

AGENDA

Business & Transformation Scrutiny Panel

Thursday, 03 September 2020 AT 16:00

This meeting will be a virtual meeting and therefore will not take place in a physical location.

Members of the Business & Transformation Scrutiny Panel

Councillor Bainbridge (Chair) , Councillors Alcroft, Allison, Mrs Birks (Vice Chair), Mrs Bowman, Mitchelson, Paton, Dr Tickner

Substitutes:

Councillors Mrs Atkinson, Betton, Bomford, Mrs Brown, Collier, Ms Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, Mrs McKerrell, McNulty, Meller, Morton, Patrick, Robson, Rodgerson, Shepherd, Miss Sherriff, Southward, Tarbitt, Tinnion, Miss Whalen.

PART A

To be considered when the Public and Press are present

Register of Attendance and Declarations of Interest

A roll call of persons in attendance will be taken and Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

Apologies for Absence

To receive apologies for absence and notification of substitutions

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of Previous Meeting

7 - 16

The Chair will move the minutes of the meeting held on 23 July 2020 as a correct record. The only part of the minutes that may be discussed is their accuracy.

(Copy minutes herewith).

A.1 CALL-IN OF DECISIONS

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

A.2 REVENUE BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2020

**17 -
44**

Portfolio: Finance, Governance and Resources
Directorate: Finance and Resources
Officer: Alison Taylor, Corporate Director of Finance and Resources
Report: RD.20/20 (amended) and Minute Excerpt herewith

Background:

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's General Fund revenue budgetary position for the period April to June 2020 which was considered by the Executive on 17 August 2020.

Why is this item on the agenda?

Budget monitoring report.

What is the Panel being asked to do?

To scrutinise the variances contained within this report.

A.3 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT APRIL TO JUNE 2020

**45 -
64**

Portfolio: Finance, Governance and Resources
Directorate: Finance and Resources
Officer: Alison Taylor, Corporate Director of Finance and Resources
Report: RD.21/20 and Minute Excerpt herewith

Background:

The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2020 which was considered by the Executive on 17 August 2020.

Why is this item on the agenda?

Budget monitoring report.

What is the Panel being asked to do?

To scrutinise the variances contained within this report.

A.4 SICKNESS ABSENCE 2019/20 & Q1 2020/21

**65 -
74**

Portfolio: Finance, Governance and Resources
Directorate: Finance and Resources
Officers: Sue Kaveney, HR Manager
Gary Oliver, Policy and Performance Officer
Report: RD.24/20 herewith

Background:

The Corporate Director of Finance and Resources to submit a report on the authority's sickness absence levels for the period April 2019 and June 2020 and other sickness absence information.

Why is this item on the agenda?

Annual monitoring of sickness absence within the authority.

What is the Panel being asked to do?

Scrutinise and comment on the information on sickness absence provided in the report.

A.5 CORPORATE RISK REGISTER

**75 -
86**

Portfolio: Finance, Governance and Resources
Directorate: Community Services
Officer: Darren Crossley, Deputy Chief Executive
Report: CS.21/20 herewith

Background:

The Deputy Chief Executive to submit an update on the management of the Council's Corporate Risk Register.

Why is this item on the agenda?

Monitoring report.

What is the Panel being asked to do?

Scrutinise and comment on the current Corporate Risk Register as set out in appendix one.

A.6 QUARTER 1 PERFORMANCE REPORT 2020/21

**87 -
102**

Portfolio: Finance, Governance and Resources
Directorate: Corporate Support
Officer: Gary Oliver, Policy and Performance Officer
Report: PC.21/20 herewith

Background:

The Town Clerk and Chief Executive to submit a report on the Quarter 1 2020/21 performance against the Council's current Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'. Performance against the Panel's 2020/21 Key Performance Indicators (KPIs) are also included.

Why is this item on the agenda?

Annual monitoring of performance.

What is the Panel being asked to do?

Scrutinise the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities.

A.7 OVERVIEW REPORT

**103 -
108**

Portfolio: Cross Cutting
Directorate: Cross Cutting
Officer: Rowan Jones, Overview and Scrutiny Panel
Report: OS.18/20 herewith

Background:

To consider a report providing an overview of matters related to the work of the Business and Transformation Scrutiny Panel.

Why is this item on the agenda? The Business and Transformation Scrutiny Panel operates within a work plan which has been set for the 2020/21 municipal year. The Plan will be reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

- Note the items (within Panel remit) on the most recent Notice of Executive Key Decisions
- Discuss the work programme and prioritise if necessary

PART B

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

- NIL -

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer - rachel.plant@carlisle.gov.uk

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 23 JULY 2020 AT 4.00PM

PRESENT: Councillor Bainbridge (Chair), Councillors Alcroft, Allison, Mrs Birks, Mrs Bowman, Dr Tickner 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 Governance and Regulatory Services
Corporate Director of Finance and Resources
Property Services Manager
Policy and Performance Officer
Policy and Communications Manager

BTSP.28/20 APOLOGIES FOR ABSENCE

No apologies for absence were submitted.

BTSP.29/20 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.30/20 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.31/20 MINUTES OF PREVIOUS MEETINGS

RESOLVED – It was noted that Council, at its meeting on 14 July 2020, received and adopted the minutes of the meetings held on 13 February 2020 and 28 May 2020. The Chair will sign the minutes at the first practicable opportunity.

BTSP.32/20 CALL – IN OF DECISIONS

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

BTSP.33/20 DRAFT MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2025/26

The Corporate Director of Finance and Resources submitted the Council's draft Medium Term Financial Plan (RD.09/20) for the period 2021/22 to 2025/26 which set out the framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating 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 Executive had considered the Draft Medium Term Financial Plan 2021/22 to 2025/26 at their meeting on 20 July 2020 (Minute Excerpt EX.69/19 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan (MTFP) 2021/22 to 2025/26 Members raised the following comments and questions:

- What were the opportunities for additional commercial and investment income; had the Council gathered comparative information from other local authorities on their approach to commercialisation?

The Corporate Director of Finance and Resources reminded the Panel of the recommendations in the Peer Challenge Review, one of which had been to develop a commercial strategy for Carlisle. Before this could happen there was a requirement to better understand what was meant by commercialisation, what the Council's appetite for risk was and what scope there was for commercial activities in Carlisle. The Council had significant assets on its balance sheets, commercial opportunities would come from making those assets work better for the Council. However, there was severe pressure on commercial income due to the Covid 19 pandemic and the Council had to be mindful of the current situation before it developed any strategy on commercialisation.

- Had the improved visuals in the 'Have your say' document increased public responses to the budget consultation process?

The Corporate Director of Finance and Resources responded that the new document had been well received, however, there would be continuous improvements made to the consultation documents to increase the engagement on the budget process with residents of Carlisle.

- The MTFP was an important document, however, it contained many areas of uncertainty, would the document be reviewed as matters developed?

The Corporate Director of Finance and Resources agreed there was great uncertainty in the document; it would be reviewed and updated as the situation changed, and further reports would be considered by the Panel as the budget process progressed.

- The climate emergency was a priority for the Council; however, it had not been included in the MTFP.

The Corporate Director of Finance and Resources explained that the Capital Strategy and Capital Programme included information on small climate change related projects. She added that she was awaiting further information from the Climate Change Group before any adjustments could be made to the MTFP.

A Member welcomed the inclusion in the Capital Strategy but felt that the climate emergency should also be referenced in the MTFP.

- Was there any indication how the lost income from business rates would be replaced until Government moved forward with the business rate review?

The Corporate Director of Finance and Resources clarified that the assumption had been made that the Council would not be in the Business Rate Pool in 2021/22, however, as the Business Rate Review had been deferred the impact on the pool arrangements were unknown. She assured the Panel that the situation was being closely monitored and the City Council had regular discussions with Cumbria County Council, the Police and the other Cumbria District Councils. She informed the Panel that government had announced a new comprehensive funding package to support local authorities with income shortfalls and deficits from collection fund recovery due to Covid 19.

- Would the Business Rate Appeals require all the provision in the MTFP?

The Corporate Director of Finance and Resources confirmed that significant provision had been made for Business Rate Appeals, work was being carried out with the Valuation Office to estimate the likely appeals and how successful they would be.

- Did the savings, as detailed in section 4.3.2 of the report, include additional requirements that may be a result of the exceptional circumstances?
- Did the yield from property rentals reflect the current situation?

The Corporate Director of Finance and Resources clarified that all assumptions and savings detailed in the MTFP were based on the situation at this point in time. She explained that work was being carried out using government guidance to look at income shortfalls, the figures did not include pressures which could arise as a result of Covid 19.

- Given the exceptional circumstances would the Council consider engaging someone with proven commercial and industrial experience to support the qualified, professional team in the Council?

The Finance, Governance and Resources Portfolio Holder reminded the Panel that the Council brought in specialist skills when required; the Council was already quite commercial in utilising income from its assets. He added that it was important to bring in income to ensure the continuing delivery of discretionary services.

- Would it be possible to close down the redundant bequests and release the funds to other projects?

The Corporate Director of Finance and Resources confirmed that the bequests could be closed, the money could be released to community groups or charities that met the conditions of the bequest.

- The Council annually earmarked reserves for the cremator, would it be possible in future to build this reserve from income from the cremator rather than allocations from the Council?

The Corporate Director of Finance and Resources clarified that the reserve was built up from contributions from the income generated by Bereavement Services..

- How would the Council mitigate the loss of the New Homes Bonus?

The Corporate Director of Finance and Resources explained that the New Homes Bonus had not been included in the budget, should any payments be received they would be additional income.

- What had been the reduction in housing benefit claims following the launch of Universal Credits, did it give the Council an indication of when its responsibility ended? In addition, Covid 19 had caused an increase nationally in Universal Credit applications, had this impacted on the reduction in housing benefit claims?

The Corporate Director of Finance and Resources responded that Universal Credit claims had not yet had a significant increase due to Covid 19 however the position would continue to be monitored.

- A Member urged the Executive to retain the Council Tax Reduction Scheme to continue to support the poorest and most vulnerable residents in Carlisle during this difficult time.

The Finance, Governance and Resources Portfolio reassured the Panel that the Executive had no intention of changing the Council Tax Reduction Scheme (CTRS). The CTRS had been included in the MTFP because there was a requirement to consider the Scheme annually. The

City Council CTRS was considered one of the most generous and complete schemes in the Country, when government provided additional resources to enhance the scheme the Council increased the amount of support available. The Government recognised that many people were not eligible for the CTRS and a new hardship fund was being launched by the Council which supported those people in dealing with arrears.

The Corporate Director of Finance and Resources informed the Panel that the Council had stopped all debt recovery during the pandemic as it was mindful of the pressure on people in such uncertain times. Work was beginning on a soft reminder process, which many other authorities had undertaken, reminders would be sent out encouraging people to contact the Council if they were having issues in making payments so they could be supported with instalment options or through the CTRS process. This soft recovery approach would also be taken with sundry debtors where commercial income comes in.

REOLVED – 1) That the Panel had considered and commented upon the draft Medium Term Financial Plan 2021/22 to 2025/26 (RD.09/20);

2) That the Panel thanked the Corporate Director of Finance and Resources and her team for the production of the Medium Term Financial Plan during such uncertain and difficult times;

3) That the Panel request that reference is made to environmental policies in the Medium Term Financial Plan in the future;

4) That the Panel are included in the development of a commercial strategy;

5) That the Corporate Director of Finance and Resources undertake to consider the conditions of the redundant bequests and reallocate the funds to suitable community groups or charities;

6) That the Finance, Governance and Resources Portfolio Holder circulate a copy of the Council's Hardship Scheme to all Members.

BTSP.34/20 DRAFT CAPITAL INVESTMENT STRATEGY 2021/22 – 2025/26

The Corporate Director of Finance and Resources reported (RD.08/20) on the draft Capital Investment Strategy 2021/22 – 2025/26, which directed the Council's Capital Programme and the allocation of resources for the five year period 2021/22 to 2025/26. The guidance in the strategy complimented and supplemented the Medium Term Financial Plan.

The Executive had considered the Draft Capital Investment Strategy 2021/22 to 2025/26 at their meeting on 20 July 2020 (Minute Excerpt EX.70/20 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan 2021/22 to 2025/26 Members raised the following comments and questions:

- The Council had £4m in rental income from investment property, was there a potential that tenants could default on payments due to Covid 19 and result in a reduction in the income?

The Corporate Director of Finance and Resources confirmed that there was a risk to income due to Covid 19; the situation was being closely monitored and the debtors' team were working closely with property services to support tenants and provide them with payment options.

- A Member asked that consideration be given to the best options for plant and vehicle replacement to meet the climate strategy obligations.

The Corporate Director of Finance and Resources clarified that the assumption in the budget was for like for like replacement, however, each asset was considered individually at the time of replacement, and alternative options were considered including electric vehicles and lease options.

- A Member felt that the key considerations for shaping the budget were appropriate under the current circumstances and sought reassurance the impact of Covid 19 was part of the consideration given to the deliverability of the current capital programme.

The Finance, Governance and Resources Portfolio Holder assured the Panel that the capital programme was reviewed annually, the current programme of works would not be affected by the impact of Covid 19 however this would continue to be monitored.

- A Member commented that the Covid 19 pandemic had highlighted the need for the Council to invest in its ICT and asked for confirmation that this would be a priority for the Executive and Senior Management Team.

The Corporate Director of Finance and Resources reported that the Council was in the process of appointing a new Head of Digital and Technology whose role would be to update and refresh the Council's ICT Strategy. The Strategy would come through the democratic process and would be scrutinised by the Panel.

RESOLVED – That the Panel had considered and commented upon the draft Capital Investment Strategy 2021/22 – 2025/26 (RD.08/20).

BTSP.35/20 DRAFT ASSET MANAGEMENT PLAN 2021 TO 2026

The Corporate Director of Governance and Regulatory Services presented report GD.32/20 which set out the revisions to the Asset Management Plan which had been updated to reflect key issues and changes affecting the management and use of the City's property resources. The Plan also reported on the current position and performance of the portfolio, and the Asset Disposal Programme.

The Executive had considered the Draft Asset Management Plan 2021 to 2026 at their meeting on 20 July 2020 (Minute Excerpt EX.71/20 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:

- Green spaces supported the City Council's priorities for health and wellbeing and climate change; were they included in the Asset Management Plan?

The Property Services Manager agreed that green spaces were important and clarified that they were a key part of the Council's portfolio and were considered operational to provide services.

- How was the performance of Council property monitored?

The Property Services Manager reminded the Panel that Chancerygate managed Kingstown Industrial Estate and property assets; they produced annual Key Performance Indicators for their performance.

- What were the plans for the Newman School site when the Sands Centre redevelopment was complete?

The Property Services Manager reported that originally portacabins were going to be used to provide leisure services for GLL, an opportunity had presented itself to utilise the Newman School building. This resulted in a cost saving, the refurbishment of a building that was flood damaged and a legacy project. The Council had the lease for the building which would return to the Diocese with the aspiration that it remained in the education sector. Plans for its future use would not be finalised until the Sands Centre was nearly complete and the building was no longer required by the Council.

- Had work been undertaken to seize any opportunities that may come forward from Brexit?

The Property Services Manager that the situation was being closely monitored for opportunities for the Council.

- The last property survey had taken place in 2018, would depreciation have affected the value of the properties?

The Property Services Manager explained that the condition surveys were undertaken every five years, this was a reasonable timescale to allow the Council to plan and budget for required maintenance work as well as give flexibility for reactive repairs.

- Had Covid 19 impacted the programme of repairs to assets?

The Property Services Manager confirmed that the programme had been delayed primarily due to issues within the supply chain for materials, contracts and in-house staff being unavailable, this was expected to continue for some time.

- What were the options for the development of the Morton District Centre?

The Property Services Manager responded that the site had been allocated as a local district centre and employment site. Development work on the future of the site would not progress until the route for the Southern Relief Road had been finalised due to the impact it would have on the site.

- A Member sought clarification with and an update on the assets which had been identified for disposal with significant issues.

The Corporate Director of Governance and Regulatory Services explained that the assets were varied and been acquired over a number of years, the issues were not necessarily regarding the condition of a property but were legal issues that needed addressed prior to disposal.

The Property Services Manager added that the lull in the market allowed the Council to progress with the due diligence work in order that when the market conditions improved the Council could proceed with disposals immediately.

- Considering the need to become more commercial would it be beneficial to refresh the Asset Review Business Plan to maximise the use of the assets to support a commercialisation policy moving forward.

The Corporate Director of Governance and Regulatory Service responded that the 2011 Asset Review Business Plan set the parameters which the Council would work within and the three categories that assets would be considered: investment, economic development and operational. However, it was continuously being reviewed alongside the Asset Disposal Programme and any opportunities which presented themselves to the Council.

- A Member asked for an update on the rent reviews.

The Property Services Manager assured the Panel that the rent reviews were moving forward as planned. He set out the issues that the Council faced when carrying out rent reviews and the reason for delays.

RESOLVED - That the Panel had considered and commented upon the draft Asset Management Plan 2021 to 2026 (GD.33/20).

BTSP.36/20 EMPLOYEE OPINION SURVEY 2020

The Corporate Director of Finance and Resources presented the results of the Employee Opinion Survey which had received 264 responses in February 2020(RD.16/20).

A pulse survey had also been undertaken in May to gather employee opinion on working from home, anxiety, equipment and support from the Council. The results had been positive and there had been good comments regarding IT equipment and the ability to work from home and deliver services for the Council.

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

- A Member noted the increase in popularity of the Chief Executive's briefings and asked if this could be further developed.

The Town Clerk and Chief Executive commented that there needed to be more briefings, more recently the last round of briefings had been held via Teams and had been successful.

