

EXECUTIVE

MONDAY 17 DECEMBER 2007 AT 1.00 PM

PRESENT:

Councillor Mitchelson (Chairman and Promoting Carlisle Portfolio Holder)
Councillor Bloxham (Environment and Infrastructure Portfolio Holder)
Councillor Mrs Bowman (Economic Development and Enterprise Portfolio Holder)
Councillor P Farmer (Learning and Development Portfolio Holder)
Councillor Knapton (Community Engagement Portfolio Holder)
Councillor J Mallinson (Finance and Performance Management Portfolio Holder)
Councillor Prest (Health and Wellbeing Portfolio Holder)

ALSO PRESENT:

Councillor Mrs Luckley attended the meeting as Chairman of the Community Overview and Scrutiny Committee, Councillor Earp as Chairman of the Corporate Resources Overview and Scrutiny Committee and Councillor Councillor Ms Martlew, as Vice Chairman of the Infrastructure Overview and Scrutiny Committee. Councillors Allison, Boaden and Glover attended the meeting as observers.

DECLARATIONS OF INTEREST

Councillor Mrs Bowman declared a personal interest in accordance with the Council's Code of Conduct in the item on the transfer of land at Faugh. Her interest was in respect of the fact that a member of her family lived adjacent to the land identified in Report CS.102/07.

AGENDA

RESOLVED – That a public report on the Potential Disposal of Carlisle City Council Land for Affordable Housing development would be tabled at the meeting and considered during the public part of the agenda. The existing private report would be kept on the agenda for the private part of the meeting and the Director of Development Services would table some updated private information.

EX.318/07 CONCESSIONARY FARES SCHEME 2008/09 (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Finance and Performance Management

Subject Matter - The Executive on 19 November 2007 (EX.269/07) had requested a further report on Concessionary Fares when the Government announcement on which reimbursement option had been selected was available.

The Head of Revenues and Benefits Services presented Report CORP.65/07 outlining options for the Concessionary Fares scheme 2008/09, and an addendum advising that the Government had opted for a grant calculation based on eligible population / passenger journeys / overnight visitors / retail floor space. He advised that the Council's grant of £492,000 under the revised formulae was considered inequitable compared to other Cumbrian District allocations. Many of the metropolitan authorities across the country appeared to have suffered under this system of grant allocation. The Cumbrian Districts would not come together to pool their allocations as some authorities benefited more greatly than others.

The Head of Revenues and Benefits recommended that for 2008/09 budget projections, the Council assumes that increased ridership would be 18.5%, with a projected budget shortfall of £272,250 if maintaining the current 24/7 scheme and £157,250 if reverting to the statutory off peak scheme. Members could also consider a contingency of £90,000 within 2008/09 base budgets in case the ridership figures were 22.5%.

He then reported that since the report had been written he had been informed of an increase in the cost of Railcards which would have a cost of £24,000 to the Council, instead of £20,000 as anticipated. He asked Members to consider this and make a decision on the way forward.

The Environment and Infrastructure portfolio holder expressed concern and disappointment with the level of Government grant awarded to Carlisle and commented that the allocations for all Cumbrian Districts should have been made to Cumbria County Council, as the transport authority, for allocation between the Districts.

Summary of options rejected – The other alternative options outlined in the report were rejected.

DECISION

1. That Option1 - Move to Statutory "Off Peak" Scheme (after 9.30am and all day Saturday and Sunday) be included as part of the Executive's budget proposals for 2008/09 and the £157,250 budget shortfall and the timetable for implementation of the Scheme, be noted.
2. The Executive notes the position in relation to Rail Cards, which would be taken into account when formulating its budget proposals for 2008/09.

3. That the Council contact the other Cumbrian Districts to request that they consider adopting a County wide Concessionary Fares Scheme, make representations to the relevant Government Departments and liaise with the Local Government Association.

Reasons for Decision - The Council was obliged to give four months notice to advise the bus operators of its proposed scheme for 2008/09.

EX.319/07 ENERGY SAVINGS TRUST ADVICE CENTRES (ESTAC) FOR CUMBRIA AND LANCASHIRE (Key Decision)

Portfolio – Health and Wellbeing

Subject Matter - The Director of Development Services submitted Report DS.118/07 advising that the contract for Cumbria Energy Efficiency Advice Centre finishes at the end of financial year 2007/08. The Energy Saving Trust had decided to discontinue the funding of the Cumbria Energy Efficiency Advice Centre and put in place Energy Savings Trust Advice Centres (ESTAC) to cover a wider geographical area, including one serving Cumbria and Lancashire.

The Executive on 19 February 2007 (EX.032/07) had considered a previous report on the matter which gave extensive details of the strategic and operational issues in setting up such a Centre. The Executive at that time had supported the principle of a working relationship between Cumbria Energy Efficiency Advice Centre and Lancashire Energy Efficiency Advice Centre and for the submission of a tender for a sustainable energy centre for Cumbria and Lancashire, subject to a further report to a future meeting of the Executive.

The Director advised that the new centres would have a wider remit than the current EEACs, dealing with energy efficiency, transport, renewable energy, water recycling and waste minimisation etc. She also provided further details on the proposal and sought permission for completion of the full EU tender for the Energy Saving Trust Advice Centre for Cumbria and Lancashire.

The Executive on 28 November 2007 (EX.310/07) had also requested further details on potential savings in relation to the Energy Efficiency Advice Centre and the response to that request was incorporated within the Director's report.

Summary of options rejected – None

DECISION

That permission be granted to complete the tender on terms to be agreed by the Health and Wellbeing portfolio holder, the Director of Development Services and the Director of Corporate Services.

Reasons for Decision - Supporting the proposal for the ESTAC would result in:

- Continued high profile of Carlisle City Council in the domestic carbon field;
- Continued development of the Cumbria Affordable Warmth strategy, currently led by CEEAC;
- Attraction of a significantly higher proportion of utility and central government funding per capita than other similar areas;
- Further development of the Local Area Agreement for affordable warmth for which CEEAC leads;
- Further integration of the public, private and third sector organisations to deliver income maximisation, social inclusion and environmental objectives.

EX.320/07 REVIEW OF THE COUNCIL'S NEW HOUSEHOLD WASTE COLLECTION SERVICES (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio - Environment and Infrastructure

Subject Matter - The Director of Community Services submitted Report CS.103/07 on the review of the Council's new household waste collection services. The Executive on 19 November 2007 (EX.275/07) had noted the outcomes and proposals from the review and referred it to the Infrastructure Overview and Scrutiny Committee for consideration.

The review had been considered by the Infrastructure Overview and Scrutiny Committee on 29 November 2007 and an excerpt from that meeting was submitted. The Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and commented that the Committee was pleased with the success of the new arrangements for the collection of household waste in Carlisle which had exceeded expectations. The Committee would welcome extension of the scheme as far as possible, but recognised that there were limited resources available to extend the scheme. The Committee had also expressed concern about the proposal to charge for the collection of bulky items and would welcome a decision not to charge for this collection.

The Director of Community Services then outlined the contents of the Report which:

- (a) provided Members with further details with respect to the key recommendations contained in the review of the Council's new household waste collection service;
- (b) responded to the concerns of Members detailed in the resolution of the City Council at its meeting on 6 November 2007 (C.198/7v), specifically those issues concerning the incidence of refuse-related fly tipping and extending the provision of facilities for the recycling of plastics and cardboard;

(c) addressed the comments and observations of the Infrastructure Overview and Scrutiny Committee raised at the meeting on 29 November 2007.

The Environment and Infrastructure Portfolio Holder commented that the report addressed the concerns raised in the Council motion.

Summary of options rejected – None

DECISION

1. That a contract be entered into for the two Green Box collection vehicles/crew (GB5 and GB6) pursuant to the negotiated procedure in accordance with Regulation 14 of the Public Contracts Regulations 2006, as set out in Report CS.103/07
2. That, with approval of the Director of Corporate Services, an appropriate alternative to the current short-term hire arrangement for the fourth plastic and cardboard collection vehicle (PC4) be procured, subject to written confirmation from Cumbria County Council that funding was available for this deficit.
3. That Officers investigate the feasibility and financial implications of increasing the utilisation of the existing kerbside plastic and cardboard resources to extend the kerbside collection. The findings of this feasibility study to be reported back to the Executive.
4. That the 2008/09 Waste Performance and Efficiency grant be utilised to fund the Enforcement Officers' posts in 2008/09
5. That Officers assess the success, or otherwise, of the trial "front of property" collection of purple sacks and, where appropriate, extend to all relevant properties.
6. That the proposed amendments to the waste services staffing structure, as detailed in paragraphs 15.1 and 15.2 of the Review of the Council's new household waste collection services, be noted as a management decision by the Director of Community Services.
7. That a charge for the collection of bulky household waste should not be introduced.
8. That the Director of Community Services report to the Executive by March 2008 on the introduction of small plastics recycling containers on "bring" sites.
9. That the Infrastructure Overview and Scrutiny Committee be thanked for their comments which were taken into consideration in reaching the Executive decision.

Reasons for Decision - The decision would enable the Council's Waste Services to be provided in the most efficient manner possible.

EX.321/07 REVENUE SUPPORT GRANT SETTLEMENT 2008/09 (Key Decision)

Portfolio – Finance and Performance Management

Subject Matter – The Director of Corporate Services submitted Report CORP.71/07 informing Members of the implications of the Provisional Revenue Support Grant Settlement received from the Government on 6 December 2007. The implications of the Provisional Settlement on the City Council's budget proposals were outlined in Report CORP.68/07- General Fund Revenue Budget elsewhere on the Agenda.

The Director had also submitted an addendum to Report CORP.71/07 providing information in respect of the 2008.09 Revenue Support Grant Settlement including: the overall settlement for Carlisle; damping and grant floors; specific revenue grant allocations; and potential capital grant allocations. The settlement was the minimum the Government could expect and meant a real term decrease in funding of 1.75% in 2008/09 and 2.25% in years 2009/10 and 2010/11.

If the Council wished to make representations on the Revenue Support Grant Settlement proposals, these must be submitted to the Government by 8 January 2008.

The Leader commented that the RSG settlement was disappointing and District Councils had received a poor settlement, particularly in comparison with County Councils. The settlement did not reflect the additional duties and costs associated with Government Schemes and the poor settlement in relation to Concessionary Fares. He asked that representations be made to the Government and the Local Government Association.

Summary of options rejected – None

DECISION

1. That the provisional Settlement, the implications of which were built into the General Fund Revenue Budget Report (CORP.68/07) elsewhere on the Agenda, be noted
2. That the Executive delegates any representations on the Settlement, prior to the closing date of 8 January 2008, to the Director of Corporate Services in conjunction with the Leader and the Finance and Performance Management Portfolio Holder and that in addition to representations to the Government, representations should be made through the Local Government Association.

Reasons for Decision - To respond to the provisional Revenue Support Grant Settlement received from the Government on 6 December 2007.

EX.322/07 REVENUE ESTIMATES - SUMMARY OF OVERALL BUDGETARY POSITION 2008/09 TO 2010/11 (Key Decision)

Portfolio – Finance and Performance Management

Subject Matter – The Director of Corporate Services submitted Report CORP.68/07 providing a summary of the Council's revised revenue base estimates for 2007/08, together with base estimates for 2008/09 and updated projections to 2010/11. The Report included the impact of any new savings and new spending pressures proposed and the potential impact on the Council's overall revenue reserves. It also provided an update of the Government's comprehensive spending review and other key budget considerations.

The Director commented that the potential shortfall projected would only occur if all of the new savings and spending pressures were accepted. The Executive were asked to consider the issues in the Report and make proposals on the savings, new spending pressures and use of balances in order to issue a draft Budget for consultation purposes.

