

CITY COUNCIL – SPECIAL MEETING

TUESDAY 3 FEBRUARY 2015 AT 6.45 PM

PRESENT: The Mayor (Councillor Bowditch), Councillors Allison, Mrs Atkinson, Bainbridge (from 7.15 pm), Bell, Bloxham, Boaden, Mrs Bowman, Bowman (S), Mrs Bradley, Burns, Cape, Collier, Dodd, Earp, Ellis, Ms Franklin, Mrs Geddes, Gee, Glover, Graham, Harid, Layden, Higgs, Mrs Mallinson, Mallinson (J), McDevitt, Mrs McKerrell, Mrs Martlew, Mitchelson, Morton, Mrs Parsons, Ms Patrick, Mrs Prest, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Stothard (until 7.00 pm), Taylor, Tickner, Mrs Vasey, Mrs Warwick, Watson, Weber and Wilson

Deputy Chief Executive
Director of Governance

C.18/15 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Betton, Caig, Nedved and Ms Quilter, and the Town Clerk and Chief Executive.

C.19/15 PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

C.20/15 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

C.21/15 ANNOUNCEMENTS

(i) The Mayor

It was with great pleasure that The Mayor welcomed Ms Iwona Kwiatkowska, Interpreter from Slupsk, to the meeting.

The Mayor recalled that Councillors Mallinson (J) and Mrs Mallinson, the Democratic Services Officer, the Mayoress and himself had visited Slupsk in September 2014 to attend the Award Ceremony of the Europe Prize of the Council of Europe, and thanked Ms Kwiatkowska for her warm welcome and all that she had done on that occasion.

The Mayor was further pleased to announce that Councillor Caig was on the road to recovery following a recent illness. He also reported that Councillor Nedved had suffered an accident.

At the invitation of the Mayor, Councillor Mallinson (J) updated Members on Councillor Nedved's condition and asked that, for the time being, anyone wishing to contact the Councillor should go through the Group Office or himself.

The Mayor indicated that he would write to Councillor Nedved to convey best wishes for a speedy recovery.

The Mayor further reminded Members that a Charity Ball was scheduled to take place on 14 February, and the Reverend Teasdale was to give a short lecture on St Cuthbert on 11 March 2014, proceeds to go towards the Mayor's Charity. He expressed the hope that Members would attend.

(ii) The Leader of the Council

There were no announcements from the Leader.

(iii) Members of the Executive

There were no announcements from Members of the Executive.

(iv) Deputy Chief Executive

There were no announcements from the Deputy Chief Executive.

C.22/15 QUESTIONS FROM MEMBERS OF THE CITY COUNCIL

Pursuant to Procedure Rule 11.2, the Deputy Chief Executive reported that no questions had been submitted on notice by members of the City Council.

C.23/15 NOTICE OF MOTION

Pursuant to Procedure Rule 12, the Deputy Chief Executive reported that no motions had been submitted on notice by Members of the Council.

C.24/15 TREASURY MANAGEMENT STRATEGY STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2015/16

Pursuant to Minute EX.03/15, a copy of the Director of Resources' Report RD.42/14 and relevant Minute Extracts regarding the Council's Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2015/16 had been circulated.

Councillor Tickner moved and Councillor Glover seconded, and it was –

RESOLVED – That the Council approved the Treasury Management Strategy Statement for 2015/16, incorporating the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2015/16 as set out in Appendix A to Report RD.42/14.

C.25/15 CITY COUNCIL BUDGET 2015/16

(a) Council Procedure Rules

At the invitation of the Mayor, Councillor Glover moved, Councillor Boaden seconded, and it was AGREED that, in accordance with the provisions of Council Procedure Rule 25.1, Procedure Rule 14.4 be suspended insofar as it related to the length of speeches by the proposers of any motions or amendments which were seconded for the duration of the budget debate to enable such speeches to exceed ten minutes.

(b) Minutes, Reports and Consultation Feedback

Councillor Glover moved and Councillor Tickner seconded the receipt and adoption of:

- the Minutes of the meeting of the Resources Overview and Scrutiny Panel held on 5 January 2015;
- the Minutes of the Consultation Meetings with representatives of Non-Domestic Ratepayers and Large Employers; and Trade Union Representatives held on 7 January 2015;
- consultation feedback which referred to the setting of the Council Budget for 2015/16;
- Report RD.47/14 (Budget Update Revenue and Capital 2015/16 – 2019/20) which had been considered by the Executive at their meeting on 14 January 2015; and

the recommendations from the meeting of the Executive held on 14 January 2015 as contained in Minute references EX.01/15, EX.02/15 and EX.04/15 inclusive, relating to the City Council's budget for 2015/16, copies of which had been circulated to all Members.

RESOLVED – That the above Minutes, feedback and Report be noted and dealt with as one item of business as part of the Council's budget process, i.e. to set the General Fund Revenue Budget and the Council's Capital Budget for 2015/16.

(c) General Fund Revenue Budget and Capital Budget 2015/16

Councillor Glover moved the City Council's General Fund Budget and Capital Budget for 2015/16 as recommended by the Executive under Minute EX.04/15, and set out below.

Councillor Tickner seconded the motion.

EXECUTIVE BUDGET PROPOSALS 2014/15 to 2019/20

This document contains the budget proposals of the City Council's Executive set out as follows.

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2014/15 to 2019/20 <ul style="list-style-type: none">• Schedule 1 - Existing Net Budgets• Schedule 2 - Proposed Budget Reductions• Schedule 3 - Recurring Budget Increases• Schedule 4 - Non-Recurring Budget Increases• Schedule 5 - Summary Net Budget Requirement• Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2014/15 to 2019/20 <ul style="list-style-type: none">• Schedule 7 - Estimated Capital Resources• Schedule 8 - Proposed Capital Programme• Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2019/20 <ul style="list-style-type: none">• Schedule 10 - Usable Reserves Projections
E	Budget Discipline and Saving Strategy
F	Statutory Report of the Director of Resources
G	Glossary of Terms

These budget proposals are based on detailed proposals that have been considered by the Executive over the course of the last few months. In particular the following reports of the Director of Resources were considered at the Executive meeting of 15th December 2014. All of the detailed reports are available on the Council's website.

1. RD41/14 – Budget Update 2014/15 to 2019/20
2. RD42/14 - Draft Treasury Management Strategy Statement and Investment Strategy and Minimum Revenue Provision Strategy 2015/16

SECTION A – BACKGROUND AND EXECUTIVE SUMMARY

Council Priorities

The Council's priorities are now encompassed in the Carlisle Plan. This aims to deliver a vision of "In everything we do, we aim to promote Carlisle as a prosperous City, one in which we can all be proud." This will be delivered through priorities which are outlined below and which all have specific actions in order to enable their delivery:

- Support business growth to improve opportunities and economic prospects for the people of Carlisle
- Develop sports, arts and cultural facilities to support the health and wellbeing of our residents
- Work effectively with partners, being prepared to lead or follow as necessary to drive positive change for Carlisle
- Continue to improve the built environment and green spaces so that everyone can enjoy living, working in and visiting Carlisle
- Address current and future housing needs to protect and improve residents' health and wellbeing
- Promote Carlisle regionally, nationally and abroad as a place with much to offer - full opportunities and potential
- Balance the books – prepared to make the difficult decisions to focus on our priorities

Budget Policy Framework

The preparation of the budget proposals is an ongoing process, which starts in the summer with the agreement by Council to the Medium Term Financial Plan, Corporate Charging Policy, Capital Strategy and Asset Management Plan. These strategy documents set out the Council's policies in guiding the budget process and in particular set out the five year financial projections that the Council is faced with prior to starting the new budget process.

