
EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 30 NOVEMBER 2017

EGSP.33/17 BUDGET 2018/19

(a) Budget Update - Revenue Estimates 2018/19 to 2022/23

The Chief Finance Officer submitted report RD.31/17 providing a summary of the Council's revised revenue base estimates for 2017/18, together with base estimates for 2018/19 and forecasts up to 2022/23 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 12 September 2017.

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.

The Chief Finance Officer drew Members' attention to paragraph 5.10 of the report which set out the Economic Investment Initiatives which was a non-recurring budget pressure which had been set aside to enable the Economic Development directorate to provide financial support to a number of the initiatives that it was involved with, for example, the Borderlands initiative.

The Executive had on 20 November 2017 (EX.117/17) received the report and resolved:

"That the Executive:

1. Noted the revised base estimates for 2017/18 and base estimates for 2018/19.
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 2018/19 budget process.
4. Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix G to Report RD.31/17"

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

- Why had the allocations to individual initiatives not been detailed in the report?

The Corporate Director of Economic Development responded that there were a number of projects identified within the Economic Development Directorate's Service Plan and the

Corporate Plan which would require support. The projects were at various stages of development and had differing requirements, therefore it was not possible to identify specific funding needs at the present time. However, the Corporate Director advised that details of the allocation of monies from the fund would be reported to the Panel at the appropriate time.

The Chief Finance Officer added that due to the various stages of development of the projects likely to be seeking funding and the unknown allocation of the monies within the Economic Investment Initiative, it was appropriate that a fund be established rather than specific budgets. This earmarked fund would be supported from the Council's Reserves. In the event that all the monies were not spent during 2018/19 they would remain within the fund and would be available for use in the future.

A Member commented that she was pleased the initiative was being funded from the Council's Reserves and further added that Council punched above its weight in terms of economic development and it was her view that the Economic Investment Initiatives fund would allow the Council to continue to support the economic development of the district.

- A Member sought clarification with respect to the Morton District Centre

The Corporate Director of Economic Development advised that the site was Council owned land which had been identified as a local facilities centre in the Morton Masterplan. The site had previously been considered for a large supermarket retail development, but due to the changed economic climate that scheme had not been realised. Promotion of the site was due to commence in the near future with a view to securing its development in the future.

The Chief Finance Officer also referred Members to paragraph 6.7 of the report which detailed the additional income which could be achieved from discretionary charges made for Building Control activities. This was discussed in more detail at A3 (b) Economic Development Charges Review.

RESOLVED – That the Budget Update – Revenue Estimates 2018/19 to 2022/23 (RD.37/17) be received.

(b) Review of Charges 2018/19

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

The Deputy Chief Executive submitted report CS.33/17 which set out the proposed fees and charges for 2018/19 relating to those services falling within the Community Services Directorate.

The Deputy Chief Executive advised that the proposed charges increase relating to the city centre had been kept in line with inflation, the details of which were set out in Appendix A of the report.

In relation to car parking, the proposed increases in charges had also been kept in line with inflation, details of the proposed new charges for individual car parks were detailed in Appendices B and C of the report. The Deputy Chief Executive informed Members that the Council had identified capacity within its car parks to increase the number of long-stay users, and was looking to incentivise this area.

The Deputy Chief Executive advised the Panel that usage of the Assembly Rooms the Tourist Information Centre was on the increase, it was proposed that room hire charges were not increased so as to allow the use of the Tourist Information Centre to continue to be a growth area.

The Executive had on 20 November 2017 (EX.113/17) received the report and decided:

“That the Executive agreed for consultation the changes, as set out in the body of Report CS.33/17 and relevant appendices with effect from 1 April 2018; noting the impact those would have on income generation within the report”.

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

- A number of Members expressed concerns that encouraging long-stay use of the Council's car parks at the Civic Centre and Bitts Park would have a detrimental impact on retail in the city centre as larger numbers of long-stay users would reduce the amount of spaces available for short-stay users wishing to access stores within the city.

The Deputy Chief Executive responded that a number of the Council's car parks had capacity for additional use, were the proposals to incentivise increased long-stay use be approved through the Budget process, Officers would monitor usage of the car parks going forward. The Deputy Chief Executive reminded the Panel that, in conjunction with the Environment and Transport Portfolio Holder, he had delegated authority to monitor and amend the charges levied for car park use.

A Member noted that the construction of Council's temporary Customer Contact Centre within the Civic Centre car park had reduced the number of spaces available at the facility. He was concerned that incentivising long-stay use of the car park would further limit the spaces available for short-stay users of the facility who had business at the Civic Centre, and that may particularly impact on residents from rural areas, without access to public transport who were required to use cars to access the Civic Centre.

The Deputy Chief Executive acknowledged the Member's concerns and advised that it was possible that car parking provision in the area of the Civic Centre may be extended.

