
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 20 NOVEMBER 2017

BUDGET OVERVIEW 2018/19

The Leader introduced Agenda item A.1 which constituted the official start of the 2018/19 Budget process. He reminded Members that the various reports listed under that item had been reproduced in a Budget Book circulated on 10 November 2017.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder referred Members to the Book of Budget Reports. He informed the meeting that the various Budget reports under consideration by the Executive today would proceed to Scrutiny, and come back before the Executive, prior to submission to the Special Council meeting scheduled to take place on 6 February 2018.

The Deputy Leader indicated that the Corporate Charging Policy, which was part of the Strategic Financial Framework, was approved by the Executive on 29 August 2017 and Full Council on 12 September 2017 and set out the City Council's policy for reviewing charges.

In addition, the Policy recognised that each Directorate was different, and required Directors to develop specific principles for their services or client groups, but within the parameters of the main principles of the Council's Corporate Charging Policy, details of which were provided.

In terms of the Review of Charges for 2018/19, the Deputy Leader advised that the proposals took account of the MTFP's 3% increase but that had not been applied to everything as factors including market forces and local conditions had been taken into account.

EX.112/17 BUDGET UPDATE - REVENUE ESTIMATES 2018/19 TO 2022/23 (Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder 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 paragraph 1.3.

The Deputy Leader outlined, in particular, the outstanding key issues, together with the resource assumptions details of which were provided at Section 4.

Decisions would need to be taken to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies (and probable use of reserves) to enable a balanced budget position to be recommended to Council in February 2018.

The Deputy Leader further explained that, in light of the current position in the MTFP, there were some potential new spending pressures which required consideration. He added that there may be other pressures on the revenue budget as highlighted within the revenue monitoring report, which may have a recurring impact; however, Officers were reviewing the existing base budget provisions to ensure that the services could be provided within those provisions.

Turning to the issue of savings and additional income proposals, the Deputy Leader stated 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 2018/19, details of which were set out at Section 6 of the report.

Also summarised were the movements in base budgets; the updated MTFP projections; Treasury Management and Borrowing; the projected impact on revenue balances; review of reserves and balances; together with a summary of the financial outlook and budget discipline 2018/19 to 2022/23.

In conclusion, the Deputy Leader, and Finance, Governance and Resources Portfolio Holder formally moved the recommendations as detailed within the report, which were formally seconded by the Leader.

Summary of options rejected none

DECISION

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 which needed 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.

Reasons for Decision

To note the Revenue Base Estimates; updated Medium Term Financial Plan projections and budget pressures / savings for consideration as part of the 2018/19 budget process

EX.113/17 REVIEW OF CHARGES 2018/19 - COMMUNITY SERVICES (Key Decision – KD.23/17)

Portfolio Environment and Transport; Culture, Heritage and Leisure

Relevant Scrutiny Panel Economic Growth; Health and Wellbeing;
Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report CS.33/17 setting out the proposed fees and charges for 2018/19 relating to those services falling within the Community Services Directorate.

The report recorded that the annual review of car parking yield and pricing had led to proposals for the following changes in the Council's fees:

- General inflationary increases in the fees for parking up to 4 hours (rounded to 10p increments), with the exception of those car parks where it was felt that the fee for stays longer than 3 hours ought to match the full day charge (9.5 hours);
- For stays longer than 4 hours there were proposals to amend the hourly bands which would significantly reduce the cost for long stay parking. The proposed price bands in excess of 4 hours had been set after reviewing the total yield per space, per day. Prices had then been calculated across the Council's car parks to increase that total yield while still offering a reduction for people who wished to park for longer (Appendix B referred).
- The proposals also removed the availability of parking permits in some car parks to reflect the lower long stay prices outlined above as well as demand for permits vs. pay and display provision in those car parks.

Details of the other proposed charges in relation to City Centre usage by external organisations; events; digital banner; allotments; use of parks; sports pitches; Talkin Tarn; Bereavement Services; the Old Fire Station / Tourist Information Centre; Waste

Services and Street Cleaning; enforcement charges; and garage services were also provided.

The Deputy Leader stated that the original 2017/18 budgets and 2018/19 forecast income levels based upon the current charge structure and forecast volume were as detailed in the table on page 36 of the document pack. He added that the charges highlighted within the report would result in an anticipated level of income of £2,903,300 against the MTFP target of £2,903,300. That represented the income target being met.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder then formally moved the recommendation, which was formally seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges, 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 as detailed within the report.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.114/17 REVIEW OF CHARGES 2018/19 – ECONOMIC DEVELOPMENT
(Key Decision – KD.2317)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth; Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report ED.38/17 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; the Home Life Grant Scheme; and Investment and Policy Income.

