

BUSINESS AND TRANSFORMATION SCRUTINY PANEL**THURSDAY 2 JANUARY 2020 at 4.05pm**

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Birks, McNulty, Mitchelson and Robson

ALSO PRESENT: Councillor J Mallinson, Leader
Councillor Ellis, Finance, Governance and Resources Portfolio Holder

OFFICERS: Corporate Director of Finance and Resources
Overview and Scrutiny Officer

BTSP.01/20 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of the Town Clerk and Chief Executive.

BTSP.02/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.03/20 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.04/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 3 December 2019 be agreed as a correct record.

BTSP.05/20 CALL – IN OF DECISIONS

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

BTSP.06/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.30/19 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The table of progress on resolutions from previous meetings had been included in section 3 of the report. A Member noted that resolution 6 had been pending since August, she asked that the status be changed to outstanding and that clear direction be provided to the Panel on the new Key Indicator as soon as possible.

The work programme for 2019/20 had been attached to the report for consideration.

RESOLVED – 1) That the Panel scrutinised the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel (OS.30/19).

2) That the status of resolution 6 in section 3.1 of the report be changed to 'Outstanding' and clear direction on the new key indicator be provided to the Panel as soon as possible.

BTSP.07/20

BUDGET 2020/1 – 2024/25

(1) Executive's response to the first round of Budget Scrutiny

Minutes of the special meeting of the Executive held on 9 December 2019 were submitted detailing the response of the Executive to the comments made by the Scrutiny Panels in response to the first round of Budget scrutiny.

RESOLVED – That the decisions of the special Executive on 9 December 2019 be received.

(2) Executive Draft Budget Proposals

The Executive draft Budget proposals 2020/21, which had been issued for consultation purposes, were submitted for scrutiny by the Panel.

The budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular the reports of the Corporate Director of Finance and Resources which were considered at the Executive meeting of 16 December 2019.

In considering the Draft Budget Proposals Members raised the following comments and questions:

- A Member felt that the consultation document was very complex and difficult to understand. He questioned the value of the consultation document and what response had been received as a result of the document.

The Corporate Director of Finance and Resources took on board the comments made and agreed to review the document going forward. She also reminded Members that the document had to be published in accordance with statutory requirements which required particular phrases and information to be published.

- A Member asked for clarification regarding the developer contributions for St Cuthbert's Garden Village.

The Corporate Director of Finance and Resources explained that an income of £50,000 from developer contributions had been built into the budget, the 2019/20 budget monitoring had identified that the income target would not be achieved and as a result there would be a non-recurring impact in the budget.

- A number of the recurring shortfalls seemed to be from over ambitious targets, it was felt that it was time to change the targets to more realistic ones.

The Corporate Director of Finance and Resources reported that it had been recognised that there had been a number of shortfalls which had, over the years, been achieved from other base budgets. The shortfalls had now been recognised and included in the budget as such.

- Were officers confident that the Leisure Facilities capital programme had been profiled correctly?

The Corporate Director of Finance and Resources noted that the Leisure Facilities development was the biggest capital scheme that the Council had undertaken for some time and she had asked for the profiling to be checked primarily from a cash flow perspective.

- The Carlisle Southern Link Road had £5million proposed capital allocated in 2022/23, it had been understood that this would be refunded through developer contributions, was this correct and who would take the lead on the negotiations to ensure the money came back to the Council.

The Finance, Governance and Resources Portfolio Holder confirmed that it was proposed that contributions from housing developers would fund the £5million over the lifetime of the project. The Corporate Director of Economic Development and the Investment and Policy Manager would lead the negotiations.

(3) Background Information Reports

(a) Budget Update – Revenue Estimates 2020/21 to 2024/25

The Corporate Director of Finance and Resources submitted report RD.39/19 providing a draft summary of the Council's revised revenue base estimates for 2019/20, together with base estimates for 2020/21 and updated projections to 2024/25. The report included the impact of the new savings and new spending pressures currently under consideration and the potential impact on the Council's overall revenue reserves.

The Executive had considered the matter on 16 December 2019 (EX.117/19 refers) and:

- (i) noted the revised base estimates for 2019/20 and base estimates for 2020/21;
- (ii) noted that the estimates in the report were draft and would be subject to the confirmation of Local Government Finance Settlement in December 2019;
- (iii) noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken;
- (iv) noted the budget pressures, bids and savings which needed to be taken into account as part of the 2020/21 budget process;
- (v) noted the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be reviewed in the future depending upon the outcome of the Local Government Finance review.

