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## **EXCERPT FROM THE MINUTES OF THE ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL HELD ON 1 DECEMBER 2016**

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**EEOSP.76/16      BUDGET 2017/18 – 2021/22**

### **(a) Budget Update - Revenue Estimates 2017/18 to 2021/22**

The Chief Finance Officer submitted report RD.35/16 providing a summary of the Council's revised revenue base estimates for 2016/17, together with base estimates for 2017/18 and forecasts up to 2021/22 for illustrative purposes. The base estimates had been prepared in accordance with the guiding principles for the formulation of the budget over the next five year planning period as set out in the Medium Term Financial Plan (MTFP) and Charging Policy; Capital Strategy; and Asset Management Plan approved by Council on 13 September 2016.

The report set out known revisions to the MTFP projections, although there were a number of significant factors affecting the budget that were currently unresolved, details of which were recorded at Section 1.3. A summary of the outstanding key issues, together with the resource assumptions was also provided at Section 4.

Turning to the issue of savings and additional income proposals, the Chief Finance Officer added that the current MTFP included a savings requirement to be found by 2018/19 of £3.475 million. Further savings / additional income had already been identified in the budget process for 2017/18, details of which were set out at Section 6 of the report.

Also summarised were the movements in base budgets; the updated MTFP projections; the projected impact on revenue balances; together with a summary of the financial outlook and budget discipline 2017/18 to 2021/22.

The Executive had on 21 November 2016 (EX.98/16) received the report and:

“That the Executive:

1.      Noted the revised base estimates for 2016/17 and base estimates for 2017/18.
2.      Noted the current Medium Term Financial Plan projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken.
3.      Noted the initial budget pressures / savings needing to be taken into account as part of the 2017/18 budget process.”

In considering the Revenue Estimates Report Members raised the following comments and questions:

- Why had the recurring £96,000 shortfall in revenue from car parking not been incorporated into the MTFP?

The Chief Finance Officer explained that the shortfall had been identified as a potential new spending pressure following the production of the MTFP in September 2016. Were the

Executive to accept the shortfall, the pressure would be included in the Executive Budget Proposals to Council in February 2017. Should the Council adopt the Executive Budget proposals, the pressure would be incorporated into the MTFP.

- Was part of the £91,000 potential new spending pressure relating to Clean Up Carlisle funding for the Rapid Response Team.

The Chief Finance Officer undertook to provide a written response to the question.

- Was the £47,000 new potential spending pressure relating to the Enterprise Centre attributable to decreased income or an increase in the maintenance budget?

The Corporate Director of Economic advised that the potential new spending pressure £47,000, was as a result of decreased income and was separate from the maintenance budget.

- Would the Economic Regeneration Team consider further uses for the Centre?

The Corporate Director of Economic Development advised that the Economic Regeneration Team would be tasked with developing an overarching strategy for the Central Plaza, Citadel and the Enterprise Centre.

- What was the current occupancy rate at the Enterprise Centre?

The Corporate Director of Economic Development responded that the rate of occupancy was currently 60 – 65%, the level of take up varied within the Centre with some areas being more easily to let than others. Promotion and marketing of the Centre was ongoing to increase the level of occupancy.

The Economy, Enterprise and Housing Portfolio Holder added that an advert for the Enterprise Centre had been included in the latest edition of the Council's Focus magazine.

- Where would the costs associated with the establishment of the Community Infrastructure Levy (CIL) arrangements be recovered from?

The Corporate Director of Economic Development informed Members that the £80,000 set up cost related to research, viability assessments, and necessary software, she advised Members that costs were able to be recovered once the CIL was in operation.

- How confident was the Council that it would achieve the inflationary savings identified in the budget?

The Chief Finance Officer informed Members that the MTFP was based upon inflation remaining at 2%. Officers maintained a watching brief on the level of inflation; however she was confident that the proposed savings were achievable as these related to the cumulative impact of previous year's inflation increases.

RESOLVED – That the Budget Update - Revenue Estimates 2017/18 to 2021/22(RD.35/16) be noted.

## **(b) Review of Charges 2017/18**

The Chief Finance Officer presented the Review of Charges reports informing the Panel that there was a 3% increase on the overall level of income in line with the Corporate Charging Policy.

### **Community Services**

Report SD.27/16 was submitted setting out the proposed fees and charges for 2017/18 relating to those services falling within the Community Services Directorate.

The charges highlighted within the report would result in an anticipated level of income of £2,775,200 against the MTFP target of £2,835,200. That represented a shortfall of £60,000 against the MTFP target. The Panel were asked to consider the areas which were in their remit as set out on the agenda.