Acceptance of the charges highlighted within the report would result in an anticipated level of income of £705,500 against the Medium Term Financial Plan target of £682,500.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder then formally moved the recommendation, which was formally seconded by the Leader.

Summary of options rejected none

DECISION

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.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.115/17 REVIEW OF CHARGES 2018/19 – GOVERNANCE AND REGULATORY SERVICES
(Key Decision – KD.23/17)

Portfolio Cross Cutting

Relevant Scrutiny Panel Health and Wellbeing; Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report GD.66/17 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 £909,700 in 2018/19 as summarised in the table at paragraph 5.10.1 of the report.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder then formally moved the report, which was formally seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges as detailed within Report GD.66/17 and accompanying Appendices, with effect from 1 April 2018; and noted the impact thereof on income generation as detailed within the report.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.116/17 REVIEW OF CHARGES 2018/19 – GOVERNANCE AND REGULATORY SERVICES DIRECTORATE - LICENSING
(Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report GD.68/17 setting out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance and Regulatory Services Directorate. He advised Members that the Regulatory Panel had responsibility for determining the licence fees, with the exception of those under the Scrap Metal Dealers Act 2013, which fell to the Executive.

The Deputy Leader then formally moved that the Executive note the charges which had been considered by the Regulatory Panel on 15 November 2017. The fees under the Scrap Metal Dealers Act 2013 were determined by the Executive for a three year period on 1 August 2016.

The Leader formally seconded the recommendations.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the charges which were considered by the Regulatory Panel on 15 November 2017.
2. Noted that the fees under the Scrap Metal Dealers Act 2013 had been determined by the Executive for a three year period on 1 August 2016.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with and sufficient income is generated to cover the costs associated with administering and enforcing the Council's statutory licensing function

EX.117/17 REVISED CAPITAL PROGRAMME 2017/18 AND PROVISIONAL CAPITAL PROGRAMME 2018/19 TO 2022/23
(Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel

Economic Growth; Health and Wellbeing; Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report RD.32/17 detailing the revised Capital Programme for 2017/18, now totalling £9,513,400, together with the proposed method of financing. Members' attention was drawn to the summary of the revised programme for 2017/18 which showed projected (surplus) capital resources in the sum of £3,866,622.

Also summarised was 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 based on the announcements by Government in the spending review.

The Deputy Leader also highlighted Section 4 which provided details of the current commitments and new spending proposals. He emphasised 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.

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

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder concluded his presentation by formally moving the recommendations as detailed within the Chief Finance Officer's report, which were formally seconded by the Leader.

Summary of options rejected none

DECISION

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;
- (iii) 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.

Reasons for Decision

To note the details of the revised Capital Programme and relevant financing and make arrangements for the new capital bids to be considered as part of the 2018/19 budget process

EX.118/17 CORPORATE ASSETS – 3 YEAR REPAIR AND MAINTENANCE PROGRAMME 2018/19 TO 2020/21 (Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report GD.72/17 setting out the repair and maintenance programme budget proposals for the Council's corporate property assets for the three year period 2018/19 to 2020/21, required to ensure that the legal responsibilities of the City Council were met.

The Deputy Leader reminded Members that local authorities had a duty to manage their property assets, particularly operational assets, in a safe and efficient manner which contributed to the quality of service delivery. The maintenance strategy was fully integrated with the Asset Management Plan and environmental policy. In addition, the Council followed good practice by, where practical, allocating its budget 70% planned maintenance and 30% reactive maintenance.

The report recorded that the proposed 2018/19 revenue maintenance budget amounted to approximately £700,000 spread across a wide range of assets; and that the Council had a capitalised major repairs programme with a provision of £150,000 included in the Capital Programme. The maintenance schedule figure on the operational buildings, based on a costed 5 year plan derived from a rolling programme of Condition Surveys, currently stood at £2,766,270. It was anticipated, however, that the figure would increase as a result of new detailed condition surveys being undertaken for each operational asset over the next five years, together with the reduction to £150,000 in the capital schemes special project fund. The redevelopment of Bitts Park and the Pool facilities, together with the sale and acquisition of assets would also impact the maintenance schedule figure.