Approving a Balanced Budget

The Council is obliged to ensure proper financial administration of its affairs in accordance with Section 151 of the Local Government Act 1972. For Carlisle City Council, this is the responsibility of the Director of Resources and the Council must consider the advice of the Director in setting the budget. One of the responsibilities is to ensure that the Council approves a balanced budget meaning that the planned expenditure must not exceed the resources available. Base budgets must be robust and sustainable and any savings identified must be achievable and the level of Council reserves must be adequate. The Council must determine what levels of borrowing, if any, it wishes to make under the Prudential Code that now governs local authority borrowing.

Council Tax Reduction Scheme

The Local Support for Council Tax Scheme ("The Council Tax Reduction Scheme" or CTRS) is required to be approved annually as part of the Budget Process. There are no intentions to make any changes to the reductions given to recipients of the discount scheme for 2015/16, proposals to make any revisions or replace the current scheme and as such the continuation of the current scheme is recommended.

Major Financial Challenges facing the Council

The Council is facing many financial challenges over the next five-year planning period and forecast resources are not anticipated to cover the expenditure commitments without major 'transformational' savings being identified in accordance with the Council's Savings Strategy (section E).

Some of the main issues are:

- Government Finance Settlement - RSG and NNDR
- Welfare Reform Act
- Transformation
- Reduced capital resources

Summary Budget Proposals

The key issues in this budget document, which is expanded on further in the proposals, are as follows:

- The budget proposes no increase in Council Tax for the City Council for 2015/16 (Parishes Precepts will be an additional charge in the parished rural areas).
- Based on current projections, the budget proposed will result in the following requirement to be taken **to/(from)** Council reserves to support Council expenditure over the period as follows:

Additional contribution to / (from) reserves	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Original MTFP recurring surplus/(deficit)	1,000	44	138	(128)	(841)
Changes to Funding - Decrease in RSG Settlement	(24)	(54)	(54)	(54)	(54)
Changes to Funding - Decrease in Business Rates Baseline	(25)	0	0	0	0
Changes to Funding - Increase in Taxbase	94	95	99	100	103
Recurring budget reductions (Schedule 2)	459	1,258	1,399	1,541	1,384
Recurring Budget Increases (Schedule 3)	(1,536)	(278)	(963)	(464)	(832)
Reserves (required) to fund Net Recurring Expenditure	(32)	1,065	619	995	(240)
Original MTFP non-recurring surplus/(deficit)	106	0	0	0	0
Non-Recurring budget reductions (Schedule 2)	9	0	0	0	0
Non-Recurring budget increases (Schedule 4)	(600)	(450)	(20)	0	0
Reserves required to fund Non-Recurring Expenditure	(485)	(450)	(20)	0	0
Total contribution (required) from Reserves	(517)	615	599	995	(240)

- (iii) The above table shows a requirement to fund expenditure from Reserves in 2015/16 but there will be net contributions to reserves in 2016/17 onwards. If all new pressures and savings proposed were approved, there will be difficulties in containing pressures within existing Council resources. A strategy (detailed in Section E) for identifying recurring savings within the revenue budget has been proposed and this strategy will continue to be developed.
- (iv) Given the increasing financial pressure the Council is facing, the scope to support new recurring spending and initiatives in future years will be very challenging.

Consultation Responses:

Formal consultation meetings have been held and views sought from council tax payers. The Executive, at their meeting on 14th January, considered the consultation responses, culminating in their final budget proposal to Council on **3rd February 2015**.

Although provisional estimates have been included, it should be noted that at this point in time there are a number of issues which have not yet been finalised and which may impact on the final budget proposals to Council on 3rd February 2015. Any minor changes will be funded from appropriations to/from revenue reserves and details provided for the Council meeting in February.

A glossary of terms is included at the end of this document to aid understanding of the proposals. Further details on these proposals including detailed reports are available on the Council's website or by contacting the Director of Resources at the Civic Centre, Carlisle, CA3 8QG.

SECTION B - REVENUE BUDGET 2014/15 to 2019/20

1. REVISED REVENUE BUDGET 2014/15

- 1.1 The Executive recommends that the Council's revised net budget for 2014/15 be approved totalling £13.267m compared to the original budget of £12.501m. The increase of £0.766million can be summarised as follows:

Detail:	£000	£000
Original Net Budget		12,501
Non-Recurring Expenditure:		
Use of Transformation Reserve	(2)	
Carry Forward Requests from 2013/14(See 1.2)	768	
Total Changes		766
Revised Net Budget		13,267

- 1.2 The increased budget for 2014/15 is principally as a result of the carry forward of budgets from previous years for work not completed at the financial year-end. Although the 2014/15 budget is increased, there is a corresponding decrease for the previous financial year and so there is no impact on the Council's overall financial position.

2. REVENUE BUDGET 2015/16 to 2019/20

2.1 Existing Net Budgets

The Executive recommends that the net budgets for 2015/16 to 2019/20 submitted in respect of existing services and including existing non-recurring commitment and estimated Parish Precepts are as shown in **Schedule 1** below:

Schedule 1 – Existing Net Budgets

Existing Net Budgets	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
City Council					
- Recurring (schedule 5)	10,872	12,066	12,111	12,521	13,380
- Non-Recurring (Sch. 5 note 2)	(106)	0	0	0	0
Parish Precepts	490	502	515	528	541
Total	11,256	12,568	12,626	13,049	13,921

2.2 **Proposed Savings and Budget Reductions**

The Executive further recommends that the existing budgets set out in **Schedule 1** be reduced by proposals for budget reductions as detailed in **Schedule 2**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 2 – Proposed Budget Reductions

Proposed Budget Reductions	Note	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Expenditure Reductions/Increased Income:						
Inflation Savings	1	0	(100)	(100)	(100)	(100)
Pay Award Savings	2	0	(70)	(70)	(70)	(70)
Treasury Management	3	(167)	(446)	(587)	(729)	(572)
Income	4	(144)	(144)	(144)	(144)	(144)
New Transformation Savings Required (Cumulative)	5	0	(350)	(350)	(350)	(350)
Neighbourhood Forum Grant	6	(24)	(24)	(24)	(24)	(24)
New Homes Bonus 2015/16	7	(124)	(124)	(124)	(124)	(124)
Specific Grants included in RSG	8	(9)	0	0	0	0
Total Expenditure Reductions/Increased Income		(468)	(1,258)	(1,399)	(1,541)	(1,384)
TOTAL BUDGET REDUCTION PROPOSALS		(468)	(1,258)	(1,399)	(1,541)	(1,384)
Split:						
Recurring		(459)	(1,258)	(1,399)	(1,541)	(1,384)
Non-Recurring		(9)	0	0	0	0

Note 1: Inflation is currently included in the MTFP based on higher levels of Net Expenditure. Due to savings being made, this base level can be reduced and therefore the amounts set aside for inflation can also be reduced.

