

## **EXECUTIVE**

**MONDAY, 20 DECEMBER 2004 AT 1.00 P.M.**

### **PRESENT:**

Councillor Mitchelson (Chairman) (Promoting Carlisle Portfolio)  
Councillor Bloxham (Environment Infrastructure and Transport Portfolio)  
Councillor Mrs Bowman (Economic Prosperity Portfolio)  
Councillor Firth (Policy Performance Management Finance and Resources Portfolio)  
Councillor Mrs Geddes (Corporate Resources Portfolio)  
Councillor Knapton (Health and Community Activities Portfolio)

### **ALSO PRESENT:**

Councillors Jefferson and Weber attended the meeting as observers.

### **DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **APOLOGY FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Boaden.

### **EX.260/04 REVENUE SUPPORT GRANT SETTLEMENT 2005/06 (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

### **Subject Matter**

To consider a report from the Head of Finance (FS.41/04) containing details of the provisional Revenue Support Grant Settlement for 2005/06 received from the Office of the Deputy Prime Minister on 2 December 2004.

The provisional settlement nationally provided for a £3.5 billion increase in Councils' grant, representing a 6.2% increase in cash terms over 2004/05.

For Carlisle, in actual cash terms, the 2005/06 settlement provides an increase of £340,000 (4.1%) over the actual grant received in 2004/05.

The City Council was able to make representations on the provisional settlement to the Office of the Deputy Prime Minister by 11 January 2005.

### **Summary of options rejected**

None

## **Decision**

1. That the details of the provisional settlement be noted, the implications have been built into the General Fund Revenue Budget report (FS.42/04) to be considered at this meeting.
2. That the Head of Finance, in conjunction with the Leader and the Policy, Performance Management, Finance and Resources Portfolio Holder, be delegated authority to make representations direct to the Office of the Deputy Prime Minister by 11 January 2005.

## **Reasons for Decision**

To note details of the provisional Revenue Support Grant Settlement for 2005/06 and make arrangements for any representations to be made to the Office of the Deputy Prime Minister by 11 January 2005.

## **EX.261/04 GENERAL FUND REVENUE BUDGET CONSIDERATIONS - 2005/06 TO 2007/08 (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

## **Subject Matter**

To consider a report from the Head of Finance (FS.42/04) summarising the Council's General Fund 2004/05 Revised Estimates and core base Estimates for 2005/06 with projections to 2007/08.

The report considered the impact of any saving and new bid proposals alongside the (provisional) 2005/06 Revenue Support Grant settlement figures received from the Office of the Deputy Prime Minister on 2 December 2004, and the potential impact on the Council's overall budget projections.

The report also detailed further savings proposals for 2005/06.

Two further bid reports were submitted:-

- (a) The Head of Revenues and Benefits submitted report RB.11/04 addressing issues raised by the Executive and the Corporate Resources Overview and Scrutiny Committee regarding the Concessionary Fares Scheme. A further survey had been conducted through the Citizens' Panel resulting in 84% of respondents preferring a 60% concession with only 16% preferring a Christmas/New Year fares holiday. The cost of extending the scheme to include people on incapacity benefit and the unemployed would be approximately £200,000 to £300,000. Feedback from users on the current free travel promotion was also submitted. Complaints had been received that passholders were being denied free travel on certain operators' buses on routes which terminated outside of the City Council's area, eg Newcastle. The Head of Revenues and

Benefits pointed out that it had never been the intention to bring every Cumbrian bus operator in on Carlisle's free Christmas travel promotion and the Executive may wish to consider whether the scheme should operate on services terminating outside of the Carlisle District if a similar concession were to be offered in future years.

Councillor Bloxham, Environment, Infrastructure and Transport Portfolio Holder indicated that the Executive intended to recommend to the City Council, as part of the 2005/06 Budget, that the 60% concession be made permanent. With regard to the Corporate Resources Overview and Scrutiny Committee's suggestion to extend the concessionary fares scheme to include people on incapacity benefit and the unemployed, the funding of approximately £200,000 to £300,000 was not available at this time.

- (b) A non-recurring bid was submitted by the Head of Economic and Community Development for £40,000 for the next three years as the City Council's contribution to partnership work to be undertaken with Carlisle Housing Association as part of the Urban Carlisle Economic Renewal Action Plan funding application to the North West Development Association. The Plan would target training for employment, develop further community based learning opportunities, seek to provide work placements with employers and support a range of business support activity.