Summary of options rejected – None

DECISION

That the following matters in Report CORP.68/07 be noted and taken into account by the Executive in formulating its budget proposals for 2008/09:

- (a) The revised estimates for 2007/08 totalling £19.422m and the consequential reduction by £2.347m in reserves, together with the 2008/09 base estimates of £18.720m
- (b) Any savings and increased income as summarised in Appendix D
- (c) Any new spending commitments as summarised in Appendix E
- (d) The amount to be appropriated from balances and reserves by way of a contribution to General Fund Revenue expenditure requirements for 2008/09
- (e) Directions to be given to the Council on the budgetary discipline to be followed in 2008/09 to 2010/11 and on the criteria to be applied in the strategic re-allocation of resources to meet the future budget requirements identified in the medium term financial outlook.

Reasons for Decision - To enable the Executive draft Budget proposals for consultation purposes to be prepared.

**EX.323/07 PROVISIONAL CAPITAL PROGRAMME 2008/09 TO 2010/11
(Key Decision)**

Portfolio – Finance and Performance Management

Subject Matter - The Director of Corporate Services submitted Report CORP.69/07 providing revised details of the Capital Programme for 2007/08 together with the proposed method of financing. The Report also summarised the proposed programme for 2008/09 to 2010/11 in the light of the capital bid submitted to date for consideration and summarised estimated capital resources available to fund the programme.

Summary of options rejected – None

DECISION

That the following be noted and taken into account by the Executive in formulating its budget proposals for 2008/09:

- (a) The revised Capital Programme and relevant financing for 2007/08 as set out in Appendices A and B, for recommendation to Council in February 2008;
- (b) The need to make recommendations on the provisional Capital Programme for 2008/09 to 2010/11 in the light of the capital bid submitted to date, together with the estimated available capital resources;
- (c) That any capital scheme approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved.

Reasons for Decision - To enable the Executive's draft budget proposals for consultation purposes to be prepared.

**EX.32407 DRAFT TREASURY MANAGEMENT STRATEGY
STATEMENT AND INVESTMENT STRATEGY 2008/09 (Key
Decision)**

Portfolio – Finance and Performance Management

Subject Matter - The Director of Corporate Services submitted Report CORP.70/07 setting out the Council's Draft Treasury Management Strategy Statement for 2008/09 in accordance with the CIPFA Code of Practice on Treasury Management. The draft Investment Strategy was incorporated as part of the Statement, as were the draft prudential indicators as required within the Prudential Code for capital finance in the Local Authority.

The final version of the Strategy would be issued following the consultation period on the draft Budget for 2008/09. There were no substantive changes to the form and content of the Statement as compared to the previous year,

although there was a discussion of the proposals that the Government had put forward regarding the minimum revenue provision for debt repayment. If approved, the Council would be required to approve the annual minimum revenue provision strategy in the same way as it approved the annual Treasury Management Strategy and the Investment Strategy.

Summary of options rejected – None

DECISION

That the Executive approves the draft Treasury Management Strategy Statement, incorporating the draft Investment Strategy, together with the prudential indicators for 2009/09, as set out in Appendix A of CORP.70/07, for draft budget consultation purposes.

Reasons for Decision - To enable the Executive's draft budget proposals for consultation purposes to be prepared.

EX.325/07 THE RENEWALS RESERVE - UPDATE (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Finance and Performance Management

Subject Matter - The Director of Corporate Services submitted Report CORP.72/07 on the future use of the Renewals Reserve. The Executive on 28 November 2007 (EX.312/07) had proposed consideration of the dismantling of the Renewals Reserve and releasing the balance to the Projects Reserve with an earmarked reserve for Carlisle Leisure Ltd Assets. The Executive had requested a further report clarifying the replacement programme and the financial impact of dismantling the Renewals Reserve.

The Director outlined the contents of the Report which provided details of the results of the review of the potential of dismantling the Renewals Reserve and a forecast of the potential effects on the Revenue and Capital Budgets over years 2008/09 to 2010/11.

Summary of options rejected – None

DECISION

1. The Executive confirms its wish to close the Renewals Reserve on 31 March 2008 and notes the implications for the 2008/09 to 2010/11 Revenue Budgets and Capital Programme, which would be incorporated into the Executive's budget proposals for 2008/09.

2. That an earmarked reserve be created for the residual balance of £521,000 in relation to contributions made in respect of assets transferred to Carlisle Leisure Ltd.

3. That a ten year plan be developed for the replacement of vehicles, plant, IT and other equipment to feed into the Council's medium term financial plan.

Reasons for Decision - To enable the Executive's draft budget proposals for consultation purposes to be prepared.

EX.326/07 SAVING OPTIONS FOR COMMUNITY SERVICES DIRECTORATE (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision, although not in the Forward Plan).

Portfolio – Cross cutting

Subject Matter -

The Director of Community Services submitted Report CS.99/07 informing Members of the implications of the savings options proposed for Arts, Brampton Live, Community Support Service review, Pub Watch and Shop Watch schemes. The Executive on 28 November 2007 (EX.310/07) had requested further details on savings proposals in relation to these areas.

The Director outlined the following savings proposals along with the implications of each:

(a) Arts - suggested savings of £15,000 in 2008/09, £32,000 in 2009/10, and £32,000 in 2010/1;

(b) Brampton Live - moving ownership to community based organisation was being proposed but would take up to twelve to eighteen months to achieve;

(c) Community Support Service review - the 2008/09 figure of £53,000 of savings would be realised as a result of the work currently under way as part of this review. Savings proposals of £153,000 for 2009/10 and 2010/11 would in part be as a result of this work and consideration would need to be given to funding and support currently provided to areas such as Community Centres and organisations in receipt of grants;

(d) Shop Watch/Pub Watch Schemes - discussions were ongoing with the CDRP with a range of options being pursued for 2008/09.

The Leader advised that he had received an updated copy of an on-line petition and a reasonable amount of correspondence, in support of the retention of Brampton Live. He stated that although Arts provision was being considered as a budget savings proposal, the 2008 Brampton Live event was

not in jeopardy and arrangements should be continuing for the 2008 event. The Environment and Infrastructure portfolio holder suggested the need for an exit strategy in relation to Brampton Live.

Summary of options rejected – None

DECISION

That the Executive notes the options for savings/income which would be taken into account when formulating its budget proposals for 2008/09.

Reasons for Decision - To identify and consider a range of options for savings and further reviews in response to the Council's budget forecast for 2008/09.

EX.327/07 POTENTIAL RELOCATION OF THE TOURIST INFORMATION CENTRE (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Economic Development and Enterprise

Subject Matter - The Director of Development Services submitted Report DS.128/07 investigating the feasibility of relocating the Tourist Information Centre from its present site in the Old Town Hall into Tulle House. The Executive on 28 November 2007 (EX.310/07) had requested a further report on a review of the location of the Tourist Information Centre (TIC).

The Director of Development Services outlined the current opportunities in relation to the Tourist Information Centre and highlighted the key issues relating to a potential location of the Tourist Information Centre at Tullie House, including alternative uses for the Old Town Hall. At this stage no detailed work had been done on any alternative locations.

The Director advised that at this stage it was only possible to make outline estimates of potential savings arising from relocation of the Tourist Information Centre to Tullie House, but there could be a net saving of around £44,700 per annum for 2008/09 although it would be more realistic to assume a six month lead in time to achieve a satisfactory letting, with a potential saving in 2008/09 of £32,000.

The Economic Development and Enterprise portfolio holder emphasised the importance of tourism to the economy of the City, but recognised that the way people access tourism services was changing and how service delivery needs to respond to these changes. The Finance and Performance Management portfolio holder added that the Executive was committed to providing a quality Tourist Information Centre in the city, but one which would meet the changing needs and demands on TICs.

The Economic Development and Enterprise portfolio holder proposed a review of the delivery of the TIC service, recognising the current and future changes in order to provide a first class tourism service for Carlisle.

Summary of options rejected – None

DECISION

1. That the Executive notes the implications of relocating the Tourist Information Centre which would be taken into account when formulating its budget proposals for 2008/09.
2. That the Director of Development Services undertake a review of the delivery of tourism services, recognising current and potential future changes, and reports the outcome of the review to the Executive by May 2008.

Reasons for Decision - To enable the Executive's draft budget proposals for consultation purposes to be prepared.

EX.328/07 CARLISLE CONFERENCE GROUP (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Economic Development and Enterprise

Subject Matter - The Director of Development Services submitted report DS.127/07 setting out the background to the operation of the Conference Group and examining the potential for making efficiency savings. The Executive on 28 November 2007 (EX.310/07) had requested this report on savings proposals in relation to the Conference Group.

The Director outlined the potential for and the implications of savings in relation to the Conference Group. She commented that it would be difficult to make the service self-funding and thus save around £29,000 in the short term and a requirement to achieve a saving of this magnitude in 2008/09 would close down the service.

The Economic Development and Enterprise portfolio holder commented that the work of the Carlisle Conference Group (CCG) and particularly the CCG officer was appreciated, but suggested that a review of the services should be undertaken to establish how it can move forward to a position of being self funding.

Summary of options rejected – None

DECISION

1. That the Executive notes the implications of potential savings in relation to the Carlisle Conference Group, which would be taken into account when formulating its budget proposals for 2008/09.

2. That the Director of Development Services undertake a review of how the Carlisle Conference Group service could be best provided for the city, with a report on the outcome of the review to the Executive by May 2008.

Reasons for Decision - To assist the Executive in their consideration of budget proposals for 2008/09.

EX.329/07 EXECUTIVE RESPONSE ON THE 2008/09 BUDGET (Key Decision)

Portfolio – Finance and Performance Management - cross cutting all Portfolios

Subject Matter - The Finance and Performance Management portfolio holder tabled the Executive's draft budget proposals for consultation and made the following statement on behalf of the Executive:

"There are many pressures, including reducing income, implementation of Job Evaluation and pensions pressures, which have made it a difficult budget to set. The spending pressures were compounded by a poor Revenue Support Grant settlement and the additional costs of the Concessionary Fares Scheme, with the Government placing additional responsibilities on the Council without providing the necessary funding.

The budget being proposed by the Executive was prudent and was a balance between strengthening the Council's financial base, while keeping the Council tax increase down to 3.5%. The budget would be consulted on and the outcome of consultation reported to the Executive in January 2008".

Summary of options rejected – None

DECISION

That the draft budget proposals, appended to these Minutes, as tabled at the meeting, be agreed for consultation.

Reasons for Decision - To produce draft budget proposals for consultation purposes.

EX.330/07 CARLISLE RENAISSANCE - NORTHWEST DEVELOPMENT AGENCY FUNDING APPLICATION (REVENUE) (Key Decision)

Portfolio – Promoting Carlisle and Finance and Performance Management

Subject Matter - The Director of Carlisle Renaissance submitted Report CE.45/07 advising that the Council had been invited to submit a detailed funding application to the Northwest Development Agency for revenue funding to support Carlisle Renaissance.

The Director highlighted the following key features of the detailed application:

- (a) City Centre Regeneration Schemes;
- (b) City-wide Movement Schemes;
- (c) Delivery;

He then provided an update on activities supported by the "pre-approval" funding which had been awarded to the City Council, pending the submission of the detailed application. The detailed application would be subject to appraisal and considered for approval at a future meeting of the Project Review Group of the Northwest Development Agency. Any subsequent offer of funding would be subject to a grant agreement with the City Council.

The Leader commented that the submission of an application was important to secure funding. The next stage would be consideration of a delivery vehicle and a report on this matter would be submitted to the Executive in January 2008.

Summary of options rejected – None

DECISION

1. That the Executive approves the detailed funding application to the Northwest Development Agency, as appended to Report CE.45/07.
2. That the Executive notes progress on delivery of the "pre-approval" funded activities.

Reasons for Decision - To enable the detailed funding application to be submitted to the Northwest Development Agency.

EX.331/07 LOCAL AIR QUALITY MANAGEMENT - FINAL DRAFT AIR QUALITY ACTION PLAN (Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - The Director of Community Services submitted Report CS.101/07 presenting the final Air Quality Action Plan. The final draft of the Air Quality Action Plan had been considered by the Executive on 19 November 2007 (EX.272/07) and had been referred to the Community and

Infrastructure Overview and Scrutiny Committees for consideration and comments.