The Corporate Director of Finance and Resources detailed the changes in the report which the Panel had not previously scrutinised. The Corporate Director of Finance and Resources reported that the draft settlement funding figures had been received, however, there were a number of grants still outstanding and further work was required.

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

- Referring to the Pension Fund Triennial Revaluation, a Member noted that the Council had previously paid out a significant sum of money and asked if there was the potential to do the same again?

The Corporate Director of Finance and Resources reminded the Panel that, in 2016, the pension funding level was 91%, the Council had taken advice and had paid a three year lump sum up front to make revenue savings. The draft results of the Revaluation had been received and built into the budget along with a provision to deal with the impact of the McCloud judgement.

- A Member had concerns that the 2020/21 budget had removed the current recurring savings requirement of £1.130million Transformation Savings and asked what would need to be done to meet the savings and would it cause the reserves to dip below the minimum requirement.

The Corporate Director of Finance and Resources reminded the Panel that the reserves could drop below the minimum level as long as there was a plan to get back to a prudent level by the end of the MTFP. She explained that there were three strands to the savings strategy which had begun with the base budget review but that the other strands of the Transformation Savings would have to be considered in the future.

The Finance, Governance and Resources Portfolio Holder added that in previous years grants had been used to accommodate unachieved income and it was now time to address the income targets and ensure that targets were more accurate moving forward.

- Could Transformation Savings be made and offset from future targets if there was an opportunity to do so?

The Corporate Director of Finance and Resources confirmed that savings could be taken as non recurring but there needed to be recurring savings made. There were a number of options available to the Council moving forward including becoming more commercial. She added that there was still a lot of uncertainty about Local Government Funding but there was still a requirement to have robust savings strategy in place.

- Referring to Business Rate Retention a Member asked what impact a potential increase in CVAs would have on the budget.

The Corporate Director of Finance and Resources responded that potential Company Voluntary Arrangements would impact the Bad Debt Write Offs and there was a provision for this within the Policy.

- A Member asked for more detail on the City Centre Business Support package and the Future High Street Fund submission.

The Finance, Governance and Resources Portfolio Holder responded that the City Centre Business Support package comprised of a business rate relief scheme for vacant properties in Castle Street, Lowther Street and Victoria Viaduct where there was high level of vacant properties. There would also be an allocation to support a Business Improvement District Bid should businesses wish to and a fund to support capital works at business premises (this would be internal works).

Referring to the future High Street Fund the Finance, Governance and Resources Portfolio Holder explained that the Council had received a revenue grant to support the development of a detailed business case which would unlock up to £25million of capital investment to renew and reshape town centres and high streets. He added that detailed public reports on both matters would be considered by the Executive at their meeting on 15 January 2020.

- A Member noted that the Civic Centre Portacabin rental had caused a significant non-recurring pressure on the Council budget and had concerns that any more delay to the Civic Centre ground floor reinstatement would incur further pressures.

The Leader of the Council agreed that the ground floor reinstatement work needed to move forward as expediently as possible to avoid further rental costs.

- How many empty properties were classed as long-term empty?

The Corporate Director of Finance and Resources reported that there were 270 empty properties where the long-term premium applies, 150 of the properties had been empty for at least 5 years and 49 of them had been empty for over 10 years.

- A Member highlighted the salary turnover saving of £100,000 and had questioned how long the Council could reduce staff and provide services.

The Corporate Director of Finance and Resources clarified that the salary turnover saving was the budget which dealt with the natural gap between a member of staff leaving and the recruitment of new staff. She assured the Panel that there was no reduction in staff and no delay in recruitment.

- A Member was pleased to see the LED Footway lighting installation moving forward, it was a good way of reducing CO2 emissions and save money.

(b) Revised Capital Programme 2019/20 and Provisional Capital Programme 2020/21 to 2024/25

The Corporate Director of Finance and Resources submitted report RD.40/19 which provided a draft summary of the Council's revised capital estimates for 2019/20 together with base estimates for 2020/21 and updated projections to 2024/25.

The Executive had considered the matter on 16 December 2019 (EX.118/19 refers) and decided:

- (i) Noted the revised capital programme and relevant financing for 2019/20 as set out in Appendices A and B for recommendation to Council;
- (ii) Had given consideration and views on the proposed capital spending for 2020/21 to 2024/25 given in the report in the light of the estimated available resources for recommendation to Council;
- (iii) Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

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

- Where would the budget provision for the demolition of the Central Plaza come from and had there been any work undertaken to ask Central Government to support the City Council with the cost?

