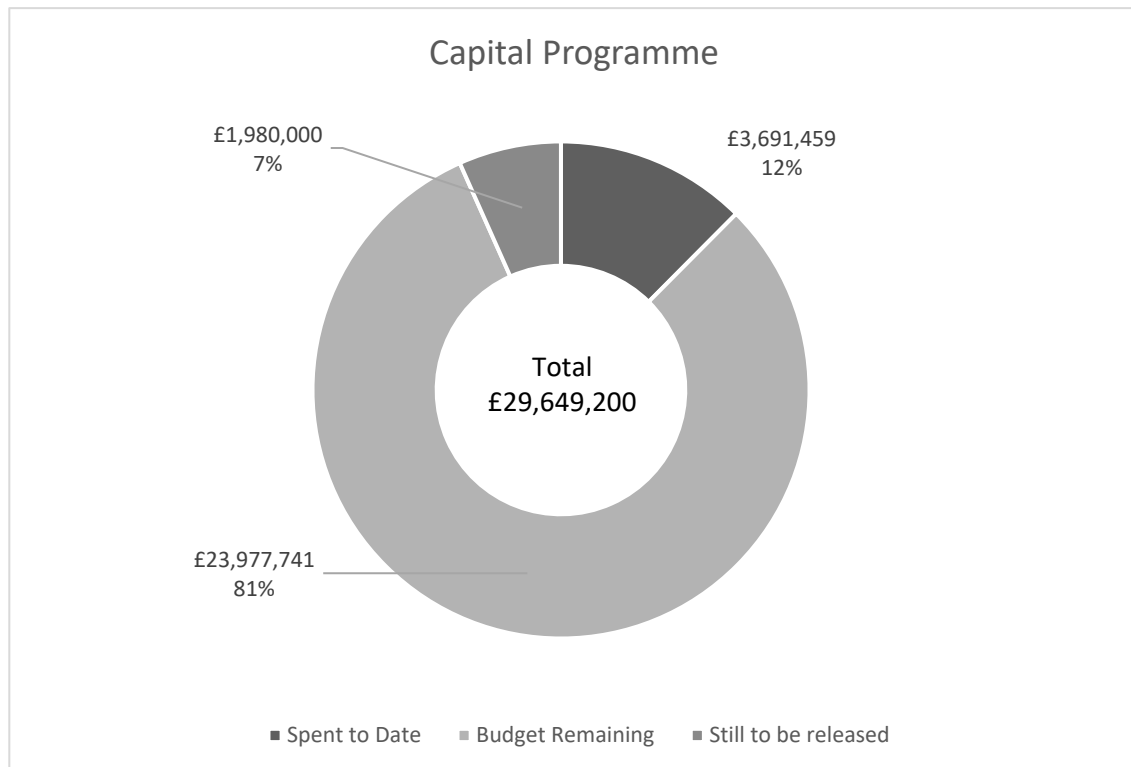
2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

### 3. 2021/22 BUDGET MONITORING

3.1 The position statement as at June 2021 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	20,420,700	2,999,989	3,008,170	8,181	3.3
Corporate Support	313,700	16,836	16,840	4	3.4
Economic Development	1,927,200	100,622	100,598	(24)	3.5
Governance & Regulatory Services	4,997,100	778,514	561,061	(217,453)	3.6
Exceptional Items	10,500	10,500	4,790	(5,710)	3.7
<b>Total</b>	<b>27,669,200</b>	<b>3,906,461</b>	<b>3,691,459</b>	<b>(215,002)</b>	
Reserves to be released	1,980,000	0	0	0	3.9
<b>Total</b>	<b>29,649,200</b>	<b>3,906,461</b>	<b>3,691,459</b>	<b>(215,002)</b>	





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

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

- 3.2 As at the end of June, expenditure of £3,691,459 has been incurred on the Council's core capital programme. When considered against the profiled budget of £3,906,461 this equates to an underspend of £215,002.
- 3.3 There are no significant variances to report in Community Services.
- 3.4 There are no significant variances to report in Corporate Support.
- 3.5 There are no significant variances to report in Economic Development.
- 3.6 The variance in Governance & Regulatory Services is attributable to an underspend of £225,529 on Disabled Facilities Grants. Spend in the first quarter of 2021/22 was £428,974 which is considerably higher than the expenditure in the first quarter of 2020/21 (£274,286). The position is being closely monitored.

- 3.7 There are no significant variances to report in Exceptional Items (Flood Recovery capital expenditure).
- 3.8 The unspent balance remaining of the revised annual budget of £27,669,200 is £23,977,741. A review of the 2021/22 capital programme will be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.
- 3.9 A number of schemes are included in the capital programme for 2021/22 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Cemetery Infrastructure	30,000	
Crematorium Infrastructure	350,000	
Future High Street Fund - Market Square	100,000	1
Tullie House Levelling Up Fund	1,500,000	
<b>Total</b>	<b>1,980,000</b>	

Note: (1) This budget was approved for release by the Executive on 5<sup>th</sup> July 2021.

#### 4. FINANCING

- 4.1 The 2021/22 capital programme can be financed as follows:

	Annual Budget £	Current Programme £
<b>Total Programme to be financed (para 2.1)</b>	<b>29,649,200</b>	<b>27,669,200</b>
<u>Financed by:</u>		
Capital Receipts / Borrowing	1,491,000	1,491,000
Receipts Used to fund resources	(112,000)	(112,000)
Borrowing Requirement (in year)	21,439,700	19,809,700
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,600
• General	2,349,900	2,349,900
Direct Revenue Financing	2,128,300	1,778,300
Other Contributions	196,700	196,700
<b>Total Financing</b>	<b>29,649,200</b>	<b>27,669,200</b>

#### 5. CAPITAL RESOURCES

- 5.1 The following table shows the position as at June 2021 of the capital resources due to be received during 2021/22:

	2021/22 Annual Budget £	2021/22 Actual £	2021/22 Variance £	Note
Capital Receipts				
· Asset Review	(1,491,000)	0	1,491,000	1
· Used to fund resources	112,000	0	(112,000)	1
· Vehicle Sales	0	(13,360)	(13,360)	2
Capital Grants				3
· Disabled Facilities Grant	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	0	(1,164,790)	(1,164,790)	
· Sands Centre	(134,000)	0	134,000	
· On Street Charging	(102,800)	(2,292)	100,508	
· General	(124,300)	(24,336)	99,964	
Capital Contributions				4
· Section 106	(164,700)	(4,745)	159,955	
· Disabled Facilities Grants	0	(9,831)	(9,831)	
· General	(32,000)	(32,000)	0	
<b>Total</b>	<b>(4,092,400)</b>	<b>(3,406,928)</b>	<b>685,472</b>	

Notes:

1. Receipts for 2021/22 are anticipated to be received from asset review sales (£1,491,000).
2. Included within vehicle sales are receipts of £13,360 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are generally received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body. Capital grant in relation to Future High Street Fund has however been received in advance on expenditure and reports have now been approved by Executive and Council for budgets to be updated and the projects to progress as per the terms and conditions set out within the grant award.
4. Contributions from Section 106 agreements to Open Space Improvements (£164,700).

## 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 2020/21 accounts, fixed assets totalled £185million (2019/20 £187million). This represents 97% 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 June 2021 debtors of £189,750 (£298,188 at 31 March 2021) 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 June 2021 totalled £243,727 (£1,487,658 at 31 March 2021).

### 7. PERFORMANCE

7.1 The 2021/22 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 £1,980,000 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 7 October 2021.

## **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 June 2021;

(ii) Note the adjustments to the 2021/22 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  
attached to report:** A to G

**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.

**PROPERTY SERVICES** – Property asset implications are contained in the main body of the report.

**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.

## 2021/22 CAPITAL PROGRAMME

## APPENDIX A

Scheme	Original Capital Programme 2021/22 £	Carry Forwards from 2020/21 £	Carry Forwards from 2020/21 £	Other Adjustments £	Revised Capital Programme 2021/22 £
<b><u>Current non-recurring commitments</u></b>					
Sands Centre Redevelopment	15,236,700	700,000	985,900	0	16,922,600
Civic Centre Development	1,020,600	1,150,000	(89,000)	0	2,081,600
Energy Monitoring System	12,000	0	0	0	12,000
<i>Savings to Fund Civic Centre</i>	<i>(200,000)</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>0</i>
Cemetery Infrastructure	0	5,700	0	0	5,700
Skew Bridge Deck	0	68,500	(1,500)	0	67,000
Towns Deal - Bitts Park Improvements	0	125,000	(25,800)	30,000	129,200
Planning Software	0	150,000	0	0	150,000
Play Area Improvements	0	36,500	0	158,200	194,700
Carlisle Citadels	0	0	32,200	902,500	934,700
Towns Deal - Caldew Riverside	0	0	842,500	0	842,500
On Street Charging Points Infrastructure	0	0	102,800	0	102,800
Gateway 44	0	0	896,200	0	896,200
LED Footway Lighting Installation	0	0	29,700	0	29,700
Rough Sleeping Initiative	0	0	10,000	0	10,000
Swifts Wildlife Haven	0	0	0	70,000	70,000
IC All Risks - Bitts Park Water Feature	0	0	0	10,500	10,500
Bitts Park Public Realm	0	0	0	32,000	32,000
	<b>16,069,300</b>	<b>2,235,700</b>	<b>2,783,000</b>	<b>1,403,200</b>	<b>22,491,200</b>
<b><u>Recurring commitments</u></b>					
Planned Enhancements to Council Property	250,000	145,800	63,000	0	458,800
Vehicles, Plant & Equipment	255,000	0	781,600	(200,000)	836,600
Recycling Containers	45,000	0	0	24,300	69,300
ICT Infrastructure	101,300	150,000	62,400	0	313,700
	<b>651,300</b>	<b>295,800</b>	<b>907,000</b>	<b>(175,700)</b>	<b>1,678,400</b>
<b><u>Disabled Facilities Grants</u></b>					
Private Sector Grants	1,899,800	500,000	731,600	255,800	3,387,200
Empty Property Grants	0	0	3,000	109,400	112,400
	<b>1,899,800</b>	<b>500,000</b>	<b>734,600</b>	<b>365,200</b>	<b>3,499,600</b>
<b>TOTAL</b>	<b>18,620,400</b>	<b>3,031,500</b>	<b>4,424,600</b>	<b>1,592,700</b>	<b>27,669,200</b>
<b><u>Capital Reserves to be released</u></b>					
Crematorium Infrastructure	350,000	0	0	0	350,000
Future High Street Fund - Market Square	100,000	0	0	0	100,000
Cemetery Infrastructure	0	0	30,000	0	30,000
Tullie House Levelling Up Fund	0	0	0	1,500,000	1,500,000
	<b>450,000</b>	<b>0</b>	<b>30,000</b>	<b>1,500,000</b>	<b>1,980,000</b>
<b>REVISED TOTAL</b>	<b>19,070,400</b>	<b>3,031,500</b>	<b>4,454,600</b>	<b>3,092,700</b>	<b>29,649,200</b>

**COMMUNITY SERVICES**

<b>Scheme</b>	<b>Revised Annual Budget £</b>	<b>Budget to date £</b>	<b>Expenditure to date £</b>	<b>Variance to date £</b>	<b>Details of major variance</b>
Vehicles & Plant	836,600	40,000	46,950	6,950	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	1,427	0	(1,427)	For further improvements to Fairy Beck due to be carried out in 2021/22.
Civic Centre Development	2,081,600	741,882	741,793	(89)	Project progressing as planned.
Play Area Developments	194,700	4,406	4,745	339	Projects progressing as planned.
Towns Deal - Bitts Park Improvements	129,200	32,339	39,098	6,759	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Skew Bridge Deck	67,000	0	(820)	(820)	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Swifts Wildlife Haven	70,000	7,994	8,000	6	Externally funded project to transform the former Swifts driving range into an urban site for wildlife and people following the end of its use as a leisure facility.
Bitts Park Public Realm	32,000	0	0	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,922,600	2,145,785	2,145,249	(536)	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Waste Minimisation	69,300	23,152	23,155	3	Purchase of waste receptacles.
Energy Monitoring System	12,000	3,004	0	(3,004)	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
<b>Grand Total</b>	<b>20,420,700</b>	<b>2,999,989</b>	<b>3,008,170</b>	<b>8,181</b>	



**CORPORATE SUPPORT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	313,700	16,836	16,840	4	Part of ICT Strategy Business Case.
<b>Grand Total</b>	<b>313,700</b>	<b>16,836</b>	<b>16,840</b>	<b>4</b>	

**ECONOMIC DEVELOPMENT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Carlisle Citadels	934,700	45,182	45,159	(23)	Project approved as per Leader Decision Notice (LD.02/21) and is due to complete in 2021/22.
Towns Deal - Caldew Riverside Remediation	842,500	55,440	55,439	(1)	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Planning Software	150,000	0	0	0	Project yet to start.
<b>Grand Total</b>	<b>1,927,200</b>	<b>100,622</b>	<b>100,598</b>	<b>(24)</b>	

**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	458,800	55,290	65,236	9,946	Individual projects progressing as planned.
Rough Sleeping Initiative	10,000	0	0	0	Capital grant received from MHCLG for the development of the Rough Sleeping Initiative.
Gateway 44	896,200	35,580	35,585	5	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,387,200	654,503	428,974	(225,529)	Mandatory Grants. Grant work is picking up but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.
Empty Property Grants	112,400	0	(1,875)	(1,875)	Discretionary grants to assist getting empty properties back into use.
On Street Charging Infrastructure	102,800	20,302	20,301	(1)	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant.
LED Footway Lighting Installation	29,700	12,839	12,840	1	To upgrade Footway Lights to LED lanterns throughout the District resulting in energy savings and increased reliability of the lights which should reduce future maintenance costs.
<b>Grand Total</b>	<b>4,997,100</b>	<b>778,514</b>	<b>561,061</b>	<b>(217,453)</b>	

**EXCEPTIONAL ITEMS CAPITAL EXPENDITURE**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	10,500	10,500	4,790	(5,710)	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
<b>Grand Total</b>	<b>10,500</b>	<b>10,500</b>	<b>4,790</b>	<b>(5,710)</b>	

Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	High	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.	Remote	High	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.
VAT partial exemption rules are not considered.	Remote	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	High	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	Remote	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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## EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

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### **EX.96/21 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2021**

(Non Key Decision)

**Portfolio** Finance, Governance and Resources

**Relevant Scrutiny Panel** Business and Transformation

#### **Subject Matter**

The Finance, Governance and Resources Portfolio Holder submitted report RD.33/21 providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2021.

The position statement recorded that, as at the end of June 2021, expenditure of £3,691,459 had been incurred on the Council's core capital programme. When considered against the profiled budget of £3,906,461 that equated to an underspend of £215,002. The unspent balance remaining of the revised annual budget of £27,669,200 was £23,977,741.

A review of the 2021/22 capital programme would be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.

A number of schemes were included in the capital programme for 2021/22 that required reports to be presented to the Executive for the release of funding before the project could go ahead.

The Finance, Governance and Resources Portfolio Holder concluded his presentation by moving the recommendations which were duly seconded by the Leader.

**Summary of options rejected** None

#### **DECISION**

That the Executive:

1. noted and had commented upon the budgetary position and performance aspects of the capital programme for the period April to June 2021.
2. noted adjustments to the 2021/22 capital programme as detailed in paragraph 2.1 of Report RD.33/21

#### **Reasons for Decision**

To keep Members informed of the budgetary position of the Council's Capital Programme for the period April to June 2021.

# Report to Business & Transformation Scrutiny Panel

Item  
A.4

Meeting Date: 7<sup>th</sup> October 2021  
 Portfolio: Finance, Governance & Resources  
 Key Decision: No  
 Policy and Budget Framework: No  
 Public / Private: Public

Title: COMMERCIALISATION TASK AND FINISH GROUP  
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
 Report Number: RD43/21

**Purpose / Summary:** This report summaries the work undertaken by the Commercialisation Task and Finish Group and details the rationale for not progressing any further work on a detailed Commercialisation Strategy for Carlisle City Council.

**Recommendations:** Members are asked to note the contents of this report and to ratify the conclusions of the Task and Finish group, or conversely ask that the Task and Finish Group continue with their work in developing a Commercial Strategy for Carlisle City Council.

## Tracking

Executive:	<b>Not applicable</b>
Scrutiny:	<b>7<sup>th</sup> October 2021</b>
Council:	<b>Not applicable</b>

## 1. BACKGROUND

1.1. During 2020/21 the Business and Transformation Scrutiny Panel resolved that a Commercialisation Task & Finish Group be set up to support the development of a Commercialisation Strategy for Carlisle City Council (minute references BTSP47/20 and BTSP 64/20 refer).

1.2. The first meeting of the T&F Group was held on 19<sup>th</sup> May 2021 and was attended by:

Cllr James Bainbridge  
Cllr Pamela Birks  
Cllr Les Tickner  
Cllr Lucy Patrick (nominated as the Chair)  
Cllr Trevor Allison

Corporate Director of Finance & Resources  
Corporate Director of Governance and Regulatory Services  
Overview and Scrutiny Officer

It was agreed that other officers would be co-opted onto the Group on an ad-hoc basis.

1.3. During that first meeting:

- The Terms of Reference of the Group were agreed;
- Members received a presentation from the Corporate Director of Finance and Resources; and
- The recommendations made by the Corporate Peer Challenge regarding commercialisation were reviewed and discussed.

1.4. It was further agreed at that meeting that external training should be procured for all members of the group and this was subsequently provided by APSE and held over 2 days in early June.

1.5. A plan of action was developed, and further research was to be undertaken by officers and Members that would provide useful background in terms of:

- Use of Council assets;
- Adding social value;
- Housing development activity;
- Examples of other Strategies as highlighted by the Peer Challenge
- Impact of PWLB borrowing constraints especially on authorities who have commercial activity within their capital programmes;



- A draft strategy be developed based upon research into best practice found in other authorities.

1.6. Prior to the subsequent meeting, three new Members agreed to be part of the Group:

Cllr Linda Mitchell  
Cllr Ann Mckerrell  
Cllr Christine Finlayson

1.7. The second meeting of the Group was held on 2<sup>nd</sup> September 2021 and was attended by:

Cllr Pamela Birks (nominated as Chair in the absence of Cllr Patrick)  
Cllr Trevor Allison  
Cllr Linda Mitchell  
Cllr Ann Mckerrell

1.8. During this meeting:

- The Corporate Director shared her learning from the APSE training and agreed that training could be provided for the new members later in the year;
- The Group considered the work and research undertaken by both Officers and Members to date;
- Members discussed the impact of Local Government Reorganisation (LGR) on the future work of the Group.

1.9. Whilst the Group acknowledged the significant work already undertaken, they recognised that much more work was still needed to develop a strategy which, given LGR, could potentially only have a very short lifespan. They recognised that LGR would be a period of great change for the Council with significant and various demands being placed on both Officer and Member resources. Therefore, they reached the conclusion that the Task and Finish Group should be concluded and in the light of the existing commercial activity already undertaken and LGR, the development of a Commercial Strategy for Carlisle City Council was not currently advisable.

## **2. PROPOSALS**

2.1. Given the conclusion of the Task and Finish Group and their recommendation to cease any further work on the development of a Commercialisation Strategy, it

should be noted that this does not mean that the Council are precluded from undertaking commercial activities.

2.2. The Council's Medium Term Financial Plan (MTFP) contains, as a key Financial Principle, "Commercial and Income Generation" which details the issues to be considered and reviewed as part of the 2022/23 budget process in respect of identifying areas for potential charging and opportunities for increasing income as well as developing a culture where the charging powers of the Council are maximised and encouraged. The development of investment opportunities to maximise the use of the Council's asset portfolio is also identified as a key area for commercial activity.

2.3. Therefore, given that the Council is currently, and has already been, involved in commercial activities such as G44 and the Sands Development, the ability to continue with this type of activity is clearly set out in the Council's MTFP and is to be encouraged in order to generate a profit/operating surplus, to re-invest in Council services for the benefit of the community, residents and businesses.

2.4. Members should also note that the considerable work and research undertaken by the Task and Finish Group is not lost; it has been retained on the shared drive utilised by the Group and can be made available to inform any future Strategy which may be developed by the new Authority post Local Government Reorganisation.

### **3. RISKS**

3.1. There are 2 main risks to consider in terms of undertaking future commercial activities:

- The constraints, under LGR, to limit any significant capital contracts and expenditure over a specified value, and to limit any non-capital contractual agreements over a specified value where the contract extends beyond a certain date, without written consent of the new Authority.
- Revised guidance from CIPFA/HM Treasury in respect of the Prudential Code and Capital Finance in Local Government which is likely to place constraints on any future PWLB borrowing or the re-financing of any existing debt where any commercial activities are contained within a Council's Capital Programme.

### **4. CONSULTATION**

4.1. None

## **5. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

5.1. To ratify the conclusion, or not, of the Task and Finish Group to cease the development of a Commercialisation Strategy for the Council, whilst recognising the ability to continue with commercial activities in line with the MTFP at the same time as being mindful of the potential risks as set out in the report.