Note 2: The Medium Term Financial Plan includes provision for pay awards at 2.5% for 2016/17 onwards. The savings above reflect reducing this to 2% in line with other inflationary pressures.

Note 3: Treasury Management projections have been updated to reflect changes in interest rate forecasts and changes to the Capital Programme.

Note 4: Additional income is anticipated in Hostels, £116,000, Land Charges £23,700 and Sports Pitches, Dogs and Allotments £3,600.

Note 5: Additional Transformation Savings will be required in order to bring reserves up to minimum levels. The revised profiling of transformation savings is shown below.

Note 6: The grant for the neighbourhood forums is being removed and replaced with an enhanced Small Scale Community Projects budget as outlined in Schedule 3.

Note 7: Additional New Homes Bonus awarded for 2015/16 onwards above what was included in the 2014/15 budget process.

Note 8: This includes Council Tax Support New Burdens Funding of £25,000 and a reduction in the New Homes Bonus Returned Funding of £16,000 (from the £26,000 shown in Schedule 9).

	Cumulative Savings identified as 2014/15 Budget £000	Additional Cumulative Savings Required £000	Reprofiled Savings £000	Revised Cumulative Savings required £000	Revised in Year Savings Required £000
2015/16	(1,839)	0	628	(1,211)	(1,211)
2016/17	(1,839)	(350)	(623)	(2,812)	(1,601)
2017/18	(2,939)	(350)	82	(3,207)	(395)
2018/19	(3,939)	(350)	(397)	(4,686)	(1,479)
2019/20	(3,939)	(350)	(397)	(4,686)	0

2.3

Proposed Budget Increases

The Executive further recommends that the existing budgets set out in **Schedule 1** be increased by new budget pressures detailed in **Schedules 3 and 4**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 3 – Recurring Budget Increases

Recurring Budget Pressures	Note	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Car Parking income	1	314	314	314	314	314
On Street Parking	1	83	83	83	83	83
Refuse and Recycling	2	173	173	173	173	173
Development Control Income	3	100	100	100	100	100
Events	4	130	130	130	130	130
Events Sponsorship Income	4	(13)	(20)	(40)	(60)	(80)
DFG Fee Income	5	60	60	60	60	60
Licensing	6	8	8	8	8	8
Local Plans	6	1	1	1	1	1
Reprofiling of Transformation Savings	7	628	(623)	82	(397)	(397)
Small Scale Community Projects	8	52	52	52	52	52
New Homes Bonus Ceasing	9	0	0	0	0	388
Total Recurring Budget Pressures		1,536	278	963	464	832

Note 1: The continued decline in parking income and the loss of Cecil Street and William Street car parks to the County Council and the County Council taking control of on-street parking enforcement.

Note 2: This represents the pressure from falling income from recyclates and the additional costs of servicing new homes.

Note 3: The charges report highlights the fact that Development Control Income will not meet the MTFP target.

Note 4: This represents the funding to continue with a City Events programme. This is to be offset by the raising of sponsorship Income.

Note 5: The amount of fees that is chargeable to the DFG Capital budget has reduced.

Note 6: The charges reports highlight that income from Licensing and Local Plans will not meet the MTFP target

Note 7: Proposals to meet the £3.939million transformation requirement have been drawn up, however some savings will not be achievable to the original timescales.

Note 8: A recurring budget equivalent to £1,000 per Member for use for Small Scale Community Projects. This replaces the previous non-recurring nature and also allows for the reduction to the Neighbourhood Forum Grant being removed.

Note 9: The 2013/14 New Homes Bonus Grant ceases from 2019/20.

Schedule 4 – Non-Recurring Budget Increases

Non-Recurring Budget Pressures/Savings	Note	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Car Parking Income	1	100	100	0	0	0
Rapid Response Team	2	114	114	0	0	0
Enterprise Centre Income	3	40	40	0	0	0
Temporary Posts in Economic Devt	4	38	38	0	0	0
Lanes Income	5	138	138	0	0	0
External Funding Support	6	30	0	0	0	0
External Funding Support - Income	6	(30)	0	0	0	0
Asset Management Plan	7	150	0	0	0	0
Sexual Assault Referral Service Grant	8a	20	20	20	0	0
Total Non-Recurring Budget Pressures		600	450	20	0	0

(a): Subject to further reports to the Executive prior to the release and expenditure of these budgets.

Note 1: Car Parking Income is forecast to reduce in 2015/16 and 2016/17. (See Recurring budget pressure in Schedule 3).

Note 2: This pressure relates to the continuation of the rapid response team for cleaning up Carlisle

Note 3: The income achieved from the Enterprise Centre is falling short of the MTFP target.

Note 4: This relates to planning officer post within Economic Development where there is no funding beyond 2014/15.

Note 5: Income from the Lanes is not expected to increase back to MTFP levels for 2015/16 and 2016/17.

Note 6: To utilise a resource to identify sources of grant funding the Council can utilise. To be funded from top-slicing any grant identified.

Note 7: This relates to expenditure on delivering the Asset Management Plan.

Note 8: Provision of a grant to match fund sexual assault referral services projects by Cumbria Police subject to matching contributions from the other Cumbrian Councils.

2.4 **Revised Net Budget Requirement**

As a consequence of the above, the Executive recommends that the Net Budget Requirement for Council Tax Purposes for 2015/16, with projections to 2019/20, be approved as set out in **Schedule 5** below:

Schedule 5 – Summary Net Budget Requirement for Council Tax Purposes

2014/15 Revised £000	Summary Net Budget Requirement	2015/16 Budget £000	2016/17 Proj £000	2017/18 Proj £000	2018/19 Proj £000	2019/20 Proj £000
	Recurring Revenue Expenditure					
	Existing Expenditure (Schedule 1)	10,872	12,066	12,111	12,521	13,380
	Budget Reductions (Schedule 2)	(459)	(1,258)	(1,399)	(1,541)	(1,384)
	New Spending Pressures (Schedule 3)	1,536	278	963	464	832
12,698	Total Recurring Expenditure	11,949	11,086	11,675	11,444	12,828
	Non Recurring Revenue Expenditure					
158	Existing Commitments (Schedule 1)	(106)	0	0	0	0
(1,392)	Budget Reductions (Schedule 2)	(9)	0	0	0	0
1,016	Spending Pressures (Schedule 4)	600	450	20	0	0
787	Carry Forward	0	0	0	0	0
13,267	Total Revenue Expenditure	12,434	11,536	11,695	11,444	12,828
	Less Contributions (from)/to Reserves:					
290	Recurring Commitments (Note 1) Sub Total	(32)	1,065	619	995	(240)
(158)	- Existing Commitments (Note 2)	106	0	0	0	0
(787)	- New Commitments	(591)	(450)	(20)	0	0
(945)	Sub Total	(485)	(450)	(20)	0	0
12,612	Total City Council Budget requirement	11,917	12,151	12,294	12,439	12,588
478	Parish Precepts	490	502	515	528	541
13,090	Projected Net Budget Requirement for Council Tax purposes	12,407	12,653	12,809	12,967	13,129

Note 1: This is the projected contribution to reserves in relation to recurring expenditure.

