

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 3 JUNE 2021 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Bowman, Mrs Finlayson (as substitute for Councillor Mitchelson), Mrs Mitchell, Sunter and Dr Tickner.

ALSO

PRESENT: Councillor Ellis, Finance, Governance and Resources Portfolio Holder

OFFICERS: Corporate Director of Finance and Resources
Client Side Project Manager
Policy and Performance Officer
Overview and Scrutiny Officer

BTSP.36/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Mitchelson, the Town Clerk and Chief Executive and the Deputy Chief Executive.

BTSP.37/21 DECLARATIONS OF INTEREST

In accordance with the Council's Code of Conduct Councillor Allison and Councillor Mrs Finlayson declared an interest in Agenda Item A.2 – Covid-19 Update. The interests related to the fact that they had both received Covid-19 grants.

BTSP.38/21 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.39/21 CALL IN OF DECISIONS

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

BTSP.40/21 COVID-19 UPDATE

The Corporate Director of Finance and Resources provided an update on the impact Covid-19 had on the Council's financial and governance arrangements.

The Corporate Director of Finance and Resources set out the Council's response to the pandemic and the changes to procedures to ensure appropriate controls were made to financial certification and approvals processes. She set out in some detail the financial impact and funding received along with information on the loss of income and debt management. The Corporate Director finished her presentation by detailing the potential long term financial impact.

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

- Would the remaining balance of the Hardship Fund for Council Tax be carried over?

The Corporate Director of Finance and Resources confirmed that the remaining £359,100 would be carried over and added to the £154,735 of Local Council tax Support to provide support to council taxpayers through a revised Local Hardship Scheme.

- Would the anticipated costs incurred on Capital Projects fall to the Council or the contractors?

The Corporate Director of Finance and Resources responded that the costs would fall to the Council as part of the development, however, the Scheme included a budget provision for additional costs and there was potential to claim some of the Covid-19 costs back.

- The Panel asked for further information regarding the Section 114 Notice and the likelihood that it would happen.

The Corporate Director of Finance and Resources reminded the Panel that legislation placed a duty on the Section 151 Officer to report if the Council was or likely to have an unbalanced budget. The City Council had produced a balanced budget and had sufficient cash resources in its investment balances to be able to meet its commitments. However, it was prudent for the matter to be regularly monitored and reported on.

- A Member asked what the commercial income underspend at the Market Hall referred to.

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

- Why did the outstanding debt for invoices raised show a significantly higher amount for Finance and Resources?

The Corporate Director of Finance and Resources clarified that an invoice had been raised for a large property which had an outstanding debt. Discussions were taking place to recover the debt.

- Was there any risk of 'claw back' for any of the Covid-19 grants that the Council had issued?

The Corporate Director of Finance and Resources set out the auditing procedures that were in place with the MHCLG to ensure no claw back of grants and to ensure that the Council had issued the grants in accordance with set criteria.

- Were there enough staff resources to continue to deal with the Covid-19 grants and assurance work?

The Corporate Director of Finance and Resources explained that the grants were issued by the Revenues and Benefits Team and the Economic Development Team using existing staff. There was funding available through the MHCLG for additional staffing should it be required.

- A Member asked for further details on some of the additional expenditure as of the end of March 2021.

The Corporate Director of Finance and Resources detailed the following:

- Staffing / Agency Costs – fixed term contracts were given to temporary staff and additional staff were brought in to cover key services where Council staff had to shield
- Cleaning / PPE – cost of PPE and additional cleaning staff to cover for staff shielding
- Premises Costs – a written response would be provided
- Transport Costs – additional transportation was required as staff were unable to travel together due to social distancing rules
- Grants – grants had been given to Eden Valley Hospice and Hospice at Home

RESOLVED – 1) That the Covid-19 Update be noted. (RD.09/21)

2) That Corporate Director of Finance and Resources provide the Panel with the following written responses:

- details of the commercial underspend at the Market Hall
- details of the Premises Costs as set out in the table at 3.1.1 of report RD.09/21.