The Corporate Director of Finance and Resources responded that the cost of the demolition had initially come from the Council's reserves. With the approval of the Leader and the Leader of Opposition, officers were able to gain instant access to £1million from the reserves. A formal report on the matter would be considered by Council on 7 January 2020.

The Leader confirmed that a meeting had taken place with the local MP, John Stevenson, and he was due to meet with the Exchequer Secretary to the Treasury to discuss the matter.

- It was understood that the replacement of the full vehicles and plant fleet to electric would incur significant costs, however, had there been any consideration to having a default position of replacing vehicles and plant with electric at the appropriate time or through a lease agreement?

The Finance, Governance and Resources Portfolio Holder confirmed that some vehicles had already been replaced with electric vehicles where practical. He added that technology and the infrastructure was not yet at the point where all vehicles could be changed.

The Corporate Director of Finance and Resources added that an options appraisal was carried out each time a replacement was required, the Council had bought and leased vehicles in the past based on the appraisal information.

(c) Draft Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2020/21

The Corporate Director of Finance and Resources presented report RD.41/19 setting out the Council's draft Treasury Management Strategy Statement (TMSS) for 2019/20 in accordance with the CIPFA Code of Practice on Treasury Management.

She informed Members that the Investment Strategy and the Minimum Revenue Provision Strategy for 2020/21 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Executive had considered the matter on 16 December 2019 (EX.119/19 refers) and it was resolved that the Executive noted the draft Treasury Management Strategy Statement for 2020/21, which incorporated the Investment Strategy and the Minimum Revenue Provision (MRP) Strategy, together with the Prudential Indicators for 2020/21 as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D to Report RD.41/19.

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

- Had there been any partnership work with the Climate Change Group to look at how ethical investments could fit in with the investment strategy?

The Corporate Director of Finance and Resources explained that she had been investigating ethical investments and had discussed the matter with Treasury Advice and looked at other ethical strategies that were in place elsewhere. Initial work showed that the Council would have to have clear parameters going forward and would have to primarily ensure the security and yield of the investment.

The Finance, Governance and Resources Portfolio Holder added that he felt that the most ethical investment for the authority was the one that had the best return.

- Could the Council raise its borrowing limit to allow for new capital schemes should they come forward?

The Corporate Director of Finance and Resources reminded the Panel that the borrowing limit was set internally by full Council and could be increased, however, should a new capital scheme come forward there were other options that the Council could consider including reviewing the capital programme, review the asset base or becoming more commercial.

- Who carried out the valuations for the Council's assets?

The Corporate Director of Finance and Resources explained that both internal and external valuers were used for balance sheet purposes. An independent valuer would be used to gain a market value for any asset disposals.

- Referring to the Gearing table in 6.3.6 of the report, a Member asked if the 2019/20 spike had been caused by the Sands Centre Development and how the authority compared to other authorities.

The Corporate Director of Finance and Resources confirmed that the spike in the table was a reflection of the capital budget for the Sands Centre. She added that she was comfortable with the current position but would be carrying out some benchmarking work with other authorities using the new CFO Insights tool.

- Had there been any consideration regarding international investments?

The Corporate Director of Finance and Resources would clarify whether local Authorities were able to invest internationally due to the risks involved.

RESOLVED – 1) That the Panel accepted the Executive draft Budget Proposals 2020/21 as issued for consultation;

2) That the Panel had scrutinised and made comments on the following reports:

Budget Update – Revenue Estimates 2020/21 to 2024/25 (RD.39/19);

Revised Capital Programme 2019/20 and Provisional Capital Programme 2020/21 to 2024/25(RD.40/19).

Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2020/21 (RD.41/19).

(The meeting ended at 5.33pm)

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 13 FEBRUARY 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Allison, Mrs Birks, Mrs Bowman, Ms Ellis-Williams (as substitute for Councillor McNulty) and Mitchelson.

ALSO PRESENT: Councillor J Mallinson, Leader
Councillor Ellis, Finance, Governance and Resources Portfolio Holder

OFFICERS: Town Clerk and Chief Executive
Corporate Director of Finance and Resources
HR Manager
Overview and Scrutiny Officer

BTSP.08/20 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor McNulty and Councillor Paton.

BTSP.09/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.10/20 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.11/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) It was noted that Council had, on 7 January 2020, received and adopted the minutes of the meeting held on 3 December 2019. The Chair signed the minutes.