Note 2: Non - recurring Revenue commitments arising from existing approved commitments from earlier years are as follows:

Existing Non Recurring Commitment Approvals	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Apprentice Scheme	56	0	0	0	0
Homelessness	66	0	0	0	0
New Homes Bonus Returned Funding	(26)	0	0	0	0
Homelessness Grant	(66)	0	0	0	0
Council Tax freeze Grant 2014/15	(68)	0	0	0	0
Council Tax freeze Grant 2015/16	(68)	0	0	0	0
Total	(106)	0	0	0	0

2.5 **Funding and Provisional Council Tax Projections**

As a consequence of the above and having made the appropriate calculations required under Section 32 of the Local Government Finance Act 1992, the Executive is putting forward a proposal for no increase in Council Tax for 2015/16. The detail of this is set out in **Schedule 6** below.

Schedule 6 – Total Funding and Provisional Council Tax Projections

2014/15	Total Funding and Council Tax Impact	2015/16	2016/17	2017/18	2018/19	2019/20
31,014.29 £000	Estimated TaxBase	31,585.86 £000	31,673.98 £000	31,762.35 £000	31,850.97 £000	31,939.84 £000
	Projected Net Budget Requirement for Council Tax Purposes (Schedule 5)					
12,612	- City	11,917	12,151	12,294	12,439	12,588
478	- Parishes	490	502	515	528	541
13,090	Total	12,407	12,653	12,809	12,967	13,129
	Funded by:					
(5,999)	- Council Tax Income	(6,110)	(6,248)	(6,391)	(6,536)	(6,685)
(3,108)	- Revenue Support Grant	(2,245)	(2,223)	(2,128)	(2,029)	(2,029)
(2,970)	- Retained Business Rates	(3,027)	(3,145)	(3,240)	(3,339)	(3,339)
	- Business Rate					
(500)	Growth/Pooling	(500)	(500)	(500)	(500)	(500)
	- Estimated Council Tax					
(35)	Surplus	(35)	(35)	(35)	(35)	(35)
(54)	- Parish CTRS Grant	(54)	(54)	(54)	(54)	(54)
(424)	- Parish Precepts	(436)	(448)	(461)	(474)	(487)
(13,090)	TOTAL	(12,407)	(12,653)	(12,809)	(12,967)	(13,129)
£ 193.43	City Council Tax	£ 193.43	£ 197.27	£ 201.20	£ 205.20	£ 209.29
	Band D Council Tax					
	Increase over Previous year:					
£0.00	£	£ -	£ 3.84	£ 3.93	£ 4.00	£ 4.09
0.0%	%	0.00%	1.99%	1.99%	1.99%	1.99%

2.6 It should be noted that the funding projections in **Schedule 6** are based upon:

- Final confirmation of the 2015/16 year settlement figures will be received in January 2015.
- The Council Tax Surplus and Taxbase are currently estimated and final figures will be available in the January 2015.
- The Council is continuing to participate in the Cumbria Business Rates Pool with the other Councils within Cumbria in order to manage Business Rates. It is expected that this will give greater potential to benefit from any growth in income collected from Business Rates and as such, an estimated additional £500,000 growth is included in this budget process.
- The projections of Council Tax for 2015/16 onwards are indicative only and exclude parish precepts.

SECTION C - CAPITAL PROGRAMME 2014/15 TO 2019/20

1. REVISED CAPITAL BUDGET 2014/15

- 1.1 The Executive recommends that the revised 2014/15 Capital Programme be approved at £7.926m compared to the original budget of £9.716m as set out in the report of the Director of Resources. The decrease of £1.790m is due to schemes being re-profiled to future years or schemes being removed from the programme.

2. CAPITAL BUDGET 2015/16 TO 2019/20

- 2.1 The Executive recommends that the estimated Capital Resources available and proposed Capital Programme for 2015/16 to 2019/20 be approved to be financed and allocated as detailed in **Schedule 7 and 8** below:

Schedule 7 – Estimated Capital Resources

Estimated Resources	Note	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Capital Grants:						
- DFG	1	(663)	(663)	(663)	(663)	(663)
- External Borrowing	2	0	0	0	(5,000)	0
Capital Receipts						
- Generated in Year (General)	3	(260)	(260)	(260)	(260)	(260)
- Generated in year (Asset Business Plan)	4	(4,539)	0	0	0	0
- Generated in Year (PRTB)	5	(150)	(150)	(150)	0	0
Direct Revenue Financing	6	(101)	(66)	(66)	(34)	(2)
TOTAL		(5,713)	(1,139)	(1,139)	(5,957)	(925)

Note 1: Disabled facilities grant (DFG) allocation will be received in the new year, and it has been indicated that this grant will be protected at the 2014/15 levels

Note 2: External borrowing to fund Leisure Facilities.

Note 4: Capital receipts from the sale of fixed assets, including the sale of the Council's interest in land on the Raffles estate and other specific asset disposals.

Note 5: Capital receipts from the sale of Assets as part of the Asset Management Plan have been reprofiled between years to reflect sales and purchase activity to date.

Note 6: The Preserved Right to Buy (PRTB) sharing arrangement with Riverside Group is for a fifteen year period with the Council being entitled to a pre-agreed reducing percentage of the receipts. Right to Buy sales are predicted to be in line with the original projections.

Note 7: Direct revenue financing in relation to invest to save schemes and Clean Up Carlisle.

Schedule 8 – Proposed Capital Programme

Capital Scheme	App/ Para	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Current Commitments:						
Disabled Facilities Grants		863	863	863	863	863
Planned Enhancements to Council Property		150	150	150	150	150
Vehicles & Plant	1/2	1,109	1,221	1,113	383	265
Asset Review	1/3	1,800	0	0	0	0
Harraby School Community Campus Contribution	4	500	0	0	0	0
Old Town Hall / Greenmarket	1/5	390	0	0	0	0
Leisure Facilities (invest to save)	1/6	0	0	0	5,000	0
ICT	1/7	100	100	100	100	0
Total Existing Commitments		4,912	2,334	2,226	6,496	1,278
TOTAL POTENTIAL PROGRAMME		4,912	2,334	2,226	6,496	1,278

Note 1: Subject to further reports to the Executive, including a full Business Plan, prior to the release of any earmarked reserve and any expenditure being incurred.

Note 2: The anticipated additional budgets for replacement of the Council's vehicle fleet are included in the table above and have been amended to reflect revised requirements within service areas.