The draft Action Plan had been considered by the Community Overview and Scrutiny Committee on 22 November 2007 and the Infrastructure Overview and Scrutiny Committee on 29 November 2007 and excerpts from these meetings were submitted.

The Chairman of the Community Overview and Scrutiny Committee attended the meeting and commented that the Air Quality Action Plan had been welcomed and it had been clarified that Community would be the responsible Overview and Scrutiny Committee. The Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and advised that the Committee had welcomed the report and made a number of specific comments.

The Director advised that the Action Plan fulfilled the Council's duty to pursue the achievement of the Air Quality Objectives in the two Air Quality Management Areas declared in the City applying to the A7 along Scotland Road/Kingstown Road and to Currock Street respectively.

Summary of options rejected – None

DECISION

That the comments of the Overview and Scrutiny Committees be taken on board and the final Air Quality Action Plan be endorsed and recommended to the City Council on 15 January 2008 for approval.

Reasons for Decision - To recommend an Action Plan to the Council and fulfil the Council's duty to pursue the achievement of the Air Quality objectives in the two Air Quality Management areas.

EX332/07 CORPORATE PROCUREMENT STRATEGY (Key Decision)

Portfolio – Finance and Performance

Subject Matter - The Director of Corporate Services submitted Report CORP.54/07 advising that the Council's Procurement Strategy had been revised to incorporate the requirements of the Government's efficiency, environmental, equality and diversity legislation and recent changes to European procurement legislation.

The Executive on 22 October 2007 (EX.253/07) had forwarded the draft Procurement Strategy to the Corporate Resources Overview and Scrutiny Committee for comment. This Strategy had been considered by the Corporate Resources Overview and Scrutiny Committee on 6 December 2007 and an excerpt from that meeting was submitted. The Chairman of the Corporate Resources Overview and Scrutiny Committee attended the meeting

and commented that the Committee supported the Strategy and Code of Conduct.

Summary of options rejected – None

DECISION

1. The Executive recommends the adoption of the revised Corporate Procurement Strategy by the City Council.
2. The Executive recommends to City Council that the Director of Legal and Democratic Services be instructed to amend the Contracts Procedure Rules in its Constitution to facilitate the use of framework agreements, competitive dialogue, electronic procurement (including dynamic purchasing systems and e-auctions (pursuant to the Public Contracts Regulations 2006)).

Reasons for Decision - The draft Strategy would complement the National Procurement Strategy and Corporate Plan and incorporate revised electronic and legislative procedures.

**EX.333/07 CARLISLE LOCAL ASSET VEHICLE FEASIBILITY STUDY
(Key Decision)**

Portfolio – Economic Development and Enterprise and Finance and Performance Management

Subject Matter - The Director of Development Services submitted Report DS.129/07 setting out the key findings from the initial study into the feasibility of establishing a Carlisle Local Asset Vehicle (CLAV).

The Director summarised the key findings from the CLAV feasibility study and outlined the implications for future development and implementation of the City Council's Property Strategy. She then outlined and provided an analysis of the advantages and disadvantages the following delivery options:

Option A - Do nothing;

Option B - The City Council retains and manages its assets and undertakes site specific joint ventures;

Option C - The City Council acts as a developer;

Option D - The City Council sells some/all of its assets and seeks alternative investments to generate income;

Option E - A Carlisle Local Asset Vehicle.

The Director then outlined a number of potential options available for a CLAV and provided details of the findings from "soft market testing" with prospective property investors/developers.

In conclusion, the Director recommended that Options A, C and D should not be pursued, Options B) and E would both be capable of delivering the City Council's property objectives. In order to enable the City Council to make a fully informed decision on the most appropriate delivery mechanism, it would be necessary to undertake further work to develop a costed development and investment plan for the City Council's property portfolio.

The Economic Development and Enterprise portfolio holder welcomed the options proposed for further investigation commenting that it was a complex but important issue in driving forward economic change.

Summary of options rejected – The following options were rejected:

Option A - Do nothing

Option C - The City Council acts as a developer

Option D - The City Council sells some/all of its assets and seeks alternative investments to generate income.

DECISION

1. The Executive agrees to continue developing two of the options for delivering the property strategy for Carlisle, being Option B (the City Council retains and manages its assets and undertakes site specific joint ventures), and, and Option E (establishing a CLAV to deliver the programme of development), with the remaining options being discounted.
2. The Executive directs the Corporate Asset Management Group to undertake further work to develop a Development and Investment plan for the City Council's property portfolio in the context of the vision for Carlisle that is set out in the draft economic strategy. This would provide a costed plan for the future management and development of the City Council's Asset Portfolio and include an assessment of delivery under both Option B and Option E.
3. The Executive refers the Report to the Corporate Resources Overview and Scrutiny Committee for comments on the findings of the review and their views on the proposed way forward.

Reasons for Decision - To further progress the review of the City Council's Asset Portfolio and to develop proposals that would enable the delivery of the property related vision for Carlisle.

EX.334/07 FAMILIES HOSTEL REPLACEMENT PROJECT (Key Decision)

Portfolio – Health and Wellbeing

Subject Matter - The Director of Development Services submitted Report DS.119/07 updating Members on the background to, justification of and proposals for, the replacement of the London Road Homeless Families Hostel.

The Director reminded Members that the Executive on 2 July 2007 (EX.155/07) had allocated income from the Regional Housing Board Grant for the Families Hostel replacement, subject to a full business case being developed and a further report to the Executive.

The Director outlined the benefits of the new Hostel Project and the proposals for the new Hostel, including full details of costs. She sought approval for the allocation of capital funds from the Housing Strategy Programme for 2008/09 and beyond and set out proposals for the funding of the project using capital funds, capital receipts and Hostels Capital Improvement Grant from the Government. She also set out a vision for how the service would be developed for people who have housing problems including homelessness.

The Health and Wellbeing portfolio holder recognised concerns some people had expressed regarding the location of the Hostel, stating that these would be addressed in a subsequent report to the Executive in March 2008. It was confirmed by officers that a further report to the Executive would be needed in March 2008, instead of February, as stated in the Report.

Summary of options rejected – None

DECISION

1. That the update on the Hostel Replacement Project, as detailed in Report DS.119/07 be noted, including the in principle allocation of £400,000 Regional Housing Board Grant from 2007/08.
2. That a bid be made to the Department of Communities and Local Government for Hostels Capital Improvement Grant to part fund the new Hostel.
3. That the further development of Hostel Services and integrated approach to housing advice, homelessness and re-housing be located at John Street as a new centre of excellence.
4. That a detailed report identifying final scheme costs, funding arrangements and development time scales be brought back to the Executive in March 2008 for consideration.
5. That if the bid to the Department of Communities and Local Government is successful and the detailed report to the Executive in March 2008 is supportive of the development, the existing Hostel at London Road be

declared surplus to requirements and sold, the capital receipt being ringfenced subject to approval by full Council, to help fund the replacement Hostel.

Reasons for Decision - To enable the development of a new, better quality, families and women's hostel, fit for purpose and meeting government aims to make hostels places of change and to integrate and improve homelessness and hostels services for people with housing problems.

EX.335/07 THE CARLISLE HOME IMPROVEMENT AGENCY (Key Decision)

Portfolio – Health and Wellbeing

Subject Matter - The Director of Development Services submitted Report DS.121/07 on proposals for the future of the Home Improvement Agency in Carlisle.

The Director advised that the Home Improvement Agency (HIA) in Carlisle was provided by Anchor Staying Put and was part of a county-wide service. The current contract ends on 31 March 2008 and it was imperative that the City Council decided what was best for the residents of Carlisle before committing to a further three year contract.

The Director outlined the fees which had been paid and the service provided over recent years. The Council currently had the capacity and capability in-house to deal with current level of applications, and could cope with the level of applications that are currently presenting. The Director then outlined and provided a full assessment of the following options:

Option 1 - Continue to provide the current level of service through the HIA (Anchor Staying Put) at a current cost of Grant Application Fees - £95,000, Supporting People - £37,000 and City Council - £13,000.

Option 2 - Discontinue the HIA service entirely, and let the market place backfill the service. This could be problematic as many of the jobs for vulnerable people were small scale aids and adaptations that private firms were not interested in dealing with.

Option 3 - Carry out the service with existing staff in the Housing Section using the capacity and capability of Technical Officers who were currently doing most of the work, which includes the initial visit, sketch plan preparation and brief schedule of work.

The Director advised that the preferred option would be Option 3, which would result in no extra funding implications for the Council, would reduce the duplication of both work and fee income payments to Anchor and would give the Council more control of the work being carried out.

The Housing Services and Health Partnerships Manager advised on the staffing implications, stating that there could be TUPE implications for 4.5 staff, with a maximum impact to the City Council of £17,000 (redundancy and notice costs if required). This could be negotiated and offset against the current HIA surplus and the current City Council contribution.

Summary of options rejected – Options 1 and 2 in Report DS.121/07 were rejected.

DECISION

That the Executive approves Option 3 - That the HIA service be carried out by existing staff in the Housing Section using the capacity and capability of Technical Officers who were currently doing most of the work, including the initial visit, sketch plan preparation and brief schedule of work. Option 3 had no extra funding implications for the Council, would reduce the duplication of both work and fee income payments and would give the Council more control of the work being carried out.

Reasons for Decision - To provide for the reduction in duplication of work and to increase the available funding for actual grants, rather than duplication of fees.

To ensure more control over the process by the City Council.

EX.336/07 CORPORATE COMPLAINTS POLICY (Key Decision)

Portfolio – Finance and Performance Management

Subject Matter - The Head of Policy and Performance Services submitted Report PPP.90/07 presenting a Corporate Complaints and feedback Policy that would complement existing procedures and other Complaints Policies. The Policy had been developed based on good practice from other Local Authorities and Guidance Notes from the Local Government Ombudsman.

It was proposed that the implementation of the Policy would be phased in over a number of months to ensure that the staff who would be carrying out the procedures within the Policy were adequately trained and that the procedures themselves were adequate and appropriate.

Summary of options rejected – None

DECISION

That the draft Policy be referred to the Corporate Resources Overview and Scrutiny Committee for consultation.

Reasons for Decision - To adopt a Corporate Complaints and Feedback Policy which would contribute towards efficiency and effectiveness of Council activities and complements existing policies and procedures.

EX.337/07 PARKING ENFORCEMENT (Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Environment and Infrastructure

Subject Matter - The Director of Community Services submitted Report CS.100/07 outlining changes required to respond to the introduction of legislation related to parking enforcement. On 31 March 2008, the existing system of Decriminalised Parking Enforcement (DPE) would cease to exist and would be replaced by a new system of Civil Parking Enforcement (CPE) as set out within the Traffic Management Act 2004. The Council must ensure that it has everything ready to enable it to operate under the new CPE system from this date. This would affect both the off-street enforcement of Council car parks and the on-street enforcement undertaken by Cumbria County and Eden District.

The Environment and Infrastructure portfolio holder commented that, contrary to media reports, parking enforcement would continue in Carlisle. He expressed concern that this was another example of Government legislative changes resulting in a cost to the Council, but with no additional funding provided.

Summary of options rejected – None

DECISION

1. That the Executive agrees the purchase of the software from the lowest tenderer, Chipside, at a price of £16,000. In view of priority/timescale, this be initially funded by virement from the Car Park Improvement Capital Budget and be debited to the Car Park and Trading Account to be funded from future surpluses.
2. That the Executive agrees the purchase of the replacement equipment detailed in the quote from Chipside to a total value of £25,450, as with the purchase of the software system, this charge to be set against the Decriminalised Parking Enforcement Account and subject to the Local Committee approval, be underwritten by the County Council if the Parking Agreement was to be terminated. The cost of £25,450 to be funded initially from the Car Parking Renewals Fund and the CCTV Renewals Fund.