The Executive supported this bid, which was dependent upon a number of other funding arrangements being put in place.

### **Summary of options rejected**

The option put forward by the Corporate Resources Overview and Scrutiny Committee to extend the concessionary fares scheme to include people on incapacity benefit and the unemployed was not agreed as the funding of approximately £200,000 to £300,000 was not available at this time.

### **Decision**

1. That report FS.42/04 be noted.
2. That with regard to the Concessionary Fares Scheme, the Executive will recommend to the City Council, as part of the 2005/06 Budget, that the 60% concession be made permanent.
3. That it will be the Executive's recommendation to the City Council as part of the 2005/06 Budget, that the City Council contribute £40,000 for the next three years to partnership work being undertaken with Carlisle Housing Association as part of the Urban Carlisle Economic Renewal Action Plan funding application to the North West Development Association, subject to the other funding sources being in place.

## **Reasons for Decision**

The information contained in the report of the Head of Finance will enable the Executive's draft budget proposals to be prepared for consultation purposes.

### **EX.262/04 PROVISIONAL CAPITAL PROGRAMME 2005/06 TO 2007/08 (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

#### **Subject Matter**

To consider a report from the Head of Finance (FS.43/04) providing an update on the revised capital programme for 2004/05 together with the proposed method of financing. The report also summarised the proposed programme for 2005/06 to 2007/08 in the light of the new capital proposals submitted to date and the estimated capital resources available to fund the programme.

#### **Summary of options rejected**

None

#### **Decision**

That the report be received and has been taken into account by the Executive in formulating its Budget proposals for 2005/06.

## **Reasons for Decision**

The information contained in the report of the Head of Finance will enable the Executive to ensure that a balanced and affordable capital budget can be prepared for consultation purposes.

### **EX.263/04 DRAFT TREASURY MANAGEMENT STATEMENT 2005/06 (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

#### **Subject Matter**

To consider a report from the Head of Finance (FS.45/04) setting out the draft Treasury Management Strategy Statement for 2005/06 in accordance with the requirements of the Revised CIPFA Code of Practice on Treasury Management. The report also included the draft Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The final version of the Strategy, together with the Investment Strategy for 2005/06, will be issued following the consultation period on the draft Budget for 2005/06.

## **Summary of options rejected**

None

## **Decision**

That the draft Treasury Management Strategy Statement and Prudential Indicators for 2005/06 be approved for draft budget consultation purposes.

## **Reasons for Decision**

The Executive approved the Treasury Management Strategy Statement and Prudential Indicators for 2005/06 for draft budget consultation purposes.

## **EX.264/04 HOUSING REVENUE ACCOUNT ESTIMATE 2004/05 (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

## **Subject Matter**

To consider a report from the Head of Finance (FS.46/04) summarising the current position on the Housing Revenue Account for 2003/04 and 2004/05 including the forecast closure of the Housing Revenue Account as at 31 March 2005.

## **Summary of options rejected**

None

## **Decision**

That the Executive notes that -

1. The Housing Revenue Account balance as at 31 March 2004 stands at £3,311,305.
2. The Housing Revenue Account balance as at 31 March 2005 is forecast to be £3,508,000.
3. The balance at 31 March 2005 will transfer to the General Fund subject to the consent of the Office of the Deputy Prime Minister to the closure of the City Council's Housing Revenue Account as at that date.
4. The position on closure of the Housing Revenue account be noted and a further report be submitted to the Executive later in the Budget cycle.

## **Reasons for Decision**

The position on the Housing Revenue Account for 2003/04 and 2004/05 including the forecast closure of the Housing Revenue Account as at 31 March 2005 was noted.

**EX.265/04 COLLECTION FUND 2005/2006 PRECEPT PAYMENT DATES  
(Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

**Subject Matter**

To consider a report from the Head of Revenues and Benefits Services (RB.10/04) detailing the suggested precept payment dates for 2005/06 covering the frequency of payments and dates on which payments are to be made to Cumbria County Council and the Police Authority. Parish precepts would be paid in full on the April precept payment date.

**Summary of options rejected**

None

**Decision**

That the suggested precept payment dates for 2005/06 be approved.

**Reasons for Decision**

To approve the precept payment dates for 2005/06.

**EX.266/04 EXECUTIVE RESPONSE ON THE 2005/06 BUDGET (Key  
Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

**Subject Matter**

Councillor Mitchelson made the following statement on behalf of the Executive:-

"This draft budget proposal is based on feedback from a much more extensive consultation process than we have ever undertaken before.