Turning to the issue of planned maintenance, the Deputy Leader reported that the projects detailed at Section 2 reflected the highest priority projects to be funded from capital. The allocation of £150,000 for capital projects was half the amount allocated in previous years and reflected the Council's current financial situation. The effect of reducing the budget was likely to result in an increase in the number of properties awaiting maintenance, although that could be alleviated in part by the disposal of properties with a high maintenance requirement.

He added that the maintenance budgets for the year and those for the next 3 years (as set out in the Medium Term Financial Plan) were included as Appendix A. Whilst that allocation was necessary for budget purposes the Building and Estates Services Manager (authorised by the Corporate Director of Governance and Regulatory Services) could re-distribute those funds to meet specific or emergency needs. That flexibility was essential to avoid any service disruption.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder concluded by formally moving the recommendations set out in the report, which were formally seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive approved:

1. The three year revenue maintenance programme set out in Appendix A to Report GD.72/17 as part of the budget process.
2. The 2018/19 capital budget of £150,000 as part of the budget process.
3. The list of capital projects selected to meet the allocated capital budget of £150,000.

Reasons for Decision

The repair and maintenance of property assets provided support for all of the Council's operations and was essential to protect the value of assets and the efficient running of services thus contributing to all corporate priorities

EX.119/17 TREASURY MANAGEMENT QUARTER 2 2017 AND FORECASTS FOR 2018/19 TO 2022/23
(Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report RD.30/17 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2018/19 with projections to 2022/23, and set out information regarding the requirements of the Prudential Code on local authority capital finance.

Treasury Management projections were reviewed annually to ensure that current interest rate forecasts were updated, and that current and future spending implications were built into the cash flow forecasts model. Average cash balances would need to be amended to reflect revised forecasts for anticipated capital receipts, capital expenditure and use of revenue reserves and that would adjust the final pressure/saving requirement from treasury management. The draft base Treasury Management estimates for 2018/19 with projections for 2022/23 were set out at Appendix C.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder concluded by formally moving the recommendation set out in the report, which was formally seconded by the Leader.

Summary of options rejected none

DECISION

That Report RD.30/17 be received and the projections for 2018/19 to 2022/23 be incorporated into the Budget reports considered elsewhere on the Agenda.

Reasons for Decision

To receive the report on Treasury Management and refer it as part of the budget process

EX.120/17 LOCAL TAXATION 2018/19 – 2022/23
(Key Decision – KD.23/17)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted report RD.33/17 considering aspects of Local Taxation decisions which needed to be made as part of the Budget process for 2018/19 onwards.

The Deputy Leader outlined the various considerations, including the levels of Council Tax for the City Council (including Parish Precepts), Council Tax Surplus calculations, Council Tax Base calculations, Local Support for Council Tax (Council Tax Reduction Scheme), and Business Rate Retention (including Pooling arrangements). A summary of the assumptions made was also provided at Section 4.

The Executive was requested to note the content of the report; and

- Approve, for recommendation to Council as part of the budget process, the 2018/19 Local Support for Council Tax scheme as set out in paragraph 2.4.

- Approve the continuation of involvement in the Cumbria Business Rate Pool arrangements for 2018/19, subject to the continuing involvement of the other partners which would be formally agreed in January 2018 with the final decision on participation being delegated to the Chief Finance Officer; that being subject to the outcome of the Business Rate Retention pilot bid for 100% retention in 2018/19.

In conclusion the Deputy Leader, and Finance, Governance and Resources Portfolio Holder formally moved the recommendations.

The Leader formally seconded the recommendations.

Summary of options rejected none

DECISION

That the Executive:

- (i) Noted the contents of Report RD.33/17 including the current assumptions built into the MTFP with regard to local taxation issues;
- (ii) Approved, for recommendation to Council as part of the budget process, the 2018/19 Local Support for Council Tax scheme as set out in paragraph 2.4.
- (iii) Approved the continuation of involvement in the Cumbria Business Rate Pool arrangements for 2018/19, subject to the continuing involvement of the other partners which would be formally agreed in January 2018 with the final decision on participation being delegated to the Chief Finance Officer; that being subject to the outcome of the Business Rate Retention pilot bid for 100% retention in 2018/19.

Reasons for Decision

To make recommendations on aspects of Local Taxation decisions required to be made as part of the 2018/19 Budget process