- Referring to the question 'what do you like about working for Carlisle City Council?', there was some concern that the flexi time scheme and colleagues/friendliness had significantly reduced since 2018.

The Corporate Director of Finance and Resources agreed that the flexitime system had historically been a benefit to staff and more work would be required to understand the change in its importance to staff.

The Town Clerk and Chief Executive noted that the same question had an increase in social aspects and therefore the question could be clarified in future surveys. He was very pleased to see that the culture of the Council had become important to staff and he thanked managers and supervisors for helping to promote a positive culture. He also highlighted that 90.7% of the responses rated the Council as good employer, this was a tremendous achievement given all the difficulties faced by local government.

- The Panel asked that the information be drilled down into Directorates to get a better understanding of where the responses were coming from and what some of the barriers may be for Directorates not responding.

The Corporate Director of Finance and Resources assured the Panel that paper copies were available and that the responses were confidential. The Council had tried to send the Covid 19 Pulse survey out via text, it had been unsuccessful, however, this would be an area that would be further explored for the 2022 survey.

- Only 81.3% of responses stated that they had the tools and resources needed to do their job, was there any further information on which Directorate may not have the required resources and tools and what was missing. It was essential that the Council led the way as an employee and ensured that all staff had everything they needed to do their job properly.

The Policy and Performance Officer agreed to drill down into the information and comments submitted and provide the Panel with a written response.

The Town Clerk and Chief Executive commented that the Council had taken swift action at the start of lockdown to provide all staff with the appropriate equipment. Primarily this had been laptops to work from home, unfortunately, many employers and organisations were doing the same and there was a delay in procuring some equipment. He felt most people interpreted the question as budget related; staff wanted to see more resources in public services and internally those resources available had to be directed to the Council's priorities, this could leave some services feeling as though they did not have the required resources.

RESOLVED – 1) That the Panel had scrutinised the results of the Employee Opinion Survey 2020.(RD.16/20)

2) That the Policy and Performance Officer provide the Panel with further information on the Directorates, tools and resources which were lacking and reasons why staff felt they did not have the tools and resources needed to do their job.

BTSP.37/20 END OF YEAR PERFORMANCE REPORT 2019/20

The Policy and Performance Officer submitted the end of year 2019/20 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 Panel's 2019/20 Key Performance Indicators and a summary of exceptions were also included.

In considering the report a Member noted that the Peer Challenge Review had stated that some of the reports being scrutinised were not of value as they did not drive change in the Council, he asked how relevant the performance report was in changing a policy in an area that might be falling behind.

The Town Clerk and Chief Executive acknowledged the recommendations in the Peer Challenge Review Challenge and confirmed that the performance report was one area that needed to be addressed. An action plan, based on the Peer Challenge recommendations, was being prepared and would be brought to the Panel in due course.

RESOLVED – That the End of Year Performance Report 2019/20, PC.11/20, be noted.

BTSP.38/20 CORPORATE PROJECT STATUS REPORT

The Town Clerk and Chief Executive presented an update of corporate projects being undertaken in the Council, along with a summary of the standalone IT projects and the internal audit report of Project Management (CE.03/20).

In considering the update report a Member asked for further information with regard to the request to close the Discover England Fund year two and the project activity that had been delivered. The Town Clerk and Chief Executive agreed to supply the Panel with a written response.

The Panel raised concerns that there had not been any projects team meetings in ICT since 2019 and that there was a lack of corporate buy in for ICT solutions.

The Town Clerk and Chief Executive clarified that he held team meetings fortnightly with IT Services and this may not have been included in the audit report. The Council was in the process of recruiting a new Head of Digital and Technology whose role would be to drive and

manage business change in conjunction with the relevant service managers to deliver more corporate ICT solutions.

RESOLVED – 1) That the Corporate Project Status Report, CE.03/20, be noted.

2) That the Town Clerk and Chief Executive provide the Panel with further information with regard to the request to close the Discover England Fund year two and the project activity that had been delivered.

BTSP.39/20 OVERVIEW REPORT AND WORK PROGRAMME

The Policy and Communications Manager presented report OS.13/20 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel.

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.13/20).

BTSP.40/20 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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph numbers (as indicated in brackets against the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

**BTSP.41/20 ASSET MANAGEMENT OF KINGSTOWN INDUSTRIAL ESTATE AND
PARKHOUSE BUSINESS PARK**

(Public and Press excluded by virtue of Paragraph 3)

The Property Services Manager submitted an update on progress with the implementation of the business plan for Kingstown Industrial Estate and Parkhouse Business Park (GD.34/20).

In scrutinising the report, the Panel discussed the investment with Chancerygate including their fee, key performance indicators as set out in the report and the use of their expertise in other projects and developments. The also Panel considered future opportunities in the area and the potential impact of the southern relief road to Kingstown Industrial Estate as well as discussing the tenants and progress for the Gateway 44 project.

RESOLVED – That the update on the Asset Management of Kingstown Industrial Estate and Parkhouse Business Park be noted (GD.34/20).

(The meeting ended at 6.14pm)

Report to Business & Transformation Scrutiny Panel

Agenda Item:
A.2

Meeting Date: 3 September 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
 APRIL TO JUNE 2020
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD 20/20 (amended)

Purpose / Summary: This report provides an overview of the Council’s General Fund revenue budgetary position for the period April to June 2020 which was considered by the Executive on 17 August 2020.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the variances contained within this report.

Recommendations:

Members of the Business & Transformation Scrutiny Panel are asked to scrutinise the overall budgetary position for the period April to June 2020.

Tracking

Executive:	17 August 2020
Scrutiny:	3 September 2020
Council:	3 November 2020

Report to Executive

Agenda
Item:

Meeting Date: 17 August 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and
 Budget Framework YES
 Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
 APRIL TO JUNE 2020
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD 20/20

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to June 2020 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2020;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Make recommendations to Council to approve virements of £640,000 as detailed in paragraph 2.4 to fund the Leisure Contract variation.

Tracking

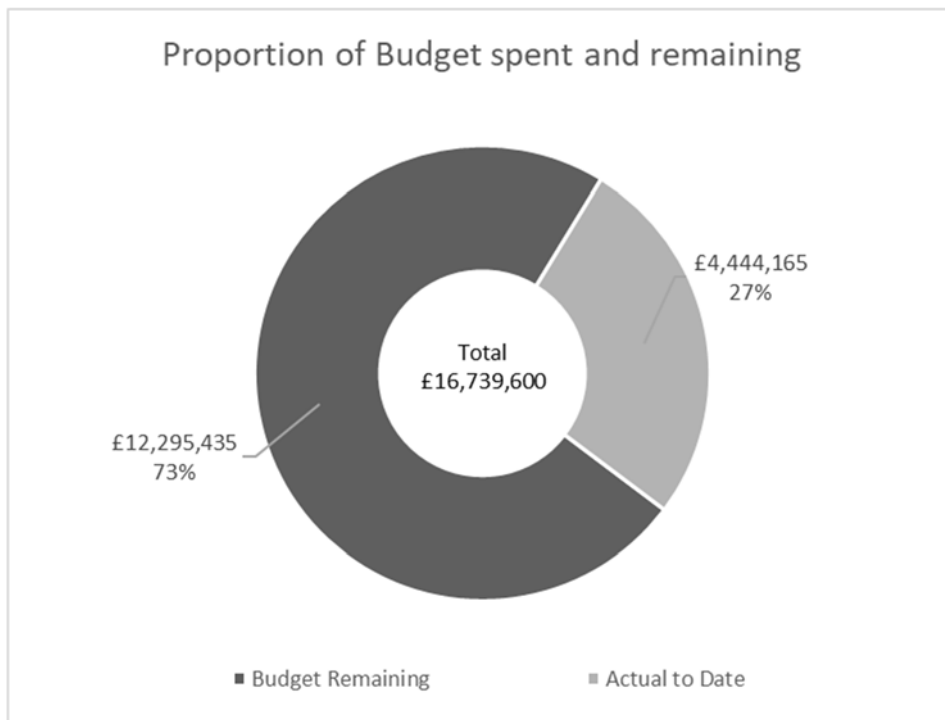
Executive:	17 August 2020
Scrutiny:	3 September 2020
Council:	3 November 2020

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

2. 2020/21 REVENUE BUDGET MONITORING

2.1 The budget position of the Council as at June 2020 is as follows:



2.2 The summarised revenue budgetary position as at June 2020 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	10,263,400	10,153,200	2,101,908	2,331,539	229,631
Corporate Support	B2	1,685,100	1,598,300	482,150	489,953	7,803
Economic Development	B3	1,808,900	1,979,200	471,570	550,290	78,720
Finance & Resources	B4	1,418,300	1,391,600	1,745,440	1,044,957	(700,483)
Governance & Regulatory Services	B5	1,157,900	1,630,000	384,585	323,761	(60,824)
Corporate Management	B6	(2,491,600)	(12,700)	(206,245)	(296,335)	(90,090)
Service Expenditure		13,842,000	16,739,600	4,979,408	4,444,165	(535,243)
Parish Precepts		688,200	688,200	688,200	687,965	(235)
Total		14,530,200	17,427,800	5,667,608	5,132,130	(535,478)
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	31,000			
Carry Forward Reserve		0	(22,300)			
Revenue Grants Reserve		0	(443,800)			
General Fund Reserve		(456,100)	(960,700)			
Planning Services Reserve		0	(13,700)			
Flood Reserve		0	(1,944,200)			
Total Transfer to/(from) Reserves		(456,100)	(3,353,700)	(2,149,083)	(1,233,985)	915,098
Financed by:						
Precept from Collection Fund		(8,205,200)	(8,205,200)	(2,051,300)	(2,051,195)	105
Business Rate Retention		(5,868,900)	(5,868,900)	(1,467,225)	(1,846,950)	(379,725)
Total Grants		(14,074,100)	(14,074,100)	(3,518,525)	(3,898,145)	(379,620)
Total		(14,530,200)	(17,427,800)	(5,667,608)	(5,132,130)	535,478

2.3 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised in the table below.

Budget Area		Underspend £	Overspend £
Bereavement Services	B1	(87,276)	0
Car Parking Income	B1	0	275,600
Leisure Contract	B1	0	147,240
Recycling & Waste Services	B1	(71,775)	0
Building Control Fee Income	B3	0	48,633
Loan Interest (including new borrowing)	B4	(626,373)	0
Investment Interest Received	B4	(46,319)	0
Homeless Accomodation	B5	0	90,584
Other Rental Properties Income	B5	(82,497)	0
Salary Turnover Savings	B6	(157,143)	0
Inflation Savings still to find	B6	0	54,200

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

- A net underspend in Bereavement Service due to increased cremation fee income received; this may be due partly to Covid-19.
- A shortfall in car parking income from tickets, permits and penalty charge notices due to Covid-19.
- An overspend on the Leisure contract due to a variation to contract agreed as part of the approval to proceed with the Sands Centre Development project. The budget required for the variation in 2020/21 is £640,000 and the following virements are proposed for recommendation to Council for approval:

Virement from:

Savings on borrowing interest from Stock Issue	£469,300
Increased salary turnover savings	£170,700

- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling.
- A shortfall in Building Control fee income due to Covid-19 and a drop in applications (and associated submission fees) and work commencing on site (and associated inspection fees).
- A saving from interest on borrowing due to no new borrowing entered into yet and also a budget saving against the final stock issue interest payment.
- Higher than expected returns to date on Investments due to higher cash balances.
- Increased income position from Other Properties to date due an invoice raised to recover backdated insurance income, however rental income is underachieved and the anticipated year end position will be an overall shortfall in income.
- An overspend of £1,069 on expenditure on Homeless Accommodation and a shortfall in income of £89,515. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
- Additional salary turnover achieved against the budget to date.
- A balance of £54,200 of inflation savings still to be found on a recurring basis.

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

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

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Flood Related	B7	0	0	0	25,958	25,958
Covid-19 Related	B7	0	544,000	136,164	(871,552)	(1,007,716)
Covid-19 Grants	B7	0	0	0	(3,742,000)	(3,742,000)
Total Exceptional Items		0	544,000	136,164	(4,587,594)	(4,723,758)
Transfer to/(from) Reserves						
General Fund Reserve		0	(544,000)			
Total Transfer to/(from Reserves)		0	(544,000)			

2.7 Further details for each directorate can be found in **Appendix B7** which shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised below.

- An overspend in relation to uninsured and reinstatement costs as a result of flooding caused by Storm Ciara. Potential insurance settlements are still being negotiated.
- A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income (reported above) that are currently reported against individual service areas but are a direct result of Covid-19 e.g. car parking income.
- A net underspend on the Covid-19 grants that are still being paid out. All grants paid will be subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government.

2.8 The following table shows the position as at June 2020 of savings achieved against the budget savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	100,000	45,800	54,200
Net Recurring position 2020/21	100,000	45,800	54,200
To be found from 2021/22 onwards	1,000,000	0	1,000,000
Total Net Recurring position 2021/22	1,100,000	45,800	1,054,200

The recurring savings targets approved above will need to be achieved in accordance with the three current strands contained within the approved Savings

Strategy i.e. Asset Strategy; Service Reviews; Core Budgets. The recent Peer Review also reinforced the need for a robust savings strategy to close the anticipated £1million funding gap, and to undertake and implement a base budget review, both of which have already been recognised by Council; however, a further recommendation has been made which could be considered as part of this Savings Strategy:

- Develop a commercial strategy which defines what commercialisation means in Carlisle, risk appetite and potential scope of commercial activity;

3. FORECAST OUTTURN POSITION 2020/21

3.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end.

These include:

- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector and especially economic recovery following Covid-19.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
- The impact of the delay to the Spending Review, the Fair Funding Review and Business Rates Retention Review.
- The impact of Covid-19 – further government support through emergency funding and the new funding package in relation to the additional funds and a co-funding process for loss of income on sales, fees and charges.

3.2 The Council's financial position will continue to be closely monitored and likely year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.

3.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2021/22 budget process if the position is deemed to be recurring in nature.

4. IMPACT OF COVID-19

4.1 Emergency Funding

4.1.1 The MHCLG announced and allocated initially £3.2bn of emergency funding to local authorities to:

- Provide additional support for the homeless and rough sleepers, including where self-isolation is needed.
- Meet pressures across other services, as a result of reduced income, rising costs or increased demand.

4.1.2 The Council received £58,738 on 27th March from tranche 1 (£1.6bn) and £1,073,081 on 14th May from tranche 2 (£1.6bn), so £1,131,819 in total, which will be allocated across affected services.

4.1.3 A new comprehensive funding package for Councils has since been announced to help address coronavirus pressures and to cover lost income during the pandemic; although detailed guidance is still awaited, the support package covers:

- A further £500million of funding to cover local authority spending pressures;
- A co-payment mechanism for irrecoverable Sales, Fees and Charges income, with the Government covering 75% of losses beyond 5% of planned income;
- Phased repayment of Collection Fund deficits over the next 3 years;
- A commitment to determine what support is needed to help councils meet the pressures of irrecoverable tax income at the Spending Review.

The Council received £196,335 from this recent £500million allocation, but as yet no details of how the compensation for the loss of Sales Fees and Charges has been received. The guidance only refers to compensation for lost sales, fees and charges income and is currently silent on the reimbursement for any losses of commercial income which could also have a significant impact on our budget position.

4.1.4 Monthly returns are provided through DELTA to the MHCLG, with the latest return being submitted on 31st July 2020. An assessment of the annual impact is very difficult to predict but as more data is collected each month, the position will become clearer and therefore the estimates of lost income and additional costs incurred may change. The returns that have been submitted monthly show an overall position for the three months April to June 2020 as a total potential cost to the Council of £1,217,243; however, once additional income and cost savings in those areas affected are taken into account, the actual losses shown to the end of June in the budget monitoring (above) is £778,179.

4.1.5 The full-year impact for 2020/21 still has to be assessed with initial estimates indicating a potential annual cost of up to £3.7million. This excludes the impact of any cost savings or additional income generated which should be netted off this figure and doesn't reflect any receipt of any compensation payment for losses of Sales, Fees and Charges, nor does it reflect the impact on the Collection Fund.

4.2 Collection Fund

4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector, the net business rates payable for 2020/21 has reduced by approximately £21million from £44million to £23million.

4.2.2 The Council will be recompensed during the year for the 100% relief so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £23million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are shown in the following table, and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

To: June 2020		Collected £	% of Amount Collectable %
2020/21	Council Tax NNDR	18,885,338 6,493,519	28.22 28.27
Total		25,378,857	28.23
2019/20	Council Tax NNDR	18,583,582 13,667,431	29.07 31.14
Total		32,251,012	29.92
2018/19	Council Tax NNDR	17,467,897 14,038,501	29.07 31.21
Total		31,506,398	29.98

4.2.3 The £500million Hardship Fund will provide support to economically vulnerable people and households by providing relief to council taxpayers. The Council's allocation was £989,736 and our agreed scheme will provide a £300 reduction in council tax liability to working age recipients of the Council Tax Reduction Scheme (CTRS); with the balance of our allocation being used to support further applications for council tax support on a case by case basis.

- 4.2.4 The main risk relates to how the expected overall increase in CTRS claimants, and the associated cost of CTRS relief, will be funded and be provided to the Council. An increase in claimants directly impacts on the council tax base and ultimately the yield from council tax. The cost of the current CTRS scheme is shared between the main preceptors but there has been no government support announced as yet to provide funding for any increase in additional claimants. Similar to business rates, the collection rates for council tax will be closely monitored for cash flow, bad debts and increases in CTRS claimants.
- 4.2.5 The main risk for both business rates and council tax is the potential loss of income with the resulting impact on cash flow for the main preceptors on the Collection Fund. The technical nature of this fund means that any 2020/21 deficit will be reflected in the following years budget; however, the recent Government announcement means that any deficit can be recovered over a three-year period – this will be considered as part of the 2021/22 budget process.
- 4.2.6 New burdens funding will be provided for all of the schemes administered by the Council and to date £170,000 has been received in respect of the small business, and retail, leisure and hospitality grant schemes.

