

AGENDA

Business & Transformation Scrutiny Panel

Thursday, 23 July 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, McNulty, Mitchelson, Paton

Substitutes:

Councillors Mrs Atkinson, Betton, Bomford, Mrs Brown, Collier, Ms Ellis-Williams, Mrs Finlayson, Mrs Glendinning, Glover, Mrs McKerrell, Meller, Morton, Patrick, Robinson, Robson, Rodgerson, Shepherd, Miss Sherriff, Southward, Tarbitt, Dr Tickner, 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 Meetings

To note 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. [Copy minutes in Minute Book 46(6) and Minute Book 47(1)]

A.1 CALL-IN OF DECISIONS

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

A.2 DRAFT MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2025/26

9 - 50

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.09/20 herewith, Minute Excerpt to follow via email

Background:

The Corporate Director of Finance and Resources to submit the Medium Term Financial Plan 2021/22 to 2025/26.

Why is this item on the agenda?

The matter was included in the Notice of Executive Key Decisions and was considered by the Executive on 20 July 2020. This matter is part of the annual budget process.

What is the Panel being asked to do?

To provide feedback to the Executive for consideration at their meeting on 17 August 2020 as part of the consultation process on the Medium Term Financial Plan 2021/22 to 2025/26.

A.3 DRAFT CAPITAL INVESTMENT STRATEGY 2021/22 TO 2025/26**51 -
80**

Portfolio: Finance, Governance and Resources

Directorate: Finance and Resources

Officer: Alison Taylor, Corporate Director of Finance and Resources

Report: RD.08/20 herewith, Minute Excerpt to follow via email

Background:

The Corporate Director of Finance and Resources to submit the Capital Strategy 2021/22 to 2025/26.

Why is this item on the agenda?

The matter was included in the Notice of Executive Key Decisions and was considered by the Executive on 20 July 2020. The matter is part of the annual budget process.

What is the Panel being asked to do?

To provide feedback to the Executive for consideration at their meeting on 17 August 2020 as part of the consultation process on the Capital Strategy 2021/22 to 2025/26.

A.4 DRAFT ASSET MANAGEMENT PLAN 2021 to 2026**81 -
102**

Portfolio: Finance, Governance and Resources

Directorate: Governance and Regulatory Services

Officer: Mark Walshe, Property Services Manager

Report: GD.33/20 herewith, Minute Excerpt to follow via email

Background:

The Corporate Director of Governance and Regulatory Services to submit the Asset Management Plan 2021 – 2026 and Annual Property Survey Report.

Why is this item on the agenda?

The matter was included in the Notice of Executive Key Decisions and was considered by the Executive on 20 July 2020.

What is the Panel being asked to do?

To provide feedback to the Executive as part of the consultation process on the Asset Management Plan.

A.5 EMPLOYEE OPINION SURVEY 2020

**103 -
118**

Portfolio:	Cross Cutting
Directorate:	Finance and Resources
Officer:	Gary Oliver, Policy and Performance Officer
Report:	RD.16/20 herewith

Background:

The Corporate Director of Finance and Resources to submit a report on the results of the Employee Opinion Survey 2020.

Why is this item on the agenda?

Monitoring report

What is the Panel being asked to do?

Scrutinise the results of the Employee Opinion Survey 2020.

A.6 END OF YEAR PERFORMANCE REPORT 2019/20

**119 -
136**

Portfolio:	Finance, Governance and Resources
Directorate:	Corporate Support

Officer:	Gary Oliver, Policy and Performance Officer
Report:	PC.11/20 herewith

Background:

The Town Clerk and Chief Executive to submit an update on the Council's service standards that help measure performance. It also includes updates on key actions contained within the Carlisle Plan.

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 CORPORATE PROJECT STATUS REPORT

**137 -
178**

Portfolio: Cross Cutting

Directorate: Corporate Support

Officer: Jason Gooding, Town Clerk and Chief Executive

Report: CE.03/20

Background:

The Town Clerk and Chief Executive to submit an update on the Council's corporate projects.

Why is this item on the agenda?

Monitoring report

What is the Panel being asked to do?

The Panel is asked to note and comment on the most recent summary of projects and governance arrangements in place as contained in Appendix One, and the actions being taken to support projects with issues. At Appendix Two is a summary of the standalone IT projects and their current status. Appendix Three is the internal audit report of Project Management, attached for Members' information, as this is referenced within the report.

A.8 OVERVIEW REPORT

**179 -
184**

Portfolio: Cross Cutting

Directorate: Cross Cutting

Officer: Rowan Jones, Overview and Scrutiny Officer

Report: OS.13/20 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

**B.1 ASSET MANAGEMENT OF KINGSTOWN INDUSTRIAL ESTATE AND
PARKHOUSE BUSINESS PARK - UPDATE ON PROGRESS**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

Enquiries, requests for reports, background papers etc to:

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

Report to Business and Transformation Scrutiny Panel

Agenda Item:
A.2

Meeting Date: 23 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD15/20
Within Policy and Budget Framework YES
Public / Private Public

Title: DRAFT MEDIUM TERM FINANCIAL PLAN 2021/22 to 2025/26
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD09/20

Summary:

The Council's draft Medium Term Financial Plan for the period 2021/22 to 2025/26 was considered by the Executive on 20 July 2020 and sets out the framework for planning and managing the Council's financial resources.

Questions for / input required from Scrutiny:

To scrutinise, and provide feedback, on the Financial Policies and Savings Strategy to be adopted by the Council which will inform the budget process over the next five years.

Recommendations:

Members are asked to consider the report and make any recommendations back to the Executive for consideration at their meeting on 17 August 2020.

Tracking

Executive:	20 July 2020
Scrutiny:	23 July 2020
Executive:	17 August 2020
Council:	08 September 2020

Report to Executive

Agenda
Item:

Meeting Date: 20 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD15/20
Within Policy and Budget Framework YES
Public / Private Public

Title: DRAFT MEDIUM TERM FINANCIAL PLAN 2021/22 to 2025/26
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD09/20

Purpose / Summary:

The Medium-Term Financial Plan sets out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan links the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP will inform the budget process and will be updated for changes when known.

Following consideration by the Executive and the Business and Transformation Scrutiny Panel, final recommendations will be made to Council on 8 September 2020.

Recommendations:

The Executive is asked to:

- (i) Comment on the draft MTFP for consideration by the Business and Transformation Scrutiny Panel on the 23 July 2020.

Tracking

Executive:	20 July 2020
Overview & Scrutiny:	23 July 2020
Executive:	17 August 2020
Council:	08 September 2020

1. BACKGROUND

- 1.1 The Medium-Term Financial Plan (MTFP) is the key policy document to guide the Council's forward financial planning process. The attached report details the current Plan for the period 2021/22 to 2025/26. The MTFP is reviewed annually starting with the assumptions made in the Budget Resolution approved by Council on 4 February 2020. The starting point for the MTFP is to show the impact of the Council Resolution and raise awareness of the issues that are on the horizon that will need to be considered as part of the detailed budget process.
- 1.2 The Corporate Charging Policy has also been reviewed and included within the MTFP. It provides a framework detailing potential policy options for each Charging area. This recognises that different approaches may be required for different services and that there are a variety of influences that need to be acknowledged in charge setting.
- 1.3 The MTFP has been prepared at a time of great uncertainty in respect of the economy, especially in terms of the impact of leaving the European Union, the financial impact and economic recovery from COVID-19 and also in terms of the Government's wider approach to Public Sector Funding in general and particularly for Local Government Funding.

2. KEY DATES

- 2.1 Following consideration of the current MTFP and other key Policy documents by the Executive and Business and Transformation Scrutiny Panel, these will be formally approved by Council on 8 September 2020.
- 2.2 A timetable for the budget process will be prepared and the overall budget position for revenue and capital, and individual reports on spending pressures, saving proposals, and charging reports will be considered by the Executive at its meeting on 9 November. These reports will be scrutinised by the three Scrutiny Panels at the end of November and beginning of December.
- 2.3 Development of the budget consultation documents was undertaken as part of previous year's process with improved visuals produced including a 'Have your say' document. This provided more clarity on the budget pressures the Council faced and assisted stakeholders in their understanding of the budget process

3. KEY MESSAGES

- 3.1 The MTFP shows the starting position for budget considerations for the next five years and gives an indication of the likely factors that will have an impact in the budget setting process. Key to these considerations will be:
- Further clarity on the future of local government funding through the Spending Review, Fair Funding Review and any changes to future Business Rate Retention schemes, that may pass on added responsibilities to the Council.
 - Achievement of transformation savings;
 - Further reductions in government grant as part of the Fair Funding Review, e.g. New Homes Bonus, Housing Benefit Admin Grant;
 - Longer term impact of COVID-19
- 3.2 As well as some significant pressures, there is scope for some additional savings and additional income opportunities to be considered as part of the budget process too. These considerations are likely to be around:
- More commercial and investment opportunities

4. RISKS

- 4.1 The Medium-Term Financial Plan contains risk analysis of the issues that could potentially affect the budget and financial planning position.

5. CONSULTATION

- 5.1 The draft MTFP, particularly the Financial Principles, has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.
- 5.2 The Business and Transformation Scrutiny Panel will consider the MTFP on 23 July, and recommendations made to full Council on 08 September.
- 5.3 The Budget Process and MTFP are also informed by consultation with wider stakeholders, including residents. Each year the Council consults with the Business Community and also carries out public consultations as appropriate

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1 The Executive is asked to:
- (i) Comment on the draft MTFP for consideration by the Business and Transformation Scrutiny Panel on the 23 July.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

7.1 The Medium-Term Financial Plan outlines how the Council will prioritise its financial resources in the delivery of services

Contact Officer: Alison Taylor

Ext: 7290

Appendices attached to report: Appendix 1 – Medium Term Financial Plan 2021/22– 2025/26

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/RISKS:

Legal – The Council has a legal duty to put in place a balanced budget to the satisfaction of the Council's Section 151 Officer. The Medium-Term Financial Plan is an important part of fulfilling this obligation.

Finance – Contained within the MTFP

Equality – Corporate Charging Policy includes considerations for the targeting of concessions for named protected characteristic.

Information Governance - There are no Information Governance Implications

Property Services - The Medium-Term Financial Plan links with the Asset Management Plan 2021/22 to 2025/26 to provide details on how the City Council will utilise its property assets to assist with the Council's finances and development new infrastructure for the City.

Draft Medium-Term Financial Plan

Carlisle City Council

2021/22 to 2025/26

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1.0 Introduction

- 1.1 The overarching policy guidelines of the Medium-Term Financial Plan (MTFP) are that resources will be redirected to Council priorities via the budget process within the overall caveats that: -
- Redirection of resources towards areas of high priority will be contained within existing budgets, unless increases can be justified and funded through the budget process.
 - Council Tax increases will be limited to fair and reasonable levels, taking account of national guidance from Government.
 - External grants and income will be maximised wherever possible to mitigate the effects of budget increases.
 - Partnership working and funding opportunities will be explored wherever feasible.
- 1.2 The Medium-Term Financial Plan sets out how Carlisle City Council will manage its finances to deliver against its corporate priorities, whilst protecting its financial standing and responding to the many challenges it faces.
- 1.3 Economic growth in Carlisle will impact on the income the Council receives and also the support it is able to give to vulnerable residents. Treasury Management income will be limited whilst interest rates remain low, and the available institutions with which the Council can invest with diminishes due to restrictions in bank credit ratings. The effects on the MTFP of any changes to the state of the economy, including the impact of leaving the European Union, will need to be closely monitored in order to react effectively to changing situations. The Government's approach to public sector funding beyond 2020/21 in terms of the Review of Local Authorities Relative Needs and Resources, the Business Rate Retention Reform (including pooling arrangements), and the Comprehensive Spending Review, will be a significant factor for the lifespan of this MTFP. The impact of COVID-19 will be one of the most significant risks facing this authority in terms of additional costs, reductions in income, and economic recovery especially in terms of receipts of council tax and business rates income. This impact is likely to extend beyond the current financial year and into 2021/22.
- 1.4 The Medium-Term Financial Plan provides the corporate financial planning framework to provide strategic direction to the Council for the next five years and to ensure that the financial resources of the Council are directed to achieving the Council's key corporate priorities.

2.0 Financial Principles supporting the MTFP

2.1 The key principles to be applied to the MTF are set out by theme below:

Financial Principle 1 – Revenue Budget Strategy

- Guide the integration of financial planning with the priorities set out in the Carlisle Plan to ensure that spending decisions contribute to the achievement of the Council's priorities;
- Guide and be informed by Directorate Service Plans and other relevant strategies and plans of the Council, which set out how resources will deliver the outcomes and priorities specified in the Carlisle Plan;
- Forecast a minimum five -year corporate and financial planning horizon, with longer periods developed where necessary;
- Manage performance management and decision-making procedures to help achieve the best use of available resources;
- Monitor and evaluate proposed and actual spending to ensure that value for money is obtained;
- Review the Council's Reserves and Balances Policy in line with CIPFA and other best practice guidance to ensure that all the reserves held by the Council are still applicable and relevant;
- Achieve a minimum level of General Fund Reserves of £3.1m over the life of the MTFP subject to an annual risk assessment (Appendix A);
- Consider the use of earmarked reserves to support non-recurring expenditure;
- Commitment to minimise staff compulsory redundancies;
- Consider the impact of any other Government Budget initiatives e.g. 75% retention of Business Rates, Business Rate Baseline resets, the Fair Funding Review and any Comprehensive Spending Review implications;
- Assess the impact of the decision to leave the European Union may have on the Council's budgets, e.g. changing forecasts for interest rates, inflation forecasts, pension fund revaluation and changes in legislation;
- Consider the implications of the use of financial resources on the levels of Council Tax and other Council charges;
- Services that have a statutory requirement to be self-financing need consideration in the budget process e.g. Licensing, Building Control;
- Consideration to the use of revenue grants received and held in the Revenue Grants Earmarked Reserve to support the revenue budget;

- Develop and implement a robust savings and additional income plan to close the anticipated £1million per annum funding gap (from 1st April 2021);
- Undertake and implement a base budget review.
- Limit revenue budget bids to those which are unavoidable and which cannot be accommodated within existing base budgets.

Revenue Budget Assumptions:

- *Reduction in overall funding from Business Rates of £1,500,000 for 2021/22 pending notification and implications of revised retentions scheme, pooling arrangements and baseline reset;*
- *Inflation is assumed in the MTFP at 2% for expenditure and 3% for income;*
- *Pay Award is assumed in the MTFP at 2%.*

Financial Principle 2 – Commercial and Income Generation

- Annual review of the Corporate Charging Policy to identify areas of potential charging and opportunities for increasing income;
- Consider the levels of income achievable as part of Corporate Charging Policy;
- Consider other sources of potential income generation such as advertising and sponsorship;
- Consider the development of a commercialised culture where the charging powers of the organisation are maximised and encouraged;
- Seek to develop investment opportunities to maximise the use of the Council's asset portfolio;
- Develop a commercial strategy which defines what commercialisation means in Carlisle, risk appetite and potential scope of commercial activity;
- Consider the funding strategy with a view to maximising external grants and contributions.

Charging/Income Assumptions:

- *Income from fees and charges currently achieve approximately £5m per annum;*
- *The Corporate Charging Policy assumes that income from fees and charges will increase at 1% above the inflation rate set for expenditure.*

Financial Principle 3 – Council Tax & Business Rates Policy

- Provide value for money to residents through efficient management of council tax collection;
- Determine Council Tax levels that are prudent and retain stability in the Council's financial strength;
- Annual review of the Business Rate Pooling arrangements and whether this should or can continue for 2021/22 onwards depending upon the outcome of the reset of Business Rate Retention scheme (currently delayed);
- Assessment of the impact of business rates retention including impact on Section 31 grants and funding for Small Business Rate Relief and any additional burdens on councils;
- Consider any implications of the Enterprise Zone on the City and potential resources allocated for future projects;
- Annual review and approval of the Council Tax Reduction Scheme (CTRS);
- Consider any likely reductions to Housing Benefit Admin Grant and the impact on the Council with the onset of Universal Credit.

Council Tax and Business Rate Assumptions:

- *Council tax levels currently assumed at a £5 increase per annum (Band D Equivalent) over the lifetime of the MTFP;*
- *Business Rate Retention growth assumed at £900,000 (reduced from £2,400,000 in 2020/21) above the baseline level set by Government pending the reset and re-design of the Business Rate Retention Scheme.*

Financial Principle 4 – Treasury Management

- Annual review of the Treasury Management budget for revised interest rates, changes to average balances and the effects of capital spending decisions;
- Consider appropriate levels of prudential borrowing that is affordable, sustainable and within acceptable council tax levels, and delivers objectives aligned to the Council priorities;
- Treasury Management Strategy to achieve the optimum return on investments, with the security of the principal sum always being the primary consideration.

Treasury Management Assumptions:

- *Rate for refinancing stock issue currently included in MTFP at an assumed rate of 2.7% on a principal and interest loan;*

- *Average investment return assumed at 1.2% for 2021/22.*

Financial Principle 5 – Capital Investment

- As set out in the Capital Investment Strategy;
- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (E.g. through re-profiling of capital receipts and borrowing);

Capital Investment Assumptions:

- *The current capital programme is forecast to utilise all forecast capital receipts (including from Asset Disposal Programme) and includes a borrowing requirement to fund the planned programme.*

3.0 Links to other Strategies

3.1 The Carlisle Plan

3.1.1 The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

3.1.2 The Medium-Term Financial Plan must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

3.1.3 The Medium-Term Financial Plan takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -

- The Capital Investment Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget;
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget;
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio;
- The Procurement and Commissioning Strategy;
- Local Plan/Local Development Framework;
- The ICT Strategy;
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future;
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy and Green Infrastructure Strategy
- Directorate Service Plans will be used to inform the budget setting process and identify key strategic and operational objectives and the resources required to deliver those.

4.0 Revenue Budget Forecasts

4.1 Current Budget Forecast

4.1.1 The Council has well established mechanisms in place for forecasting resources and expenditure over a five-year planning period. Projections will inevitably change over the period of the plan and these forecasts are updated as part of the detailed budget process.

4.1.2 The Council approved the current forecast for the period 2020/21 to 2024/25 in February 2020 and updated for the 2019/20 outturn position and details are shown below together with the base estimate figures for 2025/26.

2020/21 Revised £000	Summary Net Budget Requirement	2021/22 Budget £000	2022/23 Proj £000	2023/24 Proj £000	2024/25 Proj £000	2025/26 Proj £000
14,527	Total Recurring Expenditure	12,507	12,528	12,753	13,030	13,397
	Non Recurring Revenue Expenditure					
(685)	Existing Commitments	(36)	(45)	0	0	0
811	Carry Forward	0	0	0	0	0
14,653	Total Revenue Expenditure	12,471	12,483	12,753	13,030	13,397
	Less Contributions (from)/to Reserves:					
(1,141)	Recurring Commitments Sub Total	(287)	16	121	180	155
(126)	Non Recurring Commitments					
	- Existing Commitments	36	45	0	0	0
13,386	Total City Council Budget requirement	12,220	12,544	12,874	13,210	13,552
688	Parish Precepts	705	723	741	760	779
14,074	Projected Net Budget Requirement for Council Tax purposes	12,925	13,267	13,615	13,970	14,331

Table 1a: Summary Budget Position (Expenditure)

The budget requirement is funded as follows:

2020/21	Total Funding and Council Tax Impact	2021/22	2022/23	2023/24	2024/25	2025/26
34,468.61 £000	Estimated TaxBase	34,911.93 £000	35,261.05 £000	35,613.66 £000	35,969.80 £000	36,329.50 £000
	Projected Net Budget Requirement for Council Tax Purposes (Schedule 5)					
13,386	- City	12,220	12,544	12,874	13,210	13,552
688	- Parishes	705	723	741	760	779
14,074	Total	12,925	13,267	13,615	13,970	14,331
	Funded by:					
(7,487)	- Council Tax Income	(7,757)	(8,011)	(8,269)	(8,532)	(8,799)
(3,335)	- Retained Business Rates	(3,513)	(3,583)	(3,655)	(3,728)	(3,803)
(2,400)	- Business Rate Growth/Pooling	(900)	(900)	(900)	(900)	(900)
(134)	-Business Rate Multiplier Grant	0	0	0	0	0
(30)	- Estimated Council Tax Surplus	(50)	(50)	(50)	(50)	(50)
(688)	- Parish Precepts	(705)	(723)	(741)	(760)	(779)
(14,074)	TOTAL	(12,925)	(13,267)	(13,615)	(13,970)	(14,331)
£ 217.20	City Council Tax Band D Council Tax	£ 222.20	£ 227.20	£ 232.20	£ 237.20	£ 242.20
£5.00 2.36%	Increase over Previous year: £ %	£ 5.00 2.30%	£ 5.00 2.25%	£ 5.00 2.20%	£ 5.00 2.15%	£ 5.00 2.11%

Table 1b: Summary Budget Position (Funding)

4.1.3 The assumptions built into the MTFP that form part of the figures above are detailed at section 7.

4.2 Funding Prospects

4.2.1 The Council receives core funding from Government each year as part of the Settlement Funding Assessment which comprises of the Business Rates baseline funding level and information on tariffs and top ups. Although the Government set the Business Rates Baseline, the actual funding is received via the Non- Domestic Rates income the Council collects.

4.2.2 As well as the core funding as agreed in the Settlement Funding Assessment, the Council is also the recipient of other support from central government in the form of specific grants. These are included in the budget as income rather than funding and are linked to specific schemes or services. Further details of grants included in the MTFP are given at section 6.3.

4.2.3 Spending Review

The Chancellor announced on 24th March that the Comprehensive Spending Review 2020 would be delayed to enable the government to remain focused on responding to the public health and economic emergency. Therefore, the Spending Review for 2020, that would have announced the overall funding available to Local Government for the next few years will be deferred until 2021. The government have said they will continue to work with councils on the best approach to the next financial year, and the approach to the 2021/22 local government finance settlement. This means that there will be again, only a 1-year settlement for 2021/22 and will also mean the deferring of the implementation of the Fair Funding Review and Business Rate Retention reset (outlined below). **This will increase uncertainties in the Medium-Term Financial Plan with a further delay to future funding and the implications it will have on the Council.**

4.2.4 Fair Funding Review & Business Rate Retention

The Government have also confirmed that the Review of Relative Needs and Resources ('Fair Funding Review') and 75% Business Rate Retention will no longer be implemented in 2021/22. The Government will keep an open dialogue with local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth and potentially including a reset of the business rate base and the approach to the 2021/22 local government finance settlement. On the latter point, it is understood that this means that some form of a reset of retained business rates next year has not been ruled out. In the longer-term, the Secretary of State reiterated his commitment to reforms.

Therefore, it is very difficult to predict the future potential funding for the Council from Central Government beyond 2020/21. The Fair Funding Review will also have an impact on and be impacted by revisions to the Business Rates Retention system and also specific grants awarded by central government e.g. New Homes Bonus and Housing Benefit Administration Grant.

4.2.5 Business Rates Baseline

The Council budgets for income from Business Rates at the baseline level as set in the Settlement Funding Assessment. However, the income collected and paid over to the main preceptors (Central Government, Cumbria County Council and Carlisle City Council) is based on the projections in the NNDR1 return to Government. Any difference in these amounts is included in the

MTFP as part of the Growth/Pooling amount anticipated of £2,400,000 for 2020/21 falling to £900,000 for 2021/22. **However, uncertainty about the future retained business rates scheme beyond 2020 means that there may be resets to the scheme that could erode any additional income above baseline levels that have been built up under the previous scheme. Until full details of a future scheme are known it is prudent not to over-estimate any future income from business rates.**

Due to the deferral of the 75% Business Rates Retention Scheme, the Council continued to participate in the Cumbria Business Rates Pool, during 2020/21, which enables the County and the Council to retain more of the growth it generates. Given that the Retention Scheme has been deferred again, the specific impact on Carlisle is yet to be understood, but any proposals will likely come with an understanding that local authorities will have to take on additional responsibilities (e.g. absorbing some current one-off grants such as Housing Benefit Administration Grant), which may mean additional cost pressures.

4.2.6 The summary of funding included in the Medium-Term Financial Plan is as follows:

	Budget	Forecasts				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Business Rates Baseline	(3,335)	(3,513)	(3,583)	(3,655)	(3,728)	(3,803)
% Change		5%	2%	2%	2%	2%
Rates Growth/Pooling	(2,400)	(900)	(900)	(900)	(900)	(900)
% Change		-63%	0%	0%	0%	0%
Total Funding	(5,735)	(4,413)	(4,483)	(4,555)	(4,628)	(4,703)

Table 2: Funding

4.2.7 Council Tax

The MTFP includes Council Tax increases from 2021/22 onwards at £5 per Band D equivalent.

The MTFP assumes an increase in the taxbase of 1.00% per year and the City Council's share of the Collection Fund Surplus is assumed to be a recurring £50,000.

