
EXCERPT FROM THE MINUTES OF THE ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL HELD ON 2 DECEMBER 2010

EEOSP.82/10 BUDGET

Revenue Budget Reports

(a) Summary of New Revenue Spending Pressures

The Assistant Director (Resources) (Mr Mason) submitted report RD.56/10 summarising the new revenue spending pressures that had emerged as part of the current year budget monitoring process and which would need to be considered in light of the Council's corporate priorities ie Economy and Environment.

The Executive had on 22 November 2010 (EX.186/10) received the report and forwarded it to Overview and Scrutiny Committees to give their initial views on whether the bids were to be supported in principle and whether, subject to available funding, they should be progressed any further. The requests cannot be considered in isolation and need to be viewed alongside the current forecast budget position as set out in the report.

Members then considered the following new pressures and raised the following comments and questions:

- *Some of the charges were set at a national level eg planning and others indicated a range of charges. What flexibility did the Council have regarding those charges?*

Mr Hardman advised that Building Control had the opportunity to set its own fees and work was under way to set the fees. With regard to Planning fees consultation was taking place that would indicate the fees by October 2011, but there would be a shortfall in income initially and it would probably take a couple of years to address the imbalance. Officers were costing applications to determine a realistic figure for Planning.

The Assistant Director (Local Environment) (Ms Culleton) advised that some Local Environment charges were set nationally and that they may rise but would not know until later.

- *The report stated that a review of fuel and energy costs was to be undertaken to determine the effect of fuel and energy usage across the Council. When will that review happen and who will carry it out?*

Mr Mason advised that the review was ongoing and was being carried out by the Buildings and Facilities Manager (Mr Kay). Significant savings in energy had already been made and the next big saving would be made by moving staff from Bousteads Grassing to the Civic Centre. With regard to Tullie House capital allocation had been brought forward to look at energy consumption as a result of which energy consumption had reduced. Mr Mason was confident that the savings would extinguish the indicated overspend.

- *What caused the losses in Pest Control?*

The Local Environment Portfolio Holder advised that less people had been using the service and the ingredients used by the officers was expensive.

Ms Culleton advised that there had been a shortfall for a number of years but officers were looking at where the target should be and the matter would then be addressed. One of the aims was to ensure a realistic target and the Portfolio Holder believed that officers had now got it right.

RESOLVED – (1) That Report CORP.56/10, Summary of New Revenue Spending Pressures be noted.

(b) Summary of Savings Delivered and New Proposals

Report RD.57/10 had been circulated to the Panel by way of background information.

Mr Mason advised that the savings delivered had been successful but the RSG settlement and grant cuts meant that the Council would have to make an additional saving of £2-3m on top of what had already been saved. The Senior Management Team and the Executive were looking at the Savings Strategy including the Asset Review and discretionary services.

Mr Mason advised that in 2010/11 an actual saving of £422,000 had been made within Local Environment and that although the service review was still going through he was confident that further savings would be delivered.

- **Transformation** – Mr Mason reported that the report showed the savings that had been achieved to date against the original £3m transformation target. Those savings had been/would be achieved through various service reviews and directorate restructures.
- **Concessionary Fares Grant** – Mr Mason reported that concessionary fares administration and funding would become the responsibility of the County Council with effect from 1 April 2011. The £200,000 saving was made by the Council no longer funding enhancements to the concessionary fares scheme once the responsibility for the function transferred to the County Council.

- *The report indicated savings throughout the 5 year period in relation to Tullie House. How would those savings be made?*

The Strategic Director (Mr Crossley) advised that savings would be made prior to the transfer to Trust through the transformation process. Following the implementation of Trust status the savings were indicated in the Business Case for a 3 year period and thereafter.

- *Would there be a reduction in staff numbers?*

Mr Crossley advised that the savings would be as a result of a reduction in staff numbers, energy savings and other changes proposed.

Mr Mason advised that there would be a discretionary rate relief of £116,000 if Tullie House was taken into Trust status.

- *There is nothing in the report to indicate that any research had been done to prove that the indicated savings were achievable. Where does that information come from? And is the Portfolio Holder confident that the measures proposed to make the savings will work?*

Mr Mason explained that the information was gathered from service reviews, risk measures and mitigation and through consultation with staff.

The Local Environment Portfolio Holder advised that the Executive may take up some of the suggestions made and that some of the figures may alter. He was confident that the proposed measures would work but that he would liaise with Ms Culleton.

Ms Culleton stated that the savings would be met by reduced spending on discretionary services and better service efficiencies and that officers were piloting a methodology to assist in the process.