5. FUNDING

- 5.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the MHCLG has announced a 3-year deficit recovery period (see 4.2.5 above).
- 5.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 5.3 The current estimates of Business Rates income for the quarter to the end of June has not yet been completed due to the deadline for NNDR3 being pushed back and the figures presented are as per initial estimates submitted in January 2020 and are shown in **Appendix D**.

The figures show that based on NNDR1 (prepared in January 2020), the Council may receive an extra £379,725 in business rates income over and above what it has budgeted for. However, it is anticipated that this position could change significantly throughout the year depending upon the performance of other authorities in the Cumbria Pool, the implications of Covid-19 and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported later in the year. A 3-year deficit period is now permitted for any Collection Fund deficits in accordance with new funding package announced recently by MHCLG.

6. BALANCE SHEET MANAGEMENT

6.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2020	Balance at June 2020	Note
Investments	£29.71m	£21.19m	(i)
Loans	£28.78m	£13.78m	(ii)
Debtors System	£1.67m	£2.13m	(iii)
Creditors System	£0.00m	£0.23m	

- (i) The anticipated annual return on these investments is estimated at £265,200 for 2020/21 with current forecasts anticipated to be in line with these projections.
- (ii) The cost of managing this debt (including any new debt budgeted for from 2020/21 onwards), in terms of interest payable, is budgeted at £1,506,700 in 2020/21 with costs currently showing a saving against budget due to new borrowing not entered into yet and also a budget saving against the final stock issue interest payment.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.
- (iv) The Council's VAT partial exemption calculation for the period ending June 2020 has been calculated and, at 1.08%, is well below the 5% limit set by

HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities, however mitigating issues have been put in place i.e. opting to tax the Civic Centre.

7. BAD DEBT WRITE-OFFS

7.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £176,582.75 have been written off during Quarter 1 to the end of June 2020. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	7,633.34
Council Tax (Collection Fund)	29,326.16
NNDR	139,623.25
Total Write-offs	176,582.75

7.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £2,397.93, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	6.77
Council Tax (Collection Fund)	2,066.03
NNDR	325.13
Total Write-ons	2,397.93

7.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

7.4 The level of outstanding debt has increased during the pandemic and a ‘soft’ debt recovery process has now been agreed whereby letters are being issued asking debtors to contact the Council to discuss flexible repayment terms, and a sign post to the CTRS scheme for council tax payers.

8. RISKS

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

9. CONSULTATION

- 9.1 Consultation to date.
SMT and JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 3 September 2020.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 10.1 The Executive is asked to:
- (i) Note the budgetary performance position of the Council to June 2020;
 - (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
 - (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
 - (iv) Make recommendations to Council to approve virements of £640,000 as detailed in paragraph 2.4 to fund the Leisure Contract variation.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 11.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the first quarter of 2020/21 shows the delivery of these priorities within budget.

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

Appendices A, B1 to B7, C to E.
attached to report:

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

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

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

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2020/21

VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2020

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
23/07/2018	Release of funding from Carry Forward Reserve to fund fixed term Planning post	Non-recurring	16,300	Corporate Director of Finance and Resources
01/05/2020	Release of funding from Planning Services Reserve for additional staffing resource	Non-recurring	38,200	OD.76/20 Corporate Director of Economic Development
05/06/2020	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	102,300	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	99,700	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for Rough Sleeping Initiative	Non-recurring	68,300	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for Rapid Rehousing Pathway	Non-recurring	42,300	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for Homelessness Prevention & Accommodation	Non-recurring	13,100	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for Homelife	Non-recurring	22,000	Corporate Director of Finance and Resources
05/06/2020 & 02/07/2020	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	45,700	Corporate Director of Finance and Resources
05/06/2020	Release of funding from Revenue Grant Reserve for Regeneration Projects	Non-recurring	37,000	Corporate Director of Finance and Resources
16/06/2020	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	9,900	Corporate Director of Finance and Resources
26/06/2020	Release of funding from Carry Forward Reserve for One Public Estate	Non-recurring	6,000	Corporate Director of Finance and Resources
02/07/2020	Release of funding from Revenue Grant Reserve for Affordable Housing	Non-recurring	3,500	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
14/07/2020	Revenue carry forwards from 2019/20 into 2020/21	Non-recurring	811,000	Council RD13/20
14/07/2020	Release of Flood Reserve to fund Civic Centre Development	Non-recurring	1,944,200	Council RD 14/20
14/07/2020	Reallocation of additional funding from Business Rates to fund Civic Centre Development	Non-recurring	237,600	Council RD 14/20

REVENUE BUDGET MONITORING 2020/21

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	18,299,900	(5,327,400)	(2,819,300)	10,153,200
Budget to date	4,294,809	(1,378,086)	(814,815)	2,101,908
Total Actual	4,171,775	(1,071,379)	(768,857)	2,331,539
Variance	(123,034)	306,707	45,958	229,631
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(123,034)	306,707	45,958	229,631

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(29,336)	285,492	54	256,210
Bereavement Services	2	(7,635)	(79,725)	84	(87,276)
Healthy Cities	3	90,564	18,636	0	109,200
Other Green Spaces	4	(37,975)	62,672	79	24,777
Recycling and Waste Services	5	(40,446)	(29,081)	(2,248)	(71,775)
Miscellaneous	6	(98,206)	48,712	47,989	(1,505)
Total Variance to date		(123,034)	306,707	45,958	229,631

Note	Community Services - Comments
1.	Various minor underspends; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Various minor underspends; increased cremation fee income.
3.	An overspend on the Leisure contract due to a variation to contract;
4.	Savings on supplies and services offset by shortfall in income received due to sites being closed as a result of the Covid-19 restrictions.
5.	Underspends on transport costs; surplus income from plastic and card recycling.
6.	Minor underspends, shortfall in income and trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	6,577,700	(1,427,500)	(3,551,900)	1,598,300
Budget to date	2,117,911	(746,727)	(889,034)	482,150
Total Actual	2,064,191	(686,176)	(888,062)	489,953
Variance	(53,720)	60,551	972	7,803
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(53,720)	60,551	972	7,803

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Revenues and Benefits	1	(41,081)	40,676	116	(289)
Miscellaneous	2	(12,639)	19,875	856	8,092
Total Variance to date		(53,720)	60,551	972	7,803

Note	Corporate Support - Comments
1.	Underspends on employee related and supplies and services; offset by shortfall in income from recovery.
2.	Minor underspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	3,478,200	(1,005,200)	(493,800)	1,979,200
Budget to date	872,945	(277,774)	(123,601)	471,570
Total Actual	883,061	(209,321)	(123,450)	550,290
Variance	10,116	68,453	151	78,720
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	10,116	68,453	151	78,720

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Business Interaction Centre	1	31,044	(7,575)	0	23,469
Development Control	2	(6,343)	31,364	0	25,021
Building Control	3	(8,633)	48,633	0	40,000
Miscellaneous	4	(5,952)	(3,969)	151	(9,770)
Total Variance to date		10,116	68,453	151	78,720

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; increase in income.
2.	Underspend on advertising; shortfall in fee income.
3.	Underspend on employee related salary expenditure; shortfall in fee income received.
4.	Minor underspends and a increase in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	23,179,700	(18,467,900)	(3,320,200)	1,391,600
Budget to date	6,993,134	(4,614,166)	(633,528)	1,745,440
Total Actual	6,341,002	(4,662,524)	(633,521)	1,044,957
Variance	(652,132)	(48,358)	7	(700,483)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(652,132)	(48,358)	7	(700,483)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(625,369)	(46,319)	0	(671,688)
Miscellaneous	2	(26,763)	(2,039)	7	(28,795)
Total Variance to date		(652,132)	(48,358)	7	(700,483)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet and a budget saving against the final stock issue interest payment; higher than expected returns to date on investments due to higher cash balances.
2.	Minor underspends and surplus income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	11,003,800	(5,753,800)	(3,620,000)	1,630,000
Budget to date	2,956,530	(1,665,901)	(906,044)	384,585
Total Actual	2,836,326	(1,645,852)	(866,713)	323,761
Variance	(120,204)	20,049	39,331	(60,824)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(120,204)	20,049	39,331	(60,824)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Buildings & Facilities Services	1	(46,566)	(10,165)	38,801	(17,931)
Other Rental Properties	2	10,112	(82,497)	0	(72,385)
Homeless Accommodation	3	1,069	89,515	0	90,584
Miscellaneous	4	(84,818)	23,196	530	(61,092)
Total Variance to date		(120,204)	20,049	39,331	(60,824)

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure; additional rental income; shortfall in trading income.
2.	Overspend on premises & supplies & services; shortfall in rental income offset by additional reimbursement income.
3.	Shortfall in income as a direct result of Covid-19 as changed to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
4.	Minor underspends and shortfalls in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	1,663,300	(1,676,000)	0	(12,700)
Budget to date	166,830	(373,075)	0	(206,245)
Total Actual	77,987	(374,322)	0	(296,335)
Variance	(88,843)	(1,247)	0	(90,090)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(88,843)	(1,247)	0	(90,090)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(103,318)	(1,247)	0	(104,565)
Miscellaneous	2	14,475	0	0	14,475
Total Variance to date		(88,843)	(1,247)	0	(90,090)

Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£157,143) and shortfall in inflation savings to be found (£54,200).
2.	Minor overspends across other services within the Directorate.

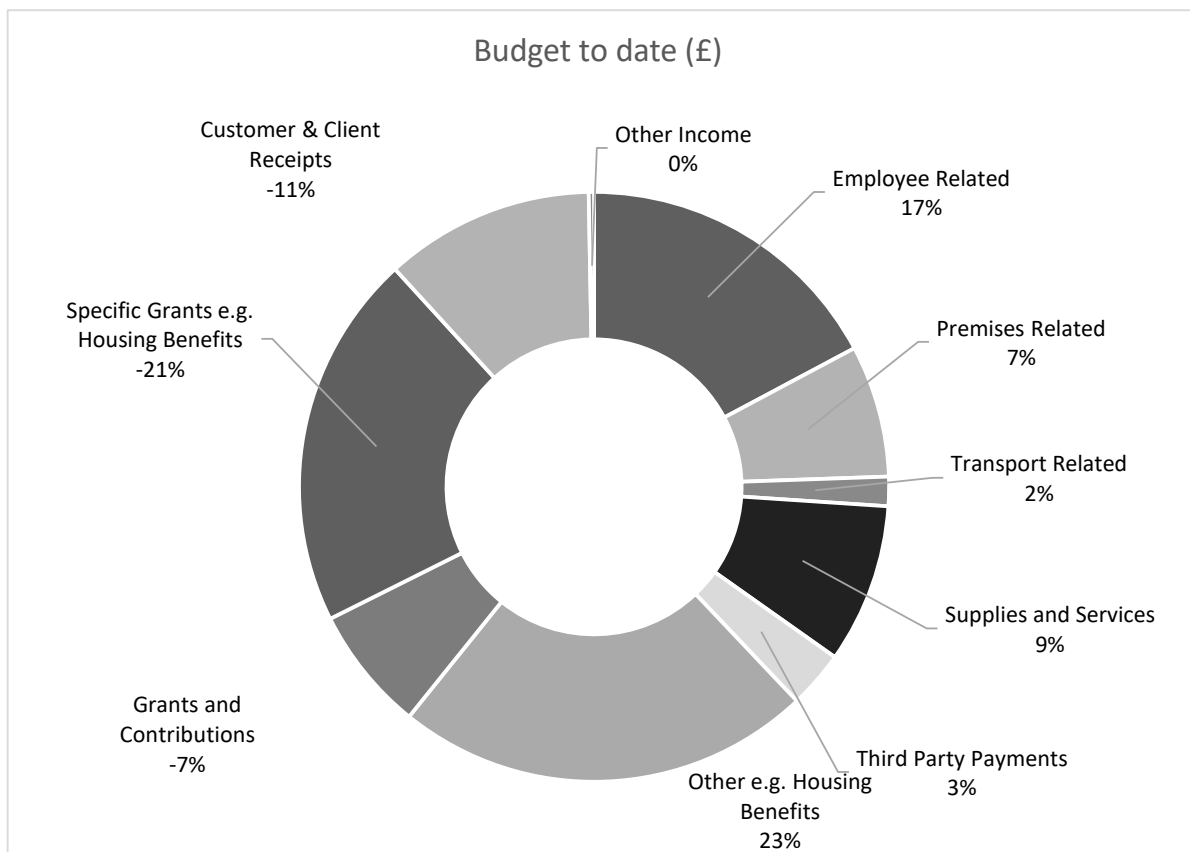
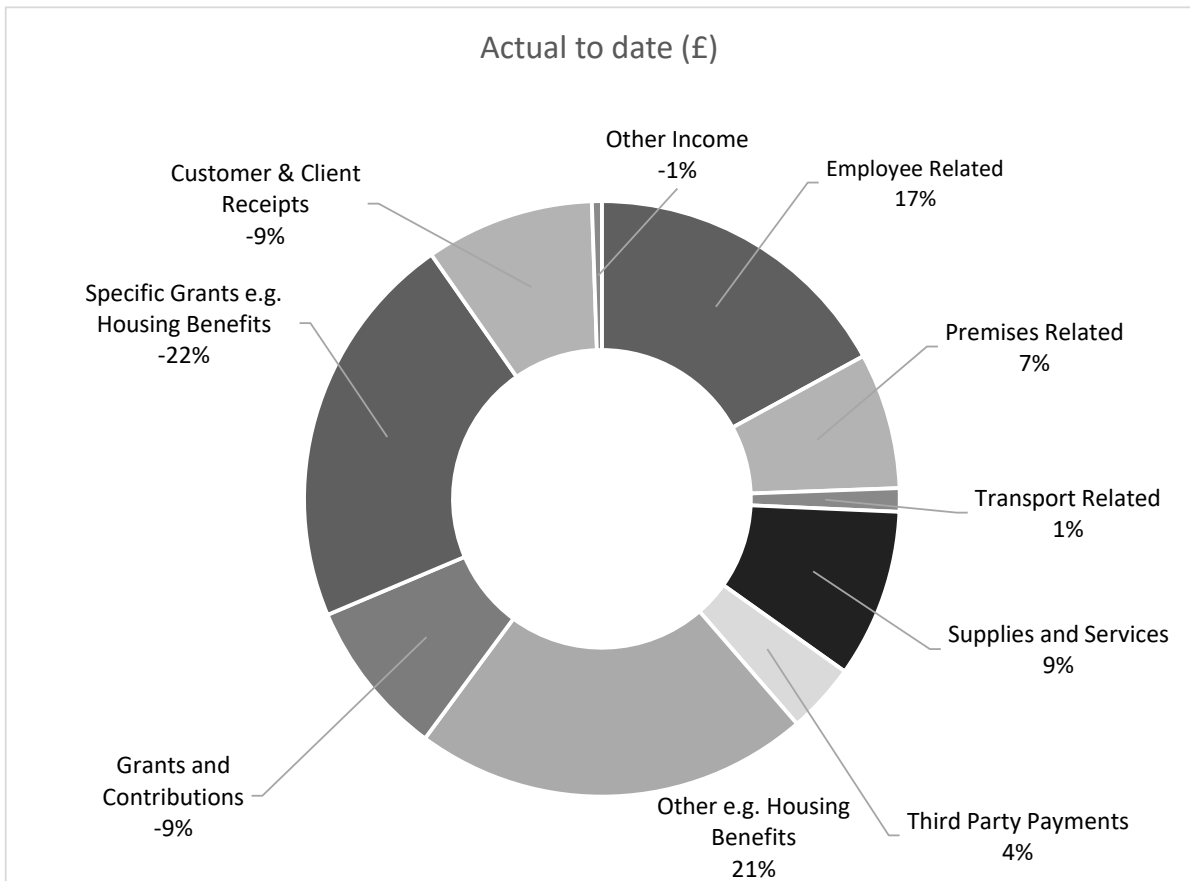
REVENUE BUDGET MONITORING 2020/21

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2020	£	£	£	£
Annual Budget	30,576,000	(30,032,000)	0	544,000
Budget to date	30,168,164	(30,032,000)	0	136,164
Total Actual	26,518,207	(31,105,801)	0	(4,587,594)
Variance	(3,649,957)	(1,073,801)	0	(4,723,758)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(3,649,957)	(1,073,801)	0	(4,723,758)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Corona Virus	1	66,085	(1,073,801)	0	(1,007,716)
Corona Virus - Grants	2	(3,742,000)	0	0	(3,742,000)
Flood Recovery	3	25,958	0	0	25,958
Total Variance to date		(3,649,957)	(1,073,801)	0	(4,723,758)

Note	Exceptional Items - Comments
1.	Overspend of expenditure to date against profiled budget; Government grant income received. Net underspend position but balance will be required to support other pressures/shortfalls in income as a result of Covid-19 that are currently reported against individual service areas e.g. car parking income.
2.	Balance of government grant income received (£30,032,000) still to be paid out.
3.	Overspend in relation to uninsured and reinstatement costs as a result of flooding caused by Storm Ciara. Potential insurance settlements are still being negotiated.