Any increase in the tax base as a result of new housing developments and/or population increases will also mean a requirement to provide services to those households. Although there will be an increase in the amount of funding received through Council Tax, there will also be a cost of providing council services. Further work on the net unit cost of providing services for new developments and population growth will be undertaken during this budget process.

The MTFP also assumes continuation of the statutory Council Tax Reduction Scheme (CTRS) as the Council's localised scheme. Any support provided through the Council Tax Reduction Scheme will be fully funded by all the main preceptors on the Collection Fund i.e. the Council, the County Council and the Police & Crime Commissioner. Consideration will need to be given as to whether this scheme is to be continued in the same format or incorporate changes to the level of support provided.

	Budget	Forecasts				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Council Tax Base	34,468.61	34,911.93	35,261.05	35,613.66	35,969.80	36,329.50
% Change		1.29%	1.00%	1.00%	1.00%	1.00%
	£000	£000	£000	£000	£000	£000
Council Tax Surplus	(30)	(50)	(50)	(50)	(50)	(50)
% Change		67%	0%	0%	0%	0%
Band D Council Tax	217.20	222.20	227.20	232.20	237.20	242.20
% Change		2.30%	2.25%	2.20%	2.15%	2.11%
Total Yield	(7,487)	(7,757)	(8,011)	(8,269)	(8,532)	(8,799)

Table 3: Council Tax

The recent comprehensive funding package announced by the Government refers to:

- A 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.

However, until final details are provided the impact on the MTFP cannot be assessed.

A significant risk relates to how the expected overall increase in CTRS claimants (as a result of COVID-19), 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.

4.3 **Efficiency Strategy**

4.3.1 In order to ensure the Council maintains a minimum level of reserves to the end of the MTFP period, efficiencies are required throughout the period of the plan. The efficiency strategy will concentrate on the following areas:

- Asset Strategy – to focus on ensuring the council's asset portfolio maximises the benefit to the Council through income generation or by realising receipts of assets that do not generate a return that can then be utilised to ease pressures in capital and revenue budgets through the most appropriate means, e.g. re-investment in new assets and supporting the capital programme to reduce the CFR
- Service Reviews – A review of services to include their purpose and relevance in achieving the Carlisle Plan priorities, including a review of those services which do not fall within the Council's core priorities or which are not statutory will be undertaken to ensure that services and resources are properly aligned to what the Council wants to achieve.
- Core Budgets – a review of base budgets, including income generation and a fundamental zero-based budget review of all base budgets, to ensure compliance with best practice and outcome based budgeting and other appropriate budget disciplines.

The recent Peer Review has recommended 3 actions which Members may wish to consider 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;

- Develop and implement a robust savings and additional income plan to close the anticipated £1million per annum funding gap (from 1st April 2021);
- Undertake and implement a base budget review.

4.3.2 The savings currently included in the MTFP total £1million on a recurring basis increasing by a further £850,000 on a recurring basis:

	Cumulative savings required £	In year savings required £
2020/21	0	0
2021/22	1,000,000	1,000,000
2022/23	1,000,000	0
2023/24	1,850,000	850,000
2024/25	1,850,000	0
2025/26	1,850,000	0

Table 4: Savings

4.3.3 Further savings will be dependent upon future funding settlements, Council Tax increases and changes to income and expenditure levels (pressures and savings) that are outwith the current Medium-Term Financial Plan. Savings will be profiled in the most effective way to ensure that they are achievable, timely and ensure reserves are not adversely affected.

5.0 Provisions, Reserves & Balances

5.1 The Council holds balances in order to meet future commitments. The Council policy on the use of reserves is as follows:

- Reserves generally will not be used to fund recurring items of expenditure, but where it does steps will be taken to address the situation.
- Reserves will not become overcommitted.
- The Council benefits from its level of reserves as it is able to: -
 - Meet its capital programme obligations, with borrowing only undertaken where funded from existing revenue budgets;
 - Fund exceptional increases in its net budget requirement without affecting the Council Tax charged to its taxpayers;
 - Ensure that surplus resources are retained for the general benefit of the Council to protect against large increases in Council Tax;
 - Maximise income received from the investment of its reserves to contribute to the budget requirement of the Council, which is a key part of the Council's Treasury Management Strategy.

5.2 General Fund

5.2.1 Having undertaken a risk assessment considering the risks and working balances required, the balance on the General Fund reserve indicates that this should broadly equal £3.1m as a prudent level. The risk-based assessment of the appropriate level of this reserve is carried out as part of the budget process and the current assessment is shown at **Appendix A**, which will be updated during this budget process. The prudent level of reserves may need to be revised in the medium term to reflect the changes circumstances around funding changes retention of business rates.

5.2.2 If the balance in the short-term falls below minimum levels, the Council will top-up the balance to this level from the General Fund Income and Expenditure Account.

5.2.3 If the balance in the short-term exceeds minimum levels then the surplus will be transferred to the Council's Project Reserve.

5.3 **Earmarked Reserves**

5.3.1 Earmarked reserves will not be used for recurring items of expenditure, nor become over-committed.

5.3.2 For each earmarked reserve there will be a clear protocol in place setting out:

- The purpose of the reserve.
- How and when the reserve can be used.
- Procedures for the management and control of the reserve.
- Processes for the review of the use of the reserve to ensure that it continues to have an adequate level of funds and remains relevant to the business of the Council.

(Further details of this are shown at **Appendix B**)

5.3.3 The revenue reserves the Council currently holds are as follows:

	31/03/2020 £000	31/03/2021 £000	31/03/2022 £000	31/03/2023 £000	31/03/2024 £000	31/03/2025 £000
General Fund Reserve	3,100	2,431	2,180	2,241	2,362	2,542
Projects Reserve	836	0	0	0	0	0
Carry Forward Reserve	654	632	632	632	632	632
	4,590	3,063	2,812	2,873	2,994	3,174
Revenue Earmarked Reserves						
Flood Reserve	1,948	4	4	4	4	4
Cremator Reserve	1,080	1,111	1,111	1,111	1,111	1,111
City Centre Reserve	5	5	5	5	5	5
Planning Services Reserve	196	182	182	182	182	182
Prosecutions Reserve	36	36	36	36	36	36
Waverley Viaduct Reserve	30	30	30	30	30	30
Revenue Grants Reserve	1,939	1,495	1,495	1,495	1,495	1,495
Apprentices Reserve	78	78	78	78	78	78
Building Control Reserve	100	100	100	100	100	100
	5,412	3,041	3,041	3,041	3,041	3,041
Total Revenue Reserves	10,002	6,104	5,853	5,914	6,035	6,215

Table 5: Revenue Reserves

5.3.4 The MTFP does not assume any use of earmarked reserves.

5.3.5 As well as revenue earmarked reserves, the Council also holds a small number of earmarked reserves for capital purposes. These are as follows:

	31/03/2020 £000	31/03/2021 £000	31/03/2022 £000	31/03/2023 £000	31/03/2024 £000	31/03/2025 £000
Capital Earmarked Reserves						
Usable Capital Receipts	0	0	0	0	0	0
Unapplied Capital Grant	136	112	112	112	112	112
Lanes Capital Reserve	75	90	105	120	135	150
Total Capital Reserves	211	202	217	232	247	262

Table 6: Capital Earmarked Reserves

5.4 **Provisions**

- 5.4.1 The Council holds a number of provision balances for items where future commitments are likely and use of these are delegated to the relevant Corporate Director in consultation with the Corporate Director of Finance and Resources.

5.5 **Charitable and Other Bequests**

The Council holds a number of bequests for use by the Council. These funds can only be released with the full approval of the Council under the terms set out when the bequest was given. In the first instance it will be the responsibility of the Executive to consider a report outlining proposals for the use of the bequest prior to submission of the request to Council.

5.6 **The Responsibilities of the Corporate Director of Finance and Resources**

- 5.6.1 The Corporate Director of Finance and Resources will review each reserve and its protocol annually and produce a report for the Executive as part of the annual budget process detailing: -
- Compliance with the use of reserves and associated protocols,
 - Movements in the level of reserves, including the purposes for which reserves were used during the previous financial year,
 - The adequacy of the level of reserves and the effects on the Council's budget requirement,
 - Any reserves which are no longer required,
 - Proposals to set up new reserves, including purposes, protocols, funding sources and potential impact on the Council's Medium-Term Financial Plan.

- 5.6.2 The Corporate Director of Finance and Resources will review this policy at least annually and will obtain the approval of the Council for any change

required to either the policy or protocols associated with specific reserves.

5.7 **Planned Use of Reserves**

- 5.7.1 When the budget was set in February 2020, it assumed that there would be contributions to and from General Fund Reserve over the life of the MTFP. With the outturn position for 2019/20 now confirmed, the General Fund Reserve and Projects Reserve has been updated as shown in Table 5 above.
- 5.7.2 The reserves position is also subject to the savings required (as in Table 4) being met as scheduled. Any slippage on savings or any savings made in advance will impact on the contributions to and from reserves.

6.0 Income

6.1 Fees & Charges

- 6.1.1 Fees and Charges for individual services generate in the region of £5m p.a. for the City Council. **Appendix C** sets out the Council's approach to the reviewing and setting of fees and charges on an annual basis. The overall aim is to increase the proportion of income raised from users of discretionary services to ensure that they meet the full cost of these services, rather than the costs falling on Council Taxpayers in general.
- 6.1.2 In the past the income target has been set at 1% above the inflation rate. Each directorate must prepare a Charges Review Report as part of the budget process that must clearly set out the overall policy objective. In the past few years, increases in income from charges have not always resulted in the MTFP target being achieved.
- 6.1.3 There are certain functions the Council provides where it has little or no control over the charges to be set and where the service is statutorily bound to be self-financing, for example Building Control. This requirement is likely to extend to Licensing in the future and this means that any surplus income generated by raising fees has to be ring-fenced to these functions.
- 6.1.4 The main areas of fee generating income are shown in the table below:

	2018/19 Actual £000	2019/20 Actual £000	2020/21 Budget £000
Parking	(1,195)	(1,088)	(1,095)
Bereavement Services	(1,596)	(1,713)	(1,615)
Development Control	(689)	(435)	(602)
Total	(3,480)	(3,236)	(3,312)

Table 7: Main areas of Income

6.2 Property Rentals

- 6.2.1 Income received from property rentals is in the region of £4.1 million per annum.
- 6.2.2 The yield from property rentals included in the MTFP is shown in the following table: -

	2018/19 Actual £000	2019/20 Actual £000	2020/21 Budget £000
The Lanes	(1,080)	(1,028)	(950)
The Market	(132)	(68)	(88)
Industrial Estates	(2,784)	(2,662)	(2,596)
Misc Properties	(363)	(393)	(484)
Total	(4,359)	(4,151)	(4,118)

Table 8: Property Income

6.2.4 The MTFP makes no provision for additional rental income from assets via rent reviews.

6.3 **Grants & Contributions**

The Council receives grants from various sources as part of its overall funding. Some of these grants are given as part of the Settlement Funding Assessment by MHCLG and as such, these are budgeted only when notification is received.

6.3.1 **New Homes Bonus**

The Council receives central funding in relation to the New Homes Bonus Scheme. The Council used to receive an allocation of funding under the scheme each year and each allocation lasted for four years. However, as part of the Local Government Finance Settlement for 2020/21 indicative figures were provided for one year only (with no legacy payments being made in subsequent years) with any new funding beyond 2020/21 being subject to the 2020 Spending Review with possible revisions to the scheme too. The MTFP does not therefore assume any new allocations of New Homes Bonus beyond 2020/21; however, it does include the continuation for 4 years of those allocations received in previous years. **Revisions to the New Homes Bonus scheme are expected alongside the Fair Funding Review and changes to Business Rates Retention. It should be anticipated that there may be changes to the scheme that reduce the amount of grant that may be awarded in the future.**

Details of allocations included in the MTFP as shown in the table below:

Allocation Year	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
2015/16						
2016/17	(480)					
2017/18	(476)	(476)				
2018/19	(259)	(259)	(259)			
2019/20	(351)	(351)	(351)	(351)		
2020/21		(408)	?	?	?	?
2021/22			?	?	?	?
2022/23				?	?	?
Total	(1,566)	(1,494)	(610)	(351)	0	0

Table 9: New Homes Bonus

6.3.2 Housing Benefit Admin Grant

The Council receives grant funding towards Housing Benefit Administration. The Council currently has a recurring budget of £423,500 for this grant. Allocations are received on an annual basis. However, it is likely that this grant will eventually reduce with the onset of Universal Credit and the resultant downsizing of Housing Benefit Administration by the Council. This reduction in grant will need to be considered in line with any reductions in workload associated with any transition.

7.0 Assumptions

7.1 The MTFP includes assumptions regarding the main items of income and expenditure. Some of these assumptions have been previously explained, e.g. Government Funding and Council Tax. The following sections provide further details of the assumptions currently included in the MTFP. Any deviation from these assumptions will be included in the budget process for 2021/22 as pressures or savings.

7.2 Pay

- Annual increase in MTFP **2%**
- Salary Turnover Savings **£442,100**
- Pension Contribution Rate (Current Service) **19.9%**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Pay Award (£000)	14,148	141	283	424
Pension Contribution (£000)	1,769	18	35	53
		Risk		
		High	Medium	Low
<u>Pay Award</u>				
Likelihood of Change				
Impact of Change				
<u>Salary Turnover</u>				
Likelihood of Change				
Impact of Change				
<u>Pensions</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - The pay award for 2020/21 has not yet been agreed. 2% is factored into the MTFP.
 - Implications of the triennial pension revaluation for 2020 are incorporated into the budget.

7.3 **General Inflation**

- Annual increase in MTFP for expenditure **2%**
- Annual increase in MTFP for Income **3%**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Expenditure (£000)	8,967	90	179	269
Income (£000)	(4,623)	-46	-92	-139
		Risk		
		High	Medium	Low
<u>Pay Award</u>				
Likelihood of Change				
Impact of Change				
<u>Salary Turnover</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Inflation level of 2% is set at the Bank of England target for inflation.

7.4 **Investment Income**

- Investment Returns –

	2020/21	2021/22	2022/23	2023/24	2024/25
Investments	0.30%	0.30%	0.50%	0.95%	1.33%
Property Fund	4.00%	40.00%	4.00%	4.00%	4.00%

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Treasury Income (£000)	30,956	310	619	929
Property Fund Income (£000)	3,383	34	68	101
		Risk		
		High	Medium	Low
<u>Investment Income</u>				
Likelihood of Change				
Impact of Change				
<u>Property Fund Income</u>				
Likelihood of Change				
Impact of Change				
<u>Average Balances</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Use of and Contribution to Reserves will impact on average balances and subsequently investment return achieved.
 - Capital Investment decisions will affect the Capital Financing Requirement and average balances
 - The investment returns used when the budget was set in February 2020 will need to be updated given current guidance on when interest rates are expected to change.

7.5 **Borrowing**

- Assumed Borrowing - 2020/21 **£22.0m**
- Assumed Borrowing Rate - 2020/21 **2.25% - 2.46%**

Borrowing assumptions are based on a Principal (capital) and Interest repayment loan

- Assumed Capital Financing Requirement (CFR) & Minimum Revenue Provision (MRP):

	2020/21	2021/22	2022/23	2023/24	2024/25
CFR	7,342	13,020	39,943	39,389	39,251
MRP	-	-	150	957	941

	Base Level	Sensitivity		
	£000	+/-1%	+2%	+/-3%
Borrowing Rate (£000)	22,000	220	440	660
MRP	0	0	0	0
		Risk		
		High	Medium	Low
<u>Increase to Borrowing Rate</u>				
Likelihood of Change				
Impact of Change				
<u>Increase to CFR</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Borrowing assumed in MTFP for Leisure facilities, Gateway 44 and Southern Relief Road
 - Any future Capital Programme decisions will likely require a borrowing requirement, either internal or external which will have an impact on the revenue budget
 - Re-profiling of anticipated capital receipts will impact on CFR, and subsequently MRP charge

8.0 Appendices

Appendix A – Risk Assessment of Minimum Level of General Fund Reserve 2020/21

Potential Risk	Financial Impact	Financial Exposure (£000)	Probability	Weighting	Risk Score	Balance Required (£000)	Comment (Basis of Financial Exposure)
Base Budget Contingency for inflation or other unanticipated rise.	2	132	2	50%	4	66	1% of Net Revenue Recurring Budget
Underachievement of Charges Income targets and spending exceeds budgets	3	225	3	75%	9	169	5% Charges Income forecasts for 2019/20
Underachievement of Investment Income	2	95	1	25%	2	24	0.5% of exposure of average balance of £19m
Insurance Excesses	2	500	2	50%	4	250	Based on maximum excess for flood (£500k)
Fall in Rental Income from Property	3	215	1	25%	3	54	5% of Rental Income (assumed at £4.5m for 2019/20)
Transformation not met	4	1,134	2	50%	8	567	Transformation savings still to be agreed
Loss of Income from Retained Business Rates	4	1,154	3	75%	12	866	Safety Net Threshold for Business Rates Retention Scheme + Business Rate Pooling
Additional Redundancy Costs	3	200	2	50%	6	100	Not met from Transformation Reserve
Emergency Contingency	4	1,000	4	100%	16	1,000	Emergency contingency fund - Council practice to allocate £1m for any unforeseen emergencies
TOTALS		4,656				3,095	
Maximum Risk Based Reserve Balances						4,656	
Minimum Risk Based Reserve Balances						1,164	
Current Level of Reserves (Projected as at 31/03/21) (General Fund including carry forward reserve)						3,063	
Projected Shortfall/(Excess) of Current Reserve Balance over Risk Based Reserves						-32	

Appendix B – Reserves & Provisions

Reserves

Reserve	Balance 31/3/20	Purpose	Conditions of Use	Future of the Reserve
<i>Capital Reserves</i>				
Usable Capital Receipts	0	To provide funds to support the capital programme	Capital receipts can only be used to support capital spending or the repayment of debt. Management of the use of the receipts rests with the Corporate Director of Finance and Resources but approval of their use must be given by Council.	
Lanes Capital Reserve	75	To provide funds to meet potential exceptional capital works under the terms of the lease agreement.	Management of the reserve rests with the Corporate Director of Governance and Regulatory Services who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.	This reserve is still required
<i>Revenue Reserves</i>				
General Fund Reserve	3,100	To be a general working capital / contingency to cushion the Council against unexpected events and emergencies	<p>Management of the reserve rests with the Corporate Director of Finance and Resources. The use of the reserve is dependent on judgements taken when setting the Council's revenue budget on: -</p> <ul style="list-style-type: none"> - Cash Flow requirements - Inflation and interest rates - Demand Led Budget Pressures - Efficiency and Productivity Savings - The Availability of funds to deal with major unexpected events or emergencies - Risks arising from significant new funding partnerships, major outsourcing arrangements or major capital developments <p>Approval to release funds from the reserve can only be given by the Council as part of the budget process, or through</p>	This reserve is still required

Reserve	Balance 31/3/20	Purpose	Conditions of Use	Future of the Reserve
			<p>consideration of supplementary estimates on an ad-hoc basis</p> <p>Where there is a critical need to access the emergency element of the Fund of 825£1m on the grounds of protection of persons or property or in any way safeguard the interests of the Council then this can be accessed through agreement with the Leader, Portfolio Holder and Leader of Main Opposition party and will be reported to the next available Council meeting</p>	
Projects Reserve	836	The balance at 31 st March shall be earmarked to support potential revenue budget shortfalls identified by the Medium-Term Financial Plan. Additions to the balances thereafter can be used either to support revenue budget shortfalls or projects within the Council's capital programme	Management of the reserve rests with the Corporate Director of Finance and Resources. Funding for the Reserve will be provided by windfall gains over and above those required to maintain the General Fund at its approved level and balances on reserves that are no longer needed. Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.	This reserve is still required
Carry Forward Reserve	654	To establish a reserve to hold carry forward budgets. Any expenditure in relation to a carry forward listed below will if possible be funded from base budgets but can be called from this reserve if the section is likely to be in an overspend position at year end.	Management of the Reserve rests with Corporate Director of Finance and Resources. Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources and/or The Chief Executive.	This reserve has been reviewed and re-allocated to specific projects

Reserve	Balance 31/3/20	Purpose	Conditions of Use	Future of the Reserve
Building Control Reserve	100	To provide funds for improvements to the delivery of the Building Control function.	Management of the reserve rests with the Corporate Director of Economic Development. The balance is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council. Funding is provided from surpluses generated by the service annually. Approval to release funds from the reserve can only be given by Corporate Director of Economic Development via an Officer Decision Notice	This reserve is still required
Conservation Reserve	0	To purchase historic buildings at risk or fund repairs and / or improvements to historic buildings	Management of the reserve rests with the Corporate Director of Economic Development. Funding is provided from the sale of property. Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
Cremator Reserve	1,080	To build up resources to replace cremators when required	Management of the reserve rests with the Deputy Chief Executive. Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
City Centre Reserve	5	To establish a reserve for the future Festive Lighting Programme.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Deputy Chief Executive, Portfolio Holder and Corporate Director of Finance and Resources.	This reserve is still required
Repairs & Renewals Reserve	0	To establish a Repairs and Renewals Fund that can be used for revenue and capital items in the future, e.g. ICT, Vehicles	Approval to release funds from the reserve can only be given by the Executive of the Council.	This reserve is still required
Flood Reserve	1,948	There are likely to be further costs that are not recoverable from insurers and it is proposed to establish a new reserve to contribute to these costs.	Management of the reserve rests with the Corporate Director of Finance and Resources with the use of the Reserve requiring an Officer Decision notice by the Corporate Director of Finance and Resources.	This reserve is still required and will be released in 2020/21 to support the reinstatement of the Civic Centre

Reserve	Balance 31/3/20	Purpose	Conditions of Use	Future of the Reserve
Prosecutions Reserve	36	For future anticipated Barrister & legal fees	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services in consultation with the Chief Executive, Portfolio Holder & Corporate Director of Finance and Resources.	This reserve is still required
Revenues Grants Reserve	1,939	To hold grant funds received by the Council which have not yet been utilised.	Approval to release funds from the reserve only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	This reserve is still required but should be subject to a review to determine if all balances held therein are still required
Planning Services Reserve	196	To establish a reserve for the 20% uplift on the new planning fees which are to be spent on the planning service to improve performance.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Chief Executive in consultation with the Corporate Director of Economic Development, Portfolio Holder & Corporate Director of Finance and Resources.	This reserve is still required
Apprenticeship Reserve	78	To establish a reserve for the committed balances from the annual Apprentice Infrastructure budget that will be required in future years of the employment contracts.	Management of the Reserve Rests with the Corporate Director of Finance and Resources. Approval to release funds from the reserve only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	This reserve is still required
Waverley Viaduct Reserve	30	To earmark funds towards the development of the Waverley Viaduct	Management of the Reserve Rests with the Corporate Director of Governance & Regulatory Services. Approval to release funds from the reserve only be given by the Corporate Director of Governance & Regulatory Services.	New Reserve
BRR Volatility Reserve	0	To cushion against losses in Business Rate income as a result of being part of the Cumbria Business Rates Pool	Management of the reserve rests with the Corporate Director of Finance and Resources with the use of the Reserve requiring an Officer Decision notice by the Corporate Director of Finance and Resources.	This reserve is still required

Provisions

Provision	Balance 31/3/20	Purpose	Future of the Provision
Business Rate Appeals	1,321	To provide an amount for settling outstanding appeals made against business rate liabilities by ratepayers. This amount represents the Council's 40% share of total appeals under business rate retention. This amount is charged against the Collection Fund when settled.	The provision is reviewed annually as part of the closure of accounts and adjusted according to the outstanding estimated appeals anticipated.
Insurance Provision	156	To provide an amount for settling outstanding insurance claims taking into account excesses to be paid by the Council and claims to be settled by insurers. The provision at 31 March 2019 also included amounts relating to excess payments due as part of the flood claim.	The provision is reviewed annually as part of the closure of accounts and adjusted according to the outstanding insurance claims at 31 March. Any reductions in to the provision are credited back to general fund and any increases required are charged to general fund as part of the outturn.
Rickergate Ringfenced Account	176	This provision was established to hold the net income received from properties acquired with NWDA funding in Rickergate. Funding was received to acquire the properties and the funding agreement obliged the Council to ring-fence the rental income achieved on the properties pending the final outcome for development of the area. There is therefore a potential obligation to repay these sums if no development occurs.	This provision is reviewed annually and the income generated in the year is added to the balance carried forward. Therefore, the provision is still required.
Land Charges Provision	34	This provision was established to provide a sum to settle claims against the Council for overpaid land charges. A national claim was brought forward that argued that Council's had overcharged for Land Charges in previous years.	This Provision is still required for land and property initiatives
Cemeteries Perpetuity Fund	75	This provision was established to maintain and repair cemetery headstones where owners cannot be contacted.	This Provision is still required
Licencing Appeals	20	This provision was established to provide a sum for settling costs associated with appeals to licensing decisions.	This Provision is still required

Provision	Balance 31/3/20	Purpose	Future of the Provision
Licensing Taxi Plates	7	This provision was established to hold sums paid for Taxi plate deposits	This Provision is still required
Standards Committee Complaints Provision	10	This provision was established to provide a sum for settling costs associated with complaints made from Standards Committee decisions.	This Provision is still required
Property Deposits	1	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Market Hall Deposits	9	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Enterprise Centre Deposits	9	These provisions hold deposits made to the Council for property (e.g. grazing land), enterprise centre and market by tenants. If tenants vacate deposits are repaid.	This Provision is still required
Civil Penalties	23	To establish a provision in relation to costs to be funded from Civil Penalties income in accordance with the Housing & Planning Act 2016.	New Provision
Working Time Directive	62	To establish a provision in relation to costs associated with the Working Time Directives.	New Provision
Bequests	18	These provisions hold balances in relation to bequests made to the Council. The Parker bequest was established in 1954 and was to benefit disabled children and other young residents of the City. The District Nursing Amenity Fund was established to provide amenities for nurses homes and retirement allowances to nurses.	These provisions are still required; however it is recommended that these provisions be reviewed to determine how best they can be utilised in line with their original purpose.

