

BUSINESS AND TRANSFORMATION SCRUTINY PANEL

THURSDAY 18 FEBRUARY 2021 AT 4.00PM

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

ALSO

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

OFFICERS: Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Client Side Project Manager
Policy and Communications Manager
Policy and Performance Officer
Property Services Manager

BTSP.11/21 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Paton.

BTSP.12/21 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BTSP.13/21 PUBLIC AND PRESS

RESOLVED – It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

BTSP.14/21 MINUTES OF PREVIOUS MEETINGS

RESOLVED – The minutes of the meeting held on 7 January 2021 were agreed. The Chair would sign the minutes at the first practicable opportunity.

BTSP.15/21 CALL IN OF DECISIONS

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

BTSP.16/21 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2020

The Corporate Director of Finance and Resources submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2020 (RD.56/20), which set out an overview of the overall budgetary position for revenue schemes only and provided details of the impact of Covid 19 on the revenue budget. The report also included details of balance sheet management issues, bad debts written off in the period and progress against the budget sayings.

The Executive had considered the matter at their meeting on 8 February 2021 (EX.24/21 refers) resolved:

“That Executive:

1. Noted the budgetary performance position of the Council to December 2020;
2. Noted the action taken by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
3. Noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A.
4. Made recommendations to Council to approve reprofiling of £750,400 as detailed in paragraph 3.2 from 2020/21 into 2021/22.”

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

- There was some concern that there had been a low number of grants issued under the Christmas support payments grants for wet led pubs. Could there be further promotion of this grant?

The Corporate Director of Finance and Resources explained that the City Council had written to all businesses which were thought to be eligible for the grant to invite them to apply. She agreed to investigate further promotion of the grant with the Communications team. She also agreed to circulate up to date figures on the grant payments to the Panel.

- The Panel asked for clarity regarding the rental income losses for the Lanes and the potential impact of the closure of Debenhams on future income.

The Corporate Director of Finance and Resources responded that the projection figures for the Lanes income was for the year end 2021. She agreed to circulate further information on the head rent projection figures to the Panel.

- Was the Covid 19 funding, which had been received from government, ring fenced in case any monies had to be paid back?

The Corporate Director of Finance and Resources assured the Panel that all tranches of funding which had been received from government were identified in specific ledger codes and all records of allocations and spending were recorded.

- A Member noted his appreciation for the work of the Corporate Director of Governance and Regulatory Services and the Property Services Manager in recovering the £915,257 of Industrial Estate income.
- Would the underspend be used to reduce potential borrowing on the capital schemes?

The Corporate Director of Finance and Resources responded that the underspend would be discussed as part of the Outturn Reports and would be put into general fund reserves. She reminded the Panel that there was still a savings requirement which the underspend could be used towards on a temporary basis, the underspend could also be carried forward for any further borrowing requirements. Further work would be required to consider other spends in line with the savings target.

- How were the discretionary grants allocated and were they funded by government or the City Council reserves?

The Corporate Director of Finance and Resources highlighted section 4.1.1 of the report which detailed all of the government funding, including discretionary grants. The discretionary grants were allocated, using an agreed policy, to businesses which did not have rating liability but could show costs or shortfalls due to Covid 19.

- Had Covid 19 impacted the bad debt write off figures?

The Corporate Director of Finance and Resources responded that the bad debt write off figures were typical other than the NNDR figures. She agreed to carry out some comparison work and circulate the figures to the Panel.

- What had been the take up for the funding made available to support those who had been advised by NHS Test and Trace to self isolate?

The Corporate Director of Finance and Resources reported that the Test and Trace support payment had been oversubscribed, there had been further funding from government to top up the main scheme along with further funding through Cumbria County Council. The Government criteria had been very prescriptive, work was being carried out to create a more flexible criteria for the County Council funding.

- A Member asked for further information regarding the projected shortfall in homeless accommodation income.

The Corporate Director reminded the Panel that one of the homeless accommodation properties had not been used during the lockdown periods and therefore was not receiving the usual income from housing benefit. The lost income had been included in the monthly return to the MCLG and was part of the emergency funding.

- The Panel asked for an update on the development of a Commercialisation Strategy for the Council.

The Corporate Director informed the Panel that correspondence had taken place with the LGA to establish what training was available for officers and Members. She reminded the Panel that there was still a need for Member volunteers to take part in the work, this was available to all Members.

The Panel thanked the Finance, Revenues and Benefits and Economic Development teams for their ongoing work in delivering the services of the Council whilst administering the large volumes of grants and emergency income.

