



Business & Transformation Scrutiny Panel

Date: Thursday, 07 October 2021

Time: 16:00

Venue: Council Chamber

Chair: Councillor James Bainbridge

Present: Councillor Ruth Alcroft, Councillor James Bainbridge, Councillor Mrs Marilyn Bowman, Councillor Mrs Linda Mitchell, Councillor Peter Sunter
Councillor Mrs Ann McKerrell (for Councillor Michael Mitchelson), Councillor Pamela Birks (for Councillor Dr Les Tickner) (until 17:15)

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

Officers: Deputy Chief Executive
Corporate Director of Finance and Resources
Lead ICT Officer x2

BTSP.70/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Trevor Allison, Councillor Michael Mitchelson, Councillor Dr Les Tickner and the Town Clerk and Chief Executive.

BTSP.71/21 DECLARATIONS OF INTEREST

No declarations of interest were submitted

BTSP.72/21 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.73/21 MINUTES OF PREVIOUS MEETINGS

Referring to minute BTSP.65/21 a Member asked for clarification with regard to the swimming pool removal. The Finance, Governance and resources Portfolio Holder confirmed that the 1970s pool would be demolished and the second pool would be decommissioned.

RESOLVED – 1) It was noted that Council, at its meeting on 14 September 2021, received and adopted the minutes of the meeting held on 15 July 2021. The Chair signed the minutes.

2) That the minutes of the meeting held on 26 August 2021 be agreed as a correct record

BTSP.74/21 CALL-IN OF DECISIONS

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

BTSP.75/21 REVENUE BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO JUNE 2021

The Corporate Director of Finance and Resources 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 Corporate Director of Finance and Resources 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.

The Executive had considered the matter at their meeting on 31 August 2021 (EX.95/21 referred) and resolved:

"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. "

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

- The budget did not allow for the significant increase in energy costs, how would this be managed?

The Corporate Director of Finance and Resources responded that any increase would be dealt with from existing budgets, if this was not possible it would become an additional use of the revenue reserve.

- A Member highlighted the risks set out in the report and asked that inflation and energy price increases be included in the future.

- The Panel asked for an update on the number of rent reviews that were outstanding at Kingstown Industrial Estate.

- Was there a risk that rising inflation rates could impact the Council's planned borrowing?

The Corporate Director of Finance and Resources confirmed there was a risk that borrowing rates could increase, however, the Council had to consider its cash holdings before any borrowing could take place. The matter was being closely monitored.

- Were there any identifiable trends in the overspend and underspend in the budget?

The Corporate Director of Finance and Resources explained that there were no identifiable trends. There were big variances in the budget as a result of high street recovery and car parking. They would be monitored and included in the 2022/23 budget, if necessary.

RESOLVED - 1) That the Revenue Budget Overview and Monitoring Report - April to June 2021 (RD.32/21) be noted.

2) That the Property Services Manager provide the Panel with an update on the number of outstanding rent reviews at Kingstown Industrial Estate.

BTSP.76/21 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT - APRIL TO JUNE 2021

The Corporate Director of Finance and Resources 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 Executive had considered the matter at their meeting on 31 August 2021 (EX.96/21) referred) and resolved:

"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"

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

- Why had there been a delay in the works to Skew Bridge and would the delay impact the budget?

The Deputy Chief Executive explained that there had been some difficulty in sourcing the relevant materials, he did not envisage an impact on the budget. He agreed to circulate further information to the relevant Ward Councillors.

- The Panel asked that the delay in sourcing materials be added to the risks for project management in future reports.

- Referring to the Gateway 44 Project, a Member asked if the project was still within the £6.5m budget and did the Council still project a 13.7% return on capital?

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

RESOLVED - 1) That the Capital Budget Overview and Monitoring Report - April to June 2021 (RD.33/21) be noted.

2) That the Corporate Director of Finance and Resources provides the Panel with information on the budget for the Gateway 44 Project and the projected return on capital.