- *With regard to transformation where would the costs of redundancies and advertising for recruitment be found?*

Mr Mason advised that those issues had been taken into account in last year's budget. £1.5m had been allocated to meet the costs of redundancies and to date £1m had been used. With regard to recruitment costs all directorates had their own budgets.

With regard to the Equality Impact Assessment and confidence in the budget proposals, Mr Crossley advised that officers in the Policy team were liaising with the Assistant Directors regarding the impact of the proposed changes. These were to be considered alongside savings being proposed at the County Council and other public bodies. There would also be an impact on resident groups in Carlisle and the Policy Manager (Mr O'Keeffe) was looking at the County Council proposals as well as the City Council proposals.

With regard to concessionary fares Mr Mason explained that the administration and funding would become the responsibility of the County Council from April 2011 and there would be a saving of £200,000 as the City Council would no longer be funding enhancements to the scheme.

- *Was there an overall strategic percentage cuts within directorates or were the cuts linked to the Corporate Plan? Some departments were concerned that savings of 10%-15% would be required.*

Mr Crossley explained that the Government's Comprehensive Spending Review indicated a saving of 26% could be required and whilst the Council were still awaiting details it was rumoured that the savings would have to be front loaded; that would mean more savings required in the earlier years. The details would be known by 21 December 2010 at the latest. Officers had tried to line up savings with the Corporate Plan requirements.

RESOLVED – That Report RD.57/10 be noted.

c) Review of Charges 2011/12

- **Local Environment**

Report CS.28/10 was submitted, setting out the proposed fees and charges for the services falling within the responsibility of the Local Environment Directorate.

The Executive had on 22 November 2010 (EX.181/10) considered the report and decided that the report be noted and referred to the Overview and Scrutiny Panels for their consideration.

Car Parks – Officers had reviewed the short and long stay car parks and had proposed changes to maximise income and create a shoppers car park at Upper Viaduct. It was proposed to maintain the differential in costs between short and long stay car parks. That would take account of the changes expected by the increase in VAT in January. Contract car parking charges would be maintained at current levels plus VAT.

Bulky Waste/Special Collections – a flat rate would be introduced as the current system was confusing for customers, officers and Members. The new system would assist customers who wished to use the internet although customers would still be able to contact the Council by telephone. However it was expected that there would be a decrease in demand due to the changes in charges.

Purple Sacks – it was proposed that the provision of purple sacks would cease and that residents would be required to purchase sacks. Recycling rates had been successful and therefore the number of purple sacks being left for collection had reduced.

Bereavement – charges would be increased to cover the cost of replacement of the cremators.

- *When the work undertaken by the Task and Finish Group was presented to the Executive, it was stated that the recommendations were accepted and that the relevant proposals would be included in the budget recommendations. In many cases that had not been done, eg pro rata contracts for car parking, possibly charging different rates for less popular car parks.*

The Local Environment Portfolio Holder advised that many of the recommendations had been agreed and would be put into the budget. That had not been done due to a lack of time. He had considered the car parks and functions with Ms Culleton and they were looking at options. Car parks would be reviewed and they were looking at a system of paying by mobile phone. With regard to people losing money due to machines not providing change, it had been agreed to round the charges up to £1.

In response to a Member's query the Local Environment Portfolio Holder advised that the Panel may wish to make a recommendation that all car parks were similarly round up. However that would not encourage commuters to park outside the city centre and could result in commuters filling shopper car parks. .

- *The Executive had said they were looking at linear parking charges. Was there a timetable for that charging or would it be part of the ongoing car parking review?*

The Local Environment Portfolio Holder stated that the Executive would like to implement pay by phone but they were being guided by officers. While Parking Connect was underway it would be best to wait until all the information had been gathered then implement all the changes at once.

Ms Culleton advised that there would be a lot of change if Parking Connect was implemented but that a lot of good work had been done.

In response to a Member's query the Local Environment Portfolio Holder advised that there would not be any concession for Cathedral users.

The revenue from Talkin Tarn would be ring fenced for woodland and leisure maintenance. Income from the car park and restaurant helped but next year the Council would lose the £40,000 concession from the County Council.

- *What was happening with the Green Travel Plan?*

The Local Environment Portfolio Holder advised that parts of the Plan had been introduced. People were using cycles more to get around and staff were sharing cars. Members did not believe the time was right to start charging staff and Members for car parking but that it may be considered in the future.