The results of these discussions have been at the forefront of Executive Members' minds as we drew up this document.

This draft budget will now be the basis of further consultation, and we look forward to receiving the responses of a wide section of the community, as we prepare our final budget proposals for consideration by the Council in February.

I would like to stress again that prudent financial control is a key part of our continuing three-year financial planning as we work to fully-integrate our Budget with the priorities contained within the Council's Corporate Plan.

We are committed to achieving the Council's vision of ensuring a high quality of life for all in both our urban and rural communities.

In pursuit of this, the Executive will continue to look for efficiency savings to redirect into core frontline services.

I have said on many occasions that it is the Executive's policy that we should only ask for a fair and just Council Tax levy, and so we will be proposing an increase of just 3.5% (this is based upon the provisional grant settlement, which is still to be confirmed).

As a result of prudent financial management, and this 3.5% increase, the Executive is able to provide major investment in environmental, economic and social areas, which will help deliver the key priorities within the Corporate Plan."

### **Summary of options rejected**

None

### **Decision**

#### **EXECUTIVE DRAFT BUDGET PROPOSALS 2005/06 to 2007/08**

#### **ISSUED FOR CONSULTATION PURPOSES – DECEMBER 2004**

This resolution contains the draft budget proposals of the City Council's Executive.

The draft budget proposals are set out in this resolution as follows:

<b>Section</b>	<b>Detail</b>
<b>A</b>	<b>Background and Executive Summary</b>
<b>B</b>	<b>General Fund Revenue Budget 2004/05 to 2007/08</b> <ul style="list-style-type: none"><li>• Schedule 1 - Core Net Budgets</li><li>• Schedule 2 - Proposed Budget Reductions</li><li>• Schedule 3 - Recurring Spending Proposals</li><li>• Schedule 4 - Non-Recurring Spending Proposals</li><li>• Schedule 5 - Summary Net Budget Requirement</li><li>• Schedule 6 - Total Funding and Provisional Council Tax</li></ul>
<b>C</b>	<b>Capital Programme 2004/05 to 2007/08</b> <ul style="list-style-type: none"><li>• Schedule 7 – Estimated Capital Resources</li><li>• Schedule 8 – Proposed Capital Programme</li></ul>
<b>D</b>	<b>Housing Revenue Account Budget 2004/05</b>

<b>E</b>	<b>Council Reserves Projections to 2007/08</b> <ul style="list-style-type: none"> <li>• Schedule 9 – Usable Reserves Projections</li> </ul>
<b>F</b>	<b>Budget Discipline</b>
<b>G</b>	<b>Statutory Report of the Head of Finance</b>

The draft budget proposals are based on a large number of reports considered over the course of the year, but in particular the following reports of the Head of Finance considered at the Executive meeting of 20th December 2004:

1. FS41/04 - Provisional Revenue Support Grant Settlement 2005/06
2. FS42/04 - General Fund Revenue Budget 2005/06 to 2007/08
3. FS43/04 - Provisional Capital Programme 2005/06 to 2007/08
4. FS46/04 - Housing Revenue Account 2004/05
5. FS45/04 - Draft Treasury Management Strategy Statement 2005/06

## **SECTION A – BACKGROUND AND EXECUTIVE SUMMARY**

### **Background to the Budget Process to date:**

The preparation of the budget proposals is an ongoing process, which starts in the summer with the agreement by Council to the Council's Medium Term Financial Plan, Corporate Charging Policy, Capital Strategy and Asset Management Plan. These strategy documents set out the Council's policies in guiding the budget process and in particular set out the three year financial projections that the Council is faced with prior to starting the new budget process.

The Council's core approved budgets are then scrutinised in detail together with any proposals for new spending pressures and savings proposals.

Throughout the process, consultation is carried out with the Councils Overview and Scrutiny Committees who feed back their views on any proposals under consideration to the Executive.

In addition in 2004/05 for the first time the Executive have undertaken a 'State of the City' debate with both the public at large and other interested groups. This has given an opportunity for interested persons to feed any views to the Executive at an earlier stage, and prior to the draft budget proposals being issued.

The final part of this stage of the budget process is the issuing by the Government of the Provisional Revenue Support Grant Settlement for 2005/06 and which was received on 2<sup>nd</sup> December 2004.

