

EXCERPT FROM THE MINUTES OF THE ECONOMIC GROWTH SCRUTINY PANEL HELD ON 28 NOVEMBER 2019

EGSP.75/19 BUDGET 2020/21 – 2024/25

(a) Budget Update - Revenue Estimates 2020/21 to 2024/25

The Corporate Director of Finance and Resources submitted report RD.29/19 providing a summary of the Council's revised revenue base estimates for 2019/20, together with base estimates for 2020/21 and forecasts up to 2024/25 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 the Charging Policy; Capital Strategy; and Asset Management Plan approved by Council on 10 September 2019.

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 Section 1.3. A summary of the outstanding key issues, together with the resource assumptions was also provided at Section 4.

The Executive had on 18 November 2019 (EX.95/19) received the report and resolved:

“That the Executive:

1. Noted the revised base estimates for 2019/20 and base estimates for 2020/21.
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, bids and savings which needed to be taken into account as part of the 2020/21 budget process.
4. Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F.”

In considering the report, Members raised the following questions and comments:

- How was the £25,000 allocated for small grants to business scheme to be managed?

The Corporate Director of Economic Development responded that the funds would be used to provide grant funding to small businesses within the city centre.

The Panel discussed the process of setting up a Business Improvement District, and the importance of getting the support of the business community for such a scheme.

- When were the costs for the Borderlands Project Management Office expected to peak?

The Corporate Director of Economic Development advised that the expected duration of the project was ten years, and it was anticipated that costs would peak around the middle of the project.

- Were the reduced incomes from facilities such as The Lanes and Market Hall an indication of a declining trend?

The Corporate Director of Finance and Resources stated that recently the trend had been towards slight decline which had been funded through base budget savings, however, she noted that as a local authority, the Council's position was not unique. It was difficult to anticipate future trends, however, they were being monitored and where appropriate mitigating action would be taken.

RESOLVED – That report RD.29/19 Budget Update – Revenue Estimates 2020/21 to 2024/25 be endorsed the Panel.

(b) Review of Charges 2020/21

The Corporate Director of Finance and Resources presented the Review of Charges reports informing the Panel that there was a 3% increase on the overall level of income in line with the Corporate Charging Policy.

The Health and Wellbeing Manager submitted report CS.25/19 which set out the proposed fees and charges for 2020/21 relating to those services falling within the Community Services Directorate.

The charges highlighted within the report would result in an anticipated level of income of £2,929,300 against the MTFP target of £3,132,800 which represented a shortfall of £203,500 against the MTFP target. Details of the proposed charges in relation to those areas within the Panel's remit as detailed on the agenda, were contained within the report.

The Executive had on 18 November 2019 (EX.96/19) received the report and decided:

"That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.25/19 and relevant appendices with effect from 1 April 2020, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges available to relevant Scrutiny Panels for their review and comment."

In considering the report, Members raised the following questions or comments:

Members supported the use of an hourly rate for room hire at the Tourist Information Centre, which they felt had been set at a reasonable level and therefore was likely to increase usage.

The Health and Wellbeing Manager confirmed that the amended rates were designed to increase usage of the facility.

- What had caused the income shortfall on the Civic Centre Digital Banner?

The Deputy Leader and Finance, Governance and Resources Portfolio Holder responded that the shortfall had arisen as a result of an increased income target rather than an actual drop in income: targets generally rose annually in an effort to increase income

RESOLVED – 1) That the Charges Review Report 2020/21 – Community Services be endorsed (CS.25/19).

2) That the Panel supported the proposed fees for the Tourist Information Centre.

Economic Development

The Corporate Director of Economic Development submitted report ED.36/19 which set out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The Corporate Director of Economic Development reminded Members that income from Development Control fees was set nationally and not by the Council. In addition, Building Control Fees were ring-fenced and the service was not permitted to generate either a profit or a loss.

The Executive had on 18 November 2019 (EX.97/19) received the report and resolved:

“That the Executive agreed for consultation the charges, as set out in Report ED.36/19 and accompanying Appendices, with effect from 1 April 2020; noting the impact those would have on income generation as detailed within the report.”

The Panel discussed the process for setting Building and Development Control Services Targets and factors affecting the income of those two areas.

RESOLVED – That the Charges Review Report 2020/21 – Community Services be endorsed (ED.36/19).

- **(c) Revised Capital Programme 2019/20 and Provisional Capital Programme 2020/21 to 2024/25**

The Corporate Director of Finance and Resources submitted report RD.30/19 detailing the revised Capital Programme for 2019/20, now totalling £23,222,900, together with the proposed method of financing. The report summarised the proposed programme for 2020/21 to 2024/25 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

Section 4 provided details of the current commitments and new spending proposals. 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 Executive had on 18 November 2019 (EX.100/19) received the report and decided:

“That the Executive:

- (i) Noted the revised capital programme and relevant financing for 2019/20 as set out in Appendices A and B.
- (ii) Had given initial consideration and views on the proposed capital spending for 2020/21 to 2024/25 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.”

In considering the report, Members raised the following questions or comments:

- How was the cost of the Carlisle Southern Link Road to be recouped?

The Corporate Director of Economic Development explained that the Council had committed £5M to the Link Road which would be recouped through Community Infrastructure Levy payments from the St. Cuthbert's Garden Village.

RESOLVED – That the Panel endorse the Revised Capital Programme 2019/20 and the Provisional Capital Programme 2020/21 to 2024/25.