2) That the minutes of the meeting held on 2 January 2020 be agreed as a correct record.

BTSP.12/20 CALL – IN OF DECISIONS

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

BTSP.13/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.02/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The report included a table of progress on resolutions from previous meetings. The Panel were unhappy that that resolution 1 had been outstanding since June 2019. The Panel requested that options for potential Key Performance Indicators for the Redevelopment of the Sands Centre be submitted for scrutiny as soon as possible.

The Overview and Scrutiny Officer reminded the Panel that the Audit Committee had made a reference for the Panel to receive an update on how the City Council was supporting Brexit preparations. The matter had been added to the work programme to be reported to the Panel at this meeting. As the likelihood of a no deal Brexit receded the Chair had instructed that a report was no longer required.

The Overview and Scrutiny Officer reported that the Scrutiny Chairs Group had met on 23 January 2020 and asked that the notes be circulated to each Panel to allow for a discussion on the potential of reducing the number of Members on each Panel, how well the substitution system was working and the timing of meetings.

The Panel discussed the current substitution system and the timing of meetings and felt strongly that the substitution system was not working. Having all non Executive Members as substitutes had resulted in a lack of continuity and understanding of Scrutiny subjects. They had also noted that substitute Members often arrived unprepared for the meeting.

Referring to the change in start time of the meeting, the Panel had a mixed view, some Members preferred the 10am start whilst others preferred a later start time. The Panel agreed that this would need to be investigated further.

The Leader understood the reasoning and difficulty in changing meeting times and the impact different times had on Members and Officers. He commented that 39 Councillors were fitting into a system designed for 52 and suggested that the review of the meeting times be included in an overall review of Scrutiny including the number and size of the Panels.

The Panel discussed how the matter could be taken forward and agreed that the view of each Political Group should be sought and reported back to the Panel.

The Town Clerk and Chief Executive reminded the Panel that any work on the future of Scrutiny should be carried out in a timely manner to allow for the changes to be implemented in May.

The Overview and Scrutiny Officer drew the Panel's attention to their Work Programme and asked the Panel what they expected for each of the items which were scheduled for 26 March 2020:

Corporate Projects – The Panel requested an overview and update on each of the corporate projects including information on the financial impact of any delays.

Annual Property Survey Report – The Panel requested a report detailing any exceptional costs which had been identified in the survey along with an update on the Asset Management and Disposal programme. The Panel requested information on the number of assets being disposed of.

Budget Monitoring -The Corporate Director of Finance and Resources clarified that the next budget monitoring reports would be available in May not March. The Panel agreed to remove the item from their Work Programme.

Corporate Risk Register – The Panel asked for an update on the Sands Centre Risk Assessment.

Annual Report – The Panel requested that the report detail the Scrutiny that had taken place which influenced the Council and what the Panel would be looking at moving forward.

The Panel discussed a reference from the Executive regarding Local Taxation – Flood Discounts and agreed to add the matter to the Work Programme for March.

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.02/20).

2) The Panel requested that options for potential Key Performance Indicators for the Redevelopment of the Sands Centre be submitted for scrutiny as soon as possible.

3) That the Panel's Work Programme be amended as follows:

Items to be submitted to the meeting on 26 March 2020

- Corporate Projects
- Annual Property Survey Report
- Corporate Risk Register
- Scrutiny Annual Report
- Local Taxation – Flood Discounts

Items to be removed from the 26 March 2020

- Budget Monitoring

BTSP.14/20 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APTIL TO DECEMBER 2019

The Corporate Director of Finance and Resources submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2019 (RD.51/19). She outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement. Details of the main variances in the Directorates' budgets; together with a subjective analysis of the summarised budgetary position as at December 2019 were provided.

The Council's financial position would continue to be closely monitored and the likely year end position would be reported fully at the outturn. Some of the significant service and income variances estimated for the year were detailed at paragraph 3.2.

The Executive had considered the matter on 10 February 2020 (EX.23/20 refers) and resolved:

“That Executive:

1. Noted the budgetary performance position of the Council to December 2019;
2. Noted the action taken by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
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.”

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

- The revenue budgetary position showed the GLL reserve, would it be removed?

The Corporate Director of Finance and Resources confirmed that the Reserve had been used to fund the Sands Centre Redevelopment budget.

- How had the recent flooding affected the Flood Reserve budget?

