

**BUDGET CONSULTATION – TRADE UNION REPRESENTATIVES
WEDNESDAY 7 JANUARY 2015 AT 3.00PM**

PRESENT: Councillor C Glover (Leader)
Councillor Dr L Tickner (Finance, Governance and Resources Portfolio Holder)
Councillor Mrs E B Martlew (Deputy Leader; and Environment and Transport Portfolio Holder)
Councillor Mrs H Bradley (Economy and Enterprise Portfolio Holder)

Mr C Lexa (UNISON)
Mr D Armstrong (UNISON)
Mr D Gow (GMB)

OFFICERS Town Clerk and Chief Executive
Director of Resources

1. APOLOGY FOR ABSENCE

An apology for absence was submitted on behalf of Mr Malcolm Carruthers, Regional Officers, UNITE.

2. WELCOME

The Finance, Governance and Resources Portfolio Holder welcomed the Trade Union representatives and thanked them for taking the time to attend the meeting and respond to the Executive's draft Budget Proposals 2015/16 issued for consultation.

3. CITY COUNCIL BUDGET 2015/16

The Director of Resources gave a brief presentation highlighting main issues set out in Executive Budget Proposals.

He outlined the background to and context of the 2015/16 budget, emphasising that the Council was facing many financial challenges over the next five-year planning period , and forecast resources were not anticipated to cover the expenditure commitments without major 'transformational' savings being identified in accordance with the Council's Savings Strategy.

The Director of Resources gave a further explanation of the following main issues:

- Government Finance Settlement – RSG and NNDR
- Welfare Reform Act

- Transformation
- Reduced Capital Resources

As part of next year's budget, the Executive was proposing not to increase the Council Tax for the City Council for 2015/16 (Parish Precepts would be an additional charge in the parished rural areas).

Details of the main changes to the budget for 2015/16 (as set out within the consultation document) reflected the need to make savings of £4.686 million over the next five years. Those would require the Senior Management Team and the Executive to review the services provided by Council and look at where those savings could be found.

The Finance, Governance and Resources Portfolio Holder reported that the Budget proposals assumed that significant savings must be found within the next five year period: £4.686 million in total, with £1.211 million to be found by 2015/16 and £3.4 million in later years.

In the period since 2010/11 savings of approximately £6 million had been identified, as a result of which the deficit should have been reduced. However, the implications of the Chancellor's Autumn Statement would hit local authorities even harder. The Local Government Association had calculated that, by May 2015, the Council's funding would be reduced by approximately 40%. This was therefore an extremely difficult time for all local authorities, including the City Council.

Notwithstanding the above, Members of the Executive were keen to do what they could to assist the local community, in particular, the low paid, unemployed and homeless people. Accordingly the budget proposed:

- That car parking charges be frozen for the fourth year running and that long stay charges be reduced
- Maintenance of the Council's ambitious capital programme, including the Arts Centre
- The provision of additional funding for Council events in promoting Carlisle on a permanent basis
- Maintenance of the popular 'Clean Up Carlisle' initiative for a further two years
- Additional funding for Ward Councillors to support Small Scale Community Projects in their Wards.

The Finance, Governance and Resources Portfolio Holder added that the Executive wanted to manage growth and maintain front line services and were keen to protect staff. He agreed that the next few years would be difficult but the Executive were optimistic that there was opportunity to generate income, better manage Council assets and protect services and the most vulnerable in the community.

Discussion arose, during which the following questions and issues were raised:

Mr Lexa noted the projected increase in the reserves to £2.6m by 2019/20; he asked the reason for the quick increase to the reserves.

The Director of Resources explained that the General Fund Reserve would rise and fall during the period of the Medium Term Financial Plan (MTFP) and it was projected that the Reserve would be £2.6m in 2019/20. There would be no quick increase in the Reserves but the figures did afford the Council some leeway. In response to a further question the Director confirmed that the repayment of the Council's loan was outwith the current MTFP period.

Mr Lexa asked for further information on the Funding Officer. The Leader reported that the Funding Officer would be a one year pilot which would be financially resourced from any funding sourced by the Officer. If the Officer was not successful the post would not continue. Various departments within the authority accessed grants and funding streams, it was hoped that the Funding Officer would have the necessary skills and expertise to complete the applications and statements to access previously unknown grants and funding. The Director of Resources added that the focus of the Funding Officer's role would be the Carlisle Plan.

In response to a question from Mr Lexa the Finance, Governance and Resources Portfolio Holder confirmed that the Executive was not looking to make any detrimental changes to Terms and Conditions, he reiterated that staff were the key resource within the Council. The Leader concurred and reminded attendees that the Council had introduced the Living Wage and was it was committed to 'growing their own' staff to secure the future workforce. The Environment and Transport Portfolio Holder added that the Council had a proactive training programme but also ran a comprehensive wellbeing programme for staff.

The Director of Resources added that the Revenues and Benefits staff would be transferred back to the three separate authorities and the Carlisle staff would return to the Carlisle Terms and Conditions.

Mr Lexa asked how the vacancy redundancy/management targets would be met when the first round of voluntary redundancies had not achieved the required target.

The Finance, Governance and Resources Portfolio Holder responded that a number of the requests for voluntary redundancies had been for posts that could not be deleted, the future of the workforce needed to be addressed in a different way. The Council needed a flexible strategy to allow and encourage training and movement of staff within the authority.

The Environment and Transport Portfolio Holder confirmed that a number of the applications for voluntary redundancy had come from front line services and the loss of the posts would not only effect the staff left but also the quality of the service.

Mr Lexa asked for further information on the Rethinking Waste Project.

The Environment and Transport Portfolio Holder explained that the Project was a comprehensive review of all waste services in a positive way to make the service more effective. There were a number of issues that needed to be investigated including the capacity of the service to collect from new developments, the cost of recyclates and the way in which recyclates were collected.

In response Mr Lexa enquired if properties in new developments were being purchased. The Leader confirmed that properties were being sold although there had been issues with affordable housing. The Carlisle District Local Plan set out the number of new homes required in Carlisle each year; for Carlisle to stay the same size it would require 450 new homes per year, for it to grow it would require 550 new homes. Carlisle had the land capacity to accommodate the new developments. The Director of Resources added that the tax base for Carlisle had grown by 500 which resulted in nearly £100,000 of income stream but also stretched the capacity of services such as waste services.

In concluding the meeting the Finance, Governance and Resources Portfolio Holder thank the Trade Union representatives for their input into the meeting.

(The meeting ended at 3.55pm)