
**EXCERPT FROM THE MINUTES OF THE
ENVIRONMENT AND ECONOMY
OVERVIEW AND SCRUTINY PANEL
HELD ON 21 NOVEMBER 2013**

EEOSP.79/13 BUDGET 2014-15 TO 2018-19

Revenue Budget Reports

(a) Summary of New Revenue Spending Pressures

The Director of Resources submitted Report RD.53/13 summarising the new revenue spending pressures and reduced income projections which needed to be considered as part of the 2014/15 budget process. The issues were to be considered in the light of the Council's corporate priorities.

The Director advised that clearly all of the pressures could not be accommodated within existing resources (including the use of reserves) and decisions would need to be made throughout the budget process to limit pressures to high priority and unavoidable issues to ensure that a balanced budget position was recommended to Council in February 2014.

The Executive had, on 18 November 2013 (EX.134/13), received the report and forwarded it to the relevant Overview and Scrutiny Panels for consideration as part of the 2014/15 budget consultation process.

Members gave consideration to the following new revenue spending pressures and reduced income which fell within the area of responsibility of the Panel:

- **Car Parking Income Shortfall**
The Charges Report (LE.30/13) considered elsewhere on the agenda highlighted the fact that car parking income was again falling short of budgetary targets. That pressure reflected the anticipated income as highlighted in the Charges Report.
- **New Homes Refuse and Recycling Scheme**
There was a requirement to provide refuse collection and at least two types of kerbside recycling and, with the growing demand on the service due to new housing development, that pressure reflected the additional cost of providing the service.
- **Plastic and Card Recycling Income Shortfall**
The value of recyclates had dropped therefore achieving the current budgeted level of income was not going to be possible.

- **Rapid Response Team**

Related to the continuation of the non-recurring Clean Up Carlisle pressure agreed as part of the 2012/13 budget process.

- **Green Box Recycling Income Shortfall**

The value of recyclates had dropped as a result of which it would not be possible to achieve the current budgeted level of income. That, doubled with a reduction in the amount of recyclates presented at the kerbside, had resulted in the pressure.

- **Development Control Income Shortfall**

The Charges Report (ED.35/13) considered elsewhere on the agenda highlighted the fact that income from development control would not meet the MTFP target. The pressure reflected the anticipated income as highlighted in the Charges Report.

- **Enterprise Centre Rental Income Shortfall**

The income achieved from the Enterprise Centre was falling short of the budgetary target and that pressure reflected the shortfall.

- **Local Plan Inquiry**

The pressure would provide funding to undertake the required inquiries into proposals laid out in the Local Plan.

- **Bring Sites Recycling Income Shortfall**

The value of recyclates had dropped therefore achieving the current budgeted level of credit income from the County Council would not be possible. It was anticipated that the pressure could be offset by additional income generated from the sale of recyclates when the bring sites service was brought back in house in April 2014. The additional income was included in Report RD.54/13 elsewhere on the agenda.

RESOLVED – That Report RD.53/13 be noted.

(b) Summary of New Savings Proposals and Additional Income

Report RD.54/13 had been circulated to the Panel by way of background information.

The Director of Resources summarised the proposed savings in relation to the Invest to Save Scheme; New Transformation Savings Required; together with the additional income projection in respect of Bring Sites Recyclate income.

The Executive had, on 18 November 2013 (EX.135/13), considered the report and decided:

“1. That the proposed reductions to the base budget from 2014/15 onwards, as set out in Report RD.54/13, be received and forwarded to the relevant Overview and Scrutiny Panels for consideration as part of the budget consultation process.

2. That it be noted that the Senior Management Team would continue to investigate efficiencies and savings in accordance with the Transformational Savings Strategy.”

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

- *How confident were Officers that the required 40-45 people would apply for voluntary redundancy.*

The Director of Resources advised that as it was voluntary it was not known at the present time what the take up would be. The County Council had carried out a similar exercise requiring 300 voluntary redundancies in the first year and had achieved 200 applications to date. It was anticipated that at least 30-35 people would request redundancy but a definite figure would be available by the end of December.

The Deputy Chief Executive explained that had been advised about the voluntary redundancies through briefings held by the Chief Executive. There had been a significant number of enquiries for figures which were being dealt confidentially by HR.

