

**NOTES OF BUDGET CONSULTATION MEETING WITH
REPRESENTATIVES OF NON-DOMESTIC RATEPAYERS AND LARGE EMPLOYERS
WEDNESDAY 7 JANUARY 2015 AT 1:00PM**

PRESENT: Councillor Mrs Bradley, Economy, Enterprise and Housing Portfolio Holder
Councillor Glover, Leader of the Council
Councillor Mrs Martlew, Environment and Transport Portfolio Holder
Councillor Tickner, Finance, Governance and Resources Portfolio Holder
Jason Gooding, Town Clerk and Chief Executive
Peter Mason, Director of Resources

ALSO

PRESENT Mr P Ashley – Clark Door
Mr P Connan
Mr D Jackson – The Lanes
Mr R Johnston – Cumbria Chamber of Commerce
Mr J Taylor
Mr M Ward

1. WELCOME

The Leader welcomed everyone to the meeting and stated that the Council were in challenging and exciting times and was looking with positivity to the future. The Leader acknowledged that there would be pressures for everyone including businesses and the Council. Input from businesses was helpful in determining the budget and the Leader thanked those present for their attendance at the meeting.

The various parties then introduced themselves.

2. BUDGET

The Director of Resources explained that the Council had to deliver a balanced budget over a 5 year period which would fund services and the Council's commitments and maintain adequate reserves in case of emergencies. The draft 2015/16 budget proposals took account of long term trending requirements.

The Director of Resources explained that questions in respect of the budget consultation would receive a written response which would be presented to the Executive as part of their consideration of the budget consultation.

The Director of Resources advised that calculations were made each year to determine funding for the following five year period. The current revenue projections assumed prudent levels of reserves of £2.6m as identified within the MTFP. Council Tax had been frozen for the past four years and a further freeze on Council Tax had been included for 2015/16 in the figures which presumed a 1.99% increase from 2016/17 onwards.

With regard to revenue budget pressures the Director of Resources explained that the Council had seen less income from treasury management due to low interest rates. Income from car parking had not reached levels seen in 2011 therefore the budget

projections for car parking had been re-set from 2015/16. Responsibility for on street parking had returned to the County Council which created an economy of scale cost. A reduction in the amount of packaging and an increase in the number of properties had led to an increase in pressures on refuse collection and recycling. Development Control Income was increasing as the property market improved but was not yet back to the levels of 2010/11.

With regard to events a pilot programme had been very successful and the Executive were keen to continue. It was hoped that income from events sponsorship would increase over the next few years.

The Executive and Senior Management Team had undertaken a lot of work on how the Council could make the required savings over the next five years.

The Director of Resources explained that the Environment and Transport Portfolio Holder and the Director of Local Environment had undertaken a review of car parking to encourage car park usage, particularly long term. It was proposed to reduce car parking charges for long stay which would increase car park usage. However Officers were cautious and would monitor trends over the next couple of years.

The Director of Resources advised that the Executive were keen to find external funding to allow the Council to employ a funding officer who could investigate and source external funding. In the meantime the budget indicated funds for a one year pilot and if the post was successful would be included in future budgets. In response to a query the Director of Resources advised that it had not yet been decided how the post would be resourced and all options would be considered.

The Director of Resources explained that when the budget was initially published the Council did not have the Government finance settlement. Those figures had since been announced and were now included. The Welfare Reform Act including Universal Credit, currently at the pilot stage, would have an impact on the City Council when implemented as many people would come to the City Council for information. Once implemented the Council would be able to start costing the changes created by Universal Credit but in the meantime Officers were monitoring the situation.

In order to mitigate pressures it was proposed to reduce provisions for inflation and pay awards.

As income was low from treasury management £3m had been put into a property bond which would see a 5% growth. The Director of Resources agreed to send a copy of the report on the property bond to Mr Taylor who queried the yield. Representatives were concerned about whether the issue had been sufficiently considered and how the bond was underwritten. The Director of Resources explained that the bond was underwritten by the value of the property assets and that he would circulate the report including the private sector report.

The Director of Resources advised that the building of a new pool had been put on hold until completion of the new leisure contract due in 2017. Funding from the new leisure facilities would be covered by a mortgage over 25 years and savings, the type of which would be decided with the Council's professional advisors at the time.

In response to a query the Director of Resources advised that the budget for the Arts Centre had been included in the budget for 2013/14.