Appendix C - Corporate Charging Policy

This appendix sets out the corporate approach to the setting of fees and charges.

The Corporate Charging Policy applies to those fees and charges that the Council has control over and can set independently of any statutory provision. Any services where charges are set by Government or where services have to be self-financing are excluded from the Corporate Charging Policy.

The Corporate Charging Policy assumes that Income from fees included in the Charging Policy will increase by 1% above the inflation rate set for expenditure. For 2020/21 this equates to a 3% increase. The MTFP assumes that income will increase by 3% although this does not necessarily mean that charges have to increase by 3% as increases in demand could account for additional income.

Each service is required to consider how and to what extent each of the following applies to the fees and charges it proposes to set:

1. Objectives of Charge - Set out the principal objective(s) of setting the charge:

- Recover cost of service provision
- Generate Surplus Income (where permitted)
- Maintain existing service provision
- Fund service improvements or introduction of new service(s);
- Manage demand for service(s)
- Promote access to services for low-income households;
- Promote equity or fairness;
- Achieve wider strategic policy objectives (e.g. encouraging green policies);

2. Other factors influencing decisions on whether and how much to charge:

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (e.g. pre-application planning advice)
- Central government policy objectives

3. Targeting Concessions - The following target groups should be considered:

- Persons over the age of 65
- Unemployed
- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Armed Forces Veterans
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

4. Trading

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

5. Value For Money

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?

Appendix D – Gross Expenditure Breakdown

	Original Budget 2020/21 £
Expenditure	
Employee Related	15,894,000
Premises Related	4,091,100
Transport Related	1,415,000
Supplies & Services	4,341,300
Third Party Payments	2,319,200
Transfer Payments	26,516,600
Support Services	12,113,100
Capital Financing Costs	2,470,100
Carry forward approvals	811,000
Recharges	(14,223,700)
Total Expenditure	55,747,700
Income	
Government Grants	(1,676,800)
Specific Grants	(27,013,400)
Other Grant/Reimbursements/Contributions	(1,846,400)
Interest	(265,700)
Customer and Client Receipts	(10,292,400)
Total Income	(41,094,700)
Net Budget Requirement	14,653,000
Funded By:	
Council Tax	(7,487,000)
Council Tax Surplus	(30,000)
Retained Business Rates	(3,468,900)
Business Rates Growth/Pooling	(2,400,000)
Reserves	(1,267,100)
Total Funding	(14,653,000)

Report to Business and Transformation Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 23 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD15/20
Within Policy and Budget Framework YES
Public / Private Public

Title: DRAFT CAPITAL INVESTMENT STRATEGY 2021/22 - 2025/26
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD08/20

Summary:

The Council's draft Capital Strategy for the period 2021/22 to 2025/26 was considered by the Executive on 20 July 2020.

Questions for / input required from Scrutiny:

To scrutinise, and provide feedback, on the Financial Policies to be adopted by the Council which will inform the Capital Programme and use of Capital Resources over the next five years.

Recommendations:

Members are asked to consider the report and make any recommendations back to the Executive for consideration at their meeting on 17 August 2020.

Tracking

Executive:	20 July 2020
Scrutiny:	23 July 2020
Executive	17 August 2020
Council:	08 September 2020

Report to Executive

Agenda
Item:

Meeting Date: 20 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD15/20
Within Policy and Budget Framework: The YES
Public / Private: Public

Title: DRAFT CAPITAL INVESTMENT STRATEGY 2021/22 - 2025/26
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD08/20

Purpose / Summary:

The Council's draft Capital Investment Strategy is intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2021/22 to 2025/26. The guidance in this strategy complements and supplements the Medium-Term Financial Plan.

Following consideration by the Executive, the Business and Transformation Scrutiny Panel will consider the draft on 23 July, with final recommendations to Council on 08 September 2020.

Recommendations:

The Executive is asked to:

- (i) Comment on the draft Capital Investment Strategy for consideration by the Business and Transformation Scrutiny Panel on the 23 July 2020.

Tracking

Executive:	20 July 2020
Overview and Scrutiny:	23 July 2020
Executive	17 August 2020
Council:	08 September 2020

1. BACKGROUND

- 1.1 The Capital Investment Strategy is a key policy document, providing guidance on the Council's Capital Programme and the use of capital resources. The Strategy supplements guidance contained in the Medium-Term Financial Plan (MTFP).
- 1.2 The Capital Investment Strategy is reviewed annually alongside the MTFP, starting with the assumptions made in the Budget Resolution approved by Council on 4 February 2020. This position has been updated to reflect any known changes since that date. The Strategy also incorporates the requirements under the Prudential Code 2017 to link capital investment with treasury management activity and service objectives.

2. KEY MESSAGES

- 2.1 The Capital Investment Strategy shows the starting position for the budget considerations for the next five years and gives an indication of the likely factors that will have an impact in the budget setting process. The Capital Programme and the financing of the programme are going to play an important role in shaping future budget considerations due to:
 - The re-profiling of asset sales will be updated as part of the budget process, especially in regard to the timing and level of receipts as a result of COVID-19; this may have a significant impact on the revenue budget through the requirement to fund the capital programme with an additional borrowing requirement;
 - Additional Capital investment decisions will likely require revenue funding, either as a direct contribution from revenue reserves or through borrowing costs;
 - Impact of COVID-19 on the deliverability of capital projects.
- 2.2 Although there is a forecast borrowing requirement to fund the capital programme, there are some factors that will also need consideration. These are:
 - Asset sales generating receipts over current estimate levels will reduce any borrowing requirement;
 - The ability to make a recurring revenue contribution to fund the capital programme will reduce any borrowing requirement;
 - A review of the current programme may relieve some of the expenditure pressures.

3. RISKS

- 3.1 The Capital Investment Strategy contains risk analysis of the issues that could potentially affect the budget and financial planning position.

4. CONSULTATION

- 4.1 The draft Capital Investment Strategy has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.
- 4.2 The Business and Transformation Scrutiny Panel will consider the report on 23 July 2020 and recommendations made to full Council on 08 September.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1 The Executive is asked to:
Comment on the draft Capital Investment Strategy for consideration by the Business and Transformation Scrutiny Panel on the 23 July 2020.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The Capital Investment Strategy contains the current capital programme and how this aims to enhance the Carlisle area through the development of new infrastructure to both improve service delivery and provide additional facilities in the area.

Contact Officer: Alison Taylor

Ext: 7290

Appendices Appendix 1 – Capital Investment Strategy 2021/22 to 2025/26
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: • None

CORPORATE IMPLICATIONS/RISKS:

Legal – The Council has a fiduciary duty to manage its resources correctly. The Capital Investment Strategy is an important part of the budgetary process and seeks to ensure a planned and coordinated approach to the delivery of projects within the parameters of our financial resources.

Finance – contained within the report

Equality – Strategy includes expenditure forecast for Disabled Facility Grants

Information Governance - There are no Information Governance Implications

Property – The Capital Investment Strategy links with the Asset Management Plan 2021/22 to 2025/26 to provide details on how the City Council will utilise its property assets to assist with the Council's finances and the development of new infrastructure for the City.

Draft Capital Investment Strategy

Carlisle City Council

2021/22 to 2025/26

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1.0 Introduction

- 1.1 The Capital Investment Strategy is a key policy document for the Council and provides guidance on the Capital Programme and the use of capital resources and Asset Management Plans. The strategy reflects the links to other Council plans and is based on the guidance in the Medium-Term Financial Plan (MTFP). The Capital Investment Strategy is written following guidance included in the Prudential Code (2017) and is required to be approved by Full Council.

The objectives of the Capital Investment Strategy are to:

- Provide an overview of the governance process for approval and monitoring of capital expenditure;
- Provide a longer-term view of capital expenditure plans;
- Provide an overview of asset management planning;
- Provide expectations around debt and use of internal borrowing to support capital expenditure;
- Define the authority's approach to commercial activities including due diligence and risk appetite;
- Defines the available knowledge and skills to the authority in relation to capital investment activities.

- 1.2 Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Council's policy on capitalisation is included in the Accounting Policies of the Statement of Accounts. The policy states that items of vehicle, plant and equipment over £5,000 will be capitalised and expenditure on land, buildings and other structures over £20,000 will be capitalised. Expenditure under these limits is deemed to be a revenue cost.

1.3 **Evaluation and Monitoring of Capital Projects**

The evaluation and monitoring of capital projects is important to enable the Council to determine:

- If projects have met their individual objectives for service provision,
- If projects have been delivered on time and to budget, or whether lessons need to be learned to improve processes in the future,
- If projects have contributed to the overall aims and objectives of the Council.

1.4 To assist with these processes, the Council has a series of procedures in place as a capital project develops. These consist of: -

- Consideration of all aspects of a capital project by the Transformation Sub-Group, comprising senior officers of the Council, whose purpose is to lead on the prioritisation of capital investment through the consideration of business cases and the ongoing monitoring and evaluation of individual capital projects. All proposals for investment will be submitted to members for consideration as part of the normal budget process.
- The development of a risk-assessed project plan for every project, which is subject to regular monitoring against key milestones by a nominated project officer.
- Changes to capital budgets, scheme costs, the inclusion or removal of individual schemes and information on remedial action needed to bring projects back on track are reported to Council as required.
- The Senior Management Team and the Executive receive quarterly monitoring reports on the Capital Programme to review progress on the delivery of projects. This process also includes the evaluation of completed capital projects to assess if their individual aims and objectives have been met, and makes recommendations where necessary to improve the delivery of similar projects in the future.
- The Council's Business and Transformation Scrutiny Panel also critically examines the performance in delivering capital projects on a quarterly basis.

1.5 **Current Asset Portfolio**

The Council holds a significant asset portfolio that supports both its operational activities and non-operational activities from which it receives significant rental income.

The rental income it receives is used to support Council services and provides a significant proportion of the income it receives. The income from rentals on the non-operational asset portfolio is approximately 60% of what the Council receives in funding from Council Tax.

Asset Category	Valuation 31/03/20 £000	Rental Income £000	Other Income £000	Total Income 20/21 £000
Investment Property	79,905	4,118	0	4,118
Surplus Assets	961	0	0	0
Land & Buildings	32,255	0	3,924	3,924
Infrastructure	5,114	0	0	0
Community Assets	4,128	24	0	24
Dwellings	201	0	0	0
Vehicles Plant & Equipment	5,896	0	0	0
Heritage	19,502	0	0	0
Assets Under Construction	4,218	0	0	0
TOTAL	152,180	4,142	3,924	8,066

Investment Property (Non-Operational)

These assets include Industrial Estates, land held for capital appreciation and rental income, Lanes Shopping Centre

Surplus Assets (Non-Operational)

These assets include land held that do not generate significant rental incomes or are held for capital appreciation

Assets Held for Sale (Non-Operational)

This relates to assets that have been identified for sale and are in the process of being disposed at the Balance Sheet date.

Land & Buildings (Operational)

These are operational properties that are used to deliver council services and include Council accommodation, community centres, car parks and hostels

Infrastructure (Operational)

These assets include bridges and footpaths

Community Assets (Operational)

These assets include parks and open spaces

Dwellings (Operational)

These assets are primarily homeshares used by the homelessness service

Vehicles, Plant and Equipment (Operational)

These assets are used in the delivery of Council services and include all Council owned vehicles, IT equipment, play equipment and green spaces equipment

Heritage (Operational)

These assets relate to items of heritage and include the Tullie House Museum Collection and statues and monuments.

Assets Under Construction (Non-Operational)

These are assets that are in the course of construction but have not yet been completed.

The assets held on the balance sheet are offset by the long-term debt currently held on the balance sheet. As at 31 March 2020, this totalled £29million, which represents a debt cover ratio of 18.9%.

2.0 Financial Principles supporting the Capital Strategy

2.1 Capital expenditure is to be incurred in line with Financial Procedure Rules as follows:

- The Corporate Director of Finance and Resources is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive before submission to the Council (FPR2.14);
- Capital Programme – Key controls and responsibilities of the Corporate Director of Finance and Resources and Corporate Directors (B.51 – B66).

2.2 The key principles to be applied to the Capital Investment Strategy are set out below:

- Capital resources are held corporately and are allocated according to the priorities set out in the Carlisle Plan (i.e. there is no automatic ring-fencing of resources for specific purposes with the exception of the repayment of Renovation grants);
- Capital receipts will be allocated in accordance with Council priorities;
- Specific repayments of Renovation Grants will be reinvested in the programme and be used to support Private Sector Renewal Grants;
- Income generated from the sale of vehicles, plant and equipment will be reinvested in the programme and be used initially to fund future replacements;
- The Council will seek to maximise the use of grants and external funding;
- The Council is committed to deliver capital investment with partners to maximise benefits where this fits with Council priorities;
- Redirection of capital resources from one project to another will be contained within existing budgets, unless increases can be justified through the budget process;
- Capital budgets are generally cash-limited i.e. no provision is made for inflation which effectively means that over time there is a real reduction in the value of resources allocated to specific capital projects;
- Council Tax increases will be limited to fair and reasonable levels. This requires a full assessment of the revenue consequences of capital projects and their respective methods of finance;
- Any shortfall against the capital receipts forecast to be received will have significant implications on the ability to deliver the forecast levels of investment without incurring borrowing;

- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (E.g. through re-profiling of capital receipts and borrowing);
- Review the Asset Review Business Plan to see if any asset sales can be re-profiled and whether expected proceeds require revisions;
- In order to reduce the exposure of the council to a borrowing requirement the following steps should continue to be examined:
 - Review of existing capital programme to ensure that schemes are still required and are accurate;
 - Maximisation of the use of grants and contributions from external sources;
 - Providing a recurring revenue contribution to the capital programme;
 - Invest to save schemes that can repay the capital investment over a period of time.

Capital Investment Assumptions:

- *The current capital programme is forecast to utilise all forecast capital receipts and includes a borrowing requirement to fund the planned programme.*

2.3 **Carlisle Plan and Other Council Strategies, Plans and Policies**

The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The Capital Strategy must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

The Capital Investment Strategy takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies:

- The Medium-Term Financial Plan, which provides information on the proposed revenue budget and considerations that will impact on future budgets.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the

assumptions for financing requirements and interest rates and their effect on the revenue budget.

- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy.
- Local Plan/Local Development Framework.
- The ICT Strategy.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy.
- Directorate Service Plans will be used to inform the budget setting process and identify key strategic and operational objectives and the resources required to deliver those.

3.0 Capital Expenditure

3.1 Capital Investment Priorities

The Capital Investment Strategy needs to ensure that any capital investment decisions are both affordable and achieve the priorities as set out in the Carlisle Plan. The Council is at a point where capital resources have become scarce and as such any investment in assets will have implications on the revenue budget.

The Capital Investment Strategy must therefore recognise the implications of capital investment decisions and ensure that they are in line with Council priorities and financing requirements are robustly evaluated and understood.

The current capital programme includes provision for investment in new Leisure facilities at £25.5million primarily funded from borrowing that will be offset by a reduction in the subsidy payable on the Leisure contract. The programme also includes provision for Gateway 44 investment and Carlisle Southern Relief Road.

Other capital investment opportunities may present themselves over the lifetime of the MTFP; each will be subject to further business cases on investment opportunities and the benefits that could be made from those investments.

All business cases will be subject to the usual due diligence to ensure that they afford the best value for money for the Council, align with its core priorities and do not expose the Council to unnecessary risk that could put future delivery of services in jeopardy. Further details on the Council's attitude to risk and due diligence is given at section 5 (Commercial Activity).

The table below shows the current capital resources before any new decisions around capital investment are made.

	Budget	Forecasts				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Borrowing Requirement B/Fwd	2,711					
Estimated resources available in year (Table 3)	(9,555)	(6,204)	(2,454)	(2,454)	(2,899)	(2,454)
Proposed Programme (Table 2)	29,896	10,387	7,996	2,869	3,714	2,866
(Surplus Capital Resources) / Borrowing Requirement - Cumulative	23,052	27,235	32,777	33,192	34,007	34,419

Table 1: Current Capital resources

3.2 **Current Expenditure Forecast**

The Council approved the current forecast for the period 2020/21 to 2024/25 in February 2020 and details are shown below adjusted for the outturn from 2019/20 and also for decisions made in relation to capital investment between April and June 2020.

	Budget	Forecasts				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Disabled Facilities Grants	2,865	1,467	1,467	1,467	1,467	1,467
Vehicles Plant & Equipment	1,532	1,215	1,158	976	1,851	1,003
Property Enhancements	377	250	250	250	250	250
ICT Strategy	311	101	76	131	101	101
Recycling Containers	45	45	45	45	45	45
Play Area Developments	83	0	0	0	0	0
Gateway 44	4,622	0	0	0	0	0
Bits Park Flood reinstatement	22	0	0	0	0	0
Planning Software	150	0	0	0	0	0
Cemetery Infrastructure	36	0	0	0	0	0
Open Space Improvements	81	0	0	0	0	0
Minor Works Grants	23	0	0	0	0	0
Carlisle Southern Relief Road	0	0	5,000	0	0	0
On Street Charging Points Infrastructure	204	0	0	0	0	0
Civic Centre Development	2,581	1,021	0	0	0	0
Savings to be identified	0	(200)	0	0	0	0
LED Footway Lighting Installation	203	0	0	0	0	0
Skew Bridge Deck	70	0	0	0	0	0
Central Plaza	12	0	0	0	0	0
Leisure Facilities	16,679	6,488	0	0	0	0
Total Programme	29,896	10,387	7,996	2,869	3,714	2,866

Table 2: Current Capital Programme

3.3 **Current Resource Forecasts**

The Council's capital programme can be financed, (or paid for), through a variety of sources and the Corporate Director of Finance and Resources will make recommendations on the most effective way of financing the Capital Programme to optimise the overall use of resources. The availability of staff resources to deliver the approved programme will need to be considered during the budget process. Table 3 shows the estimated level of capital resources, which will be generated over the next five years.

	Budget	Forecasts				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Grants & Contributions	4,254	1,467	1,467	1,467	1,467	1,467
Capital Receipts (Asset Review)	2,078	3,750	0	0	445	0
Revenue Financing	3,223	987	987	987	987	987
Total Resources Receivable in Year	9,555	6,204	2,454	2,454	2,899	2,454
Borrowing Requirement (in Year)	20,341	4,183	5,542	415	815	412

Table 3: Current Proposed Resources

There is a further £112,000 held within capital grants unapplied account that is not currently allocated to fund specific projects and is therefore not included within the figures above or the opening balances. These can only be utilised on projects linked to the original grant allocations. £750,000 has also been received in relation to a specific Cumbria LEP funded scheme which is not yet in the current programme.

3.3.1 **Capital Grants**

The Council receives one primary capital grant from central government to support its role in providing Disabled Facilities Grants. For 2020/21 the Council has budgeted to receive £1,467,300 which will increase to £1,899,800 now that the 2020/21 allocation has been confirmed. The grant continues to be distributed through the County Council, as the Better Care provider, who then allocates funding to the District Councils.

3.3.2 **Revenue Contributions and Reserves**

The capital programme can also be financed through the use of reserves (both capital and revenue) although revenue contributions will have an overall effect on the General Fund revenue budget

3.3.3 Capital Receipts

Capital Receipts arise principally from the sale of Council capital assets.

The sale of assets as part of the Asset Review are now utilised to support the Capital Programme in the Capital Strategy. Sales of £2.078million are included in the Capital programme to be achieved in 2020/21.

3.3.4 Borrowing Requirement

The borrowing requirement includes £34m (external) borrowing over the next five years for the funding of Leisure Facilities, Gateway 44 project and Carlisle Southern Relief Road and this is to be paid for through a reduction in the Leisure contract fee, increased income and developer contributions.

3.4 Asset Management

A separate Asset Management Plan is produced annually by the Council that outlines the ongoing asset management requirements to maintain the property portfolio. This Plan is considered alongside the MTFP and the Capital Investment Strategy.

The Council also maintains a vehicle Plant and Equipment Replacement Plan which outlines the anticipated replacement lifecycle for the main items of fleet it requires to operate services. This plan is updated annually and is fed into the budget process to determine the capital requirement.

4.0 Debt, Borrowing and Treasury Management

4.1 Borrowing

Rules on borrowing have been relaxed since the introduction of the Prudential Code in April 2004 with authorities now able to borrow as much as it wishes provided that it can afford the repayments from its revenue budget.

The Council has identified that it may need to borrow £34million to fund the current capital programme to support the development of Leisure Facilities, Gateway 44 project and Carlisle Southern Relief Road. The cost of this borrowing is included in the Medium-Term Financial Plan and is also offset by a corresponding savings from the Council's Leisure Contract, increased income and developer contributions.

Borrowing can be undertaken through external loans with, for example, the Public Works Loan Board (PWLb), or can be undertaken by utilising internal resources, i.e. investment balances. This is known as internal borrowing.

The Corporate Director of Finance and Resources is delegated with responsibility for the financing of the capital programme and as such may make borrowing decisions based upon interest rates, the Council's cash flow projections and other economic factors, in order to optimise the overall use of resources. External advice will be sought from the Council's Treasury advisors, Link, if necessary.

In order to reduce the exposure of the council to a borrowing requirement the following steps should be examined when determining proposed capital programmes:

- Fundamental review of existing capital programme to ensure schemes are still required and are accurate;
- Maximisation of the use of grants and contributions from external sources;
- Providing a recurring revenue contribution to the capital programme;
- Invest to save schemes that can repay the capital investment over a period of time.

Where possible the Council will attempt to avoid using any debt financing for capital projects, however, it recognises that this is not always possible. In cases where debt financing is unavoidable, the Council will consider robust business cases to ensure the servicing of debt costs can be adequately met

from revenue resources without having an adverse impact on service delivery. Where possible, debt will be repaid at the earliest opportunity, and the type of borrowing undertaken will always reflect the need the Council has at the point in time it is taken out. The Council will look to repay all borrowing either before or upon its actual maturity profile.

4.2 **The Capital Financing Requirement**

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow. This is different to any actual borrowing. If the Council generates the same amount of resources in a year to meet its capital expenditure requirements, then there is no change to the CFR. However, if the Council spends more than the resources it generates in year, the CFR will increase as in effect the Council has created a borrowing requirement to bridge the gap in the resources it needs and the resources it has.

Although the CFR does not necessarily reflect actual borrowing taken from an external source, it can reflect the use of internal cash resources, i.e. internal borrowing.

Where the Council has a positive CFR, i.e. an underlying need to borrow, it must make provision to repay that 'debt', or repay the cash used through internal borrowing. This is known as Minimum Revenue Provision (MRP). The Council's current policy, as set out in the MRP Strategy is to charge MRP on a straight-line basis at 3% of the CFR. As MRP is a non-cash transaction it has the effect of increasing the cash balance of the Council.

The current forecast for the CFR and MRP based on the current capital programme is as follows:

	Budget	Forecasts				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Total Capital Expenditure	29,896	10,387	7,996	2,869	3,714	2,866
Capital Resources Receivable in Year	(9,555)	(6,204)	(2,454)	(2,454)	(2,899)	(2,454)
MRP & Repayment of Debt	(12)	(12)	(158)	(969)	(953)	(1,188)
Change in Underlying need to borrow	20,329	4,171	5,384	(554)	(138)	(776)
CFR Brought Forward	14,485	34,814	38,985	44,369	43,815	43,677
CFR Carried Forward	34,814	38,985	44,369	43,815	43,677	42,901
Adjustment A Revision	(4,426)	(4,426)	(4,426)	(4,426)	(4,426)	(4,426)
Adjustment for Assets Under Construction	(23,046)	(21,539)	0	0	0	0
CFR FOR MRP PURPOSES	7,342	13,020	39,943	39,389	39,251	38,475

Table 6: Capital Financing Requirement

4.3 Investment and Reserve Balances

An important consideration to understand when making capital investment decisions, especially when a borrowing requirement exists is the relationship between the Council's available cash investment balances and its reserves.