BTSP.41/21 PROVISIONAL OUTTURN REPORTS

(a) Provisional General Fund Revenue Outturn 2020/21

The Corporate Director of Finance and Resources submitted report RD.05/21 summarising the 2020/21 provisional outturn for the General Fund revenue budget, giving reasons for variances. The outturn position would result in returning £174,000 to General Fund reserves (as set out in paragraph 6.3).

Requests had been made to carry forward committed expenditure of £971,400, net transfers to/from reserves and provisions of £4,905,042 and transfer to the building control reserve of £66,374 which, if approved, would result in an overall net underspend position of £73,463 on Council Services; however it was estimated that additional funding from Business Rates income would be realised subject to the completion of the NNDR3 return and confirmation of any pooling gains.

Information on the Council's bad debt provision and balance sheet; and the impact of COVID-19 was also provided at Sections 6, 7 and 8 of the report.

The information contained within the report was provisional, subject to the formal audit process. The Draft Statement of Accounts for 2020/21 would be presented to the Audit Committee on 8 July 2021, with final approval of the audited accounts on 24 September 2021.

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

- Was the Welcome Back Fund available for large towns and parishes?

The Corporate Director of Finance and Resources responded that the Welcome Back Fund had strict criteria for the City Centre only. The Council understood that parishes and urban towns would also need this kind of financial support and it was proposed that a £50,000 Economic Recovery reserve be established to support schemes to enable recovery in such areas.

- A Member asked why the Homeless Accommodation had an underspend and an income shortfall.

The Corporate Director of Finance and Resources reminded the Panel that John Street Hostel was closed and therefore the expected income from residents had not been received. She assured the Panel that the Council was fulfilling its duty in providing homeless accommodation in alternative sites in the City.

- Was the Lanes income against a reduced budget and would it be reviewed?

The Corporate Director of Finance and Resources confirmed that the Lanes income was against a reduced target and the income shortfall would be considered in the next Medium Term Financial Plan (MTFP). In response to a further question, the Corporate Director of Finance and Resources informed the Panel that the income projections from the Gateway 44 project would also be included in the next MTFP.

- A Member highlighted the net underspend for Council services and the net underspend in the summary revenue outturn and suggested that the titles of the figures be changed to avoid confusion for the public.

RESOLVED – That the Business and Transformation Scrutiny Panel welcomed the submission of Report RD.05/21 summarising the 2020/21 provisional outturn for the General Fund Revenue Budget.

(b) Provisional Capital Outturn 2020/21 and Revised Capital Programme 2021/22

The Corporate Director of Finance and Resources submitted report RD.06/21 summarising the 2020/21 provisional outturn for the Council's Capital Budget; and providing details of the revised Capital Programme for 2021/22. The outturn showed that the net underspend for Council services as at 31 March 2021 once committed expenditure totalling £4,454,600 was taken into account was £24,488.

Details of the resources which had been utilised to fund the 2020/21 Capital Programme, together with the 5 year Capital Programme for the period 2022/23 to 2025/26 were also provided.

The 2021/22 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The information contained within the report was provisional and subject to the formal audit process.

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

- The Gateway 44 Project had cost less than budgeted for, where did the underspend go and was there money reserved for final works and alterations?

The Corporate Director of Finance and Resources explained that money had been transferred through a virement, as agreed by Council, to the Civic Centre reinstatement work and £896,200 had been carried forward for any further required works at Gateway 44.

- What would be the impact on the Vehicle and Plant Replacement programme should Council approve the virement from that budget to the Civic Centre reinstatement project?

The Corporate Director of Finance and Resources responded that the Transport Manager had identified capacity in the budget that had not been reserved for specific vehicle and plant replacement and the Corporate Director had been reassured that the change in the budget would not impact the replacement programme.

RESOLVED – That Provisional Capital Outturn 2020/21 and revised Capital Programme 2021/22 (RD.06/21) and the information contained therein be noted and received.

(c) Treasury Management Outturn 2020/21

The Corporate Director of Finance and Resources presented report RD.07/21 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. Also submitted was the regular report on Treasury Transactions.

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

- Was overseas investment an option for the authority?

The Corporate Director of Finance and Resources explained that it was not currently an option for the Council, however the situation was reviewed annually.

- How much was invested in the CCLA Property Fund?

