
EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 2 DECEMBER 2021

EGSP.72/21 BUDGET 2022/23

The Corporate Director of Finance and Resources submitted the annual budget reports, noting that the Panel's consideration marked the beginning of the process for setting and approving the Council's Budget.

EGSP.73/21 BUDGET UPDATE - REVENUE ESTIMATES 2022/23 to 2026/27

The Corporate Director of Finance and Resources submitted report RD.46/21 providing a summary of the Council's revised revenue base estimates for 2021/22, together with base estimates for 2022/23 and forecasts up to 2026/27 for illustrative purposes. Potential new spending pressures, bids and savings had also been considered in the report. The Panel's agenda set out the matters which fell within the remit of the Panel.

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 and which would be considered as the budget process progressed (paragraph 1.3 referred).

Details of the outstanding key issues and resource assumptions were set out at Section 4 and details of the income and budget monitoring shortfalls were documented at paragraph 5.7. Section 8 of the report set out the funding requirements for the Local Government Reorganisation.

The Executive had on 22 November 2021 (EX.128/21) received the report and resolved:

"That the Executive:

1. Noted the revised base estimates for 2021/22 and base estimates for 2022/23.
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, bids and savings which needed to be taken into account as part of the 2022/23 budget process.
4. Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F to Report RD.46/21."

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

- A Member highlighted the review of the reserves and felt that it was very important that any reserves within the Carlisle City Council budget were used for the Carlisle District area as Local Government Reform moved forward.

The Corporate Director of Finance and Resources explained that any reserves that were earmarked for specific purposes were set out in the Medium Term Financial Plan. From 2023 the use of the reserves would be a decision for the new authority but the MTFP would show the new authority how the City Council had planned to use the money. She reminded the Panel that the Planning and Building Control Reserves were statutory and could only be used in those services.

- Would it be possible to use the planning services reserve to boost enforcement of planning and tree preservation matters?

The Corporate Director of Finance and Resources responded that planning service income had to be spent within specific guidelines and this would have to be taken into account before

proposals were put forward.

The Corporate Director of Economic Development explained that there was a planned review of recruitment and services and this would include the enforcement role.

- A Member asked for clarity with regard to the conservation reserve which was zero.

The Corporate Director of Finance and Resources informed the Panel that the Conservation Reserve had been established to be used when necessary but it had not been possible to top it up. However, there was funding in the General Fund Reserve of £1m for emergencies.

- A Member asked for clarity with regard to the Economic Recovery Reserve (ERR) and the District Centre Business Support Fund (DCBSF).

The Corporate Director of Finance and Resources reported that the ERR of £50,000 had been released and spent in the 2021/22 budget. The £40,000 for the DCBSF was proposed additional funding.

The Corporate Director of Economic Development added that the DCBSF would provide grants, through the Economic Development team, for new businesses who wanted to set up in the City.

- How confident was the Council in the car parking figures moving forward, given the current economic climate?

The Corporate Director of Finance and Resources gave a brief reminder of the funds that were made available from government to cover fees, charges and income shortfall during the pandemic. She explained that the figures within the report were based on the information available and the situation would be constantly monitored.

- Was the Future High Streets Fund protected so it was spent in the City or was there a risk that the allocated money could be diverted.

The Corporate Director of Finance and Resources stated that the Future High Street Funds allocation had been included in the five year plan and this would be used to show the new authority the plans for investment in an open transparent manner to inform future decisions. The Corporate Director of Economic Development added that a detailed business case had been prepared and signed off and the Council was working hard to ensure the funding for Carlisle was used in Carlisle within the two year window in which the projects had to be delivered.

The Economy, Enterprise and Housing Portfolio Holder supported the District Centre Business Support Fund which was available for the whole district not just the city centre. He highlighted how critical it was to support and encourage new businesses.

RESOLVED - 1) That report RD.46/21 Budget Update - Revenue Estimates 2022/23 to 2026/27 had been scrutinised by the Panel.

2) The Panel asks that the Executive consider using part of the Planning Services Reserve to support and increase the enforcement role within the Council.