At 31 March 2020, the Council had cash and investments of £30.956million. If all revenue and capital budgets are spent in line with the budget and all receipts are received in line with expectations then at 31 March 2021, investment balances would be £12.3million. The following table shows the breakdown of the investment balance and what the cash relates to:

	Outturn	Forecasts					
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Total Investments	30,956	12,349	6,547	4,647	3,741	2,477	1,828
<i>Made up of:</i>							
General Fund Reserves	4,590	3,063	2,812	2,873	2,994	3,174	3,329
Capital Reserves	75	90	105	120	135	150	165
Earmarked Revenue Reserves	5,413	3,041	3,041	3,041	3,041	3,041	3,041
Provisions	2,552	2,552	2,552	2,552	2,552	2,552	2,552
Collection Fund Adj Account	1,101	1,101	1,101	1,101	1,101	1,101	1,101
Capital Grants Unapplied	136	136	136	136	136	136	136
Working Capital	2,799	2,799	2,799	2,799	2,799	2,799	2,799
Capital Receipts applied	0	0	0	0	0	0	0
Total Working Capital & Balances	16,666	12,782	12,546	12,622	12,758	12,953	13,123
Surplus Cash/(Cash Deficit)	14,290	(433)	(5,999)	(7,975)	(9,017)	(10,476)	(11,295)

Table 7: Investments and Reserves

The figures above are based on assumptions regarding budgets being fully spent with no over/under spends and reserves utilised as per current budget projections.

The surplus/deficit cash position represents how much of any borrowing requirement identified can be met from internal resources (internal borrowing) or how much will need to be met from actual external borrowing up to 2025/26.

This can also be shown when comparing the difference in the CFR (underlying need to borrow) and the actual borrowing level.

	Outturn	Forecasts					
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
CFR (Underlying Need to borrow)	14,485	34,814	38,985	44,366	43,813	43,677	42,901
Total Borrowing	28,775	34,381	32,986	36,391	34,796	33,201	31,606
(Over)/Under Borrowing Position	(14,290)	433	5,999	7,975	9,017	10,476	11,295
Less Capital Receipts Applied	0	0	0	0	0	0	0
(Over)/Under Borrowing Position	(14,290)	433	5,999	7,975	9,017	10,476	11,295

Table 8: Borrowing position

Therefore, the Council is holding £14.290million of cash in its investment balances at 31 March 2020 that can be attributed to the amount of debt it

holds. Where actual debt is greater than the CFR, the Council holds this surplus cash in its investment balances and this is known as over-borrowing.

As the figures shown above are based on forecast levels of expenditure linked to current budgets and anticipated receipts, actual figures will vary in each year depending upon actual expenditure and income levels.

4.4 **Authorised Limit and Operational Boundary**

The Authorised Limit and Operational Boundary are set in line with the requirements of the Prudential Code and are included in the Treasury Management Strategy Statement and approved by Council in February each year.

The Authorised Limit is consistent with the authority's current commitments, plans and proposals for capital expenditure and its financing. **However, the overall authorised limit should not be exceeded without prior Council approval.**

The operational boundary is based upon the same estimates as the authorised limit but without the headroom included within the authorised limit to allow for unusual cash movements. As with the authorised limit, the Council is asked to delegate authority to the Corporate Director of Finance and Resources to effect movement between the separately agreed limits for borrowing and other long-term liabilities. The operational boundary can be exceeded in exceptional circumstances without prior Council approval providing that it remains within the authorised limit.

The limits shown below will be reviewed during the consultation process of the Capital Investment Strategy and recommendations will be made in the final versions to be considered by Council in September 2020 on adjusting the limits in line with the current projections for the CFR.

PRUDENTIAL INDICATOR TREASURY MANAGEMENT INDICATORS	2019/20 actual	2020/21 estimate	2021/22 estimate	2022/23 estimate	2023/24 estimate	2024/25 estimate
	£000	£000	£000	£000	£000	£000
Authorised Limit for External Debt:						
- Borrowing	44,000	44,000	43,000	42,000	40,000	39,000
- Other Long Term Liabilities	100	100	100	100	100	100
TOTAL	44,100	44,100	43,100	42,100	40,100	39,100
Operational Boundary for external debt:						
- Borrowing	39,000	39,000	38,000	37,000	35,000	34,000
- Other Long Term Liabilities	100	100	100	100	100	100
TOTAL	39,100	39,100	38,100	37,100	35,100	34,100

5.0 Commercial Activity

5.1 The Council has used its asset portfolio to operate in a commercial manner for many years. Much of the investment property portfolio is held on long term leases which provide a guaranteed rental return from the asset with regular rental review built into the terms of each lease. This way of operating therefore provides some certainty about the income levels receivable.

With reductions in funding the Council is having to look at commercial activities to supplement its income and support service delivery. However, to minimise risk of potential loss of income in the longer term it needs to ensure that any investment opportunities are based upon sound decision making that consider the future likelihood of investment income reducing.

Therefore, when making commercial investment decisions the Council will follow the principles set out below:

- Commercial capital investments will only be made to enhance the Council's asset portfolio and will be linked to the delivery of the Carlisle Plan;
- Consideration will be given to the economic development potential of any investment decision;
- Expert advice will be sought to ensure any investment decision is based upon sound market intelligence, forecasts for future investment returns and yields that offer a sound investment return without risking the capital invested;

- Any borrowing linked to investment opportunities is secured upon the potential guaranteed element of the investment return so that any liability can be met from the activity undertaken;
- Investment opportunities will always ensure that the Council's investment is protected as far as possible either through increases in capital value or from guaranteed revenue income;
- Capital investment decision will be subject to the usual governance processes of consideration by Executive, scrutiny by the appropriate panel and Council approval where a budget is required to be established.

6.0 Other Long-Term Liabilities

- 6.1 The Council currently holds a £15million stock issue loan that is due for redemption in 2020. This debt is factored into the Medium-Term Financial Plan to be re-financed in 2020 at a lower rate of interest. The loan is currently repayable at 8.75% and the MTFP assumes that the new borrowing will be at a lower interest rate, however, the actual rate achieved will depend on prevailing market rates at the time the loan is re-financed. The MTFP also assumes that any new loan will be taken on a principal repayment term so that the debt repaid fully once the new term ends.

7.0 Knowledge and Skills

7.1 The Council utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it also relies on the expert knowledge of specialist external advisors.

7.2 The Council employs professionally qualified legal, finance and property officers who are able to offer advice and guidance when considering any capital investment decisions.

7.3 Finance

Finance staff are professionally qualified to advise the Council on all financial aspects of capital decisions. They also have the necessary experience of how the Council works having been in post for a number of years. Finance staff also undertake Continuous Professional Development and the Council is an accredited body of the CIPFA (Chartered Institute of Public Finance Accountancy) CPD scheme. They maintain knowledge and skills through regular technical updates from appropriate bodies.

7.4 Property

The City Council's in-house property team is made up of a number of Chartered Surveyors who advise the Council on all property matters. They are all members of the Royal Institution of Chartered Surveyors (RICS) and comply with the RICS's rules in relation to Continuing Professional Development. The Property Services Manager is also an RICS Registered Valuer. The Council is a member of ACES – the Association of Chief Estates Surveyors and Property Managers in the Public Sector. The team have extensive property knowledge and have worked for the Council for a number of years.

7.5 Legal

Legal Staff are professionally qualified as either solicitors or legal executives and are regulated by their respective professional bodies (Solicitors Regulation Body/Institute of Legal Executives). The staff undertake Continuing Professional Development and their rules of conduct require that they have an appropriate level of skill and expertise to deal with the particular matter with which they are dealing. All staff are aware of the operational structure of the Council. They maintain knowledge and skills through regular technical updates from appropriate bodies.

7.6 **External Advice**

The Council uses external advisors where necessary in order to complement the knowledge its own officers hold. Some of these advisors are contracted on long term contracts or are appointed on an ad-hoc basis when necessary. The main advisors the Council uses are as follows:

- **Link Asset Services** – Treasury Management, including Cash investments, borrowing and capital financing
- **ChanceryGate** – Property and Asset Management and asset development opportunities in relation to Kingstown Industrial Estate

APPENDIX A**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.

Business and Transformation Scrutiny Panel

Agenda
Item:
A.4

Meeting Date: 23rd July 2020
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD 13.20
Within Policy and Budget Framework YES
Public / Private Public

Title: **DRAFT ASSET MANAGEMENT PLAN 2021 TO 2026**
Report of: **The Corporate Director of Governance and Regulatory Services**
Report Number: **GD.33/20**

Purpose / Summary:

The attached Executive Report (GD.32/20) sets out this year's revisions to the Asset Management Plan which has been updated to reflect key issues and changes affecting the management and use of the City's property resources. The Plan also reports on the current position and performance of the portfolio, and the Asset Disposal Programme.

Recommendations:

The Panel note the Report and make comments and provide feedback to the Executive in order to inform the way forward for the Council.

Tracking

Executive:	
Overview and Scrutiny:	23rd July 2020
Executive:	17th August 2020
Council:	8th September 2020

Report to Executive

**Agenda
Item:**

Meeting Date: 20 July 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: YES: Recorded in the Notice Ref: KD. 13.20
 Within Policy and Budget Framework Yes
 Public / Private Public

Title: Draft Asset Management Plan 2021 to 2026
 Report of: The Corporate Director of Governance and Regulatory Services
 Report Number: GD 32.20

Purpose / Summary:

The Asset Management Plan is being updated to reflect the key issues and changes affecting the management and use of the City's property resources.

The Plan will also report on the current position and performance of the Portfolio, and the Asset Disposal Programme.

Recommendations:

The Executive notes the position and approves the update to the Draft Asset Management Plan in order for it to proceed for consideration by the Business and Transformation Scrutiny Panel, back to the Executive and then full Council.

Tracking

Executive:	20 th July 2020
Scrutiny:	23 rd July 2020
Executive:	17 th August 2020
Council:	8 th September 2020

1. BACKGROUND

- 1.1. The Council's property assets are one of the essential resources used to carry out our day to day business, generating income to support services, and delivering economic development goals and housing opportunities.
- 1.2. The Asset Management Plan (AMP) outlines how the Council's strategies and policies for its property portfolio are used to support corporate priorities and directorate service plans.
- 1.3. The AMP outlines the overall performance of the asset base, what it is costing and producing, and how it is being used and reviewed. It also takes account of, and links into, the Council's Medium Term Financial Plan (MTFP) and the Capital Strategy (CS), which provides guidance on the Capital Programme and use of resources. The AMP is part of the Council's Budget.
- 1.4. For a number of years, the Council has been working towards the recommendations within the Asset Review Business Plan, approved by Council in January 2011. Along with the redefining of the Portfolio, the Business Plan proposed staffing and management structures should be realigned to provide the appropriate resources, skills and experience to run each category of asset. This has happened in the context of service transformation and is continually evolving.
- 1.5. An appraisal of the property portfolio identified a requirement to rationalise and consolidate assets and a programme of disposals has taken place to re-engineer the investment portfolio. A revised Disposal Programme was approved by the Executive in December 2018 with the aspiration to generate £10m in capital receipts.
- 1.6. Because of service transformation the Council has been looking at its operational assets. The Accommodation Review aims to more efficiently and cost effectively meet future service delivery, identifying savings and opportunities to generate additional income.
- 1.7. The AMP is reviewed annually and updated, along with the MTFP and CS, all documents forming part of the Council's Budget (Article 4 of the Constitution).

2. PROPOSALS

- 2.1 The AMP provides a succinct document that reflects;
 - The Asset Review Business Plan & Disposal Programme – progress on the implementation and the impact on the Portfolio and its future management,
 - Structural changes in the portfolio – the makeup of the operational and non-operational assets, current capital worth and rental levels,

- Performance of the assets and how these are constantly reviewed and challenged,
- Condition of the Portfolio – the standard of our properties, current maintenance requirements, suitability and sustainability for future use, and the steps which are being taken to improve energy efficiency,
- Accommodation Review – the outcomes, achievements and next steps to improve the use and efficiency of our operational property portfolio,
- Capital Schemes and Maintenance Budget – where the money is going,
- Property acquisitions – what has been done to reinvest in assets to produce income, maintain service delivery, support economic development initiatives and deliver services,
- Future Asset Management Options at our Kingstown and Parkhouse estates, and
- How our Economic Development property portfolio is being managed to support economic growth.

3. RISKS

- 3.1 By having an Asset Management Plan the Council can ensure that it uses its assets efficiently and that they support the Council's priorities.

4. CONSULTATION

- 4.1 Internally via the Council's corporate structures and processes. The Draft Plan will go to Business and Transformation Overview & Scrutiny Panel on 23rd July for consideration, comment and feedback.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1.1. To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme and other corporate initiatives.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The proper management of the Council's property resource makes an essential contribution the achievement of the Council's action plans and priorities.

Contact Officer: Mark Walshe

Ext: 7427

Appendices attached to report: Draft Asset Management Plan 2021 - 2026

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 - The Council has a fiduciary duty to properly manage its assets and the Asset Management Plan is a vital part of this process. It is also a designated budget document in accordance with the Council's Budget & Policy framework and, as such, as the report indicates, it is required to follow the usual route of consideration by Scrutiny and, thereafter, recommendation by the Executive to the Council.

FINANCE – The Asset Management Plan provides details on the Council's asset portfolio and the issues around the management of these assets. This will be used to inform the Medium Term Financial Plan and budget setting process for 2021/22 to 2025/26.

EQUALITY – None

INFORMATION GOVERNANCE – N/A



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2021 – 2026

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1. The Council

- 1.1 Carlisle City Council delivers services to around 108,000 people and for the year 2020/21 has a net revenue budget of £14.65 million and capital expenditure budget of £29.92 million. The Council uses its property resources to deliver services, either directly or through the rental income it earns, and improve the quality of life for local people.
- 1.2 The Council's asset base produces a rental income of around £4.46 million per annum, from its non-operational property, with a net asset value, taking account of depreciation, of circa £80 million.

2. Purpose, Aims and Objectives

- 2.1 The Asset Management Plan sets out the Council's approach to managing its land and property assets and aligns to Council's policies and strategies, particularly the Carlisle Plan, Directorate and Service Plans, the Medium-Term Financial Plan and Capital Strategy.
- 2.2 The aim is to own assets which are fit for purpose and sustainable, to enable services to be delivered effectively and with equality of access, and to meet the strategic objectives outlined below:
 - Identify all property the Council owns or uses, maintaining accurate records, establishing its value and the function it performs, ensuring a reliable and accurate property management system is in place.
 - Make services aware of the costs of occupying property, maximising the use of the asset base, identifying 'expensive' and 'obsolete' assets.
 - Respond to changing property needs for service delivery improvements, identifying improvements to assets or the asset base to enhance service delivery, disposing of assets no longer required for operational purposes and acquiring new assets to support service delivery.
 - Generate capital for investment purposes aligned to corporate objectives.
 - Ensure a healthy and safe environment for property users.

- Apply “Green Design” principles to construction, refurbishment and maintenance projects and encourage environmentally sustainable management of operational properties.
- Encourage community and partnership use of assets by identifying opportunities for shared services, liaising with partners and working with the community.
- Contribute to the Council’s Medium-Term Financial Plan and Capital Strategy, identifying investment opportunities.
- Provide sustainable planned maintenance programmes for a 5-year period by undertaking and reviewing condition surveys.

3. Property Strategies and Principles

3.1 The Council has developed the following strategies and principles:

- **Operational Property Investment Principles** – Investment will be made where a property is required for the medium or long-term use, enhances service delivery, improves environmental sustainability, improves utilisation, increases efficiency, adds value, and addresses statutory obligations.
- **Non-Operational Property Strategy** – to own property that supports the growth of Carlisle and the Economic Development Strategy, provides a sustainable income stream, is a key component of the Medium-Term Financial Plan.
- **Non-Operational Property Investment Principles** - commercial property will only be held where it provides an acceptable financial return, there is potential to deliver economic development objectives, it contributes to the delivery of other Council priorities, it addresses legal or contractual liabilities and obligations.
- **Surplus Property Strategy** – the Council will dispose of surplus assets on a freehold or leasehold basis at best consideration. Disposals at less than best consideration may be agreed subject to the necessary statutory and Council approvals.
- **Surplus Property Principles** - operational and non-operational property will be sold unless occupied for service provision, used to deliver social, housing, economic or environmental benefits meeting agreed priorities, or it is a long-term strategic investment.

- **Property Acquisition Strategy** - the Council will acquire assets; that improve service delivery, assist with delivery of Economic Development policy, develop opportunities to assemble sites to deliver Council objectives, improve the financial returns and deliver the Asset Review Business Plan.
- **Property Acquisition Principles** - property will only be acquired where whole life costings and option appraisal exercises are undertaken and meet set target criteria around risk, income returns and yields.

4. Value for money

- 4.1 There is a Council-wide approach to managing assets as a corporate resource, using assets to help to deliver social, environmental and economic outcomes for local communities.
- 4.2 Collaborating with partner organisations on strategic asset management planning is an important requirement. The Council will continue to develop its strategic approach to working with other bodies to identify opportunities for shared use and alternative options for the management and ownership of its assets.

5. Property Services

- 5.1 Property Services are responsible for managing the City Council's extensive property portfolio. The multi-disciplinary team cover everything from ad-hoc property repairs to multi-million-pound developments such as the Sands Centre and Gateway 44. The service is supplemented by external resources when specialist assistance is required.
- 5.2 The property team face many challenges in supporting the Council with the competing pressures to deliver income whilst supporting the delivery of front-line services and realising ambitions for economic growth. Our aim is to provide a first-class property service for the City Council.

6. The Portfolio and Current Performance

6.1 Gross Asset Value as at 31 March 2020

	Operational assets		Non-operational assets		Total
	Community Assets	Land & Buildings	Investment	Surplus	
No of assets	72	64	52	13	201
Total income	£23,600	£3,923,800*	£4,118,600**	-	£8,066,000
Capital value	£4,128,000	£32,255,000	£79,905,000	£961,000	£117,249,000
Capital Expenditure	£51,691	£195,846	£168,930	-	£416,467
Outstanding Maintenance		£2,380,200	£2,000,000	-	£4,380,200
* Income from operational assets (i.e. car parks, crematorium, Civic Centre rents)					
** Rental income from investment assets					

6.2 The total capital spend on property assets in 2019/20 was £3.18 million.

6.3 The figure for the outstanding maintenance on the operational buildings is based on a costed 5-year plan. The condition surveys were last undertaken in the summer of 2018. The information which has been derived from the surveys has been considered to assess the current condition of the portfolio, whilst further having regard to the work undertaken during the same financial period. Outstanding maintenance has reduced from circa £2,587,300 to £2,380,200. The Pools continue to be removed from the programme given their impending closure as part of the Sands Centre redevelopment.

6.4 We are currently spending £250,000 p.a. to enhance our operational portfolio as detailed below in a bid to reduce the risk of major long-term capital expenditure being required.

6.5 Non-operational outstanding maintenance relates primarily to historical infrastructure costs associated with our industrial estate ground rent portfolio. We are currently in the process of reviewing the non-operational maintenance liability and anticipate that the level of outstanding maintenance will reduce given the asset

ASSET MANAGEMENT PLAN 2021-2026

disposals and investment undertaken at Durranhill and Kingstown Industrial Estates.

6.6 Outstanding Maintenance

	20/21	21/22	22/23	23/24	24/25	25/26
Total Revenue Budget	£745,900	£760,700	£776,000	£791,500	807,400	823,500
Capital Schemes Special Projects	£250,000	£250,000	£250,000	£150,000	£150,000	£150,000
Ratio Planned: Reactive Maintenance	76 : 24	76 : 24	76 : 24	76 :24	76:24	76:24

6.7 Based upon the final condition surveys, the annual planned maintenance programme has been further developed for the operational assets. As discussed above, there is unplanned maintenance currently assessed at £2,380,200 for the portfolio of operational buildings. The planned delivery programme to reduce this, incorporates a degree of flexibility to respond to the demands of service delivery, asset review, and other circumstances which may arise during the programme. Members approved a 3-year programme of planned and reactive maintenance on 18 November 2019 (report reference GD.62/19). In condition category terms the split is:-

Condition Category (as a % of Gross Internal Area Operational Property)			Sustainable Criteria
	2019-24	2020-25	
A. (Excellent)	0.73%	0.73%	Yes
B. (Good)	89.42%	89.42%	Yes
C. (Mediocre)	9.85%	9.85%	Review
D. (Poor)	0%	0%	No

6.8 The table above shows the condition categories of the operational portfolio. There has been no overall change to the condition categorisation of operational assets over the last year as work undertaken has focused on addressing maintenance issues rather than improvements. The condition is continually reviewed and for over 90% of the portfolio classed as either excellent or good, is a testimony to the proactive management regime, which would otherwise leave the portfolio falling short of that required to provide the Council's services.

6.9 Energy Efficiency

6.10 A programme of energy efficiency and renewable energy projects has been carried out with significant investment in former years. We continue to look to incorporate energy efficiency measures as part of any improvement works. Projects are being considered to incorporate whole place energy efficiency measures where possible, in addition to that required to meet current building regulation standards.

6.11 The solar photovoltaic arrays at the Civic Centre and Sands Centre continue to be successful in terms of electricity generation and income received from the feed in tariff.

6.12 The operational and investment portfolio has been assessed to produce up to date Display Energy Certificates (DECS) or Energy Performance Certificates (EPCS) as legally required. This exercise has created an understanding of the implications of the Minimum Energy Efficiency Standards (MEES) on the sale and let ability of the non-operational assets and provide a benchmark from which to improve the CO2 emissions of the publicly funded buildings.

6.13 The data forms part of the wider consideration of the asset management of the property portfolio and particularly when assessing the viability of the long-term use, maintenance and ownership of the assets.

6.14 Where assets have fallen below the required standard this has been assessed and maintenance work has been completed. On a larger scale Capital works are completed to meet the relevant building standards and where financially viable and opportunities are available additional initiatives are being incorporated to further improve the energy standard of the asset stock.

6.15 Capital Works and Repairs

6.16 The programme of works identified in the Capital Major Repairs Programme is initially shaped by a 5-year maintenance plan produced from condition surveys and adjusted each year to keep abreast with new legislation. The Council has a

ASSET MANAGEMENT PLAN 2021-2026

legal duty to maintain its properties and the programme is required to meet those statutory duties. Report GD.62/19 was presented to the Executive with proposals for capital investment for planned major repairs which was approved as follows:

Property	Description of works	Estimated Cost
Cemeteries	Resurfacing	£30,000
Carlisle Cemetery	Decoration to perimeter railings	£10,000
Bousteads Grassing	Roller shutter renewals	£10,000
Bousteads Grassing	Main office re-roof	£30,000
Crematorium	Flat roof and felt gutter renewal	£15,000
Tullie House	Pitched roof repair and rainwater goods renewal	£10,000
Talkin Tarn Tea Room	Fire escape staircase renewal	£15,000
Civic Centre	Concrete balcony repairs	£15,000
Civic Centre	Lift motor bearings renewal	£10,000
Richardson Street Football Changing Rooms	Demolition of premises	£10,000
Belah Park Depot	Demolition of premises	£10,000
Old Town Hall	External redecoration	£10,000
Stony Holme Club House	Flat roof renewal	£20,000
Tullie House	Plant replacement	£20,000
Talkin Tarn	Aeration system compressor renewal	£10,000
Melbourne Park Changing Rooms	Flat roof renewal	£10,000
Greystone Community Centre	Repointing and masonry repairs etc.	£5,000
Various	Legionella risk assessment updates and renewals (30 properties approx.)	£10,000
Total 2020 / 2021:		£250,000

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- 6.17 Due to resourcing issues and a series of Storm events which reduced the safe working period the following items of Capital Repairs are subject to a carry forward request. Some items have since been completed and pending final sign off.

Works Carried Forward From 2019 / 2020

Civic Centre	Flat roof repairs over rates hall / customer contact centre	£20,000
Bousteads Grassing	Depot resurfacing (right hand side)	£10,000
Currock CC	Flat roof renewal	£14,400
Monuments	James Creighton & Queen Victoria refurbishment	£10,000
Monuments	James Steele & Earl of Lonsdale refurbishment	£10,000
Enterprise Centre	Fire alarm upgrade	£20,000
Civic Centre	Roof beam covers	£30,000
Dixons Chimney	On-going stone & pointing repairs	£21,400
Carlisle Cemetery	Decoration to perimeter railings	£5,000
General fund c/f		£6,000
Total C/F:		£146,800

7. Continuous Review and Challenge

- 7.1 The Council continuously reviews and challenges how to best use its asset portfolio;
- The Council holds a significant, numerous and diverse portfolio of assets across the city, which generates considerable income and which has an important impact

ASSET MANAGEMENT PLAN 2021-2026

on the local economy. The Council uses property well to meet its aims and is planning future investment and development to allow it to continue to do this.