The Corporate Director of Finance and Resources reminded the Panel that the Flood Reserve had been part of the settlement from the 2015 flood to carry out works in Bitts Park and the Civic Centre. Work was being carried out to assess any damage caused by the recent flood. A loss adjuster had been appointed, however, the excess on the insurance was now £50,000 per asset and the authority may not incur that level of spending.

- Why was there a shortfall in the income from the digital banner?

The Corporate Director of Finance and Resources explained that the digital banner had been replaced and did achieve income however the income targets which had been set were currently unachievable and needed to be amended.

- Did the shortfall in car parking reflect the decline in city centre retail?

The Corporate Director of Finance and Resources responded that there were various reasons for the shortfall in car parking and she would provide the Panel with written details.

- A Member raised some concerns regarding the shortfall from Development Control fee income and asked for a breakdown of costs for Development Control.

The Corporate Director of Finance and Resources clarified that the shortfall was solely income against targets and not connected to the Development Control running costs.

- A Member asked for further details regarding the Lanes Head Rent reconciliation.

The Corporate Director of Finance and Resources explained that the Council received an annual estimate of the Lanes income and the share that the Council would receive. The Council then invoiced the Lanes on a quarterly basis based on the annual figure. At the end of the year the Head Rent reconciliation occurred, and the authority then received, or paid back, the difference. The Head Rent reconciliation was being reconciled and it was likely the authority would receive further income.

In response to a further question the Corporate Director of Finance and Resources agreed that the decline in city centre retail would have an impact on the income and occupancy levels, however, the managing agents were proactive and worked to attract tenants into the Lanes.

The Town Clerk and Chief Executive clarified that there was not a decline in the city centre, there was a decline in the rent levels. There was a challenge in retail, and this had resulted in a downward pressure in rent. The managing agents and the City Council were working hard to attract shoppers into the City including initiatives such as free car parking after 3pm.

- The Panel asked for an update on the Business Interaction Centre overspend.

The Finance, Governance and Resources Portfolio Holder gave an update on the building and outlined some of the issues which had been dealt with.

- Was the shortfall in income from vacant properties due to the proposed disposal of those properties?

The Corporate Director of Finance and Resources responded that the majority of the shortfall was due to the pending disposal of a vacant asset in the City Centre. Additional staff had been employed within Property Services to manage the Asset Disposal Plan and some reprofiling work had been undertaken which was reflected in the budget.

- Why was there an overspend of £65,000 on the Civic Centre?

The Corporate Director of Finance and Resources advised that the overspend was due to the rental of the portacabin which is being used as the Customer Contact Centre.

- What were the impact of CVAs on the write off budget?

The Corporate Director of Finance and Resources responded that CVAs would impact on the Bad Debt Write offs and there was a provision in place to deal with them, however, they would not impact the general fund.

- What was the Council's return on the £101,000 investment with Chancerygate?

The Corporate Director of Finance and Resources clarified that the report showed the impact on the budget not the return, she agreed to provide a written response.

RESOLVED – 1) That the Panel scrutinised and commented on the overall budgetary position for the period April to December 2019 as set out in the Revenue Budget Overview and Monitoring Report: April to December 2019 (RD.51/19).

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

- the reasons for the shortfall in car parking income.
- the Council's return on the £10,000 investment with Chancerygate.

BTSP.15/20 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO DECEMBER 2019

The Corporate Director of Finance and Resources submitted report RD.52/19 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2019. She outlined for Members the overall budget position of the various Directorates and the financing of the 2019/20 capital programme, details of which were set out in the report.

As at the end of December, expenditure of £3,815,344 had been incurred on the Council's core capital programme. When considered against the profiled budget of £4,477,908 that equated to an underspend of £662,564.

The Executive had considered the matter on 10 February 2020 (EX.22/20 refers) and resolved:

“That the Executive:

1. Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2019;
2. Noted adjustments to the 2019/20 capital programme as detailed in paragraph 2.1;
3. Made recommendations to Council to approve reprofiling of £14,495,000 as detailed in paragraph 3.7 and Appendix A from 2019/20 into 2020/21 (£10,952,800) and 2021/22 (£3,542,200).”

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

- Was the annual revaluation of fixed assets undertaken internally or externally?

The Corporate Director of Finance and Resources responded that the revaluation of assets were undertaken by both internal and external valuers

- Was it possible for the Council to ask developers to contribute to the cost of new waste and recycling receptacles for new developments?

The Town Clerk and Chief Executive commented that placing additional costs on to the developer did not help with the affordability of housing.

- Were the Section 106 contributions kept in the capital programme?