## **6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

6.1. To ensure that the Council can fulfil its priorities regarding Commercialisation.

**Contact Officer:** Alison Taylor **Ext:** 7280

**Appendices attached to report:** None

**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** – In relation to Local Government Reorganisation, the forthcoming Structural Change Order or related legislation will place restrictions on decisions that are able to be made by the City Council, particularly regarding capital and revenue expenditure.

**PROPERTY SERVICES** – The Council has a good track record in utilising its property assets to develop income streams and capital receipts and this work will continue until the new authority commences operation.

**FINANCE** – The Medium-Term Financial Plan outlines that a key financial principle will be commercialisation and income generation. This will be considered as part of the 2022/23 budget process alongside a review of Council charges through the Charges Review Reports. Commercial opportunities for investment will also take into consideration the revised guidance from HM Treasury and CIPFA on the Prudential Code on borrowing for commercial activity.

**EQUALITY** – None

**INFORMATION GOVERNANCE** – There are no information governance implications with this report.





# Business & Transformation Scrutiny Panel

Item A.5

Meeting Date: 7<sup>th</sup> October 2021  
 Portfolio: Leader, cross cutting  
 Key Decision: No  
 Within Policy and Budget Framework: Yes  
 Public / Private: Public

Title: SANDS CENTRE PROJECT MONITORING REPORT  
 Report of: The Deputy Chief Executive  
 Report Number: CS 42/21

### Purpose / Summary:

The Purpose of this report is to update the Business and Transformation Scrutiny Panel on the current progress of the redevelopment of the Sands Centre site, and to consider any feedback / questions from the Panel. The report also provides an update of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) Progress with the main contract works.
- b) A requirement to update existing infrastructure in the events space to manage public safety systems to meet with current legislation.
- c) Working practices evolving from the management of the risks associated with the COVID -19 pandemic.
- d) Working practices evolving from the management of the Brexit Agreement arrangements and other supply chain and transportation issues.

### Recommendations:

That Business and Transformation Scrutiny Panel review the report, note the progress made and respond with any feedback and / or questions.

### Tracking

Executive:	-
Scrutiny:	<b>7<sup>th</sup> October 2021</b>
Council:	-

### 1. BACKGROUND

- 1.1** The replacement of James Street Pools and the redevelopment of The Sands Centre site to improve wet and dry side sporting provision has been a long-term aspiration for the Council. Previous Council reports (6th March 2018, CS 16/18 and 25th June 2019, CS 17/19, and 17<sup>th</sup> September 2020 CS 22/20) provide detailed background commentary on the development of the project and its progress via Scrutiny and Executive committees.

## **2. PROPOSALS UPDATE**

### **2.1 Main Works Contract – progress update:**

Since the last Scrutiny Panel report the following progress has been made on the project:

- a) The site establishment, cleaning staff and welfare arrangements have been maintained at enhanced levels to accommodate an increase in the workforce whilst providing sufficient working space, ablution facilities and cleaning regimes to manage the risk of the transmission of COVID-19 within the site workforce, deliveries, and visitors to site. The site is working to SOP version 7 standard of Construction industry COVID guidance.
- b) The Environment Agency work to the flood gates at the Sands and Swifts Bank have now been completed, with only the handrailing and grass-seeding to complete, which are not critical to the level of flood protection. The Environment Agency have been in touch at the time of writing to arrange access to carry out 'as built' survey work, re-seed the berm and review the flood gate testing and operation in conjunction with the local Environment Agency officers.
- c) The project groundwork and foundations are complete.
- d) The construction of the tanks for the two swimming pools is complete and the small pool is undergoing a water test prior to backfilling and installing the finishes and equipment. The large pool water testing is due to start within the next fortnight.
- e) Work on the RIBA stage 5 specialist subcontractor design elements to coordinate with the main work designs is ongoing. The subcontractors are currently working on small power and data installation, pool plant and equipment NHS data and power supplies, intruder alarms and finishes.
- f) The primary and secondary steel framing is complete including line and level.
- g) The ground and first floor structural slab are underway.
- h) The roof slab primary structure is complete and partially covered over.
- i) The ground floor slabs have been partial constructed. This work has been brought forward to form additional storage areas for materials purchased in

advance to mitigate current and growing materials shortages and potential price increases.

- j) The external cladding work has commenced on the west elevation.
- k) The new electricity substation and metering is now installed, and the old plant removed. This was completed during agreed access period 1 where GLL handed over the Events space to Wates Construction for a fixed period to replace or renew linked services.
- l) The lift shaft and pool seating structure has been constructed as part of the construction of the building fabric element of the build.
- m) Work is ongoing to procure and secure the supplies of tiles, cladding panels, doors, and windows.
- n) Work on the discharge of planning, building control and statutory undertaker conditions, is ongoing. This includes the development of the consequential improvement strategy to comply with Part L of the Building Regulations. As explained in previous Sands Centre reports to Council, the development of the new facilities alongside the existing Events Hall places a responsibility on the Council to improve the energy efficiency (and CO2 footprint) of the existing building as part of a redevelopment project. This area of work is proving challenging because of the omission of the replacement roof covering to the events hall as part of this contract.
- o) Further survey work has identified issues with the existing life safety systems within the events centre, because of the condition of the existing systems, changes to legislation or obsolescence of the system components to maintain service during the construction works and their suitability for re-connection to the new systems on completion of the leisure works e.g., CCTV cameras and fire safety for a public building. These issues are currently being explored in terms of repair and / or replacement requirements.
- p) The Sands Centre event facilities have reopened and the first post COVID performance took place last week. A full programme of events is planned for the next period up to the opening of the facility in Autumn 2022.

## **2.2 COVID-19 implications on the Main Contract**

Since March 2020 it has become clear that the COVID-19 pandemic has brought about serious implications for all economic sectors. The construction sector has needed to pay attention to areas of work such as material supply, travel to and from site, on site risks and working practice and the provision of enough, clean welfare facilities.

Wates have responded to the pandemic by developing additional management and staff guidance to provide up to date information for all levels of the business. The working arrangements developed by Wates during this period have followed the

benchmarks laid out by the Construction Leadership Council (CLC). These CLC safe working procedures have been developed and updated to reflect the latest government guidance. The CLC has now produced Version 7 of this guidance and Wates have developed their onsite plans to reflect this.

Provision has been made within the contract documents to ensure an element of shared risk management for quantifiable risks in terms of cost and programme constraints.

If further significant local or national or international restrictions were imposed which restrict the flow of the workforce to the site and/or materials to site, Wates are entitled to review the impact of such restrictions on the costs and programme. If a proven cost can be shown, Wates can make a claim for compensation under the terms of the Contract. This is an unquantifiable risk but through proper contract administration the mechanisms exist within the Contract to allow the Council to make representations as part of that process.

WCL, CCC and the project team review the guidance and COVID management plan periodically to ensure that it remains up to date and relevant for the management of the risks as far as reasonably practicable.

### **2.3 Brexit Agreement implications on the Main Contract**

A Brexit plan had been developed with WCL prior to entering Contract, to try and quantify the risk and manage the impact of Brexit on time or cost, for something which was not published at the time of entering the contract and is currently evolving. The plan was based on a review of the availability of key areas of the workforce, the location of the designers for some of the specialist design work, the ownership, source of the raw materials and finished products likely to be used to build and operate the project.

The review of the Brexit plan, like the COVID and Flood plans, is an ongoing process to reflect the construction activities and programme. The plan is updated periodically to identify any emerging risks and mitigate them where possible.

We are currently experiencing challenges to availability, delivery times and costs on cement-based produces and cladding materials. It isn't clear at this stage whether the cause has its origin in the COVID pandemic or Brexit. Measures have been put in place to source alternative supplies or purchased materials in advance and store them where possible.



Risk reduction meetings are held fortnightly with the contractor and project management teams to ensure that any issue which may impact on the time or cost of the delivery of the project are identified in advance, where possible, and an agreed solution put in place to mitigate the risk.

## **2.4 Main contract - Programme**

- The main works contract is currently in week 44 of 98. (w.c.20/9/21).
- The project is one week behind programme due to issues with the availability of materials and staff shortages because of COVID.
- The first planned shutdown of the Events space has now been completed. The second schedule shut down is planned for January 2022.
- The sectional completion of the leisure centre is still on target for July 2022 although the float in the programme has in effect been reduced by one week due to current supply chain issues.

## **2.5 Main contract - Budget**

- The main contract work element of the project is valued at circa £21 m.
- The remainder of the £27 m budget is allocated to other costs associated with the delivery of the project. This includes the delivery and maintenance of the temporary facilities at the former Newman School and onsite at the Sands.
- The contract has been let using an NEC form of contract. A key feature of this form of contract is the collaborative approach to identifying construction issues as they arise and agree a solution. Part of this process is issuing Early Warning Notices which is then followed by an administrative process which works through potential solutions including any time or cost implications. There have been 110 Early Warning Notices, 90 Compensation Event Notices and 20 Project Manager instructions issued to date.
- The enabling works contract accounts have been finalised and agreed. These covered the facilities at the former Newman High School and onsite temporary facilities to support the events centre.
- The main contract and delivery costs are currently on target to stay within budget. Approximately one half of the contingency has been set aside to cover

the cost of CE's received or anticipated to date. This includes challenges with the suitability of the existing infrastructure and earthworks disposal classification. This is an ongoing cyclical process which is tabled, discussed and progressed on a weekly basis with the Sands project board members.

### **3. RISKS**

- 3.1** Throughout the design process the project team have been working together to identify and eliminate or reduce budget, construction, project, and safety risks for all the stakeholders, wherever possible.

This is an ongoing process which is managed through the NEC 3 form of contract using an Early Warning Notice system – where all parties to the contract have an opportunity to provide an input into the identification and management of risk in a collaborative setting. The Early Warning Notice is reviewed to confirm the merit of its content and the likely impact on the project. The result of this review will then determine what action should be undertaken to reduce, mitigate or remove the risk.

Appendix E contains the most up to date corporate strategic risk register for the project.

### **4. CONSULTATION / PARTNERS - OTHER CONSIDERATIONS RELATED TO THIS PROJECT**

#### **4.1 Sport England Funding Award**

The Council has worked progressively with Sport England throughout the life of this project (since 2015) and has greatly appreciated the support grant funding, technical and sports planning guidance received from their officers and consultants.

Having produced a Strategic Delivery Model for the Sands Centre in August 2018, the Council submitted this document as part of an Expression of Interest to the Sport England Investment Committee in October 2018.

On 6th March 2019 the Sport England Investment Committee approved the award of an investment of £2M subject to the completion of a standard funding agreement. Further to this Sport England approved an additional £200k of funding support prior to the Council report in September 2020. Officers have now executed the funding agreement and drawn down the funds.

## 4.2 NHS

The NHS currently occupy temporary facilities at the Blessed Christopher Robinson House (former Newman School) together with GLL our leisure operator. They have been engaged in the development of RIBA stages 3 and 4 for the main contract.

A meeting has recently taken place between representatives of the sands board and the NHS to provide an update on progress and agree terms of reference for the occupation of the physiotherapy section of the new building.

## 4.3 GLL

GLL currently occupy temporary facilities at the Blessed Christopher Robinson House (former Newman School) and adjoining sports hall. GLL also occupy and operate the events centre on site at the Sands.

Regular construction coordination meetings, design team meetings and progress meetings take place with representation from GLL, in addition to the separate leisure contract administration. The purpose of this series of meetings is to produce a coordinate approach to work in partnership on a congested site and on a technically challenging project.

## 5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 This project makes a significant contribution to the priority to *“Further develop sports, arts, and cultural facilities to support the health and wellbeing of our residents”*.

In addition, project also contributes to the following other priorities:

*“Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.”*

*“Promote Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.”*

**Contact Officer:** Darren Crossley

**Ext:** 7004

**Appendices attached to report:** Appendix A – Site Boundary Plan  
Appendix B – Ground Floor Plan

**Appendix C – First Floor Plan**  
**Appendix D – Site Progress Photos**  
**Appendix E – Project Risk Register**

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

- **None**

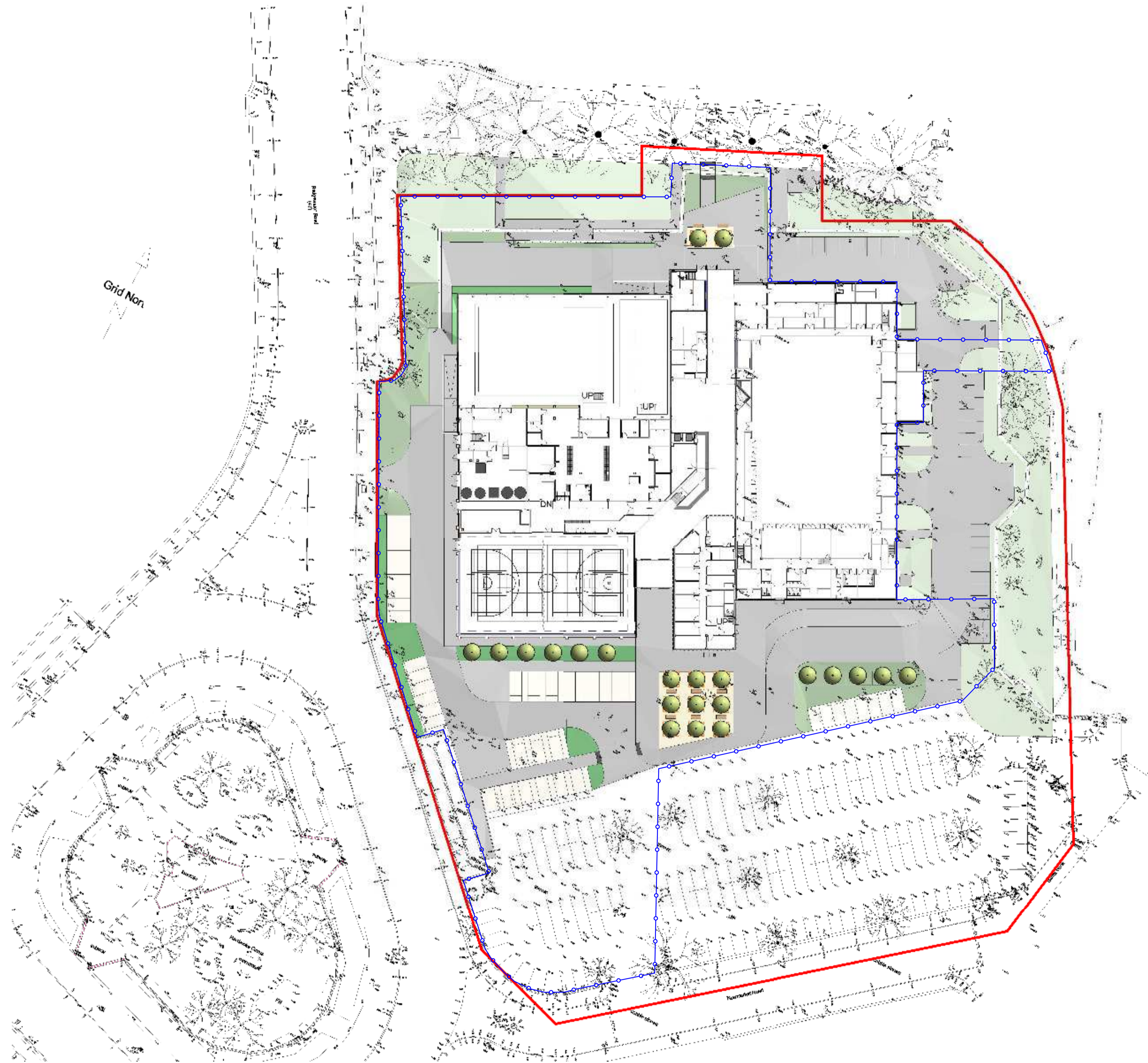
**CORPORATE IMPLICATIONS:**

**LEGAL –**

**FINANCE –** The project is part of the Council's capital programme and is monitored on a monthly basis to ensure any financial implications of the project are brought to light as early as possible.

**EQUALITY –**

**INFORMATION GOVERNANCE –**



Proposed Site Plan  
Scale: 1:500

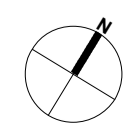
KEY

- PLANNING SITE BOUNDARY
- CONSTRUCTION SITE BOUNDARY

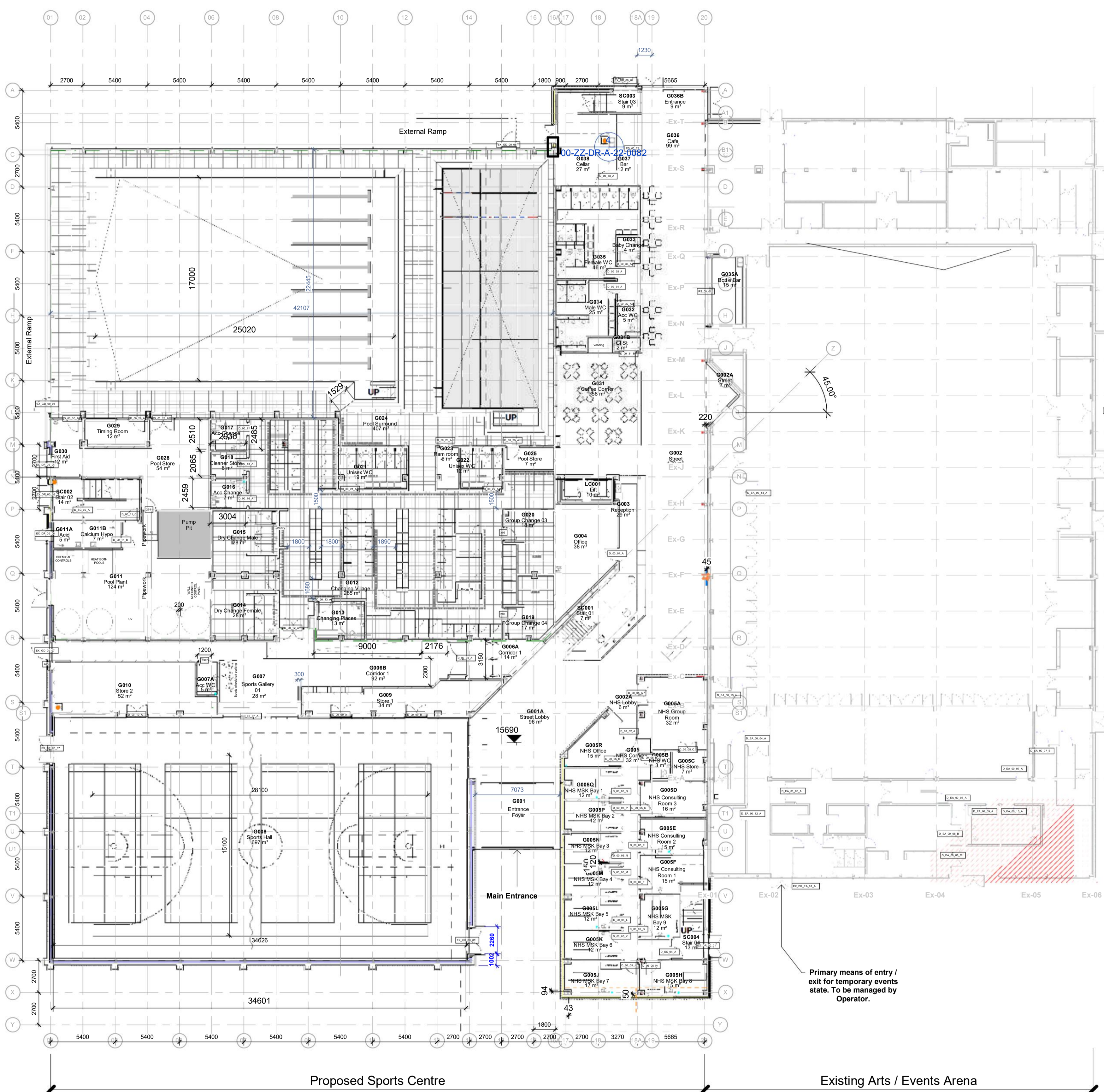
18009-SLC-WCL-ZZ-ZZ-W-0002 rev 01

CONSTRUCTION SITE BOUNDARY PLAN

Rev	Date	Revision notes
00	13.03.2019	First issue
01	23.03.2020	Boundary extended to incorporate HV connections and hoardings



Linked Revit Model - Names / Version	
Discipline	Model Name
Existing Building	12292-Existing-The Sands 2018-SI-ZZ-M3
MEP	17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19
Structural	17024-BHE-XX-ZZ-M3-S-0001-P03.7.17.07.2020
Context	17024-GT3-00-ZZ-M3-A-LANDSCAPE-CENTRAL-2018
Landscape	GT1385-00B-SI-ZZ-M3-L-0001_P15



--- Denotes Environment Wall line from wet to dry Environments

Secondary means of entry / exit for temporary events state. To be managed by Operator.

Primary means of entry / exit for temporary events state. To be managed by Operator.