- The Council has a highly rationalised operational portfolio, however the significant level of maintenance yet to be carried out will present challenging issues going forward. New investment in assets such as the Sands will help alleviate issues by removing older, poorly functioning assets such as the current Pools facility.
- The accommodation review and Asset Review Business Plan is an ongoing programme that will continue to deliver efficiency benefits.
- The Council has a diverse and mixed non-operational portfolio which, through rationalisation, is becoming more efficient but has considerable further potential. This will be further explored and actions taken to realise efficiencies with the resources currently available.
- The Council is taking a more commercial approach to the management of the portfolio in order to strategically balance the need for operational assets, income generation and economic development, in support of the local economy, the protection of public services and other priority objectives.
- The Transformation Programme has identified the need for further rationalisation and consolidation of the operational property to improve access to public services and efficiency. The accommodation review will address these needs.

7.2 Accommodation Review

- 7.3 An Accommodation Review of both back office and front public facing service delivery assets is ongoing. This comprises an analysis of accommodation needs and the existing provision, exploring future solutions and implementing the most beneficial models for the Authority.
- 7.4 It seeks to deliver effective and efficient accommodation that suits the needs of each service, establish a more corporate approach to accommodation, make more effective use of space, improve the working environment and make the accommodation as productive as possible.
- 7.5 Works have commenced on the redevelopment of the Civic Centre ground floor and are scheduled for completion during 2021. The new accommodation will allow modern ways of working to be embraced, with more flexible multi-purpose space

available. The design has incorporated flood resilience and energy efficiency where possible.

- 7.6 The redevelopment of the ground floor has reflected the changing business requirements of the City Council and sought to embrace modern ways of working whilst also incorporating flood resilience where possible. The new multi-functional chamber and enhanced parking facilities will also provide income generating opportunities.
- 7.7 The current programme of works is the first phase of a wider scheme to maximise space occupancy within the Civic Centre. The current Coronavirus pandemic has shown that alternative forms of working can be successful and the challenge going forward will be to incorporate these opportunities for greater space utilisation throughout the building.
- 7.8 We already have a number of public sector partners co-locating with the City Council and we are working with partners through the One Public Estate programme to encourage greater take up of vacant space in the building which will generate additional income as well as reducing the overall public sector property costs.
- 7.9 Agile working has not only cost benefits but others such as improving the attractiveness of the organisation to potential employees, improving both the health and well-being of staff and the local environment by reducing the need for travel.
- 7.10 Asset Review Business Plan
- 7.11 An asset review and investigation into the options for the development of a new approach to the management and use of the portfolio was concluded in 2010 with the adoption by Council of an Asset Review Business Plan (Report Ref. CE 39/10 refers).
- 7.12 Work continues on the implementation of the Business Plan as detailed below:

7.13 Disposal Programme

7.14 In December 2018 a revised disposal programme was approved by the Executive with the aspiration of generating £10m to assist with funding major developments such as the Sands Centre and Gateway 44 scheme.

7.15 Additional staff resources have been engaged to deliver this 5-year programme. To date over £3.2m has been generated, however we anticipate that the ongoing pandemic will delay progress as prospective purchasers concentrate on their existing portfolios rather than seek additional assets and inevitably there will be an impact on values. At this stage the full impact is not known and will only become clear over the coming years however we anticipate that there will be delays to the programme and capital values will be reduced.

7.16 A number of the assets identified for disposal have significant issues to resolve prior to marketing and this lull in the market is allowing the due diligence to be progressed in order that when market conditions improve, we are ready to proceed at speed.

7.17 Reinvestment Options

7.18 The Business Plan envisages capital receipts will be used to generate additional revenue and support purchases in the economic development and operational property portfolios.

7.19 Opportunity purchases into the Economic Development portfolios are being progressed to support the aspirations of the Borderlands Growth Deal and are discussed further in section 7.31 below

7.20 We continue to look for opportunities to enhance income generating opportunities for the City Council.

7.21 Sands Centre redevelopment

7.22 The redevelopment of the Sands Centre has commenced with the temporary accommodation for GLL & NHS complete at Newman School and the Sands. The decision was taken to lease space at the former Newman School and refurbish rather than take temporary portacabin accommodation to not only minimise cost but also to provide a more suitable temporary leisure facility and leave a legacy for

ASSET MANAGEMENT PLAN 2021-2026

the city once we vacate. Temporary accommodation has also been provided at the Sands to allow events to continue in the main hall.

- 7.23 Once complete the development will provide a modern energy efficient leisure centre for the citizens of Carlisle. The current swimming facilities will be redeveloped as part of the Station Gateway project and will also reduce the Council's repairing liabilities. Works are scheduled for completion in spring 2021.

7.24 Chancerygate – Kingstown and Parkhouse

- 7.25 Chancerygate, the Council's appointed asset managers for their Kingstown & Parkhouse assets, continue to make good progress with the management and development of our portfolio north of the City.

- 7.26 They are currently project managing the construction of Gateway 44, a 42,000 sq. ft. bulky goods retail scheme at Parkhouse. The asset is being developed as an income generating asset and will be held as part of the investment portfolio. Completion of the build programme is anticipated in October 2020; this is slightly behind schedule due to inclement weather early in the build programme and the coronavirus pandemic. However, the construction team have done an incredible job to minimise delays with work continuing, albeit at a reduced pace, throughout lockdown.

- 7.27 Despite the turmoil in the retail sector we continue to generate interest and are working on potential deals. Unfortunately, Oak Furnitureland who were due to take space within the scheme have gone into administration, we are currently reviewing options for this unit.

- 7.28 Good progress has been made with the rent review programme with 36 having been completed within 2019/20 with the rent roll increasing by circa £31,000 p.a. Chancerygate currently have 63 reviews in progress.

- 7.29 In addition to this Property Services and their other advisors have completed 13 reviews during 2019/20 increasing rental levels by circa £5,000 p.a. A further 31 reviews are in progress.

- 7.30 Overall ground rent income has increased by 7.25%.

7.31 Economic Development Portfolio

7.32 The assets within this portfolio are directed towards supporting and creating opportunities for the growth of the City using employment, housing and retail development land.

7.33 The Borderlands Growth Deal presents a once in a lifetime opportunity for the growth of the city with Carlisle seen as the “beating heart” of the Borderlands region. Schemes are being developed to transform areas around the Citadel station and the Courts area. The Council are a key partner in both schemes and have property assets, such as The Pools and the Old Gaol site that will be integral to delivery of the projects. As well as dealing with our own assets we are also assisting with site assembly. The programme not only offers transformational opportunities for the City by developing a HS2 compliant station and a home for the University of Cumbria but also potential income generating opportunities in the future.

7.34 The Southern relief road opens up further opportunities for growth of the City. We are currently awaiting final scheme proposals before considering further the options for development of Council owned land outlined for the Morton District Centre which will encompass both a retail element and employment land.

7.35 St Cuthbert’s Garden Village scheme continues to make good progress, with the proposals now focusing on smaller settlements rather than one large one.

7.36 Coronavirus pandemic

7.37 The Coronavirus pandemic has had a major impact on the operations of the City Council. The Authority has used its property portfolio to support the public sector response to the crisis by enabling the creation of a recovery centre at the Sands and public car parks have been converted to mobile testing stations.

7.38 From an operational perspective many buildings have been closed and colleagues working from home where possible. The challenge in the short term will be to install social distancing measures to allow buildings to safely reopen. The pandemic has demonstrated that large sections of the Council can work remotely and there is no longer the need for staff to be permanently based in offices such as the Civic Centre. Agile working is likely to become the norm in the future and now is the perfect time for the Council to grasp the opportunity.

7.39 There are a number of benefits for the Council; cost savings by reduced floor space requirements; environmental improvements with fewer people travelling into the

city reducing pollution; improved staff retention and recruitment, greater flexibility around the workplace is attractive to many especially younger job seekers who see agile working as an essential part of the package.

- 7.40 The UK economy is currently experiencing a period of severe contraction due to the Covid-19 pandemic. Short term income will inevitably be reduced and tenants will vacate despite the significant assistance provided by Central Government. The long-term impact is not yet clear, however it is likely that values will fall although this will vary between sectors and this will impact on the investment portfolio. Certain sectors such as the High Street will see major structural change and the Council aims to minimise the long-term effect on its income levels through proactive property management.
- 7.41 Further, the potential impact of the UK's withdrawal from the European Union (EU) and the uncertainty over its future trading relationship with the EU are other factors that could put downward pressure on property values.
- 7.42 The assets (and the values that will be realised from them) within the Disposals Programme will not be immune from the market influences and therefore the values achieved over the next few years may not be as great as previously forecast.

8. Conclusion

- 8.1 The Council has a highly rationalised and suitable service occupied portfolio. The key challenge will be to build on the opportunity that Coronavirus has given us to roll out agile working. The completion of the Civic ground floor redevelopment will provide an enhanced customer services operation and entrance to the building. Opportunities to co-locate with other public sector partners will be pursued.
- 8.2 The Sands Centre redevelopment offers an opportunity to enhance leisure facilities within the city it will also reduce our maintenance liability and support our aspirations for economic growth.
- 8.3 The Council has a significant investment property portfolio; the challenge will be to protect this income stream as the effects of the pandemic become clear.
- 8.4 The Council will continue to review its property portfolio and ensure that it is used to achieve the Council's operational, investment and economic development aims.

Report to Business & Transformation Scrutiny Panel

Agenda Item:

A.5

Meeting Date: 23 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: EMPLOYEE OPINION SURVEY 2020
Report of: Corporate Director of Finance and Resources
Report Number: RD16-20

Purpose / Summary:

Employee opinion surveys (EOS) have taken place at Carlisle City Council for over 12 years. They offer an opportunity to engage with staff and find out their views about working for the City Council. A survey took place earlier this year, and as with previous surveys, the results are reported to the relevant Scrutiny Panel.

Recommendations:

1. Scrutinise the results of the Employee Opinion Survey 2020

Tracking

Executive:	N/A
Scrutiny:	Business and Transformation 23/7/20
Council:	N/A

1. Background

1.1 The 2020 Employee Opinion Survey was completed in February with 264 responses, a response rate of 55.8% based on a headcount of 473 staff¹. This is a marginal decrease in the response rate in 2018 (58%).

The headlines have been reported to staff in the Chief Executive's June briefings.

2. Determining changes from EOS 2018 to EOS 2020

2.1 The survey questions are attached as an appendix, wherever possible the questions are repeated from year to year for comparison. The results are presented with the question as a code, for example: Q3a is the code for Question 3 part a.

2.2 The overall confidence interval (CI) for the survey, based on 264 responses at 95% confidence level, is +/- 4.0%. There is variation in the count of responses per question as some employees have not completed the whole survey. The maximum CI is +/- 5.1%. This means that we can say with 95% confidence that the response reported is within +/- 5.1% of the figure for all employees. For example, we are 95% confident that between 85.6% and 95.8% (90.7% reported) of all staff rate the Council as a good employer.

2.3 Survey Monkey, the survey tool used for the EOS, has a word cloud tool which has been used to create a scaled font for the literal answers to questions 2, 12, 15, 16 and 17. These images are embedded in the relevant sections of the report. This tool helps to summarise and count the literal answers and is preferable to presenting the text in full.

2.4 Each result is tagged with a character to highlight the changes since the EOS 2018, using the following key:

↑↑	Increase on 2018
=	Too close to 2018 to call (within combined 2018 and 2020 CIs)
↓↓	Decrease on 2018
NEW	New question

This key provides an instant guide to the changes between the EOS 2018 and EOS 2020.

¹ End January 2020

3.1 Vision and priorities

authority impact local government reorganisation happy Cumbria customer
Budget cuts staff morale projects climate change public money
Unitary Authority Civic Centre work jobs levels Weather budgets
Brexit flood Lack funding Unitary staff will services
new Keeping Dealing Council unitary council Borderlands delivery
changes Finances cuts city reorganisation Maintaining deliver
Devolution Local Government resources within devolution enough houses

3.2 Senior Management Team (SMT)

3.3 Line management

3.4 Employer

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3.5 Miscellany

Q7a 81.3% say they have the tools and resources needed to do their job (2018 79.8%) =

Q7b 92.9% say they know what is expected of them at work (2018 90.3%) =

Q7c 89.5% feel like they have a responsibility in helping the council achieve its aims (2018 87.3%) =

Q7d 82.9% say they have a chance to use their strengths and abilities at work (2018 75.7%) =

Q7e 80.6% say they have opportunities to be listened to (2018 69.9%) ↑↑

Q7f 74.9% say colleagues behave positively at work (2018 74%) =

Q7g 82.9% say they know where to get support if they feel anxious or stressed out at work (2018: 78.7%) =

Q7h 85.3% say they are able to maintain a good balance between work and their personal life (2018 81.8%) =

Q7i 68.2% say they are satisfied with their pay and benefits package (2018 64.1%) =

Q7j 74.4% feel valued as an employee (2018 61.0%) ↑↑

Q7k 84.8% say they are proud to work for Carlisle City Council (2018 78.6%) =

Q7l 66.8% say if I have done a good job it is recognised (2018 63.1%) =

3.6 Learning and development

Q8 73.0% have taken part in learning and development in the last 12 months (2018 80.2%) =

3.7 Employee Assistance Programme

Q9 12% say they have used the Employee Assistance Programme (2018 13.1%) =

Q10 33.3% say they last accessed the employee Assistance Programme online, 37.5% telephone and 29.2% face to face (2018 41.9% say they last accessed the employee Assistance Programme online, 29% telephone and 29% face to face).

Q11 95.8% say they found the service useful. (2018 93.1%)

Change not calculated due to small sample size for above two questions.

3.8 Communications and various

Q12 What makes you feel most valued at work?



Q13 76.7% are satisfied with internal communications (70 % in 2018) =

Q14 How would you prefer to receive internal communications? (Multiple response)

Answer	2020	2018	Change
Email / e-newsletter	41.6%	61.8%	↓↓
Team meetings	56.5%	63.1%	=
Staff newsletter	31.6%	36.5%	=
Chief Executive briefings	72.3%	36.5%	↑↑
Intranet	23.0%	26.2%	=
Other	5.3%	6%	=

Q15 What other ways can we improve internal communications?



Q16 What could the organisation do to better support you in your role?

team well US reviews time level role know help changes feel departments
work paid support Improve need director staff appreciate
better Allow people provide organisation greater nothing job make

Q17 What one thing could the City Council do to improve the Council the most?

value use new systems provide talk years area one Ensure departments time taken
customer meet come team deliver needs ground floor Council projects
work less staff know Improve public good processes
things job pay feel many nothing people Continue asking roles building cross
training focus communication managers make willing

Q18 What do you like about working for Carlisle City Council?

Answer	2020	2018	Change
Flexi time	35.4%	65.1%	↓↓
Colleagues / friendliness	34.0%	54.2%	↓↓
Type / nature / variety of work	69.9%	52.8%	↑↑
Work life balance / agile working	51.5%	48.0%	=
Location (close to family / good schools / close to city centre	53.4%	47.2%	=
Employee benefits e.g. pension, car etc	50.0%	42.4%	=
Desire to work in public service	17.5%	34.9%	↓↓
Development opportunities	32.0%	30.6%	=
Level of Pay	14.6%	29.3%	↓↓
Culture of the Council	58.3%	19.7%	↑↑
Office / work facilities	14.6%	15.7%	=
Social	47.1%	14.9%	↑↑
Other	3.9%	6.1%	

4. PROPOSALS

None

5. RISKS

None

6. CONSULTATION

Headline results have been shared with staff in briefings.

7. CONCLUSION AND REASONS FOR RECOMMENDATIONS

7.1 Slight decrease in response rate

7.2 Positive changes:

Q5d) My line manager provides feedback on my performance (2018: 68.7% agree, 2020: 76.8%)

Q7e) I have opportunities to be listened to (2018: 69.9% agree, 2020: 80.6%)

Q7j) I feel valued as an employee (2018: 61.0%, 2020: 74.4%)

7.3 No negative changes

7.4 Other changes:

Q14 How would you prefer to receive internal communications?

- Email / e-newsletter (2018: 61.8%, 2020: 41.6%)
- Chief Executive briefings (2018: 36.5%, 2020: 72.3%)

Q18 What do you like about working for Carlisle City Council?

- ⇓ Flexi time (2018: 65.1%, 2020: 35.4%)
- ⇓ Colleagues / friendliness (2018: 54.2%, 2020: 34.0%)
- ⇓ Desire to work in public service (2018: 34.9%, 2020: 17.5%)
- ⇓ Level of Pay (2018: 29.3%, 2020: 14.6%)
- ⇑ Culture of the Council (2018: 19.7%, 2020: 58.3%)
- ⇑ Social (2018: 14.9%, 2020: 47.1%)
- ⇑ Type / nature / variety of work (2018: 52.8%, 2020: 69.9%)

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 EOS results prove that employees are aware of and understand their role in delivering the priorities.

Contact Officer: Gary Oliver

Ext: 7430

Appendices attached to report:

Employee Opinion Survey Questions

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.

Appendix: Employee Opinion Survey 2020 Questions

1. In which directorate do you work?

- ☐ Community Services
- ☐ Corporate Support
- ☐ Economic Development
- ☐ Finance and Resources
- ☐ Governance and Regulatory Services

2. What do you think is the biggest challenge facing the City Council in the next 12 months?

3. Please say how much you agree or disagree with the following statements about the City Council's vision and priorities:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
I have a good understanding of the City Council's vision and priorities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand how my work contributes to achieving the City Council's vision and priorities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like I have a responsibility in helping the Council achieve its aims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Please say how much you agree or disagree with the following statements about the Senior Management Team:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
The City Council's Senior Management Team provides strong leadership.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The City Council's Senior Management Team provides visible leadership.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication between the Senior Management Team and staff is effective.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Please say how much you agree or disagree with the following statements about your line manager:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
My line manager provides effective leadership.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager supports me in my role.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager keeps me in touch with what is going on.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager provides feedback on my performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager encourages and supports my development.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager asks for my opinion before making decisions that affect my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager values my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. How do you rate the City Council as an employer?

- ☐ Very good
- ☐ Good
- ☐ Poor
- ☐ Very poor

7. Please say how much you agree or disagree with the following statements about working for the City Council:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
I have the tools and resources needed to do my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know what is expected of me at work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like I have a responsibility in helping the Council achieve its aims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a chance to use my strengths and abilities at work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have opportunities to be listened to.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colleagues behave positively at work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know where to get support if I feel anxious or stressed out at work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am able to maintain a good balance between work and my personal life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with the pay and benefits package offered by the City Council.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel valued as an employee at the City Council.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am proud to work for Carlisle City Council.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I have done a good job it is recognised.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Have you taken part in any work related learning and development in the last 12 months (training courses/workshops/qualifications/e-learning/conferences)?

- ☐ Yes
- ☐ No

9. Have you used the Employee Assistance Programme?

- ☐ Yes
- ☐ No

10. How did you last access the Employee Assistance Programme?

- ☐ Online
- ☐ Telephone
- ☐ Face to face

11. Did you find the service useful?

- ☐ Yes
- ☐ No

12. What makes you feel most valued at work?

13. Overall how satisfied are you with internal communications at the City Council?

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied

14. How would you prefer to receive internal communications (please tick all that are applicable)?

- ☐ Chief Executive briefings
- ☐ Team meetings
- ☐ Staff newsletter
- ☐ Email / e-newsletter
- ☐ Intranet
- ☐ Other - please specify:

15. What other ways can we improve internal communications?

16. What could the organisation do to better support you in your role?

17. What one thing could the City Council do to improve the Council the most?

18. What do you like about working for Carlisle City Council (please tick all that are applicable)?

- ☐ Level of pay
- ☐ Development opportunities
- ☐ Flexi time / flexible working / agile working
- ☐ Work life balance
- ☐ Location e.g. close to family, schools, city centre etc.
- ☐ Type / nature / variety of work
- ☐ Culture of the Council
- ☐ Desire to work in public service
- ☐ Office / work facilities
- ☐ Colleagues / friendliness
- ☐ Social
- ☐ Employee benefits e.g. pension, car etc.
- ☐ Other (please specify)

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.6

Meeting Date: 23 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: END OF YEAR PERFORMANCE REPORT 2019/20
Report of: Policy and Communications Manager
Report Number: PC 11-20

Purpose / Summary:

This report contains 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 (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:	TBC
Scrutiny:	Health and Wellbeing 11/6/20 Economic Growth 04/6/20 Business and Transformation 28/5/20
Council:	N/A

1. BACKGROUND

This report contains the 2019/20 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 – 0 'red', 1 'amber' and 4 'green'

KPIs – 6 'red', 5 'amber', 10 'green'

Summary of Exceptions (RED)

Measure	Target	Performance
CSe14 Actual car parking revenue as a percentage of car parking expenditure (including recharges).	151%	144% Most significant contributing factor is a £82k shortfall in carpark ticket sales across City Council carparks.
FR03 Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	10.3	12.1 Sickness Absence is a separate agenda item at the Business & Transformation Scrutiny Panel later in the year.
FR07a Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year - to DRAFT	95%	79% Below target due to vacancy (including additional recruitment, induction and training required), along with disruption caused by Covid-19 pandemic requiring some planned reviews to be delayed.
FR07b Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan)	80%	68% Will increase to 79% by July 2020 Audit Committee.

completed in respect of the financial year - FINAL		
FR09 Internal Audit - Percentage of draft internal reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client	80%	63% Disruption in year, including additional investigatory work caused some delays in finalising audit reports.
FR17 Internal Audit – Proportion of audit recommendations implemented	80%	63% These are monitored on a regular basis by both the Audit team and Audit Cttee. Management responses/updates are received for all outstanding recommendations.

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.

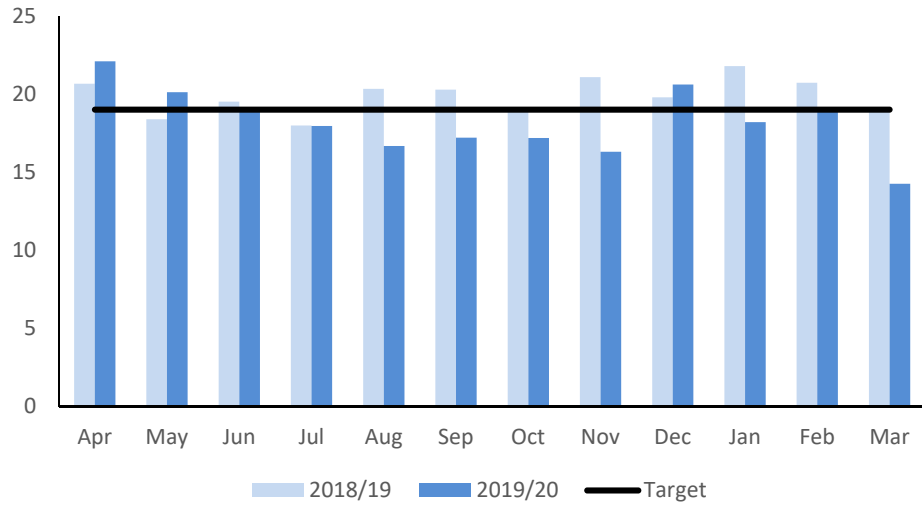
Section 1: Service Standards 2019/20

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.

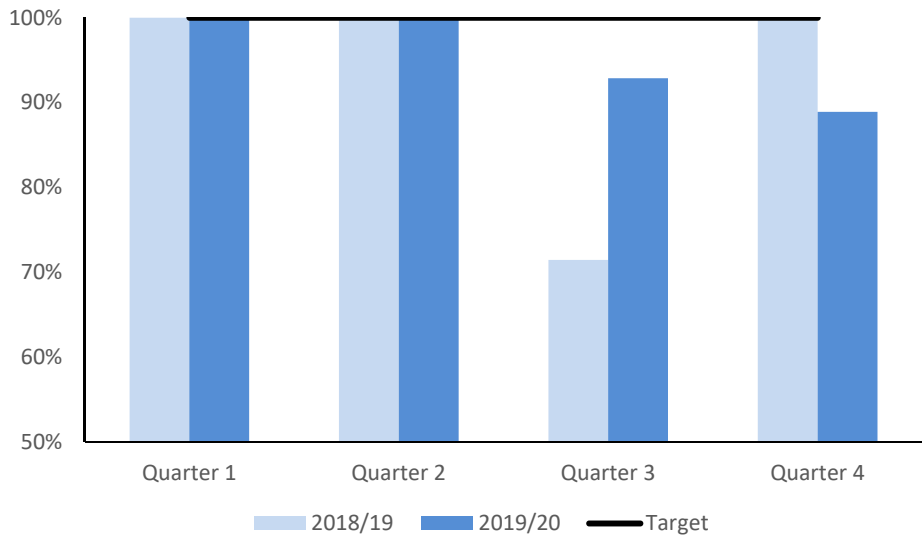
Service Standards are the measures judged to be the most important to our customers and therefore the mostly likely to influence the overall satisfaction with how the Council performs.

