

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)