3. That Officers continue to work with the County Council to identify and implement measures to increase income for the Civil Parking Enforcement Account.
4. That Officers continue to prepare for the introduction of the Civil Parking Enforcement on 1 April 2008.
5. That the Executive adopt the Band A Penalty Charges as set by the Traffic Management Act, subject to a decision by the County Council.
6. That the outcomes of the County-wide review of Parking Enforcement be reported back to a future meeting of the Executive.

Reasons for Decision - In order that enforcement could continue in accordance with the revised regulations.

EX.338/07 FORWARD PLAN (Non Key Decision)

Portfolio – All Portfolios

Subject Matter - The Forward Plan of Key Decisions of the Executive for the period 1 January to 30 April 2008 is submitted for information.

The Director of Carlisle Renaissance had been scheduled to provide a Carlisle Renaissance progress report. The programme for considering progress reports has been changed and they are now reported to Corporate Resources Overview and Scrutiny with comments, then forwarded to the Executive. The Director would amend the Forward Plan entry to reflect the new arrangements.

The Director of Community Services had been scheduled to provide a report on the Sheepmount cycle track. This had been deferred as the Officers were awaiting the outcome of the bid British Cycling had made to support England for the funding for the project.

The Director of Community Services had been scheduled to provide a report on the Customer Contact Centre. This had been deferred pending further information.

The Director of Development Services had been scheduled to report on the Dalston Conservation Area Review. This had been included on the Agenda for this meeting as a non-key Decision as the matter did not require a key decision at this stage.

The Director of Corporate Services had been scheduled to report on the Counter Fraud and Corruption Strategy. This had been deferred as Scrutiny by Corporate Resources Overview and Scrutiny had required further work to be done before the Strategy was reported to the Executive.

Summary of options rejected – None

DECISION

That the Forward Plan of Key Decisions of the Executive for the period 1 January to 30 April 2008 be noted.

Reasons for Decision - Not applicable.

EX.339/07 SCHEDULE OF DECISIONS TAKEN BY PORTFOLIO HOLDERS (Non Key Decision)

Portfolio – Health and Wellbeing

Subject Matter – Details of a Decision taken by a portfolio holder were submitted.

Summary of options rejected – None

DECISION

That the Decision, attached as Appendix A, be noted.

Reasons for Decision - Not applicable.

EX.340/07 SCHEDULE OF DECISIONS TAKEN BY OFFICERS (Non Key Decision)

Portfolio – Learning and Development

Subject Matter - Details of Decisions taken by officers were submitted.

Summary of options rejected – None.

DECISION

That the Decisions, attached as Appendix B, be noted.

Reasons for Decision - Not applicable

EX.341/07 JOINT MANAGEMENT TEAM MINUTES (Non Key Decision)

Portfolio – Various portfolios

Subject Matter - The Minutes of the Joint Management Team Meetings held on 25 October and 8 November 2007 were submitted for information.

Summary of options rejected – None.

DECISION

That the Minutes of the Joint Management Team meetings on 25 October and 8 November 2007, attached as Appendix C, be noted.

Reasons for Decision - Not applicable

EX.342/07 REFERENCE FROM THE COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE - CARLISLE HOUSING ASSOCIATION PARTNERSHIP AGREEMENT (Non Key Decision)

Portfolio – Health and Wellbeing

Subject Matter - There was submitted a Minute Excerpt from the Community Overview and Scrutiny Committee on 22 November 2007 regarding the Carlisle Housing Association Partnership Agreement.

The Chairman of the Community Overview and Scrutiny Committee attended the meeting and commented that the Committee was concerned at the lack of detail in the report and had asked the Executive to delay their consideration of a Report on the Carlisle Housing Association Partnership Agreement until that Committee had a proper opportunity to scrutinise the proposed Agreement. A further report would be submitted to the January meeting of the Committee.

Summary of options rejected – None.

DECISION

That the Community Overview and Scrutiny Committee's scrutiny of the Carlisle Housing Association Partnership Agreement be welcomed.

Reasons for Decision - To respond to the reference from the Community Overview and Scrutiny Committee.

EX.343/07 REFERENCE FROM THE INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE - HISTORIC QUARTER ENVIRONMENTAL IMPROVEMENTS (Non Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - There was submitted a Minute Excerpt from the Infrastructure Overview and Scrutiny on 29 November 2007 regarding the public realm environmental improvements in the historic quarter of the city.

The Vice Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and commented that the Committee was broadly

supportive of the scheme for public realm environmental improvements in the historic quarter of the city, but had concerns regarding the exit from West Walls onto the Viaduct, although they understood that a traffic assessment was to be carried out. The Committee would welcome any initiative to improve access from Devonshire Walk Car Park.

Summary of options rejected – None.

DECISION

That the involvement of the Infrastructure Overview and Scrutiny Committee in scrutiny of the Historic Quarter environmental improvements be welcomed.

Reasons for Decision - To respond to the reference from the Infrastructure Overview and Scrutiny.

EX.344/07 REFERENCE FROM THE INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE - CALDEW/CITY CENTRE FLOOD ALLEVIATION PROJECT (Non Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - There was submitted a Minute Excerpt from the Infrastructure Overview and Scrutiny Committee on 29 November 2007 regarding a report updating on progress with the Caldew/City Centre Flood Alleviation Project and identifying a range of emerging issues which would have a direct impact on the Council's operations/services.

The Vice Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and commented that the Committee welcomed the Caldew/City Centre Flood Alleviation Project and endorsed the decision that a non-recurring funding contribution of up to £21,000 be made towards the upgrading of the wall alongside Bitts Park.

Summary of options rejected – None.

DECISION

That the input of the Infrastructure Overview and Scrutiny Committee be welcomed.

Reasons for Decision - To respond to the reference from the Infrastructure Overview and Scrutiny Committee.

EX.345/07 REFERENCE FROM THE INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE - DRAFT TRAVEL PLAN (Non Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - There was submitted a Minute Excerpt from the Infrastructure Overview and Scrutiny Committee on 29 November 2007 regarding a draft Travel Plan detailing initiatives for implementation over a three year period.

The Vice Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and in addition to conveying a number of detailed comments stated that some Members were of the belief that any decisions regarding staff travel/parking should apply equally to Members.

Summary of options rejected – None

DECISION

That the comments of the Infrastructure Overview and Scrutiny Committee be noted and taken into consideration in the revised Travel Plan.

Reasons for Decision - To respond to the reference from the Infrastructure Overview and Scrutiny Committee.

EX.346/07 REFERENCE FROM THE INFRASTRUCTURE OVERVIEW AND SCRUTINY COMMITTEE - TRANSITION TOWNS INITIATIVE (Non Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - There was submitted a Minute Excerpt from the Infrastructure Overview and Scrutiny Committee on 29 November 2007 regarding a report on the Transition Towns Initiative.

The Vice Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and commented that the Committee was of the view that any decision on Carlisle becoming a Transition City should be deferred and reviewed in twelve months' time. That would enable the Council to concentrate on significant current initiatives such as Carlisle Renaissance.

Summary of options rejected – None

DECISION

That the Executive shares the concerns expressed by the Infrastructure Overview and Scrutiny Committee and will bear them in mind during future consideration of this matter.

Reasons for Decision - To respond to the reference from the Infrastructure Overview and Scrutiny Committee.

EX.347/07 PAY AND WORKFORCE STRATEGY IMPLEMENTATION (Non Key Decision)

Portfolio – Learning and Development

Subject Matter - The Deputy Chief Executive submitted Report CE.47/07 providing an update on progress with the Pay and Workforce Strategy and seeking approval from Members to recruit an Implementation Officer and Admin Assistant dedicated to completing the Implementation stages of the Project. The number of appeals submitted had required additional work in processing the appeals. The cost of this could be met through earmarked funds that had been released by the Council for Implementation of Single Status. There would be sufficient residue to cover these new requirements and authority to spend these funds had been delegated to the Deputy Chief Executive.

Summary of options rejected – None

DECISION

1. That the Executive notes progress to date.
2. That the Executive authorises the Deputy Chief Executive to use £46,000 of the released funds for implementation of the Pay and Workforce Strategy Project to support Job Evaluation, as described in Report CE.47/07. This would leave sufficient released resources to implement the aspects of Single Status described in the Report to Council that released funds for that purpose (CE.27/07).

Reasons for Decision - This would contribute to the Council's ability to fulfil its outstanding obligations from the 1997 and 2001 National Pay Agreement. The temporary resources would enable appeals to be processed more effectively and help to ensure that the Authority could assess the full impact of Job Evaluation and make the subsequent management decisions within a reasonable timescale.

EX.348/07 DALSTON CONSERVATION AREA REVIEW (Non Key Decision)

Portfolio – Environment and Infrastructure

Subject Matter - The Director of Development Services submitted Report DS.117/07 on the outcome of the Dalston Conservation Area Review.

The Director advised that the Report contained an appraisal of both the existing conservation area and the adjoining parts of the village. It examined the character and quality of the village and the possibility of extending the

conservation area. The Director then highlighted key issues for concern relating to protecting, strengthening and enhancing the character of the area.

The matter had been considered by the Infrastructure Overview and Scrutiny Committee on 29 November 2007 and an excerpt from the Minutes of that Meeting was submitted. The Vice Chairman of the Infrastructure Overview and Scrutiny Committee attended the meeting and commented that it had been useful to have two representatives of the Parish Council at the meeting. The Committee agreed that a public meeting and exhibition should be organised in Dalston in conjunction with the Parish Council to outline the appraisal and its proposals together with a consultation leaflet for the general public. Following the consultation exercise, the responses should be assessed and the amended proposals set out in a final document consisting of an Appraisal and Management Plan for consideration by the Infrastructure Overview and Scrutiny Committee.

The Environment and Infrastructure portfolio holder welcomed the proposal to arrange the public meeting and exhibition in conjunction with the Parish Council.

Summary of options rejected – None

DECISION

1. That the appraisal and map contained in Report DS.117/07 be approved to form the basis of public consultation on changes to the conservation area for Dalston, prior to any decision on alterations to the Dalston Conservation Area.
2. That the public consultation include a public meeting and exhibition to be undertaken in conjunction with Dalston Parish Council.

Reasons for Decision - The Review of the City Council's conservation areas was an ongoing part of the Statutory Planning process as required by Section 71 of the Planning (Historic Buildings and Conservation Areas) Act 1990 and PPG 15.

EX.349/07 THEATRE/PERFORMING ARTS CENTRE - LONSDALE BUILDING (Non Key Decision)

Portfolio – Community Engagement

Subject Matter - The Director of Community Services submitted Report CS.88/07 providing an update on the position regarding the Theatre/Performing Arts Centre, particularly in relation to the former Lonsdale Cinema building.

The Director reminded Members that the City Council on 28 June 2007 (C.127/07) had raised a motion on the outcome of the Theatre/Arts Centre feasibility study and had asked the Executive to:

(a) Provide support and assistance to the Save the Lonsdale Group as it considers appropriate to facilitate the use of the Lonsdale building as an independent cinema;

(b) Assess the potential to establish a Theatre/Arts Centre and associated facilities in the Warwick Road/Mary Street area as a part of a mixed-use development.

The Director outlined the actions which had been taken in response to this motion including gaining access to the Lonsdale building for the Council appointed consultants to fully assess this option. The consultants had produced a report on the suitability of the Lonsdale which was appended to the Director's report. The Director summarised the main findings of the consultant's report and outlined options for progress.

The Community Engagement portfolio holder advised that the consultants would be attending the Community Overview and Scrutiny Committee in January 2008 and the Committee would have the opportunity to scrutinise and challenge the contents of the report and question the consultants.

The Leader suggested that the Chairman of the Community Overview and Scrutiny Committees could ask representatives of the Save the Lonsdale Group to give a presentation to a meeting of the Committee.