Rev	Description	Date	Rev. By
B	Issued For Contract	14/09/2020	SSE
A	Issued For Construction	15/04/20	SSE
P08	Updated To Reflect BCO Comments	25/02/20	JAM
P07	Updated To Reflect BCO Comments	20/02/20	SSE
P06	Employers Requirements	06/02/19	MPH
P05	Stage 4A Issue - For Tender	18/11/19	SSE
P04	Stage 4A Issue	13/12/18	SSE
P03	Updated Stage 03 Following RTA 6	20/11/18	SSE
P02	Client Comments		
P01	Revised Stage 3 Design	25/10/18	SSE
	Stage 3 Issue	19/07/18	SSE

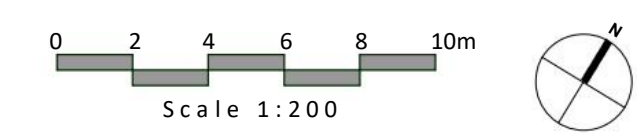
Stage 5  
 Carlsle City Council  
 The Sands Leisure Centre  
 Newmarket Rd, Carlsle CA1 1JQ

Level GF Proposed GA  
 GT3 JOB NO: 17024  
 DWG NO: 17024-GT3-00-GF-DR-A-20-0001-S2-B  
 SCALE: As indicated @A1  
 DRAWN BY: SSE  
 CHECKED BY: PRe

DO NOT SCALE  
 ALL DIMENSIONS TO BE VERIFIED ON SITE



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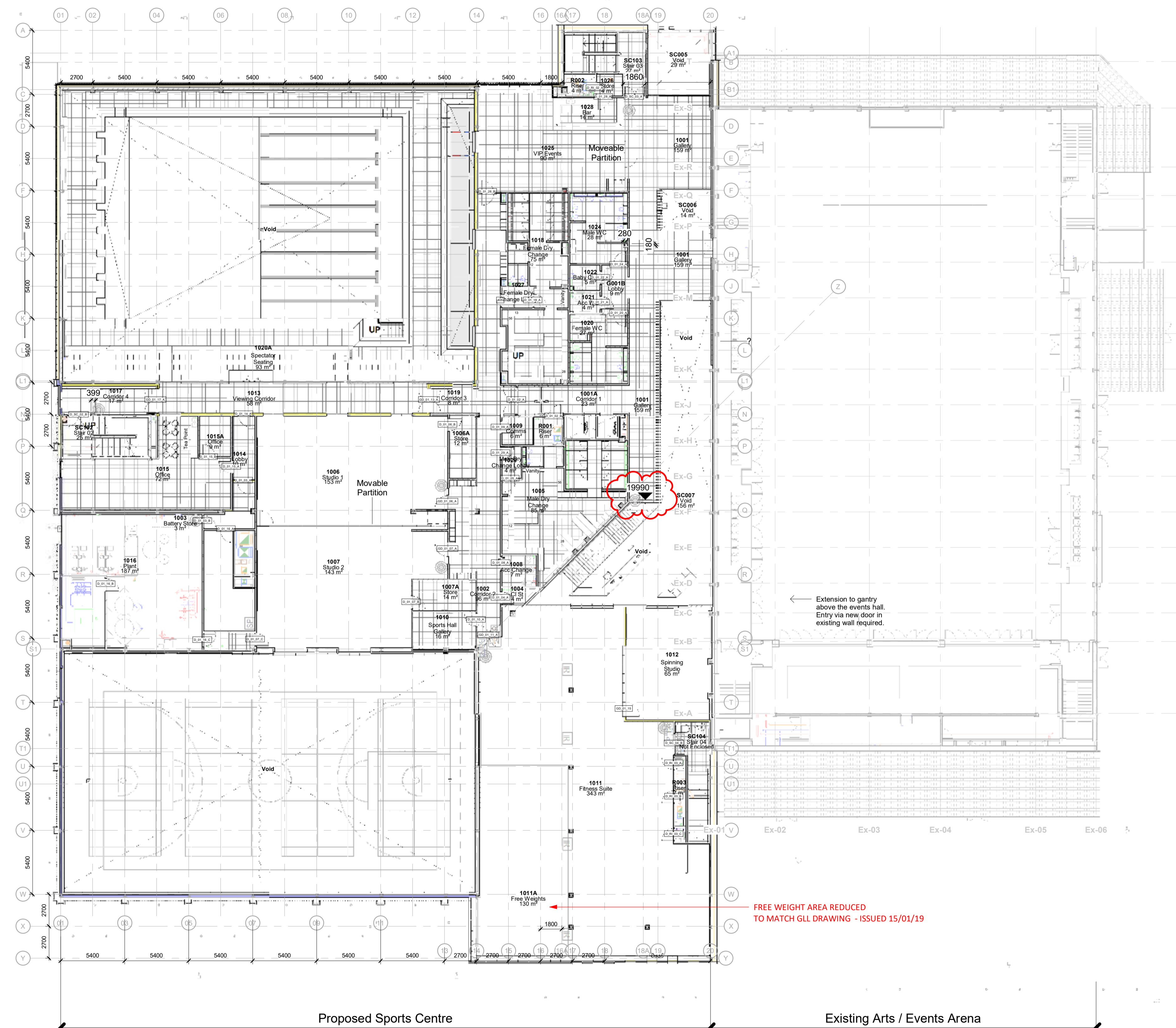


This information has been based upon information supplied by third parties and as such its accuracy cannot be guaranteed. All features are approximate and subject to clarification.

Do not scale this drawing. Use figured dimensions in all cases. Check all dimensions on site. Report any discrepancies to GT3 Architects before proceeding.

Linked Revit Model - Names / Version	
Discipline	Model Name
Existing Building	12292-Existing-The Sands 2018-SI-ZZ-M3
MEP	17024-BHE-XX-ZZ-M3-MEP-0001_WIP_P01.19
Structural	17024-BHE-XX-ZZ-M3-S-0001-P03.7-17.07.2020
Context	17024-GT3-00-ZZ-M3-A-LANDSCAPE-CENTRAL-2018
Landscape	GT1385-00B-SI-ZZ-M3-L-0001_P13

--- Denotes Environment Wall line from wet to dry Environments



Rev	Description	Date	Rev. By
C	Issued For Contract	14/09/2020	SSE
B	Updated to Reflect WCL comments	18/05/2020	SSE
A	Issued For Construction	15/04/20	SSE
P08	Updated to suit WCL W1 set comments	27/03/20	SSE
P07	Employers Requirements	08/02/19	MPH
P06	Stage 4A Issue - For Tender	16/01/19	SSE
P05	Stage 4A Issue	13/12/18	SSE
P04	Updated Stage 03 Following RTA & Client Comments	26/11/18	SSE
P03	Stage 03 Following RTA	12/11/18	SSE
P02	Revised Stage 3 Design	25/10/18	SSE
P01	Stage 3 Issue	19/07/18	SSE

**STAGE 5**

Carlisle City Council  
The Sands Leisure Centre  
Newmarket Rd, Carlisle CA1 1JQ

Level 01 Proposed GA  
GT3 JOB NO: 17024

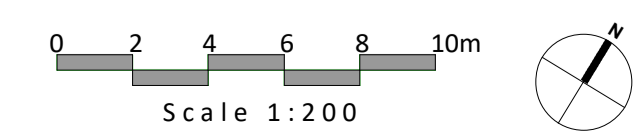
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SCALE: As indicated @A1  
DRAWN BY: SSE  
CHECKED BY: PRF

DO NOT SCALE  
ALL DIMENSIONS TO BE VERIFIED ON SITE



3rd Floor TWO  
Jesmond Three Storey  
Newcastle Upon Tyne  
NE2 1DB  
10191 2817700  
info@g3architects.com

Stanford House  
19 Castle Gate  
Newcastle Upon Tyne  
NE1 7AD  
10115 9470800  
www.g3architects.com



Level 01 - Proposed.  
Scale: 1 : 200

## APPENDIX D – SANDS CENTRE REDEVELOPMENT progress photos

### 1) Main contractor promotion of site safety





2) Ground floor slab construction in the sports hall area



3) First water test to the small pool



- 4) Installation of permanent shuttering to the first-floor fitness suite slab

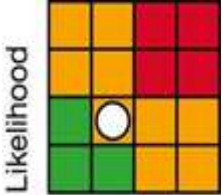


5) Formation of the plant room roof level slab



## Corporate Risk Register – June 2021

The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last update. A target risk matrix shows the risk level that the Council is aiming to achieve from the successful implementation of the control strategies and the date for when this will be achieved.

CULTURE & SPORT				
There is a risk that we fail to deliver the required new leisure facilities at the Sands Centre, on time and within budget and therefore do not meet the saving targets identified in the Medium-Term Financial Plan.				
Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/ Mitigating Actions	Target Risk Matrix
	June 2021	6	<p>Since the last update the main works contract has been signed and work has started on the main site.</p> <p>An assessment has been made of the impact of Covid-19 based on current guidelines and some mitigating measures have been built into the contract.</p> <p>Brexit – work is underway to mitigate, where possible, the impact of a no-deal Brexit on this and other capital works projects. Areas of particular concern are materials which are imported, manufactured from imported materials, or are currently produced in the UK by an overseas company. There is also some concern with the impact of the constructions industries reliance on a significant migrant workforce nationally and the impact this may have on the availability and retention of the work force locally.</p> <p>Since commencement of the project, we have also become aware of a requirement to undertake works to the main hall roof which has RAAC as part of the structure. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL and potentially failure.</p>	 <p>Likelihood</p> <p>Impact</p>
<b>Impact score</b>	3		<b>Target Risk Date</b>	<b>June 2021</b>
<b>Likelihood score</b>	2		<b>Target Risk Score</b>	<b>4</b>
			<b>Lead Officer</b>	Darren Crossley
			<b>Portfolio Holder</b>	Culture, Heritage & Leisure
			<b>Scrutiny Panel</b>	HWSP/BTSP



Meeting Date: 7<sup>th</sup> October 2021  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework: Yes  
 Public / Private: Public

Title: CIVIC CENTRE REINSTATEMENT AND DEVELOPMENT  
 Report of: Deputy Chief Executive  
 Report Number: CS 39/21

**Purpose / Summary:**

The Purpose of this report is to update to the Business and Transformation Scrutiny Panel on the current progress of the reinstatement of the ground floor of the Civic Centre, and to consider any questions and feedback.

The report also provides an update of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) working practices because of the COVID -19 pandemic
- b) a requirement to update existing infrastructure on the ground floor and basement to manage asbestos, legionella, safety systems, obsolete services, and fire safety in these areas, to support increased occupation of the ground floor and meet with current legislation.

The report also covers the arrangements for Phase 2 of the project including demolition of the former chamber and an extension to the Civic Centre public car park.

**Recommendations:**

That members of the Business and Transformation Scrutiny Panel review this report and note the progress made on this project and respond with any questions and comments.

**Tracking**

Executive:	
Scrutiny:	7 <sup>th</sup> October 2021
Council:	

## **1. BACKGROUND**

- 1.1** As noted in previous reports to Executive and Scrutiny Panels the floods arising from Storm Desmond, December 2015 caused extensive damage to the Civic Centre. The basement and ground floor of the Civic Centre were under water which reached 2.4m above ground level. During the initial clean up phase over 4.72 million litres of water was pumped from the building.

The full background to this report is extensively documented in a report to Executive 28<sup>th</sup> August 2017 (CS21/17).

- 1.2** The delivered project includes: a new entrance, reception area and customer contact centre, a new Council chamber and conference facilities, open meeting space for Council staff and partners, additional storage space, office units for potential new partners, toilets, and other ancillary accommodation.
- 1.3** The redesign of the ground floor has sought to improve customers, partners, members, and staff usage of the entire site. The work has sought to resolve the current poor access arrangements to the former chamber by bringing this facility to ground floor level. The work has also followed good practise on design for physical access, dementia, sight, and hearing loss across the property.
- 1.4** The reinstatement work has also included the management of concealed asbestos, additional measures to manage the control of Legionella, improvements to the ground floor and basement safety and security measures and an upgrade of existing fire protection measures at basement and ground floor levels to bring them up to current standards for the proposed occupation levels within the building in these areas.

## **2. PROPOSALS UPDATE**

### **2.1 Ground Floor Accommodation Proposal**

The ground floor facilities now contain the following:

- A new customer entrance to give the building a renewed presence and to assist with access and energy efficiency.



- A new reception zone which creates a focal point for all visitors and customers, this includes two dedicated waiting areas and a disabled access toilet.
- A new customer contact centre located to the front elevation of the building with a waiting area, service desks and private interview rooms. The interview rooms have separate access arrangements to ensure safety.
- To the left of reception and through the visitor waiting area is a meeting space and quiet working area for members, staff, and partners. Opportunities for wifi enabled agile working are available in the areas designated.
- An improved delivery area is now in place via the rear of the building and a storage area is now contained in this vicinity.
- In addition, there are now additional toilets for the new meeting spaces.
- There is an additional area under the tower which has been identified for possible partner occupation and benefits from separate access if required.
- The existing space within the former rates hall and beyond has been converted into a new multipurpose Council chamber and flexible meeting and conference space with separate kitchen facilities.

## **2.2 Civic and Conference Facilities:**

- The Council Chamber has been relocated to the former contact centre / rates hall. This new, highly flexible space will be used as a modern, fully accessible Council chamber and conference / exhibition centre. It is felt that the extended ceiling height and central location of the hall make this an attractive, open, and highly visible place for the Civic and democratic activities of the Council. The new plans provide a new purpose built and wholly demountable chamber space that can also be used for a full range of other functions and events. These other functions may provide additional income to the Council if marketed and serviced appropriately.
- To the rear of the new chamber is a suite (3) of flexible meeting spaces with full audio-visual equipment provided. These will be used to supplement the new chamber or for separate functions. All the spaces can be serviced by accessible toilets at ground floor level and by a kitchen located adjacent to the meeting rooms.
- The existing chamber will be demolished and replaced with additional car parking and a new civic space.

- Flood resilience has been a major consideration in these plans, and the project uses materials that will speed up the recovery from any future flooding event.
- With advances in information technology the redevelopment works now operate via Council and public Wi-Fi systems negating the need for vast amount of cabling and server space.
- In addition, all furniture can easily moved to the first floor should flooding be anticipated with sufficient notice via the EA flood warning systems in place. This demountable approach is a key concept for the ground floor redevelopment and has been brought visibly into the Council's business continuity plans and procedures.

### **2.3 Progress Since Council Approval**

Since Council approval on 5 May 2020, several strands of work have taken place to deliver a project which is appropriate to the current needs of the Council, including revised working practices put in place to accommodate the risks to the staff, members and the public associated with COVID 19. These elements of work include:

- a) Formation of an internal work team to deliver the project
- b) Set up a project team email address to deal with and coordinate enquires, responses and contract administration issues specific to this project.
- c) Consultation with our stakeholders to confirm their current requirements
- d) Detailed development of the design or redesign of the accommodation to suit the needs of the end-users of the building in conjunction with the appointed Flood recovery consultant Tetrattech.
- e) Replacement of the flat roof covering to the chamber via the Property services team.
- f) The procurement and completion of an enabling works contract. The primary aim of this package of work was to make provision for staff to safely enter and leave the building and segregate them from the contractors from a safety and COVID work bubble perspective.

The work also included forming a new staff entrance with access ramp, blocking up rotten and redundant window openings, replacing most of the external basement doors with secure doors, replacing fire doors in the basement, insulating the incoming water main to reduce the risk of Legionella

and other temperature sensitive water borne contaminants, partially reinstate fire detection equipment on the ground floor and basement areas, reconfigure the access security in the ground floor and basement, set up revised fire escape routes, investigate the location of any remaining asbestos and locating and condition of any existing exposed services, setting up a new temporary store for deliveries at the rear of the building and set up noise and dust screening, in advance of main works.

- g) Engaging a Contractor to deliver the main works project in two phases. The main contract works for the refurbishment and reinstatement of the ground floor and associated services was awarded to Story Contracting Ltd and commenced on 19 October 2020. The programme of works consists of two phases and has an overall duration of 60 weeks. The first phase consists of the refurbishment work to the chamber, customer contact area, meeting area and associated facilities. The second phase consists of the demolition of the Rotunda, the reconfiguration of the drainage and works to the car park. In addition to the construction work, further detail design work has been carried out with the stakeholder groups and WYG (now Tetrattech) to complete the design work ahead of the construction team activity.

h) Main Contract Phase 1:

- i. The main contract achieved phase 1 sectional completion on target on 3 September 2021.
- ii. Council staff have been provided with training to operate the new ground floor rooms and equipment. Further training may be required after an initial testing and familiarisation period.
- iii. There are ancillary Council tasks and subsidiary contracts in place to complete the occupation and operation of the ground floor e.g., directional signage, furniture, and updated IT infrastructure. Most of this work has now been completed or is schedule to be completed by the end of September 2021.
- iv. an occupation certificate for the ground floor has been requested.
- v. a series of stakeholder meetings has been convened to obtain feedback on the delivered construction project and to ensure that all handover matters have been identified and address in accordance with RIBA stage 6 and 7 plan of work. These have already picked up feedback from the first round of Council meetings and other identified 'snags' from phase 1.

- i) Main Contract Phase 2:
  - i. Work is underway to complete the RIBA stage 4 - consideration and review of the design proposals for the civic space and car park.
  - ii. The demolition plan and safety arrangements are being developed with the Main contractor and stakeholders.
  - iii. The planning conditions discharge information has been submitted and awaiting a formal response pending consultation with the County Council on highways related matters.
- j) At the time of writing work has continued securing materials and subcontractors via various routes to reduce the impact of COVID and BREXIT issues on the supply chain and cost.
- k) Other areas of work – work still needs to be undertaken in other areas of the building to complete the balance of the building fire strategy actions identified. Provision has been made for this within this project budget and through the Property services delivery plan.
- l) Work is also underway to work with other departments to continue to improve, streamline or adapt existing council processes to make them agile enough to deal with fast decision-making processes and budget considerations required by a capital works project.

## **2.4 Internal Work Team**

The internal work team consist of:

- Project Sponsor - Darren Crossley
- Construction delivery team – Property services capital projects unit consisting of Amanda McCartney, Richard Chandler, and Irene Hammond

Additional input has been sought from and provided by:

- Design concept development and property services manager – Mark Walshe
- Health and Safety engagement, particularly on fire safety and staff security and wellbeing – Arup Majhi
- CCC's appointed fire Officer – Tony Stoddart
- Representation from the Building maintenance / facilities team – Mark Irwin
- Representation from the customer services team led by Matt Ward,
- Representation from the Keepers – Claire Scarborough Wills / Clare Liddle

- Representation from the IT team on the M & E infrastructure – particularly regarding the AV, chamber function hardware – David Strong and Jonathan Wallace
- Representation on members requirements led by Rachel Plant
- Car parking, lighting, and future provision of EVC points – Helen Graham, Keith Poole, EVC stakeholder groups

Engagement with the above list of stakeholders has taken place via a series of single-issue workshops conducted via Teams, to confirm the design concept and current user requirements. This work is ongoing as each of the key design elements is revisited to ensure that the design concept and the proposals set out in the contract are still appropriate in view of the increase separation and cleaning regimes required to deal with the risk of spreading Covid -19 and the corresponding use of new technology and software to conduct business. Examples of the design conclusion workshops include topics such as AV requirements, chamber lighting and acoustic panelling, aesthetics of the chamber and small data and power requirements.

At the time of writing, we are part way through a series of stakeholder meetings post completion of the construction element of the phase 1 work

## **2.8 Budget**

The approved budget of £3,601,998 for the project is currently being closely monitored and assessed for each phase.

The main contract work are considered to on target with the approved cost allocation headings and where additional costs have been identified forecast measures have been put in place to mitigate these costs.

Additional expenditure anticipated on asbestos removal, additional structural testing, additional small power and data provisions, inflation costs on the proposed AV chamber equipment have been offset with the saving made on the reduced specification for the compound fencing and the substitution of some rendered areas with painted blockwork.

The landlord element of the budget is on target.

The infrastructure element of the budget is on target.

The fees element of the budget is on target.

There is an overspend on the fixtures and fittings budget which has been raised with the stakeholder group for resolution and mitigation via other areas of the budget.

### **3. RISKS**

- 3.1** Cooperation and timely response of stakeholders and users' groups to meet construction delivery deadlines, particularly on customer choice items, or areas which have been reviewed considering COVID-19 working practices.
- 3.2** Timely development of the detailed design work by WYG to RIBA stage 5 standard and response to technical queries
- 3.3** Engagement with and management of stakeholders and user groups expectations relative to the approved budget.
- 3.4** Agility of existing corporate processes and staffing commitments to meet with capital contract and project deadline requirements,
- 3.5** The continued impact of COVID and BREXIT on the project in terms of availability and cost of subcontractors and materials.

### **4. CONSULTATION**

- 4.1** Internally via the City Council's corporate structures and processes and via informal feedback from members and partners.

### **5. NEXT STEPS**

- 5.1** Develop and deliver the proposals for the Civic space and adjacent car park.
- 5.2** Continue with the stakeholder engagement in the project.
- 5.4** Continue the collaboration and development of Council processes to facilitate agile decision making to avoid where possible delays to the contract and / or abortive cost.
- 5.5** Close out the stakeholder queries and actions for phase 1 of the delivery programme to ensure that the whole project is fit for purpose, completed on time and within budget constraints.
- 5.6** Continue to work with the stakeholder groups for the delivery of phase 2 to ensure that the whole project is fit for purpose, completed on time and within budget constraints, where possible.
- 5.7** Pursue the satisfactory delivery of the professional services element of the project.

**5.8** Work with the Property service department and other stakeholder groups to complete the building fire strategy actions identified in other areas of the building.