The Executive had on 21 November 2016 (EX.99/16) received the report and:

“That the Executive:

- (i) Agreed for consultation the charges as set out in the body of Report SD.27/16 and relevant appendices with effect from 1 April 2017, noting the impact those would have on income generation as detailed within the report.
- (ii) Delegated to the Deputy Chief Executive Officer, following consultation with the Portfolio Holder and Chief Finance Officer, the agreement of discounts on the car parking permit process within agreed limitations.
- (iii) Delegated to the Deputy Chief Executive Officer, following consultation with the Portfolio Holder and Chief Finance Officer, the agreement of variations to car parking ticket charges within parameters agreed by the Executive.”

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

- How often did the Council levy a fee for the cancellation of events?

The Contracts and Community Services Manager explained that the fee levied for cancelling events was not used regularly as, in the main, the Council was advised of event cancellations well in advance. The levying of the charge was designed to prevent the Council losing money should an event be cancelled at short notice.

- What proportion of the event fee charge, was the cancellation fee?

The Contracts and Community Services Manager advised that the cancellation fee charged varied depending on the event and the length of notification provided to the Council.

In response to a further question from the Member, the Contracts and Community Services Manager advised Members that the in relation to events at the Old Fire Station, specific contractual arrangements relating to particular events outlined the details of charges that were able to be levied by either party in the event of cancellation.

- Did the Council apply its charges for pavement cafes when the cafes were on private land?

The Contracts and Community Services Manager advised that the charge for pavement cafes was only levied when the café was situated on the highway, and was not applied where the café was situated on private land.

- What was the rationale for the level of increase proposed for the Annual Membership Parking Permit at Talkin Tarn?

The Green Spaces Manager stated that uptake of the Annual Membership Parking Permit for Talkin Tarn had been very good, whilst recognising the proposed charge increase was significant in percentage terms, the cost of the proposed charge would enable those who purchased the permit to park use the car park at Talkin Tarn and its facilities for a cost of £2 per week.

The Member acknowledged that the proposed charge still amounted to good value for money for permit holders, however, he remained concerned that the increase would make the permit cost prohibitive for residents with a limited budget, and that the proposed charge may reduce the amount of people who purchased the permit.

The Chairman noted Appendix B of the report detailed proposals for increasing charges for car parking at all of the Council's car parks, he noted the proposed increase in charge for the Annual Membership Parking Permit was significant increase and beyond those proposed at other sites. Increases in charges had been proposed universally at Talkin Tarn and encompassed facilities such as the Education Hut, whereas no proposal had been put forward to levy a charge for the use of facilities at Hammond's Pond. He felt that the proposed addition of 10p to hourly tickets across the Council's car parks which levied different charges may cause some confusion amongst car park users.

The Green Spaces Manager responded that an aspect of the rationale behind the proposal was the management of the car park at Talkin Tarn, the Annual Membership Parking Permit operated well, and was in fact oversubscribed. In order to enable a broad mix of users of the car parking facilities at the Tarn, it was intended to limit the number of permits issued so that the car park remained able to cater for day use visitors.

A Member expressed concern that the proposed charge would increase the number of vehicles parking on the verges along the boundary of the site.

The Green Spaces Manager felt that the proposed charges was not likely to increase the number of vehicles parking on the verges surrounding Talkin Tarn, and that the behaviour of those using the verges surrounding the park would not be altered by the proposed charge.

- Why had Officers not proposed to increase the car parking charges at the Marks and Spencer car park?

The Contracts and Community Services Manager explained that the Council was in a contractual relationship regarding the management of the Marks and Spencer's car park which limited the Council's capacity to alter the charges levied at the car park.

- A Member sought clarification on the proposal to delegate authority to the Deputy Chief Executive to agree variations to car parking ticket charges.

The Corporate Director of Governance and Regulatory Services explained that as part of the Council seeking to implement a more commercial approach to the management of its car parks, it was recognised that prices may need to be altered to manage demand at individual car parks. The proposed charges set out in the report would not be exceeded, the proposal to delegate authority to the Deputy Chief Executive in conjunction with the Portfolio Holder and Chief Finance Officer would enable the authorisation of a reduction in fees at individual car parks, were it deemed expedient.

- A Member expressed concern that the proposed increase in allotment charges would be detrimental to those in low incomes.

The Green Spaces Manager responded that the charge for allotments had remained static for 2 number years at 25p/sqm, whilst recognising the proposed charges was an over-inflationary increase he considered that the proposed charge better reflected the cost to the Council of administering the service. The proposed charge when applied to 100.sqm plot would generate a £5 increase in cost for the allotment for a year, the Green Spaces Manager considered the increase to be of a reasonable level.

The Green Spaces Manager explained that poor health was a primary reason people gave up allotments, rather than cost, he suggested that if people struggled to manage their plot and wished to reduce the costs associated with them, allotments may be subdivided.