Note 3: Provision for expenditure in accordance with the Asset Management Plan reprofiled from 2014/15.

Note 4: The final contribution to the Harraby Community Campus is scheduled for 2015/16

Note 5: The work to complete the phase two project at the Old Town Hall is scheduled to be completed in 2015/16

Note 6: Capital expenditure for enhancement work to Leisure facilities has been profiled from 2015/16 to 2018/19 to reflect the timeline in relation to contract end dates.

Note 7: The provision for ICT replacement programme.

A summary of the estimated resources compared to the proposed programme is set out in **Schedule 9** below:

Schedule 9 – Summary Capital Resource Statement

Summary Programme	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Estimated Resources 31 March 2015	(2,098)				
In Year Impact:					
- Estimated resources available in year (Schedule 7)	(5,713)	(1,139)	(1,139)	(5,957)	(925)
- Proposed Programme (Schedule 8)	4,912	2,334	2,226	6,496	1,278
Year End Position					
- Capital Resources	(2,899)	(1,704)	(617)	(78)	275

SECTION D – USABLE RESERVES PROJECTIONS

1. The Executive recommends, as a consequence of Sections A, B and C detailing the Council's Revenue and Capital budgets, the overall use of the Councils usable Reserves as set out in **Schedule 10** below.

Schedule 10 – Usable Reserve Projections

Council Reserves	Actual 31/03/2014 £000	Revised 31/03/2015 £000	Projected 31/03/2016 £000	Projected 31/03/2017 £000	Projected 31/03/2018 £000	Projected 31/03/2019 £000	Projected 31/03/2020 £000
Revenue Reserves							
General Fund Reserve	(3,945)	(2,559)	(1,442)	(2,057)	(2,600)	(2,600)	(2,600)
Project Reserve	0	0	0	0	(56)	(1,051)	(811)
Collection Fund	112						
EEAC Reserve	(52)						
Transformation Reserve	(436)	(438)	(1,038)	(1,038)	(1,038)	(1,038)	(1,038)
Building Control	(20)						
Cremator Reserve	(212)						
Welfare Reform Reserve	(200)	(200)	(200)	(200)	(200)	(200)	(200)
Conservation Fund	(117)	(117)	(117)	(117)	(117)	(117)	(117)
Residents Parking	116						
Total Revenue Reserves	(4,754)	(3,314)	(2,797)	(3,412)	(4,011)	(5,006)	(4,766)
Capital Reserves							
Usable Capital Receipts	(5,273)	(1,738)	(2,539)	(1,344)	(257)	(78)	275
Asset Disposal Reserve	(370)	(360)	(360)	(360)	(360)	0	0
Unapplied Capital Grant	(191)	(191)	(191)	(191)	(191)	(191)	(191)
CLL Reserve	(522)	(522)	(522)	(522)	(522)	(522)	(522)
Asset Investment Reserve	(48)	(48)	(48)	(48)	(48)	(48)	(48)
Lanes Capital Reserve	(369)	(384)	(399)	(414)	(429)	(444)	(459)
Total Capital Reserves	(6,773)	(3,243)	(4,059)	(2,879)	(1,807)	(1,283)	(945)
Total Available Council Balances	(11,527)	(6,557)	(6,856)	(6,291)	(5,818)	(6,289)	(5,711)
Other Reserves (i)	(104,055)						
Total Reserves	(115,582)						

- (i) These reserves are of a technical nature and are not cash backed. They are not available either to fund expenditure or to meet future commitments.

SECTION E - PROPOSED BUDGET DISCIPLINE AND SAVING STRATEGY

1. The Council has adopted a 5-year financial strategy as set out in its Medium Term Financial Plan to assist in the integration of financial planning with the priorities set out in the Carlisle Plan. The current medium term financial projections point to a shortfall in the Council's budgets, which will require additional savings to be identified. In addition, the scope for the Council to continue support for initiatives in future years and to redirect resources to priority areas will be dependent on the extent to which the Council is successful in realising savings and redirecting resources. The requirement to identify savings or raise additional income in future years is a continuing and increasing pressure facing the Council.
2. The savings outlined in this document are necessary to ensure that the Council continues to meet the challenges of an approximate 38% reduction in RSG (and significant reductions in other revenue and capital grants) over the five years commencing 2011/12. However due to its success to date in identifying transformational savings, the Council now has a solid financial base in order to set its 2015/16 budget. In the circumstances the Council can adopt a more measured approach in spreading the further savings required over the next 5 years whilst maintaining a safe and healthy financial future for the Council.
3. The savings strategy will continue to concentrate on the following areas to deliver the savings required to produce a balanced longer term budget, however the exact work programme will be dependant on progress with the Transformation programme.
 - Asset Review – this focuses on producing a Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs on a recurring basis.
 - Service delivery models – As part of the transformation programme, alternative options for service delivery are being considered in order to make significant financial savings whilst still delivering good standards of service. The options under consideration will include shared services and commissioning of services.
 - As part of the transformation programme a review of those services which do not fall within the Council's core priorities or which are not statutory will continue to be undertaken to ensure that services are properly aligned to what the Council wants to achieve.

Additionally the Council will look at:

- (i) Major review of Waste Services;
 - (ii) Discretionary funding to major partners, e.g. Tullie House
 - (iii) Vacancy Management / One off expressions of interest in voluntary redundancy limited to strict business case criteria
 - (iv) Digital by default – Council wide exercise to encourage residents to interact with the Council electronically, e.g. savings in postage, printing, stationery.
 - (v) Channel Shift and utilising single customer record and moving customer contacts to front office.
4. Members and Officers are reminded that it is essential to maintain a disciplined approach to budgetary matters and as such:

- Supplementary estimates will only be granted in exceptional circumstances.
- Proposals seeking virement should only be approved where the expenditure to be incurred is consistent with policies and priorities agreed by the Council.

5. In order to continue the improvements in the links between financial and strategic planning, the Joint Management Team will continue to meet regularly to progress forward planning on these issues.

STATUTORY REPORT OF DIRECTOR OF RESOURCES

1. In setting its Budget Requirement, the Council is required under the Local Government Act 2003 (Section 25) to consider:
 - (i) The formal advice of the statutory responsible financial officer (Director of Resources) on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;
 - (ii) The Council has to determine what levels of borrowing, if any, it wishes to make under the Prudential Code that governs local authority borrowing.

2. Robustness of the Estimates

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff, the Senior Management Team and the Joint Management Team prior to submission to members.

The Council's revenue and capital budgets are integrated in that the financial impact of the proposed capital programme is reflected in the revenue estimates.

The Council has no history of overspending against budget, indeed, until recently there has tended to be a degree of underspending. However improved budget monitoring backed up by specific action where appropriate and base budget procedures have proven effective in addressing this issue.