SUBJECTIVE ANALYSIS



BUSINESS RATES INCOME

	2019/20 Outturn (Draft)	2020/21 NNDR1	2020/21 Q1
Local Share of Income (Per NNDR1)	(16,465,732)	(17,018,157)	(17,018,157)
Renewables (Per NNDR1)	(355,377)	(376,067)	(376,067)
Renewables Bfwd (NNDR3 Previous Year)	(54,492)	4,686	4,686
Enterprise Zone (Per NNDR1)	(163,714)	(297,594)	(297,594)
Tariff (Per Final Settlement)	12,367,342	12,568,847	12,568,847
Section 31 Grants (reimbursement of funded reliefs)	(1,898,342)	(1,986,378)	(1,986,378)
Section 31 Grants (Flooding)	15,318	0	0
Estimated Collection Fund Deficit/(Surplus) per NNDR1	(180,188)	216,038	216,038
Levy Account Surplus	(11,118)	0	0
Levy Payable to Pool	1,043,367	1,450,000	1,450,000
Pool Redistribution	(616,000)	(810,000)	(810,000)
Total Income	(6,318,936)	(6,248,625)	(6,248,625)
Budget			
Baseline Funding	(3,388,600)	(3,468,900)	(3,468,900)
Additional Rates Income - Pooling/Growth	(2,484,300)	(2,400,000)	(2,400,000)
Total Budget	(5,872,900)	(5,868,900)	(5,868,900)
Additional Income retained	(446,036)	(379,725)	(379,725)

Note: due to the deadline for NNDR3 being pushed back, quarter 1 monitoring as not yet taken place and the figures reported are as per NNDR1.

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs June 2020		Comments
	No.	£	
NNDR (General)	6	139,623.25	01/04/20 to 30/06/20
Council Tax	33	29,326.16	01/04/20 to 30/06/20
Debtors:			
Private Tenants	0	0.00	01/04/20 to 30/06/20
Housing Benefit Overpayments	20	7,406.28	01/04/20 to 30/06/20
General Fund	7	61.06	01/04/20 to 30/06/20
Penalty Charge Notices:			
On Street	0	0.00	01/04/20 to 30/06/20
Off Street	2	166.00	01/04/20 to 30/06/20
TOTAL	68	176,582.75	

TABLE 2 Type of Debt	Write-Ons June 2020		Comments
	No.	£	
NNDR (General)	7	325.13	01/04/20 to 30/06/20
Council Tax	12	2,066.03	01/04/20 to 30/06/20
Debtors:			
Private Tenants	0	0.00	01/04/20 to 30/06/20
Housing Benefit Overpayments	0	0.00	01/04/20 to 30/06/20
General Fund	3	6.77	01/04/20 to 30/06/20
TOTAL	22	2,397.93	

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 17 AUGUST 2020

EX.96/20 **REVENUE BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO JUNE 2020**
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.20/20, the purpose of which was to provide an overview of the Council's overall budgetary position for the period April to June 2020 for revenue schemes only, together with details of the impact of COVID-19 on the revenue budget. The budgetary position as at June 2020 showed an updated Budget totalling £17,427,800.

The Deputy Leader highlighted, in particular, some of the significant service expenditure and income variances identified at paragraph 2.4.

Section 3 recorded that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end. The Council's financial position would continue to be closely monitored and the likely year end position would be reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable position for future years and to avoid any significant variance at the year end.

In conclusion, the Deputy Leader moved the recommendations set out in the report, which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

1. Noted the budgetary performance position of the Council to June 2020;
2. Noted the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6 of Report RD.20/20;
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.

4. Make recommendations to Council to approve virements of £640,000 as detailed in paragraph 2.4 to fund the Leisure Contract variation

Reasons for Decision

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



Report to Business & Transformation Scrutiny Panel

Agenda Item:
A.3

Meeting Date: 3 September 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: YES
 Public / Private: Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO JUNE 2020
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD 21/20

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council’s capital programme for the period April to June 2020 which was considered by the Executive on 17 August 2020.

Questions for / input required from Scrutiny:

Members are asked to scrutinise the variances contained within this report.

Recommendations:

Members of the Business & Transformation Scrutiny panel are asked to scrutinise the overall budgetary position for the period April to June 2020.

Tracking

Executive:	17 August 2020
Scrutiny:	3 September 2020
Council:	n/a

Report to Executive

Agenda
Item:

Meeting Date: 17 August 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:
 APRIL TO JUNE 2020
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD 21/20 (amended)

Purpose / Summary:

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to June 2020.

Recommendations:

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2020;
- (ii) Note adjustments to the 2020/21 capital programme as detailed in paragraph 2.1.

Tracking

Executive:	17 August 2020
Scrutiny:	3 September 2020
Council:	n/a

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

2. CAPITAL BUDGET OVERVIEW

- 2.1 The following statement shows the annual capital programme for 2020/21:

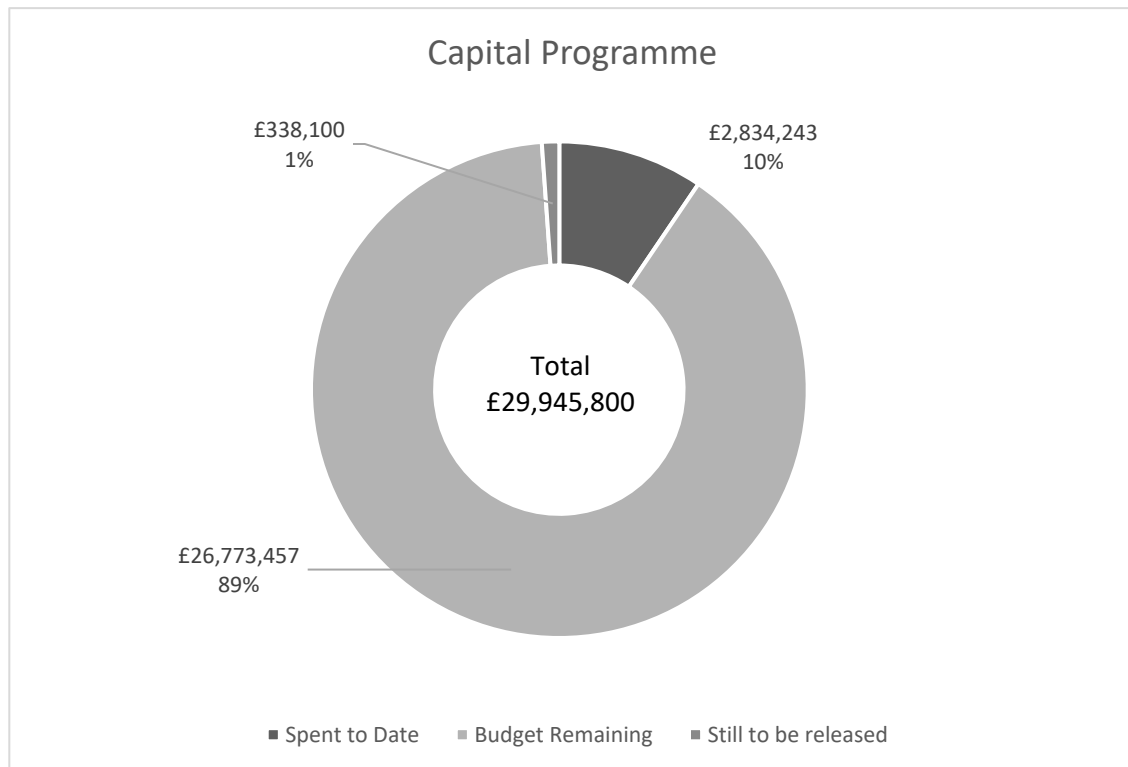
2020/21 Capital Budget	£
Original 2020/21 Programme (approved Feb 2020)	14,160,600
Carry forwards from 2019/20 (RD60/19 Council 03/03/20)	10,952,800
Carry forwards from 2019/20 (RD14/20 Council 14/07/20)	2,568,500
Increase for Civic Centre Development (RD14/20 Council 14/07/20)	2,581,400
Decrease to Programme for Civic Centre Development (RD14/20 Council 14/07/20)	(780,000)
Correction to funding of Civic Centre Development	(20,000)
Additional Disabled Facilities Grant (RD14/20 Council 14/07/20)	432,500
2020/21 Capital Programme (RD14/20 Council 14/07/20)	29,895,800
Grant received for Rough Sleeping Initiative (OD.65/20)	50,000
Revised 2020/21 Capital Programme (at Jun 2020)	29,945,800
Less Capital Reserves to be released by Executive (see para 3.7)	(338,100)
Revised 2020/21 Capital Programme (released)	29,607,700

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

3. 2020/21 BUDGET MONITORING

3.1 The position statement as at June 2020 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	21,176,000	1,137,232	1,113,946	(23,286)	3.3
Corporate Support	311,000	40,976	37,047	(3,929)	3.4
Economic Development	162,300	3,079	(60)	(3,139)	3.5
Governance & Regulatory Services	7,936,500	2,124,287	1,683,310	(440,977)	3.6
Total	29,585,800	3,305,574	2,834,243	(471,331)	
Exceptional Items	21,900	0	0	0	3.7
Total	29,607,700	3,305,574	2,834,243	(471,331)	
Reserves to be released	338,100	0	0	0	3.9
Total	29,945,800	3,305,574	2,834,243	(471,331)	



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

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

- 3.2 As at the end of June, expenditure of £2,834,243 has been incurred on the Council's core capital programme. When considered against the profiled budget of £3,305,574 this equates to an underspend of £471,331.
- 3.3 There are no significant variances to report in Community Services.
- 3.4 There are no significant variances to report in Corporate Support.
- 3.5 There are no significant variances to report in Economic Development.
- 3.6 The variance in Governance & Regulatory Services is attributable to an underspend of £442,726 on Disabled Facilities Grants. Spend in the first quarter of 2020/21 was £274,286 which is considerably less than the expenditure in the first quarter of 2019/20 (£526,880). The first quarter expenditure is less due to only essential grants being offered over the lock down period and many contractors were

furloughed. Grant work is now picking up as contractors return but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.

3.7 There are no significant variances to report in Exceptional Items (Flood Recovery capital expenditure).

3.8 The unspent balance remaining of the revised annual budget of £29,607,700 is £26,773,457. A review of the 2020/21 capital programme will be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.

3.9 A number of schemes are included in the capital programme for 2020/21 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £
Play Area Improvements	35,000
Cemetery Infrastructure	30,000
LED Footway Lighting Installation	203,100
Skew Bridge Deck	70,000
Total	338,100

4. FINANCING

4.1 The 2020/21 capital programme can be financed as follows:

	Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	29,945,800	29,607,700
<u>Financed by:</u>		
Capital Receipts / Borrowing	22,419,300	22,081,200
Capital Grants		
• Disabled Facilities Grant	1,899,800	1,899,800
• General	2,306,900	2,306,900
Direct Revenue Financing	3,223,100	3,223,100
Other Contributions	96,700	96,700
Earmarked Reserves	0	0
Total Financing	29,945,800	29,607,700

5. CAPITAL RESOURCES

5.1 The following table shows the position as at June 2020 of the capital resources due to be received during 2020/21:

	2020/21 Annual Budget £	2020/21 Actual £	2020/21 Not yet received £	Note
Capital Receipts				
· General	(180,000)	(180,000)	0	1
· Asset Review	(1,898,000)	(5,000)	1,893,000	1
· Vehicle Sales	0	(7,850)	(7,850)	2
Capital Grants				3
· Disabled Facilities Grant	(1,899,800)	(1,899,764)	36	
· Sands Centre	(2,000,000)	0	2,000,000	
· General	(283,700)	(50,000)	233,700	
Capital Contributions				
· Section 106	(96,700)	(71,773)	24,927	4
· Disabled Facilities Grants	0	(780)	(780)	
· General	0	0	0	
Total	(6,358,200)	(2,215,167)	4,143,033	

Notes:

1. Receipts for 2020/21 are anticipated to be received from asset review sales (£1,898,000) and general sales (£180,000). Included within general sales are receipts of £5,000 that are below the de minimis for capital receipts and will be transferred to revenue.
2. Included within vehicle sales are receipts of £7,850 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
4. Contributions from Section 106 agreements to Open Space Improvements (£80,700) and Play Area Developments (£16,000).

6. BALANCE SHEET MANAGEMENT

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.

- 6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2019/20 accounts, fixed assets totalled £156million (2018/19 £157million). This represents 94% of the net current assets of the City Council.
- 6.4 Debtors
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at June 2020 debtors of £180,000 (£2,013,685 at 31 March 2020) were outstanding for capital grants, contributions and receipts.
- 6.5 Creditors
This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at June 2020 totalled £115,565.15 (£1,054,384 at 31 March 2020).

7. PERFORMANCE

- 7.1 The 2020/21 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets now totalling £338,100 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities

and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.

- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

8. RISKS

- 8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included in **Appendix G**.

9. CONSULTATION

9.1 Consultation to Date

SMT & JMT have considered the issues raised in this report.

9.2 Consultation Proposed

Business & Transformation Scrutiny Panel will consider the report on 3 September 2020.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to June 2020;
- (ii) Note adjustments to the 2020/21 capital programme as detailed in paragraph 2.1.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 11.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A to G
attached to report:

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

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

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

FINANCE – Financial implications are contained in the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

Scheme	Original Capital Programme 2020/21 £	Carry Forwards from 2019/20 £	Carry Forwards from 2019/20 £	Other Adjustments £	Revised Capital Programme 2020/21 £
<u>Current non-recurring commitments</u>					
Sands Centre Redevelopment	10,962,200	5,037,800	679,300	0	16,679,300
On Street Charging Points Infrastructure	203,700	0	0	0	203,700
Gateway 44	0	5,000,000	21,900	(400,000)	4,621,900
Civic Centre Development	0	0	0	2,581,400	2,581,400
Funding carry forward to 2021/22 for Civic	0	0	0	0	0
Play Area Improvements	0	0	47,800	0	47,800
Open Space Improvements	0	0	80,700	0	80,700
Cemetery Infrastructure	0	0	5,700	0	5,700
Central Plaza	0	0	12,300	0	12,300
Planning Software	0	0	150,000	0	150,000
Bitts Park Flood Reinstatement	0	0	21,900	0	21,900
Rough Sleeping Initiative	0	0	0	50,000	50,000
	11,165,900	10,037,800	1,019,600	2,231,400	24,454,700
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	250,000	0	146,800	(20,000)	376,800
Vehicles, Plant & Equipment	648,000	0	884,400	0	1,532,400
Recycling Containers	45,000	0	0	0	45,000
ICT Infrastructure	281,300	0	29,700	0	311,000
	1,224,300	0	1,060,900	(20,000)	2,265,200
<u>Disabled Facilities Grants</u>					
Private Sector Grants	1,467,300	500,000	464,800	432,500	2,864,600
Empty Property Grants	0	0	23,200	0	23,200
	1,467,300	500,000	488,000	432,500	2,887,800
TOTAL	13,857,500	10,537,800	2,568,500	2,643,900	29,607,700
<u>Capital Reserves to be released</u>					
Cemetery Infrastructure	30,000	0	0	0	30,000
LED Footway Lighting Installation	203,100	0	0	0	203,100
Skew Bridge Deck	70,000	0	0	0	70,000
Play Area Improvements	0	35,000	0	0	35,000
Public Realm Improvements	0	380,000	0	(380,000)	0
	303,100	415,000	0	(380,000)	338,100
REVISED TOTAL	14,160,600	10,952,800	2,568,500	2,263,900	29,945,800

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	1,532,400	140,000	134,000	(6,000)	Replacement of vehicles to date is within the allocated budgets.
Cemetery Infrastructure	5,700	0	0	0	For further improvements to Fairy Beck due to be carried out in 2020/21.
On Street Charging Infrastructure	203,700	0	0	0	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant.
Civic Centre Development	2,581,400	20,000	11,920	(8,080)	Project progressing as planned with advanced works currently underway.
Play Area Developments	47,800	0	0	0	Works ongoing at Carlisle Drive Play Area but have been delayed due to Covid-19 restrictions.
Open Space Improvements	80,700	72,528	71,773	(755)	Fully funded by Section 106 monies.
Sands Centre Redevelopment	16,679,300	893,440	893,683	243	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and a revised expenditure profile is being developed to take account of delays as a result of Covid-19 restrictions.
Waste Minimisation	45,000	11,264	2,570	(8,694)	Purchase of waste receptacles are underspent against the profiled budget to date.
Grand Total	21,176,000	1,137,232	1,113,946	(23,286)	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	311,000	40,976	37,047	(3,929)	Part of ICT Strategy Business Case.
Grand Total	311,000	40,976	37,047	(3,929)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Central Plaza	12,300	3,079	(60)	(3,139)	Budget required to fund remaining costs of emergency works at Central Plaza.
Planning Software	150,000	0	0	0	Project yet to start.
Grand Total	162,300	3,079	(60)	(3,139)	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	376,800	21,264	16,698	(4,566)	Individual projects progressing as planned.
Rough Sleeping Initiative	50,000	7,500	7,500	0	Capital grant received from MHCLG for the development of the Rough Sleeping Initiative.
Gateway 44	4,621,900	1,372,704	1,373,326	622	Development and Improvement costs associated with the Junction 44 development.
Disabled Facilities Grants	2,864,600	717,012	274,286	(442,726)	Mandatory Grants. Only essential grants were offered over the lock down period. Grant work is now picking up but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.
Empty Property Grants	23,200	5,807	11,500	5,693	Discretionary grants to assist getting empty properties back into use.
Grand Total	7,936,500	2,124,287	1,683,310	(440,977)	

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	21,900	0	0	0	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
Grand Total	21,900	0	0	0	

Capital Programme – Risk Assessment

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	High	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Remote	High	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning.
VAT partial exemption rules are not considered.	Remote	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not monitored nor reviewed (post contract) to ensure that the original business case assumptions have been achieved	Reasonably probable	Marginal	Better project management skills (including contract monitoring) have been introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects, including post contract reviews.
Capital projects are not delivered to time	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council.	Reasonably Probable	High	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Remote	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. MHCLG grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 17 AUGUST 2020

EX.97/20 **CAPITAL BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO JUNE 2020**
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.21/20 providing an overview of the budgetary position of the City Council's capital programme for the period April to June 2020.