RESOLVED – 1) That the variances contained within the Revenue Budget Overview and Monitoring Report: April to December 2020 had been scrutinised (RD.56/20)

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

- Up to date figures on the number of applicants for the Christmas support payments for wet led pubs and details of the promotion for the scheme;
- Information on the head rent figures for the Lanes and any potential impact on income following the closure of Debenhams;
- Comparison information on the bad debt write offs
- Copy of the Discretionary Grants Policy.

BTSP.17/21 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO DECEMBER 2020

The Corporate Director of Finance and Resources submitted report RD.57/20 providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2020.

The Executive had considered the matter at their meeting on 8 February 2021 (EX.25/21 refers) resolved:

“That the Executive:

1. Noted and had commented on the budgetary position and performance aspects of the capital programme for the period April to December 2020;
2. Noted adjustments to the 2020/21 capital programme as detailed in paragraph 2.1;
3. Made recommendations to Council to approve reprofiling of £3,031,500 as detailed in para 3.8 and Appendix A from 2020/21 into 2021/22.”

In considering the report Members discussed the impact of slippage with capital programmes and the potential increase in materials and inflation on the individual schemes.

The Corporate Director of Finance and Resources acknowledged that an increase in costs may impact schemes. She explained that each project had to have its own contingency fund within its existing budget. She agreed to ask officers to consider their contingency plans within their budgets in more detail as part of the Outturn Reports. The Corporate Director also reported that there were processes in place to deal with any slippage in projects and the associated financial implications. She stressed the importance of the profiling of projects to ensure the right financing, borrowing and capacity for the projects.

RESOLVED – That the variances contained within the Capital Budget Overview and Monitoring Report: April to December 2020 had been scrutinised (RD.57/20).

BTSP.18/21 THE SANDS CENTRE REDEVELOPMENT PROJECT

The Client Side Project Manager submitted an update on the progress of the redevelopment of the Sands Centre site.

The Client Side Project Manager provided an update of the measures undertaken to manage or adapt the existing project proposals to deal with:

- a) Progress with the main contract works
- b) provision of temporary accommodation for GLL's leisure offering and the NHS physiotherapy unit
- c) a requirement to update existing infrastructure in the events space to manage public safety systems to meet with current legislation.
- d) working practices evolving from the management of the risks associated with the COVID -19 pandemic
- e) working practices evolving from the management of the Brexit Agreement arrangements

The Client Side Project Manager shared a plan of the site and photographs of the project.

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

- What Covid 19 measures were in place to protect the workforce on site?

The Client Side Project Manager stated that there was a travel plan in place to limit the number of people sharing cars and each person arriving on site was registered and their temperature taken. Should their temperature be high they would not be allowed on site.

- How would the Council deal with an increase in the budget for the project?

The Client Side Project Manager responded that there was an allowance in the budget for inflation and the form of contract meant that it was the joint responsibility between the Council and the contractor to monitor the project and identify issues and deal with them before they become a problem and impact the budget.

- How far behind was the project due to Covid 19 and would it impact the contract completion date?

The Client Side Project Manager explained that the main contract work had not been delayed due to Covid 19 and the contract had an eight week 'cushion' to minimise the impact of delays on the end date.

- Did the contractors on site qualify for the lateral test for Covid 19?

The Client Side Project Manager agreed to discuss the matter with Wates Construction Ltd.

- The Panel supported the use of local workforce and materials and asked that the impact of the project on the local economy be promoted.

The Client Side Project Manager agreed that the positive impact on the local economy which included accommodation, food and the refurbishment of the Newman School site should be promoted.

RESOLVED – That the progress made on the Sands Centre Redevelopment Project be noted (CS.06/21).

BTSP.19/21 QUARTER 3 PERFORMANCE REPORT 2020/21

The Policy and Performance Officer presented the Quarter 3 Performance Report 2020/21 (PC.14/21).

The report contained the Quarter 3 performance against the current Service Standards and a summary of the Carlisle Plan 2016-19 actions as defined in the 'plan on a page'. Performance against the Panels' 2020/21 Key Performance Indicators were also included.

The Policy and Performance Officer gave an update on the work of the Task and Finish Group which was reviewing the content of the performance reports and drew the Panel's attention to the summary of exceptions which showed as red:

SS05: Proportion of corporate complaints dealt with on time

SS08: Proportion of official local authority searches completed on time

CSe14: Actual car parking revenue as a percentage of car parking expenditure

CSu05: Percentage of NNDR collect.