There are risks however involved in projecting budgets particularly over the medium term and the year-end position will never exactly match the estimated position in any given year. Areas of specific risk in the current five-year period under consideration are:

- The Transformation programme is expected to achieve savings of £4.686million between 2015/16 and 2019/20, in order to meet the expected cuts in grants from central government and other budgetary pressures identified in this budget process. This will ensure that a balanced budget is produced and where Council reserves are replenished over the longer term.
- The level of interest receipts and return on Treasury Management activities are subject to market rates. Members are advised of this risk every year and it should be noted that in the current economic climate with low base rates, investment income returns in the medium term are very difficult to predict. The Council is also having to deal with a reduced number of counterparties it is able to place deposits with. Coupled with this is the increasing cost of Minimum Revenue Provision through the reduction in the amount of available capital receipts the Council has. Both of these factors place a significant pressure on the Revenue budget over the next 5 year period.

The main risks to the robustness of the estimates is the impact of the Transformation programme. The use of reserves will be necessary to fund this budget in the short term however it is not acceptable in the longer term and should only be seen as a short term fix. The proposals to be put in place need to bring reserve levels back to an acceptable level in the following 5 years. This is dependant upon the necessary steps being taken to resolve the ongoing projected deficit, as part of the Transformation programme. Specifically it will require the delivery of the savings proposals identified and continuing work to deliver further savings. Regular budget monitoring, particularly in the area of the Transformation programme is imperative during this period. The level of the Council's future Capital Programme in taking account of a significant reduction in

capital receipts is fully funded other than the 2018/19 leisure facilities which is an invest to save initiative. However, no capital reserves are available to fund new capital projects other than invest to save initiatives funded from revenue reserves.

- Central contingencies – there have been no contingency budgets built in to the existing estimates. This means that any unforeseen expenditure that cannot be contained within existing budgets will require a supplementary estimate to cover any costs. The budget proposals will significantly limit the capability to deal with any of these events and these may have to be found from within other budgets and reserves should the need arise.

3. Adequacy of Reserves

The level and usage of the Council's Reserves is undertaken annually as part of the Medium Term Financial Plan.

The appropriateness of the level of reserves can only be judged in the context of the Council's longer term plans and an exercise has been undertaken to review the level of reserves through the use of a risk assessment matrix. The findings of this exercise suggested that the minimum level should be set at £2.6m as a prudent level of General Fund Reserves which will be required as a general working capital/ contingency to cushion the Council against unexpected events and emergencies. However, given the short term commitments highlighted in the budget proposals, it is necessary that the current General Fund reserve be used to fund the short term deficits. Stringent plans will be required in order to replenish the level of reserves in the following years and the budget proposed must identify the steps necessary to do this.

The Councils policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit and steps taken to address the situation in the following years. The deficit projections must therefore be addressed and the Executive must set out in its Budget Discipline and Saving Strategy how it expects Officers to address the situation in setting the 2015/16 budget and preparing for the 2016/17-budget cycle.

Based on current projections, Council Reserves will fall to below minimum recommended levels in the years 2014/15 to 2017/18. Necessary steps are being taken to resolve the ongoing projected deficit by the delivery of savings proposals currently identified and identification of further savings via the Transformation Programme. It is accepted that the level of reserves will need to reduce until the impact of the transformation is effective and that the £2.6m General Fund Reserve is breached in the short term but that this is replenished over the following 5 years through a stringent savings strategy.

4. Determination of Borrowing

The new Prudential Accounting regime enables the Council to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for Council approval once decisions on the overall Capital Programme have been made.

For the period under review the need for borrowing will be kept under consideration and will be dependent on the level of capital receipts being generated and the potential of future capital projects. Due to projects currently under consideration, the capital programme for 2015/16 to 2019/20 may require the use of Prudential Borrowing (including internal borrowing) to sustain levels depending on the levels of capital receipts that can be generated in the future. If borrowing is required, full option appraisals will be carried out.

SECTION G – GLOSSARY OF TERMS

BUDGET

- **GROSS** – the total cost of providing the council's services before taking into account income from service related government grants and fees and charges for services.
- **NET** – the Council's gross budget less specific government grants and fees and charges, but before deduction of RSG and other funding from reserves.
- **ORIGINAL BUDGET** – the budget for a financial year approved by the council before the start of the financial year.
- **REVISED BUDGET** – an updated revision of the budget for a financial year.
- **NET BUDGET REQUIREMENT FOR COUNCIL TAX PURPOSES** – the estimated revenue expenditure on general fund services that needs to be financed from the Council Tax after deducting income from fees and charges, certain specific grants and any funding from reserves.

CAPITAL EXPENDITURE - Expenditure on the acquisition of a fixed asset or expenditure, which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS – the proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure within rules set down by the government, but they cannot be used to finance revenue expenditure.

COMPREHENSIVE SPENDING REVIEW (CSR) - announcements made by the Government to inform the budget process for future years.

CONTINGENCY – money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

COUNCIL TAX – the main source of local taxation to local authorities. Council tax is levied on households within its area by the billing authority and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

DISABLED FACILITIES GRANT (DFG) – individual government grants towards capital spending on providing disabled adaptations to housing.

EXECUTIVE- consists of elected Members appointed by the Leader of the Council to carry out all of the local authority functions which are not the responsibility of any other part of the local authority.

FEES AND CHARGES – income raised by charging users of services for the facilities.

INTEREST RECEIPTS – the money earned from the investment of surplus cash.

NATIONAL NON-DOMESTIC RATE (NNDR) - this is a levy on businesses, based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy. Also known as 'business rates', the 'uniform business rate' and the 'non-domestic rate'.

NON-RECURRING EXPENDITURE – items which are in a budget for a set period of time.

PRECEPT – the levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

- **PRECEPTING AUTHORITIES** – those authorities which are not billing authorities, ie do not collect the council tax and non-domestic rate. County councils, police authorities and joint authorities are ‘major precepting authorities’ and parish, community and town councils are ‘local precepting authorities’.

RESERVES – amounts set aside in one year to cover expenditure in the future, which all Authorities must maintain as a matter of prudence. Reserves can either earmarked for specific purposes or general.

RETAINED BUSINESS RATES - collected by billing authorities on behalf of central government and the precepting authorities (Central Government, County Councils and Billing Authority) and redistributed in accordance with a prescribed formula set by the DCLG taking into account top up and tariffs.

REVENUE EXPENDITURE – day to day running costs of the Authority, including employee costs, premises costs and supplies and services.

REVENUE SUPPORT GRANT (RSG) – a grant paid by central government to aid local authority services in general, as opposed to specific grants, which may only be used for a specific purpose.

SENIOR MANAGEMENT TEAM (SMT) – a group of senior officers consisting of the Chief Executive, Deputy Chief Executive and Directors.

SUPPLEMENTARY ESTIMATE – an amount, which has been approved by the authority, to allow spending to be increased above the level of provision in the original or revised budget.

TAXBASE – the number of Band D equivalent properties within each Local Authority area used to determine the RSG by the DCLG and to calculate the Council Tax yield by each authority.

VALUE FOR MONEY – a much-used term that describes a service or product that demonstrates a good balance between its cost, quality and usefulness to the customer. A VFM audit takes into account the economy, efficiency and effectiveness of a local authority service, function or activity.