The position statement recorded that, as at the end of June 2020, expenditure of £2,834,243 had been incurred on the Council's core capital programme. When considered against the profiled budget of £3,305,574 that equated to an underspend of £471,331.

The unspent balance remaining of the revised annual budget of £29,607,700 was £26,773,457. A review of the 2020/21 capital programme would be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.

A number of schemes were included in the capital programme for 2020/21 that required reports to be presented to the Executive for the release of funding before the project could go ahead.

Details of the manner by which the capital programme would be financed; and the position as at June 2020 of the capital resources due to be received during 2020/21 were provided at paragraphs 4.1 and 5.1.

The 2020/21 programme had been kept to a level that took account of the Council's ability to deliver schemes with regard to capacity and available resources. Work was ongoing to continue to monitor the profiling of budgets which were adjusted to reflect progress in current capital schemes. It was likely that there would still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members were reminded that budgets totalling £338,100 were being held in reserves until approved by the Executive for release.

The Deputy Leader concluded his presentation by moving the recommendations which were duly seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

1. Noted and had commented upon the budgetary position and performance aspects of the capital programme for the period April to June 2020.
2. Noted adjustments to the 2020/21 capital programme as detailed in paragraph 2.1 of Report RD.21/20.

Reasons for Decision

To keep Members informed of the budgetary position of the Council's Capital Programme for the period April to June 2020.

Report to Business & Transformation Scrutiny Panel

Agenda Item:
A.4

Meeting Date: 3rd September 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: SICKNESS ABSENCE REPORT 2019/20 & Q1 2020/21
 Report of: Corporate Director of Finance and Resources
 Report Number: RD.24/20

Purpose / Summary:

This report sets out the authority's sickness absence levels for the period April 2019 to June 2020 and other sickness absence information.

Recommendations:

- 1) Scrutinise and comment on the information on sickness absence provided in the report.

Tracking

Executive:	Not applicable
Scrutiny: BTSP	3 September 2020
Council:	Not applicable

1. BACKGROUND

The Council has an Attendance Management Policy which was written and implemented in 2004 (with changes incorporated since that date) and it has already been recognised that a fundamental review of said policy is required which will benefit from clearer, more transparent trigger points. Business and Transformation Scrutiny Panel met on 13th February 2020 and during a discussion on the Sickness Absence Report, it was resolved that a Task and Finish Group would be established to assist the HR Manager in reviewing the Attendance Management Policy which would enable Managers to more effectively manage absence. The aims of the Task and Finish Group are to:

- Review existing policy, seek advice from HR team on strengths and challenges of existing policy
- Research examples of good practice
- Develop recommendations to share with Business and Transformation Scrutiny Panel (BTSP)

Current sickness statistics are shown below, with the number of days lost per FTE equating to 12.1 in 2019/20 (10.4 2018/19) and 2.1 in the first Quarter of 2020/21 (2.0 2019/20).

2. 2019/20 and 2020/21 SICKNESS ABSENCE

The tables below show the 12.1 (2019/20) and 2.1 (Q1 2020/21) days lost per FTE split between long and short-term sickness (long term sickness is defined as any absence more than 4 consecutive working weeks):

2019/20	Days Lost	Days Lost per FTE
Long-term	3,483 (69%)	8.3 (69%)
Short-term	1,582 (31%)	3.8 (31%)
Total	5,065	12.1

To end Q1 2020/21	Days Lost	Days Lost per FTE
Long-term	741 (80%)	1.7 (80%)
Short-term	181 (20%)	0.4 (20%)
Total	922	2.1

The tables below provide absence levels split by directorates for 2019/20 and previous years. New staffing structures were in place with effect from 1 October 2016 and 1 October 2018.

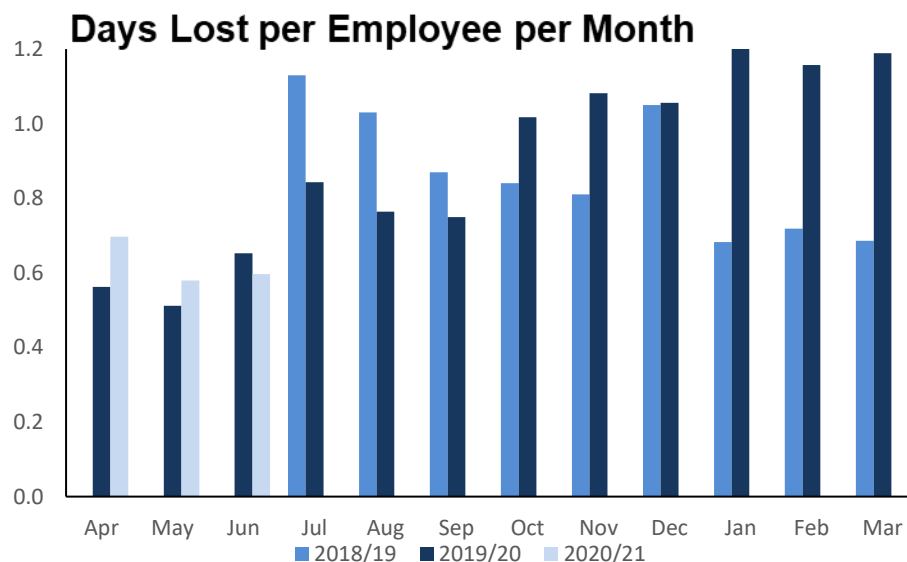
All Directorates (478 head count/415 Full-Time Equivalents (FTE) as at 31/03/20)				
Indicator	2016/17	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE	7.4	9.3	10.4	12.1
Number of working days lost due to sickness absence	3,037	3,875	4,260	5,065
Proportion of sickness absence that is long term (four working weeks or more)	48%	58%	65%	69%
Community Services (179 head count/170 FTE)				
Indicator	2015/16	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE		12.6	13.1	12.8
Number of working days lost due to sickness absence		2,078	2,139	2,116
Proportion of sickness absence that is long term (four working weeks or more)		69%	68%	64%
Economic Development (42 head count/39 FTE)				
Indicator	2015/16	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE		3.6	4.4	5.4
Number of working days lost due to sickness absence		128	157	200
Proportion of sickness absence that is long term (four working weeks or more)		0%	33%	37%
Governance and Regulatory Services (132 head count/106 FTE)				
Indicator	2015/16	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE		8.6	11.3	11.7
Number of working days lost due to sickness absence		902	1,165	1,308
Proportion of sickness absence that is long term (four working weeks or more)		59%	78%	77%
Corporate Support* (81 head count/66 FTE)				
Indicator	2015/16	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE				11.3
Number of working days lost due to sickness absence				795
Proportion of sickness absence that is long term (four working weeks or more)				65%
Finance and Resources* (44 head count/34 FTE)				
Indicator	2015/16	2017/18	2018/19	2019/20
Working days lost due to sickness absence per FTE				19
Number of working days lost due to sickness absence				647
Proportion of sickness absence that is long term (four working weeks or more)				82%

*Corporate Support and Finance and Resources directorates restructures took effect from 1st October 2018, therefore reporting on new directorates has commenced from 2019/20.

In 2019/20 there was a 16% increase in overall days lost per employee when compared to the previous year. 62 employees were absent long-term (those cases where the absence is 4 working weeks or more) throughout the year; 9 more than the previous year. 5 of the 62 instances remained open as at 27th July 2020 and 29 of the instances were due to ‘Stress, depression, mental health, fatigue syndromes’.

In Quarter 1 of 2020/21 there were 26 employees absent long-term. Only 8 of these instances began this year i.e. since 1st April. 2.1 days per FTE were lost in this quarter. The first quarter of the year usually accounts for approximately one-fifth of the annual days lost. This would mean 10.5 days per FTE will be lost in 2020/21 if this pattern continues.

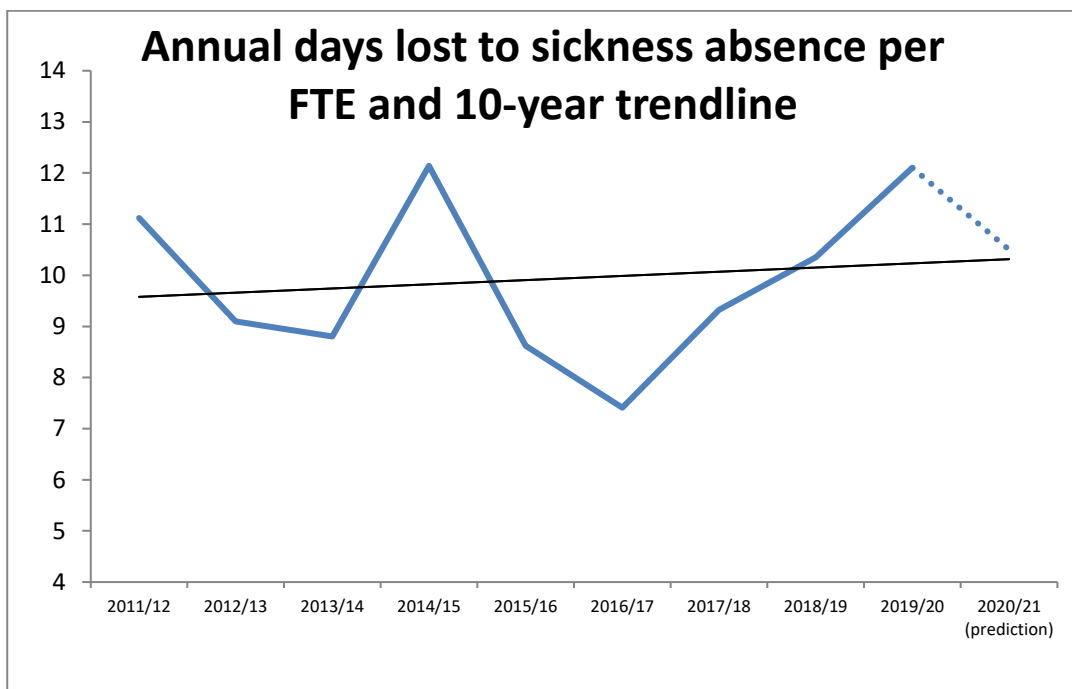
The following graph compares the latest twelve months with those of the previous year. Quarters 3 and 4 (October 2019 to March 2020) has seen a significant increase from the same period last year. This goes against the trend of the improvements seen in the months previous to October. The increase was mainly due to an increase in ‘Stress, depression, mental health, fatigue syndromes’ cases but it is also worth noting that days lost to ‘Infections (incl. colds and flu)’ increased by 33% compared to the same six months of 2018/19. The latest quarter (April to June 2020) is more on par with the same period last year.



3. TRENDS

Authority-wide, compared to 2018/19, 2019/20 levels of sickness have increased by 16%. The long-term trend based on a forecast for 2020/21 can be seen in the graph below. The first quarter of 2020/21 has been similar to 2018/19 but the medium to long term direct and indirect impacts of the Covid-19 pandemic on the Authority's sickness absence level are difficult to predict. However, absences will continue to be proactively managed and the absence data monitored for any emerging issues.

The black line is the long-term trendline.



4. SICKNESS ABSENCE REASONS

The reasons for sickness absence in 2019/20 are shown in the table below. The table shows the FTE days lost due to each reason for the sickness absence and is split by directorate. 'Stress, depression, mental health, fatigue syndromes' currently represents the absence reason with the greatest days lost (1,469 days). 85% of these 1,469 lost days were from 29 long term absentees. 4 of these 29 cases from 2019/20 were still open ended as at 27th July 2020.

FTE Days lost by reason and directorate	Comm. Services	Corporate Support	Economic Dev't	Financial Services	Gov & Reg Services	Total
Back and neck problems	94	58		139	14	304 (6%)
Other musculo-skeletal problems	434	58	61	89	139	781 (15%)
Stress, depression, mental health, fatigue syndromes	823	151	7	123	365	1,469 (29%)
Infections (incl. colds and flu)	133	107	31	24	153	449 (9%)
Neurological (incl. headaches and migraine)	14	22	3	18	11	66 (1%)
Genito-urinary / gynaecological	30	7	34	2		73 (1%)
Pregnancy related (not maternity leave)						-
Stomach, liver, kidney & digestion (incl. gastroenteritis)	312	186	41	11	125	675 (13%)
Heart, blood pressure & circulation	31	145			127	303 (6%)
Chest & respiratory (incl. chest infections)	192	1	7	5	48	253 (5%)
Ear, eye, nose & mouth / dental (incl. sinusitis)	40	53	13	4	13	122 (2%)
Other	14	10	3	233	314	573 (11%)

'Stress, depression, mental health, fatigue syndromes' has continued to be the greatest contributor to sickness in the first quarter of 2020/21.

The top 4 reasons for sickness absence for **1 April 2020 to 30 June 2020** are:

Reason	Percentage
Stress, depression, mental health, fatigue syndromes	46%
Other musculo-skeletal problems	19%
Other	10%
Chest and Respiratory (incl. chest infections)	7%

5. RETURN TO WORK INTERVIEWS (RTW)

Up to the end of 2019/20, 97.4% of return to work interviews were conducted (2018/19: 97.4%). The time taken to complete the interviews and the proportion completed within five working days has also been included in the table below:

Directorate	Proportion of RTWs conducted	Average time taken to complete RTW (working days)	Proportion of RTWs completed within 5 working days
Community Services	98%	4.4	82%
Corporate Support	97%	4.7	82%
Economic Development	100%	5.5	68%
Finance & Resources	96%	5.8	72%
Governance & Regulatory Services	95%	6.0	68%
All Directorates	97.4%	5.0	77%

Up to the end of Quarter 1 2020/21, 96.8% of return to work interviews have been conducted. 77% of these were completed within five working days.

6. KEY ACTIVITIES TO SUPPORT ATTENDANCE MANAGEMENT

HR, Organisational Development (OD), Health & Safety and Occupational Health all continue to work closely to proactively manage all sickness absence cases, attendance at work and health surveillance and promotion.

The Council's Occupational Health provider changed on 1st June 2020 and it is hoped that as they are Carlisle based it will help with more timely management and good working relationships.

The Task and Finish Group, to review the Attendance Management Policy, has been established, formed by Members working alongside HR. Meetings were held in June, July and August 2020. In the August meeting draft flowcharts of the management of sickness absence were discussed. Following agreement of the flowcharts, a new policy will be drafted. Discussions and input have been very positive, and HR are thankful to Members for their input.

It is anticipated that the revised policy will have much clearer triggers and more definitive processes for managing absences which will not only allow Managers to be more effective

in managing absences (both long and short term) and respective trigger points but will also facilitate closer working arrangements between HR and Managers.

In December 2019 the Council were awarded the Better Health at Work – Silver Award and are now working towards achieving the Gold Award.

It is worth noting that March 2020 saw the Covid-19 Pandemic affect the ways of working and most of the Council staff, where they are able, continue to work remotely. All activity has been moved to a virtual and/or electronic basis.

The following initiatives were arranged from April 2020 to June 2020 to improve health and wellbeing and reduce sickness absence:

- A Virtual Health and Wellbeing Day was arranged for 9 July 2020. Numerous presentations/activities - Science of Wellbeing, Stress and Resilience, Men's Health, Mood Food, Meditation and Sleep.
- Mental Health Awareness Week – help and links organised by OD;
- Mental Fitness & Resilience Resources provided by North West Employers – organised by OD;
- Virtual Mood Monday Chat – organised by Aaron Linden;
- Men's Health Week – Virtual Presentations – organised by OD;
- Men's Health Week – Virtual Chart – organised by Jack Dilley (Governance & Regulatory Services);
- Virtual Training Session – Coping Skills for Anxiety at Work (to run July 2020);
- Wellbeing pages on the intranet - which include support for mental health, carers and general wellbeing – ongoing;
- Wellbeing newsletters emailed to staff – ongoing;
- EAP - Employee / Employer Monthly Newsletters sent to staff and managers – ongoing.

The following initiatives were also arranged in April 2019 to March 2020 to improve health and wellbeing of staff:

- Re-think your drink – scratch card sent to all staff in May to rate their alcohol intake;
- Mental Health Awareness Week – links emailed to staff to EAP webinars – May;
- Walking Event – Carlisle 10k in Ten Day Event – June;
- Healthy meals - Eating 5-a day sessions arranged by Health Advocates – June;
- Menopause Drop In – June and October;
- Cholesterol Checks – June;
- Big Lunch – June;
- First Aid Room and Breast Feeding Room set up on 1st Floor of the Civic Centre – June;
- Outdoor gym sessions – September;
- Carlisle City Council Football Tournament held in September;
- Migraine Awareness Week – email sent to staff in September;

- Bio resilience training – October;
- Health and Wellbeing session – Digestive Conditions – October;
- Flu vaccinations for staff – November;
- Physio – Neck and Back care - lunchtime learning – November;
- Deskercise booklet emailed to staff – November;
- Alcohol Awareness campaign – Free Mocktails – December;
- Health and Wellbeing Survey sent to staff – February;
- Time to Talk Event held in February;
- Wellbeing, support for mental health and support for those working remotely information sent to staff during March;
- Lunchtime Learning – Mindful craft classes, crochet and advanced crochet - ongoing;
- Lunchtime walks – ongoing;
- Physio Pilates – ongoing;
- Meditation – ongoing;
- Yoga early morning and evening sessions;
- Counselling service – ongoing;
- Wellbeing pages on the intranet - which include support for mental health, carers and general wellbeing – ongoing;
- Staff rest room – ongoing;
- Free Fruit Tuesday – ongoing;
- EAP - Employee / Employer Monthly Newsletters sent to staff and managers – ongoing.

