

**BUDGET CONSULTATION – TRADE UNION REPRESENTATIVES**  
**FRIDAY 9 JANUARY 2013 AT 9.10 AM**

PRESENT: Professor Councillor J D Hendry (Leader)  
Councillor Dr L Tickner (Finance, Governance and Resources Portfolio Holder)

Mr C Lexa (UNISON)  
Ms L Tweddle (UNISON)  
Mr S Gibbons (GMB)

OFFICERS Deputy Chief Executive  
Director of Resources  
HR Manager

1. APOLOGY FOR ABSENCE

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

2. WELCOME

The Leader welcomed the Trade Union representatives and thanked them for taking the time to attend the meeting and respond to the Executive's draft Budget Proposals 2013/14 issued for consultation.

3. CITY COUNCIL BUDGET 2013/14

The Director of Resources drew attention to the summary document which had been produced, expressing the hope that the paper would assist people in their understanding of the Executive Budget Proposals.

He outlined the background to and context of the 2013/14 budget, emphasising that the Council was facing many financial challenges over the next five-year planning period, and forecast resources were not anticipated to cover the expenditure commitments without a major 'transformational' review of service provision.

The Director of Resources gave a further explanation of the following main issues:

- Government Finance Settlement for 2013/14
- Prudent reserves of £2.6m as per the risk assessment in the Medium Term Financial Plan (MTFP)
- Local Government Resource Review regarding the localisation of Business Rates
- Corporate Review of Local Environment Budgets
- Implications on the Medium Term Financial Plan of limiting future Council Tax increases to 2% to avoid triggering a referendum
- Welfare Reform Act and Localisation of Council Tax

- Transformation reprofiling
- Living Wage

As part of next year's budget, the Executive was proposing a Council Tax freeze for the City Council for 2013/14 (Parishes Precepts would be an additional charge in the parished rural areas). Funding equivalent to a 1% increase was to be provided in the form of Central Government support for two years if the authority agreed to the freeze.

Details of the main changes to the budget for 2013/14 (as set out within the consultation document) reflected the need to make additional savings of £2.573 million over the next four years. Those would require the Senior Management Team and the Executive to review the services provided by Council and look at where the savings could be found.

The Finance, Resources and Governance Portfolio Holder added that the Executive's strategy was to minimise job losses within the authority and to improve the in house efficiency of the services provided and the running of the building. He explained that the review of savings would also include a review of grants to external organisations, including those the Council was under contract with. The Council contributed large amounts to both Carlisle Leisure Limited (CLL) and Tullie House Trust. The CLL contract was due to end in 2017 and work on the procurement of a new contract would begin soon. The amount of contribution to Tullie House was based on a three year rolling business plan and discussion had already started with regard to the 2014/15 contribution.

The Director of Resources highlighted the Capital Budget Scheme, in particular the vehicle and plant budget.

The Portfolio Holder explained that the requirement for new vehicle and plant was essential for the growth of Carlisle to ensure services were being provided to the level expected.

The Deputy Chief Executive reported that there would be a fundamental review of how the services were delivered and the capital scheme for 2015/16 would be building up to a position for the full review.

Discussion arose, during which the following questions and issues were raised:

*Mr Lexa asked if the Council had been informed of the costs for the Elections Individual Registration.*

The Director of Resources responded that the cost had not yet been announced. The final budget that would be submitted to Council would not have the Elections Individual Registration cost included.

*Mr Lexa appreciated the Executive's commitment to reduce redundancies within the organisation and asked for clarification of how this would work in practical terms within the current Transformation process. He hoped that the Council reviewed posts on a corporate level to ensure that posts were filled by those that wanted them.*

The Portfolio Holder agreed that posts should be reviewed on a corporate level and added that the Executive's aim was to train staff to move within the organisation and, if necessary, externally.

The Deputy Chief Executive commented that the authority was well positioned and funded in terms of organisational development and had already been successful in merging relevant teams to work in partnership and more efficiently. He reported that the training on offer within the organisation had been well received but more consideration would be required with regard to making the most of resources available.

*Mr Lexa felt that voluntary redundancies should be offered throughout the building not just to on a Directorate basis.*

The Deputy Chief Executive explained that the Council was open to requests for redundancy but it was a very sensitive issue which had to be handled extremely carefully. He added that the authority had been flexible regarding new ideas and he was happy to discuss ideas with the Unions. He explained that the Transformation Process had generated a lot of information and it was essential that the process was underpinned by the right culture of support, development and training.

*Mr Gibbon commented that he had found that job losses within the authority had been dealt with sensitively. He felt strongly that the cost of the senior management team should be investigated and that joint management working should be explored with other Districts.*

The Deputy Chief Executive understood that collaboration was important and explained that there had, for a short time, been a shared Chief Executive with Allerdale Borough Council. There had also been discussions with Eden District Council and Allerdale Borough Council regarding shared working but it had not progressed.

The Leader informed Members that the Executive had made a decision to leave the existing Senior Management Team for the first twelve months.

The Portfolio Holder felt that Carlisle City Council differed from other Districts as they provided all services in house and enjoyed the flexibility this afforded the authority.

*Mr Gibbon asked what proactive measures the authority was taking to increase its income.*

The Deputy Chief Executive replied that Senior Managers were trying to review all areas of substantial income to gain a full appraisal of scope and potential to maximise income. Some of the ideas to increase income would be controversial in terms of risks but the authority was keen to explore all options.

In response to a question the Deputy Chief Executive confirmed that the reserve figure was down and the authority had made a judgement to be in the current position but it did come with risks. Other authorities had concentrated on increasing their reserves but the Deputy Chief Executive felt that the City Council was in a more sensible place.

*Ms Tweddle asked why the authority had taken the grant rather than increase the Council Tax by 2%.*

The Leader replied that the decision had been political.

In closing the meeting, the Leader thanked the representatives once again for their interest in the budget consultation exercise and reminded them that Carlisle was open for business.

(The meeting ended at 10.30am)