Summary of options rejected – None

DECISION

1. That the Executive notes the conclusions of the consultant's report.
2. That the report be referred to the Community Overview and Scrutiny Committee to consider at its meeting on 17 January 2008 at which the consultants would attend and present their findings.
3. That the Chairman of the Community Overview and Scrutiny Committee be asked to invite representatives of the Save the Lonsdale Group to give a presentation to a meeting of the Committee.

Reasons for Decision - To refer the findings of a report undertaken by consultants commissioned by the Council to the Community Overview and Scrutiny Committee.

EX.350/07 CLOSER TO HOME CONSULTATION (Non Key Decision)

Portfolio – Health and Wellbeing and Economic Development and Enterprise

Subject Matter - The Director of Development Services submitted Report DS.130/07 providing details of an NHS consultation exercise by the Primary

Care Trust on "Closer to Home", proposals to provide more healthcare in the community. The deadline for response to the consultation document had been extended to 1 February 2007.

The Community Overview and Scrutiny Committee on 22 November 2007 had considered this matter and the Minute Excerpt was submitted. The Chairman of the Community Overview and Scrutiny Committee attended the meeting and advised that the Committee had asked to be directly involved in any response the Executive had to the NHS public consultation - Closer to Home. The Chairman commented that Members of the Committee had also expressed concern at the reduction in the number of hospital beds and the consequences for patients and relatives.

The Director suggested that any response should pick up the issues raised at the informal briefing for all members, including City Council scrutiny involvement.

The Health and Wellbeing portfolio holder expressed concern at the reduction in the number of beds at Community Hospitals and at the various different funding streams involved.

The Leader commented that as the consultation period had been extended, the Community Overview and Scrutiny Committee could be involved in and consider a response at their meeting on 17 January with comments back to the Executive on 21 January 2007.

Summary of options rejected – None

DECISION

That the consultation documents be referred to the Community Overview and Scrutiny Committee on 17 January 2008 for comments and a final response to be considered and approved by the Executive on 21 January 2008.

Reasons for Decision – To respond to the Primary Care Trust on their consultation.

EX.351/07 NHS FOUNDATION TRUST CONSULTATION DOCUMENT (Non Key Decision)

Portfolio – Health and Wellbeing

Subject Matter – The Head of Policy and Performance Services submitted Report PPP.99/07 providing details of a consultation document from the North Cumbria Acute Hospitals NHS Trust "Your Health, Your Cumbria, Your Views", to pursue a formal application to become an NHS Foundation Trust. The consultation period ends on 7 January 2008, although there had been an informal indication that views would be taken after this date.

The Director of Development Services and the Health and Wellbeing portfolio holder had attended a presentation on the consultation document. At that meeting there had been a number of questions about governance arrangements, including local authority, voluntary sector and Regeneration Agency representation.

The Leader suggested that if the consultation period was extended, the Community Overview and Scrutiny Committee could be consulted on a response, if not, they would only be kept informed of the response which had been submitted.

Summary of options rejected – None

DECISION

That if the consultation response period has been extended, the Community Overview and Scrutiny Committee on 17 January 2008 be asked for comments and a response agreed by the Executive on 21 January 2008, but if the consultation period has not been extended, the Executive delegates the provision of a response to the Health and Wellbeing portfolio holder in conjunction with the Head of Policy and Performance Services.

Reasons for Decision - To enable a response to be provided to the consultation document.

EX.352/07 CUMBRIA LOCAL AUTHORITY STRATEGIC BOARD MINUTES (Non Key Decision)

Portfolio – All Portfolios

Subject Matter - The Minutes of the meeting of the Cumbria Local Authority Strategic Board held on 5 October 2007 were submitted for information.

Summary of options rejected – None

DECISION

That the Minutes of the Cumbria Local Authority Strategic Board held on 5 October 2007 be noted.

Reasons for Decision – Not applicable.

EX.353/07 CUMBRIA STRATEGIC WASTE PARTNERSHIP MINUTES (Non Key Decision)

Portfolio – All Portfolios

Subject Matter - The Minutes of the Cumbria Strategic Waste Partnership held on 31 October 2007 were submitted for information.

Summary of options rejected – None

DECISION

That the Minutes of the Cumbria Strategic Waste Partnership held on 31 October 2007 be noted.

Reasons for Decision - Not applicable

EX.354/07 POTENTIAL DISPOSAL OF CARLISLE CITY COUNCIL LAND FOR AFFORDABLE HOUSING DEVELOPMENT (Non Key Decision)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Health and Wellbeing

Subject Matter - The Director of Development Services tabled amended public Report DS.120/07 detailing a number of currently unused pieces of land in the ownership of Carlisle City Council which could potentially be used for affordable housing development. A further report on the matter would be considered in the private part of the meeting as it contained details of land valuations.

The Executive on 19 November 2007 (EX.284/07) had considered a motion from the Council on housing in Carlisle and had asked the Director of Development Services to report to the Executive on the potential to develop a number of sites which had been identified as potential for affordable housing. The Director provided details of the potential development sites and their potential for use for affordable housing development.

Summary of options rejected – None

DECISION

That the Executive:

1. Accepts in principle that the sites identified in Report DS.120/07 have potential to deliver affordable homes for local people and approves Officers investigating further;
2. Agrees in principle to consider the disposal of these sites to an affordable housing provider, such as a Registered Social Landlord, at below market value;

3. Requests the Council to vary its policy on land disposals to delegate the power to the Executive to dispose of the sites specified in Report DS.120/07 at less than market value to facilitate the provision of affordable housing if the Executive determine this to be necessary and appropriate.

Reasons for Decision - To facilitate the development of affordable housing for local people to meet the need identified in the housing market assessments for Carlisle's urban and rural districts. At present there was a clear shortfall between the level of housing need identified across the district and the amount of affordable housing that could be delivered through planning gain and housing corporation funded scheme.

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 involve the likely disclosure of exempt information, as defined in the Paragraph Number (as indicated in brackets against each Minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EX.355/07 CARLISLE RENAISSANCE - NWDA FUNDING APPLICATION (CAPITAL) (Key Decision)

(Public and press excluded by virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Portfolio – Promoting Carlisle and Finance and Performance Management

Subject Matter - The Director of Carlisle Renaissance submitted Report CE.46/07 advising that the City Council had been invited to submit a detailed funding application to the NorthWest Development Agency for capital funding to support the acquisition of properties in the Rickergate area. The Director highlighted the key features of the application including advice on valuation and acquisition costs and the management of property post acquisition.

Summary of options rejected – None

DECISION

1. That the detailed funding application, appended to CE.46/07, be approved.
2. That the use of £160,000 from the Asset Investment Fund to fund the refurbishment proposals set out in Report CE.46/07 be approved.

3. That the Council be asked to release the funds from the Asset Investment Fund.

Reasons for Decision - To enable the detailed funding application to be submitted to the NorthWest Development Agency and budget provision to be made for the refurbishment of residential property acquired.

EX.356/07 POTENTIAL DISPOSAL OF CARLISLE CITY COUNCIL LAND FOR AFFORDABLE HOUSING DEVELOPMENT (Key Decision)

(Public and press excluded by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

(With the consent of the Chairman and in accordance with Rule 15 of the Access to Information Procedure Rules, this item had been included on the Agenda as a key decision although not in the Forward Plan)

Portfolio – Health and Wellbeing

Subject Matter - With reference to Executive decision EX.354/07, the Director of Development Services submitted Private Report DS.120/07 detailing a number of currently unused pieces of land in the ownership of Carlisle City Council which could potentially be used for affordable housing development. A public report had been considered earlier in the meeting (EX.354/07). The Director then tabled the valuations for each of the pieces of land and some assumptions and caveats.

Summary of options rejected – None

DECISION

That the land valuations be noted and that the information be used in conjunction with Report DS.120/07.

Reasons for Decision - To facilitate the development of affordable housing for local people to meet the need identified in the housing market assessments for Carlisle's urban and rural districts. At present there was a clear shortfall between the level of housing need identified across the district and the amount of affordable housing that could be delivered through planning gain and housing corporation funded scheme.

EX.357/07 LAND TRANSFERS AT FAUGH AND JOCKS HILL BRAMPTON (Non Key Decision)

(Public and press excluded by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Councillor Mrs Bowman declared a personal interest in this item and did not take part in any discussion or voting on the land transfer at Faugh.

Portfolio – Environment and Infrastructure

Subject Matter - The Director of Community Services submitted Report CS.102/07 providing details of proposed land transfers, one at Faugh (Hayton Ward) from the City Council to Hayton Parish Council and three small parcels of land at Jocks Hill Brampton from Story Construction Ltd to the City Council.

Members commented that there was insufficient information on the proposed use of the land at Faugh and requested further information to a future meeting.

Summary of options rejected – None

DECISION

1. That the Executive requests a further report on the disposal of the land at Faugh clarifying the proposed use of the land.
2. That the Executive approves the transfer of land at Jocks Hill, Brampton, to the Council from the developer with a commuted sum of £2,675 to cover ten years maintenance costs.

Reasons for Decision – 1. In order to get further information on the proposed use of the land at Faugh.

2. The transfer of Jocks Hill would enable green spaces to be maintained properly in the future.

EX.358/07 DISPOSAL OF LAND AT WAKEFIELD ROAD, CARLISLE (Non Key Decision)

(Public and press excluded by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Portfolio – Economic Development and Enterprise, Finance and Performance Management

Subject Matter - The Director of Development Services submitted Report DS.114/07 on the disposal of land at Wakefield Road Carlisle. The Executive had already consented to this sale in principle and the Report now provided feedback on the open space consultation undertaken in accordance with the provisions of the Local Government Act 1972. It also provided an update on negotiations and sought final approval to the sale.

In response to a Member's question, the Director confirmed that the disposal would be at no cost to the Council.

Summary of options rejected – None

DECISION

That the Executive consents to the release and leasehold disposal of land at Wakefield Road, Kingstown, on final terms to be agreed by the Head of Economy, Property and Tourism and recommended that the City Council approves the disposal and the scheme of improvements to the nature reserve, at no cost to the Council.

Reasons for Decision – 1. To facilitate the development of the Barratt Housing scheme in accordance with the planning consent granted.

2. To receive a Capital Receipt and funding from Barratt to the provision of enhanced nature and wildlife facilities on the Council's adjacent land and Kingstown Nature Reserves.

(The meeting ended at 3.15pm)

CARLISLE CITY COUNCIL

EXECUTIVE BUDGET PROPOSALS 2007/08 to 2010/11

ISSUED FOR CONSULTATION PURPOSES – DECEMBER 2007

This document contains the draft budget proposals of the City Council's Executive set out as follows.

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2007/08 to 2010/11 <ul style="list-style-type: none">• Schedule 1 - Existing Net Budgets• Schedule 2 - Proposed Budget Reductions• Schedule 3 - Recurring Spending Pressures• Schedule 4 - Non-Recurring Spending Pressures• Schedule 5 - Summary Net Budget Requirement• Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2007/08 to 2010/11 <ul style="list-style-type: none">• Schedule 7 - Estimated Capital Resources• Schedule 8 - Proposed Capital Programme• Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2010/11 <ul style="list-style-type: none">• Schedule 10 - Usable Reserves Projections
E	Budget Discipline
F	Statutory Report of the Director of Corporate Services
G	Glossary of Terms

These budget proposals are based on detailed proposals that have been considered by the Executive over the course of the last few months. In particular the following reports of the Director of Corporate Services were considered at the Executive meeting of 17th December 2007. All reports are available upon request.

1. CORP68/07 - General Fund Revenue Budget 2007/08 to 2010/11
2. CORP69/07 - Provisional Capital Programme 2007/08 to 2010/11
3. CORP70/07 - Draft Treasury Management Strategy Statement and Investment Strategy 2008/09

SECTION A – BACKGROUND AND EXECUTIVE SUMMARY

Background to the Budget Process to date:

The preparation of the budget proposals is an ongoing process, which starts in the summer with the agreement by Council to the Medium Term Financial Plan, Corporate Charging Policy, Capital Strategy and Asset Management Plan. These strategy documents set out the Council's policies in guiding the budget process and in particular set out the three year financial projections that the Council is faced with prior to starting the new budget process.