The Corporate Director of Finance and Resources responded that £3.289m was invested as a long term investment. She added that it was a possibility that further investments into this Fund could be made depending on the cash balances for the authority and what other investment products were available.

RESOLVED – That the Treasury Management Outturn 2020/21 (RD.07/21) be noted and received.

(d) Council Tax Provisional Outturn 2020/21

The Corporate Director of Finance and Resources presented report RD.04/21 summarising the 2020/21 provisional outturn and performance position for Council Tax.

She informed Members that for 2020/21 the position on the collection fund was estimated to be a surplus of £238,653, with the Council's share being £29,438. When the final position was calculated at the end of 2019/20 the surplus on the Council Tax Collection Fund was actually £50,781 of which the Council's share was £6,197. The decrease in the surplus was taken into account and redistributed in the budgeted estimate for 2021/22.

The actual collection fund position for 2020/21 had been calculated and the surplus had decreased, and was in deficit, now standing at £1,202,144.91 with the Council's share being £144,909.44. The worsening position was a result of the effects of the Covid 19 pandemic and the Council's ability to recover Council tax debt. Legislation had been passed that would allow the Council to spread the deficit position over the following three years to ease the impact on the General Fund and allow time for arrears to be recovered.

RESOLVED – That the Council Tax Provisional Outturn 2020/21 (RD.04/21) be noted and received.

(e) Elected Members' Allowances – Provisional Outturn Report for 2020/21

The Corporate Director of Finance and Resources presented report RD.08/21 setting out the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2020/21. She informed Members that £269,765 had been paid in allowances to individual Members which represented an underspend of £20,535, the reasons for which were provided at Section 2

RESOLVED – That the Elected Members' Allowances Provisional Outturn 2020/21 Report RD.08/21 be noted and received.

BTSP.42/21 THE SANDS CENTRE REDEVELOPMENT PROJECT

The Client Side Project Manager presented an update on the current progress of the redevelopment of the Sands Centre site (CS.25/21).

The Client Side Project Manager 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

In response to questions the Client Side Project Manager gave an overview of an NEC form of contract and explained that the Early Warning Notices, Compensation Event Notices and Project Manager Instructions allowed issues to be identified and addressed as they arose. Some of the costs were met by the Council and some by the contractors, equally some notices resulted in savings to the project. The number of notices issued was quite low for a project of this size. She also detailed how quality control of materials was undertaken on site.

RESOLVED – That the Sands Centre Redevelopment Project update (CS.25/21) be noted.

BTSP.43/21 SICKNESS ABSENCE REPORT 2020/21

The Policy and Performance Officer submitted the authority's sickness absence levels for the period April 2020 to March 2021 and other sickness absence information. (CS.24/21).

The Policy and Performance Officer provided an update on the work of the Attendance Management Policy Task and Finish Group and reported that current sickness statistics showed the number of days lost per Full Time Equivalent (FTE) equated to 8.5 compared to 12.1 in 2019/20.

The report set out the absence levels split by directorates with comparison figures along with the impact of Covid-19.

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

- A Member felt strongly that the Covid-19 sickness absence figures should not include absences such as childcare, halted services or the inability to redeploy of staff as they were clearly not sickness absence.
- The report clearly identified Directorates with higher rates of stress absence than others, how was this being investigated and addressed?

The Policy and Performance Officer reminded the Panel that absences in smaller Directorates may indicate a spike in sickness, but it may only be one or two people.

- A Member asked for an updated on the Attendance Management Task and Finish Group and the Policy and Performance Officer explained that the report would be ready for the democratic process in the coming weeks.
- Had there been any evidence gathered from staff regarding working from home and did it impact sickness absence?

The Policy and Performance Officer reported that a survey had been undertaken and there had been a mixed result. Some staff preferred working from home for the work / life balance and

some preferred being in the office and the social interaction it provided. The survey was being used to prepare options for future working.

- A Member asked what impact the pandemic had on productivity of staff.

The Policy and Performance Officer responded that generally it had been positive as shown in the next agenda item on performance , however, there were some exceptions.

RESOLVED – 1) That the Sickness Absence Report 2020/21 (CS.24/21) be noted.

2) That consideration be given to removing non sickness absence from the Covid-19 sickness figures.

