

**BUDGET CONSULTATION – TRADE UNION REPRESENTATIVES
WEDNESDAY 8 JANUARY 2014 AT 3.00 PM**

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 M Richmond (UNISON)
Mr D Gow (GMB)

OFFICERS Town Clerk and Chief Executive
Director of Resources

1. APOLOGY FOR ABSENCE

No apologies for absence were submitted.

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 2014/15 issued for consultation.

3. CITY COUNCIL BUDGET 2014/15

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 2014/15 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
- Triennial Revaluation of the Pension Fund
- Transformation

As part of next year's budget, the Executive was proposing a Council Tax increase of 1.99% for the City Council for 2014/15 (Parish Precepts would be an additional charge in the parished rural areas).

Details of the main changes to the budget for 2014/15 (as set out within the consultation document) reflected the need to make savings of £3.936 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, with £1.839million to be found by 2015/16 with £2.1million in later years.

Despite having to make these savings, which included an approximate 38% reduction in Government grant, due to prudent financial management, the Council had a sound financial base upon which to set its 2014/15 budget. The Executive was still able to deliver on their proposals despite savage cuts.

The Executive's budget:

- Had frozen car parking charges for the third year running
- Maintained the Council's ambitious capital programme including the Arts Centre
- Provided additional funding for Council events in promoting Carlisle
- Maintained the popular 'Clean Up Carlisle' initiative, which had been well received by businesses and the community
- Supported the recruitment and development of four new apprentices for a two year period

He reiterated the Executive's commitment to make non staffing savings first and that compulsory redundancy would only be used as a last resort. The Executive continued to invest in training and development for staff to ensure that the Council could grow their own staff as they were the key resources in delivering services as efficiently as possible.

Although substantial savings had to be met, the Carlisle Plan's main theme was to enable Carlisle to grow. There was a need for more housing of all levels in Carlisle and to address this need nineteen sites had been identified to develop housing with partners, this would increase job and training opportunities within the City and encourage investment.

The Finance, Governance and Resources Portfolio Holder added that it was with some reluctance that the Executive required to recommend a 1.99% increase in Council Tax for 2014/15 after four years of maintaining a council tax freeze.

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

Mr Gow asked if there was any opportunity for the City Council to increase the number of apprentices within the authority given the current youth unemployment figures.

The Finance, Governance and Resources Portfolio Holder responded that the Executive was keen to continue the apprentice scheme but they also felt that there was a balance to be achieved between increasing apprentices and the current Voluntary Redundancy initiative. There would be changes to the funding of apprentices and this may result in opportunities to increase the numbers in the future.

The Town Clerk and Chief Executive added that three apprentices had been previously placed within the authority and had since all found full time permanent positions. The scheme had been a good development opportunity for young people but it had also been very useful to develop better managers within the organisation.

There was funding for four more apprentices and managers within the authority had been asked to submit proposals for the placement of the apprentices to ensure they received a good quality and well planned opportunity.

Mr Richmond was very aware of the financial pressure being placed on local government and asked at what point the aspirations of the Council would be under threat and only statutory services remained?

In response the Director of Resources recognised that there would be some changes to services in the future but felt confident that, with good and prudent financial planning, the authority would be well placed for the future.

The Town Clerk and Chief Executive agreed that he was not concerned with regard to the financial viability of the Council in the next decade but there was concern regarding the role the City Council would play in public services as a whole. Changes were happening within the County Council and the Health Service that would affect the City Council and it was not known what the impact of those changes would be.

The Finance, Governance and Resources Portfolio Holder added that the changes to public services would also affect economic growth. The City Council worked closely with partners to help local employment to encourage growth.

The Environment and Transport Portfolio Holder highlighted the growing confidence that the Large Employers Affinity Group had in the City Council and how they had supported the Council's plans and were keen to be partners in development that would manage growth in the City.

The Economy and Enterprise Portfolio Holder informed the group that work had begun on the next Local Plan. The Plan would identify employment land with an emphasis on the M6 corridor and it would also identify potential housing sites, in particular land owned by the City Council for the development of social housing.

Mr Lexa commented that the proposal that the City Council would look to borrow internally was prudent given the current low interest rates.

The Director of Resources explained that the potential internal borrowing was for the replacement of refuse vehicles. This may not be required as a review of Waste Services was being undertaken and it was hoped that this would result in savings that would cover the purchase of the vehicles.

Mr Lexa noted the shortfall in recycling income and asked if this was due to the reduction in the price for recyclates or a reduction in the amount being recycled.

The Finance, Governance and Resources Portfolio Holder responded that recycling was a volatile market and the reduction in the amount being recycled and the low price being given was a national issue.

The Environment and Transport Portfolio Holder explained that kerbside recycling could not be offered to new properties and this would be looked as a part of the wider Waste Review alongside the contracts and service on offer to make it more efficient and to make some financial savings.

In closing the meeting, the Leader emphasised that the Executive would always look at the option to provide services in house and create potential revenue streams where ever possible. The priority for the Executive was to retain committed, talented and dedicated staff to build for the future. He agreed that there were still some difficult decisions to be made but the Council also had to plan for the future.

(The meeting ended at 4.00pm)