- *How easy will it be to get the right people to volunteer? Members would prefer the redundancies to be voluntary but if there was insufficient take-up compulsory redundancies could be considered.*

The Environment and Transport Portfolio Holder reminded Members that it would be the post that was being removed rather than the person. The Council had frontline services to deliver and therefore the posts would be scrutinised to ensure that the loss of that post would be possible without impacting on services.

- *What would happen if a post was deleted but the person concerned did not wish to take redundancy?*

The Deputy Chief Executive explained that if someone had asked for figures then that could be taken as an indication that the person felt that their post could be made redundant. That would need to be considered by the Directorate before a final decision by the Senior Management Team. Some requests for redundancy would be straightforward and some would not.

- *Had the staff been asked for their suggestions for making savings?*

The Deputy Chief Executive explained that staff had been asked for suggestions on a number of occasions.

- *How would services be retained if there were fewer staff following redundancies?*

The Environment and Transport Portfolio Holder believed that it would be difficult but it could be done.

- *The Council had delivered gold star services in the past. Staff numbers would be reduced but a good service would still be delivered.*

The Deputy Chief Executive believed that it would be challenging but senior Officers were mindful of that and would not overload teams as that could lead to stress related sickness.

Directors were aware of the potential problems but there was no alternative as savings had to be achieved.

RESOLVED – That Report RD.53/13 be noted.

(c) Review of Charges 2014/15

Report LE.30/13 was submitted, setting out the proposed fees and charges for 2014/15 relative to the services falling within the responsibility of the Local Environment Directorate.

The Executive had, on 18 November 2013 (EX.129/13), decided:

“That the Executive agreed for consultation the charges as set out in Report LE.30/13 and relevant appendices with effect from 1 April 2014; noting the impact of those charges on income generation, as detailed within the report.”

- **City Centre Events Charges**

In view of the current economic climate, it was proposed to retain the current charge levels for 2014/15 as set out in Option 1, Table 1 to help maintain demand and the current budgeted level of revenue. Based upon anticipated usage, the proposed charges in Table 1 for 2014/15 would still meet the MTFP budget target requirement of £26,200. The charges had not increased since 2009 and the Executive may wish to consider increasing the charges as set out in Option 2, which introduced 3 categories of promotion (small promotions consisting of one vehicle or canopy; medium promotions consisting of 2 vehicles, canopies; large promotions were vehicles over 7.5 tons or multiple vehicles/canopies.

- **Car Parking**

A new charging structure for car parks had been introduced in March 2012 under which car parks were grouped into four categories to reflect the varying demand from users for each car park. No increases in charges had been made since that time, and the existing charges for each category of car park; together with proposed amendments to special event charges to reflect the daily charge for parking; and car park ticket sales were set out at Section 3.2 of the report.

The revised charging structure also included the introduction of Pay by Phone facilities. Table 3a showed that such measures had not prevented a continuing decline in Pay and Display ticket sales, although the introduction of Pay by Phone had helped. The ticket sales from car parks had declined by an average of 11% over the last 2 years.

Although the uptake of Pay by Phone increased every month, it still only represented a minor element of ticket sales and income. For many shoppers, who were uncertain how long they may wish to stay, the use of Pay by Phone provided an opportunity to extend the parking duration without the inconvenience of having to return to the car as extended duration could easily be purchased. Officers in conjunction with local businesses planned to make users more aware of the advantages of that option in the hope that sales could be increased and that businesses benefitted from the flexibility that the option offered their customers.

The report also provided details of the existing Contract Parking Permit (Saver Parking Permits) charges and, as there were no proposals to change the standard parking charges, it was proposed that the contract parking charges remain unchanged.

It was further proposed to introduce a new charge of £6.00 per day for Builders Permits into the car parking scheme.

The summary of the car park ticket income over the last 2 years for the first 6 months of each year showed that the situation was more optimistic than with ticket sales. Overall income had increased by 1.2% in the past 12 months but still showed an overall fall of 6.3% over the last 2 years. If that improvement was sustained it may indicate the start of an upward trend. The economic situation had not yet shown much improvement and there was evidence to suggest that increasing charges would trigger a fall in car park usage. It was therefore proposed that charges remain unchanged for another year as set out in Table 2, at which time data would be available on whether the recovery in income had accelerated making an increase in charges more justifiable.

- **Parks and Green Spaces**

Charging for the use of parks and green spaces was introduced in 2012/13, with a category for low key commercial use being introduced in 2013/14. It was proposed that the MTFP requirement of 3.8% be applied to each charge, as detailed in Table 5 of the report.