BTSP.77/21 COMMERCIALISATION TASK AND FINISH GROUP

The Corporate Director of Finance and Resources presented a summary of the work undertaken by the Commercialisation Task and Finish Group and detailed the rationale for not progressing any further work on a detailed Commercialisation Strategy for Carlisle City Council (RD.43/21).

The Corporate Director of Finance and Resources reported that whilst the Group acknowledged the significant work already undertaken, they recognised that much more work was required to develop a strategy which, given Local Government Reorganisation (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.

The Corporate Director of Finance and Resources explained that the Council would use the work that had been undertaken to generate income in line with the Medium Term Financial Plan and its Financial Principles.

RESOLVED - 1) That report RD.43/21, Commercialisation task and Finish Group, be noted;

2) That the work of the Commercialisation Task and Finish Group end and a City Council Commercialisation Strategy not be developed.

BTSP.78/21 SANDS CENTRE PROJECT MONITORING REPORT

The Deputy Chief Executive presented an update on the current progress of the redevelopment of the Sands Centre site (CS.42/21).

The Deputy Chief Executive provided an update on the measures undertaken to manage or adapt the existing 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

The Deputy Chief Executive summed up by informing the Council that the Sands Centre site had been inspected by Considerate Constructors and the Health and Safety Executive.

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

- A Member asked if the risk register score was ambitious given the issues with the supply chain.

The Deputy Chief Executive explained that the risks had been reduced where possible, but it would be continuously monitored and reported to Scrutiny.

- Would it be possible to publicly advertise the progress on the development and the projected opening date?

The Deputy Chief Executive confirmed that the Communications team were working on the promotional side of the development.

- How much time had been included in the contract for time flow?

The Deputy Chief Executive clarified that nine weeks had been included over the period of the contract. Although Covid 19 had not impacted the workforce as expected, the delay to the sourcing of materials had been problematic and the additional time built into the contract would prove beneficial to deal with delays.

- How did the NEC form of contract compare with other contracts and had it been successful?

The Deputy Chief Executive explained that it was too early in the process to give an assessment on the comparison of the contract, he outlined some of the advantages and disadvantages to the contract. He added that the notices process provided a good transparent record for everyone involved in the contract. In response to a further question the Deputy Chief Executive gave examples of Early Warning Notices, Compensation Event Notices and Project Manager instructions and what they meant within the project.

- A Member asked for an update on the roof.

The Deputy Chief Executive reported that the Events Centre roof had been subject to regular (approximately 6 monthly) assessments of conditions in line with the sector guidance. Those assessments had not resulted in any recommendations regarding the replacement of roof panels, however, each report has reiterated that the roof structure is close to the end of its design life. The Council will continue to closely monitor this aspect of the building.

- How did the Council make sure that local contractors were used wherever possible in the project?

The Deputy Chief Executive agreed to include the tracker that was used to monitor the use of local suppliers and contractors in the next report.

- How would the public be able to see the progress on the project, especially on completion?

The Deputy Chief Executive informed the Panel that a camera had been set up to provide a time lapse sequence of the project.

RESOLVED – That the Sands Centre Redevelopment Project update (CS.42/21) be noted.

BTSP.79/21 CIVIC CENTRE REINSTATEMENT AND DEVELOPMENT

The Deputy Chief Executive provided an update on the current progress of the reinstatement of the ground floor of the Civic Centre (CS.39/21).

The Deputy Chief Executive informed the Panel of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) working practices as a result 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 contained the arrangements for Phase 2 of the project including demolition of the former Council chamber and an extension to the Civic Centre public car park.

The Deputy Chief Executive placed on record his thanks to all the stakeholders who had been involved in the reinstatement work, with special thanks to the Client Side Project Manager, Construction Administrator and the Project Support Officer.

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

- Had there been any work undertaken to preserve the memory of the rotunda.

The Deputy Chief Executive confirmed that photographs had been taken and the mural that had been in the old Chamber had been dismantled to be repurposed, if possible, in the new Chamber.

- The Panel noted that the new Customer Services reception had retained a physical sign in process and asked if an electronic one had been considered.

The Deputy Chief Executive agreed to investigate the matter further.

- What was the 'new civic space'?