VIREMENT – the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head i.e. a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.

(d) Amendments/Objections to the Executive's Budget Recommendations

On behalf of Members of the Conservative Group, Councillor Mallinson (J) gave notice of four amendments which would be submitted to Councillor Glover's motion. The amendments related to Street Cleaning – Rapid Response Team; Four Yearly City Elections; Youth Zone – Outreach Programme; and Tullie House.

On behalf of the Liberal Democrat Group, Councillor Allison gave notice of two amendments which would be submitted to Councillor Glover's motion. The amendments related to the Community Grant Fund; and Members' Allowances.

(e) Adjournment of Meeting

Following circulation of copies of each of the above amendments, it was moved by Councillor Mallinson (J), seconded by Councillor Boaden, and agreed under Procedure Rule 14.10(g) that the meeting be adjourned to allow time for consideration of the amendments.

The meeting adjourned at 7.00 pm and reconvened at 7.20 pm

The Mayor sought and received confirmation that there were no further amendments to the Motions already moved.

(f) Councillor Glover rose to present the Executive's Budget for 2015/16. In so doing, he expressed grateful thanks to all those who had taken the opportunity to engage in and contribute towards the budget consultation debate. All of the input received had shaped the Executive's budget proposals.

In addition, Councillor Glover thanked the Director of Resources and his team for their advice and assistance, and Officers of the Council who had risen to the challenges involved.

Councillor Glover then addressed the Council in support of the motion that the recommendations of the Executive in respect of the General Fund Revenue Budget and the Council's Capital Budget for 2015/16 be agreed.

Councillor Tickner seconded the motion.

(g) Consideration of Amendments

1. Street Cleaning – Rapid Response Team

Councillor Bloxham moved an amendment to Councillor Glover's motion as follows:

"To provide additional non-recurring revenue funding of £42,300 in 2015/16 and 2016/17 to enhance and extend the rapid response team for cleaning up Carlisle.

An additional mobile street cleaning operative costing £22,200 will deliver improved frequency of cleaning in high profile areas such as outlying areas of the City and tourist hotspots. The operative would be a visible presence in local shopping centres building confidence in the local business community and supporting regeneration.

An additional driver costing £20,100 will provide a cost effective way of improving performance by increasing the frequency of mechanical sweeping using existing vehicle stock. This will be particularly helpful in driving up standards in areas of the district that are performing less well, notably residential housing estates and industrial estates. These are high profile public areas that influence public opinion on the cleanliness of Carlisle and whether it's a place where people want to live and work.

This proposal is to be funded by a contribution from revenue reserves in 2015/16 and 2016/17.”

Councillor Mallinson (J) seconded the amendment.

Councillors Bloxham and Mallinson (J) addressed the Council in support of the amendment.

The Director of Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated, and Councillor Bloxham thanked Financial Services for their assistance.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Bloxham:

Councillors Bainbridge, Bloxham, Bowman (S), Mrs Bowman, Collier, Earp, Ellis, Mrs Geddes, Higgs, Layden, Mrs Mallinson, Mallinson (J), McKerrell, Mitchelson, Morton, Mrs Parsons, Mrs Prest and Mrs Vasey.

The following Members voted against the amendment of Councillor Bloxham:

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Dodd, Ms Franklin, Gee, Glover, Graham, Harid, Mrs Martlew, McDevitt, Ms Patrick, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Warwick, Watson, Weber and Wilson.

Councillor Allison abstained from voting.

The amendment of Councillor Bloxham, as set out above, was LOST.

2. Four Yearly City Elections

Councillor Mallinson (J) moved an amendment to Councillor Glover's motion as follows:

“To amend the election cycle from electing one third of the Members each year with no elections in year four, and move to a full election for all Members every four years. The earliest opportunity to implement this proposal is 2016/17 which will generate a revenue saving of £155,000 over the lifetime of the MTFP; a cost of £85,000 in 2016/17 with savings of £80,000 per annum for years 2017/18 to 2019/20. The savings generated will be used to replenish revenue reserves.”

Councillor Ellis seconded the amendment.

Councillors Mallinson (J) and Ellis addressed the Council in support of the amendment.

The Director of Resources’ comments on the impact of the above amendment on the Executive’s budget proposals had been circulated.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Mallinson (J):

Councillors Allison, Bainbridge, Bloxham, Bowman (S), Mrs Bowman, Collier, Earp, Ellis, Mrs Geddes, Gee, Graham, Higgs, Layden, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Mitchelson, Morton, Mrs Parsons, Mrs Prest and Mrs Vasey.

The following Members voted against the amendment of Councillor Mallinson (J):

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Dodd, Ms Franklin, Glover, Harid, Mrs Martlew, McDevitt, Ms Patrick, Mrs Riddle, Scarborough, Miss Sheriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Warwick, Watson, Weber and Wilson.

The amendment of Councillor Mallinson (J), as set out above, was LOST.

3. Youth Zone – Outreach Programme

Councillor Mallinson (J) moved an amendment to Councillor Glover’s motion as follows:

“To provide non-recurring revenue funding of £10,000 per annum for two years to support the Youth Zone as a two year pilot and more specifically to reinstate the outreach programme and work in the rural areas. This proposal is to be funded by a contribution from revenue reserves in 2015/16 and 2016/17.”

Councillor Layden seconded the amendment.

Councillors Mallinson (J) and Layden addressed the Council in support of the amendment.

The Director of Resources’ comments on the impact of the above amendment on the Executive’s budget proposals had been circulated.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Mallinson (J):

Councillors Allison, Bainbridge, Bloxham, Bowman (S), Mrs Bowman, Collier, Earp, Ellis, Mrs Geddes, Graham, Higgs, Layden, Mrs Mallinson, Mallinson (J), McKerrell, Mitchelson, Morton, Mrs Parsons, Mrs Prest and Mrs Vasey.

The following Members voted against the amendment of Councillor Mallinson (J):

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Dodd, Ms Franklin, Glover, Harid, Mrs Martlew, McDevitt, Ms Patrick, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Warwick, Watson, Weber and Wilson.

Councillor Gee abstained from voting.

The amendment of Councillor Mallinson (J), as set out above, was LOST.

4. Tullie House

Councillor Ellis moved an amendment to Councillor Glover's motion as follows:

"To phase in the proposed saving for the Tullie House Museum and Art Gallery Trust identified as a transformational saving totalling £214,000 from 2016/17. The amendment to phase in the saving over a two year period will allow the Trust to make the necessary operational changes in a timely manner to achieve the savings target. A saving target of £100,000 from 2016/17 is suggested with the full sum being achieved in 2017/18. This proposal will require the re-profiling of the transformation programme and will be funded initially from revenue reserves."

Councillor Mallinson (J) seconded the amendment.

Councillors Ellis and Mallinson (J) addressed the Council in support of the amendment.

The Director of Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Ellis:

Councillors Bainbridge, Bloxham, Bowman (S), Mrs Bowman, Collier, Earp, Ellis, Mrs Geddes, Higgs, Layden, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Mitchelson, Morton, Mrs Parsons, Mrs Prest and Mrs Vasey.