With regard to low key commercial use, the intention was that Council Officers should have discretion to waive or reduce charges in circumstances where a commercial operator was needed in order to provide a catering service as part of a City Council run event. That responsibility was currently delegated to the Director of Local Environment. A sliding scale of charges was recommended for fun fairs.

- **Talkin Tarn**

In last year's Charges Review a proposal for implementing a new charging structure was put forward, and a compromise reached, as detailed in Table 9. It was proposed that those charges should remain for 2014/15. As a product the Talkin Tarn Membership was still in a developmental phase, and it was therefore proposed that the charge should remain at £52.00 per year.

The Business Plan for Talkin Tarn sought to generate income wherever it was feasible and safe to do so. Other charges currently prevalent at Talkin Tarn were outlined in Table 10. Charges had been increased in line with the MTFP requirement with the exception of fishing permits and swimming registration.

- **Public Health and Clean Neighbourhoods**

Central Government determined the range of fines for Fixed Penalty Notices, the fines issued by the City Council being the same as in 2013/14. Shopping trolley and Waste Transfer Note FPN offences had been added to the fees and charges for 2014/15.

- **Waste Services**

It was proposed to increase the charge for bulky waste items by £1 per 5 items to £18.

It was further proposed that the annual charge for clinical waste collections be deleted from the charging structure; the developer charge for new and replacement Euro bins be increased in line with the MTFP requirement; the charge for a 240 litre refuse or garden waste bin should increase; a new charge for replacement gull sacks be introduced; and the option of a reconditioned bin be offered to customers.

There were two facets to the Special Collections service, i.e. bulky waste collections and fixtures and fittings. In the event that Option 1 from Table 11 was chosen for bulky waste collections, each item on the fixtures and fittings list should have a 3.8% increase applied, as shown in Table 13.

- **Summary of Income**

With the exception of Talkin Tarn, the income from which was ring-fenced, acceptance of the charges highlighted within the report would result in an anticipated level of income of £2,415,000 against the MTFP target of £2,593,000. That represented a shortfall of £178,000 against the MTFP target.

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

- *What was the current occupancy rate at the Enterprise Centre? And could the Business Interaction Centre have an effect on the Enterprise Centre?*

The Director of Economic Development advised that the occupancy was approximately 60% which had not changed over the last twelve months. The biggest issue was that after businesses had been set up they were not moving on. That issue had to be addressed. The Director of Economic Development explained that the Business Interaction Centre offered a different service to the Enterprise Centre with more creative digital business support.

- *Better use could be made of the meeting room at the Enterprise Centre which could increase income.*

The Economy and Enterprise Portfolio Holder explained that new businesses were encouraged to move into the Enterprise Centre and the Economic Development Officer had been successful in that respect.

- *Members acknowledged that there were problems with the Enterprise Centre and queried whether it was feasible to continue with low occupancy figures. There would come a point where Officers would need to look at doing something else with part of the building.*
- *Cumbria had a low level of business start up and there were problems with the Enterprise Centre. Pressure should be put onto Government to do more to assist new businesses.*

The Director of Economic Development explained that the Council were trying to do more through the Local Enterprise Partnership (LEP) and a number of projects were being introduced. The Council had worked in partnership with the University to develop the Business Interaction Centre which would support small businesses but there needed to be a push by the LEP.

The Economy and Enterprise Portfolio Holder advised that a meeting of the Carlisle Economic partnership had been held that morning involving both public and private sector. The Partnership was aware of the needs of Carlisle and were working on ideas to ensure the public and private sectors to coordinate plans to enable them to put forward bids for funding which at present had to be submitted through the LEP.

- *In respect of City Centre changes the report offered two options including larger commercial promotions.*

The Environment and Transport Portfolio Holder advised that Members were looking at the options seriously and that there had been a healthy interest for large promotions within the City Centre.

- *There was disparity between the performance report on waste services and the budgetary report.*

The Director of Local Environment advised that it was dependent upon when the figures were reported. The Council were currently on target to meet income targets and were proposing to increase the charge for removal of bulky items to £18 which was an increase of £1. That was still a lower charge than some other districts. If the Council did not provide the service there would probably be an increase in the level of fly-tipping.