## **6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

**6.1** The initiative embraces partnership working with other public sector bodies.

The December 2015 floods have created an opportunity to remodel the Civic Centre to provide a facility that is fit for purpose not only for the City Council but also for several partner organisations. Providing a one-stop centre for information and assistance for the citizens of Carlisle.

The proposals also offer opportunities to create additional revenue streams for the City Council and reduce operating costs.

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

**Contact Officer: Darren Crossley**

**Ext: 7004**

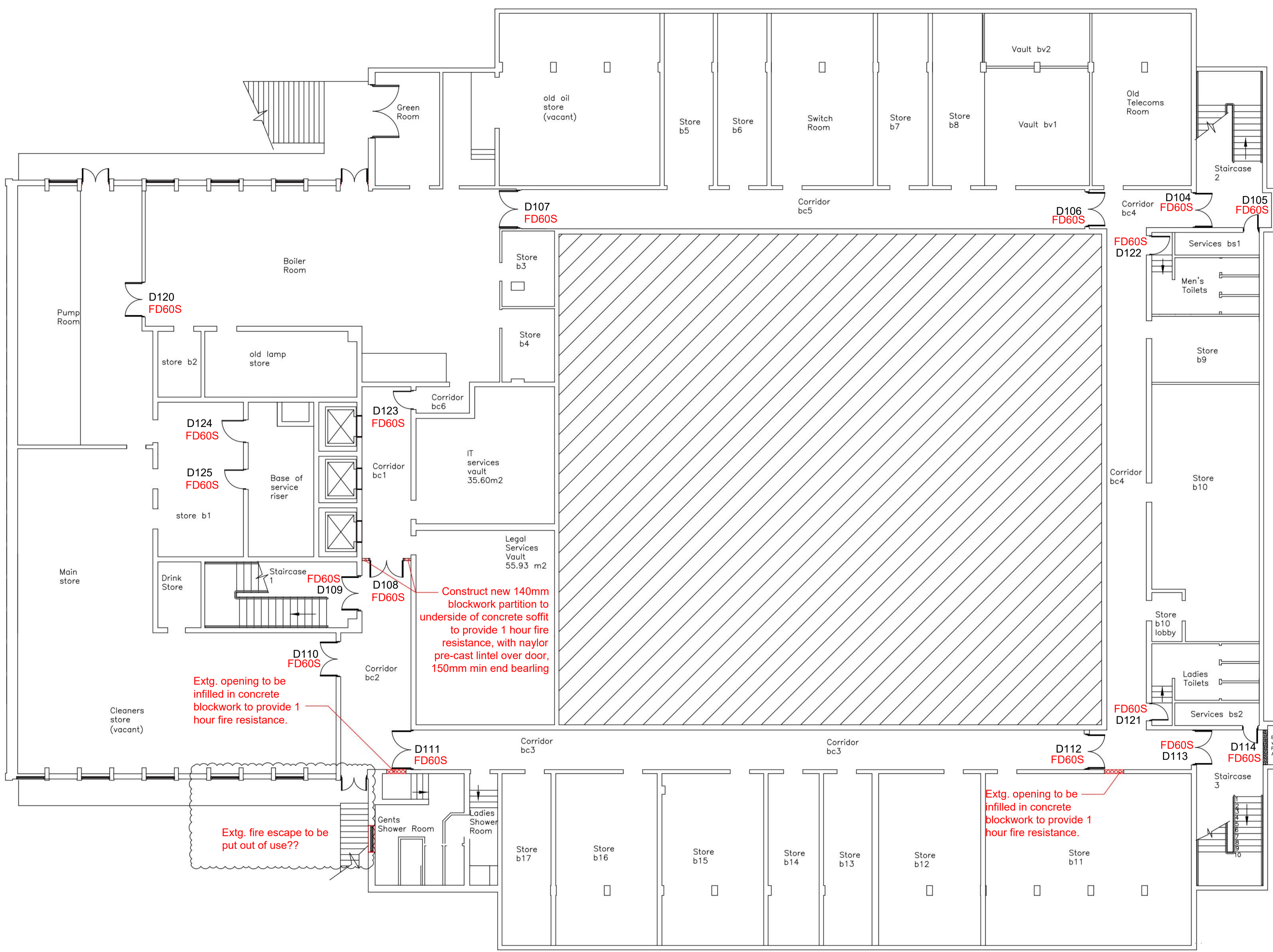
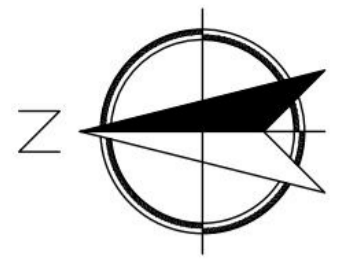
**Appendices  
attached to report:**

**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 -  
FINANCE –  
EQUALITY –  
INFORMATION GOVERNANCE –**



Basement doors scheduled below to have 1 hour fire resistant infill provided to gap between door head and basement soffit to maintain fire separation:  
**D104, D106, D107, D108, D111, D112 & D113**

Fire separation to comprise metal stud framed partition, faced with 1 layer of fire check plasterboard to each side.

All gaps / service penetrations to be sealed with 1 hour fire resistant sealant or appropriate intumescent collars.

Include for working around existing services and removal of existing flood damaged infill sections as required.

The basement is to be 'Fire Sterile' area, access to be for maintenance purposes only, controlled by a permit to work scheme. Doors D104, D109 & D113 to be secured via fob access - refer to Door Schedules & A095945-3\_21\_E\_501\_T2 Proposed Basement Floor Security Layout.

Construct new 140mm blockwork partition to underside of concrete soffit to provide 1 hour fire resistance, with naylor pre-cast lintel over door, 150mm min end bearing

Extg. opening to be infilled in concrete blockwork to provide 1 hour fire resistance.

Extg. fire escape to be put out of use??

Extg. opening to be infilled in concrete blockwork to provide 1 hour fire resistance.

Extg. opening to be infilled in concrete blockwork to provide 1 hour fire resistance.

**CONSTRUCTION ISSUE**

03	Construction Issue	DB	DB	DB	23-07-20
02	Updated to reflect revised fire strategy	DB	DB	DB	15-08-19
01	BASEMENT FLOOR PLAN AS PROPOSED	RK	DC	DC	14.09.18
REV	DESCRIPTION	BY	CHK	APP	DATE

Carlisle City Council  
 Civic Centre  
 Carlisle  
 CA3 8QC



ARNDALE COURT  
 HEADINGLEY  
 LEEDS  
 LS6 2UJ

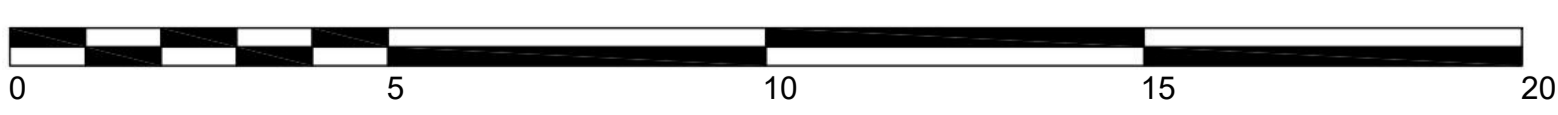


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 e-mail: leeds@wyg.com

Project: A095945-3  
 Civic Centre  
 Carlisle City Council  
 Flood Reinstatement

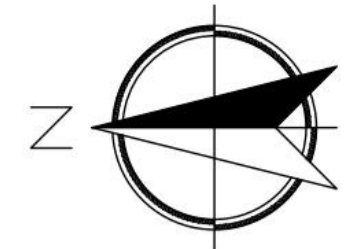
Drawing Title:  
**Basement Plan  
 As Proposed**

Scale @	A1	Drawn	RK/DB	Date	04.01.18	Checked	DC	Date	04.01.18	Approved	DC	Date	04.01.18
Project No.	A095945-3	Type	BS	Drawing No.	P0002	Revision							03

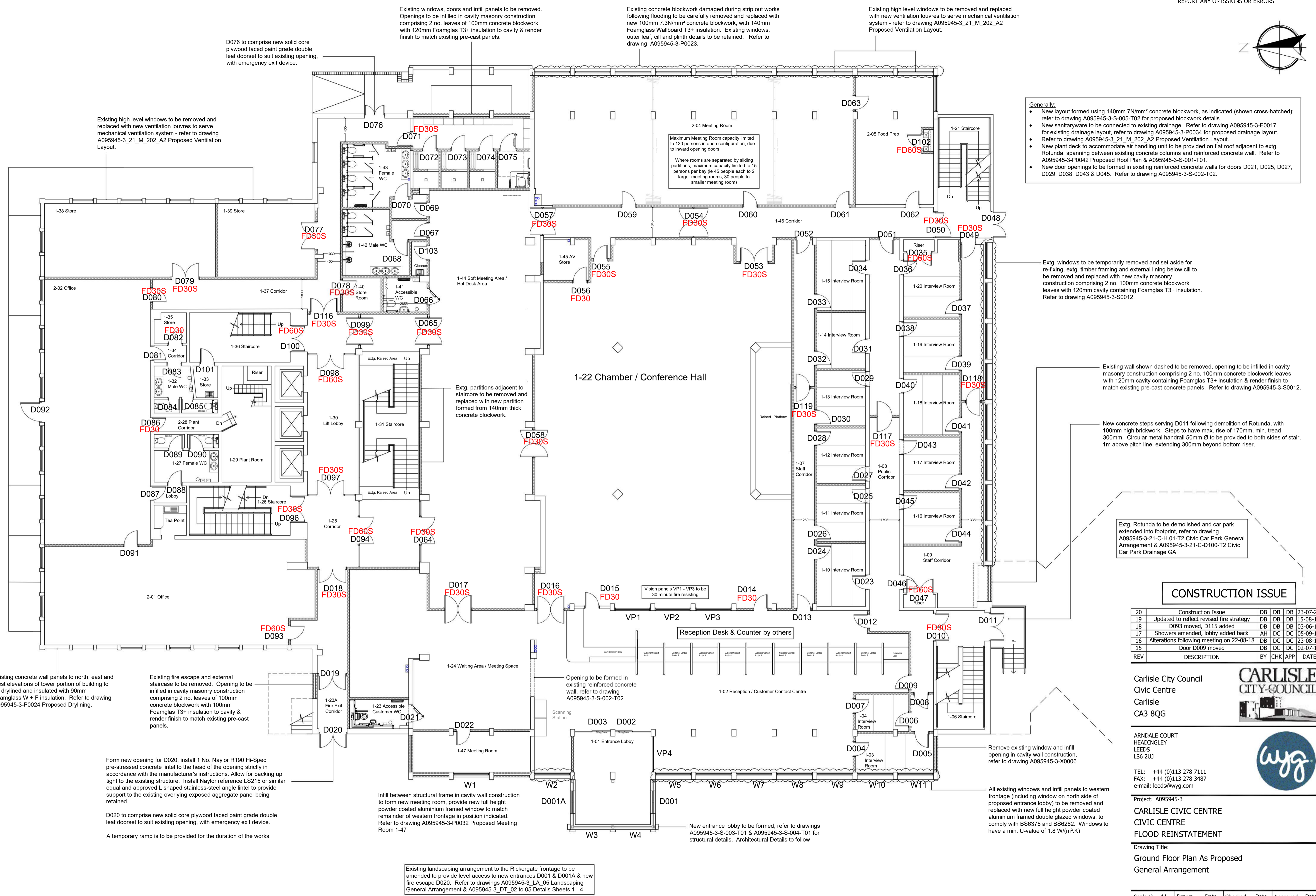


FILENAME: C:\USERS\DAVID.BURGESS\DESKTOP\CIVIC TEMP\CONSTRUCTION ISSUES\BUILDING SURVEYING\3. GROUND FLOOR PLAN AS PROPOSED.DWG | PLOTTED BY: DAVID.BURGESS | PLOTTED DATE: 23 July 2020 16:39:49





FILENAME: \\LDS-DC-1\101\DATA\PROJECTS\A095945-3\POST CONTRACT\111\CIVIC\0 WORKING\DELIVERABLES\7.1 DRAWINGS\ARCHITECTURAL DRAWINGS\RK3.GROUND FLOOR PLAN AS PROPOSED.DWG | PLOTTED BY: BURNESS, DAVID | PLOTTED DATE: 21 August 2020 17:25:20



**Generally:**

- New layout formed using 140mm 7N/mm<sup>2</sup> concrete blockwork, as indicated (shown cross-hatched); refer to drawing A095945-3-S-005-T02 for proposed blockwork details.
- New sanitaryware to be connected to existing drainage. Refer to drawing A095945-3-E0017 for existing drainage layout, refer to drawing A095945-3-P0034 for proposed drainage layout.
- Refer to drawing A095945-3-21\_M\_202\_A2 Proposed Ventilation Layout.
- New plant deck to accommodate air handling unit to be provided on flat roof adjacent to extg. Rotunda, spanning between existing concrete columns and reinforced concrete wall. Refer to A095945-3-P0042 Proposed Roof Plan & A095945-3-S-001-T01.
- New door openings to be formed in existing reinforced concrete walls for doors D021, D025, D027, D029, D038, D043 & D045. Refer to drawing A095945-3-S-002-T02.

Extg. windows to be temporarily removed and set aside for re-fixing, extg. timber framing and external lining below cill to be removed and replaced with new cavity masonry construction comprising 2 no. 100mm concrete blockwork leaves with 120mm cavity containing Foamglas T3+ insulation. Refer to drawing A095945-3-S0012.

Existing wall shown dashed to be removed, opening to be infilled in cavity masonry construction comprising 2 no. 100mm concrete blockwork leaves with 120mm cavity containing Foamglas T3+ insulation & render finish to match existing pre-cast concrete panels. Refer to drawing A095945-3-S0012.

New concrete steps serving D011 following demolition of Rotunda, with 100mm high brickwork. Steps to have max. rise of 170mm, min. tread 300mm. Circular metal handrail 50mm Ø to be provided to both sides of stair, 1m above pitch line, extending 300mm beyond bottom riser.

Extg. Rotunda to be demolished and car park extended into footprint, refer to drawing A095945-3-21-C-H.01-T2 Civic Car Park General Arrangement & A095945-3-21-C-D100-T2 Civic Car Park Drainage GA

**CONSTRUCTION ISSUE**

REV	DESCRIPTION	BY	CHK	APP	DATE
20	Construction Issue	DB	DB	DB	23-07-20
19	Updated to reflect revised fire strategy	DB	DB	DB	15-08-19
18	D093 moved, D115 added	DB	DB	DB	03-06-19
17	Showers amended, lobby added back	AH	DC	DC	05-09-18
16	Alterations following meeting on 22-08-18	DB	DC	DC	23-08-18
15	Door D009 moved	DB	DC	DC	02-07-18

Carlisle City Council  
Civic Centre  
Carlisle  
CA3 8QG



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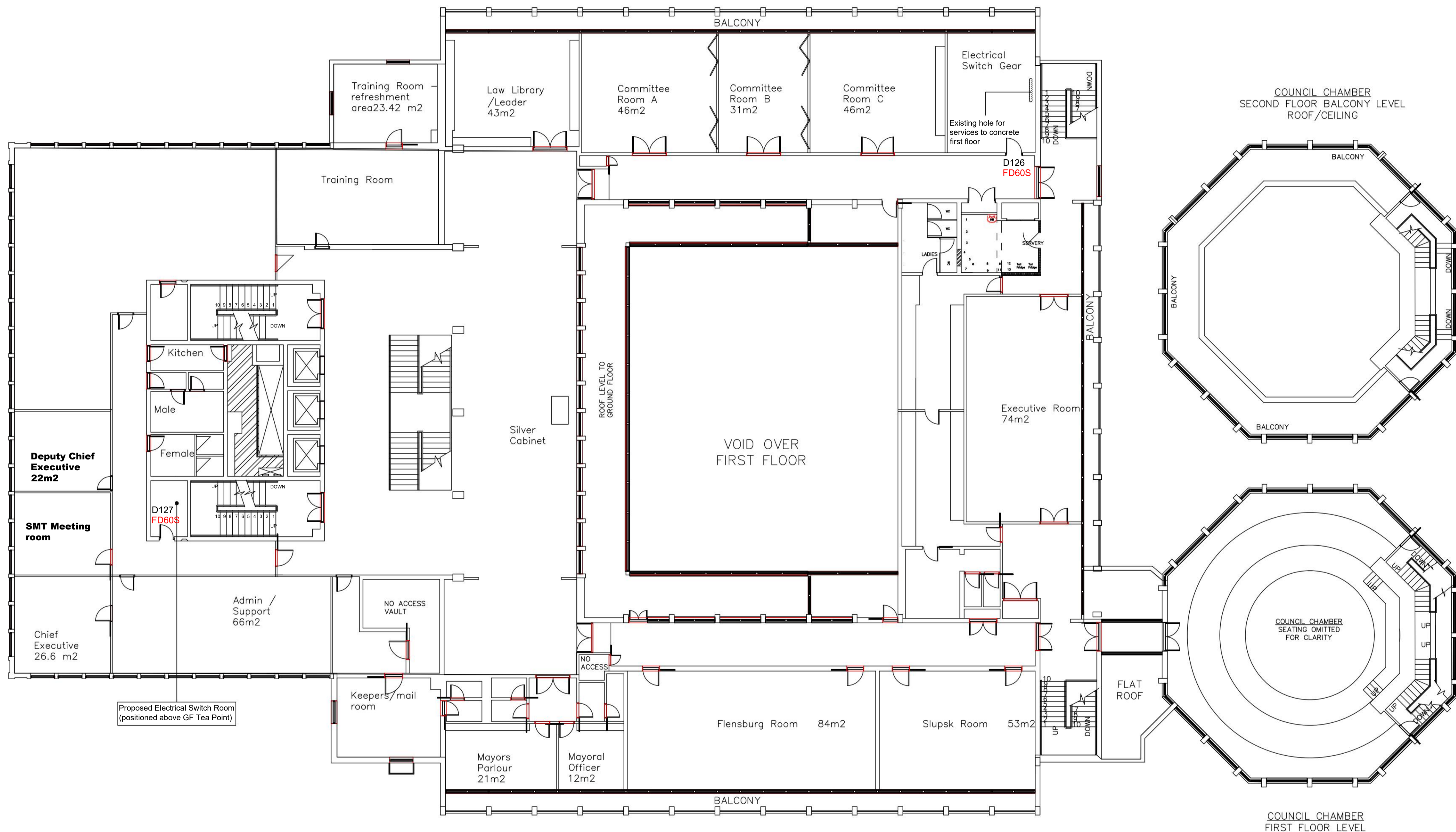
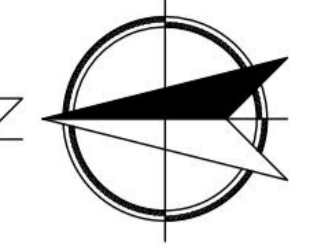


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Project: A095945-3  
**CARLISLE CIVIC CENTRE**  
CIVIC CENTRE  
FLOOR REINSTATEMENT

Drawing Title:  
**Ground Floor Plan As Proposed**  
General Arrangement

Scale @	A1	Drawn	Date	Checked	Date	Approved	Date
1:100	RK/DB	04.10.18	DC	04.10.18	DC	04.10.18	
Project No.	Type	Drawing No.	Revision				
A095945-3	BS	P0001	20				



**FIRST FLOOR PLAN AS PROPOSED**

**CONSTRUCTION ISSUE**

03	Construction Issue	DB	DB	DB	23-07-20
02	Updated to reflect revised fire strategy	DB	DB	DB	15-08-19
01	FIRST FLOOR PLAN AS PROPOSED	RK	DC	DC	04-01-18
REV	DESCRIPTION	BY	CHK	APP	DATE

Carlisle City Council  
Civic Centre  
Carlisle  
CA3 8QC



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LS6 2UJ

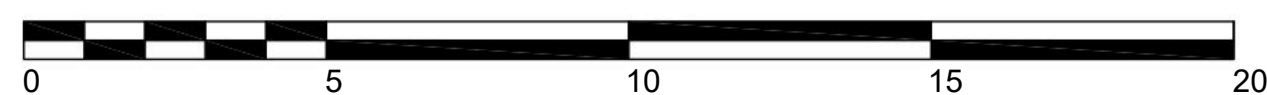


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Project: A095945-3  
Civic Centre  
Carlisle City Council  
Flood Reinstatement

Drawing Title:  
First Floor Plan  
As Proposed

Scale @	A1	Drawn	Date	Checked	Date	Approved	Date
1:125	RK/DB	04.01.18	DC	04.01.18	DC	04.01.18	
Project No.	Type	Drawing No.	Revision				
A095945-3	BS	P0003	03				



FILENAME: C:\USERS\DAVID.BURGESS\DESKTOP\CIVIC\_TEMP\CONSTRUCTION\_ISSUE\BUILDING\_SURVEYING\3\_GROUND FLOOR PLAN AS PROPOSED\0003 FIRST FLOOR PLAN AS PROPOSED.DWG | PLOTTED BY: DAVID.BURGESS | PLOTTED DATE: 23 July 2020 16:40:29

# Report to Business & Transformation Scrutiny Panel

Item  
A.7

Meeting Date: 7<sup>th</sup> October 2021  
 Portfolio: Finance, Governance & Resources  
 Key Decision: Not Applicable:  
 Policy and Budget Framework: No  
 Public / Private: Public

Title: SQUAD WORKING  
 Report of: Deputy Chief Executive  
 Report Number: CS 40/21

**Purpose / Summary:**

The purpose of this report is to acquaint members of the Business and Transformation Scrutiny Panel with the Council’s approach to Squad Working and to seek feedback on the validity and potential of this new part of our Project Managers toolbox.