BTSP.44/21 END OF YEAR PERFORMANCE REPORT 2020/21

The Policy and Performance Officer presented the End of Year 2020/21 performance against the current Service Standards and a summary of the Carlisle Plan 2016-19 actions as defined in the 'plan on a page'. Performance against the Panel's 2020/21 Key Performance Indicators (KPIs) were also included.

There were three exceptions detailed in the report:

SS05: Proportion of corporate complaints dealt with on time

SS08: Proportion of official local authority searches completed on time

Cse14: Actual car parking revenue as a percentage of car parking expenditure

The Policy and Performance Officer gave an update on the Task and Finish Group and a report was due to be presented to Scrutiny later in the year.

In considering the report end of year performance the Panel raised the following comments and questions:

- When would the targets for performance against the Local Environment Climate Change Strategy be included in the Performance Reports and how would staff be included in the work to achieve the targets?

The Policy and Performance Officer responded that the Health and Wellbeing Scrutiny Panel and the Economic Growth Scrutiny were both due to receive reports on the Climate Change Strategy and the questions could be addressed by those Panels.

- A Member highlighted issues that members of the public had in contacting the Council by telephone and asked if it was due to an increase in demand on the service.

The Policy and Performance Officer explained that the telephone was answered by customer service staff working from home. The Customer Contact Centre was closed therefore all face to face demand had diverted to the telephone or online. He agreed to provide the Panel with figures from the Customer Contact Centre for the last year.

RESOLVED – 1) That the End of Year Performance Report 2020/21 (PC.20/21) be noted.

2) That the question raised regarding the Local Environment Climate Change Strategy be picked up by either the Health and Wellbeing Scrutiny Panel or the Economic Growth Scrutiny Panel.

- 3) That the Policy and Performance Officer provide the Panel with figures showing the number and response times for telephone calls coming into the City Council for 2020/21.

BTSP.45/21 OVERVIEW REPORT

The Overview and Scrutiny Officer presented report OS.07/21 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.07/21).

(The meeting ended at 5.50pm)

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 15 JULY 2021 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Bowman, Mitchelson, Mrs Mitchell, Sunter and Dr Tickner.

ALSO

PRESENT: Councillor Ellis, Finance, Governance and Resources Portfolio Holder

OFFICERS: Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Finance and Resources
Lead ICT Officer
Policy and Communications Manager
Policy and Performance Officer

BTSP.46/21 APOLOGIES FOR ABSENCE

There were no apologies for absence submitted.

BTSP.47/21 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

BTSP.48/21 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.49/21 MINUTES IF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 3 June 2021 be agreed as a correct record.

BTSP.50/21 CALL IN OF DECISIONS

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

BTSP.51/21 BUSINESS RATES OUTTURN

The Corporate Director of Finance and Resources submitted the 2020/21 provisional outturn and performance position for Business Rates and the impact it would have on the overall General Fund Balance (RD.13/21).

The matter was considered by the Executive at their meeting on 5 July 2021 (EX.57/21 refers) and resolved:

“That the Executive noted the provisional outturn position for Business Rates at 31 March 2021 and approved the creation and transfer of a new earmarked reserve as outlined in paragraph 2.6.1 of report RD.13/21.”

The Corporate Director of Finance and Resources reported that the deadline for the submission of the NNDR 3 returns was 30 June, it was hoped that the final Business Rates Pooling figure would be updated before the final Statement of Accounts was published.

The Panel felt assured by the report and thanked the Corporate Director of Finance and Resources and her team for their ongoing hard work especially during the pandemic.

RESOLVED – That the Panel had scrutinised the Business Rates Outturn 2020/21 and supported the recommendation to create and transfer a new earmarked reserve as outlined in paragraph 2.6.1 of report RD.13/21.

BTSP.52/21 CARLISLE PLAN 2021-2023

The Policy and Communications Manager submitted an update on the new Carlisle Plan 2021-2023 (PC.24/21). Following the previous scrutiny of the Plan it had been possible to arrange public consultation between 2 and 6 August, consultation was online and physically in the Tourist Information Centre and Bitts Park.

The Policy and Communications Manager had circulated the design draft of the Plan and reported that an illustrated map had been designed to showcase the developments in both the urban and rural areas.