In response to a question the Policy and Performance Officer clarified that the figures for CSe14 showed that for every £1 the Council spent on car parking the target was to receive £1.50 in

return, due to Covid 19 the current return was 74p. This loss of income was reflected in the budget monitoring reports.

A Member asked for an update on the local authority searches figures and the Corporate Director of Governance and Regulatory Services responded that there had been a short term issue due to the impact of lockdowns, however, the service was now within target.

RESOLVED – That the Panel had received the quarter 3 performance 2020/21 report PC.14/21.

BTSP.20/21 SICKNESS ABSENCE REPORT QUARTER 3 2020/21

The Policy and Performance Officer presented the authority's sickness absence levels for the period 2020 to December 2020 and other sickness absence information (CS.13/21).

The Policy and Performance Officer updated the Panel on the progress of the new Improving Attendance Policy and reported that to date in 2020/21 there had been a 24% decrease in overall days lost per employee when compared to the same period in the previous year. 47 employees had been absent long-term (those cases where the absence was 4 working weeks or more) throughout the year; only 2 less than the previous year. 11 long-term cases remained open at 26th January 2021 and 19 of the instances were due to 'Stress, depression, mental health, fatigue syndromes'.

In considering the report, Panel had some concerns that the Improving Attendance Policy had not yet been submitted for scrutiny as expected. There was some concern that the delay was caused by the change in HR staff and they asked for an update on the progress of the Policy from the Deputy Chief Executive along with information on exit interviews that the Council may hold when staff leave.

A Member highlighted stress related illness and asked what training was available to support the management of staff and their workload and questioned if staff felt secure in raising matters. In addition the Panel asked if work related stress was recorded separately to other stress and what triggers were in place for work related stress absences.

The Policy and Performance Officer agreed to arrange written responses from the Deputy Chief Executive and Organisational Development Manager.

RESOLVED – 1) That the Sickness Absence Report Quarter 3 2020/21 be noted (CS.13/21)

2) That the Deputy Chief Executive provide the Panel with an update on the progress of the Improving Attendance Policy including the date it would be submitted to the Panel;

3) That the Deputy Chief Executive provide a written response to the Panel setting out what, if any, exit interviews were undertaken when staff leave the authority how work related stress was recorded and what triggers were in place to deal it what training was available to manage staff sickness.

BTSP.21/21 OVERVIEW REPORT

The Policy and Communications Manager presented report OS.04/21 providing an overview of matters relating to the work of the Business and Transformation Scrutiny Panel and the Panel's work programme.

The Policy and Communications Manager updated the Panel on progress on resolutions from previous meetings, resolution 4 would be marked as complete and removed from future reports.

The Panel discussed the delay to the Commercialisation Strategy Task and Finish Group and agreed that Members would be invited to the training then the Task Group would be established based on the interest received.

RESOLVED – That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Business and Transformation Scrutiny Panel be noted (OS.04/21).

BTSP.22/21 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph numbers (as indicated in brackets against the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

BTSP.23/21 ASSET MANAGEMENT OF KINGSTOWN INDUSTRIAL ESTATE AND PARKHOUSE BUSINESS PARK – UPDATE ON PROGRESS

(Public and Press excluded by virtue of Paragraph 3)

The Property Services Manager presented an update on progress with the implementation of the business plan for Kingstown Industrial Estate and Parkhouse Business Park (GD.18/21).

The Property Services Manager highlighted the key achievements which were detailed in Chancerygate's annual key performance indicator report and gave an overview of the rent review programme.

The Panel discussed in some detail, and the Property Services Manager answered questions, on the proposed development opportunities, current tenancies and the objectives which had been achieved. The Panel were pleased with the outcome of the rent reviews and questioned the future contract with Chancerygate. They highlighted previous matters with regard the road network in the Industrial Estate and were provided with an update on the situation.

RESOLVED – That the progress update on the Asset Management of Kingstown Industrial Estate and Parkhouse Business Park be noted (GD.18/21).

BTSP.24/21 GATEWAY 44 – MARKETING UPDATE

(Public and Press excluded by virtue of Paragraph 3)

The Property Services Manager submitted an update on potential new lettings at Gateway 44 (GD.17/21).

The Property Services Manager gave a brief overview of the background to the project and set out the proposal for the site.

The Panel discussed the update on potential new lettings at Gateway 44 and congratulated the Property Services Manager, his team and the contractors for the excellent retail space that had been developed.

RESOLVED – That the Gateway 44 marketing Update be noted (GD.17/21).
(The meeting ended at 6.26pm)