The Corporate Director of Finance and Resources confirmed that the contributions were retained and used to support the capital programme.

In discussing Section 106 contributions Members felt strongly that Ward Members should be consulted on how the monies would be used in their wards. It was noted that the Economic Growth Scrutiny Panel had previously scrutinised Section 106 contributions after they had been allocated, however, Members wanted to be included in the consultation process before any monies were spent.

The Panel discussed the options available to them in some detail and agreed that the Development Manager should attend a future meeting to inform the Panel of the planning process and to discuss the most appropriate time for Ward Members to be consulted on Section 106 monies.

- Referring to the Capital Programme Risk Assessment a Member asked how the impact of a risk was determined and questioned how appropriate some of the impacts were.

The Town Clerk and Chief Executive noted the Panel's concerns regarding some of the classifications of impact and explained that the Risk Management Policy stipulated the definition and rationale of the impact.

REOLVED – 1) That the Panel scrutinised and commented on the overall budgetary position for the period April to December 2019 as set out in the Capital Budget Overview and Monitoring Report: April to December 2019 (RD.52/19).

2) That the Development Manager attend a future Panel meeting to inform the Panel of the Section 106 planning process and to discuss the most appropriate time for Ward Member input when determining how Section 106 monies were allocated.

BTSP.16/20 QUARTER 3 PERFORMANCE REPORT 2019/20

The Quarter 3 Performance Report 2019/20 was submitted (PC.06/20).

The report contained the Quarter 3 performance against the current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Performance against the Panels' 2019/20 Key Performance Indicators were also included along with a summary of exceptions which showed CSe14 as red.

The Panel asked that, in future reports, Service Standard SS05 (proportion of corporate complaints dealt with on time) include the actual number of corporate complaints received and dealt with.

RESOLVED – 1) 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.06/20).

2) That future performance reports include the actual number of corporate complaints received and dealt with in respect of Service Standard SS05 (proportion of corporate complaints dealt with on time).

BTSP.17/20 SICKNESS ABSENCE REPORT 2019/20

The Corporate Director of Finance and Resources submitted a report on the authority's sickness absence levels for the period April to December 2019 and other sickness absence information.

The HR Manager reported that, as at December 2019, the number of days lost per full time equivalent (FTE) equated to 8.2 in the first nine months of 2019/20. The report provided details of the absence levels by directorate and showed a 4% increase in overall days lost per employee compared to the same period in 2018/19. 49 employees had been absent long term (four working weeks or more), 18 of which remained open on 14 January 2020 and 21 of which were due to 'Stress, depression, mental health, fatigue syndromes'. Section 4 of the report set out the number of days lost by reason and directorate and showed that 'Stress, depression, mental health, fatigue syndromes' had the greatest days lost.

The HR Manager detailed the key activities and initiatives that the Council had undertaken to support attendance management and informed the Panel that the Council had been awarded the Better Health at Work – Silver Award and work was being carried out to achieve the Gold Award.

She reminded the Panel that the Council's Attendance Management Policy had been implemented in 2004 and was due a fundamental review and would benefit from clearer, more transparent trigger points.

The HR Manager requested that a Task and Finish Group be established to review the Policy to ensure a robust policy with effective trigger points was in place which would provide support to Managers and HR when managing absences.

The Town Clerk and Chief Executive reminded the Panel that the City Council was a relatively small organisation therefore the figures were affected by a small increase in absence. Officers recognised that the Attendance Management Policy needed to be refreshed and wanted to address this with the input of a Task and Finish Group.

The Panel agreed to establish a Task and Finish Group with 5 Members. Councillors Allison, Mrs Bowman, Mrs Birks and Bainbridge volunteered for the Task Group and the Overview and Scrutiny Officer agreed to email all Members to ask for one more volunteer.

A Member asked if there was a reason why the proportion of Return to Work Interviews completed in 5 working days had remained low and the HR Manager informed the Panel that the interviews were being carried out; however, returning the paperwork in a timely manner was proving difficult. Work was being undertaken to simplify the process and where possible, introduce online completions through the Council's iTrent system.

The Panel asked if joint/partnership working was taking place to address attendance management and establish best practice. The HR Manager confirmed that joint working was being carried out and reported that the Cumbria HR Leaders Group, which included local authorities, the National Park and the Police was facilitated by North West Employers, met every three months. At the next meeting all partners would share their sickness figures and their Attendance Management Policies to allow for open and frank discussions on attendance management and the options which were open to authorities.