The Council's existing approved budgets are then scrutinised together with any proposals for new spending pressures and savings proposals.

Throughout the process, consultation is carried out with the Councils Overview and Scrutiny Committees who feed back their views on any proposals under consideration to the Executive.

Following the receipt of all of this information, the Executive issues their draft budget proposals for formal consultation.

Budget Process – future progress:

Following the issue of the Executive's draft budget proposals, a formal consultation period will run from 18th December 2007 to 14th January 2008. During this period any interested person may submit their views on the proposal to the Chief Executive, Civic Centre, Carlisle CA3 8QG.

In addition to the above, formal consultation meetings will be held with:

- The Large Employers Affinity Group (to include any Non Domestic Ratepayers) on 15th January 2008.
- Trades Unions on 16th January 2008.
- The Council's Corporate Resources Overview and Scrutiny Committee on 10th January 2008, Community Overview and Scrutiny on 7th January 2008 and Infrastructure Overview and Scrutiny on 8th January 2008.

The Executive at their meeting on 21st January 2008 will consider feed back from the consultation process, and final budget recommendations will be made to the Council on 5th February 2008.

It should be noted that at this point in time there are a number of issues which have not yet been finalised and which will impact on the Final budget proposals to Council on 5th February 2008. These issues include a number of government grant allocations such as:

- Final Government Finance Settlement – RSG and NNDR
- Regional Housing Pot Capital Grant
- Disabled Facilities Grant
- LABGI (from 2009/10)
- Housing & Planning Delivery Grant

Summary Budget Proposals - Key Issues:

The key issues, which are expanded on further in the proposals, are as follows:

- (i) The draft budget proposes a Council Tax increase of 3.5% for the City Council (Parishes Precepts will be in addition in the rural areas).
- (ii) Based on current projections, this will result in the following requirement to be taken (to)/from Council reserves to support Council expenditure over the period as follows:

Additional contribution (to)/from Reserves	2008/09 £000	2009/10 £000	2010/11 £000
Recurring Expenditure	(718)	(788)	(229)
Less Job Evaluation earmarked from Reserves	1,000	1,000	1,000
Net Recurring Expenditure	282	212	771
Non-recurring Expenditure	1,229	716	392
Total	1,511	928	1,163

- (iii) As a result of the savings and pressures identified during this budget process, the recurring deficit projection has reduced from £1.169m in 2008/09 to £282,000 as shown in the table above.
- (iv) Within the recurring expenditure is the estimated sum of £1m to fund the Job Evaluation project. There has been a sum of £1m set aside from balances for a three year period pending the identification of ongoing savings to absorb the cost on a recurring basis. The cost is estimated at this time pending completion of the project which is now estimated to be completed in the summer of 2008.
- (v) Although there is scope to fund the estimated requirement from the Projects Reserve in 2007/08, this could not be sustained in future years. A strategy for identifying recurring savings within the revenue budget has been drawn up by SMT and the Executive and this strategy will continue to be developed during the coming year.
- (vi) This Strategy will continue to concentrate on the following key areas:
 - Service Improvement Reviews – the financial target for these reviews will be required to achieve a minimum 5% reduction in the gross cost of those services. The Service Improvement Reviews which commenced in 2007/08 and will be completed in 2008/09 cover Community Services, Brampton Business Centre, Central Recharges and Marketing. A programme of review which covers all the Council's services provided and the timescales will be drawn up by March 2008. The reviews will be completed in time to be included early in each annual budget process.
 - Asset review – this will set out clear objectives one of which will be to deliver recurring additional income or recurring reduced costs. It will provide a timetable of deliverables and the impact on services and improvements. A report will be considered early in 2008 with a key focus on issues related to the LAV options.

- Shared Services – the requirement is to achieve a 3% efficiency savings target via the shared services agenda by the development and delivery of the Shared Services Strategy.
 - To carry out a review of those services which do not fall within the Council's core priorities.
- (vii) The Executive will monitor the development of the Strategy and the achievement of its objectives.
- (viii) Given the financial pressures the Council is under, the scope to continue support for new spending pressures and initiatives in future years will be dependent upon the extent to which the Council is successful in realising and redirecting additional resources to identified priorities, and the level of Reserves and income receipts.

SECTION B - REVENUE BUDGET 2007/08 TO 2010/11

1. REVISED REVENUE BUDGET 2007/08

- 1.1 The Executive recommends that the Council's revised net budget for 2007/08 is approved totaling £19.422m compared to the original budget of £17.075m. The increase of £2.347m can be summarised as follows:

Detail:	£000
Recurring expenditure	0
Salary review	14
CLL Contract fee	(5)
Non-Recurring expenditure	
Planning Inquiry	290
LABGI (net)	745
Capacity Building (re-profiling of budget)	(14)
Expenditure carried forward from financial year 2006/07 (see 1.2)	1,317
Total	2,347

- 1.2 The increased budget for 2007/08 is principally as a result of the carry forward of budgets from previous years for work not completed at the financial year-end. Although the 2007/08 budget is increased, there is a corresponding decrease for the previous financial year and so there is no overall impact on the Council's financial position.

2. REVENUE BUDGET 2008/09 to 2010/11

- 2.1 The Executive recommends that the net budgets for 2008/09 to 2010/11 submitted in respect of existing services and including existing non-recurring commitment and estimated Parish Precepts, are as shown in **Schedule 1** below:

Schedule 1 – Existing Net Budgets

Existing Budget	2008/09 £000	2009/10 £000	2010/11 £000
City Council			
- Recurring	17,527	18,318	18,948
- Non – Recurring	793	324	0
Parish Precepts	400	410	420
Total	18,720	19,052	19,368

At this stage the implications of the introduction of the Job Evaluation process has been retained within the forward year projections at £1m per annum. This is an initial estimate only of the potential impact and a significant amount of work remains to finalise this issue and to investigate ways to contain the impact within available resources.

- 2.2 It is further recommended that the existing budgets set out in **Schedule 1** be reduced by proposals for budget reductions as detailed in **Schedule 2**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 2 – Proposed Budget Reductions

Proposed Budget Reductions	Note	2008/09 £000	2009/10 £000	2010/11 £000
Increased Income:				
Income in excess of target:	1			
• Development Services		(53)	(53)	(53)
• Licensing		(3)	(3)	(3)
Treasury Management	2	(150)	0	300
Market Hall Income	1	0	0	(40)
Shared Services (Income)	1	(25)	(25)	(25)
Synthetic Football Pitch	1	(68)	0	0
Total Additional Income		(299)	(81)	179
Expenditure Reductions:				
Arts and Events	3	(25)	(50)	(50)
Energy Efficiency Advice Centre	4	(35)	(35)	(35)
Review Location of TIC	3	(23)	(46)	(46)
Brampton Business Centre/Telecentre	5	0	(200)	(200)
Community Services Review	3	(53)	(153)	(153)
Conference Group	3	(15)	(29)	(29)
Printing and Copying Review	3	(40)	(40)	(40)
Hospitality Budget	1	(2)	(2)	(2)
Pay Award Provision	1	(195)	(295)	(400)
Recruitment	6	(500)	(1,040)	(1,040)
Renewals Reserve savings	7	(206)	(245)	(422)
Total Expenditure Reductions		(1,094)	(2,135)	(2,417)
TOTAL RECURRING BUDGET REDUCTION PROPOSALS		(1,393)	(2,216)	(2,238)

Note 1: Detailed reports have previously been considered on all of these issues as part of the budget process.

Note 2: The Treasury Management projections will be amended in the light of these proposals and the economic conditions and will be reported to the January Executive.

Note 3: Reports have been considered which identify that savings are achievable. The Executive request a review of the detailed options to deliver this level of saving, to be reported by May 2008.

Note 4: This saving is dependent upon the detailed terms of the contract.

Note 5: This saving is not anticipated until 2009/10 and the Executive request an options report by September 2008.

Note 6: SMT in conjunction with the Portfolio Holder for Finance to produce details on the operation of this scheme in January 2008.

Note 7: A full report setting out options has been considered by the Executive. The revenue savings identified have been incorporated as a saving. This will be reviewed as part of next years budget process.

- 2.3 It is further recommended that the existing budgets set out in **Schedule 1** be increased by new spending pressures detailed in **Schedules 3 and 4**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 3 – Recurring Spending Pressures

Recurring Spending Pressures	Note	2008/09 £000	2009/10 £000	2010/11 £000
Concessionary Fares	1	158	158	158
Waste Collection	2	69	69	69
Stray Dogs	3	10	10	10
Pension Fund revaluation	4	197	394	591
Shortfall in income projections from fees and charges:	5			
Housing Benefit Admin Grant		44	87	127
Synthetic Football Pitch		0	9	9
Land Charges		53	53	53
Car Parking Charges		82	82	82
Bereavement Services		42	42	42
Total Recurring Spending Pressures		655	904	1,141

Note 1: The proposal is to implement the Government's statutory scheme and this is the estimated cost based on an 18.5% increase in ridership.

Note 2: Potential shortfall in income originally projected following the introduction of revised Waste Collection arrangements.

Note 3: The responsibility of collecting Stray Dogs has transferred from the Police Authorities to Local Authorities. Funding for this scheme now forms part of the RSG settlement.

Note 4: The results of the triennial pension valuation exercise have not yet been received from the County Council but are due shortly. Indications from the County Council anticipate that the increase will be in the region of 1% per annum for the next three years. A full analysis will be provided once the information has been received.

Note 5: The Executive has considered various reports into projected shortfalls in income which have occurred for a variety of reasons. Decisions have been made to attempt to mitigate the shortfalls, and the net impact contained above is the best estimate of the shortfalls for 2008/09 at the present time. There is a remaining risk that the overall position could improve or worsen further, and the position will be monitored carefully throughout the year.

Schedule 4 – Non-Recurring Spending Pressures

Non-Recurring Spending Pressures	Note	2008/09 £000	2009/10 £000	2010/11 £000
Brampton Business Centre/Telecentre	1	40	0	0
Carlisle TIC & Assembly Room	2	14	0	0
Shared Services/Efficiencies	3	100	50	50
Petteril Riverbank Protection work	4	20	0	0
Health and Safety Inspections	5	42	42	42
Draft Travel Plan	6	30	0	0
Customer Contact Centre	6	20	0	0
Waste Collection – Enforcement	7	40	0	0
Carlisle Renaissance	8	50	300	300
Small Scale Community Projects	9	80	0	0
Total Non-Recurring Proposals		436	392	392

Note 1: This pressure relates to a projected shortfall in income in 2008/09. However it is anticipated that the shortfall will be resolved in future years following a fundamental review of the service.

Note 2: Options to address this projected shortfall in income are currently being evaluated and will be reported to a future meeting of the Executive.

Note 3: Earmarked budget to achieve potential efficiency savings as a result of the Shared Services agenda. Progression of this scheme will be subject to further reports and approval of the Executive before the release of any monies will be approved. This also includes a subscription of £16,000 per annum to Connected Cumbria Partnership Strategic Board (CCPSB) to fund the Council's involvement in the Cumbria wide group

Note 4: Survey and investigatory work at River Petteril

Note 5: An additional Health and Safety Enforcement Officer for a three year fixed term contract to enable minimum acceptable standards are met following a recent audit of the Occupational Health and Safety function.

Note 6: Savings identified in the 2007/08 budget process which are now not achievable but which will be progressed for 2009/10.

Note 7: A non-recurring pressure of £40,000 for the continuation of the Waste Enforcement Officer role which will be funded from the WPEG grant (now part of the RSG settlement).

Note 8: The progression of the Carlisle Renaissance Initiative will require additional resources to deliver. The amount included above includes the continuation of the existing funding to 31 March 2011 pending more detailed consideration of future costs by the Executive in January.