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

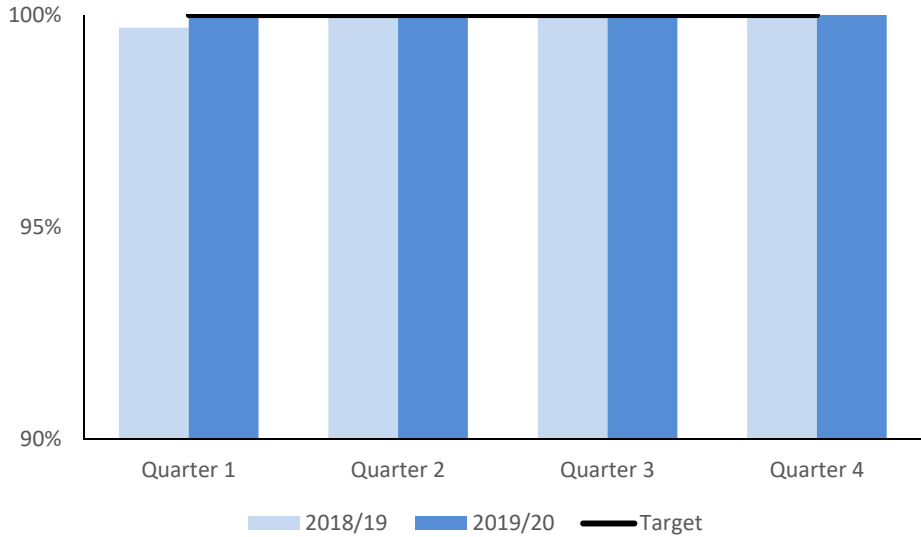
SS04: Average number of working days to process new benefits claims

Service Standard	2019/20	Performance by Month	Further Information																																																				
New claims should be processed within 19 days to achieve top two quartiles compared to other local authorities	17.8 days (2018/19: 18.9 days)	 <table><caption>Performance by Month Data</caption><thead><tr><th>Month</th><th>2018/19 (days)</th><th>2019/20 (days)</th><th>Target (days)</th></tr></thead><tbody><tr><td>Apr</td><td>20.5</td><td>22.0</td><td>19.0</td></tr><tr><td>May</td><td>18.5</td><td>20.0</td><td>19.0</td></tr><tr><td>Jun</td><td>19.5</td><td>19.0</td><td>19.0</td></tr><tr><td>Jul</td><td>18.0</td><td>18.0</td><td>19.0</td></tr><tr><td>Aug</td><td>20.0</td><td>16.5</td><td>19.0</td></tr><tr><td>Sep</td><td>20.0</td><td>17.0</td><td>19.0</td></tr><tr><td>Oct</td><td>19.0</td><td>17.0</td><td>19.0</td></tr><tr><td>Nov</td><td>21.0</td><td>16.0</td><td>19.0</td></tr><tr><td>Dec</td><td>19.5</td><td>20.5</td><td>19.0</td></tr><tr><td>Jan</td><td>21.5</td><td>18.0</td><td>19.0</td></tr><tr><td>Feb</td><td>20.5</td><td>19.0</td><td>19.0</td></tr><tr><td>Mar</td><td>19.0</td><td>14.0</td><td>19.0</td></tr></tbody></table>	Month	2018/19 (days)	2019/20 (days)	Target (days)	Apr	20.5	22.0	19.0	May	18.5	20.0	19.0	Jun	19.5	19.0	19.0	Jul	18.0	18.0	19.0	Aug	20.0	16.5	19.0	Sep	20.0	17.0	19.0	Oct	19.0	17.0	19.0	Nov	21.0	16.0	19.0	Dec	19.5	20.5	19.0	Jan	21.5	18.0	19.0	Feb	20.5	19.0	19.0	Mar	19.0	14.0	19.0	3174 new claims were made in 2019/20.
	Month		2018/19 (days)	2019/20 (days)	Target (days)																																																		
	Apr		20.5	22.0	19.0																																																		
May	18.5	20.0	19.0																																																				
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Oct	19.0	17.0	19.0																																																				
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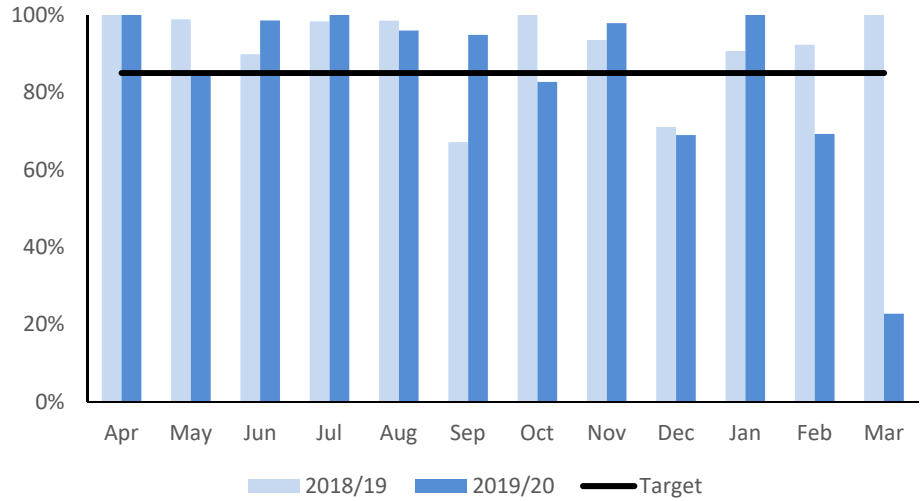
SS05: Proportion of corporate complaints dealt with on time

Service Standard	2019/20	Performance by Quarter	Further Information
Corporate complaints should be dealt with within 15 working days	95%	 <p>100% 90% 80% 70% 60% 50%</p> <p>Quarter 1 Quarter 2 Quarter 3 Quarter 4</p> <p>2018/19 2019/20 Target</p>	One late rely in Quarter 4 was due to a complicated issue that needed further investigation. The customer was kept informed throughout the process. 34 complaints in the year.
	(2018/19: 93%)		
	On target?		
	▲		

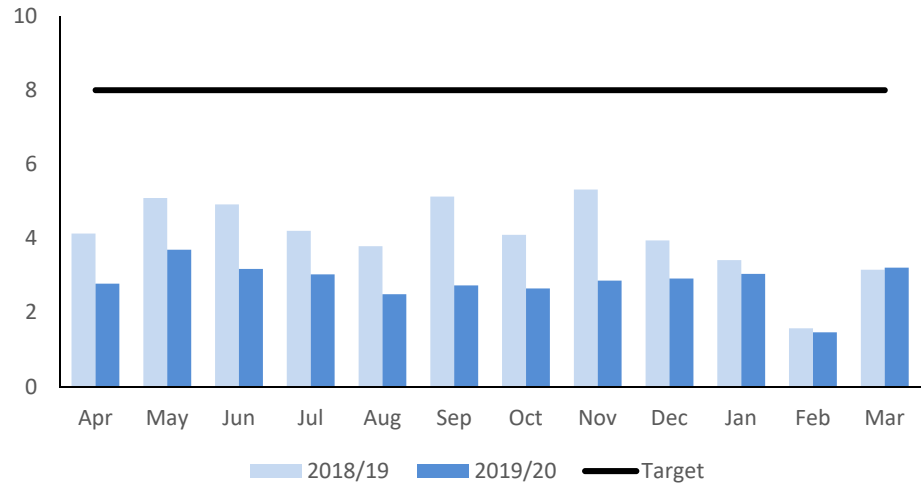
SS07: Proportion of non-contentious licence applications completed on time

Service Standard	2019/20	Performance by Quarter	Further Information
100% of non-contentious licence applications should be completed within 10 working days	100%	 <p>751 out of 751 applications completed on time in 2019/20.</p>	
	(2018/19: 99.9%)		
	On target?		
	✓		

SS08: Proportion of official local authority searches completed on time

Service Standard	2019/20	Performance by Month	Further Information
85% of official local authority searches should be completed within 10 working days	86%	 <p>554 searches were completed in the year.</p>	
	(2018/19: 92%)		
	On target?		
	✓		

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

Service Standard	2019/20	Performance by Month	Further Information																																							
Changes should be processed within 8 days	2.7 days (2018/19: 3.8 days)	 <table><thead><tr><th>Month</th><th>2018/19</th><th>2019/20</th></tr></thead><tbody><tr><td>Apr</td><td>4.2</td><td>2.8</td></tr><tr><td>May</td><td>5.1</td><td>3.7</td></tr><tr><td>Jun</td><td>4.9</td><td>3.2</td></tr><tr><td>Jul</td><td>4.2</td><td>3.0</td></tr><tr><td>Aug</td><td>3.8</td><td>2.5</td></tr><tr><td>Sep</td><td>5.1</td><td>2.8</td></tr><tr><td>Oct</td><td>4.1</td><td>2.7</td></tr><tr><td>Nov</td><td>5.3</td><td>2.9</td></tr><tr><td>Dec</td><td>3.9</td><td>2.9</td></tr><tr><td>Jan</td><td>3.4</td><td>3.0</td></tr><tr><td>Feb</td><td>1.5</td><td>1.4</td></tr><tr><td>Mar</td><td>3.1</td><td>3.2</td></tr></tbody></table>	Month	2018/19	2019/20	Apr	4.2	2.8	May	5.1	3.7	Jun	4.9	3.2	Jul	4.2	3.0	Aug	3.8	2.5	Sep	5.1	2.8	Oct	4.1	2.7	Nov	5.3	2.9	Dec	3.9	2.9	Jan	3.4	3.0	Feb	1.5	1.4	Mar	3.1	3.2	Over twenty-eight thousand changes were processed in 2019/20.
	Month		2018/19	2019/20																																						
	Apr		4.2	2.8																																						
May	5.1	3.7																																								
Jun	4.9	3.2																																								
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Feb	1.5	1.4																																								
Mar	3.1	3.2																																								
On target?																																										
✓																																										

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.

Because of the ongoing Covid-19 response, some KPIs have had to be deferred to the next report following Quarter 1.

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 Quarter 1 report and will no longer be 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.
Progress in Quarter 4 2019/20 against project plan / key milestones achieved	Future High Street Fund - Draft business case shared with MHCLG on 15 March for feedback Borderlands - Carlisle Railway Station: Ongoing development of the outline business case

	<p>Citadels: Appointment of multidisciplinary team to begin the preparation of the outline business case</p> <p>Caldew Riverside: Ongoing development of the remediation strategy for the site.</p>
Emerging issues / risks to the project	<p>The Covid-19 crisis is having an impact on project development. Whilst not rendering them altogether impossible to complete, it is slowing them down. There is a risk that slippage within established programmes may begin to occur.</p> <p>The crisis also have implications for community/stakeholder engagement, as the current restrictions mean that only electronic forms of consultation are possible at present. There is a consultation scheduled for the Citadels project in May 2020 and there is a risk that an electronic consultation may not instigate the level of engagement that established methods achieve.</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 4 2019/20 against project plan / key milestones achieved</p>	<p>Progress continues to be made on the Sands Centre enabling work at the former Newman School and on site. Due to the Coronavirus epidemic some challenges have been encountered with regard to supply of materials and labour. In addition, the Sands Centre events hall has requisitioned as a Covid-19 recovery centre and has been converted into a temporary hospital facility.</p> <p>Work also continues to conclude the contract arrangements for the main works contract. Key risks arising from the project and additionally further issues linked to the Coronavirus are currently being assessed. Once this exercise has been concluded a consultation process will begin in line with the Scheme of Delegation for this major project.</p>
<p>Emerging issues / risks to the project</p>	<p>A full project risk assessment has recently been undertaken. From this new risk assessment, the following represent the most significant risks:</p> <ul style="list-style-type: none"> - Additional time and cost delays arising from material and / or labour supply during the Covid-19 crisis. - Continued occupation of the events hall preventing progress on the main works project - Additional costs (beyond the project budget) arising from a need to replace the RAAC roof planks in the events hall roof structure.

Business & Transformation Scrutiny Panel Performance Dashboard 2019/20

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	Annual Performance 2019/20	Annual Performance 2018/19	Trend	Target	Comments
✗	CSe14	Actual car parking revenue as a percentage of car parking expenditure (including recharges).	144.2%	148%	↓	150.6%	Revenue under target.
N/A	CSe33a	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	26	39	↓	Info only	
N/A	CSe33b	Number of applications submitted to external funders supporting the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies that have been successful	14	24	↓	Info only	8 other applications either awaiting outcome or full bid in development.
N/A	CSe33c	Additional income generated through applications to support the key actions in the Carlisle Plan 2015-18, priorities of the Carlisle Partnership and other Council policies and strategies	£ 1,620,505	£ 1,991,965	↓	Info only	
	CSu01	Customer satisfaction with how well Carlisle City Council is running things	N/A	72.6%	↑	Info only	Deferred until Quarter 1 2020/21 due to C-19 response
✓	CSu02	Proportion of customer "calls for service" logged in Salesforce completed on-line	16.7%	16.1%	↑	16.1%	From calls logged in Salesforce CRM (6510 out of 38997 logs).
▲	CSu04	Percentage of Council Tax collected	97.1%	97.4%	↓	97.4%	
▲	CSu05	Percentage of NNDR collected	97.4%	98.4%	↓	98.4%	
✓	CSu06	Proportion of direct social media messages on Facebook and Twitter responded to within 24 hours (work days)	100%	100%	→	100%	
✓	CSu07	Customer Services - Respond to customer emails within 48hrs	96%	N/A	N/A	90%	New measure for 2019/20.
▲	FR01	Actual net spend as a percentage of annual net budget.	99.5%	99.4%	↑	100%	
✓	FR02	Percentage of all invoices paid within 30 working days	99.5%	99%	↑	98%	10139 invoices paid.
✗	FR03	Average number of working days lost due to sickness absence per FTE (full-time equivalent) employee.	12.1	10.3	↓	10.3	Sickness Absence is a separate agenda item at the Business & Transformation Scrutiny Panel later in the year.
▲	FR04	Percentage of return to work interviews completed in five working days of returning to work.	75%	76.7%	↓	76.7%	
N/A	FR06	Proportion of debts recovered (sundry debtors)	92.3%	N/A	N/A	N/A	New measure for 2019/20. Rolling 12 months to end of March 2020
✗	FR07a	Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year - to DRAFT	79%	92%	↓	95%	Below target due to vacancy (including additional recruitment, induction and training required), along with disruption caused by Covid-19 pandemic requiring some planned reviews to be delayed.

Business & Transformation Scrutiny Panel Performance Dashboard 2019/20

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	Annual Performance 2019/20	Annual Performance 2018/19	Trend	Target	Comments
✗	FR07b	Internal Audit - Percentage of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year - FINAL	68%	N/A	N/A	80%	Will increase to 79% by July 2020 Audit Committee.
✗	FR09	Internal Audit - Percentage of draft internal reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client	63%	91%	↓	80%	Disruption in year, including additional investigatory work caused some delays in finalising audit reports.
✓	FR10	Internal Audit - Percentage of final internal audit reports issued for Corporate Director comments within 8 working days of management response or closeout	93%	100%	↓	90%	
▲	FR11	Internal Audit - Percentage of recommendations accepted by management	95%	100%	↓	95%	
✓	FR12	Internal Audit - Percentage of individual reviews completed to required standard within target days	62%	69%	↓	60%	
✓	FR14	Internal Audit - Percentage of customer satisfaction survey scoring the service as "good"	100%	100%	→	90%	
✓	FR15	Internal Audit - Percentage of chargeable time	83%	80%	↑	80%	
✗	FR17	Internal Audit – Proportion of audit recommendations implemented	63%	79%	↓	80%	These are monitored on a regular basis by both the Audit team and Audit Committee. Management responses/updates are received for all outstanding recommendations
N/A	GRS01	Number of internal accidents/incidents per Full Time Equivalent (FTE)	0.09	0.07	↓	Info only	39 incidents reported in 2019/20
N/A	GRS02	Number of internal RIDDORS per FTE	0.005	0.01	↑	Info only	2 RIDDORS reported in 2019/20
✓	GRS03	% safety audits completed on time and sent to service manager	100%	100%	→	100%	All planned audits completed
N/A	GRS04	Proportion of contested licence applications decided on within 50 working days.	N/A	100%	N/A	95%	0 contested applications
✓	GRS05	Proportion of Temporary Event Notices licences processed within 1 working day.	100%	100%	→	100%	184 applications in 2019/20

Business & Transformation Scrutiny Panel

Agenda
Item:

A.7

Meeting Date: 23rd July 2020
Portfolio: CROSS CUTTING
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: CORPORATE PROJECT STATUS REPORT
Report of: TOWN CLERK & CHIEF EXECUTIVE
Report Number: CE 03 20

Purpose / Summary:

The City Council's Transformation Board's role is to ensure that there are effective governance arrangements in place for the projects that the Council undertakes. This report provides an update against corporate projects currently being undertaken in the Council.

This report was initially due for consideration by the Business & Transformation Scrutiny Panel at its meeting scheduled for 23rd March 2020, which was cancelled owing to the Covid-19 pandemic. As such the narrative contained within the project status report has been updated wherever possible to offer Members with an up to date snapshot.

Recommendations:

The Panel is asked to note and comment on the most recent summary of projects and governance arrangements in place as contained in Appendix One, and the actions being taken to support projects with issues. At Appendix Two is a summary of the standalone IT projects and their current status. Appendix Three is the internal audit report of Project Management, attached for Members' information, as this is referenced within this report.

1. BACKGROUND

- 1.1** The Transformation Board has a high level advisory and monitoring role in relation to the projects delivered by Carlisle City Council. As requested by the Panel, a six-monthly progress update on projects has been provided by the Transformation Board.

The Corporate Project Status report is now hosted on SharePoint and updates to the report are co-ordinated via this system. The use of this system allows us to access live data; a version history is recorded each time the report is updated; workflows can be configured so that should the status of a project change the Programme Office receive a notification.

A risk-based audit review of Programme & Project Management took place in June 2019 (Appendix Three). The scope of the audit was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls are in place over the service objectives.

A Management Action Plan has been considered at a recent meeting of the Audit Committee. Audit have contacted the Chief Executive's Office Manager and been provided with an update against each of the actions contained within the action plan.

These actions include the current SharePoint site being enhanced, to act as a central repository for key information relating to individual projects. As well as a revised lessons' learnt report template being approved at a recent meeting of the Transformation Board, which must be completed and reported for all closed projects. Work is underway to ensure that there is a record of "lighter" projects across the authority which will be monitored by the Transformation Board. A full copy of the Audit of Project Management is attached to this report at Appendix Three.

A refresh of the Project Managers' Handbook will be undertaken, templates will be added to include sample risk matrices for projects and lessons' learnt/ project closure forms. Members will be kept updated.

2. PROPOSALS

2.1 Project progress in the last six months

A summary of the status of current projects within the Council is detailed in

Appendix 1. This contains a summary of current project status. The majority of Council projects are progressing to schedule. Those that have issues are indicated with an amber rating, indicating that there are some issues which require attention. There are no projects experiencing major issues, which would have required a red rating.

There are no additional projects since this report was last considered by the Business & Transformation Scrutiny Panel. Two of the ICT projects have changed in RAG rating since this was last reported, moving from a green RAG status to an amber RAG status.

The Programme Office has received two requests to close projects down, further details are set out below.

The key achievements and achievements per project in the last six months are set out below:

Public Realm Improvements

The project is currently reporting a green RAG status.

A package of public realm improvement projects for the city centre area have been developed, designed and costed to RIBA 2 stage through the development of the business case for the Future High Street Fund.

The biggest risk to delivery of these projects is their dependency on securing investment from the Future High Street Fund. The final business case is due to be submitted to the Ministry of Housing, Communities & Local Government on 31st July 2020. Members will be kept informed.

The City Council continues to work in partnership with Cumbria County Council – in relation to design, costs, delivery and management - as the projects have implications for the highway and County Council assets.

E-Purchasing/Ledger Update

This project is reporting a green RAG status and progress is being made.

Briefing and training sessions for users have been arranged and the importance of attending is pivotal in ensuring the new e-purchasing system achieves its

objectives. Covid-19 has impacted on the extent of the rollout but plans will be put in place by the Summer of 2020 to ensure this rollout is completed

Digital Information Services projects

Appendix Two sets out the current status of individual ICT projects. Two of the projects are showing an amber RAG rating meaning some issues are being experienced which require attention. Further narrative is contained within Appendix Two.

Asset Recovery Programme

This project is progressing and is reporting an amber RAG status, indicating that there are some issues which require attention.

A summary of recent project activity as well as key activities for the next period is set out in Appendix One.

Members will be aware that the Council meeting on 28th April 2020 approved the reinstatement of the Ground Floor of the Civic Centre and for works to commence. Contractors are expected on site from mid-July, it is a sixty weeks programme of works and should be completed August 2021. There is budget available to cover the enhanced ground floor reinstatement.

European General Data Protection Regulation (GDPR)

A request has been received from the Project Manager to close this project down. Work is continuing to ensure the implementation of Corporate Governance internal audit recommendations. A lessons' learnt report will be considered at a future meeting of the Transformation Board where approval for its removal from the corporate report will be sought. Members will be kept informed.

St Cuthbert's Garden Village

This project is progressing and is reporting a green RAG status. A summary of recent project activity is set out in Appendix One. Project risks continue to be monitored and reviewed by the Strategic Board and Project Steering Group.

Sands Centre Redevelopment

This project is reporting a green RAG status and is progressing.

The Sands Centre project team continues to meet on a weekly basis where progress, key activities, emerging issues and the projects risk register are discussed and reviewed. The City Council's Deputy Chief Executive is involved in these meetings and ensures updates are received by the Senior Management Team when required.

Discover England Fund Year Two

A request to close this project has been received from the Project Manager. It is felt that project activity has now been delivered. A lessons' learnt report will be considered at a future meeting of the Transformation Board where approval for its removal from the corporate report will be sought. Members will be kept informed.

One Public Estate

This project is reporting a green RAG status. A full summary of recent project activity is set out in Appendix One. Discussions have taken place regarding alternative ways to fund the Programme Management role in order to maintain the momentum of the project. The role is currently being recruited to.

3. CONSULTATION

- 3.1** The Transformation Board will note the version of the Corporate Project Status report at today's scrutiny meeting at its meeting in April.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1** The Panel is asked to note the most recent summary of projects, as contained within Appendix 1 and 2 and the actions being taken to progress projects.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Transformation Board works to ensure quality assurance, alignment to key objectives and sound risk management arrangements in the delivery of the Carlisle Plan.

Contact Officer: **Jason Gooding** **Ext: 7001**

Appendices
attached to report: Appendix One: Corporate Project Status report
 Appendix Two: ICT Project Status report
 Appendix Three: Audit of Project Management

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 Programme Board Project status report JUNE 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
1	Public Realm Improvements	Steven Robinson	Economic Development	<p>June 2020</p> <p>A package of public realm improvement projects for the city centre area have been developed, designed and costed to RIBA 2 stage through the development of the business case for the Future High Street Fund.</p> <p>The City Council continues to work in partnership with Cumbria County Council – in relation to design, costs, delivery and management - as the projects have implications for the highway and County Council assets.</p>		The biggest risk to delivery of these projects is their dependency on securing investment from the Future High Street Fund. The final business case is due to be submitted to the Ministry of Housing, Communities & Local Government on 31 st July 2020.	The submission of the final business case is due to be submitted to the Ministry of Housing, Communities & Local Government on 31 st July 2020	None
2	E-Purchasing / Ledger upgrade	Steven Tickner	Finance and Resources	<p>June 2020</p> <p>The project will implement E-purchasing throughout the authority which will streamline the ordering of goods, services and payment of invoices. The web enabled Financials Ledger system front end is required to utilise automatic alerts and process information through system workflow. This will also allow further system enhancements in the future, such as the Civica Fixed Asset module, transparency reporting module and e-budgeting and contract management. Training began prior to COVID-19 for the rollout of the system and plans will be put in place during summer 2020 to finalise the rollout.</p>		Users not booking onto the briefing and training sessions.	Continue roll out to all suppliers. Arrange and provide drop-in sessions to help people get the best from the system and to deal with any issues that arise. Training has begun on the implementation and further rollout will occur between July and November 2020.	None
3	Digital Information Services projects	Christian Lexa	Corporate Support	See separate items detailing individual projects at Appendix Two of this report				
4	Asset Recovery Programme	Darren Crossley	Community Services	<p>July 2020</p> <p>Civic Centre</p>		Civic Centre - existing infrastructure issues which may have an impact on the flood reinstatement work;	Civic Centre Support progression of Council report (Council meeting on 28 th April) via	None

Corporate Programme Board Project status report JUNE 2020

Key to Status
Red Overdue; Significant issues
Amber Some issues
Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<ul style="list-style-type: none"> - planning permission for works and demolition granted. - Building regulations application submitted. - Tender returns and Council report (full Council on 28th April 2020) now in circulation - Advanced works for Fire Risk assessment, security and access now procured and delivered. Work due to start on site 13/7/20. <p>Bitts Park Pavilion and toilet block- now demolished. Awaiting re-connection of meter (COVID-19 issue) in the new kiosk.</p> <p>Sheepmount (Upper and Lower buildings). There remains an issue with the pumping equipment and flow rate delivery, on the hot water system. The pumping equipment and non-return valves have been replaced but there still seems to be a concern over water temperature - possibly as a result of lower than anticipated usage. Site currently shut due to COVID-19 restrictions.</p>		Civic Centre - budget available to deal with the enhanced ground floor reinstatement and public realm work; Sheepmount - completion of the reinstatement of the flood damaged areas not covered by the WYG programme of work e.g. stadium earthworks; Sheepmount (Upper and Lower buildings) Continued risks associated with balancing the hot water system.	Executive and Scrutiny. Appoint a contractor and commence the works. Bitts Park Pavilion and toilet block – managed ordered works Sheepmount (Upper and Lower buildings) . Complete the investigation of the hot water system. Engage with GLL to review management practices Deal with outstanding snags	
5	European General Data Protection Regulation (GDPR)	Aaron Linden	Governance and Regulatory Services	<p>June 2020</p> <p>Attendance at Records Management Course for Information Governance Manager. Close working relationship with ICT to jointly progress records management. Ongoing implementation of Corporate Information Governance internal audit recommendations</p>		Lack of ICT capacity to embed records management across the Council.	See request for change column	Request to close project to then initiate a Records Management Project. Project manager will complete the project closure report and submit to the next meeting of the Transformation Board.