**Recommendations:**

That members of the Business and Transformation Scrutiny Panel review this report and Appendix, note the progress made to date and form a view on the future involvement of the Panel in monitoring the progress of Squad Working.

**Tracking**

Executive:	-
Scrutiny:	<b>7<sup>th</sup> October 2021</b>
Council:	-

## 1. BACKGROUND

- 1.1. As part of the Council's workforce development plan and feedback from peer group sessions officers have identified an opportunity for improved agile working across the Council.
- 1.2. Agile working such as squad working will bring more autonomous, accountable working to employees of the council, a programme of learning, deployment and change in project and working practices has been scoped, procured and budget agreed. This report provides members of the Business and Transformation Scrutiny Panel with an overview of the work currently being undertaken and the progress made to date.

### 1.3. Squad Working Definition

Squad working is a relatively new approach to improving services and delivering efficiency in local government. The origins of this management approach can be traced back to methods implemented at Toyota and Fuji during the 1970's and 80's.

The central idea of this approach is to empower squad team members to work on practical solutions to service improvement in timely and efficiency manner. The following 10 points outline the method.

1. Understanding the flow, form and approaches of work using Agile Squads to deliver solutions, products and services and create new ways of collaborative engagement and application within that.
2. The flow and form are adapted to the circumstances and governance the organisation must comply with alongside projects and protocols that continue to drive performance but also compliance.
3. The method revolves around clear roles in a project team of
  - a. a **Product Owner** (who will be responsible for deploying the changed system, service, or solution).
  - b. a **Squad Coach** - who is not a project manager per se, but someone who holds the team's performance and application together, helps remove obstacles to their progress, keeps the accountability for performance within that team and links to the Product Owner to keep them appraised of progress and any adaptations.
  - c. an **Agile Squad** - 7 or less people who are coached into performing using iterative, planned cycles (Sprints) of design and development of a new product, service, or solution. Normally from across multiple teams but not always. Opted into or encouraged to participate in the work.

4. The Squad will work in **Sprints**. Using a series of staged activities, the plans are set to work towards a solution/service/product with vision and some definition (budget and deadlines mainly) for the work. The rest is up to the Squad to decide upon and apply.
5. After working up the Vision into a **Product Story** the Squad sets about estimating the tasks and the timings, effort and resourcing/expertise needed at that time. From this list of tasks, a **Roadmap** is created showing how the work (as they know it at that point) can be set out. The Squad will also consider the **Users** - people who need the solution/product and people involved who will have input to it or have interest in it are also mapped and turned into stories that demonstrate their needs. These stories also reveal tasks added to the backlog.
6. Once the project is then underway in Sprints, the backlog of tasks - mapped to the Roadmap are tackled through **Stand-Up Meetings** which are short orientation, prioritisation and issue raising forums about the work done on a day or small period.
7. The work is then selected by each Squad member and progressed - in full view of all the Squad using a project management tool, spreadsheet, or other approach - via a **Scrum or Kanban Board**. This openly plots who is working on what and what progress is being made. Micro-level tasks are regularly moved across the 3 columns of
  - a. **To-Do** (the backlog)
  - b. **Doing** (in progress one person with one task at a time) and
  - c. **Done** (tasks complete)
8. Planning and adjusting as they go, each week the Squad hosts a **retrospective** to review progress and plan for the week ahead.
9. **Plans are therefore iterative and backlogs adjust** as more tasks become apparent and/or others are deemed irrelevant.
10. Overall, this approach has made work in non-digital projects quicker, more inclusive (mostly people opt-in to work on a Squad project), more open ways of working, grow confidence and accountability and better use expert resources who are not grafted to the entire project but optimised when they are needed. They are lighter touch on documentation, meetings, reports, bureaucracy and treat their governance seriously and comply with any reporting that may be necessary as part of their work.

## **2. PROGRAMME**

- 2.1.** Having identified the benefits of adopting this method for some of the Council's transformation activity an Agile Squads – Development and Delivery Roadmap has been produced in tandem with our squad training provider. This is attached at Appendix A.
- 2.2.** This implementation on this roadmap has already begun with Sprints 1 and 2 now complete. These early sessions have helped explain the methods to our Managers Briefing audience and identify key opportunities for improvement in our Project Managers Handbook.
- 2.3.** The Project Managers Handbook has been a key text for guiding our Transformation Board and Project leads over the past few years. It has now been updated to bring the method of squad working into our considerations and working practise. An updated version of the Project Managers Handbook is attached at Appendix B.
- 2.4.** Officers are now moving into Sprint 3 where we expect to identify and secure the support of an initial squad of Agile Coaches who will help steward and support future working squads.
- 2.5.** A training programme for Agile Coaches and Product Owners is also planned to enable the formation of a range of new squads over this initial period.
- 2.6.** Finally, at the time of writing, ideas for our first squad projects are being sought from staff and managers. It is anticipated these squads will commence in November. Consideration of the impact of Local Government Reorganisation will also be factored into his work.

## **3. RISKS**

- 3.1.** A range of risks have been considered in the development of this project management method. The approach to risk management using the discipline of squad working is documented in the Project Managers Handbook.
- 3.2.** Further thought has also been given to ensuring that any risks associated with embedding the method itself are mitigated via good communication, training, recording of progress and any challenges. These areas will be monitored during this next key period of implementation.



# Project and Programme Management at Carlisle City Council

## Project Managers Handbook V2

### METADATA

Audience	Carlisle City Council
Creator	Policy and Comms
Date Issued	July 2017
Description	Carlisle City Council Project and Programme Management Handbook – provides guidance on project management processes at the City Council
Format	MS Word
Language	English
Publisher	Carlisle City Council <a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a>
Status	Version 2.0
Subject. Category	Guidance Document
Title	Project and Programme Management Handbook
Contact Officer	Tracey Crilley x7114





## Contents

Part 1: Introduction.....	4
Purpose of this handbook.....	4
Definitions.....	4
The benefits of project management.....	5
Scoring a project.....	6
Projects that score below 15.....	8
Significant projects that score 15 or over.....	9
Project Organisation.....	9
Project Board.....	9
Project sponsor.....	10
Project manager.....	10
Part 2 Project Life Cycle.....	11
Project stages.....	14
Pre-project stage.....	14
Business case (light and detailed).....	14
Project approval.....	16
Officer Decision Notices.....	16
Initiation stage.....	16
PID and Project Plan.....	17
Delivery stage.....	19
Highlight reports.....	19
Project closure and lessons learnt report.....	20
Records management and retention schedule.....	20
Part 3: Project management processes.....	23
Finance Management.....	24
Quality Management.....	25
Risk Management.....	26
Issue and Change Management.....	26
Types of issues.....	26
Resolving issues.....	27
Dependency Management.....	27
Benefits Management.....	27
Identifying the benefits.....	28

Plan the benefit realisation.....	28
Deliver the benefits.....	28
Review the benefits .....	29
Stakeholder Management .....	30
Part 4: Programme Management .....	31
Managing programmes.....	31
Appendix: Templates .....	33

## Part 1: Introduction

### Purpose of this handbook

The purpose of this handbook is to advise project managers at the City Council of project management processes to be followed in progressing projects.

It is designed for both new and experienced project managers and also as a reference to project management processes and tools at the City Council.

It contains key questions to ask yourself as project manager when setting up and delivering a project. Templates to use are also available.

The City Council uses an adapted version of the Association of Project Management (APM) approach and some of our colleagues are qualified and accredited in APM's range of accredited learning. We may also have colleagues who are PRINCE2 (Projects in Controlled Environments v2) trained/qualified and a range of additional project management-related tasks, skills and approaches have been developed over time.

The City Council encourages and support professional development in projects, but it is not mandatory that you acquire any accreditation to work on a project at the City Council.

In July of 2021, the City Council also introduced its own version of Agile Projects, using Project Squads and Agile Coaches to provide a responsive and rapid approach to complement the more formalised and traditional projects featured throughout this handbook. Projects using Agile Squads is a substantial addition to this handbook.

### Definitions

A **project** as a 'temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case'.

**Project management** as the 'planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks'.

**Programme management** as the 'temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives'.

*Source: The Cabinet Office*

## The benefits of project management

The obvious benefit of using project management principles is the delivery of a successful project. But there are other benefits -

**Reducing risk** - All projects usually contain a great deal of risk, uncertainty, and complexity that needs to be managed.

**Capturing knowledge** - Project management techniques can help capture the knowledge that's gained every time a project is completed, enabling you to learn from it.

**Scrutiny and audit** - Using project management techniques means that your project will stand up to scrutiny and audit.

**Peace of mind** - As a project manager or Agile Coach you have a lot to think of and do. A way of keeping track of everything is needed and this differentiates it from other activities.

Creativity, innovation and inclusion are also the impact of working on a project. Additional skills, experiences and confidence can come from a temporary departure from your core role into a project environment. Getting to know more about the wide-ranging responsibilities of a City Council can be enhanced by working with colleagues from different aspect of the work we do, and this can strengthen your understanding of the impact and work the City Council does for its citizens and environment.

With the addition of our Agile Squads, you will also learn some of the more progressive and dynamic approaches to how work can be done. This new approach of working in Sprints, using more self-managed and self-directed ways of working has taken the software engineering world by storm, and is now crossing into more complex human operations.

Planning is a hallmark of good projects. Too much planning can become wasted effort, and too little planning can result in failed outcomes and again, wasted effort. This handbook therefore helps people involved in projects get that right balance.

## Scoring a project

The City Council uses a risk based approach to assess the level of project management required to run a project.

This is shown in the table below and can be downloaded from the Intranet.

All projects will go through a basic lifecycle and project management process.

All project managers will be required to score their project/initiative against each of the criteria on the following page to ascertain the level of project management required.

In introducing our Agile Squads approach, we are maintaining the scoring element to Projects to help us understand the links between creative and less formalised ways of working on projects, with more formalised existing project management methods.

We anticipate that most projects deemed fit for using Agile Squads will score 1 (certainly no more than 2) in the criteria below and definitely a 1 in the contracts area.

There may be an exception in the Process Complexity area, as we could – for example – deploy an Agile Squad to research and analyse an area that is new to us, but not actually develop the project itself. They may score a 3 or even 4 but is de-risked as it is merely a phase in a wider project that will need later formalisation with a board structure and more complex arrangements. The Agile Squad, commissioned to research, will be making deductions and recommendations for the more formal set-up so a 3 score in this area does not necessarily mean an Agile Squad is inappropriate, so long as the mandate and vision are clear for those people and their output/outcome.

<b>Criteria</b>	<b>Score 1</b>	<b>Score 2</b>	<b>Score 3</b>	<b>Score 4</b>	<b>Project score</b>
<b>Cost £</b>	<10,000	10,000 – 50,000	50,000 – 250,000	>250,000	
<b>Timescale in months</b>	<6	6 – 12	12 – 18	>18	
<b>Integration with corporate objectives</b>	No dependency	Contributing to other work that is linked	Direct contribution to a corporate objective	Direct contribution to more than one corporate objective	
<b>Impact on City Council</b> including organisational culture	None or very minimal	Some new business processes and possibly some re-training	Significant re-structure of processes and work areas	Transfer of staff or outsourcing	
<b>Project visibility / Council reputation</b>	Minimal eg. one ward	Wider eg. more than one ward	Authority wide visibility and high reputational risk	County wide visibility and high reputational risk	
<b>Stakeholders</b>	Internal and within single service area	Internal across more than one service area	Mainly external	Internal and external	
<b>Contract complexity</b>	No contracts required	Single contract with known supplier	Multiple contracts with known supplier	Contract(s) with new supplier(s)	
<b>Process complexity</b>	Have done this type of project before many times	Have done this type of project before once or twice	Have done a similar type of project before but not exactly the same	Have not done anything like this before	
<b>Project total score</b>					

## Projects that score below 15

Project Manager to notify the Transformation Board (TB) through the Chief Executive's Office Manager.

Project to be managed at service manager level.

Project requires the appropriate level of approval to proceed.

Use of project management principles (application tailored to size of project).

### **Agile Squads Variation**

The Project will normally be conceived by someone with leadership accountability and will be based on a problem to solve or opportunity to capitalise upon. It could be contained with one are of the City Council's business (e.g. a Customer Call Handling improvement that may require Contact Centre leadership and Information Technology input/procurement).

When using Agile Squads, there is no need to submit your request to work up a project using the Transformation Board process. But you **will** required to report progress at the start (out of courtesy not seeking their approval to proceed) middle (part way through and progress is made) and end (once you've completed and delivered the project and started to realise the value and benefits it creates and estimated value it will create over time).

#### Documentation

- How the project is contributing to Council priorities
- Justification of project (for an Agile Squad Projcet: A vision)
- List of benefits
- Details of the budget (or for an Agile Squad Project, estimated resourcing)
- Analysis of risks (only a very short summary for an Agile Squads Project)
- Data Protection Impact Assessment (DPIA) if appropriate (privacy impact assessment)
- Key stage dates on Gantt chart (for an Agile Squads Project: A Roadmap)

Use of capital monitoring and project management for monitoring performance (unlikely for an Agile Squads Project)

Major issues raised to Transformation Board (by exception)

Notify Transformation Board on completion of project.

Business Continuity considerations will be made as part of all new projects

## Significant projects that score 15 or over

Each project to have its own project board

Project sponsor is a member of the Senior Management Team

Project requires the appropriate level of approval to proceed

Use of project management principles

Documentation: Detailed planning is required in the form of a detailed business case and PID. The documentation will be reviewed by the Transformation Board.

Project to be closely monitored by Transformation Board through monthly highlight RAG reports through project management.

Clearly defined management stages on Gantt chart.

Project manager to present benefits realisation to Transformation Board at the appropriate time.

Data Protection Impact Assessment (DPIA) if appropriate (privacy impact assessment)

Business Continuity considerations will be made as part of all new projects

## Project Organisation

Always define responsibilities and accountabilities.

Project planning and resourcing is administered through line management and DMTs.

Project monitoring and assurance for projects scoring below 15 will be the responsibility of the relevant Economic Growth, Health & Wellbeing and Business & Management Boards. Smaller projects may not require a formal project board.

Projects scoring 15 or above will also be reported to Transformation Board for project assurance. These projects will form the basis for the reporting of corporate programme to O&S and Audit Cttee.

## Project Board

Individual project boards are set up for significant projects. A project board will generally consist of the project sponsor and representatives of those delivering the



project and those who will eventually use the project 'product'. The project board will provide direction, approve the plans, authorise the project budget and provide approval for change.

### **Project sponsor**

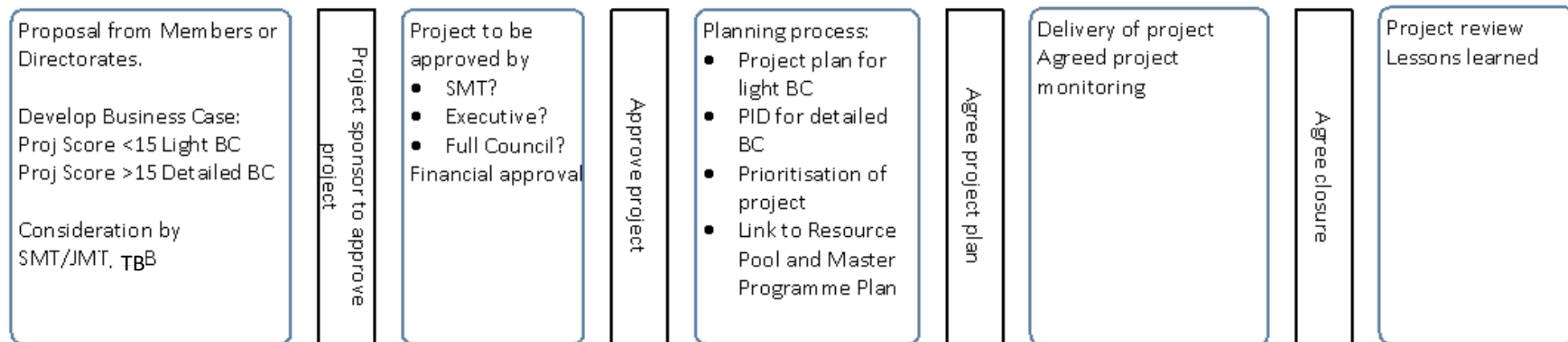
The project sponsor is responsible for the business case and success of the project. This role is usually performed by a member of the Senior Management Team.

### **Project manager**

The project manager focuses on the day to day management of the project. They will run the project within the constraints of the business case. It is the project manager's role to ensure that the Portfolio Holder is briefed on the progress of the project.

## Part 2 Project Life Cycle

# Carlisle City Council Project Lifecycle



# Carlisle City Council

## Agile Squads approach for Projects

 : Output/Milestone

**Sprint Zero**



**Kick-off**



**REPEAT X NO. SPRINTS NEEDED**

**Sprint 1 - X**



## Project stages

A project will be broken down into stages as described below. Each stage has a specific aim and can be broken down into further, particularly in the case of larger projects.

The first 2 stages involve getting the project right before it starts.

### Pre-project stage

This is the start up stage - the initial idea formulation.

- Starting a project
- Having an idea
- Meeting Council objectives
- Delivering the Carlisle Plan
- Identify sustainable funding solutions (Funding Strategy)

At Carlisle City Council there are a number of different projects

Projects that will deliver the objectives on the Carlisle Plan (The Carlisle Plan is available to view on the Intranet)

Projects to deliver transformation of the Council eg. Smarter Service Delivery

Other projects eg. some IT projects

Day to day tasks involved in running operational services are not projects.

- ❖ Does the proposal help to deliver the Council's key objectives?
- ❖ Transform the idea into a business case
- ❖ Score the project – what level of project management is needed?

### Business case (light and detailed)

The business case defines the project.

It's the what, why and when of the project

and is the written document against which the project can be gauged.

It focuses on what the objectives of the project are.

It defines the deliverables in quantified terms.

A business case template is available (see the Appendix) and can be downloaded from the Council's Intranet. The level of detail required will depend on the significance of the project (project score). For projects that score less than 15, a light business case is usually sufficient. For projects scoring 15 or over, more detailed information is required (detailed business case template).

Notify the Transformation Board of the project.

The content of the business case includes the following:

- a detailed account of the project objectives
- an appraisal of the options
- the expected benefits of the project
- the impact on corporate priorities and service standards
- the impact on data protection and privacy
- the proposed timetable
- the input required from other teams/external parties
- a financial appraisal
- a risk assessment
- a summary investment appraisal

For an Agile Squads Project, the process is similar but less formalised.

**Start-up** is normally someone identifies a problem to solve or something to create that will bring about improvements such as refining a process or new way to use our technologies.

If this is a leader with the problem or opportunity within their span of control, then they are likely to invite people together to tackle that.

If it is identified by someone in the course of their work and it's not their area of control, they will find out who has ownership and approach them about this issue and early ideas for change and improvement.

With the scale of change and a vision for what would create the idealised solution, that owner can set up the process for an **Agile Squad to be formed**. From this, and identifying not a Project Manager but an **Agile Coach**, the process outlined in the diagram will start to take shape.

With the estimates of the work involved informed by the early assembly of the Agile Squad. So commitment is initially to this "**sizing**" work and any related complexities, urgency and timelines.

Once that scale of the task ahead has been set, the Agile Squad begin the process of identifying what is being built, set out in development **Sprints** and following that iterative approach until there is something of significance to report to the Transformation Board. Note any links to other projects in motion or larger, more organisational-wide elements would be useful to bring to the Transformation Board's attention. So within the scope of works, there are parameters needed for that: *When do we escalate and/or share with the Transformation Board?*

Agile Squads are legitimate *task and finish* groups and projects in their own right, but are not necessarily needing the heavier framework of a more formalised project. Unless the emergent work reveals this, and then it pivots into a Project and will be ideally placed to follow the project protocols for perhaps a 15 point or more Project.

## Project approval

Who needs to approve the project?

### **For projects NOT within the Budget and Policy Framework**

A Director can approve a maximum of £35,000 from any one budget head per annum without the approval of the Executive or Council.

Executive can approve a project in excess of £35,000.

Full Council approval is required for projects in excess of £70,000 and for any additional use of reserves (regardless of the value)

Note that the Council's scheme of virement needs to be adhered to.

### **For projects within the Budget and Policy Framework (Budget approved)**

This will depend on the delegation when the budget was approved.

## Officer Decision Notices

Once a project has been formally approved, an officer may have delegated authority to make a decision. In this instance, an Officer Decision Notice must be completed. The delegated authority would be set out in a separate document signed by the officer sub-delegating the authority. This may just be a memo or note.

## Initiation stage for Projects

Develop all the relevant information to get the project off the ground.

- Project Initiation Documentation for a detailed project or project plan for a light project.

This phase of the project should define the specific requirements and actions to complete the project including defining tasks, resources and team members.