Note 9: This is the proposal for the continuation of the schemes for small scale community projects which commenced in 2006/07.

- 2.4 As a consequence of the above, the Executive recommends that the Net Budget Requirement for Council Tax Purposes for 2007/08, with projections to 2009/10, be approved as set out in **Schedule 5** below:

Schedule 5 – Summary Net Budget Requirement for Council Tax Purposes

2007/08 Original £000	2007/08 Revised £000	Summary Net Budget Requirement	2008/09 Budget £000	2009/10 Proj'd £000	2010/11 Proj'd £000
		Recurring Revenue Expenditure:			
		Existing Expenditure(Schedule 1)	17,527	18,318	18,948
		Budget reductions (Schedule 2)	(1,393)	(2,216)	(2,238)
		New Spending pressures (Schedule 3)	655	904	1,141
16,964	16,973	Total Recurring Expenditure	16,789	17,006	17,851
		Non-Recurring Revenue Expenditure			
(279)	742	- Existing Commitments (Schedule 1):	793	324	0
		- Spending pressures (Schedule 4)	436	392	392
0	1,317	- Carry Forward	0	0	0
16,685	19,032	Total Revenue Expenditure	18,018	17,722	18,243
		Less Contributions from Reserves:			
(1,000)	(1,000)	Recurring Commitments (Note 1)			
73	64	- Pay & Workforce Strategy	(1,000)	(1,000)	(1,000)
927	936	- Balance	718	788	229
		Sub total	282	(72)	(1,163)
364	(1,974)	Non Recurring Commitments			
0	0	- Existing Commitments (Note 2)	(793)	(324)	0
364	(1,974)	- New Commitments (Schedule 4)	(436)	(392)	(392)
		Sub total	(1,229)	(716)	(392)
16,122	16,122	Total City Council Budget requirement	16,507	16,794	17,080
390	390	Parish Precepts Est. - (Schedule 1)	400	410	420
16,512	16,512	Projected Net Budget Requirement for Council Tax Purposes	16,907	17,204	17,500

Note1: This is the projected recurring budget shortfall for which additional savings will be required. It should be noted that the bulk of the projected shortfall is in relation to the potential impact of the Job Evaluation process and work will continue to identify ways to keep the potential impact within available resources.

Note 2: Non - recurring Revenue commitments arising from existing approved commitments from earlier years are as follows:

Existing Non Recurring Commitment Approvals	2008/09 £000	2009/10 £000	2010/11 £000
Housing Strategy	120	120	0
Carlisle Renaissance Team	340	0	0
Planning Standards Authority	108	49	0
Connected Cumbria Partnership	16	0	0
Capacity Building/ACE/Joint Working/WDP	42	42	0
Synthetic Football Pitch	43	0	0
Slippage from 2006/07	124	113	
Total	793	324	0

- 2.5 As a consequence of the above and having made the appropriate calculations required under Section 32 of the Local Government Finance Act 1992, the Executive is putting forward a proposal for an increase in Council Tax for 2007/08 of **3.5%**. This is set out in **Schedule 6** below.

Schedule 6 – Total Funding and Provisional Council Tax Projections

2007/08	Total Funding and Council Tax Impact	2008/09	2009/10	2010/11
33,893.11	Estimated Taxbase	33,988.01	34,083.18	34,178.27
£000		£000	£000	£000
16,122	Projected Net Budget Requirement for Council Tax Purposes (Schedule 5):			
390	- City	16,507	16,794	17,080
16,512	- Parishes	400	410	420
	- Total	16,907	17,204	17,500
(6,000)	Funded By:			
(1,453)	- Council Tax Income	(6,227)	(6,463)	(6,708)
(8,658)	- Revenue Support Grant	(1,255)	(10,320)	(10,372)
(11)	- National Domestic Rates Grant	(9,014)	0	0
(390)	- Estimated Council Tax Surplus	(11)	(11)	0
(16,512)	- Parish Precepts	(400)	(410)	(420)
	TOTAL	(16,907)	(17,204)	(17,500)
£177.02	City Council Tax: Band D Council Tax	£183.22	£189.63	£196.27
£5.99	Increase over previous year: £	£6.20	£6.41	£6.64
3.5%	%	3.5%	3.5%	3.5%
	NB:			
	- The projections are <u>indicative only</u> for 2009/10 and 2010/11.			
	- This <u>excludes</u> the impact of the Parish Council Tax proposals in the rural areas.			

- 2.6 It should be noted that the funding projections in **Schedule 6** are based upon:

- A provisional Government Grant entitlement of £10.269m for 2008/09 with projections for 2009/10 of £10,320 and £10,372 for 2010/11 as announced by the Secretary of State on 6 December 2007.
- The Council Tax Surplus and Taxbase are currently estimated and final figures will be available in the new year.

SECTION C - CAPITAL PROGRAMME 2007/08 TO 2010/11

1. REVISED CAPITAL BUDGET 2007/08

1.1 The Executive recommends that the revised 2007/08 Capital Programme be approved at £9.802m compared to the original budget of £8.205m as set out in the report of the Director of Corporate Services CORP60/07. The increase of £1.597m can be summarised as follows:

- New Schemes £1.902m
- Slippage to future years (£0.305m)

2. CAPITAL BUDGET 2007/08 TO 2009/10

2.1 The Executive recommends that the estimated Capital Resources available and proposed Capital Programme for 2008/09 to 2010/11 be approved to be financed and allocated as detailed in **Schedule 7 and 8** below:

Schedule 7 – Estimated Capital Resources

Estimated Resources	Note	2008/09 £000	2009/10 £000	2010/11 £000
Capital Grants:				
• Regional Housing Pot	1	(1,110)	(1,110)	(1,110)
• DFG	2	(226)	(226)	(226)
• General		(20)	0	0
• Slippage from 2006/07		(25)	0	0
Capital Receipts:	3			
• Generated in year – General		(1,000)	(1,000)	(1,000)
• Generated in year – PRTB		(1,100)	(552)	(526)
Capital Contributions		(40)	0	0
TOTAL		(3,521)	(2,888)	(2,862)

Note 1: The funding of supported borrowing has been removed from the RSG allocation and has been replaced by a separate capital grant funded from the Regional Housing Pot. The allocation for 2008/09 has not yet been received and the amounts above are estimated figures.

Note 2: The Disabled Facilities Grant allocation will not be announced until January 2008. The projection is based upon current allocations.

Note 3: The capital receipt projections arise from the sale of land and preserved Right to Buy Receipts. The receipts will be used to support the Council's priorities and in particular sustainable communities and the Housing Strategy. As always the extent to which the Council is meeting its expected capital receipt target will be closely monitored.

Schedule 8 – Proposed Capital Programme

Capital programme	Note	2008/09 £000	2009/10 £000	2010/11 £000
<u>Current Commitments:</u>				
Slippage from 2006/07		74	0	0
Private Sector Housing Investment	1	849	849	849
Major Repairs to Council Property	2	250	250	250
Vehicles and Plant	1/3	129	1,911	255
IT Equipment	1/3	254	283	322
Industrial Estate Maintenance	1	490	215	200
Desk Top Replacement	1	108	108	108
Housing Strategy (5 Year)	2	1,250	400	0
Play Areas	1	50	50	50
Housing Foyer	4	300	0	0
Historic Quarter	1	840	0	0
Total Existing Commitments		4,594	4,066	2,034
<u>New Spending Proposals:</u>				
MUGA & Sports Initiatives	1	105	0	0
Environmental Enhancements	1	160	160	160
Petteril Riverbank Protection Work	1	82	0	0
Hammonds CCTV	1	25	0	0
Adelaide Street Allotment Fencing	1	10	0	0
Caldew/City Centre Flood Defence	1	21	0	0
Kingmoor Nature Reserve	1	40	0	0
Family Hostel Replacement	1	400	0	0
Total New Proposals		843	160	160
TOTAL POTENTIAL PROGRAMME		5,437	4,226	2,194

Note 1: The budgets identified have been earmarked for the schemes shown, but progression with the schemes will be subject to further reports and approval of the Executive before the release of any monies will be approved.

Note 2: Detailed reports have been considered during the budget process and once approved by Council, these schemes can be progressed.

Note 3: The Vehicle, Plant and equipment budget is approved for 2008/09 but for 2009/10 a full report and options appraisal will be prepared for the Executive.

Note 4: The amount of £300,000 is match funding to carry out refurbishment work to the YMCA building at 22 Fisher Street, Carlisle. The Council's contribution is to be funded from the 2006/07 Regional Housing Board grant received and is subject to a further grant application being accepted as detailed in Report DS97/07 which was considered by the Executive 22 October 2007. Feedback is expected in February. A further report will be provided to the March Executive regarding the outcome.

A summary of the estimated resources compared to the proposed programme is set out in **Schedule 9** below:

Schedule 9 – Summary Capital Resource Statement

Summary Programme	2008/09 £000	2009/10 £000	2010/11 £000
Estimated Resources 31 st March 2008	(11,721)	0	0
Less transferred to earmarked reserves	2,000	0	0
	(9,721)		
In year impact:			
Estimated Resources available (Schedule 7)	(3,521)	(2,888)	(2,862)
Proposed Programme (Schedule 8)	5,437	4,226	2,194
Projected (Surplus)/Deficit in Resources	1,916	1,338	(668)
Cumulative year end position			
• Capital Receipts	(7,805)	(6,467)	(7,135)

SECTION D – USABLE RESERVES PROJECTIONS

1. The Executive recommends, as a consequence of Sections A, B and C detailing the Council's Revenue and Capital budgets, the overall use of the Council's usable Reserves as set out in **Schedule 10** below.

Schedule 10 – Usable Reserve Projections

Council Reserves	Note	Actual 31/03/07 £000	Revised 31/03/08 £000	Projected 31/03/09 £000	Projected 31/03/10 £000	Projected 31/03/11 £000
Revenue Reserves						
General Fund Reserve		(3,800)	(3,800)	(3,800)	(3,800)	(3,800)
Projects Reserve	1	(6,641)	(3,791)	(3,405)	(2,477)	(1,314)
Collection Fund		6				
Residents Parking		14				
Building Control		30				
Routledge Reserve		(75)				
Sheepmount		(150)				
Conservation Fund		(191)				
LSVT Warranties		(488)				
Total		(11,295)	(7,591)	(7,205)	(6,277)	(5,114)
Capital Reserves						
Renewals Reserve	2	(1,681)	(1,125)	0	0	0
Capital Receipts		(10,460)	(9,721)	(7,805)	(6,467)	(7,135)
Asset Investment Reserve		(2,060)	(2,000)	(2,000)	(2,000)	(2,000)
Lanes Capital Reserve		(266)	(281)	(296)	(311)	(326)
Total		(14,467)	(13,127)	(10,101)	(8,778)	(9,461)
Total available Council Reserves		(25,762)	(20,718)	(17,306)	(15,055)	(14,575)
Other Reserves		(93,910)				
Total Reserves		(119,672)				

Note 1: The movement on the Projects Reserve is as follows:

Balance as at:	Projected Balance £000	In Year Revenue Requirement £000	Transfer from Renewals Reserve £000
31/03/08	(3,791)	1,511	(1,125)
31/03/09	(3,405)	928	0
31/03/10	(2,477)	1,163	0
31/03/11	(1,314)		

Note 2: This reserve is used for the replacement of items of vehicles, plant and general and IT equipment. Reports have been considered recommending this reserve be deleted from 1st April 2008 and the capital and revenue implications are built into the proposals.