7. PROPOSALS

None

8. RISKS

None

9. CONSULTATION

The report was reviewed by the Senior Management Team in August 2020.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise and comment on the sickness absence information with a view to driving continuous improvement.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Monitoring sickness absence to help ensure the staff resources available to deliver the Carlisle Plan are maximised.

Contact Officer: Sue Kaveney
Gary Oliver

Ext: 7071
7430

Appendices
attached to report:

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

- **None**

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report highlights the positive interventions taken around mental health in the workplace. This work demonstrates our commitment to the Public Sector Equality Duty and is consistent with the Equality Policy and Action Plan.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

PROPERTY SERVICES - This report raises no explicit issues relating to Property Services

**Report to Business &
Transformation Scrutiny
Panel**

Agenda
Item:

A.5

Meeting Date: 3rd September 2020
Portfolio: Finance, Governance & Resources
Key Decision: Not Applicable:
Within Policy and
Budget Framework NO
Public / Private Public

Title: CORPORATE RISK REGISTER
Report of: Deputy Chief Executive
Report Number: CS 21/20

Purpose / Summary:

The purpose of this report is to update members of the Business and Transformation Scrutiny Panel on the management of the Council's Corporate Risk Register.

Recommendations:

The Panel is asked to scrutinise and comment on the current Corporate Risk Register, as set out in Appendix One.

Tracking

Executive:	Not applicable
Overview and Scrutiny:	Not applicable
Council:	Not applicable

1. BACKGROUND

In accordance with the Council's Risk Management Assurance Framework, the Corporate Risk Register (CRR) has been submitted to the Business and Transformation Scrutiny Panel for monitoring on a six-monthly basis. This report contains the revised current CRR, attached at Appendix 1 for consideration and comment.

2. PROPOSALS

Corporate Risk Register – progress since the last report to Business & Transformation Scrutiny Panel on 25th July 2019.

- 2.1 It is some time since this Panel received an update on the Council's Corporate Risk Register, it was due for consideration at the March meeting, which was subsequently cancelled owing to the Covid-19 pandemic.
- 2.2 Members will be aware that the Corporate Risk Management Group (CRMG) is responsible for delivering and reviewing the Risk Management Assurance Framework, maintaining and improving risk management processes as well as monitoring and advising on the Council's Corporate Risk Register.
- 2.3 The CRMG meets quarterly and most recently met on the 3rd August. Special meetings will be called by the Chair should risks be escalated and require an intervention from the CRMG or Senior Management Team.
- 2.4 The CRR was last reviewed by the CRMG at its 3rd August 2020 meeting. The control strategy narrative as well as assessment dates and target risk scores have been updated since this meeting and an up to date version is attached at Appendix One.
- 2.5 Members will note the additional corporate risk relating to the potential financial implications on the Council's revenue and capital budgets owing to the impact of Corona Virus. The World Health Organisation declared the Coronavirus Covid-19 outbreak as a pandemic and full UK lockdown followed. The threat the virus continues to present warrants escalating to the Corporate Risk Register.

- 2.6 Members will also note the additional corporate risk on the Carlisle Southern Link Road. In July 2020 the City Council and the County Council signed a Grants Agreement with Homes England for £134M funding for the Southern Relief Road. In addition, the City Council entered into a Collaboration Agreement with the County Council. As a result the City Council are obliged to achieve certain milestones which are set out in Appendix One to this report.
- 2.7 Members are asked to note that none of the corporate risks have escalated in their RAG rating since this was last reported.
- 2.8 The Council's Risk Management sub-group has continued to meet. This sub-group is chaired by the Chief Executive's Office Manager. Penholders for the risk registers are required to attend meetings and present the operational/project risk register that they are responsible for. The Sub-Group acts as a "critical friend" ensuring that risks are comprehensive; accurately scored; relevant, that a consistent approach has been taken etc. There are two operational level risk registers that have yet to be considered by the sub-group.
- 2.9 The sub-group focuses on risks at an operational/directorate level. Issues raised here can be escalated to the CRMG if deemed appropriate. The CRMG receive the minutes from the Sub-Group for information as a standing item on their agenda.
- 2.10 Updates of operational risk registers for this period have been completed within the specified timescales as set out in the City Council's Risk Management Assurance Framework. These updates are co-ordinated via SharePoint which has been a successful migration from Project Server.
- 2.11 As reported to panel members previously, the new system provides us with greater functionality and the ability to manipulate data to feed into our reporting requirements as well as a dashboard which can show at a glance the number of risks with a red rating; those risk registers which have yet to be updated; those risks which have escalated in the last quarter that might require attention.
- 2.12.1 In light of the current Covid-19 pandemic, risk register owners were asked to review their operational risks and to amend current or add new risks so as to reflect the emerging picture. Colleagues in Property Services, Neighbourhood Services, Customer Contact, Finance & Resources, Building Control plus others responded. The result is a Covid-19 specific operational risk register containing twenty-seven

operational level risks. Newly identified risks are around income shortfall; reputational damage associated with cancellation of events, the impact an outbreak could have on staffing levels in key service areas and so on. This is hosted on SharePoint and will be monitored by the Risk Management Sub-Group. Regular updates on these risks will be sought.

- 2.13 Risk registers associated with our corporate level projects will also be hosted on SharePoint. These are currently being collated. Work is underway to further enhance the SharePoint site so it can act as a central repository for information relating to corporate and operational level risks. It is proposed that these risk registers are also monitored by the Risk Management Sub-Group going forward. Members will be kept informed as this work progresses.

3. CONSULTATION

Corporate Risk Management Group meeting on 3rd August 2020.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel is asked to scrutinise and comment on the Corporate Risk Register as set out in Appendix One.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Corporate Risk Register is reviewed quarterly, it is the strategic risk assessment for the Carlisle Plan.

Contact Officer: Tracey Crilley

Ext: 7114

Appendices :

Appendix 1 – Corporate Risk Register attached to report

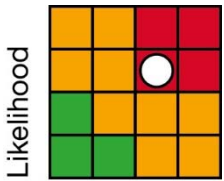
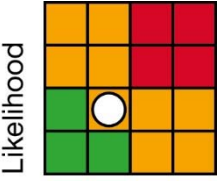
Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

Corporate Risk Register –August 2020

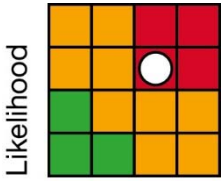
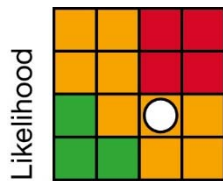
The inclusion of the previous and current risk matrices shows the effect that the control strategies have had on risk ratings since the last update. A target risk matrix shows the risk level that the Council is aiming to achieve from the successful implementation of the control strategies and the date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

Preparing for the future funding of local government from 2020

There is a risk that the Government fails to communicate changes to future local government funding from 2020 in a timely manner, meaning that the City Council cannot effectively prepare for these changes.

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	August 2020	9	<p>The Senior Management Team and the Finance & Resources Directorate are focussed on monitoring the development of government/local taxation and funding proposals for District Councils. However, the Government has confirmed that the two reviews; A Review of Local Authorities Relative Needs and Resources & The Business Rate Retention Reform (75%), will no longer be implemented in 2021/22. The Comprehensive Spending Review expected later this year has also been deferred until 2021. Therefore, it is likely that there will be a one-year Spending Round for 2021/22 only, meaning that we still do not yet have a sufficiently clear picture of future funding. It is only when the results of these reviews are provided that they can be used to inform our baseline funding levels for 2022/23; however, this may not be known until the autumn of 2021.</p> <p>The MTFP and Capital Investment Strategy for 2021/22 to 2025/26 are currently be considered and will be approved by Council in September 2020. These include up to date announcements and guidance issued by Central Government on baseline funding and other specific grants and funding as a result of COVID-19. Therefore, we await the outcome of the two reviews to feed into the 2022/23 budget process, and in the meantime, continue to closely monitor our income and expenditure in key areas and keep abreast of any government announcements and guidance issued by the MHCLG.</p>	 <p>Likelihood</p> <p>Impact</p>

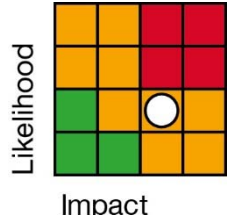
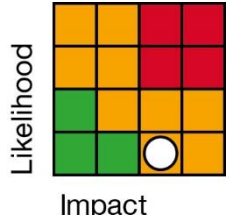
Impact Score	3		Target Risk Date	October 2021
Likelihood Score	3		Target Risk Score	4
			Lead Officer	Alison Taylor
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	BTSP

REVENUE/CAPITAL/ASSETS				
There is a risk that we fail to fully recognise and manage our operational and investment assets leading to high long-term dilapidation costs and reducing control on future capital decisions				
Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	August 2020	9	<ul style="list-style-type: none"> The Council has an approved Asset Management Plan which is updated annually in which it sets out its control strategy, including maintenance, of its operational and non-operational assets. Further, Council properties are subject to a rolling programme of inspection. The Medium-Term Financial Plan will also give consideration to the capital requirements of this programme. Following completion of condition surveys on our operational and investment portfolio an investment programme has been prepared and implemented to upgrade areas of the portfolio to ensure properties remain fit for purpose. 	

Impact score	3		Target Risk Date	February 2021
Likelihood score	3		Target Risk Score	6
			Lead Officer	Mark Lambert
			Portfolio Holder	Finance, Governance & Resources
			Scrutiny Panel	BTSP

ECONOMIC REGENERATION/DEVELOPMENT

There is a risk that we fail to effectively prioritise and resource key city regeneration sites and miss the opportunity to take these forward in a progressive manner that meets the Council’s aspirations.

Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
	August 2020	6	<p>The key regeneration sites continue to be progressed through the Borderlands Inclusive Growth Deal:</p> <ul style="list-style-type: none"> • Carlisle Railway Station: a detailed business case for improvements to the station has now been prepared to draw down the £15m funding identified for the project. • Citadels: the preparation of a detailed business case for the site is now underway for a mixed-use development including a new city centre campus for the University of Cumbria. • Caldew Riverside: a remediation appraisal and strategy for the site has been completed that has identified the costs and preferred approach to the clean-up and redevelopment. A strategic business case for the redevelopment of the site for housing has been prepared. <p>Two key regeneration opportunity sites have also been included in the Council’s business case for Future High Street Fund investment:</p> <ul style="list-style-type: none"> • Central Plaza: funding to support and accelerate the redevelopment of the site. • Former Hoopers building: funding to support and accelerate a repurposing of the building. 	

Impact score	3
Likelihood score	2

Target Risk Date	August 2020
Target Risk Score	3

Lead Officer	Jane Meek
Portfolio Holder	Economy, Enterprise and Housing
Scrutiny Panel	EGSP

ECONOMIC/ REGENERATION

There is a risk that the City Council will not fulfil its obligations as set out in the Carlisle Southern Link Road (CSLR) Grant Determination Agreement with Homes England and that subsequently the funding will be withdrawn, this meaning that the City Council will consequently have to pay the County Council £5m as agreed in the Collaboration Agreement with the County Council. The City Council are responsible for the Milestones that relate to St Cuthbert’s Garden Village (SCGV) and are reflected in the Collaboration Agreement. The key Milestones for the City Council are:

- 1) SCGV Masterplan finalised – 30 November 2020 2) Supplementary Planning Document for SCGV adopted – 30 April 2021 3) Final Housing Delivery Statement for SCGV – 30 September 2021
4) SCGV Local Plan adopted – 31 July 2022

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	August 2020	8	<ul style="list-style-type: none"> Joint County and City Strategic Partnering Board provide oversight on progress and achievement of milestones. Risk Register for the Board is a standing item on the agenda and is regularly updated. Strong Governance and project management arrangements and detailed project plan for preparing the Masterplan and the Local Plan. Detailed risk register is a standing item on the St Cuthbert’s Garden Village Strategic Board and is continually updated. Continued work with cross party St Cuthbert’s Garden Village Members’ Advisory Group (MAG) to ensure they remained briefed and supportive. MAG fulfil their role especially in relation to championing the project to wider members. Interim Procedures in place to guide early applications – design SPD and procedural guidance by legal advice on the strategy for handling planning applications for land release. Effective engagement strategy/comms plan and strong project management of engagement process. Timely feedback of outcomes of community consultation. 	

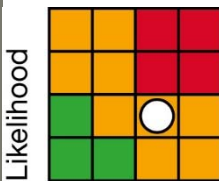
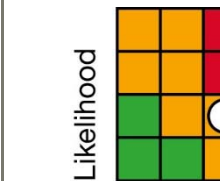
Impact score	4
Likelihood score	2

Target Risk Date	November 2020
Target Risk Score	4

Lead Officer	Jane Meek
Portfolio Holder	Economy, Enterprise & Housing
Scrutiny Panel	EGSP

RESOURCES

There is a risk that the City Council is unable to approve a balanced budget due to the financial impact of the COVID-19 pandemic

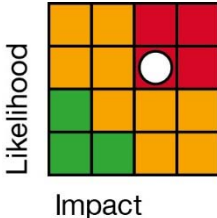

Present Matrix	Assessment Date	Present Risk Scores	Control Strategy/Mitigating Actions	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	August 2020	6	<p>The financial implications arising from COVID-19 continue to be monitored through monthly returns to the MHCLG. Emergency funding has been provided totalling £1.3million and a co-funding package has been recently announced to provide a mechanism for irrecoverable sales, fees and charges income, with the Government funding 75% of losses beyond 5% of planned income. The MHCLG has also announced that any deficits within the Collection Fund will be subject to a 3-year recovery period; this being a significant risk to the Council in terms of the potential loss of income received from Council Tax and Business Rates. The economic recovery of the city and surrounding areas, following the pandemic, and as part of the Recovery Strategy, is key to ensuring financial sustainability of the Council. At the present time the Council's S151 Officer does not believe that a S114 notice is required; however, this decision will be revisited periodically once more information on budgetary pressures, in terms of loss of income and additional costs, is known and any new Government funding packages are announced.</p> <p>The Senior Management Team have set up a Business Recovery Group to review our business recovery and continuity arrangements (should there be a second wave), considering the advice from the Health Protection Board on local incidence and emerging national guidance.</p> <p>Fortnightly Strategic Recovery Coordination Group (SRCG) meetings are taking place, chaired by Katherine Fairclough, Cumbria County Council and attended by the City Council's Chief Executive.</p> <p>A number of transformative work streams are being progressed including Future High Streets Fund; Borderlands and Towns Fund. There is a conscious attempt to improve high streets (through the reopening of the High Streets Fund), towns, cities and commercial areas – to do more than recover but to innovate and address new challenges in light of Covid-19. Each workstream shares a similar purpose; to support regeneration across the district and drive Carlisle forward, supporting the growth agenda set out in the Local Plan.</p>	 <p>Likelihood</p> <p>Impact</p>

Impact score	3
Likelihood score	2

Target Risk Date	March 2021
Target Risk Score	6
Lead Officer	Alison Taylor
Portfolio Holder	Finance, Governance and Resources
Scrutiny Panel	BTSP

CULTURE & SPORT

There is a risk that we fail to deliver the required new leisure facilities at the Sands Centre, on time and within budget and therefore do not meet the saving targets identified in the Medium Term Financial Plan.

Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/ Mitigating Actions	Target Risk Matrix
	August 2020	9	<p>Since the Council approval 25 June 2019, work has continued to progress plans for the enabling works that are essential for delivery of the project objectives.</p> <p>The project team have faced significant challenges on the project development in the form of agreeing a lease at the Former Newman School and finalising permit arrangements with the Environment Agency at the Sands Centre. Both these impediments are now resolved and the temporary facilities at Newman School and the portacabins at the Sands centre are now complete and GLL and the NHS are operational.</p> <p>Covid-19 has also had an impact on the programme due to contractor and materials issues along with the requirement to use the facility as a recovery centre for the NHS.</p> <p>Since commencement of the project we have also become aware of a requirement to undertake works to the main hall roof. Investigations into possible solutions are currently being undertaken and it is hoped these could be incorporated within the existing project. A failure to address the issue now will increase the cost of repair and may risk compensation events with the current operator GLL. These challenges have caused a delay in the delivery of the new facilities, once the additional costs are known a further report will be taken to Members for their consideration and direction.</p>	

Impact score	3
Likelihood score	3

Target Risk Date	September 2020
Target Risk Score	4
Lead Officer	Darren Crossley
Portfolio Holder	Culture, Heritage & Leisure
Scrutiny Panel	HWSP/BTSP

Corporate Support

There is a risk that critical Information and Technology (I&T) applications or infrastructure become unavailable which impacts on the delivery of council services.