RESOLVED – 1) That the Panel had scrutinised the Sickness Absence Report 2019/20 (RD.56/19);

2) That Councillors Allison, Mrs Bowman, Mrs Birks and Bainbridge, plus one other Member, be nominated to a Task and Finish Group to assist the HR Manager in reviewing the Attendance Management Policy with the aim of more effectively managing absence.

BTSP.18/20 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.19/20 SICKNESS ABSENCE REPORT 2019/20

(Public and Press excluded by virtue of paragraph 2)

The Corporate Director of Finance and Resources submitted report RD.57/19 setting out the reasons for the authority's long term sickness absence levels for the period April to December 2019.

The HR Manager reported that long term sickness was any sickness absence which lasted more than four working weeks. The number of long term sickness absences had increased and the report set out the categories of the absences. The HR Manager explained that HR would continue to work closely with managers to encourage timely Occupational Health referrals when required, particularly in instances where long term sickness was anticipated.

RESOLVED - That the Panel noted the Sickness Absence Report 2019/20 (RD.57/19).

(The meeting ended at 5.38pm)

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 28 MAY 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Allison, Mrs Birks, Bomford (as substitute for Councillor Paton), Mrs Bowman, Ms Ellis-Williams (as substitute for Councillor McNulty) and Mitchelson.

ALSO PRESENT: Councillor J Mallinson, Leader
Councillor Ellis, Finance, Governance and Resources Portfolio Holder

OFFICERS: Town Clerk and Chief Executive
Overview and Scrutiny Officer

BTSP.20/20 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor McNulty and Councillor Paton.

BTSP.21/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.22/20 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.23/20 MINUTES OF PREVIOUS MEETINGS

The Panel noted a typing error in the resolution of minute BTSP.14/20, the figure quote (£10,000) should read £101,000.

RESOLVED – That the minutes of the meeting held on 13 February 2020 be agreed as a correct record with the amendment to the resolution of BTSP.14/20 so it reads:

- the Council's return on the £101,000 investment with Chancerygate.

BTSP.24/20 CALL – IN OF DECISIONS

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

BTSP.25/20 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.07/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

The report included a table of progress on resolutions from previous meetings, the Overview and Scrutiny Officer drew the Panel's attention to the first resolution which was outstanding. The six-monthly Corporate Project Board had been due to address the resolution in March. The cancellation of the March meeting due to the Covid 19 pandemic meant that the next scheduled report was due to be scrutinised by the Panel in September.

The Overview and Scrutiny Officer reminded the Panel that the Carlisle Corporate Peer Challenge, which had taken place at the start of 2020, was positive and highlighted a number of strengths for the Council. The report also made some comments about the role of scrutiny. The full report had been attached to the report and suggested that decision making processes

could be more streamlined with a clearer purpose for Overview and Scrutiny. The Overview and Scrutiny Officer commented that the Panel may wish to consider this matter more closely in the coming year.

The Overview and Scrutiny Officer reported that the Scrutiny Chairs Group had met on 13 March 2020. The notes from the meeting had been attached to the report and included the following recommendations for consideration for 2020/21:

- Business and Transformation Scrutiny Panel and Health and Wellbeing Scrutiny Panel meet at 10am
- Economic Growth Scrutiny Panel trial a 6.00pm start time.

The proposals would be included in an amended Civic Calendar which would be considered by Council on 14 July.

The Scrutiny Chairs Group also recommended that the number of Members on each Panel be reduced from eight to six. The change would require an amendment to the City Council Constitution. There were no proposals to make changes at this time while the Council focussed on adapting its working practices to a remote working model in response to Covid-19.

The Overview and Scrutiny Officer drew the Panel's attention to their proposed Work Programme for 2020/21. She explained that the draft Programme had been based on previous Programmes and asked the Panel to consider how the work Programme could be amended to reflect the response to the current situation and virtual meetings.

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

- The Panel asked for updates on the following outstanding resolutions as set out in section 3 of the report:
 - 2) BTSP.72/19 – development of a Key Performance Indicator for Climate Emergency measures
 - 3) BTSP.14/20 – the Council's return on the £101,000 investment with Chancerygate
 - 4) BTSP.15/20 – attendance at the meeting of the Development Manager to discuss Section 106

The Overview and Scrutiny Officer agreed to follow up on the resolutions.

- The Panel asked for an update on the Attendance Management Policy Review Task and Finish Group.