Following the receipt of all of this information, the Executive issues their draft budget proposals for formal consultation.

### **Budget Process – future progress:**

Following the issue of the Executives draft budget proposals, a formal consultation period runs from 21<sup>st</sup> December 2004 to 19<sup>th</sup> January 2005.

During this period any interested person may submit their views on the proposal to the Acting Town Clerk and Chief Executive, Civic Centre, Carlisle CA3 8QG.

In addition to the above, formal consultation meetings will be held with:

- The Council's Corporate Resources Overview and Scrutiny Committee on 13<sup>th</sup> January 2005.
- The Large Firms Affinity Group (to include any Non Domestic Ratepayers) on 13<sup>th</sup> January 2005.
- Trades Unions on 19<sup>th</sup> January 2005.

The Executive at their meeting on 24<sup>th</sup> January 2005 will consider feed back from the consultation process, and final budget recommendations will be made to the Council on 10<sup>th</sup> February 2005.

It should be noted at this point that there are a number of issues which have not yet been finalised and which will impact on the Final budget proposals to Council on 10<sup>th</sup> February 2005. These issues include in particular:

- The final Revenue Support Grant Settlement from the Government which will be available in late January or early February.
- Final Government allocations in respect of Disabled Facilities Grant have not been received but are expected in January.
- The Council's Taxbase, second homes discount and use of Surpluses arising from previous year's Council Tax collection will be available in January.
- Results of the Pensions Fund triennial review are due in mid January.
- A small number of Parish Councils have not yet finalised their precept requirements

**Summary Budget Proposals - Key Issues:**

The key issues, which are expanded on further in the proposals, are as follows:

- (i) The draft budget proposes a Council Tax increase of 3.5% for the City Council (Parishes Precepts will be in addition in the rural areas).
- (ii) Based on current projections, this will result in the following new requirement to be taken from Council balances to support Council expenditure as follows:

	<u>Recurring Expenditure £000</u>	<u>Non-Recurring Expenditure £000</u>	<u>Total £000</u>
2005/06	0	273	273
2006/07	393	238	631
2007/08	1660	210	1870

- (iii) The current medium term financial projection points to a substantial shortfall in the Council's revenue budget arising from 2006/07 and rising significantly for 2007/08. For the purpose of current projections this projected shortfall has been assumed to be met from the Projects Reserve. However this is clearly not sustainable, and the Council will need to ensure that it is successful in realising additional budget reductions to meet the ongoing projected shortfall. In addition the scope to continue support for initiatives in future years will be dependent upon the extent to which the Council is successful in realising and redirecting additional resources to identified priorities, and the level of Reserves and income receipts. Steps are being taken to address the projected deficit and proposals are set out in the Budget Discipline set out in Section F.

## **SECTION B - GENERAL FUND REVENUE BUDGET 2004/05 TO 2007/08**

### **1. REVISED REVENUE ESTIMATES 2004/05**

- 1.1 It is recommended that the Council's revised net expenditure for 2004/05 is approved totaling £16.009m compared to the original budget of £14.589m.
- 1.2 The main differences between the original and revised budgets for 2004/05 of £1.420m, can be summarised as follows:

<b>Budget Area:</b>	<b>£000</b>
<b>Increased Spending/Reduced Income:</b>	
Reduced Income from fees and charges	115
Additional Recurring Spending – Sheepmount	44
Expenditure carried forward from financial year 2003/04 (with resulting saving in 2003/04)	1,543
<b>Offset By:</b>	
Improved Treasury Management projections	(241)
Improved pay award projections	(41)
<b>Total</b>	<b>1,420</b>

- 1.3 The increased budget for 2004/05 has a consequential impact of a reduction in Council Reserves for 2004/05 of £1.420m, however this is offset by the increase in reserves in respect of savings from the previous 2003/04 financial year.