EGSP.74/21 INDIVIDUAL CHARGES REVIEW - COMMUNITY SERVICES

The Community Services Individual Charges Review report (CS.37/21) was submitted setting out the proposed fees and charges for 2022/23 relating to those services falling within the Community Services Directorate. The report proposed a varied approach to the charges for the use of the city centre. To encourage the use of commercial pitches, pavement cafes and

Farmers Markets it was proposed to maintain the rates at the current rate and the remainder of charges would increase by 3%. It was also proposed that 10p be added to all tariffs across all car parks and an increase of 10p per day to permit prices.

Details of the other proposed charges in relation to City Centre usage by external organisations; events; digital banner; Old Fire Station; allotments; use of parks; sports pitches; Talkin Tarn; Bereavement Services; Waste Services and Garage charges were also provided.

The original 2021/22 budgets and 2022/23 forecast income levels based upon the current charge structure and forecast volume were as detailed in the table in section 11 of the report. The charges highlighted within the report would result in an anticipated level of income of £2,810,500 against the MTFP target of £3,196,200. That represented a shortfall of £385,700 against the MTFP target.

The Executive had considered the report at their meeting on 22 November 2021 (EX.129/21 referred) and resolved:

"That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.37/21 and relevant appendices with effect from 1 April 2022, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges available to relevant Scrutiny Panels for their review and comment."

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

- A Member understood the difficulty in setting car parking charges and asked that the charge for the first hour of car parking, across all Council car parks (including Talkin Tarn), be frozen and that the proposed increase be added to the charges after the first hour.

The Neighbourhood Services Manager set out the background of the charges increase which equated to 10p added to each tariff.

- The issue of a limited number car parking permits at Talkin Tarn was raised and the Executive was asked to carry out a review of the permit policy to make it less restricted and available to more people.

RESOLVED - 1) That the Individual Charges Review - Community Services report (CS.37/21) had been scrutinised by the Panel.

2) That the Executive consider:

- Freezing the car parking charges for the first hour of use across all Carlisle City Council car parks and introduce the proposed increase from the second hour;
- That a review of the car park permit policy for Talkin Tarn car park be undertaken with the goal of increasing flexibility and the number of permits available.

EGSP.75/21 INDIVIDUAL CHARGES REVIEW - ECONOMIC DEVELOPMENT

The Corporate Director of Economic Development submitted report ED.39/21 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; Building Control Discretionary Charges; Shop Mobility and Investment and Policy Income.

Acceptance of the charges highlighted within the report would result in an anticipated level of income of £656,000 against the Medium Term Financial Plan target of £656,000.

The Executive had considered the matter at their meeting on 22 November 2021 (EX.131/21) and resolved:

"That the Executive agreed the charges, for consultation, as set out in Report ED.39/21 and accompanying Appendices, with effect from 1 April 2022; noting the impact those would have on income generation as detailed within the report."

RESOLVED - That the Individual Charges Review - Economic Development report (ED.39/21) be noted.

EGSP.76/21 REVISED CAPITAL PROGRAMME 2021/22 AND PROVISIONAL CAPITAL PROGRAMME 2022/23 TO 2026/27

The Corporate Director of Finance and Resources submitted report RD.47/21 detailing the revised Capital Programme for 2021/22, now totalling £29,917,200, together with the proposed method of financing. The summary of the revised programme for 2021/22 showed a potential borrowing requirement in the sum of £28,794,905.

Also summarised was the proposed programme for 2022/23 to 2026/27 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

The Executive had considered the matter at their meeting on 22 November 2021 (EX.133/21 referred) and resolved:

"That the Executive:

1. Noted the revised capital programme and relevant financing for 2021/22 as set out in Appendices A and B to Report RD.47/21 including approval of the reduction of £1,894,800 to the 2021/22 capital programme;
2. Had given initial consideration and views on the proposed capital spending for 2022/23 to 2026/27 given 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."

The Panel asked for an update on the capital programme schemes for Bitts Park and the Corporate Director of Finance and Resources agreed to provide a written response.

A Member highlighted that Tullie House had not been successful in achieving the levelling up monies, she asked how this would impact the Council's budget.

The Corporate Director of Finance and Resources explained that had the application been successful the Council would have undertaken borrowing of £1.5m to support the scheme. The Council funding was not required so the additional borrowing had been removed from the budget.

RESOLVED - 1) That the Revised Capital Programme 2021/22 and Provisional Capital Programme 2022/23 to 2026/27 (RD.47/21) had been scrutinised;

2) That the Corporate Director of Finance and Resources provide the Panel with an update on the Bitts Park Capital Programme Schemes.