Refine the scope of the project to meet the required result.

Identify the needs of resources and timescale to meet the required result.

List the tasks and activities that are required to achieve the project goals.

Group the tasks in the best manner to "break the project down" into manageable elements (workstreams).

Sequence the tasks so that they occur in the required relationship and are also phased to complete the project in the best time.

Develop a workable schedule with an associated plan that can be used by the team (on Gantt Chart).

Assign 'staff' resources to the relevant tasks.

Obtain approval from all resources or their managers that they will be available at the required times to carry out the tasks.

Develop a budget for the project.

Get the plan and the associated budget approved and signed off by all appropriate stakeholders.

Get sign up to the plan by the project team.

## **PID and Project Plan**

The Project Initiation Documentation (PID) is the how and when (in detail) and who of the project.

It is the practical solution and contains the detail needed to run the project, providing more detailed information of the Who, When and How of the project.

The PID contains the following:

- outline business case
- project definition
- project plan
- organisation - roles and responsibilities
- project tolerances
- project controls
- resource requirements
- project costs
- project quality
- communication plan
- risk management - this should use the standard risk register template
- Data Protection Impact Assessment

This information does not necessarily need to be provided in one document. It can be contained in a number of documents.



## Using a project plan template

Structure the project plan as on the template. This can be varied as appropriate. Some of these tasks can be set as milestones eg. Naming the project manager and project sponsor. The majority of tasks require a duration.

Stage / Task
<b>Project Name</b>
<b>Pre-project</b>
Project lifecycle and handbook
Named project sponsor
Named project manager
Score project
Business case preparation
Project approval
<b>Initiation</b>
Full project plan / PID
<b>Delivery</b>
<b>Dummy stage</b>
Dummy task
<b>Dummy stage</b>
Dummy task
<b>Dummy stage</b>
Dummy task
<b>Dummy stage</b>
Dummy task
<b>Dummy stage</b>
Dummy task
<b>Dummy stage</b>
Dummy task
<b>Closure</b>
Planned closure
Lessons learned report

## Delivery stage

Delivery of the project to the agreed project plan.

During this phase the project manager should monitor progress to the plan. It will be up to the project manager to initiate corrective actions within agreed tolerance levels to bring the project back onto plan if and when slippage occurs. Any issues outside of the agreed tolerances will need escalating to the Project Sponsor or as initially agreed.

Any problems need to be identified at the earliest stage possible. This way contingencies can be put in place to minimise the effect of any issues that arise.

During the life of the project frequent and timely reviews need to be built in to monitor progress.

## Highlight reports

This is a report used to communicate key pieces of project information, providing at-a-glance status of the project.

Red / Amber / Green (RAG) or traffic lights system immediately signals the current status

Green status – no issues, project is progressing to project plan

Amber status – some issues

Red status – significant issues

Highlight reports can be communicated by varying means depending on the size and significance of the project. How progress is to be reported is decided at the planning stage.

For projects that score below 15 highlight reports may not be required. Any issues would be reported by exception and project progress assumed to be progressing to schedule and budget.

For projects that score 15 or over closer monitoring is required through monthly highlight reports sent to the project sponsor, team manager and Transformation Board. This can be communicated by email. This will provide a summary of the key achievements in that reporting period, RAG rating, any issues and how these are being progressed, emerging risks and any requests for change. Information on how to use the template can be found on the Council's Intranet E-library under Project and Risk Management.

Highlight report is also available in MS Word format (in the appendix). This can be downloaded from the Council's Intranet.

## Project closure and lessons learnt report

Closing a project ensures that the project has a distinct endpoint rather than drifting into operational management.

Project closure is when the project's outputs are formally handed over to the support organisation or business-as-usual. The project outputs enable the organisation to realise the benefits that were the reason the project was undertaken in the first place. The process of transforming business-as-usual or implementing the new capability is when the benefits can be realised. The responsibility for benefit realisation should be allocated to those who can actually make the change happen.

Complete a Lessons Learned Report describing the lessons learned (good and bad) during the project

## Records management and retention schedule

The records of a project and retention schedule will be managed in accordance with the Records Management Policy. The Chief Executive's Office will advise the Project Manager on the templates available and good practice.

## Initiation stage for Agile Squads-based Projects

An issue, problem, opportunity is identified which will create an improvement to the way people work at the City Council.

If that is identified within a span of control (i.e. a manager or team leader identifies something in their own team that needs more than a simple fix) that manager or leader can become the **Product Owner** for the eventual solution.

They should produce a **vision** – the idealised solution – which can then be used to call out to someone to be an Agile Coach (steer the Agile Squad) and for Agile Squad members. Dependent on the size and complexity of this, **up to 8 people can be called into the Agile Squad** but 4-8 is fine dependent on the initial analysis of the issue/opportunity.

Subject matter expertise is not necessary so anyone with the **intent** to solve the problem or build something that exploits and opportunity is welcome to declare their interest.

The **Agile Coach** is normally allocated the responsibility to form the Agile Squad and to set up the initial **Kick Off** meeting to ascertain scope and scale. In order to this, the vision is then analysed and built on into a **Product Story**. This is documented and captured and shared with the Product Owner to ensure there is alignment and potential additional innovation or opportunities from this story.

There are tools such as the use of *Problem Statements* or *How Might We?* questioning that will arrive at the Product Story. These tools are contained within the materials we have produced for working in Agile Squads and our training module that support this way of working on projects.

During this Product Story formulation, the Agile Squad will then consider those people most impacted by this solution or product. In Agile Squads they are called **Users** and the Squad creates **User Stories** to further identify the possibilities with producing their solution.

From the Product and User Stories the Agile Squad can start to identify the tasks we need to undertake to build the solution. This variety of activities forms into the **Product Backlog**. This shows our initial scale of the task ahead.

Once the Agile Squad is happy they have identified as much as they can about likely tasks and actions, they are **sized**. Measured in hours of work (using a formula that helps us estimate and plan resources). At this point, we are more aware of the scale of the whole project.

The Agile Squad can then map that backlog into a timeline to form our **Roadmap**. This shows how we can work on things initially, sequentially and in parallel to optimise the time we have to deliver this solution. Which is why sizing is important.

From this the Agile Squad can then aggregate our work thus far into a **Product Canvas** which we can then share by the Agile Coach with the Product Owner and the work can be ratified and start.

This also allows people who signed up to the Agile Squad to have a clearer idea of the commitment needed for this work and adapt their working schedules in conjunction with their team and team leader if they are keen to continue working on this project.

## Design and Development stage

Depending on the nature of the project, there could be research, evidence-revealing insight to gather, or simply design work into the actual solution. This is managed in **Sprints** where the Agile Coach will help make sure we are tackling the workload in line with our expectations and adjusting plans accordingly.

There are no *RAG* reviews in Agile Squads. But the work is available in an open format of a **Scrum or Kanban Board** (normally on a software application or platform or even a Spreadsheet) showing work **to do** (in each sprint) **doing** (in progress) and **done**.

There are some rules which help progress the work.

1. The backlog in **To Do** pertains to that particular Sprint but there may be more to do in future sprints stored for future utilisation.
2. The idea is to move tasks along one at a time per person. So each member of the Agile Squad selects the task they are working on and move it to the second column **Doing**. Only one allowed per person.
3. If they are able to complete the task it moves to the **Done** column.
4. If it gets stuck or is waiting on a response, that task can be put back into To Do with an update and the Agile Squad member can take another task to work on and move it to Doing.
5. And so on, until the tasks are complete.

During the course of the sprint the Agile Coach will call on the Agile Squad to attend 2 very short meetings – in Agile Squads they are called **Stand Ups**. Deliberately short and concise updates on progress.

Sometimes this is per day – at the beginning of the day – what we plan to do. Sometimes it is per week – Monday, and reviewed later on Thursday or Friday.

There is also a short **Retrospective** meeting again, at the end of the day or week, which reviews how much progress has been made on the Backlog and what is intended to clear blockages, speed up and repriorities or similar. It's a short and open exchange where there is no attribution of blame of guilt, but honest and helpful exchanges on progress and adaptive planning to keep things on track.

The Agile Coach facilitates and the Agile Squad make decisions as a team about escalation, reprioritisation and adjustments to the plan.

During this process further sprints or extension to sprints can be planned or indeed, bring things forward due to good progress being made. It's this adaptive planning that makes Agile Squads, Agile. **Responsive, incremental and iterative.**

During the course of developing the solution, the Agile Coach will update the Product Owner at either key milestones, issues that need resolving, a major or minor suggested departure or adaptation of the vision/Product Story (perhaps revealed by User Feedback as part of a solution testing session) and when the final product is ready to “ship” or be delivered to the Product Owner.

During the course of the solution being developed, the Agile Squad can arrange for **Show and Tell** sessions, which reveal current thinking, prototypes or sets of features and elements of the proposed solution. The Product Owner can be invited to those presentation sessions, along with potential users and the rest of the Agile Squad.

Once the work identified, updated and added to has been completed, we have a final product to return to the Product Owner.

The Agile Coach then arranges for a **Project Retrospective** reviewing the entire process, what was learned and what the Squad can take into their next project, whenever that may be.

Just as a lesson learned log is produced, shared, stored and retrievable for others to use, so should Project Retrospectives form a library of content for any future Squad. It is suggested this is held by the City Council's Project and Programme office.

### **Part 3: Project management processes**

Part 3 of the handbook focusses on project management processes that apply to all projects. Use of these should be tailored according to the scale, nature and complexity of the project.

Finance Management

Quality Management

Risk Management

Issue and Change Management

Dependency Management

Benefits Management

Stakeholder Management

## Finance Management

Prior to the commencement of any project, the following financial areas should be addressed:

- The purchase/implementation costs of the project should be determined including the split between capital and revenue expenditure.
- Any ongoing revenue implications e.g. additional recurring expenditure requirements or additional income generation should be identified.
- Identify sustainable solutions for the project (Funding Strategy)

Identification of the above will enable the budget requirements to be established for the project initially, and any recurring requirements going forward. This will allow the sources and amount of funding required to be identified and sourced.

To establish the budgets for the project, the Council's scheme of virement will need to be adhered to:

- A maximum of £35,000 from any one budget head per annum can be vired without the approval of the Executive or Council.
- A report to Executive is required where virement in excess of £35,000 is required, or to Council for sums in excess of £70,000.
- Any additional use of reserves (regardless of the value) will require approval by Council.
- For any grant funding, procedures should be set up to ensure the terms and conditions of the grant award can be met, and the Council's Grants and External Funding Procedures should be adhered to.

The financial performance of the project will be monitored on a monthly basis as part of the overall budget monitoring of the Council. It is important that accurate expenditure and income profiles are communicated to Finance to ensure that the monitoring information is relevant and accurate.

Other financial areas to consider:

- VAT implications e.g. will this affect the Council's partial exemption calculation?
- Insurance implications e.g. will the project require additional insurance cover?
- Options analysis e.g. have all other options been exhausted and it is proven that this project & method of financing is the best value for the Council?
- External funding procedures are adhered to

For any queries about finance please contact Financial Services.

## Quality Management

The Office of Government Commerce (OGC) defines quality as the totality of features and characteristics of the project products. A project product can also be a person, process, service and / or system. So the focus is on producing products fit for purpose.

Identify the products (the 'outputs') and their purpose.

Create a description for each product with quality criteria and expectations.

Define quality checks and acceptance criteria for each product.

Include tasks to create the products in the project plan (including the resource requirements and quality responsibilities).

Include quality check and review tasks in the project plan.

Manage the timely delivery of products.

Manage quality check and review tasks in the project plan.

Review progress of quality and include in highlight reports.

Obtain customer acceptance of each product with customer sign off.

**For Agile Squads**, quality checks are part of the process of test-adapt-learn in developing the solution in the iterative Sprint format.



## Risk Management

Every project, regardless of size, will have risks and issues associated with doing the project. It is vital that these are recognised and managed to minimise disasters and maximise the chances of success.

Risk is described by the OGC as an uncertain event, or set of events which, should it occur, will have an effect on the achievement of objectives.

The outcome will be either negative or positive, depending on the actions and events that happen.

Risks are classified by two factors:

the likelihood of something happening

and

the impact on the project if the risk should happen.

Have the risks involved in the project been identified and clarified?

Risks associated with the project should be recorded and managed in line with the Council's Risk Management Policy, this is available on the intranet.

Risks may change as the project progresses. So the assessment will need to be updated regularly and any significant changes to these risks or significant new risks should be communicated to the project sponsor and escalated to the Transformation Board.

**For Agile Squads**, Risk Management can be logged and use the formal structure of other projects. Risks can also become recurring tasks to focus on as part of some or all **Sprint Backlogs**.

## Issue and Change Management

A project issue is anything that is currently happening that could have an affect on the project. For example, an issue might be a problem or query raised by someone connected with the project, or a request for something to be changed or done differently. Issues are very often the results of risks that were considered earlier, but have now occurred.

- Keeping control of issues and ensuring they are quickly and appropriately dealt with is an important part of managing any project. Similarly to risks, issues should not simply be ignored. Decide at project initiation stage how issues will be logged / what constitutes an issue in that project / how issues will be dealt with / when an issue would need escalating to the project sponsor / project board and Transformation Board.

## Types of issues

- Request for change – this is a request for a significant change to the project baseline eg. for something that wasn't planned to be delivered

- Off-specification – something that should be provided by the project and currently isn't eg. something that's missing or not meeting it's specification
- Problem / concern – this is any other issue that needs to be resolved or escalated.

If the change can be accommodated within tolerance levels, and will add value to the project, the project manager should plan for the change to be accommodated.

## Resolving issues

Capture the issue

Examine the issue and assess the impact on the project

Identify options to deal with the issue

Decide what to do about the issue – this may include escalating the issue to the project sponsor / sub SMT boards/ project board (if appropriate) and / or Transformation Board.

Implement corrective action and update plans update relevant project information to reflect the change, for example, the business case, the PID or other information such as the risk register.

A template is available to record and manage issues.

**In Agile Squads** issues are often identified and again, form part of some or all **Sprint Backlogs**. Often the Agile Coach takes responsibility for resolving issues, particularly if the issue resides outside of the Squad in another Business Division or postholder.

## Dependency Management

Dependencies can be:

Between projects reflecting how the projects depend on each other.

Dependencies external to the project / programme but still within the Council.

Dependencies external to the organisation. These are much harder to control.

**In Agile Squads**, dependencies (when identified as part of the Product or User Stories or during development in Sprints) form tasks that are added to the Backlog (in some or all Sprints).

## Benefits Management

Benefits management is all about ensuring that the hard work and investment that's gone into the project gives the greatest possible business return. Projects tend to change over their lifecycles, and even small shifts can produce different results. That's why it's important to focus on the project's benefits, and not just it's timely completion.

Benefits management helps focus to be maintained on why the project was started. And it doesn't stop after the project ends, like traditional project management – it continues until all the benefits are clearly achieved. The same project planning framework can be used as the rest of the project, building in benefit-specific milestones, as well as establishing accountabilities clearly, and setting up appropriate communications systems.

The Cabinet Office describes a benefit as 'the measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders, which contributes towards one or more organisational objective(s)'.

So, while the success of project management is to deliver on time and on budget, the success of benefits management takes it one step further – to ensure that the initiative delivers the expected results.

Here are the main phases of benefits management:

### **Identifying the benefits**

Identify the likely benefits, aligning with the Council's corporate objectives. This will be carried out early in the project cycle and involve engaging with key stakeholders.

What precisely is the benefit? Benefits are best titled with a change term at the beginning (such as 'increased', 'faster', 'lower', 'cheaper', 'bigger') accompanied by a measurement (such as percent, monetary value etc). Generic terms like 'better' or 'improved' without further details are best avoided, as these terms are not specific enough for further analysis.

When can the benefits be achieved?

How will the benefit be measured?

### **Plan the benefit realisation**

This is a complete view of all the benefits to track the realisation of benefits and set review controls. This could be incorporated into the project and programme plan. The schedule will show when each benefit (and disbenefit) is to be realised, show milestones for benefits reviews and the reporting schedule.

### **Deliver the benefits**

Delivering the benefits involves the transition from the project outcome/s into the realising the benefits. The key focus is the measurement of these benefits. Benefits should always be quantifiable and measurable. Make sure that a baseline measurement of the performance is taking

before the project commences so that the baseline is known against which the performance changes are measured.

### Review the benefits

Benefits reviews may be time- or event-driven and may occur after the project has finished to ensure that:

- Benefits remain achievable

- Check benefits remain aligned to Council objectives

- Report progress of benefits realisation

- Measure performance

**In Agile Squads**, benefits management becomes part of the Backlog of Tasks in certain Sprints . Often at the beginning or even Kick-off sprint. Benefits identification and reporting certainly becomes part of the **Final Sprint** and/or the very end of the Agile cycle, the **Project Retrospective**.

## Stakeholder Management

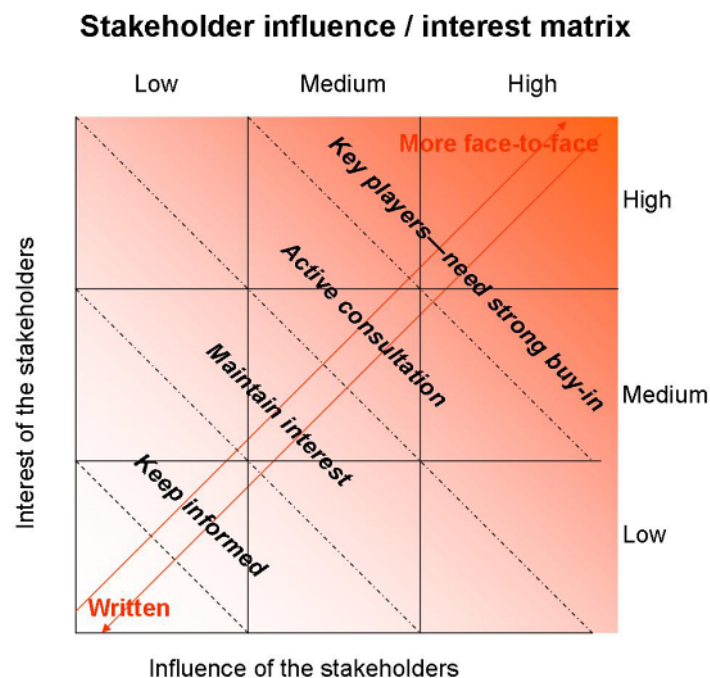
A stakeholder is any individual, group or organisation that

- ✓ Can affect
- ✓ Be affected by
- ✓ Perceive to be affected by the project.

Identify and categorise stakeholders

Define communication strategy for each stakeholder

Face to face? Highlight reports? Review meetings? Email?



*Diagram from Managing Successful Programmes – Best Management Practice*

Advise stakeholder of communication strategy.

Include communication tasks in the project plan.

Manage the stakeholder engagement tasks in the project plan.

**In Agile Squads** User Stories often surface key stakeholders. Use of the matrix and a stakeholder management approach forms into tasks (specific or recurring) in **Sprint Backlogs**. **Agile Coaches** spend some of their time (as part of the Squad) managing Stakeholder relationships and interactions. Stakeholders may also find themselves engaged with the Squad as a **Subject Matter Expert (SME)** and/or **Reviewer/Tester in Show and Tells/Prototype** feedback sessions.

## Part 4: Programme Management

### Transformation

#### Chief Executive's Office

#### Managing programmes

The Transformation (TB) will make decisions regarding the rescheduling / prioritising of projects where bottlenecks are evident and be able to model the impact of new projects on the programme of work. Transformation Board meets 6-8 weekly, is chaired by the Chief Executive, and composed of representatives from each Directorate and supporting services.

The Chief Executive's Office facilitates:

- Support and training to project managers
- Regular reports on progress and project issues TB and Business and Transformation Scrutiny Panel

**For Agile Squads**, there is less formality in reporting and thereby interaction with the Programme Office. Programme Office does hold all the version controlled support materials for working in Agile Squads.

For more information on Project and Programme Management at the City Council or have any queries, please contact Tracey Crilley, Chief Executive's Office Manager on 01228 817117 or [tracey.crilley@carlisle.gov.uk](mailto:tracey.crilley@carlisle.gov.uk)

For more information on Project and Programme Management training opportunities including Microsoft Project, please contact Organisational Development.