In considering the report Members made the following comments and suggestions in relation to the contents of the Carlisle Plan:

- There should be a stronger message regarding transport and improved connectivity;
- The Plan should be clearer about the work being undertaken in rural areas;
- There should be a stronger message about tourism as an economic driver in Carlisle;
- The Plan was more accessible but still required some further work to ensure the whole document was in plain English;
- The Plan referred to 'economic growth' and 'sustainable growth', it was felt that this was a mixed message in terms of the Council's climate change strategy and should be changed to sustainable growth only;
- The climate emergency was more apparent in the Plan, however, Members wanted to see this underpinned in all of the strategies and vision for Carlisle;
- The consultation questions did not prompt individuals to share their vision for Carlisle and it was suggested that they be changed and more open questions be included to engage with people;
- Could examples of the viable options for the Central Plaza site be included in the Plan and could the consultation include a question which allowed the public to put forward their suggestions for the site;
- Add information explaining how the Market Square would be reimagined to become a focal point;

In response the Policy and Communications Manager clarified the following:

- The Carlisle Plan gave a commitment to the preparation of a Rural Strategy
- Transport improvements work may be better placed within the Economic Strategy work

The Town Clerk and Chief Executive informed the Panel that Officers had received a clear directive to develop a Rural Strategy as a priority and the Corporate Director of Economic Development was progressing with the work.

The Panel asked that the Carlisle Plan refer to the Rural Strategy as part of the vision of the Carlisle Plan and make it clear what this meant for urban and rural residents.

A Member asked how the progress on the programmes which underpinned the Carlisle Plan would be reported within the quarterly performance report?

The Policy and Communications Manager explained that the Panel would have the opportunity to consider how the performance would be monitored when the performance report was submitted to the next meeting.

The Panel urged officers to engage with local rural communities outside of the Parish Councils as part of the consultation process.

RESOLVED – That the Panel had scrutinised the draft Carlisle Plan 2021-20523 (PC.24/21) and asked the Executive to consider their comments and suggestions as set out above as part of the consultation process.

BTSP.53/21 FUTURE SCRUTINY ARRANGEMENTS

The Deputy Chief Executive presented an overview of recent discussions by the Scrutiny Chairs Group with regard to the future scrutiny arrangements at Carlisle City Council. (OS.18/21).

The Deputy Chief Executive reported that the Scrutiny Chairs Group had met on 29 June 2021 and requested that the Business and Transformation Scrutiny Panel consider establishing a Task and Finish Group to consider whether any changes should be made.

The Panel discussed the suggestion and the potential impact of the Local Government Reform and agreed to progress with the task and finish group. Councillor Bainbridge and Allison were nominated as the Business and Transformation Scrutiny Panel's representatives.

RESOLVED – 1) That the Future Scrutiny Arrangements report (OS.18/21) be noted.

2) That a Future Scrutiny Arrangements Task and Finish Group be established.

3) That Councillor Bainbridge and Councillor Allison be appointed to the Future Scrutiny Arrangements Task and Finish Group on behalf of the Business and Transformation Scrutiny Panel.

BTSP.54/21 OVERVIEW REPORT

The Policy and Performance Officer presented report OS.17/21 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.17/21).

BTSP.55/21 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.55/21 ICT SERVICES PROJECT STATUS PROJECT
(Public and Press excluded by virtue of paragraph 3)

The Lead ICT Officer submitted an update on the ICT Services Project Status (CE.09/21). 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 Officer responded to the Panel's questions, assuring them of the work that was being undertaken and he set out the resources required to undertake the work detailed within the project report. He explained that recruitment in IT was an issue across the country, however, the current vacant posts had been re-evaluated and it was hoped this would help the process.

During the discussion the Town Clerk and Chief Executive explained that the IT projects needed to continue to ensure the Council was protected regardless of the outcome of the Local Government Reform. He added that the matters within the report had been considered by the Audit Committee who had made a recommendation to the Panel.

The Lead ICT Officer set out the priorities for the projects and service and gave details of external support that was provided to the Council.

RESOLVED – 1) That the Panel had scrutinised the ICT Services Project Status report (CE.09/21).

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

(The meeting ended at 5.25pm)



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