### **2. REVENUE ESTIMATES 2005/06 to 2007/08**

- 2.1 It is recommended that the core net budgets for 2005/06 to 2007/08 submitted in respect of existing services and including existing non-recurring commitment and estimated Parish Precepts, be approved as shown in **Schedule 1** below:

### Schedule 1 – Existing Core Net Budgets

Business Unit Responsibilities	2005/06 £000	2006/07 £000	2007/08 £000
Commercial & Technical Services	312		
Culture Leisure & Sport Services	4,554		
Customer & Information Services	1,776		
Economic & Community Development	2,233		
Environmental Protection Services	4,282		
Executive Management	392		
Financial Services	(781)		
Legal & Democratic Services	694		
Member Support & Employee Services	1,049		
Planning Services	491		
Property Services	(3,129)		
Revenue & Benefit Services	1,616		
Strategic & Performance Services	681		
Parish Precepts	315		
<b>Total</b>	<b>14,485</b>	<b>15,187</b>	<b>15,653</b>

2.2 It is recommended that the core budgets set out at 2.1 be reduced by proposals for budget reductions as detailed in **Schedule 2**:

### Schedule 2 – Proposed Budget Reductions

Proposed Budget Reductions	2005/06 £000	2006/07 £000	2007/08 £000
<b>Increased Income:</b>			
Fees and Charges income in excess of 3.5% Corporate Charging Policy Target:			
- Land Charges	(11)	(11)	(11)
- Car Parking	(76)	(76)	(76)
- Planning	(28)	(28)	(28)
- Bereavement	(80)	(80)	(80)
- Miscellaneous (net reduction)	6	6	6
Shopwatch / Pubwatch charge	(20)	(20)	(20)
Rent Reviews	(70)	(70)	(70)
GIS Staffing – Grant Income	(55)	(55)	(55)
Payroll Processing	(3)	(3)	(3)
<b>Total Additional Income</b>	<b>(337)</b>	<b>(337)</b>	<b>(337)</b>
<b>Expenditure Reductions:</b>			
Increased Salary Turnover	(200)	(200)	(200)
Best Value Budget	(5)	(5)	(5)
Communications/ Publications	(7)	(7)	(7)
Building Control Reserve	(13)	(13)	(13)
Rheged Grant	0	(5)	(5)
IT Purchasing Review	(20)	(20)	(20)
Audit Fees	(11)	(11)	(11)

Reduced Inflation provision on general supplies	(30)	(30)	(30)
Overtime Budgets	(20)	(20)	(20)
Revenues and Benefits Service efficiencies	(20)	(20)	(20)
Civic Centre rating appeal	(10)	(10)	(10)
Cumbria Inward Investment Agency contribution	(20)	(20)	(20)
Electoral Registration	(71)	0	0
<b>Total Expenditure Reductions</b>	<b>(427)</b>	<b>(361)</b>	<b>(361)</b>
<b>TOTAL BUDGET REDUCTION PROPOSALS</b>	<b>(764)</b>	<b>(698)</b>	<b>(698)</b>
<b>Split:</b>			
<b>Recurring</b>	<b>(693)</b>	<b>(698)</b>	<b>(698)</b>
<b>Non-Recurring</b>	<b>(71)</b>	<b>0</b>	<b>0</b>

2.3 It is recommended that the core budgets set out at 2.1 be increased by those new spending proposals detailed in **Schedules 3 and 4**:

### **Schedule 3 – Recurring Spending Proposals**

<b>Recurring Spending Proposals</b>	<b>Note</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Pensions Fund Liability estimate	<b>1</b>	160	320	480
Rating Revaluation	<b>2</b>	15	15	15
Single Status / Job Evaluation	<b>3</b>	0	0	1,000
Benefits overpayments		115	115	115
Artefacts Storage		0	12	45
Joint Neighbourhood Forum		14	14	14
Talkin Tarn	<b>4</b>	70	70	70
Heysham Park Maintenance		0	17	17
Advice Agencies		60	60	60
Admin Support MSES		17	17	17
Training and Development		30	30	30
Civil Contingencies	<b>5</b>	40	40	40
Concessionary Fares		70	70	70
Abandoned Vehicles		14	20	20
Grass Cutting Standards		81	81	81
Recycling		35	35	35
City Centre Promotions		20	20	20
2003/04 Amending Report – Grant loss	<b>6</b>	13	13	13
<b>Total Recurring Spending Proposals</b>		<b>754</b>	<b>949</b>	<b>2,142</b>

**Note 1:** The current projections are based on an annual increase of 1% p.a. The actual results of the triennial revaluation will be available from the fund actuary in January 2005.

**Note 2:** The revaluation lists have now been received and are being analysed.

**Note 3:** This is an initial estimate only of the potential outcome. A significant amount of work will be required to finalise this issue.

**Note 4:** The issue of Talkin Tarn is being reconsidered following the Council decision in November and this will be subject to further consideration by Council in January.

**Note 5:** This amount has been earmarked only and is subject to a further report to the Executive on the proposed way forward.