The following Members voted against the amendment of Councillor Ellis:

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Dodd, Ms Franklin, Gee, Glover, Graham, Harid, Mrs Martlew, McDevitt, Ms Patrick, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Warwick, Watson, Weber and Wilson.

Councillor Allison abstained from voting.

The amendment of Councillor Ellis, as set out above, was LOST.

5. Community Grant Fund

Councillor Allison moved an amendment to Councillor Glover's motion as follows:

"To provide a non-recurring Community Grant Fund of £18,000 for 2015/16 and 2016/17 per annum that could be used to fund community projects within the Carlisle area subject to a bidding process through the Neighbourhood Forums and assessment against selected criteria. This proposal is to be funded by reducing the Carlisle Focus from 4 publications to 2 publications for the next four years, saving £9,000 per annum."

Councillor Gee seconded the amendment.

Councillor Allison addressed the Council in support of the amendment.

The Director of Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Allison:

Councillors Allison, Gee and Graham.

The following Members voted against the amendment of Councillor Allison:

Councillors Mrs Atkinson, Bell, Bloxham, Boaden, Bowditch, Bowman (S), Mrs Bradley, Burns, Cape, Collier, Dodd, Earp, Ellis, Ms Franklin, Mrs Geddes, Glover, Harid, Higgs, Layden, Mrs Mallinson, Mallinson (J), Mrs Martlew, McDevitt, Mrs McKerrell, Mitchelson, Morton, Mrs Parsons, Ms Patrick, Mrs Prest, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Vasey, Mrs Warwick, Watson, Weber and Wilson.

Councillors Bainbridge and Mrs Bowman abstained from voting.

The amendment of Councillor Allison, as set out above, was LOST.

6. Members' Allowances

Councillor Allison moved an amendment to Councillor Glover's motion as follows:

"Members' allowances are budgeted to increase by 2.2% in line with the officers pay award for the 15 months from 1st January 2015. This proposal is to limit the allowances paid to Members in 2015/16 to 1.2% effectively saving 1%, equating to a total saving of approximately £3,000 per annum, with the saving being used to support staff well-being initiatives e.g. staff healthy living schemes."

Councillor Gee seconded the amendment.

Councillor Allison addressed the Council in support of the amendment.

The Director of Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

There then followed debate with input from a number of Members of the City Council.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Allison:

Councillors Allison, Bainbridge, Gee and Graham.

The following Members voted against the amendment of Councillor Allison:

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Collier, Dodd, Ms Franklin, Glover, Harid, Layden, Mrs Mallinson, Mrs Martlew, McDevitt, Morton, Ms Patrick, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Vasey, Mrs Warwick, Watson, Weber and Wilson.

Councillors Bloxham, Bowman (S), Mrs Bowman, Earp, Ellis, Mrs Geddes, Higgs, Mallinson (J), Mrs McKerrell, Mitchelson, Mrs Parsons and Mrs Prest abstained from voting.

The amendment of Councillor Allison, as set out above, was LOST.

(h) There being no further amendments, the Council considered the motion of Councillor Glover with regard to the City Council Budget for 2015/16.

Discussion ensued, with input from a number of Members of the City Council.

Councillor Tickner stated that, as Members were aware, there were a number of issues which had not been finalised when the Executive presented their Budget Proposals 2015/16 at their 14 January 2015 meeting.

He added that confirmation of the following had since been received:

- (1) The Council Tax Surplus had been calculated for 2015/16 and was confirmed as a £35,000 recurring surplus for the City Council share.
- (2) Final confirmation of Parish Precepts had been received and confirmed at £494,000 inclusive of Council Tax Reduction Scheme (CTRS) grant of £54,000. That compared to the estimate of £490,000 (£436,000 exclusive of CTRS) shown on pages 6, 11 and 12 of the Executive Budget Proposals document. There was no impact on Council reserves nor the City Council Budget requirement associated with Parish Precepts.

Final confirmation of Revenue Support Grant funding was still outstanding. Any minor changes to the figures included in the proposed budget would result in an appropriation to/from reserves.

[The Director of Resources' letter confirming the above had been circulated to all Members on 30 January 2015]

Councillor Tickner wished to place on record his thanks to the Director of Resources and the Financial Services Team for their hard work in preparation for the Budget.

Councillor Glover paid tribute to members of staff who had worked in an extremely agile manner to meet the challenges faced by the authority. He also emphasised the critical importance of partnership working, which would continue, and thanked those organisations involved.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the Motion of Councillor Glover:

Councillors Mrs Atkinson, Bell, Boaden, Bowditch, Mrs Bradley, Burns, Cape, Dodd, Ms Franklin, Glover, Graham, Harid, Mrs Martlew, McDevitt, Ms Patrick, Mrs Riddle, Scarborough, Miss Sherriff, Southward (C J), Mrs Southward, Mrs Stevenson, Taylor, Tickner, Mrs Warwick, Watson, Weber and Wilson.

The following Members voted against the Motion of Councillor Glover:

Councillors Bainbridge, Bloxham, Bowman (S), Mrs Bowman, Collier, Earp, Ellis, Mrs Geddes, Higgs, Layden, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Mitchelson, Morton, Mrs Parsons, Mrs Prest and Mrs Vasey.

Councillors Allison and Gee abstained from voting.

The motion of Councillor Glover as set out at (c) above relating to the City Council's General Fund Revenue Budget and Capital Budget for 2015/16 was CARRIED.

The Mayor thanked all those who had contributed to the Budget debate.

C.26/15 DECISIONS TAKEN AS A MATTER OF URGENCY

Pursuant to Overview and Scrutiny Procedure Rule 15(1), the Director of Governance reported on decisions of the Executive which it had been agreed should be taken as urgent decisions and dealt with as matters of urgency without the need for call-in.

RESOLVED – That Report GD.13/15 setting out the decisions taken as a matter of urgency since the last meeting of the Council be noted and agreed.

C.27/15 COMMUNICATIONS

There were no communications or business brought forward by the Mayor as a matter of urgency to be dealt with at the meeting.

C.28/15 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100(A)(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information, as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

C.29/15 PROPOSAL FROM THE EXECUTIVE IN RELATION TO THE COUNCIL'S BUDGET AND POLICY FRAMEWORK

EX.10/15 – Land and Property Transaction

(Public and Press excluded by virtue of paragraph 3)

Pursuant to Minute EX.10/15, consideration was given to a recommendation from the Executive that the City Council approve the virement of £135,000 from the Asset Improvement Budget within the 2014/15 capital programme to fund the acquisition. A copy of Report GD.12/15 and relevant Minute Extract had been circulated.

Councillor Tickner moved and Councillor Glover seconded the recommendation.

Councillors Tickner and Mrs Bradley also responded to a Member's question.

RESOLVED – That Council approved the virement of £135,000 from the Asset Improvement Budget within the 2014/15 capital programme to fund the acquisition detailed in Report GD.12/15.

(The meeting ended at 9.47 pm)