- *Would the proposed charge for replacement gull sacks be workable?*

The Director of Local Environment advised that only the cost of replacing and delivering a gull sack was passed on to the householder.

RESOLVED – (1) That Report LE.30/13 be welcomed.

(2) That the observations of the Environment and Economy Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive.

- **Economic Development**

Report ED.35/13 was submitted, setting out the proposed fees and charges for the areas falling within the responsibility of the Economic Development Directorate.

The Executive had, on 18 November 2013 (EX.131/13), decided:

“That the Executive agreed for consultation the charges, as set out in the relevant Appendices to Report ED.35/13, with effect from 1 April 2014; noting the impact those would have on income generation as detailed within the report.”

- **Tourism and City Centre Management**

Although it was considered that there was little scope for increasing charges for other organisations across the country, a wider range of tickets together with other items such as fishing licences continued to be sold to try to maintain income. Following the refurbishment of the Old Town Hall the buying / sales strategy had been revised to stock a

higher quality of merchandise with higher margins. Other opportunities were also being explored.

- **Assembly Rooms**

It was proposed that charges for use of the Assembly Rooms in 2014/15 be increased by 3.8%. Other opportunities to increase income were being explored as part of the internal refurbishment of the Tourist Information Centre.

- **Enterprise Centre**

Following the review of the Enterprise Centre management of the facility was undertaken from the Civic Centre, as a result of which any income received was solely derived from the rental and service charge of the occupied units. It was proposed to increase the rent and the service charge for 2014/15 by 3.8% in line with inflation.

- **Planning Services**

The planning fees had been increased last year and no further increases were proposed at the moment.

- **Building Control**

Fees were now kept under regular review by the Building Control Service and were set in line with other Cumbrian authorities.

- **Summary of Income Generated**

The acceptance of the charges highlighted within the report, with the exception of Building Control which was self financing, would result in an anticipated level of income of £595,600 against the MTFP target of £595,600.

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

- *Members were concerned about the proposed increase in charges at the Enterprise Centre.*

In response to a suggestion from a Member the Director of Economic Development advised that the charge for the use of the Assembly Rooms could be either £66 or £67 rather than the figure quoted in the report.

RESOLVED – That Report ED.35/13 be welcomed.

Capital Budget Report

(d) Revised Capital Programme 2013/14 and Provisional Capital Programme 2014/15 to 2018/19

The Director of Resources submitted report RD.56/13 detailing the revised Capital Programme for 2013/14, together with the proposed method of financing. The report summarised the proposed programme for 2014/15 to 2018/19 in the light of the new capital pressures identified, and summarised the estimated capital resources available to fund the programme.

The Executive had, on 18 November 2013 (EX.136/13), decided:

“That the Executive:

1. Noted the revised capital programme and relevant financing for 2013/14 as set out in Appendices A and B of Report RD.56/13;
2. Recommended that the City Council approve re-profiling of £710,000 from 2013/14;
3. Had given initial consideration to the capital spending requests for 2014/15 to 2018/19 contained in Report RD.56/13 in the light of the estimated available resources;
4. Noted that any capital scheme for which funding had been approved by the Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

Details of the following new capital spending proposals, which fell within the area of responsibility of the Panel, were provided:

- Vehicles and Plant
- Old Town Hall / Greenmarket
- Public Realm Work S106
- Castle Way S106
- Sheepmount Road
- Bitts Park Access
- Enterprise Centre / West Walls
- Revised Capital Programme

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

- *What was the spending proposal in respect of the ICT service?*

The Director of Resources advised that the Council had an ICT strategy and the figures in that part of the report related to the replacement of equipment.

In response to a query from a Member the Director advised that the figure of £67,000 indicated within Appendix A of the report was related to the Cenotaph and other monuments.

- *The Cenotaph looked tidy and looked after not a mess as had been suggested.*

The Environment and Transport Portfolio Holder advised that the Buildings and Facilities Manager had itemised the work required and the figure quoted was for work on all of the City's war memorials and would include landscaping.

- *City and County Councillors were putting money into their own wards and the effort made was acknowledged.*

The Environment and Transport Portfolio Holder believed that the City and County Councils should work together but care had to be taken that work was not duplicated and that the work related to the residents of Carlisle.

RESOLVED – That Report RD.56/13 – Revised Capital Programme 2013/14 and Provisional Capital Programme 2014/15 to 2018/19 be noted.