The Overview and Scrutiny Officer responded that the work of the Task and Finish Group had been expected to be finished before the July meeting of the Panel. Due to the Covid 19 pandemic it had not been possible to begin the work as planned. Discussions had taken place with HR and the Task and Finish Group would be meeting in the near future to set their Terms of Reference and begin the work. The Members of the Task and Finish Group were Councillors Allison, Bainbridge, Mrs Birks, Mrs Bowman and Dr Tickner.

- Referring to the Corporate Project report, the Panel asked that the report be brought to them in July instead of September.
- A Member reminded the Panel that the Scrutiny Chairs Group were not able to make decisions and any recommendations had to be considered by each of the Panels. He felt that it was not an appropriate climate to discuss changes to the number of Panel Members and commented that work would have to be carried out based on the Peer Review. When that work was completed it may alter the way Scrutiny was carried out by the Council and suggested any discussions regarding altering Panels waited until after the Peer Review work was completed.

The Panel discussed adding the Peer Review to their Work Programme in some detail. They agreed that the Review could give Scrutiny the opportunity to be dynamic and add value to the decisions of the Council to make it as good as it could be. The Panel requested that the matter be added to their Work Programme to be discussed as soon as possible.

- It was noted that the Sickness Absence Report was scheduled to be scrutinised every three months, the Chair asked that one of the reports be submitted at the start of the year to include winter sickness.
- The Overview and Scrutiny Officer reported that the Property Services Manager had suggested that the Asset Management Plan and the Annual Property Survey Report be combined into one report for scrutiny in July. The Panel considered the request and agreed that they could be combined but clarified that the information they required was the impact that the outcome of Annual Property Survey would have on the 2020/21 financial year and any impact on the Council's reserves.
- The Work Programme included a six-monthly overview of the Civic Centre Reinstatement and a Member queried the period of time before any scrutiny was undertaken.

The Chair clarified that it was hoped that the work would have sufficiently progressed that it could be meaningfully scrutinised.

- The Panel discussed the Work Programme and felt it was not an appropriate time to make changes to the work of the Panel. They agreed to leave the Programme and make changes as necessary as the result of the current situation and the scrutiny of the Peer Review.
- The Chair asked each Member of the Panel for their preference regarding their preference for the start time of the Panel and suggested 10.00am or 4.00pm. The majority of the Panel preferred the 4.00pm start time.

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.07/20);

2) That the Overview and Scrutiny Officer follow up on the outstanding resolutions set out below:

- (2) BTSP.72/19 – development of a Key Performance Indicator for Climate Emergency measures
- (3) BTSP.14/20 – the Council's return on the £101,000 investment with Chancerygate
- (4) BTSP.15/20 – attendance at the meeting of the Development Manager to discuss Section 106 agreements

3) That the 2020/21 Work Programme be amended as follows:

- Corporate Project Report be moved in the work programme to July
- That the Asset Management Plan and the Annual Property Survey Report be combined into one report for scrutiny in July
- That the Corporate Peer Challenge Feedback Report be added to the Work Programme for scrutiny as soon as possible.

4) That, subject to the agreement of Council in July, meetings of the Business and Transformation Scrutiny Panel would begin at 4.00pm.

BTSP.26/20 SCRUTINY ANNUAL REPORT

The Overview and Scrutiny Officer presented the draft Business and Transformation Scrutiny Panel section for the Scrutiny Annual Report 2019/20. (OS.06/20)

The Overview and Scrutiny Officer reported that the Constitution requires that overview and scrutiny committees report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate. The Scrutiny Annual Report was prepared to meet this requirement.

The last meetings of the 2019/20 Scrutiny year were cancelled due to the Covid-19 pandemic and the need to reduce face to face contact. Remote working practices were being established to allow Scrutiny Panels to operate in Carlisle City Council. Section 78 of the Coronavirus Act 2020 set out the guidance that allowed Councils to operate public meetings in virtual, rather than physical locations.

The Panel discussed the draft report and agreed that the Peer Challenge Review should be added to the report as it was an important document for Scrutiny.

RESOLVED – That the Scrutiny Annual Report (OS.06/20) be agreed subject to the inclusion of the Corporate Peer Challenge Feedback Report as an important topic of scrutiny moving forward.

BTSP.27/20 FOR INFORMATION ONLY REPORT

A report had been circulated to the Panel for information only. Panel Members had some questions with regard to the content of the report and it was agreed that questions submitted would receive a written response (and for reasons of transparency the report, questions and answers to be included on the next BTSP Agenda as an informative report).

(The meeting ended at 4.59pm)