A Member commented that she considered the charges levied by the Council for allotments to be very reasonable when compared to prices charged in the private sector.

- A Member expressed concern that the proposed increase in charges for bulky waste collections would increase the number of fly tipping incidence in the District. He asked if Officers had considered increasing the number of items permitted per collection as a way to help minimise fly-tipping?

The Neighbourhood Services Manager responded that fly tipping was a criminal offence which was likely to occur were the bulky collection service offered free of charge. As part of its efforts to reduce flytipping in the District, the Council had installed cameras in flytipping hotspots with the aim of catching and prosecuting perpetrators. The inclusion of signage at particular sites known to experience flytipping had brought about a 100% reduction in flytipping.

In addition, a featured had been included in the Council's Focus magazine providing residents with information regarding how to manage the disposal of waste items appropriately. This was welcomed by Members.

A Member commented that it would perhaps be helpful if small amounts of waste could be accepted by businesses at the local household waste recycling centres operated by Cumbria County Council and this message communicated widely to help reduce some of the fly-tipping.

RESOLVED – (1) That the comments and concerns of the Panel be referred to the Executive, in particular concerns regarding the Annual Permit for Talkin Tarn.

(2) That Charges Review Report 2017/18 – Community Services(SD.17/16) be noted.

### **Economic Development**

Report ED.45/16 was submitted setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The proposed charges in relation to Planning Services included Development Control income; Building Control income; and Local Plan income.

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 £662,600 against the Medium Term Financial Plan target of £662,600.

The Executive had on 21 November 2016 (EX.100/16) received the report and:

“That the Executive agreed for consultation the charges, as set out in Report ED.45/16 and accompanying Appendices, with effect from 1 April 2017; noting the impact those would have on income generation as detailed within the report.”

The Members raised no comments and questions on the report.

RESOLVED – That Charges Review Report 2017/18– Economic Development (ED.45/16) be noted.

### **Governance and Regulatory Services**

Report GD.62/16 was submitted concerning the proposed fees and charges for areas falling within the responsibility of the Governance and Regulatory Services Directorate.

The report set out the proposed charges relative to Environmental Health and Housing; Homeless, Prevention and Accommodation Services; and Legal Services. The introduction of the proposed charges was forecast to generate income of £893,300 in 2017/18 as summarised in the table at Section 5.16 of the report.

The Executive had on 21 November 2016 (EX.101/16) received the report and:

“That the Executive agreed for consultation the charges as detailed within Report GD.62/16 and accompanying Appendices, with effect from 1 April 2017; and noted the impact thereof on income generation as detailed within the report.”

The Members raised no comments or questions on the report.

RESOLVED – That Charges Review Report 2017/18 – Governance and Regulatory Services(GD.62/16) be noted.

**(c) Revised Capital Programme 2016/17 and Provisional Capital Programme 2017/18 to 2021/22**

The Chief Finance Officer submitted report RD.36/16 detailing the revised Capital Programme for 2016/17, now totalling £10,440,000, together with the proposed method of financing. The report summarised the proposed programme for 2017/18 to 2021/22 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme based on the announcements by Government in the spending review.

Section 4 which provided details of the current commitments and new spending proposals. Any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved. The Chief Finance Officer advised that the principal pressure on the Provisional Capital Programme 2017/18 was the replacement of the Council's fleet of vehicle and plant which were essential in the provision of service delivery.

A summary of the estimated resources compared to the proposed programme year on year was also provided.

The Executive had on 21 November 2016 (EX.103/16) received the report and:

"That the Executive:

1. Noted the revised capital programme and relevant financing for 2016/17 as set out in Appendices A and B of Report RD.36/16;
2. Had given initial consideration and views on the proposed capital spending for 2017/18 to 2021/22 contained in the Report in the light of the estimated available resources;
3. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved."

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

- A Member sought clarification on the purpose of the Planned Enhancements to Council Property.

The Chief Finance Officer explained that the enhancements related to projects undertaking major repairs to Council properties, for example, the reparation of the roof at the Market Hall. Such works were essential but beyond the scope and budget of programme of regular maintenance works.

- Had the Council had any indication of the level of Disabled Facilities Grants funding it would receive?

The Chief Finance Officer responded that the Council had not formally been advised of the level of funding it would receive in respect of Disabled Facilities Grants. In 2016/17 the Council had received £1.4M of Disabled Facilities Grants funding, the Medium Term Financial Plan assumed a similar level of funding going forward.

**RESOLVED** – That the Revised Capital Programme 2016/17 and Provisional Capital Programme 2017/18 to 2021/22(RD.36/16) be noted.