Members undertook a discussion of the potential changes to car parking provision on the city following the proposed redevelopment of the ground floor of the Civic Centre and the demolition of the former Cumbria County Council offices.

A Member proposed that the Panel recommend to the Executive that the proposed reduction in the level of charge levied for the 4 – 9.5 hour period in the Civic Centre be removed from the Executive Budget proposals. The proposal was seconded and agreed by the Panel.

In response to a question from a Member regarding the timeline for the production of a definitive report on proposals for the redevelopment of the ground floor of the Civic Centre, the Deputy Chief Executive advised that a report would be presented to the Executive in the new year and that it would be included on the Work Programme of the relevant Scrutiny Panel for their consideration.

The Panel undertook a discussion of the occupancy levels of retail stores within the city centre. The Corporate Director noted that the Authority Monitoring Report which was published annually contained data relating to city centre occupancy levels, and that the information was considered by the Local Plan Working Group. She undertook to circulate the data on city centre occupancy to the Panel.

RESOLVED (1) – That the Review of Charges 2018/19 – Community Services (CS.33/17) be received.

(2) That the Panel recommend to the Executive that the proposed reduction in the level of charge levied for the 4 – 9.5 hour period in the Civic Centre be removed from the Executive Budget proposals.

(3) That the Corporate Director of Economic Development circulate details of occupancy rates within the city centre to the Panel Members.

Economic Development

The Corporate Director of Economic Development submitted report ED.38/17 which set out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The Corporate Director of Economic Development reminded Members that income from Development Control fees was set nationally and not by the Council. In addition, Building Control Fees were ring-fenced and the service was not permitted to generate either a profit or a loss.

The Executive had on 20 November 2017 (EX.114) received the report and resolved:

“That the Executive agreed for consultation the charges, as set out in Report ED.38/17 and accompanying Appendices, with effect from 1 April 2018; noting the impact those would have on income generation as detailed within the report.”

The Panel welcomed the report.

RESOLVED (1) – That Charges Review Report 2018/19 – Economic Development (ED.38/17) be noted.

(c) Revised Capital Programme 2017/18 and Provisional Capital Programme 2018/19 to 2022/23

The Chief Finance Officer submitted report RD.32/17 which detailed the revised Capital Programme for 2017/18, now totalling £9,010,700, together with the proposed method of financing. The report summarised the proposed programme for 2018/19 to 2022/23 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

The Chief Finance Officer advised Members that the projects within the Capital Programme 2018/19 to 2022/23 which were under the remit of the Panel were the Botchergate Regeneration and the Chatsworth Square/Portland Square Townscape Initiative.

The Executive had on 20 November 2017 (EX.117/17) received the report and decided:

“That the Executive:

- (i) Noted the revised capital programme and relevant financing for 2017/18 as set out in Appendices A and B to Report RD.32/17;
- (ii) Had given initial consideration and views on the proposed capital spending for 2018/19 to 2022/23 given in the report in the light of the estimated available resources;
- (ii) 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 questions and comments:

- Were the City and County Council working in conjunction with regard to the redevelopment of the Chatsworth/Portland Square Townscape Initiative?

The Corporate Director of Economic Development confirmed that Councils were working in partnership on the initiative, and that currently a Conservation Area assessment was being undertaken.

- The Chairman expressed sadness that the University of Cumbria had decided not to renew its lease of the Business Interaction Centre (BIC), he felt that the new spending proposal for the coming financial year, on the facility, was a significant sum. He asked Officers how confident the Council was in its ability to find other tenant(s) for the Centre.

The Corporate Director responded that the Council was taking a pro-active and positive approach to the redevelopment of the Centre and aimed to make the facility an incubation space for new-starter business, particularly in the creative and digital industries. She noted that other streams of funding were available to fund the work required at the centre, should the bid for Capital Programme funding be unsuccessful.

In response to a further question from the Chairman as to whether any expressions of interest had been received in respect of the BIC, the Corporate Director confirmed that a number had been received.

- A Member requested further detail on the Council's income and expenditure relating to car parking.

The Chief Finance Officer noted that the information was set out in the Budget Monitoring reports which were presented to the Executive and the Business and Transformation

Scrutiny Panel on a quarterly basis. She undertook to circulate the Revenue Budget Overview and Monitoring Report to the Member.

- Was the notification of the level of Disabled Facilities Grant funding in January 2018 later than usual?

The Chief Finance Officer informed the Panel that the timing of notification was consistent with previous years, and that the Council would receive notifications regarding the level of funding of other grants in January 2018.

On behalf of the Panel, the Chairman thanked the Chief Finance Officer and her team for the work they had undertaken preparing the budget reports.

RESOLVED – (1) That the Revised Capital Programme 2017/18 and Provisional Capital Programme 2018/19 to 2022/23 (RD.32/17) be noted.

(2) That the Chief Finance Officer and her team be thanked for the work they had undertaken in preparing the budget reports.