As a result of the Government finance settlement and inflation the Director of Resources explained that there would be 30% less resources for the Council to spend.

In respect of capital the Director of Resources advised that whilst the Council had a lot of assets its free capital balances were reducing. The Council had halved the capital for the planned enhancements to the Council as a lot of work had already been undertaken in the Civic Centre. The ICT budget had also been halved and all capital programmes were fully funded.

The Finance, Governance and Resources Portfolio Holder acknowledged that things had been difficult since 2012 and there had been a reduction in core grants from Government. He believed that the MTFP was prudent but realistic. The Executive did not want the city to decline but were committed to boost commercial areas and increase revenue by building new homes, new businesses and better use of Council assets. That would bring new businesses and shoppers to the City and the Council would support businesses in their efforts.

The introduction of Welfare Reform, which was the responsibility of the DWP, would lead to an increase in the number of people coming to the Council as residents believed it was a Council responsibility. The Council were legally obliged to provide a balanced budget to cover the five year period and had looked at all details. Consultation would be open until 12 January 2015 and all comments would be considered. The Council would continue to support vulnerable residents and there would be a big push to put the Carlisle Plan into place which would encourage external investment for external companies and incubator businesses. The Portfolio Holder stated that he was optimistic that Carlisle was a growing city and that people would come to the City and want to stay.

There was prolonged discussion about how the budget consultation meetings were publicised. The Leader confirmed that the matter would be investigated for future budget consultation meetings.

In response to a query regarding a large outstanding loan the Director of Resources explained that the loan was due to be paid from the 2020/21 budget and the current budget was up to 2019/20. If the loan was paid early there would be a substantial premium which made early repayment financially unviable.

The Director of Resources confirmed that the total indebtedness of the Council was looked at as part of the year end routine. As the Council was capital poor it would not be able to undertake major programmes at the present time without external funding. The Director of Resources confirmed the total value of the Council's assets.

The Finance, Governance and Resources Portfolio Holder advised that it was important to ensure that the balance was right. The Council was committed to developing the City and businesses need to be involved in the Council's priorities. Mr Johnston queried whether the Council were happy that their assets were in the right place. The Director of Resources advised that the Asset Management Business Case would deal with the assets.

Mr Ashley queried whether Officers had looked at charging rates for Development Control. The Economy, Enterprise and Housing Portfolio Holder advised that much of Development Control Income was governed by planning applications and size of developments. The Council had little control over those other than Officers providing pre-application advice. Planning Officers worked closely with those dealing with asset management and a register of available land was kept. Changes in legislation had meant that the Council would no longer automatically have income from Building Control. The Portfolio Holder confirmed that, in theory, those services could be contracted out but that would be part of larger discussions. Planning Officers were currently at capacity dealing with applications.

Mr Ashley queried whether the Council were receiving a proportional share from developments. The Finance, Governance and Resources Portfolio Holder advised that a charging review was undertaken each year and charges were maximised where possible. However the Council continued to support vulnerable groups.

The Economy, Enterprise and Housing Portfolio Holder acknowledged that income was not at the level of 2011 and advised that could be due to some applications being approved but not started. Work was now starting on a number of developments.

Mr Johnston suggested the Council could look at different ways of working to make the service more efficient such as providing a fast-track service for applications. The Economy, Enterprise and Housing Portfolio Holder explained that the Planning Officers worked to statutory deadlines and a developer could appeal on non-determination if an application was delayed. However, issues outwith the Council's control, such as assessments, could cause delays.

The Environment and Transport Portfolio Holder explained that a review of waste services was being undertaken across the district and the potential impact on Carlisle. One of the main issues was that the Council was reliant on recycling credits which were determined by the County Council. Any changes to waste services across the district would be done by agreement. The Director of Resources explained that the review started before the start of the budget consultation. Potential impacts of the County Council budget had not been factored into the City Council budget as the figures were not accessible when the budget was prepared.

There was extensive discussion about the Arts Centre, pension funds, leasehold of Council land and tourism and the Director of Resources confirmed that he would provide a written response in respect of issues raised.

There was further discussion around problems in respect of car parking and it was agreed that better signage and good quality car parks with good lighting could improve the situation.

The Leader thanked those attending for their input into the meeting and stated that Members would like dialogue with businesses to continue and were happy to discuss any issues looked forward to meeting more frequently in the future.

(The meeting closed at 2.20pm)