## Appendix: Templates

Template scoring matrix

Light Business Case

Detailed Business Case

Project Initiation Document

Issue Report

Highlight Report



<b>Criteria</b>	<b>Score 1</b>	<b>Score 2</b>	<b>Score 3</b>	<b>Score 4</b>	<b>Project score</b>
<b>Cost £</b>	<10,000	10,000 – 50,000	50,000 – 250,000	>250,000	
<b>Timescale in months</b>	<6	6 – 12	12 – 18	>18	
<b>Integration with corporate objectives</b>	No dependency	Contributing to other work that is linked	Direct contribution to a corporate objective	Direct contribution to more than one corporate objective	
<b>Impact on City Council</b> including organisational culture	None or very minimal	Some new business processes and possibly some re-training	Significant re-structure of processes and work areas	Transfer of staff or outsourcing	
<b>Project visibility / Council reputation</b>	Minimal eg. one ward	Wider eg. more than one ward	Authority wide visibility and high reputational risk	County wide visibility and high reputational risk	
<b>Stakeholders</b>	Internal and within single service area	Internal across more than one service area	Mainly external	Internal and external	
<b>Contract complexity</b>	No contracts required	Single contract with known supplier	Multiple contracts with known supplier	Contract(s) with new supplier(s)	
<b>Process complexity</b>	Have done this type of project before many times	Have done this type of project before once or twice	Have done a similar type of project before but not exactly the same	Have not done anything like this before	
<b>Project total score</b>					

**LIGHT BUSINESS CASE** (for projects that score under 15)

[This document is used to inform the Director/SMT and the Transformation Board about the benefits of the project, budget details and analysis of risk. Please attach project score sheet]

<b>Project Name</b>	[What is the name of the project?]
<b>Project Manager</b>	[Who is the Project Manager?]
<b>Directorate / Project Sponsor</b>	[Name of Directorate and Project Sponsor]
<b>Scope of Project</b>	[What are the aims of the project? What will it deliver?]
<b>Justification for the project</b>	[Describe why the project is required/how is it justified?]
<b>How does the project contribute to the Council's key priorities</b>	[Explain how the project enables the achievement of the Council's key objectives?]
<b>Impact on Privacy</b>	[Say whether the project involves information about individuals or would have an impact on their privacy. If so, a Privacy Impact Assessment will be required]
<b>List of benefits</b>	[What are the key benefits of the project? When do you expect them to be realised? How will the benefits be measured?]
<b>Reference to any reports</b>	[Have any reports been circulated regarding this project? Please give report reference number or date of the report]
<b>Proposed Timetable</b>	[Start date, any key stages and anticipated finish date]
<b>Anticipated Budget Required and Funding Source including any grant applications</b>	<b>Capital</b> [What are the costs of the project? When are these costs expected to be made? When are invoices expected to be paid? Has Finance been informed?]
	<b>Revenue</b> [Are there any revenue costs in the project?]
	<b>Income generation</b> [Does the project expect to generate income? If so, how much and when is this expected?]
	<b>VAT implications</b> [Are there any VAT implications?]
	<b>Grant and external funding</b> [Has the Council's grant and external funding procedures been adhered to? Specify the Grant/External funding reference number]
<b>Details of possible impact on Council operations or on other project</b>	[Does this project have any impact on the daily operations of the Council or have any implications regarding staff resources? Are there any links/dependencies with any other project that the Council is running?]
<b>Summary of Known Risks</b>	[Give a summary of the key risks associated with the project together with the likely impact and plans should they occur]

## Detailed Business Case (for projects that score 15 or over)

The Business Case documents the justification for the undertaking of the project, based on the estimated costs against the anticipated benefits to be gained and offset by any associated risks.

Please delete the text in [...] using the information for guidance on completing the form

Project Name	[Insert project name]		
Author of Business Case			
Project Sponsor (Director)			
Project Manager			
Portfolio Holder			
Document/Version Number		Date	

### Approvals

Individual or Group	Report number	Date Approved	Comments [Attach additional sheets if necessary]
Service Manager			
Director			
Transformation Board			
SMT			
Executive			
Council			

### Executive summary

[Highlight the key points in the Business Case, which should include the benefits and whether the project will be provided by external providers or through in-house arrangements]

### Reasons

[Describe the background to the project here.  
Include any history of events and a brief summary of any current system that is to be replaced.  
Define the reasons for undertaking the project and explain how the project will enable the achievement of corporate objectives, plans of programmes]

Options
<p>[Provide an analysis of each option considered.            Include -            Do nothing            Do the minimum            Do something            Explain why the option being presented was chosen]</p>

Expected benefits
<p>[Be specific about the benefits to be gained.            When will the benefits be realised?            How will they be measured?]</p>

Expected dis-benefits
<p>[What outcomes are perceived as negative?]</p>

Timescale	Estimated Date & Comments
[Indicative timetable for project milestones/ approvals]	
Earliest/latest feasible start date	
Earliest/latest feasible completion date	
Key dates in implementation programme	
When can Council expect to accrue benefits	

Details of input required from other teams in the Council to deliver the project	
	Involvement Required
Property Services	
Finance	
Procurement	
HR	
ICT	
Legal Services	
Resource Planning	
Other	
Details of Input required from External Bodies e.g. contractors, consultants, service providers, partners	

Impact on Council operations or other project
<p>[Does this project have any impact on the daily operations of the Council or have any implications regarding staff resources? Are there any links/dependencies with any other project that the Council is running?]</p>

Major Risks
<p>[Give a summary of the key risks associated with the project together with the likely impact and plans should they occur]</p>

Impact on Privacy
-------------------

[Say whether the project involves information about individuals or would have an impact on their privacy. If so a Privacy Impact Assessment will be required]

**Investment appraisal**

[This part of the business case needs to demonstrate a 'return on investment'. Compare the development, operations and maintenance costs with the value of the benefits over a period of time]

**Costs**

[Provide a summary of the project costs, the ongoing operations and maintenance costs and their funding arrangements. Add details in columns below]

**Grant and external funding**

[Has the Council's grant and external funding procedures been adhered to? Specify the Grant/External funding reference number]

**VAT implications**

[Are there any VAT implications?]

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Capital Payments</b>					
<b>Total/Gross Capital Cost [A]</b>					
<b>Capital Grants &amp; Contributions</b>					
<b>Total Grants &amp; Contributions [B]</b>					
<b>NET COST TO BE MET FROM CARLISLE RESOURCES [A] – [B]</b>					
<b>Revenue Costs</b>					
<b>Total/Gross Revenue Cost [C]</b>	0	0			
<b>Income</b>					
<b>Total Revenue Income [D]</b>	0	0			
<b>NET REVENUE COST TO BE INCLUDED in the BUDGET [C] – [D]</b>	0	0			



The purpose of the PID is to define the project, in order to form the basis for its management and an assessment of its overall success. The PID gives the direction and scope of the project.

[The content of the PID can be maintained as separate documents (eg Project Plan can be held separately to enable information to be easily updated during course of project)]

[Information provided in the PID can be tailored according to the significance of the project. The minimum requirement for smaller projects is a project plan with agreed tolerances, budget profile, reporting lines and reporting schedule, and risk register]

Please delete the text in [...] using the information in red for guidance on completing the form.

[PROJECT NAME]

---

## Project Initiation DOCUMENTATION

(PID)

---

**Version:**[...eg. Draft, v1.0]

**Author:** [.....]

**Project Manager:** [.....]

**Project Sponsor:** [.....]

### Project definition

[Explain what the project needs to achieve. This should include  
Background  
Project objectives and desired outcomes  
Project scope and exclusions  
Constraints and assumptions  
The user (s) and any other known interested parties  
Interfaces]

### Project approach

[Define the choice of solution that will be used in the project to deliver the business option selected from the Business Case]

### Business Case

[Describe the justification for the project based on estimated costs, risks and benefits]

### Project management team structure

[Chart showing who will be involved in the project.  
What are the roles of the team members]

### Quality Management

[What are the quality expectations of the users of the end product of the project?  
Define any standards or ways of working that need to be met (e.g. ISO standards, quality systems)  
Who is responsible for delivering and achieving the required quality levels? Who will sign off quality at the end of the project?]

### Risk Management

[Describe any known risks, its probability, its potential impact. Explain how each risk will be managed and by whom. This should use the standard corporate Risk Register format and can be attached as an appendix. Please refer to the Council's Risk Management Policy in the Intranet E library for further guidelines]

**Communication**

[Define the parties interested in the project and the means and frequency of communication between them and the project]

**Project controls**

[Summarise the project-level controls such as stage boundaries, agreed tolerances, monitoring and reporting]

**Project costs**

[Please provide a detailed breakdown and description of costs with profile of expenditure – see chart below]  
 [This should reflect the month or quarter invoices are expected to be paid]  
 [The breakdown should be realistic and make allowances for agreed time tolerances such as adverse weather conditions]

		<b>Anticipated Expenditure by Month or Quarter</b>											
		<b>(show multiple years if applicable)</b>											
Description/ Cost code	YEAR	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth	Mnth
		April – June			July – Sept			Oct – Dec			Jan - Mar		

**Project plan**

[Describe how and when the project's objectives are to be achieved, by showing the major products, activities and resources required on the project. It will provide a baseline against which to monitor the project's progress stage by stage.  
 The project plan should ideally be kept as a Microsoft Project document]



## Issue Report

<b>Project Name</b>	
<b>Author</b>	
<b>Date of Report</b>	
<b>Issue type</b>	
<b>Request for change</b>	<i>What is the type of issue?</i>
<b>Off-specification</b>	
<b>Problem / concern</b>	
<b>Issue description</b>	<i>Describe the issue in terms of its cause and details of the impact of the issue on the project / service delivery / resources</i>
<b>Recommendation</b>	<i>How should the issue be resolved? What are the options? What is the preferred option and why?</i>
<b>Escalation</b>	<i>Who needs to know about the issue? Who is required to make a decision on the issue?</i>
<b>Issue approved by</b>	<i>Who made the decision?</i>
<b>Decision date</b>	<i>When was the decision made?</i>

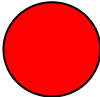


**Highlight Report**

Please send a copy of report to Project Sponsor, Director and Transformation Board representative.

Project Title				
Project Manager				
Author of Report				
Date of Report				
Reporting period	From		To	

Expenditure Code	
Original Budget	
Remaining Budget	

Key achievements in this period	
Key activities for next period	

RAG rating (to indicate overall status of project)	  
Red (serious issues)	<input type="checkbox"/>
Amber (some issues)	<input type="checkbox"/>
Green (no issues)	<input type="checkbox"/>
	Double click on the box and select Checked or Not checked to select rating

What issues, if any, are affecting the project? What options are available / are being taken to progress the project? This includes issues relating to Health and Safety, quality, timescales and finance	
---	--

Emerging risks to project success	
-----------------------------------	--

Requests for change: Raised, approved / rejected and pending	
---	--





# Agile Squads- Development and Delivery Roadmap



## Sprints 1 & 2 - DONE

Set up Agile Squads Programme logistics and guiding structures; agree outline plans, reporting etc.

CCC share with PTHR any existing Project and Work protocols and communication mechanisms and channels.

Prepare paper for Transformation Board showing rationale, expected outcomes, milestones and seek commitment to that more specific plan.

## Sprint 3 - October

Identify and secure the involvement of the initial "Squad" of Agile Coaches who will help steward, facilitate and enable Agile Squads.

Set up all elements of the Agile infrastructure - tools, channels, platforms, processes, guidance and communication approaches.

Train Agile Coaches and Product Owners via 2x Agile Labs (Foundation and Advanced levels of Agile Squad Working).

## Sprint 4 - October and November

Identify area(s) of work to commence Agile Squad Working with Agile Coaches either acting as an entire Squad or Coaching others

Skill additional people in Agile Squad working.

Kick-off Agile Squads projects and communicate and engage across the Council.

Skill Product Owners (Leaders) in readiness for more Agile Project approaches

## Sprints 5 & 6 - December 2021 and January 2022

Review early Agile Project progress and readiness for skilling others.

Other projects and work streams commenced led by the Agile Coaches and with Business / Programme Leaders.

Initial evaluation of the value created by initial projects (gains in resource, time, finances, morale, skills etc).

## Sprint 7 January 2022 and beyond

Reviews of progress against Strategy and key corporate prioritised plans of action.

Continued adaptation of Agile ways of working and enhanced engagement with teams to develop more effective ways of operating.

Refine and sharpen Agile Programme Management to keep a high-level review of deployed resources, programmes of change, new and adapted products and services, work and resource allocation, team morale, well-being, inclusion and sustainable high-performance.

Plot and measure impact and benefit realisation through efficiencies gained, services enhanced, resources allocated and overall value being created through Transformation Programmes.

Continued support and enablement of the Squad of Agile Coaches - learning, sharing and supporting each other modelling cohesive, collaborative leadership with decentralised, trusted approaches to teams giving their best to deliver in complex circumstances.

Agile Squads is enshrined in the Carlisle City Council Staff Handbook as a key practice and courses, programmes of mentoring and learning and experiential activities are part of the L&D portfolio.

# Report to Business & Transformation Scrutiny Panel

Item  
A.8

Meeting Date: 7<sup>th</sup> October 2021  
 Portfolio: Finance, Governance & Resources  
 Key Decision: No  
 Within Policy and Budget Framework: Yes  
 Public / Private: Public

Title: Emerging Agile Working Policy / Findings of Staff Survey

Report of: Deputy Chief Executive  
 Report Number: CS.38/21

### Purpose / Summary:

This report provides the Panel with findings of the staff survey and provide information on developing approaches to agile working following the Covid-19 pandemic.

### Recommendations:

To consider and comment of the information provided.

### Tracking

Executive:	n/a
Scrutiny: BTSP	7 <sup>th</sup> October 2021
Council:	n/a

## 1. BACKGROUND

The 2021 Staff Survey – Flexible Working Arrangements was conducted between 27<sup>th</sup> April and the 10<sup>th</sup> May 2021. 223 responses were received which equates to a response rate of approximately 75% of office-based staff. This is considered a sound response rate and a summary of the information gathered is as follows;

- 216 of the respondents stated they were eligible to work from home (WFH)
- 144 full-time and 73 part-time staff responded to the survey
- Both full-time and part-time staff stated, on average, they would prefer 60% of their week to be WFH.
- 65% of part-time staff and 83% of full-time staff would prefer the flexibility to choose the days worked from home rather than having set fixed days.
- Colleagues were asked to rank various priorities. Using weighted averages the most important was 'connection between managers and colleagues', and the least important was 'Reimbursement policies for home-office set up.' However, all were perceived to be important at above with rankings above 3/5.
- Colleagues were also asked to agree or disagree with a selection of statements. The area of least agreement was: 'Working from home will improve my connection with colleagues in my team.' The area of highest agreement was: 'WFH has allowed me to spend my commuting time better.'

A full overview of the survey responses is attached at Appendix A.

After the further lifting of restrictions in August 2021 consideration was given by Senior Management Team (SMT) as to when colleagues should return to work in the Civic centre. It was determined that the return should coincide with the opening of the contact centre in the new ground floor accommodation. This decision was largely based on the effects of the general disruption that inevitably comes with significant building work including health and safety considerations. Further this prudent approach would allow the council to monitor the infection rates prior to a general return in order to best protect both service delivery and colleagues.

Given the success of homeworking which had been demonstrated throughout the pandemic along with the results of the survey, SMT were keen to continue to support colleagues to work from home if they so wish. However with a return to normal service delivery, the top priority is to ensure that delivery of services is not compromised and productivity is maintained. Further it is recognised that the Civic Centre is a focal point for the community and the footfall from colleagues is both of visible and economic benefit to the high street.

In order to best manage the return of colleagues to the Civic centre (and other locations) managers were requested to have conversations with affected employees and to agree

future working arrangements, taking account of service demand and delivery requirements, team dynamics and colleague preferences. Changes in working arrangements need to be documented using the appropriate documentation.

It was recognised that some colleagues will feel anxious regarding a return to the workplace and everyone has been reminded of this fact and of the various support mechanisms which are in place.

Under different circumstances the council may have taken the opportunity to fully review its agile working policies, procedures and associated forms to better reflect the new era of work which we are now entering. However in light of local government reorganisation it was determined that the most pragmatic approach is to continue to use the existing policies etc., which the council already has and which although somewhat dated are still fit for purpose in terms of managing the employment relationship and defining expectations. The future approach to work, including agile working, will be a key design principal decision for the new Cumbria authorities.

In line with most other local authorities in the North West region, there is no proposal to offer any form of additional payment towards working from home at the current time. The council will consider any individual request in line with current policy and any equipment is provided in line with current health and safety policy taking account of costs associated with any request.

In terms of now, the key to success in embedding the new ways of working will be the approach taken by the leadership and managers over the coming weeks and months. The approach needs to be consistent both in terms of supporting effective service delivery and the opportunities for colleagues to work in an agile way. To support the successful embedding of new ways of working and ensuring effective outcomes for service delivery the leadership and the HR team will be working closely with managers to oversee the approach providing support, guidance and intervention as may be necessary. Consideration is also being given to appropriate learning interventions to support colleagues with developing understanding and skills related to working with and managing hybrid teams.

## **2. RISKS**

The risks associated with agile working are varied ranging from the effects of potential loss of connection between managers and colleagues, the impact on information governance and data protection approaches and the overall responsibility for health and safety of colleagues. Generally speaking, the type of risks which need to be considered are broadly the same as working in employer provided accommodation and relevant types of risk are considered as part of the application process for any agile working arrangement.

### **3. CONSULTATION**

There is no proposal to consult on the current approach to the return to the workplace as there is no significant change required to the existing policies and procedures which the council has in place. The proposed policies for the new Cumbria authorities will be consulted upon in line with any agreed consultation protocol for those authorities.

### **6. CONCLUSION**

The Panel are asked to consider the findings of the staff survey and the information provided on the approaches developed to agile working following the Covid-19 pandemic.

### **7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

Agile working policy and guidance exist to provide managers and employees with a clear framework in which to approach agile working in a fair and consistent way taking account of the needs of service delivery. Effective policies and procedures instil confidence in the public on the process for managing high expectations and performance expected of Council employees.

**Contact Officer: Darren Crossley**

**Ext: 7004**

**Appendices 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** – Any application for agile working should be considered in line with current legislation and the council's policies and procedures.

**FINANCE** – Any application for agile working should be considered in line with the council's policies and procedures which include budget considerations. Any financial implications arising from changes in working approach should be met from existing budgets.

**EQUALITY** – Any application for agile working should be considered in line with the council's policies and procedures. The Council's current associated policies and



procedures takes appropriate account of the protections provided under the Equality Act 2010.

**INFORMATION GOVERNANCE** – a breach occurs if personal data (any data relating to an identified or identifiable natural person) is destroyed, lost, altered or if there is unauthorised disclosure of (or access to) personal data as a result of a breach of security. The UK GDPR and DPA 2018 set a maximum fine of £17.5 million or 4% of annual global turnover, whichever is greater, for infringements. The Council has controls in place and any application for agile working should be considered in line with the council's policies and procedures which seek to mitigate associated risks.

## Introduction

The 2021 Staff Survey – Flexible Working Arrangements is a new survey, which was live between the 27<sup>th</sup> April and the 10<sup>th</sup> May 2021. 223 staff responded and a summary of the responses is below. Out of these 223 staff, only 216 of these were eligible to WFH, based on their response to Question 4: 'Are you usually office-based?'. Based on the survey's response rate we calculated an overall confidence interval (CI), at a 95% confidence level, of +/- 3.28. This is calculated by using our sample of 223 staff, and our population of 297 staff who are eligible to WFH.<sup>1</sup> However, we were not able to apply this CI to individual questions as we split the survey between part-time and full-time staff, and we don't have accurate headcounts for part/full-time staff who are eligible to WFH.

---

<sup>1</sup> Figure from HR.

**Summary of results****Q1: Which of these statements best describes your job role in the Council?**

Manager	Colleague
56	167

**Q2: Which directorate are you in?**

Directorate	Response Rate
Community Services	49 (22%)
Economic Development	26 (12%)
Governance and Regulatory Services	74 (33%)
Corporate Support	27 (12%)
Finance and Resources	47 (21%)

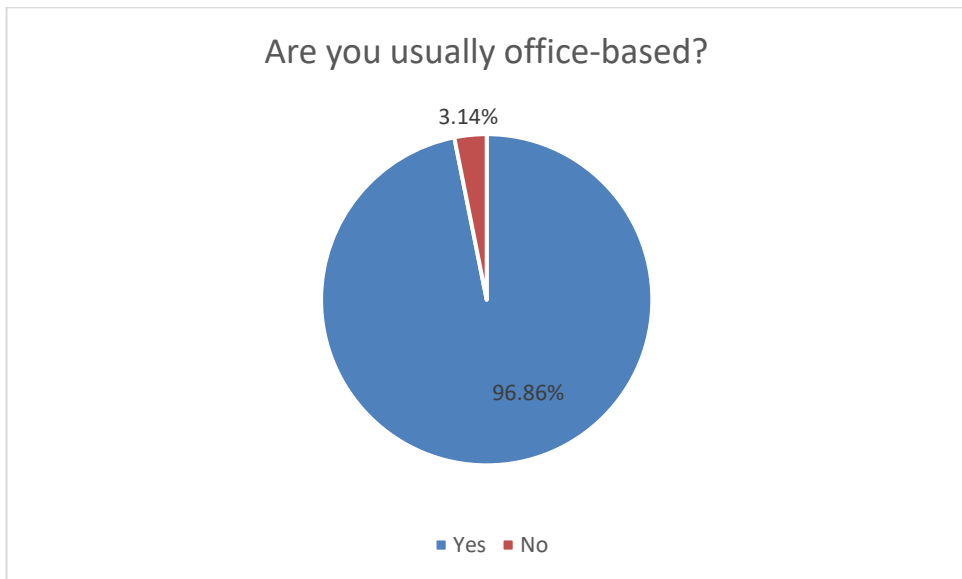
**Q3: What is your place of work / normal site you report to?**

Answer Choices	Responses
Civic Centre	213
Bousteads Grassing	1
Hostels	3
Cemetery / Crematorium	1
Talkin Tarn	0
Old Town Hall	1
Other (please specify)	4

Other:

- Civic Centre and sites
- Mixed home/office (3 days home, 2 days office)
- Work from home
- Various

**Q4: Are you usually office-based?**



Yes: 216. No: 7.