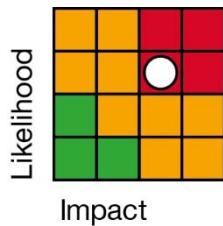
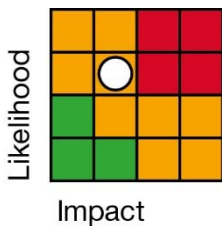
Present Matrix	Assessment Dates	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	July 2020	9	<ul style="list-style-type: none"> • UPS in computer room. • Increased use of cloud based software, such as Salesforce • Purchase of resilient Internet connection – to be implemented • Virtual server hosts can automatically move virtual servers around • Snapshots of servers before any upgrades are done • Monthly patching of clients • Confirm that all council services have adequate Business Continuity plans during annual ICT needs assessments. <p>Planned actions: Fully automated patching of servers Refresh and test the council I&T Disaster Recovery plans.</p>	

Impact score	3
Likelihood score	3

Target Risk Date	January 2021
Target Risk Score	4
Lead Officer	Jason Gooding
Portfolio Holder	Corporate Support
Scrutiny Panel	BTSP

Corporate Support

There is a risk that our digitally held data becomes unavailable, unreliable or is stolen due to error, negligence or malice

Present Matrix	Assessment Date	Present Risk Score	Control Strategy/Mitigating Actions	Target Risk Matrix
	July 2020	9	<ul style="list-style-type: none"> All user workstations protected by BitLocker Mobile devices and USB portable devices encrypted Access Management of users on all systems Implemented basic data loss protection policy in Office 365 including email <p>Planned actions: Categorisation of data Enhanced DLP (Data Loss Prevention) policies</p>	

Impact score	3
Likelihood score	3

Target Risk Date	December 2020
Target Risk Score	6
Lead Officer	Jason Gooding
Portfolio Holder	Corporate Support
Scrutiny Panel	BTSP

Report to Business & Transformation Scrutiny Panel

Agenda Item:
A.6

Meeting Date: 3rd September 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: QUARTER 1 PERFORMANCE REPORT 2020/21
 Report of: Policy and Communications Manager
 Report Number: PC.21/20

Purpose / Summary:

This report contains the Quarter 1 2020/21 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 Panel’s 2020/21 Key Performance Indicators (KPIs) are also included.

Recommendations:

1. Scrutinise the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities.

Tracking

Executive:	14/9/20
Scrutiny:	Health and Wellbeing 27/8/20 Economic Growth 20/8/20 Business and Transformation 3/9/20
Council:	N/A

1. BACKGROUND

This report contains the 2020/21 Quarter 1 performance against the Service Standards and a summary of the Carlisle Plan 2015-18 actions as defined in the 'plan on a page'.

The Panel's Key Performance Indicators (KPIs) are also included as an appendix.

Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs. The following pages contains the Council's performance against the Service Standards for this Panel.

The updates against the actions in the Carlisle Plan are presented in Section 3. Only actions within the remit of the Panel are included in this report. The intention is to give the Panel a brief overview of the current position without duplicating the more detailed reporting that takes place within the Scrutiny agendas and Portfolio Holder reports.

Summary of KPIs and Service Standards:

Service Standards – 1 'red', 0 'amber' and 4 'green'

KPIs – 1 'red', 3 'amber', 7 'green'

Summary of Exceptions (RED)

Measure	Target	Performance
CSe14 Actual car parking revenue as a percentage of car parking expenditure (including recharges).	91%	18% Revenue £286k under target
SS05: Proportion of corporate complaints dealt with on time	100%	89.5% Two late replies in Quarter 1 were due to resources reallocated to the Covid-19 response.

2. PROPOSALS

None

3. RISKS

None

4. CONSULTATION

The report was reviewed by relevant senior management and will be considered at the other Scrutiny Panels.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Panel are asked to scrutinise the Performance Report.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Detail in the report.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Performance Dashboard

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL - This report raises no explicit legal issues.

FINANCE – This report raises no explicit financial issues

EQUALITY – This report raises no explicit issues relating to the Public Sector Equality Duty.

INFORMATION GOVERNANCE – This report raises no explicit issues relating to Information Governance.

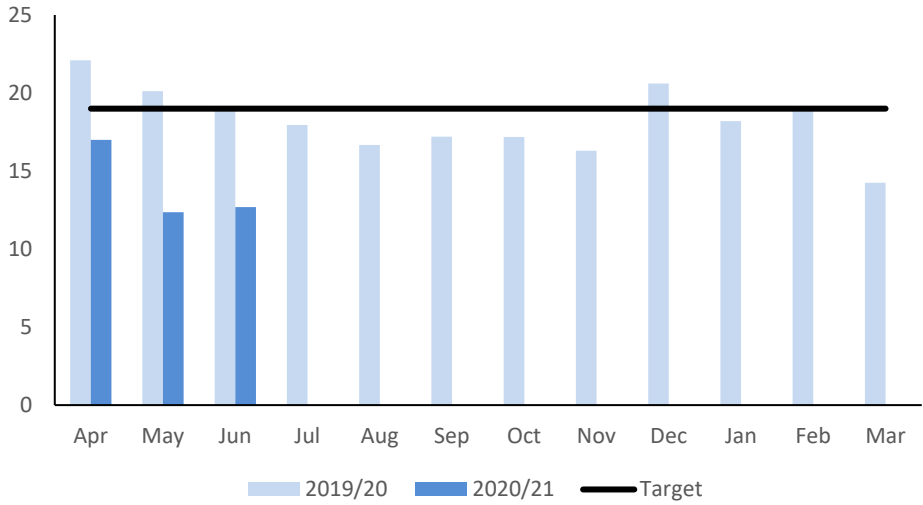
Section 1: Service Standards 2019/20

Service Standards were introduced in 2012 after consultation with Service Managers, DMTs, SMT and JMT. Following a review of the initial set of five Service Standards, five further measures were introduced from Quarter 2 2017/18.

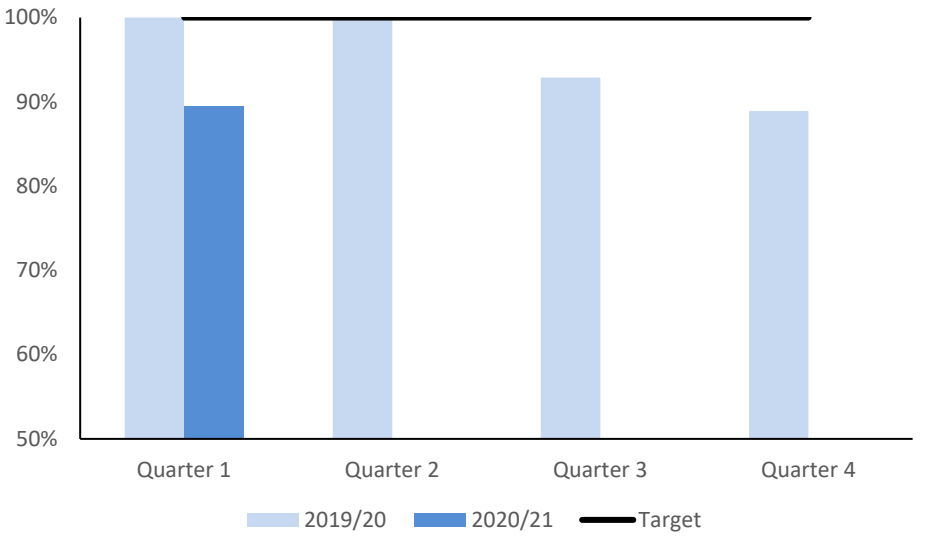
Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

The following pages contains the Council's performance against the Service Standards within the Panel's remit.

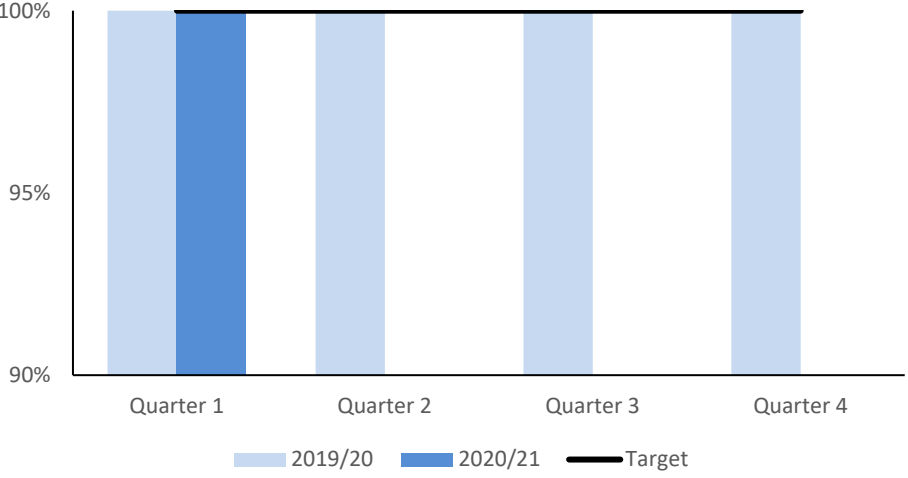

SS04: Average number of working days to process new benefits claims

Service Standard	To end of Quarter 1 2020/21	Performance by Month	Further Information																																																				
<p>New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities</p>	<p>14.4 days (Q1 2019/20: 20.4 days)</p>	 <table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>2019/20 (Days)</th> <th>2020/21 (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr><td>Apr</td><td>22</td><td>17</td><td>19</td></tr> <tr><td>May</td><td>20</td><td>12</td><td>19</td></tr> <tr><td>Jun</td><td>19</td><td>12</td><td>19</td></tr> <tr><td>Jul</td><td>18</td><td>-</td><td>19</td></tr> <tr><td>Aug</td><td>17</td><td>-</td><td>19</td></tr> <tr><td>Sep</td><td>17</td><td>-</td><td>19</td></tr> <tr><td>Oct</td><td>17</td><td>-</td><td>19</td></tr> <tr><td>Nov</td><td>16</td><td>-</td><td>19</td></tr> <tr><td>Dec</td><td>21</td><td>-</td><td>19</td></tr> <tr><td>Jan</td><td>18</td><td>-</td><td>19</td></tr> <tr><td>Feb</td><td>19</td><td>-</td><td>19</td></tr> <tr><td>Mar</td><td>14</td><td>-</td><td>19</td></tr> </tbody> </table>	Month	2019/20 (Days)	2020/21 (Days)	Target (Days)	Apr	22	17	19	May	20	12	19	Jun	19	12	19	Jul	18	-	19	Aug	17	-	19	Sep	17	-	19	Oct	17	-	19	Nov	16	-	19	Dec	21	-	19	Jan	18	-	19	Feb	19	-	19	Mar	14	-	19	<p>883 new claims have been made in 2020/21 up to the end of June 2020. This is a 35% increase on the same period last year.</p>
	Month		2019/20 (Days)	2020/21 (Days)	Target (Days)																																																		
	Apr		22	17	19																																																		
May	20	12	19																																																				
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Jan	18	-	19																																																				
Feb	19	-	19																																																				
Mar	14	-	19																																																				
<p>On target?</p>																																																							
<p>✓</p>																																																							

SS05: Proportion of corporate complaints dealt with on time

Service Standard	To end of Quarter 1 2020/21	Performance by Quarter	Further Information															
Corporate complaints should be dealt with within 15 working days	<p>89.5%</p> <p>(Q1 2019/20: 100%)</p>	 <p>The chart displays performance by quarter for two periods: 2019/20 and 2020/21. The y-axis represents the percentage of complaints dealt with on time, ranging from 50% to 100%. A horizontal line at 100% represents the target. In 2019/20, performance was 100% in all four quarters. In 2020/21, performance was 89.5% in Quarter 1, and data for other quarters is not provided.</p> <table border="1"> <caption>Performance by Quarter Data</caption> <thead> <tr> <th>Quarter</th> <th>2019/20 (%)</th> <th>2020/21 (%)</th> </tr> </thead> <tbody> <tr> <td>Quarter 1</td> <td>100</td> <td>89.5</td> </tr> <tr> <td>Quarter 2</td> <td>100</td> <td>-</td> </tr> <tr> <td>Quarter 3</td> <td>93</td> <td>-</td> </tr> <tr> <td>Quarter 4</td> <td>89</td> <td>-</td> </tr> </tbody> </table>	Quarter	2019/20 (%)	2020/21 (%)	Quarter 1	100	89.5	Quarter 2	100	-	Quarter 3	93	-	Quarter 4	89	-	<p>Two late replies in Quarter 1 were due to resources reallocated to the Covid-19 response.</p>
	Quarter		2019/20 (%)	2020/21 (%)														
	Quarter 1		100	89.5														
Quarter 2	100	-																
Quarter 3	93	-																
Quarter 4	89	-																
<p>On target?</p>																		
<p>✘</p>																		

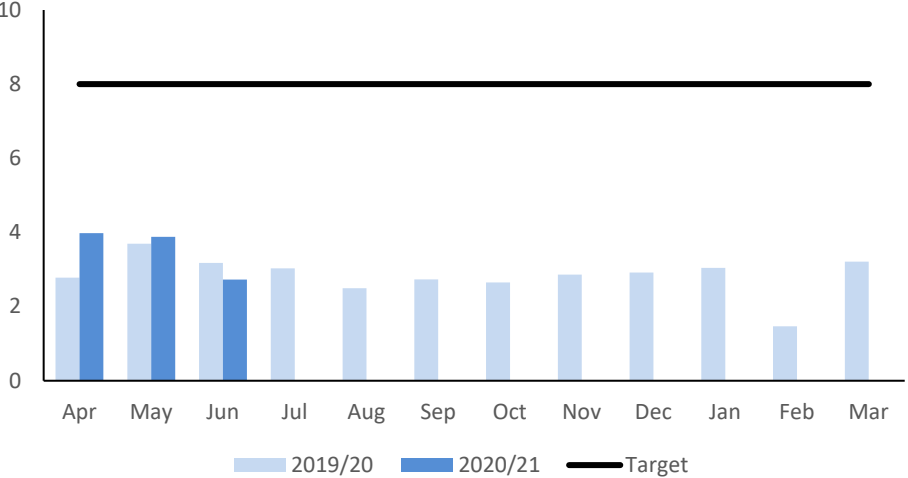
SS07: Proportion of non-contentious licence applications completed on time

Service Standard	To end of Quarter 1 2020/21	Performance by Quarter	Further Information																				
100% of non-contentious licence applications should be completed within 10 working days	100% (Q1 2019/20: 100%)	 <p>The chart displays performance by quarter for two financial years: 2019/20 (light blue bars) and 2020/21 (dark blue bar). A horizontal black line represents the 100% target. All bars for both years reach the 100% target level across all four quarters.</p> <table border="1"> <caption>Performance by Quarter Data</caption> <thead> <tr> <th>Quarter</th> <th>2019/20 (%)</th> <th>2020/21 (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Quarter 1</td> <td>100</td> <td>100</td> <td>100</td> </tr> <tr> <td>Quarter 2</td> <td>100</td> <td>-</td> <td>100</td> </tr> <tr> <td>Quarter 3</td> <td>100</td> <td>-</td> <td>100</td> </tr> <tr> <td>Quarter 4</td> <td>100</td> <td>-</td> <td>100</td> </tr> </tbody> </table>	Quarter	2019/20 (%)	2020/21 (%)	Target (%)	Quarter 1	100	100	100	Quarter 2	100	-	100	Quarter 3	100	-	100	Quarter 4	100	-	100	105 out of 105 applications completed on time so far in 2020/21.
	Quarter		2019/20 (%)	2020/21 (%)	Target (%)																		
	Quarter 1		100	100	100																		
Quarter 2	100	-	100																				
Quarter 3	100	-	100																				
Quarter 4	100	-	100																				
On target?																							
																							

SS08: Proportion of official local authority searches completed on time

Service Standard	To end of Quarter 1 2020/21	Performance by Month	Further Information																																																				
<p>85% of official local authority searches should be completed within 10 working days</p>	<p>90.9%</p> <p>(Q1 2019/20: 95.6%)</p>	<table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>2019/20 (%)</th> <th>2020/21 (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>Apr</td><td>100</td><td>100</td><td>85</td></tr> <tr><td>May</td><td>85</td><td>0</td><td>85</td></tr> <tr><td>Jun</td><td>98</td><td>0</td><td>85</td></tr> <tr><td>Jul</td><td>100</td><td>0</td><td>85</td></tr> <tr><td>Aug</td><td>95</td><td>0</td><td>85</td></tr> <tr><td>Sep</td><td>94</td><td>0</td><td>85</td></tr> <tr><td>Oct</td><td>82</td><td>0</td><td>85</td></tr> <tr><td>Nov</td><td>98</td><td>0</td><td>85</td></tr> <tr><td>Dec</td><td>69</td><td>0</td><td>85</td></tr> <tr><td>Jan</td><td>100</td><td>0</td><td>85</td></tr> <tr><td>Feb</td><td>69</td><td>0</td><td>85</td></tr> <tr><td>Mar</td><td>22</td><td>0</td><td>85</td></tr> </tbody> </table>	Month	2019/20 (%)	2020/21 (%)	Target (%)	Apr	100	100	85	May	85	0	85	Jun	98	0	85	Jul	100	0	85	Aug	95	0	85	Sep	94	0	85	Oct	82	0	85	Nov	98	0	85	Dec	69	0	85	Jan	100	0	85	Feb	69	0	85	Mar	22	0	85	<p>No searches in May and one in June.</p>
	Month		2019/20 (%)	2020/21 (%)	Target (%)																																																		
	Apr		100	100	85																																																		
May	85	0	85																																																				
Jun	98	0	85																																																				
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Aug	95	0	85																																																				
Sep	94	0	85																																																				
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Dec	69	0	85																																																				
Jan	100	0	85																																																				
Feb	69	0	85																																																				
Mar	22	0	85																																																				
<p>On target?</p>																																																							
<p>✓</p>																																																							

SS10: Average number of working days to process benefit claimants' changes of personal details