- *Would it be possible to provide the removal of bulky waste free of charge for elderly residents?*

The Local Environment Portfolio Holder advised that there would be no free collections but that if people had bulky items they could contact Centre 47 who would remove it free of charge if it could be reused. All items for removal by the Council would be charged and the Portfolio Holder recognised that the wording in the report would need to be amended to clarify the situation.

There was further discussion around the provision of purple sacks to residents. A Member was concerned that he was provided with a wheelie bin while other residents would have to pay for sacks. The Portfolio Holder explained that people who used wheelie bins put their refuse in sacks that they had purchased so the situation was no different for people purchasing purple sacks.

- *If people bought their own sacks there would be no guarantee that they would be good quality. The cheaper sacks would be more likely to be ripped by cats, dogs or birds. That would lead to a litter issue. When looking at a saving in one area officers should consider the impact in other areas. Would the saving in not supplying purple sacks be taken up by the need to clean up litter from torn sacks?*

The Local Environment Portfolio Holder advised that the purchase of the sacks cost the Council £30,000. There were two options in the report regarding purple sacks and the Executive recommendation was to cease providing sacks to residents. A Member believed that people on low income would not be able to afford to buy sacks and requested that the Executive consider the matter again and present further options and recommendations to the Panel. The Portfolio Holder confirmed that there was insufficient time to re-consider the proposals but that the Executive would take on board the suggestions made by the Panel. Sacks could be made available to be collected at the Civic Centre at a charge.

RESOLVED – (1) That the observations of the Environment and Economy Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive.

(2) That the status quo be maintained regarding the supply of purple sacks

- **Economic Development**

Report ED.37/10 was submitted, setting out the proposed fees and charges for the services falling within the responsibility of the Economic Development Directorate.

The Executive had on 22 November 2010 (EX.183/10) considered the report and decided that the report be noted and referred to the Overview and Scrutiny Panels for their consideration.

RESOLVED – That the decision of the Executive be noted.

Capital Budget Reports

d) Revised Capital Programme and Provisional Capital Programme

The Assistant Director (Resources) (Mr Mason) submitted report RD.53/10 detailing the revised capital programme for 2010/11, together with the proposed method of financing as set out in Appendices A and B. The report also summarised the proposed programme for 2011/12 to 2015/16 in light of the capital bids submitted for consideration, and summarised the estimated and much reduced capital resources available to fund the programme.

The Executive had on 22 November 2010 (EX.188/10) considered the report and decided that the Executive:

- “1. Noted the revised capital programme and relevant financing for 2010/11 as set out in Appendices A and B of report RD.53/10;
2. Recommended that the City Council approve slippage of £3,654,300 and savings of £99,700 from 2010/11 identified in Phase 1 of the Review;
3. Had considered the proposed criteria, as suggested by the Senior Management Team, to be used in determining the revised Capital programme (Phase 2) based on capital resources available;
4. Had given initial consideration to the capital spending requests for 2011/12 to 2015/16 contained in Report RD.53/10 in the light of the estimated available resources; and
5. 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.”

Details of the new capital spending proposals which fell within the area of responsibility of the Committee were as detailed on the Agenda for the meeting.

Mr Mason advised that Phase 1 of the review had resulted in the revised capital programme included in the report. Phase 2 indicated that it was important to reduce capital grants over the next few years. The diagram indicated that there would be a loss of over £10m over the next 4-5 years. Funding would be available for 2 mechanical sweepers if savings were made in other areas.

Ms Culleton informed Members that the mechanical sweepers that the Council had did not sweep pathways but the new ones would.

RESOLVED – 1) That the Panel were satisfied with the explanation that project savings were not just a fixed percentage sliced off departments but would take into account the new Corporate Plan.

- 2.) That the Panel had concerns that it was not always clear in the report whether the transformation savings were a reduction or whether other appointment costs had been taken into consideration.
- 3.) That the Panel were happy with the proposed increase for charges in short and long term car parks.
- 4.) That the Panel were happy with the re-designation of car parks to maximise income.
- 5.) That the Panel were pleased that the Executive had taken on board the recommendations of the Car Parking Task and Finish Group and hoped that some of the recommendations would be in place in the near future.
- 6.) That the Panel accepted that pay by phone and changes to on-street parking would be held in abeyance until the current car parking review with the County Council was completed.
- 7.) The Panel understood that the charges from car parking at Talkin Tarn would be ring fenced to reinvest in facilities at Talkin Tarn.
- 8.) That, with regard to the provision of purple sacks to residents, following considerable debate, the Panel voted in favour of the status quo.