**Q5: The Council is currently reviewing its agile working policies and exploring future options for flexible working. Are you?**

Full Time	Part Time
144	73

*The following questions are only answered by part-time staff:*

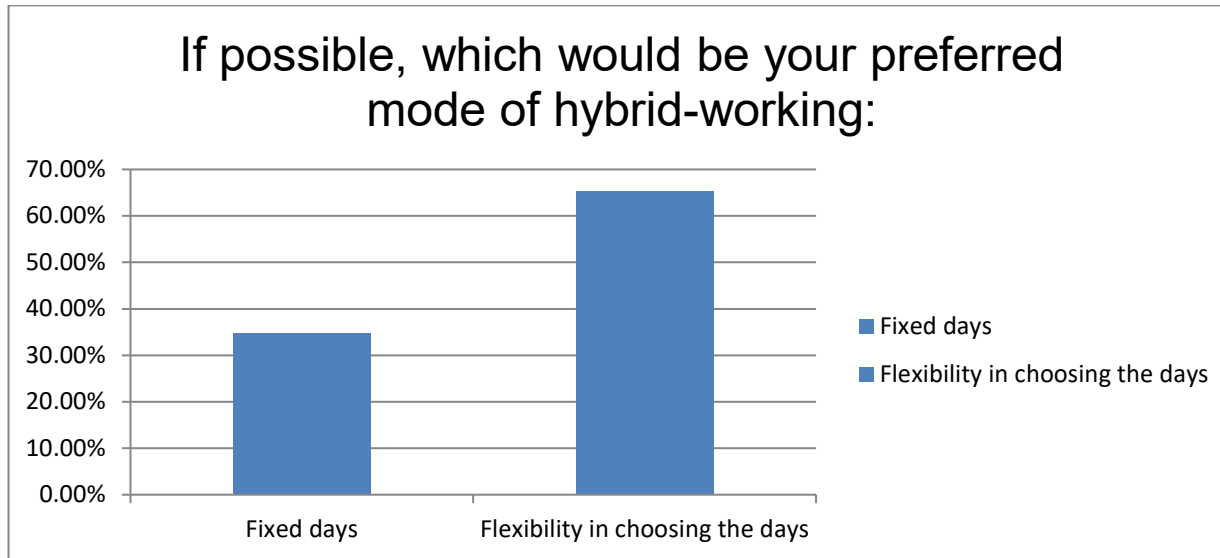
**Q6 (Part-time staff): How many hours a week do you work?**

Average	Mode	Min	Max
23.14	22	8	31

**Q7 (Part-time staff): How many days a week do you work?**

Average	Mode	Min	Max
3.65	3	1	5

**Q8 (Part-time staff): If possible, which would be your preferred mode of hybrid-working:**



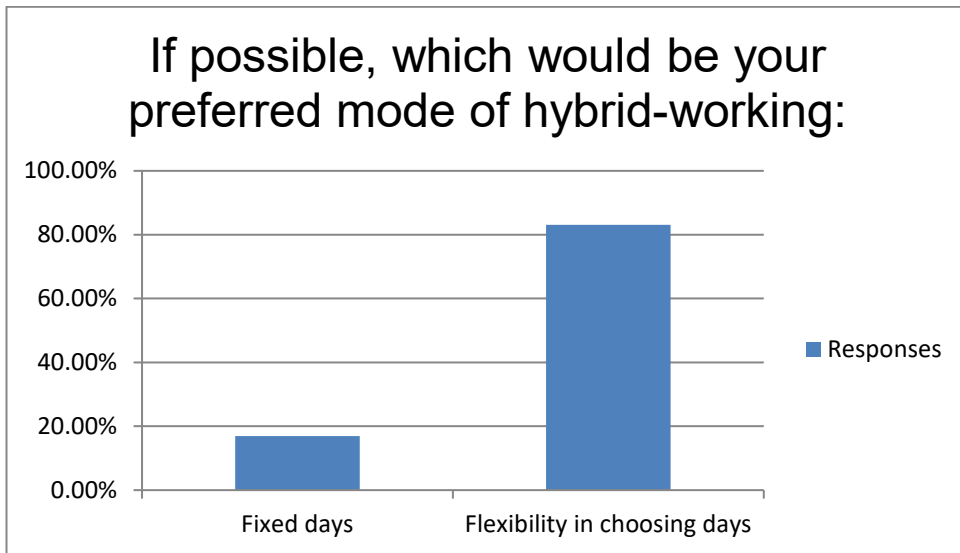
Answer Choices	Responses	Count
Fixed days	34.7%	25
Flexibility in choosing the days	65.3%	47

**Q9 (Part-time staff): If you could, what proportion of your week would you want to work from home?**

Average	Mode	Full WFH	No WFH
56	60	8	6

*The following questions are only answered by full-time staff.*

**Q10: If possible, which would be your preferred mode of hybrid-working:**



Answer Choices	Responses	Count
Fixed days	16.9%	24
Flexibility in choosing days	83.1%	118



**Q11: If you could, what proportion of your week would you want to work from home?**

Average	Mode	Full WFH	No WFH
60	60	13	3

*The following questions are answered by part-time and full-time staff.*

**Q12: To what extent do you agree with the following statements?**

Statement	Overall		Part-time		Full-time	
	Agree	Disagree	Agree	Disagree	Agree	Disagree
Working from home will improve my connection with colleagues in my team.	47%	53%	39%	61%	51%	49%
WFH will improve my ability to collaborate with other teams.	61%	39%	49%	51%	67%	33%
WFH will improve the Council's focus on employee wellbeing.	80%	20%	76%	24%	81%	19%
WFH will improve the flexibility around completing my day-to-day tasks.	91%	9%	85%	15%	94%	6%
WFH will improve my work-life balance.	91%	9%	89%	11%	93%	7%
WFH has allowed me to spend my commuting time better.	92%	8%	89%	11%	94%	6%
WFH will improve my mental wellbeing.	77%	23%	70%	30%	81%	19%
WFH will improve my physical wellbeing.	75%	25%	68%	32%	79%	21%

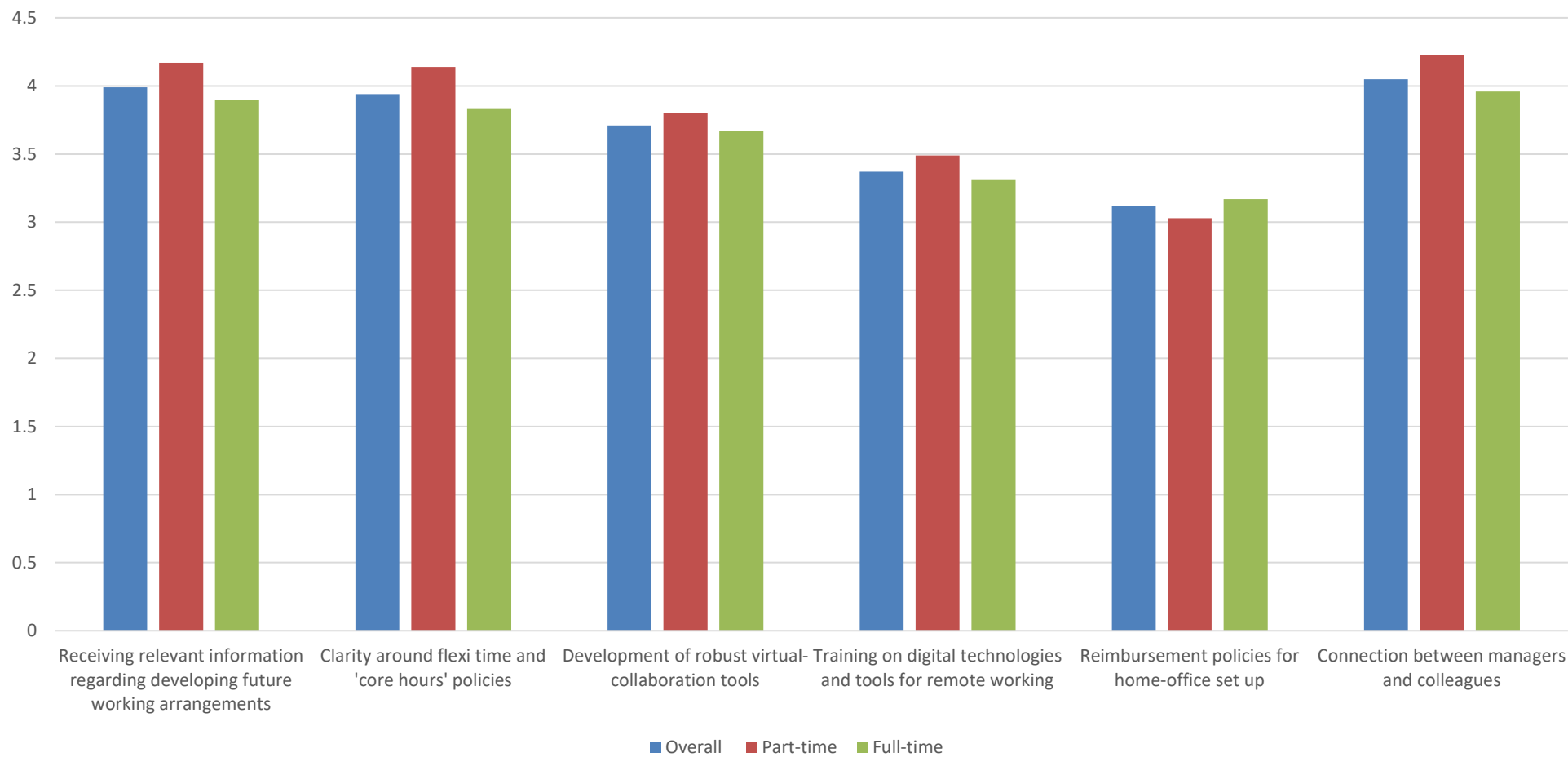
**Q13: In moving towards more flexible working arrangements which of the following are the most important to you? (1, least important, 5, most important).**

Statement	Overall	Part-time	Full-time
Receiving relevant information regarding developing future working arrangements	4	4.2	3.9
Clarity around flexi time and 'core hours' policies	3.9	4.4	3.8
Development of robust virtual-collaboration tools	3.7	3.8	3.7
Training on digital technologies and tools for remote working	3.4	3.5	3.3
Reimbursement policies for home-office set up	3.1	3	3.2
Connection between managers and colleagues	4.1	4.2	4

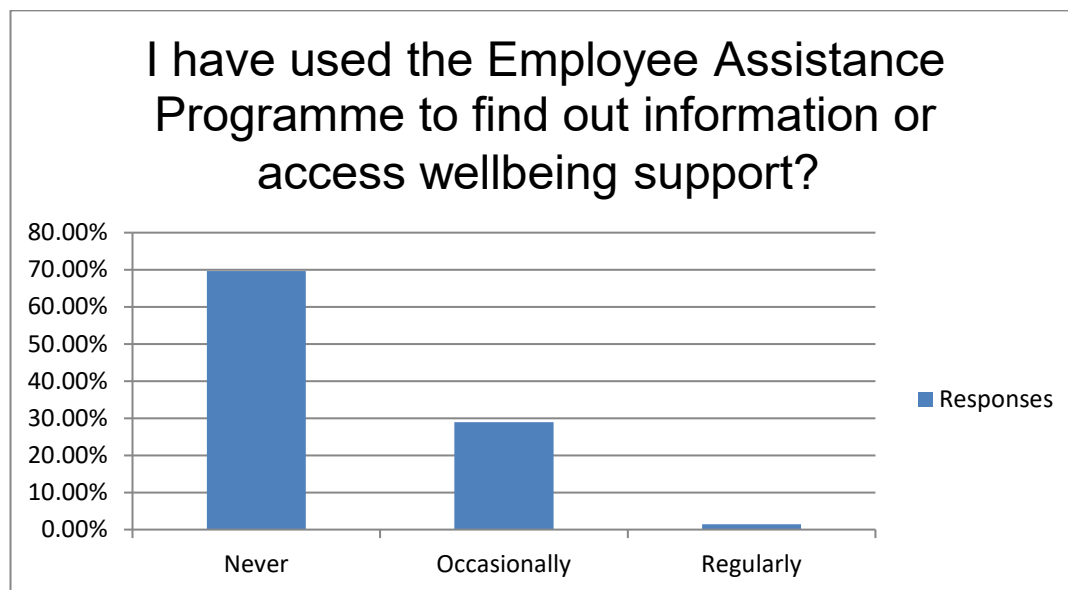
Table 2: Statements and weighted averages<sup>2</sup>

<sup>2</sup> Full results are in appendix A.

Q13: In moving towards more flexible working arrangements which of the following considerations are most important to you?



**Q14: I have used the Employee Assistance Programme to find out information or access wellbeing support?**



Answer Choices	Responses	Count
Never	70%	149
Occasionally	29%	62
Regularly	1%	3

**Q15: Finally, please use the box below for anything else that you would like to share with us:**

97 comments (43% of respondents commented) – see Appendix B for full comments.

**Appendix A: Q13, full results.****Overall:**

	1		2		3		4		5		Total	Weighted Average
Receiving relevant information regarding developing future working arrangements	5.7%	12	4.3%	9	18.6%	39	28.1%	59	43.3%	91	210	4
Clarity around flexi time and 'core hours' policies	6.7%	14	7.1%	15	15.2%	32	27.6%	58	43.3%	91	210	3.9
Development of robust virtual-collaboration tools	4.3%	9	11.4%	24	23.8%	50	29.5%	62	30%	65	210	3.7
Training on digital technologies and tools for remote working	8.1%	17	17.1%	36	24.8%	52	29.5%	62	20.5%	43	210	3.4
Reimbursement policies for home-office set up	14.3%	30	21.9%	46	21.9%	46	21.4%	45	20.5%	43	210	3.1
Connection between managers and colleagues	7.1%	15	2.9%	6	15.2%	32	27.1%	57	47.6%	100	210	4.1

**Part-time:**

	1		2		3		4		5		Total	Weighted Average
Receiving relevant information regarding developing future working arrangements	4.2%	3	1.4%	1	16.9%	12	28.2%	20	49.3%	35	71	4.2
Clarity around flexi time and 'core hours' policies	2.8%	2	5.6%	4	12.0%	9	32.4%	23	46.5%	33	71	4.1
Development of robust virtual-collaboration tools	4.2%	3	8.5%	6	22.5%	16	32.4%	23	32.4%	23	71	3.8
Training on digital technologies and tools for remote working	4.2%	3	14.1%	10	29.6%	21	32.4%	23	19.7%	14	71	3.5
Reimbursement policies for home-office set up	15.5%	11	23.9%	17	22.5%	16	18.1%	13	19.7%	14	71	3
Connection between managers and colleagues	4.2%	3	2.8%	2	11.3%	8	29.6%	21	52.1%	37	71	4.2

**Full-time:**

	1		2		3		4		5		Total	Weighted Average
Receiving relevant information regarding developing future working arrangements	6.5%	9	5.8%	8	19.4%	27	28.1%	39	40.3%	56	139	<b>3.9</b>
Clarity around flexi time and 'core hours' policies	8.6%	12	7.9%	11	16.6%	23	25.2%	35	41.7%	58	139	<b>3.8</b>
Development of robust virtual-collaboration tools	4.3%	6	13%	18	24.5%	34	28.1%	39	30.2%	42	139	<b>3.7</b>
Training on digital technologies and tools for remote working	10.1%	14	18.7%	26	22.3%	31	28.1%	39	20.9%	29	139	<b>3.3</b>
Reimbursement policies for home-office set up	13.7%	19	20.9%	29	21.6%	30	23%	32	20.9%	29	139	<b>3.2</b>
Connection between managers and colleagues	8.6%	12	2.9%	4	17.3%	24	25.9%	36	45.3%	63	139	<b>4</b>



# Business and Transformation Scrutiny Panel

Item  
A.9

Meeting Date: 07/10/2021  
Portfolio: Cross-cutting  
Key Decision:  
Policy and Budget Framework No  
Public / Private Public

Title: Overview Report  
Report of: Overview and Scrutiny Officer  
Report Number: OS.24/21

## 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
- Note the current work programme

## Tracking

Executive:	<b>Not applicable</b>
Scrutiny:	<b>BTSP 07/10/21</b>
Council:	<b>Not applicable</b>

## 1. Notice of Key Decisions

1.1. The most recent Notice of Key Executive Decisions was published on 27 August 2021. This was circulated to all Members and is available on the CMIS section of the Council's webpages. The following items fall within the remit of this Panel:

Items that are included in the Panel's work programme:

- KD 10/21 Budget Process 2022/23 – 2026/27

Items that are not included in the Panel's work programme:

- KD 19/21 Review of the Statement of Gambling Policy

## 2. References from the 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.

	<b>Meeting date</b>	<b>Minute reference</b>	<b>Action</b>	<b>Status</b>
1	03/06/21	BTSP 43/21	2) That consideration be given to removing non sickness absence from the Covid-19 sickness figures.	Complete
2	15/07/21	BTSP 53/21	That a future Scrutiny Arrangements Task and Finish Group be established.	Pending
3	26/08/21	BTSP 69/21	2) That the Scrutiny Chairs Group meet at the earliest convenience to discuss how the Future Arrangements Task and Finish Group should be progressed.	Complete

## 4. Scrutiny Chairs Group

4.1. Scrutiny Chairs Group met on 16<sup>th</sup> September 2021, at their meeting they discussed future scrutiny arrangements and the work that Business and Transformation Scrutiny Panel planned to carry out on this through a Task and finish Group. The Chairs of other Panels agreed that there should be cross panel engagement on this and a terms of reference is being drafted that will be shared with an email to all Members inviting them to participate in this group.



## **5. Contribution to the Carlisle Plan Priorities**

5.1. The overview and scrutiny of the Carlisle Plan items that fall within the remit of this Panel contribute to ongoing policy development.

**Contact Officer: Rowan Jones**

**Ext: 7257**

**Appendices  
attached to report:**

**1. Draft Scrutiny Panel Work Programme 2021-22**

**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 –**

**PROPERTY SERVICES -**

**FINANCE –**

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

**INFORMATION GOVERNANCE –**

## APPENDIX 1: Draft Scrutiny Panel Work Programme 2021-22

BTSP Date	Title	Lead Officer	Type of Scrutiny
03/06/2021	End of Year Performance Report	Gary Oliver	Monitoring
	Financial Update on the Impact of Covid-19	Alison Taylor	Monitoring
	Sands Centre Project Monitoring Report	Darren Crossley	Monitoring
	Outturn Reports	Steven Tickner	Monitoring
	Sickness Absence - end of year report 2020/21	Gary Oliver	Monitoring
15/07/2021	Update on IT projects	David Strong/ Martine Kelly/ Jason Gooding	Monitoring
	Business Rates Outturn 2020/21	Alison Taylor	Monitoring
	Future Scrutiny Arrangements	Rowan Jones	Policy Development
	Draft Carlisle Plan	Steven O'Keeffe	Policy Development
26/08/2021	Medium Term Financial Plan	Alison Taylor	Policy Development
	Asset Management Plan and Annual Property Survey	Mark Walshe	Policy Development
	Capital Investment Strategy	Alison Taylor	Policy Development
	Performance Report Q1	Gary Oliver	Monitoring
	Sickness Absence Q1	Bibian McRoy	Monitoring
	External Audit Report - Action Plan & recommendations	Alison Taylor	Monitoring
	Outcome of Old Fire Station Tender (EX.78/21) - call-in	Darren Crossley	Call- in
07/10/2021	Budget monitoring Q1 2021/22	Steven Tickner	Monitoring
	Squad working	Darren Crossley	Policy Development
	Commercialisation Strategy T&F group report	Alison Taylor	Policy Development
	Sands Centre Project Monitoring Report	Darren Crossley	Monitoring
	Civic Centre Re-instatement and Development	Darren Crossley	Monitoring
	Update on IT projects - Part B report	David Strong/ Martine Kelly/ Jason Gooding	Monitoring
	Emerging agile working policy/ findings of staff survey	Darren Crossley	Policy Development
07/12/2021	Budget Setting	Alison Taylor	Budget
	Performance Report Q2	Gary Oliver	Monitoring
	Sickness Absence Q2	Gary Oliver	Monitoring
	Budget monitoring Q2 2021/22	Steven Tickner	Monitoring
06/01/2022	Budget Setting (Incl. Treasury Management Strategy Statement)	Alison Taylor	Budget
	Covid-19 financial impacts - wrap up report	Alison Taylor	Policy update
	Local Government Re-organisation	Jason Gooding	Policy Development
	Sands Centre Project Monitoring Report	Darren Crossley	
31/03/2022	Performance Report Q3	Gary Oliver	Monitoring
	Sickness Absence Q3	Gary Oliver	Monitoring
	Budget monitoring Q3 2021/22	Steven Tickner	Monitoring
24/02/2022	Scrutiny annual Report	Rowan Jones	
	Corporate Projects	Jason Gooding	Monitoring
	Corporate Risk Register	Darren Crossley	Monitoring
	Sands Centre Project Monitoring Report	Darren Crossley	