Service Standard	To end of Quarter 1 2020/21	Performance by Month	Further Information																																																				
Changes should be processed within 8 days	<p>3.6 days</p> <p>(Q1 2019/20: 3.2 days)</p>	 <table border="1"> <caption>Performance by Month Data</caption> <thead> <tr> <th>Month</th> <th>2019/20 (Days)</th> <th>2020/21 (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr><td>Apr</td><td>2.8</td><td>4.0</td><td>8.0</td></tr> <tr><td>May</td><td>3.8</td><td>3.9</td><td>8.0</td></tr> <tr><td>Jun</td><td>3.2</td><td>2.8</td><td>8.0</td></tr> <tr><td>Jul</td><td>3.1</td><td>-</td><td>8.0</td></tr> <tr><td>Aug</td><td>2.6</td><td>-</td><td>8.0</td></tr> <tr><td>Sep</td><td>2.8</td><td>-</td><td>8.0</td></tr> <tr><td>Oct</td><td>2.7</td><td>-</td><td>8.0</td></tr> <tr><td>Nov</td><td>2.9</td><td>-</td><td>8.0</td></tr> <tr><td>Dec</td><td>3.0</td><td>-</td><td>8.0</td></tr> <tr><td>Jan</td><td>3.1</td><td>-</td><td>8.0</td></tr> <tr><td>Feb</td><td>1.5</td><td>-</td><td>8.0</td></tr> <tr><td>Mar</td><td>3.3</td><td>-</td><td>8.0</td></tr> </tbody> </table>	Month	2019/20 (Days)	2020/21 (Days)	Target (Days)	Apr	2.8	4.0	8.0	May	3.8	3.9	8.0	Jun	3.2	2.8	8.0	Jul	3.1	-	8.0	Aug	2.6	-	8.0	Sep	2.8	-	8.0	Oct	2.7	-	8.0	Nov	2.9	-	8.0	Dec	3.0	-	8.0	Jan	3.1	-	8.0	Feb	1.5	-	8.0	Mar	3.3	-	8.0	<p>Over seven thousand changes have been processed in the 2020/21 year to date.</p>
	Month		2019/20 (Days)	2020/21 (Days)	Target (Days)																																																		
	Apr		2.8	4.0	8.0																																																		
May	3.8	3.9	8.0																																																				
Jun	3.2	2.8	8.0																																																				
Jul	3.1	-	8.0																																																				
Aug	2.6	-	8.0																																																				
Sep	2.8	-	8.0																																																				
Oct	2.7	-	8.0																																																				
Nov	2.9	-	8.0																																																				
Dec	3.0	-	8.0																																																				
Jan	3.1	-	8.0																																																				
Feb	1.5	-	8.0																																																				
Mar	3.3	-	8.0																																																				
<p>On target?</p>																																																							
<p>✓</p>																																																							

Section 2: Key Performance Indicators (KPIs)

Service Standards are not the only set of measures used to interrogate the performance of the Council. Alongside the review of Service Standards, a set of Key Performance Indicators, derived from the links between the service plans and budget resolution were developed. These are attached as a dashboard.

Throughout 2019/20, a link to the online customer satisfaction survey was available on the Council's website and promoted via social media. The sample size was boosted by emailing the survey link to service users who had accessed City Council services online in the previous twelve months. The following table is a summary of the results. When confidence levels are taken into account, there are no changes to 2018/19 satisfaction levels.

Question	Proportion who answered Very Satisfied/Satisfied for satisfaction questions or Improved/Stayed the Same for change questions	Confidence Interval at 95% Confidence Level	Sample size	2018/19 Performance
Overall satisfaction with how well Carlisle City Council is running things	70.6%	3.8%	650	72.6%
Satisfaction with Carlisle's street cleanliness	68.4%	3.8%	650	70.9%
Perception of changes to customer's neighbourhood street cleanliness over last three years	68.7%	3.9%	617	71.5%
Satisfaction with the Council's Waste and Recycling Collection Service	83.8%	4%	591	86.7%
Perception of changes to the Waste and Recycling Service over the last three years	84.9%	4%	589	86.7%
Satisfaction with the Council's leisure facilities	62.3%	6.9%	199	66.7%
Perception of changes to the leisure facilities over the last three years	64.6%	7%	198	65.9%
Satisfaction with Council-run events	91.1%	5.5%	313	89.2%
Perception of changes to Council-run events over the last three years	86.3%	5.5%	313	87.6%
Satisfaction with the Old Fire Station	96.5%	7.4%	173	95.1%
Satisfaction with the Council's parks and open spaces	88.5%	4.4%	495	90.7%
Perception of changes to the parks and open spaces over the last three years	83.8%	4.4%	495	90.7%

Section 3: Carlisle Plan on a Page Delivery

The current Carlisle Plan covered the period 2015-18 and many of the key actions are now either delivered or considered 'business as usual' and feature within existing service plans. These were closed following the 2019/20 Quarter 1 report and have no longer been reported on.

The following pages provide an update on the remaining key actions.

Priority 1: Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle

Business Property & Infrastructure:

OUTCOME	<u>2. City Centre redevelopment projects</u>
SMT OWNER	Jane Meek
Scrutiny Panel	Economic Growth / Business & Transformation
Specific – What is the task	Promote development opportunities and regeneration opportunities within the city centre (including Carlisle Station, Caldew Riverside, The Citadel, English Street and The Pools). Set out a strategy for the future vitality and viability of the city centre including development options for the regeneration opportunity sites (Carlisle Station, The Pools, Court Square, Caldew Riverside and the Citadel).
Measurable – How will success be measured?	Production of a city centre masterplan
Achievable – Is it feasible?	Yes
Realistic – Resources available	Consultancy support will be required to produce the masterplan. This will be funded by revenue budgets secured through the MTFP process.
Time Bound – Start/end dates	The preparation of the masterplan will commence Q3 2018-19, with a draft version produced by the end of Q4.

<p>Progress in Quarter 1 2020/21 against project plan / key milestones achieved</p>	<p>Outline business cases are now being prepared for the regeneration of Carlisle Station and the Citadels site to draw down the funding allocated through the Borderlands Inclusive Growth Deal.</p> <p>A programme of projects to improve the vitality and viability of the city centre have been developed that will be included in the business case for Future High Street Fund investment.</p> <p>A strategy for the city centre is currently being developed through the Towns Fund programme and will be presented in a Town Investment Plan for the city.</p>
<p>Emerging issues / risks to the project</p>	<p>None</p>

Priority 2: Further develop sports, arts and cultural facilities to support the health and wellbeing of our residents

Service and Facilities Development:

OUTCOME	<u>12. Develop and deliver the proposed new leisure contract to improve facilities at The Sands Centre in line with the City Sports Facilities Development Plan and enhance the leisure services across the city.</u>
SMT OWNER	Darren Crossley
Scrutiny Panel	Business & Transformation / Health & Wellbeing
Specific – What is the task	<ol style="list-style-type: none"> 1. To retender and award a new leisure contract with a significantly reduced subsidy - COMPLETE 2. Develop Outline Designs and budgetary package and secure approvals for Sands Centre Development. 3. Complete works on cycle track and open the facility – COMPLETE 4. Complete works on tennis canopy and open the facility – Project not progressed due to issues with sewerage pipe located during preliminary works.
Measurable – How will success be measured?	Executive approval for outline designs and consent (inc budgetary provision) to develop detailed design and works.
Achievable – Is it feasible?	Yes
Realistic – Resources available	The project is on schedule and has adequate financial resource to be completed.
Time Bound – Start/end dates	Route to Affordability to be completed by the end of October 2018 and contracts put in place for the Principal Contractor. The designers need to be novated to the Principal Contractor by the end 2018, to maintain programme. Temporary accommodation (or alternative arrangements’) need to be put in place by the end of October 2018 to allow demolition and construction of the Sands Leisure facilities by March 2019. Completion of the project initially scheduled for December 2020.

<p>Progress in Quarter 1 2020/21 against project plan / key milestones achieved</p>	<p>Work has now started on RIBA stage 4B - specialist subcontract design and RIBA Stage 5 - the planning element of the construction phase.</p> <p>The Newman School temporary accommodation has been completed and handed over for a decant. The Events space temporary accommodation is nearing completion.</p> <p>The first phase of the EA flood works (wall strengthening) has also been completed.</p> <p>Asbestos identification and removal is currently taking place in the leisure section of the building.</p> <p>Work is ongoing to de-risk the project price and scope of works. This includes the RAAC plank roof in the main events hall.</p> <p>Planning permission is now in place for all three sites and the Building Regs applications are nearing completion. The F10 notices have been issued for all three sites.</p>
<p>Emerging issues / risks to the project</p>	<p>Focus areas include the technical separation of the two halves of the building, asbestos in the existing Sands building, existing services on both sites, archaeological survey on the main site, further survey work on the existing events centre roof structure and completing the contract documentation and lease documents for all areas.</p>

Business & Transformation Scrutiny Panel Performance Dashboard

Quarter 1 2020/21

Key	
↓	Performance is deteriorating (compared to same period last year)
↑	Performance is improving (compared to same period last year)
→	No change in performance (compared to same period last year)
✗	Off target
▲	Close to target (within 5%)
✓	On target

On Target?	New Code	Measure	Frequency	Performance Q1 2020/21	Performance Q1 2019/20	Trend	Target	Comments
✗	CSe14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	Quarterly	17.6%	91.8%	↓	91.1%	Revenue £286k under target
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	Monthly	28.1%	15.6%	↑	16.1%	From calls logged in Salesforce CRM (2751 out of 9805 logs).
▲	CSu04	Percentage of Council Tax collected	Quarterly	28.2%	29.1%	↓	29.1%	
▲	CSu05	Percentage of NNDR collected	Quarterly	28.3%	31.5%	↓	31.5%	
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours (work days)	Monthly	100%	100%	→	100%	
✓	CSu07	Customer Services - Respond to customer emails within 48hrs	Quarterly	98%	95%	↑	90%	
N/A	CSu08	Customer Services - Calls answered within 1 minute	Quarterly	N/A	N/A	N/A	80%	New measure for 2020/21. Unable to measure in Q1 due to temporary telephony system in place while staff work from home.
N/A	CSu09	Customer Services - visitors served within 10 minutes	Quarterly	N/A	N/A	N/A	90%	New measure for 2020/21. Unable to measure in Q1 due to closure of Contact Centre during Covid-19 pandemic.
✓	FR01	Actual net spend as a percentage of annual net budget.	Quarterly	26.5%	30.7%	↑	29.7%	
✓	FR02	Percentage of all invoices paid within 30 working days	Monthly	99.4%	99.5%	↓	98%	
▲	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	Monthly	2.1	2.0	↓	2.0	
✓	FR04	Percentage of return to work interviews completed in five working days of returning to work.	Monthly	77%	77%	→	77%	
N/A	FR06	Proportion of debts recovered (sundry debtors)	Quarterly	90.7%	N/A	N/A	N/A	Rolling 12 months to end of May 2020
N/A	GRS04	Proportion of contested licence applications decided on within 50 working days.	Quarterly	N/A	100%	N/A	95%	0 contested applications
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	Quarterly	100%	100%	→	100%	3 applications in the quarter

Business and Transformation Scrutiny Panel

Agenda
Item:

A.7

Meeting Date: 03 September 2020
 Portfolio: Cross-cutting
 Key Decision: No
 Within Policy and Budget Framework
 Private/Public Public
 Title: Overview Report
 Report of: Overview and Scrutiny Officer
 Report Number: OS.18/20

Purpose / Summary:

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

Recommendations:

Members are asked to:

- Note the items (within Panel remit) on the most recent Notice of Key Executive Decisions
- Review the current work programme and resolutions and make recommendations for the future work programme

Tracking

Executive:	Not applicable
Scrutiny:	BTSP 03/09/20
Council:	Not applicable

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 14th August 2020. This was circulated to all Members. The following items fall within the remit of this Panel:

Items which are included in the Panel's Work Programme:

- KD 23/20 - Sands Centre Redevelopment Project – Final Contract, Programme and amended works

Items which are not included in the Panel's Work Programme:

- KD 22/20 – Property known as 17 Scotch Street, Carlisle

2. References from Executive

2.1 None

3. Progress on resolutions from previous meetings

3.1 The following table sets out the meeting date and resolution that requires following up. The status is presented as either “completed”, “pending” (date expected), or “outstanding”. An item is considered outstanding if no update or progress has been made after three panel meetings. All the completed actions will be removed from the list following the meeting.

	Meeting date	Minute reference	Action	Status
1	13/02/20	BTSP 14/20	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 £101,000 investment with Chancerygate.	Pending
2	23/07/20	BTSP 33/20	5) That the Corporate Director of Finance and Resources undertake to consider the conditions of the redundant bequests and reallocate the funds to suitable community groups or charities;	Pending
3	23/07/20	BTSP 33/20	6) That the Finance, Governance and Resources Portfolio Holder circulate a copy of the Council's Hardship Scheme to all Members.	Pending

4	23/07/20	BTSP 36/20	2) That the Policy and Performance Officer provide the Panel with further information on the Directorates, tools and resources which were lacking and reasons why staff felt they did not have the tools and resources needed to do their job.	Pending
5	23/07/20	BTSP 37/20	2) That the Town Clerk and Chief Executive provide the Panel with further information with regard to the request to close the Discover England Fund year two and the project activity that had been delivered.	Complete

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The overview and scrutiny of the Carlisle Plan items that match the panel remit contribute to ongoing policy development.

Contact Officer: Rowan Jones

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**Appendices
attached to report:**

1. Draft Scrutiny Panel Work Programme 2020-21

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE –

APPENDIX 1: Draft Scrutiny Panel Work Programme 2020-21

Title	Reason for inclusion on workplan	Type of Scrutiny	Lead Officer	BTSP Date
Scrutiny Annual Report 2019/20	Requirement of the Constitution to be reported annually. Carried over from April 2020.	Policy development	Rowan Jones	28/05/2020
End Of Year Performance Report - for info report	Reported annually - For info	Monitoring	Gary Oliver	May 2020
Outturn Reports	Annual Activity - for info item due to altered timings of reports for Exec.	Monitoring	Steven Tickner	July 2020
Medium Term Financial Plan and Capital Strategy	Panel are a consultee in Policy and Budget Framework matters	Policy development	Alison Taylor	23/07/2020
Asset Management Plan and Annual Property Survey Report	Panel are a consultee in Policy and Budget Framework matters	Policy development	Mark Walshe	23/07/2020
Employee Opinion Survey	Annual activity	Monitoring	Gary Oliver	23/07/2020
End of year Performance Report	Annual activity	Monitoring	Gary Oliver	23/07/2020
Corporate projects	Annual activity. Carried over from March 2020.	Monitoring	Jason Gooding	23/07/2020
Asset Management of Kingstown Industrial Estate and Parkhouse Business Park - Update on Progress - Part B item	MW requested inclusion. Agreed by Chair	Monitoring	Mark Walshe	23/07/2020
Sickness Absence EOY 19/20 and Q1 20/21	Suggestion by internal audit that this should increase to a quarterly report.	Monitoring	Sue Kaveney	03/09/2020
Performance Report Q1	Standing item - quarterly.	Monitoring	Gary Oliver	03/09/2020
Corporate Risk Register	Carried over from March 2020	Monitoring	Darren Crossley	03/09/2020
Budget monitoring Q1 20/21	Standing item - quarterly.	Monitoring	Steven Tickner	03/09/2020
Annual Equality Report & Action Plan - for info report	For info item - to go to 27/08/20 HWSP as agenda item	Monitoring & Policy update	Rebecca Tibbs	Sept 2020
Sands Centre Redevelopment Project - special meeting	Key Decision - KD 23/20	Monitoring & Policy Development	Darren Crossley	17/09/2020
Review of Attendance Management Policy - T&F Group Report	T&F group a planned activity from 2019/20	Policy development	Sue Kaveney/ T&F Group	15/10/2020
Civic centre reinstatement and development	6 monthly overview - Chairs suggestion	Monitoring	Darren Crossley	15/10/2020
Corporate Peer Review	Panel request 28/05/2020	Policy development	Darren Crossley	15/10/2020
Allocation of S.106 funds	BTSP 15/20 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.	Policy update	Chris Hardman	15/10/2020
Planning for a no Deal Brexit	Cllr Birks, Cllr Alcroft request, agreed by Chair	Policy development	Jane Meek	15/10/2020
Performance Report Q2	Standing item - quarterly.	Monitoring	Gary Oliver	01/12/2020
Budget setting	Panel are a consultee in Policy and Budget Framework matters	Budget	Alison Taylor	01/12/2020
Budget monitoring Q2 20/21	Standing item - quarterly.	Monitoring	Steven Tickner	01/12/2020

Sickness Absence Q2 20/21	Suggestion by internal audit that this should increase to a quarterly report	Monitoring	Sue Kaveney	01/12/2020
Budget setting (including Treasury Management Strategy Statement)	Panel are a consultee in Policy and Budget Framework matters	Budget	Alison Taylor	07/01/2020
Civic centre reinstatement and development	6 monthly overview - Chairs suggestion	Monitoring	Darren Crossley	18/02/2020
Performance Report Q3	Standing item - quarterly.	Monitoring	Gary Oliver	18/02/2020
Budget monitoring Q3 20/21	Standing item - quarterly.	Monitoring	Steven Tickner	18/02/2020
Sickness Absence Q3 20/21	Standing item - quarterly.	Monitoring	Sue Kaveney	18/02/2020
Scrutiny Annual Report 2020/21	Requirement of the Constitution to be reported annually. Carried over from April 2020.	Policy development	Rowan Jones	01/04/2020
Corporate projects	Annual activity	Monitoring	Jason Gooding	01/04/2020
Corporate Risk Register	Annual activity	Monitoring	Darren Crossley	01/04/2020