Corporate Programme Board Project status report JUNE 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
6	St Cuthbert's Garden Village - Carlisle South Masterplan	Jillian Hale/ Helen Jackson	Economic Development	<p>June 2020</p> <p>Stage 2 Master planning progressing through technical stakeholder consultation towards a final preferred option masterplan framework which is due to be completed by the end of August 2020.</p> <p>Planning application for Carlisle Southern Link Road submitted due to be considered by CuCC in July 2020.. Project specific Grant Determination Agreement for the CSLR Housing Infrastructure Fund grant now received and being reviewed</p> <p>Outline housing delivery strategy agreed with Homes England as part of HIF contracting process. Contact made with MHCLG to register interest in Development Corporation Competition (£10m national pot) to explore the feasibility of different development models and drafting of bid well underway with support from Homes England.</p> <p>Garden Village Local Plan preferred option stage currently being drafted after two rounds of initial consultation. Preferred option consultation due winter 2020.</p> <p>Two supplementary planning documents underway to aid the process should any proposals for early land release in the area come forward in advance of the Local Plan being adopted.</p>		<p>Project risks continue to be monitored and reviewed. A risk register is in place and is actively considered by the Strategic Board and Project Steering Group at their respective meetings.</p> <p>Key risks include:</p> <ul style="list-style-type: none"> - the viability of new development with specialist consultants however on-board to assess and ensure viability considerations are influencing the preferred masterplan option. - premature development proposals in advance of the completion of master planning and a comprehensive planning framework, with the progression of one or a number of Supplementary Planning Documents identified as a mitigating measure - resources available to the project partly mitigated however by the anticipated award of external capacity funding and an increased and recurring MTFP allocation from 2020 onwards. 	<ul style="list-style-type: none"> - Receipt of draft masterplan framework, infrastructure schedule and design guidance - close monitoring of technical assessments including transport modelling and drainage - Report to Exec 27th May for approval to enter into a Grant Determination agreement with Homes England and CuCC for £102 m of grant funding. - outline housing delivery strategy in place drawing on completed interim viability and landowner engagement reports. - further, refined understanding of infrastructure needs leading to an updated infrastructure schedule - further development of development corporation capacity funding bid including clear programme. - Development approach to and programme for preparation and sign of Interim Housing Delivery Strategy to be completed by December 2020. 	None

Corporate Programme Board Project status report JUNE 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
7	Sands Centre Redevelopment	Darren Crossley	Community Services	<p>July 2020 Work has now started on RIBA stage 4B - specialist subcontract design and RIBA Stage 5 - the planning element of the construction phase. 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 in currently taking place in the leisure section of the building. Work is ongoing to de-risk the project price and scope of works. This includes the RAAC plank roof in the main events hall. 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>		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>1) Completion of the RIBA Stage 4B design development on the main project. 2) Complete the contract documentation and lease arrangements with the Main Contractor, GLL, NHS, Utilities companies 3) Discharge all pre-construction conditions with the Planning Applications and Building Control Applications 4) Continue dialogue with the Environment Agency to look the impact of their proposals on the Sands Centre construction and occupation phases. 7) Novate the Design Team to the Principal Contractor.</p>	None
8	Discover England Fund Year Two	Debbie Kavanagh	Economic Development	<p>November 2019 (project now complete so no recent update – will be removed from this report once authorised at Transformation Board)</p> <p>Outputs / Outcomes achieved as per amplification project plan, grant offer letter and evaluation plan:</p> <p>Embedding Travel Trade Relationships -we have exceeded our target for trade educationals by 6. In total 5 tour operators are proactively promoting England Originals. AC Tours England Originals product due to launch autumn 2019. We have been advised by all trade partner that the main booking period for US Jan to Mar 2020. Ensuring Trade Readiness –ASTA fam trip postponed to 2020. Over 100 agents have graduated from the England. Originals</p>		The project risk register was reviewed at the last Project Board meeting on 21 October 2019 and closed as the project is now completed.	Final Grant payment received. Project came in in on target with a small surplus which will be utilised as Carlisle City Council's contribution towards round 5 Discover England Fund activity.	Project activity now delivered. Closure of project now requested to be considered at future meeting of Transformation Board.

Corporate Programme Board Project status report JUNE 2020

Key to Status
Red Overdue; Significant issues
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	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<p>academy. Additional promotion of the academy modules to agents is still to be delivered by ASTA. Target of 80 suppliers selling through the platform has been achieved.</p> <p>Welcome –<i>text to come from Visit Greenwich</i></p> <p>Commencing Consumer Marketing – Facebook and Instagram accounts established 6 DMO’s are promoting England Originals via their online presence.</p> <p>Press trips –4 journalists have visited (target 3). Coverage is being published on an ongoing basis.</p> <p>Influencers –2 influencers have visited and covering (blogs etc) are being published on an ongoing basis.</p> <p>A one day event has been held to showcase England Originals and disseminate information and learning from the project. It was attended by 160 delegates from across the UK and involved case studies from across the country and abroad on the subject of interpretation.</p> <p>Project Mgt / Delivery - 1 full partnership meeting was held in June. Two project board meetings have been held.</p>				
9	One Public Estate	Darren Crossley	Community Services	<p>June 2020</p> <p>The Carlisle City Centre Regeneration Project Strategic Outline Business Case (SOBC) has been approved in principle by MHCLG. A multi-disciplinary consultant has been appointed to develop the OBC with the option for some follow-on work. Digital consultation on the initial options has been completed and the board is now considering the short list of options and addressing some site assembly issues.</p> <p>A Programme Delivery Board has been established to act on behalf of the Cumbria Chief Execs Group to develop, implement and</p>		Current OPE funding has run out but an alternative way to fund the Programme Management role has been secured from the CCEG partners. Recruitment is ongoing to secure a Programme Manager on a 12-month contract through Carlisle City Council.	In addition to the priorities, noted above, key activities for the future OPE programme include: <ul style="list-style-type: none">Engagement with Eden District Council, Cumbria County Council and Cumbria LEP to consider options for Newton Rigg College following the completion of the feasibility study last year.Engagement with South Lakeland District Council and the Lake District National Park Authority to provide suitable conference facilities for Lancashire Care and Morecambe Bay NHS Trust in Kendal.	None

Corporate Programme Board Project status report JUNE 2020

Key to Status
Red Overdue; Significant issues
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Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<p>drive forward all agreed OPE projects. The following OPE projects have been approved as a priority:</p> <ul style="list-style-type: none">• The Co-location of NHS Musculoskeletal (MSK) physios within leisure centres in Penrith and Whitehaven has been postponed due to lockdown and the leisure centres being required as recovery centres. Engagement with the NHS in the south of the county will see the trial of the escape pain programme in Kendal and Ulverston as a first step in building the relationship between GLL and the NHS and a paper has been submitted to the Cabinet Office to consider the roll out of this co-located model on a national level.• The development of three acres of land available below the West Cumberland Hospital site for ~50-60 extra care units. NHS have submitted the demolition notice to Copeland and are in the process of dealing with the preparatory issues such as ecology (bats) and services disconnections. They hoped to be starting demolition late summer but that might get pushed back due to the bat activity.• The development of 10.2 hectares of adjacent City Council and County Council land available for housing at York Fields in Carlisle. Virtual meetings held separately with Darren and Allan and both agreed that council members and the public would be reluctant to give up this green space used for dog walking etc plus the costs associated with required site remediation may prove prohibitive. Project to be removed from OPE Programme.			<ul style="list-style-type: none">• Engagement with partners in Penrith to consider the development of a Health and Wellbeing campus on the hospital site.• Further engagement with partners in Penrith to consider the development of a Welfare hub at Voreda House.• Engagement to consider the shared storage requirements for Cumbria Constabulary.• Linking in with the bids for the Future High Streets Fund and Town Deals in Allerdale, Barrow, Carlisle and Copeland to inform town centre regeneration in Barrow, Carlisle, Cleator Moor, Maryport, Millom, Whitehaven and Workington.• Engagement with Allerdale Borough Council for the development of an office hub in Keswick, community hub in Cockermouth and Discovery Centre in Silloth.• Engagement with Carlisle City Council and partners to develop a public service hub following refurbishment of the Civic Centre ground floor.• Developing the bid to secure further OPE funding once the next round is announced.	

Corporate Programme Board Project status report JUNE 2020

Key to Status
Red Overdue; Significant issues
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	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<ul style="list-style-type: none">• The development of 5 hectares of land available at Caldew Riverside for some innovative design city living accommodation. This is seen as a high priority and may secure ~£1m in Borderlands funding as the 3rd phase of Carlisle City Centre Regeneration.• The development of 550-600 new homes in a Marina Village in Barrow. Barrow have been able to value engineer the scheme to around £11.5-12m. They are still in negotiations with Homes England who have hinted that they could offer £7.5m funding towards the project. Barrow have identified potential match funding from both the Town Deal and the LEP. The shortfall may have to come through the phased sale of the plots as they are remediated.• The co-location of some NHS back office functions with the County Council at Parkhouse in Carlisle with an expected completion date of the end of July 2020. This will secure £2m in capital receipts and reduce the annual NHS running costs by ~£300k.• The development of an early intervention hub at the Town Hall in Barrow is now being included within Barrow’s FHSF SOBC.• The relocation of ~2500 people from the Sellafield site in office hubs in Copeland and Allerdale with the potential to develop further co-located “touch down” hubs across the county. Options have been provided and plans are in place for Millom Library and West Cumbria House at Lillyhall. Visit Team Office requirements for a suitable space in Egremont have been shared. Copeland Centre plans are ongoing				

Corporate Programme Board Project status report JUNE 2020

Key to Status
Red Overdue; Significant issues
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	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<div>and space requirements for Voreda House have been discussed.</div> <ul style="list-style-type: none">• The relocation of the EA’s flood defence depot from Abbeytown to either Skirsgill at Penrith or Threlkeld. The EA have discussed both flood defence equipment depot options with Cumbria County Council and LDNPA and site visits are required.• The shared management, maintenance, training and co-location of partners’ green fleet vehicles, which will also consider electric vehicle infrastructure requirements to identify common opportunities and the use of renewable source electricity.				

Corporate Programme Board ICT Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
1	Security Incident Event Management (SIEM) Implementation. Used to monitor/highlight/report all security incidents on servers, client computers, IT infrastructure, office 365. Identified as a need in Security audits in 2019	David Strong	Resources	<ul style="list-style-type: none"> implemented 		<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Monitored by Softbox 	
2	Windows 10 Upgrade from 1709 to 1909 Windows 10 1709 EOL October 2020	David Strong	Resources	<ul style="list-style-type: none"> Identifying new features/enhancements of the Windows 10 version and additional security requirements Creation of Group policies started for the new version based on NCSC/Microsoft security guidelines One Drive migration will be done as part of roll-out Upgrade process sequence Create Group Policies Test 		<ul style="list-style-type: none"> End of life October 2020. (extended due to Covid19, may be extended further) There is a likelihood that Microsoft will still update 1709 beyond this date as older versions are still supported with updates. 	<ul style="list-style-type: none"> IT Testing of 1909 Enhancements/security Upgrade process sequence End User testing with Line of Business apps Commence roll-out to end users 	
3	Remaining Windows 7 clients – 3 remaining clients Windows 7 EOL 14 th January 2020	David Strong	Resources	<ul style="list-style-type: none"> Last department (Licensing) migrated to Windows 10 14/3/20 BACS software transferred to ICT desktops Notice given to Community Centres 		<ul style="list-style-type: none"> Windows 7 is now End of Life (14th January) and updates no longer being issued by Microsoft Awaiting Mastercard to issue Windows 10 Compliant software before Machines (3) can be upgraded to Windows 10 	<ul style="list-style-type: none"> Upgrade Chip and Pin Machine (3) dependent on Mastercard 	
4	User H Drive to One drive Migration Move documents newer than 2015 floods to One Drive for access in Office 365. Older documents will be read-only on their H Drive and user can migrate these manually. Once project complete all remaining documents will be archived	David Strong	Resources	<ul style="list-style-type: none"> Migration scripts and migration process testing started on ICT Staff 		<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Continue Testing Roll-out to staff will commence as part of Windows 10 Upgrade from 1709 to 1909 	
5	Server 2008 Decommission There are still some corporate systems (9) in operation using Windows Server 2008	David Strong	Resources	<ul style="list-style-type: none"> Purchased extended support to cover critical servers Revs and Bens migrated to new portal servers 		<ul style="list-style-type: none"> Server 2008 End of Life 14th January 2020 and updates only issued through extended support 	<ul style="list-style-type: none"> Plans to migrate Corporate Systems to newer servers developed Working with Departments/Suppliers on migration plans/costs and ICT Resource requirements 	

Corporate Programme Board ICT Project status report FEBRUARY 2020

Key to Status
Red Overdue; Significant issues
Amber Some issues
Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
6	<p>Intranet move to SharePoint online (office 365) and K Drive document move to SharePoint Sites (Office 365).</p> <p>Currently Intranet is on 2008 servers and End of Life.</p> <p>Departmental documents (K Drive) are on 2008 Servers and can't be accessed through Office 365</p>	David Strong	Resources	<ul style="list-style-type: none">Initial meetings held around 2008 Server Decommission as this project is linked and options for way forwardGovernance of project moved to Policy and Communications (Feb 2020)		<ul style="list-style-type: none">Staff availability in departments to do the migrationsLack of Corporate buy-in of Solution	<ul style="list-style-type: none">Corporate buy-in of new solutionDevelop Document classification and retention policies as a base for building the SharePoint/intranet sitesIdentify pilot departments/teams to migrate K drive documents toMeeting on Intranet design/proposal – postponed due to CovidPilot document migrations	

Business & Transformation Scrutiny Panel

Agenda
Item:

A.5

Meeting Date: 26th March 2020
Portfolio: CROSS CUTTING
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: CORPORATE PROJECT STATUS REPORT
Report of: TOWN CLERK & CHIEF EXECUTIVE
Report Number: CE 03 20

Purpose / Summary:

The City Council's Transformation Board's role is to ensure that there are effective governance arrangements in place for the projects that the Council undertakes. This report provides an update against corporate projects currently being undertaken in the Council.

Recommendations:

The Panel is asked to note and comment on the most recent summary of projects and governance arrangements in place as contained in Appendix One, and the actions being taken to support projects with issues. At Appendix Two is a summary of the standalone IT projects and their current status. Appendix Three is the internal audit report of Project Management, attached for Members' information, as this is referenced within this report.

1. BACKGROUND

- 1.1** The Transformation Board has a high level advisory and monitoring role in relation to the projects delivered by Carlisle City Council. As requested by the Panel, a six-monthly progress update on projects has been provided by the Transformation Board.

The Corporate Project Status report is now hosted on SharePoint and updates to the report are co-ordinated via this system. The use of this system allows us to access live data; a version history is recorded each time the report is updated; workflows can be configured so that should the status of a project change the Programme Office receive a notification.

A risk-based audit review of Programme & Project Management took place in June 2019 (attached at Appendix Three). The scope of the audit was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls are in place over the service objectives.

A Management Action Plan has been considered at a recent meeting of the Audit Committee and work is underway to ensure the actions within are addressed within the agreed timescales.

These actions include the current SharePoint site being enhanced, to act as a central repository for key information relating to individual projects. As well as a revised lessons' learnt report template being approved at a recent meeting of the Transformation Board, which must be completed and reported for all closed projects. Work is underway to ensure that there is a record of "lighter" projects across the authority which will be monitored by the Transformation Board. A full copy of the Audit of Project Management is attached to this report at Appendix Three.

A refresh of the Project Managers' Handbook will be undertaken, templates will be added to include sample risk matrices for projects and lessons' learnt/ project closure forms. Members will be kept updated.

2. PROPOSALS

2.1 Project progress in the last six months

A summary of the status of current projects within the Council is detailed in Appendix 1. This contains a summary of current project status. The majority of Council projects are progressing to schedule. Those that have issues are indicated with an amber rating, indicating that there are some issues which require attention. There are no projects experiencing major issues, which would have required a red rating.

There are no additional projects since this report was last considered by the Business & Transformation Scrutiny Panel. No projects have changed in RAG rating since this was last reported. The Programme Office has received two requests to close projects down, further details are set out below.

The key achievements and achievements per project in the last six months are set out below:

Public Realm Improvements

The project is currently reporting a green RAG status.

A package of city centre public realm improvements have been developed through the business case for the Future High Street Fund.

The biggest risk to the project is that the delivery of the proposed projects is dependent on securing investment from the Future High Street Fund. The draft business case is due to be submitted to the Ministry of Housing, Communities & Local Government on 15th March. Members will be kept informed.

The City Council continues to work in partnership with Cumbria County Council regarding concept designs, costings and delivery. Dialogue in this regard remains on-going.

E-Purchasing/Ledger Update

This project is reporting a green RAG status and progress is being made.

Briefing and training sessions for users have been arranged and the importance of attending is pivotal in ensuring the new e-purchasing system achieves its objectives. There is a planned programme of works to ensure roll out to suppliers continues. Drop in sessions will also be available to all users so that issues can be dealt with and end user testing issues identified and remedied.

Digital Information Services projects

Appendix Two sets out the current status of individual ICT projects. The ICT Management Team meeting weekly with the Chief Executive and any issues being experienced within these priority projects are discussed here.

Asset Recovery Programme

This project is progressing and is reporting an amber RAG status, indicating that there are some issues which require attention.

A summary of recent project activity as well as key activities for the next period is set out in Appendix One.

Members are asked to note that a final report concerning the reinstatement of the Ground Floor of the Civic Centre is due to be considered at a meeting of the full Council on 28th April 2020. Advanced works are due to commence in the very near future and should be complete by July 2021. There is budget available to cover the enhanced ground floor reinstatement.

European General Data Protection Regulation (GDPR)

A request has been received from the Project Manager to close this project down. Work is continuing to ensure the implementation of Corporate Governance internal audit recommendations. A lessons' learnt report will be considered at a future meeting of the Transformation Board where approval for its removal from the corporate report will be sought. Members will be kept informed.

St Cuthbert's Garden Village

This project is progressing and is reporting a green RAG status. A summary of recent project activity is set out in Appendix One. Project risks continue to be monitored and reviewed by the Strategic Board and Project Steering Group.

Sands Centre Redevelopment

This project is reporting a green RAG status and is progressing. Work has commenced on the temporary facilities at the former Newman School site and the Sands, these facilities should be in use by May 2020. Demolition and main works are due to start in June 2020.

The Sands Centre project team continues to meet on a weekly basis where progress, key activities, emerging issues and the projects risk register are discussed and reviewed. The City Council's Deputy Chief Executive is involved in these meetings and ensures updates are received by the Senior Management Team when required.

Discover England Fund Year Two

A request to close this project has been received from the Project Manager. It is felt that project activity has now been delivered. A lessons' learnt report will be considered at a future meeting of the Transformation Board where approval for its removal from the corporate report will be sought. Members will be kept informed.

One Public Estate

This project is reporting a green RAG status. A full summary of recent project activity is set out in Appendix One. Discussions have taken place regarding alternative ways to fund the Programme Management role in order to maintain the momentum of the project.

3. CONSULTATION

- 3.1** The Transformation Board will note the version of the Corporate Project Status report at today's scrutiny meeting at its meeting in April.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1** The Panel is asked to note the most recent summary of projects, as contained within Appendix 1 and 2 and the actions being taken to progress projects.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

The Transformation Board works to ensure quality assurance, alignment to key objectives and sound risk management arrangements in the delivery of the Carlisle Plan.

Contact Officer:

Jason Gooding

Ext: 7001

Appendices

attached to report:

Appendix One: Corporate Project Status report

Appendix Two: ICT Project Status report

Appendix Three: Audit of Project Management

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 Programme Board Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
1	Public Realm Improvements	Steven Robinson	Economic Development	February 2020 A package of city centre public realm improvements have been developed through the business case development for the Future High Street Fund. City Council working in partnership with Cumbria County Council regarding concept designs, costings and delivery.	Green	The delivery of the proposed projects is dependent on securing investment from the Future High Street Fund.	The submission of a draft business case to MHCLG on 15th March 2020.	None
2	E-Purchasing / Ledger upgrade	Steven Tickner	Finance and Resources	February 2020 The project will implement E-purchasing throughout the authority which will streamline the ordering of goods, services and payment of invoices. The web enabled Financials Ledger system front end is required to utilise automatic alerts and process information through system workflow. This will also allow further system enhancements in the future, such as the Civica Fixed Asset module, transparency reporting module and e-budgeting and contract management.	Green	Users not booking onto the briefing and training sessions.	Continue roll out to all suppliers. Arrange and provide drop-in sessions to help people get the best from the system and to deal with any issues that arise.	None
3	Digital Information Services projects	Christian Lexa	Corporate Support	See separate items detailing individual projects at Appendix Two of this report	Green			
4	Asset Recovery Programme	Darren Crossley	Community Services	March 2020 Civic Centre <ul style="list-style-type: none"> - planning permission for works and demolition granted. - Building regulations application submitted. - Tender returns and Council report (full Council on 28th April 2020) now in circulation - Advanced works for Fire Risk assessment, security and access now procured and delivered 	Amber	Civic Centre - existing infrastructure issues which may have an impact on the flood reinstatement work; Civic Centre - budget available to deal with the enhanced ground floor reinstatement and public realm work; Sheepmount - completion of the reinstatement of the flood damaged areas not covered by the WYG programme of work e.g. the all weather pitch and stadium earthworks; Sheepmount (Upper and Lower buildings)	Civic Centre Support progression of Council report (Council meeting on 28 th April) via Executive and Scrutiny. Appoint a contractor and commence the works. Bitts Park Pavilion and toilet block – managed ordered works Sheepmount (Upper and Lower buildings) Complete the investigation of the hot water system. Engage with GLL to review management practices Deal with outstanding snags	None

Corporate Programme Board Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				Bitts Park Pavilion and toilet block - orders have been placed to rectify the previously reported electric supply issues Sheepmount (Upper and Lower buildings). The snagging work which forms part of the WYG and TAC work has been completed. There remains an issue with the pumping equipment and flow rate delivery, on the hot water system. The pumping equipment and non-return valves have been replaced but there still seems to be a concern over water temperature - possibly as a result of lower than anticipated usage.		Continued risks associated with balancing the hot water system.		
5	European General Data Protection Regulation (GDPR)	Aaron Linden	Governance and Regulatory Services	February 2020 Attendance at Records Management Course for Information Governance Manager. Close working relationship with ICT to jointly progress records management. Ongoing implementation of Corporate Information Governance internal audit recommendations.		Lack of financial support to procure new system for FOIs and data protection related requests and data breaches. In addition, lack of ICT capacity to embed records management across the Council.	See request for change column	Request to close project to then initiate a Records Management Project. Project manager will complete the project closure report and submit to the next meeting of the Transformation Board.
6	St Cuthbert's Garden Village - Carlisle South Masterplan	Garry Legg	Economic Development	October to December 2019 Stage 2 Master planning progressing well. Engagement on draft options completed with Post Options Report Signed Off. Development of preferred masterplan option commenced and ongoing including a number of technical assessments covering drainage, transport, ecology and visual impact Planning application for Carlisle Southern Link Road submitted oct 2019. Project specific Grant Determination Agreement for the CSLR Housing Infrastructure Fund grant now received and being reviewed Scope of housing delivery strategy agreed with Homes England as part of HIF contracting process. Contact made with MHCLG to		Project risks continue to be monitored and reviewed. A risk register is in place and is actively considered by the Strategic Board and Project Steering Group at their respective meetings. Key risks include: o the viability of new development with specialist consultants however on-board to assess and ensure viability considerations are influencing the preferred masterplan option. o premature development proposals in advance of the completion of master planning and a comprehensive planning framework, with the progression of one or a number of	January – March 2020 · Expected announcement on capacity funding award and agreement on priorities for spending · Stage 2 Master planning preferred option signed off enabling development of a draft masterplan framework for consultation purposes. · Draft outline housing delivery strategy in place drawing on completed interim viability and landowner engagement reports. · Further, refined understanding of infrastructure needs leading to an updated infrastructure schedule.	None

Corporate Programme Board Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				register interest in Development Corporation Competition (£10m national pot)		Supplementary Planning Documents identified as a mitigating measure o resources available to the project partly mitigated however by the anticipated award of external capacity funding and an increased and recurring MTFP allocation from 2020 onwards.		
7	Sands Centre Redevelopment	Darren Crossley	Community Services	<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 lease on Newman School has now been signed and the contract has been signed.</p> <p>Work is ongoing to de-risk the project price and scope of works.</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>		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>1) Completion of the RIBA Stage 4B design development on the main project.</p> <p>2) Complete the contract documentation and lease arrangements with the Main Contractor, GLL, NHS, Utilities companies</p> <p>3) Discharge all pre-construction conditions with the Planning Applications and Building Control Applications</p> <p>4) Continue dialogue with the Environment Agency to look the impact of their proposals on the Sands Centre construction and occupation phases.</p> <p>7) Novate the Design Team to the Principal Contractor.</p>	None
8	Discover England Fund Year Two	Debbie Kavanagh	Economic Development	<p>November 2019</p> <p>Outputs / Outcomes achieved as per amplification project plan, grant offer letter and evaluation plan:</p> <p>Embedding Travel Trade Relationships -we have exceeded our target for trade educationals by 6. In total 5 tour operators are proactively promoting England Originals. AC Tours England Originals product due to launch autumn 2019. We have been advised by all trade partner that the main booking period for US Jan to Mar 2020.</p>		The project risk register was reviewed at the last Project Board meeting on 21 October 2019 and closed as the project is now completed.	Final Grant payment received. Project came in in on target with a small surplus which will be utilised as Carlisle City Council's contribution towards round 5 Discover England Fund activity.	Project activity now delivered. Closure of project now requested to be considered at future meeting of Transformation Board.