The Deputy Chief Executive explained that, as part of the public realm works, there would be a simple seated area that would have space for an opportunity to develop it in the future.

RESOLVED - That the Civic Centre Reinstatement and Development Project be received (CS.39/21).

BTSP.80/21 SQUAD WORKING

The Deputy Chief Executive presented a report setting out the Council's approach to Squad Working (CS.40/21).

The Deputy Chief Executive gave a detailed explanation of Squad Working as an opportunity for improved agile working across the Council. The report set out the roadmap for the implementation of Squad Working as well as potential risks and how they would be addressed.

The Panel had difficulty in understanding the process using the terminology in the report. The Deputy Chief Executive explained how Squad Working could be used along with some examples. He informed the Panel that there had been a good response from staff and all of the training sessions had been filled.

The Deputy Chief Executive informed the Panel that formal project management, audit and democratic process would continue to be used to be transparent, Squad Working would tie in with those processes.

The Deputy Chief Executive agreed to provide the Panel with a plain English briefing note and a further report updating the Panel on the progress made through Squad Working.

RESOLVED - 1) That the Panel note the progress made to date with regard to Squad Working (CS.40/21).

2) That the Deputy Chief Executive circulate a briefing note in plain English to the Panel.

3) That an update on Squad Working within the City Council be submitted to the Panel at a future meeting.

BTSP.81/21 EMERGING AGILE WORKING POLICY - FINDING OF STAFF SURVEY

The Deputy Chief Executive provided the findings of the staff survey along with information on developing approaches to agile working following the Covid-19 pandemic (CS.38/21).

The Deputy Chief Executive reported that the 2021 Staff Survey (Flexible Working Arrangements) had been conducted between 27 April and 10 May and had received 223 responses. Based on the survey SMT were keen to continue to support staff to work from home if they so wished taking into account service demand and delivery requirements, team dynamics and colleague preferences. It was recognised that some staff would feel anxious regarding a return to the workplace and various support mechanisms were in place.

The Panel welcomed the report and supported giving staff flexibility where possible. The Panel highlighted some issues which residents had reported to Ward Councillors and questioned how the Council would ensure that staff who were working from home were doing so in a safe and appropriate place which did not stop them from delivering the service.

The Deputy Chief Executive detailed the agile working policy which the Council already had in place and the health and safety practices that the Council had to ensure staff had the necessary equipment and space at home. Staff would have to discuss home working with their managers to ensure it was appropriate and safe to do so. He highlighted the priority on the delivery of service, if complaints were received then the matter would be reviewed.

RESOLVED - That the Emerging Agile Working Policy - Findings of Staff Survey report (CS.38/21) be noted.

BTSP.82/21 OVERVIEW REPORT

The Overview and Scrutiny Officer presented report OS.24/21 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel and the Panel's Work Programme.

RESOLVED – That the Overview Report incorporating the Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.24/21).

BTSP.83/21 PUBLIC AND PRESS

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

BTSP.84/21 ICT SERVICES PROJECT STATUS REPORT

(Public and Press excluded by virtue of paragraph 3)

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

The Lead ICT Officers responded to Members questions. They set out the issues that they were dealing with in relation to infrastructure and recruitment.

The Panel discussed the Council's website and the issues with its age and suitability especially given the accessibility regulations. The Lead ICT Officers set out the work being carried out to deal with the website and the impact of Local Government Reorganisation on future decisions. They explained that there were no regular external checks carried out on the website, however, there were standards for web design and design principles set by government. They also explained that they were responsible for the technical elements of the website and relevant departments were responsible for the content.

The Panel discussed the risk register in some detail and the Lead ICT Officers gave detailed technical answers to questions and gave assurances where possible.

The Panel asked for an update on the current recruitment process for ICT roles along with details of the next steps should the process be unsuccessful.

RESOLVED – 1) That the Panel had scrutinised the ICT Services Project Status report (CE.11/21).

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

3) That an update on the recruitment process be circulated to the Panel along with details of the next steps should the process be unsuccessful.

The Meeting ended at: 18:16