SECTION E - PROPOSED BUDGET DISCIPLINE

1. The Council has adopted a 3-year financial strategy as set out in its Medium Term Financial Plan to assist in the integration of financial planning with the priorities set out in the Corporate Plan. The current medium term financial projections point to a shortfall in the Council's budgets, which will require additional savings to be identified. In addition, the scope for the Council to continue support for initiatives in future years and to redirect resources to priorities will be dependent on the extent to which the Council is successful in realising and redirecting additional resources. The requirement to identify savings or raise additional income in future years is a continuing pressure facing the Council. In the light of this, the Executive recommends the following Budget Discipline to the Council.
2. In preparation for the 2009/10 Budget Cycle the Executive requests the Town Clerk and Chief Executive to investigate a number of key areas of the Council's work and produce a series of reports throughout 2008/09 for the Executive.
 - The Council's improvement plan will be progressed and will have as one of its major actions, the establishment of a value for money (VFM) methodology which will enable the Council to assess how it is achieving best value across all of its services.
 - Although there is scope to fund the estimated budget deficit from the Projects Reserve in the medium term, this could not be sustained. A strategy for identifying recurring savings within the revenue budget has been drawn up by SMT and the Executive and this strategy will continue to be developed during the coming year.
 - This Strategy will continue to concentrate on the following key areas:
 - Service Improvement Reviews – the financial target for these reviews will be required to achieve a minimum 5% reduction in the gross cost of those services. The Service Improvement Reviews which commenced in 2007/08 and will be completed in 2008/09 cover Community Services, Brampton Business Centre, Central Recharges and Marketing. A programme of review which covers all the Council's services provided and the timescales will be drawn up by March 2008. The reviews will be completed in time to be included early in each annual budget process.
 - Asset review – this will set out clear objectives one of which will be to deliver recurring additional income or recurring reduced costs. It will provide a timetable of deliverables and the impact on services and improvements. A report will be considered early in 2008 with a key focus on issues related to the LAV options.
 - Shared Services – the requirement is to achieve a 3% efficiency savings target via the shared services agenda by the development and delivery of the Shared Services Strategy.
 - To carry out a review of those services which do not fall within the Council's core priorities.
 - The Executive will monitor the development of the Strategy and the achievement of its objectives.

- Using the information gathered from an initial review carried out by Internal Audit in 2004, it is envisaged that further, more detailed, discussions could be undertaken to explore the possibility of new and/or increased trading and charging opportunities for particular services.
3. Members and Officers are reminded that it is essential to maintain a disciplined approach to budgetary matters and as such:
- Supplementary estimates will only be granted in exceptional circumstances.
 - Proposals seeking virement should only be approved where the expenditure to be incurred is consistent with policies and priorities agreed by the Council.
4. In order to continue the improvements in the links between financial and strategic planning, the Strategic Planning Group will continue to meet regularly to progress forward planning on these issues.

SECTION F – DRAFT STATUTORY REPORT OF THE DIRECTOR OF CORPORATE SERVICES

1. As in previous years the Council is required to set its Budget Requirement. However there are a number of matters arising from the introduction of the Local Government Act 2003 (Section 25) that the Council must also consider:
 - (i) The formal advice of the statutory responsible financial officer (which for the City Council is the Director of Corporate Services) on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;
 - (ii) The Council has to determine what levels of borrowing, if any, it wishes to make under the new Prudential Code that now governs local authority borrowing.

2. Robustness of the Estimates

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff, the Senior Management Team and the Strategic Planning Group prior to submission to members.

The Council's revenue and capital budgets are 'joined up' in terms of the cost of the proposed capital programme is reflected in the revenue estimates.

The Council has no history of overspending against budget, indeed, in the past there has tended to be a degree of underspending. Improved budget monitoring and base budget procedures have proven effective in addressing this issue.

There are risks involved in projecting budgets particularly over the medium term and the year-end position will never exactly match the estimated position in any given year. Areas of specific risk in the current three year period under consideration are:

- The Governments recent spending review (CSR07) indicates that Central Government funding of Local Government will be much tighter over the next 3-year period, and indeed beyond this. This has been reflected in the recent grant settlement where the Council was amongst those who received the lowest percentage increase in the country at just 1% in 2008/09 and 0.5% in 2009/10 and 2010/11. Coupled with the requirement to identify 3% cashable efficiencies for redirection to priorities, this will increase the pressure to provide efficiency and improve value for money in the provision of council services including the progression of shared service initiatives.
- A major potential financial implication for the Council for 2007/08 onwards is the financial implications of the Job Evaluation process. Currently the projections include a recurring cost of £1m per annum from 2007/08, although this is considered to be a worst case position. The project is on going and currently is anticipated to come to a conclusion in May 2008. Senior Managers will continue to investigate ways as the project progresses to contain the impact within available resources.

- To improve the accuracy of base budgets and to avoid year end underspending, income budgets have been set at more realistic levels based on usage to date, price increases etc. This does however increase the risk that income budgets may not be achieved as indeed has been experienced in previous years. There is also an increasing significant reliance on Grant Income.
- The budgets as presented include an increase in the concessionary fares scheme, which is an increase on the current scheme. There is however a significant risk that the projections on ridership and other issues have been understated and that the cost to the Council may increase. This position will continue to be monitored closely during 2007/08 and 2008/09.
- The level of interest receipts and return on Treasury Management activities are subject to market rates. Members are advised of this risk every year but clearly actual interest returns are determined by a variety of factors largely outside the Council's control. At over £1.5m, interest receipts are an important element of the Council's budget.
- Central contingencies – there have been no contingency budgets built in to the existing estimates. This means that any unforeseen expenditure that cannot be contained within existing budgets will require a supplementary estimate to cover any costs. There is however sufficient reserve balances to cover such events.
- Benefits estimates – whilst the budgeted net cost of benefits is relatively small it is the product of gross expenditure and income of approximately £26m. Calculation of the budget is also very complex and depends on estimates of a variety of factors in the benefit subsidy calculation. There does remain a risk therefore that the outturn may vary from the budget.

At this stage it should be noted that the current projected revenue deficit still requires substantial savings to be identified to meet the ongoing projected shortfall. This shortfall can be more accurately evaluated once the results of the Job Evaluation process are known. Currently many of the savings proposals are at an early stage of consideration and whether these are robust enough to be included in the final budget proposals will be determined as part of the on going 2008/09 budget process.

With regards to the capital budget, the Council is committed to Carlisle Renaissance and a team has been appointed to assist with the delivery. The funding for this team currently finishes in 2008/09 after which delivery of the project needs to be reconsidered. As part of this budget process specific budgets have been earmarked to assist with the delivery of the project but currently there are limited earmarked budgets for the actual delivery of the transformational projects. There are also potentially significant capital budget requirements arising from other initiatives and ongoing studies which currently have no funding allocations.

Taking the above matters into account it is my opinion that the budget presented for Council approval for 2008/09 is sufficiently robust. However this is subject to (i) regular budget monitoring and the necessary steps being taken to resolve the ongoing projected deficit from 2008/09 i.e. delivering the savings proposals identified and

continuing work to deliver further savings, and (ii) clarifying the requirement for the future capital programme.

3. Adequacy of Reserves

The level and usage of the Council's Reserves is undertaken annually as part of the Medium Term Financial Plan.

Whilst viewed in isolation the Council's Reserves appear healthy, the appropriateness of the level of reserves can only be judged in the context of the Council's longer term plans. The Council's medium term financial projections show that the Council has a significant revenue deficit from 2008/09. The Council's policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit and steps taken to address the situation in the following years. The deficit projections must therefore be addressed and the Executive will need to set out in its Budget Discipline how it expects Officers to address the situation in preparing for the 2009/10 budget cycle. Currently £1m for 3 years has been earmarked from reserves to meet the potential cost of the job evaluation project pending identification of further savings. Whilst clearly there is a risk that other savings cannot be identified, the Council has a history of identifying savings in the face of difficult decisions.

It is my opinion that Council Reserves are currently at an appropriate level and form a crucial element in the council's longer-term financial strategy. However steps need to be taken to resolve the ongoing projected deficit from 2008/09 by delivery of savings proposals currently identified and identification of further savings. During the current budget, recommendations have been made on dismantling the Renewals Reserve and transferring remaining balances as appropriate to earmarked or to the Projects Reserve and this will need to be approved by Council.

4. Determination of Borrowing

The new Prudential Accounting regime enables the Council to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for Council approval once decisions on the overall Capital Programme have been made.

For the period under review it has been recommended that no borrowing will take place due to the level of capital receipts currently being generated with the forward projections also including no prudential borrowing. The capital programme for 2008/09 to 2010/11 is largely funded from capital receipts, particularly from the Preserved Right to Buy Sharing agreement.

There is a risk however in the long-term sustainability of funding the capital programme from a reducing availability of capital receipts over the longer-term and the use of prudential borrowing will be kept under review.

SECTION G – GLOSSARY OF TERMS

BUDGET

- **GROSS** – the total cost of providing the council's services before taking into account income from service related government grants and fees and charges for services.
- **NET** – the Council's gross budget less specific government grants and fees and charges, but before deduction of RSG and other funding from reserves.
- **ORIGINAL BUDGET** – the budget for a financial year approved by the council before the start of the financial year.
- **REVISED BUDGET** – an updated revision of the budget for a financial year.
- **NET BUDGET REQUIREMENT FOR COUNCIL TAX PURPOSES** – the estimated revenue expenditure on general fund services that needs to be financed from the Council Tax after deducting income from fees and charges, certain specific grants and any funding from reserves. It is referred to by the Office of the Deputy Prime Minister (ODPM) when deciding the criteria for capping local authority revenue expenditure.

CAPITAL EXPENDITURE - Expenditure on the acquisition of a fixed asset or expenditure, which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS – the proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure within rules set down by the government, but they cannot be used to finance revenue expenditure.

CONTINGENCY – money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

COUNCIL TAX – the main source of local taxation to local authorities. Council tax is levied on households within its area by the billing authority and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

DISABLED FACILITIES GRANT (DFG) (often referred to as SPECIFIED CAPITAL GRANT (SCG)) – individual government grants towards capital spending on providing disabled adaptations to housing. The DFG grant covers 60% of the DFG expenditure with and Local authorities must meet 40% from its own resources.

FEES AND CHARGES – income raised by charging users of services for the facilities.

GERSHON – each Local Authority must produce an efficiency plan in order to achieve efficiency savings set at 2.5% per annum over a three-year period as determined by the Government.

INTEREST RECEIPTS – the money earned from the investment of surplus cash.

LAV – Local Asset Vehicle

NON-RECURRING EXPENDITURE – items which are in a budget for a set period of time.

PRECEPT – the levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

- **PRECEPTING AUTHORITIES** – those authorities which are not billing authorities, ie do not collect the council tax and non-domestic rate. County councils, police authorities and joint authorities are ‘major precepting authorities’ and parish, community and town councils are ‘local precepting authorities’.

RESERVES – amounts set aside in one year to cover expenditure in the future, which all Authorities must maintain as a matter of prudence. Reserves can either earmarked for specific purposes or general.

REVENUE EXPENDITURE – day to day running costs of the Authority, including employee costs, premises costs and supplies and services.

REVENUE SUPPORT GRANT (RSG) – a grant paid by central government to aid local authority services in general, as opposed to specific grants, which may only be used for a specific purpose.

- **NATIONAL NON-DOMESTIC RATE (NNDR)** – paid as part of the RSG, this is a levy on businesses, based on a national rate in the pound set by the government multiplied by the ‘rateable value’ of the premises they occupy. NNDR is collected by billing authorities on behalf of central government and then redistributed among all local authorities and policy authorities on the basis of population. Also known as ‘business rates’, the ‘uniform business rate’ and the ‘non-domestic rate’.

SUPPLEMENTARY ESTIMATE – an amount, which has been approved by the authority, to allow spending to be increased above the level of provision in the original or revised budget.

TAXBASE – the number of Band D equivalent properties within each Local Authority area used to determine the RSG by the ODPM and to calculate the Council Tax yield by each authority.

VALUE FOR MONEY – a much-used term that describes a service or product that demonstrates a good balance between its cost, quality and usefulness to the customer. A VFM audit takes into account the economy, efficiency and effectiveness of a local authority service, function or activity.

VIREMENT – the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head i.e. a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.