Corporate Programme Board Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				<p>Ensuring Trade Readiness –ASTA fam trip postponed to 2020. Over 100 agents have graduated from the England. Originals academy. Additional promotion of the academy modules to agents is still to be delivered by ASTA. Target of 80 suppliers selling through the platform has been achieved.</p> <p>Welcome –<i>text to come from Visit Greenwich</i></p> <p>Commencing Consumer Marketing – Facebook and Instagram accounts established 6 DMO's are promoting England Originals via their online presence.</p> <p>Press trips –4 journalists have visited (target 3). Coverage is being published on an ongoing basis.</p> <p>Influencers –2 influencers have visited and covering (blogs etc) are being published on an ongoing basis.</p> <p>A one day event has been held to showcase England Originals and disseminate information and learning from the project. It was attended by 160 delegates from across the UK and involved case studies from across the country and abroad on the subject of interpretation.</p> <p>Project Mgt / Delivery - 1 full partnership meeting was held in June. Two project board meetings have been held.</p>				
9	One Public Estate	Darren Crossley	Community Services	<p>February 2020</p> <p>The Carlisle City Centre Regeneration Project Strategic Outline Business Case (SOBC) has been approved in principle by MHCLG. A multi-disciplinary consultant has been appointed to develop the OBC with the option for some follow-on work.</p> <p>A Programme Delivery Board has been established to act on behalf of the Cumbria Chief Execs Group to develop, implement and drive forward all agreed OPE projects. The</p>		Current OPE funding may run out before the next round of funding is released. An alternative way to fund the Programme Management role may therefore be required.	In addition to the priorities, noted above, key activities for the future OPE programme include: Engagement with Barrow Borough Council, Cumbria LEP and the University of Cumbria (UoC) to consider the delivery timeline for a UoC campus in Barrow. Engagement with Eden District Council, Cumbria County Council and Cumbria LEP to consider options for Newton Rigg College following the completion of the feasibility study last year. Engagement with South Lakeland District Council and	None

Corporate Programme Board Project status report FEBRUARY 2020

Key to Status
Red Overdue; Significant issues
Amber Some issues
Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
				following OPE projects have been approved as a priority: The Co-location of NHS Musculoskeletal (MSK) physios within leisure centres in Penrith and Whitehaven. Engagement is required to develop this further in the south of the county and a paper has been submitted to the Cabinet Office to consider the roll out of this co-located model on a national level. The development of three acres of land available below the West Cumberland Hospital site for ~50-60 extra care units. The development of 10.2 hectares of adjacent City Council and County Council land available for housing at York Fields in Carlisle. The development of 5 hectares of land available at Caldew Riverside for some innovative design city living accommodation. The development of 450 new homes in a Marina Village in Barrow. The co-location of some NHS back office functions with the County Council at Parkhouse in Carlisle with an expected completion date of March 2020.The development of an early intervention hub at the Town Hall in Barrow. The relocation of ~2500 people from the Sellafield site in office hubs in Copeland and Allerdale with the potential to develop further co-located “touch down” hubs across the county. The relocation of the EA’s flood defence depot from Abbeytown to either Skirsgill at Penrith or Threlkeld. The shared management, maintenance, training and co-location of partners’ green fleet vehicles, which will also consider electric vehicle infrastructure requirements to identify common opportunities and the use of renewable source electricity.			the Lake District National Park Authority to provide suitable conference facilities for Lancashire Care and Morecambe Bay NHS Trust in Kendal. Engagement with partners in Penrith to consider the development of a Health and Wellbeing campus on the hospital site. Further engagement with partners in Penrith to consider the development of a Welfare hub at Voreda House. Engagement to consider the shared storage requirements for Cumbria Constabulary and the NHS. Linking in with the bids for the Future High Streets Fund and Town Deals in Allerdale, Barrow, Carlisle and Copeland to inform town centre regeneration in Barrow, Carlisle, Cleator Moor, Maryport, Millom, Whitehaven and Workington .Engagement with Allerdale Borough Council for the development of an office hub in Keswick, community hub in Cockermouth and Discovery Centre in Silloth. Engagement with Carlisle City Council and partners to develop a public service hub following refurbishment of the Civic Centre ground floor. Developing the bid to secure further OPE funding once the next round is announced.	

Corporate Programme Board ICT Project status report FEBRUARY 2020

Key to Status

Red Overdue; Significant issues

Amber Some issues

Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
1	Security Incident Event Management (SIEM) Implementation. Used to monitor/highlight/report all security incidents on servers, client computers, IT infrastructure, office 365. Identified as a need in Security audits in 2019	David Strong	Resources	<ul style="list-style-type: none"> All servers, Firewall, client computers, server infrastructure, office 365 are now connected and reporting to the solution Configuration/Event intelligence learning phase is now underway 	Green	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Configuration/Event intelligence learning phase completion by end of March Go-live of monitored service in April 2020 	
2	Windows 10 Upgrade from 1709 to 1909 Windows 10 1709 EOL 14 th April 2020	David Strong	Resources	<ul style="list-style-type: none"> Identifying new features/enhancements of the Windows 10 version and additional security requirements Creation of Group policies started for the new version based on NCSC/Microsoft security guidelines One Drive migration will be done as part of roll-out Upgrade process sequence 	Amber	<ul style="list-style-type: none"> Will miss the End of Life deadline with Microsoft of 14th April. There is a likelihood that Microsoft will still update 1709 beyond this date as older versions are still supported with updates. 	<ul style="list-style-type: none"> Complete Group Policies IT Testing of 1909 Enhancements/security Upgrade process sequence End User testing with Line of Business apps Commence roll-out to end users 	
3	Remaining Windows 7 clients – 8 remaining clients Windows 7 EOL 14 th January 2020	David Strong	Resources	<ul style="list-style-type: none"> Last department (Licensing) will migrate to Windows 10 14/3/20 	Amber	<ul style="list-style-type: none"> Windows 7 is now End of Life (14th January) and updates no longer being issued by Microsoft Awaiting Mastercard to issue Windows 10 Compliant software before Machines (3) can be upgraded to Windows 10 	<ul style="list-style-type: none"> Upgrade Chip and Pin Machine (3) dependent on Mastercard Bacs transmission PC upgraded by End of March 	
4	User H Drive to One drive Migration Move documents newer than 2015 floods to One Drive for access in Office 365. Older documents will be read-only on their H Drive and user can migrate these manually. Once project complete all remaining documents will be archived	David Strong	Resources	<ul style="list-style-type: none"> Migration scripts and migration process testing started on ICT Staff 	Green	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Continue Testing Roll-out to staff will commence as part of Windows 10 Upgrade from 1709 to 1909 	
5	Server 2008 Decommission There are still some corporate systems (15) in operation using Windows Server 2008	David Strong	Resources	<ul style="list-style-type: none"> Purchased extended support to cover critical servers 	Amber	<ul style="list-style-type: none"> Server 2008 End of Life 14th January 2020 and updates only issued through extended support 	<ul style="list-style-type: none"> Plans to migrate Corporate Systems to newer servers developed Working with Departments/Suppliers on migration plans/costs and ICT Resource requirements 	

Corporate Programme Board ICT Project status report FEBRUARY 2020

Key to Status
Red Overdue; Significant issues
Amber Some issues
Green On schedule; In progress

	Project Title and Description	Project Manager	Directorate	Recent project activity	RAG status	Issues and Emerging risks	Key activities for next period (Inc. mtgs where project is to be considered)	Requests for change
6	<p>Intranet move to SharePoint online (office 365) and K Drive document move to SharePoint Sites (Office 365).</p> <p>Currently Intranet is on 2008 servers and End of Life.</p> <p>Departmental documents (K Drive) are on 2008 Servers and can't be accessed through Office 365</p>	David Strong	Resources	<ul style="list-style-type: none">Initial meetings held around 2008 Server Decommission as this project is linked and options for way forward		<ul style="list-style-type: none">Staff availability in departments to do the migrationsCorporate buy-in of Solution	<ul style="list-style-type: none">Corporate buy-in of new solutionDevelop Document classification and retention policies as a base for building the SharePoint/intranet sitesIdentify pilot departments/teams to migrate K drive documents toMeeting on Intranet design/proposal – April 2020Pilot document migrations	

Audit of Project Management

Draft Report Issued: 02 October 2019
Director Draft Issued: 23 October 2019
Final Report Issued: 31 October 2019



Audit Report Distribution

Client Lead:	Chief Executive Office Manager
Chief Officer:	Chief Executive
Others:	Lead ICT Officer
Audit Committee:	The Audit Committee, which is due to be held on 16 September will receive a copy of this report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.

1.0 Background

- 1.1. This report summarises the findings from the audit of Project Management. This was a Council-wide internal audit review included in the 2019/20 risk-based audit plan agreed by the Audit Committee on 18th March 2019.
- 1.2 The Council continually participates in various temporary projects (both internal and with partners) designed to either achieve business objectives or improve the delivery of core services.

2.0 Audit Approach

Audit Objectives and Methodology

- 2.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.
- 2.2 A risk-based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

Audit Scope and Limitations.

- 2.3 The Client Lead for this review was the Chief Executive Office Manager and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following scope areas:
 - The Council enters into unsuitable/unnecessary projects (initiation)
 - Ineffective monitoring of projects due to poor definition and/or failure to establish an effective monitoring framework (monitoring)
 - Council does not achieve continual improvement to project management by failing to measure the success of completed projects (closure)
- 2.4 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3.0 Assurance Opinion

- 3.1 Each audit review is given an assurance opinion intended to assist Members and Officers in their assessment of the overall governance, risk management and internal control frameworks in place. There are 4 levels of assurance opinion which may be applied (See **Appendix B** for definitions).
- 3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating within Project Management provide **reasonable assurance**.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4.0 Summary of Recommendations, Audit Findings and Report Distribution

- 4.1 There are two levels of audit recommendation; the definition for each level is explained in **Appendix C**. Audit recommendations arising from this audit review are summarised below:

Control Objective	High	Medium
1. Management - achievement of the organisation's strategic objectives achieved (see section 5.1)	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	5
3. Information - reliability and integrity of financial and operational information (see section 5.4)		
Total Number of Recommendations	-	5

- 4.2 Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A.

4.3 Findings Summary (good practice / areas for improvement):

The Council has strong guidance in place for project management, supported by suitable template documents. An appropriate reporting process is in place to monitor the progress of significant projects.

While the audit identified examples of best practice, there were also a few instances where key documents could not be located, particularly for older projects. It is suggested that the existing SharePoint site is developed to act as a repository for key information – this will provide assurances to senior managers that projects are being delivered in line with policy and will also ensure key documents can be easily located. It would also be beneficial to include a register of smaller projects.

The current process for reporting progress on digital projects should be reviewed to ensure progress reports are more accurate.

Comment from the Chief Executive

I thank Audit for this piece of work and look forward to seeing the recommendations implemented.

5.0 Audit Findings & Recommendations

5.1 Management – Achievement of the organisation’s strategic objectives

- 5.1.1** The Council has a Project and Programme Management Handbook that provides guidance on how the Council manages projects. The handbook includes a scoring mechanism that dictates the level of scrutiny, documentation and monitoring required, differentiating between minor and significant projects.
- 5.1.2** The handbook specifies the project management process from start to finish and includes template documentation to support project managers, including a Business Case and PID (Project Initiation Document).
- 5.1.3** The guidance is up to date, comprehensive and available to all officers via a dedicated site for Project & Risk Management on the Council’s intranet. Additionally, a Projects page has been established as part of the Council’s Performance Management SharePoint site.
- 5.1.4** It was noted that the dedicated intranet page also includes out of date documents. It is advised the page is either updated or is wholly replaced by a more developed SharePoint site.
- 5.1.5** Regular training sessions on project management in general is provided on a regular basis as part of the Council’s ethical governance training programme.

5.2 Regulatory – compliance with laws, regulations, policies, procedures and contracts

- 5.2.1** A sample of existing projects was reviewed to determine if the process specified in the handbook was being adhered to. It should be noted that the sample was focused on significant projects as there is currently no register of minor projects, making them hard to identify (See below).
- 5.2.2** Adherence to the process was inconsistent, with template documents including business cases, PIDs and risk registers not available for all projects. As a result, it was also not always possible to determine if a suitable scoring and approval process had been adopted for the projects.
- 5.2.3** Project Managers struggled to locate relevant documentation for older projects, particularly when responsibility for the project has changed. It is possible the relevant documentation had been completed at the start of the project, but the lack of availability poses the same risks as if the documents had not been prepared.

- 5.2.4** There were also examples of best practice identified, particularly for newer projects (such as the Low Carbon Carlisle project) and officers interviewed generally showed a strong awareness of the handbook and project management requirements in general.
- 5.2.5** The Council is in the process of developing its use of SharePoint and as previously stated a Projects site has been developed. It would be beneficial to use the site as a central repository for standard project documentation, such as business cases and risk registers.
- 5.2.6** Given the volume of projects undertaken by the Council this would not be onerous and would provide greater assurances that the handbook was being followed. It would also make it easier to locate information should responsibility for the project change.
- 5.2.7** To prevent the site being overcrowded with information, project documentation should be removed from the site and transferred to the responsible service once they have been deemed as complete.

Recommendation 1 – The Project Management SharePoint site should be enhanced to act as a central repository for key information relating to individual projects.

- 5.2.8** There is evidence that projects are being suitably monitored; significant projects are managed by dedicated boards, while smaller, internal projects are monitored within individual directorates or teams.
- 5.2.9** The handbook states that a lessons learned report should be completed for all projects once they are closed, to determine what went well and what could be improved. Limited evidence exists that such reports have been completed.

Recommendation 2 – Lessons learned reports should be completed and reported for all closed projects.

- 5.2.10** Both Economic Development and ICT Services manage a high volume of projects and have processes in place to monitor progress internally.
- 5.2.11** Economic Development maintain their own register of projects and progress is monitored at Directorate Management Teams and the Economic Growth Board on a regular basis.
- 5.2.12** Projects within ICT Services were initially discussed at a regular projects team meeting. However, due to a combination of absences and vacancies within the team no meeting has taken place since April 2019.

5.2.13 Projects are still discussed in wider team meetings and monitored using Microsoft Teams, but evidence is limited.

5.2.14 The ICT Services Manager (subsequently retired) also provided a progress report to the Transformation Board on a quarterly basis. However, the report was discussed with ICT Lead Officers who did not feel the report accurately represented projects being undertaken by the team, with some projects reported as having started not in progress and other ongoing projects not included.

Recommendation 3 – The reporting process for digital projects should be reviewed to ensure information taken to the Transformation Board is an accurate representation of projects being undertaken.

5.2.15 A register of major projects is retained on the Projects SharePoint site, with updates on progress, including any emerging issues

5.2.16 The Transformation Board also monitors progress of major projects on a quarterly basis, with project managers providing updates on progress, including any emerging issues and key activities going forward. Reports have been issued to the board on a regular and timely basis.

5.2.17 It was noted that progress for two projects was unchanged for several months; further enquiries identified both projects were currently on hold, though this was not clear in the report.

Recommendation 4 – Further scrutiny should be applied to projects that have made no progress to determine that they are still active and if they require any additional support.

5.2.18 Progress of significant projects is also reported to the Business and Transformation Scrutiny Board on a regular and timely basis.

5.2.19 The handbook also identifies the Transformation Board should be notified of lighter projects and any issues should be reported to the board by exception. No record is currently maintained of lighter projects, making it difficult to ascertain the extent of projects in place.

Recommendation 5 – The Transformation Board should be informed of and keep a record of lighter projects

5.3 Information – reliability and integrity of financial and operational information

5.3.1 The project handbook was updated following the implementation of GDPR new projects with an impact on personal information are subject to a Data Protection Impact Assessment. No projects were identified in the audit sample that would require this assessment to date.

5.3.2 There is a risk that this requirement is not considered for all new projects, so it is advised the pro-forma business plan is updated to include consideration of the need for an impact assessment.

Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 1 – The Project Management SharePoint site should be enhanced to act as a central repository for key information relating to individual projects.	Medium	Unavailability of key documentation. Insufficient audit trail of decision-making process.	Links to all key documents relating to corporate level projects to be sourced, uploaded and maintained within the Project Management SharePoint site by the Project Managers Gaps in availability of key documents to be identified and addressed.	Project Managers	31 March 2020
Recommendation 2 – Lessons learned reports should be completed and reported for all closed projects.	Medium	Failure to apply continuous improvement to future projects.	Requests for projects to be closed will not be considered by the Transformation Board until a lessons learned report is received and noted by the Transformation Board. Lessons learned report templates will be readily available within the Project Management SharePoint site.	Project Managers. Consideration at Transformation Board to be facilitated by Chief Executive's Office Manager	31 November 2019

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 3 – The reporting process for digital projects should be reviewed to ensure information taken to the Transformation Board is an accurate representation of projects being undertaken.	Medium	Decision-making process based on inaccurate information	ICT project status report to be prepared by the ICT Lead Officer responsible for Programme and Project Management.	ICT Lead Officer responsible for Programme & Project Management	31 November 2019
Recommendation 4 – Further scrutiny should be applied to projects that have made no progress to determine that they are still active and if they require any additional support.	Medium	Inadequate progress against achieving projects.	<p>The Transformation Board to review these projects when it considers the Corporate Project status report and determine whether a project is still live based on the narrative contained within.</p> <p>Relevant Project Manager to be notified at this point as to the way forward/ next steps.</p>	Chief Executive's Office Manager	31 November 2019

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 5 – The Transformation Board should be informed of and keep a record of lighter projects	Medium	Insufficient assurances over project delivery.	<p>The Programme Office (PO) to contact staff asking them to ensure the PO is made aware of those projects across the authority which are live and that have a score of less than 15.</p> <p>The PO will carry out random spot checks of such projects to ensure good governance arrangements are in place and guidance within the Project Managers Handbook is being followed.</p> <p>A list of these “lighter” projects will be hosted and maintained on the Project Management SharePoint site and updated accordingly by the relevant Project Manager.</p> <p>This list of “lighter” projects will be monitored by the Transformation Board and any additions or removals will be reported to this Board.</p> <p>Review and update the Project Manager’s Handbook as required.</p>	Chief Executive’s Office Manager	28 February 2020

Appendix B - Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The control framework tested are suitable and complete are being consistently applied.</p> <p>Recommendations made relate to minor improvements or tightening of embedded control frameworks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure system objectives are generally achieved. Some issues have been raised that may result in a degree of unacceptable risk exposure.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently embedded.</p> <p>Any high graded recommendations would only relate to a limited aspect of the control framework.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses that have been identified. The level of non-compliance and / or weaknesses in the system of internal control puts achievement of system objectives at risk.	<p>There is an unsatisfactory level of internal control in place. Controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>High graded recommendations have been made that cover wide ranging aspects of the control environment.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-existence or non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist.</p>

Appendix C

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).

Business and Transformation Scrutiny Panel

Agenda
Item:
A.8

Meeting Date: 23 July 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.13/20

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 23/07/20
Council:	Not applicable

1. Notice of Key Decisions

1.1 The most recent Notice of Key Executive Decisions was published on 19/06/20. 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 13/20 – The Asset Management Plan 2021 – 2026
- KD – 15/20 – The Medium-Term Financial Plan (including the Corporate Charging Policy) & the Capital Investment Strategy 2021/22 to 2025/26.

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

- None

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	06/06/19	BTSP 49/19	That a monitoring report which included a range of Key Performance Indicators on the redevelopment project be submitted to the Panel on a quarterly basis should the project be approved on 25 June 2019;	Complete Addressed in 6 monthly Corporate Project Report, provided from July 2020 onwards.
2	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
3	13/02/20	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	Complete Confirmed for 15/10/20

			discuss the most appropriate time for Ward Member input when determining how Section 106 monies were allocated.	
4	13/02/20	BTSP 16/20	2) That future performance reports include the actual number of corporate complaints received and dealt with in respect of Service Standard SS05 (proportion of corporate complaints dealt with on time).	Complete
5	28/05/20	BTSP 25/20	3) That the 2020/21 Work Programme be amended as follows: <ul style="list-style-type: none"> - Corporate Project Report be moved in the work programme to July - That the Asset Management Plan and the Annual Property Survey Report be combined into one report for scrutiny in July - That the Corporate Peer Challenge Feedback Report be added to the Work Programme for scrutiny as soon as possible. 	Complete Complete Complete – scheduled for October
6	28/05/20	BTSP 26/20	That the Scrutiny Annual Report (OS.06/20) be agreed subject to the inclusion of the Corporate Peer Challenge Feedback Report as an important topic of scrutiny moving forward.	Complete

4. SCRUTINY CHAIRS GROUP

4.1 Scrutiny Chairs Group met on 18th June. At this meeting it was agreed that the Chairs Group would hold an additional meeting to focus on the findings of the Corporate Peer Review.

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

Ext: rowan.jones@carlisle.gov.uk

Appendices **1. Draft Scrutiny Panel Work Programme 2020-21**
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:

- **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	Lead Officer	BTSP Date
Scrutiny Annual Report 2019/20	Rowan Jones	28/05/2020
End of Year Performance Report - for info report	Gary Oliver	May 2020
Outturn Reports	Steven Tickner	July 2020
Medium Term Financial Plan and Capital Strategy	Alison Taylor	23/07/2020
Asset Management Plan and Annual Property Survey Report	Mark Walshe	23/07/2020
Employee Opinion Survey	Gary Oliver	23/07/2020
End of year Performance Report	Gary Oliver	23/07/2020
Corporate projects	Jason Gooding	23/07/2020
Asset Management of Kingstown Industrial Estate and Parkhouse Business Park - Update on Progress - Part B item	Mark Walshe	23/07/2020
Sickness Absence EOY 19/20 and Q1 20/21	Sue Kaveney	03/09/2020
Annual Equality Report & Action Plan - for info report	Rebecca Tibbs	Sept 2020
Performance Report	Gary Oliver	03/09/2020
Corporate Risk Register	Darren Crossley	03/09/2020
Budget monitoring Q1 20/21	Steven Tickner	03/09/2020
Civic centre reinstatement and development	Darren Crossley	15/10/2020
Review of Attendance Management Policy - T&F Group Report	Sue Kaveney/ T&F Group	15/10/2020
Corporate Peer Review	Darren Crossley	15/10/2020
Allocation of S.106 funds	Chris Hardman	15/10/2020
Planning for a no Deal Brexit		15/10/2020
Performance Report	Gary Oliver	01/12/2020
Budget setting	Alison Taylor	01/12/2020
Budget monitoring Q2 20/21	Steven Tickner	01/12/2020
Sickness Absence Q2 20/21	Sue Kaveney	07/01/2020
Budget setting (including Treasury Management Strategy Statement)	Alison Taylor	07/01/2020
Civic centre reinstatement and development	Darren Crossley	18/02/2020
Performance Report	Gary Oliver	18/02/2020
Budget monitoring Q3 20/21	Steven Tickner	18/02/2020
Sickness Absence Q3 20/21	Sue Kaveney	01/04/2020
Scrutiny Annual Report 2020/21	Rowan Jones	01/04/2020
Corporate projects	Jason Gooding	01/04/2020
Corporate Risk Register	Darren Crossley	01/04/2020