**Note 6:** This has resulted from the amendment to the 2001 census data used in the 2003/04 Revenue Support Grant settlement.

#### **Schedule 4 – Non-Recurring Spending Proposals**

<b>Non-Recurring Spending Proposals</b>	<b>Note</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>	<b>Future Years £000</b>
Local Plan Inquiry		100	0	0	0
Single Status/Job Evaluation		120	35	35	0
Rural Support		8	15	15	0
LSP Officer		7	28	0	0
Conference Development Pilot		10	0	0	0
Events Budget		15	0	0	0
Integrated Service Delivery		25	0	0	0
Housing Strategy		120	120	120	240
Occupational Health	<b>1</b>	15	0	0	0
CHA Regeneration	<b>2</b>	40	40	40	0
<b>Total Non-Recurring Proposals</b>		<b>460</b>	<b>238</b>	<b>210</b>	<b>240</b>

**Note 1:** Any future expenditure commitment will be subject to the results of a pilot scheme and establishing the impact on absence levels.

**Note 2:** Proposals have been received from CHA to support a bid for regeneration and a sum of £40,000 has been earmarked for this but will be reviewed after a 3 year period.

- 2.4 As a consequence of the above, it is recommended that the Net Budget Requirement for Council Tax Purposes for 2005/06 with projections to 2007/08 be approved as set out in **Schedule 5** below:

**Schedule 5 – Summary Net Budget Requirement**

2004/05 Original £000	2004/05 Revised £000	Summary Net Budget Requirement	2005/06 Budget £000	2006/07 Proj'd £000	2007/08 Proj'd £000
		Recurring Revenue Expenditure:			
		<b>Core Revenue Expenditure</b>	13,987	14,764	15,313
		New Savings (Schedule 2)	(693)	(698)	(698)
		New Spending (Schedule 3)	754	949	2,142
<b>13,668</b>	<b>13,545</b>	<b>Core Revenue Expenditure</b>	<b>14,048</b>	<b>15,015</b>	<b>16,757</b>
		<b>Non-Recurring Revenue Expenditure</b>			
613	613	- Existing Commitments:	183	93	0
		- New Savings (Schedule 2)	(71)	0	0
		- New Spending (Schedule 4)	460	238	210
	1,543	- Carry Forward			
<b>14,281</b>	<b>15,701</b>	<b>Total General Fund Revenue Expenditure (City Council)</b>	<b>14,620</b>	<b>15,346</b>	<b>16,967</b>
308	308	Parish Precepts (Estimate)	315	330	340
<b>14,589</b>	<b>16,009</b>	<b>Total Revenue Expenditure</b>	<b>14,935</b>	<b>15,676</b>	<b>17,307</b>
		<b>Less Contributions from:</b>			
0	0	General Fund Reserves – Recurring ( <b>Note 1</b> )	0	(393)	(1,660)
(570)	(1,990)	General Fund Reserves - Non Rec. Existing Commitments ( <b>Note 2</b> )	(183)	(93)	0
(97)	(97)	- Housing Benefits	0	0	0
		New Commitments	(273)	(238)	(210)
<b>13,922</b>	<b>13,922</b>	<b>Projected Net Budget Requirement for Council Tax Purposes</b>	<b>14,479</b>	<b>14,952</b>	<b>15,437</b>
		<b>Percentage Budget Increase</b>	<b>4.0</b>	<b>3.3</b>	<b>3.2</b>

**Note1:** This is the projected recurring shortfall for which additional savings will be required.

**Note 2:** Non - recurring Revenue commitments arising from existing commitments from earlier years are as follows:

Non Recurring Commitments from earlier years	2005/06 £000	2006/07 £000	2007/08 £000
LSP Co-ordinator	23	0	0
Planning (Local Plan)	15	0	0
Voice In Europe	6	0	0
North Pennines AONB	7	8	0
Rural Regeneration	15	0	0
Community Sports Development	85	85	0
Raffles Vision	32	0	0
<b>Total</b>	<b>183</b>	<b>93</b>	<b>0</b>



## **SECTION C - CAPITAL PROGRAMME 2004/05 TO 2007/08**

### **1. REVISED CAPITAL BUDGET 2004/05**

1.1 That the revised 2004/05 General Fund Capital Programme be approved at £10.603m as set out in the report of the Head of Finance FS43/04.

### **2. CAPITAL BUDGET 2005/06 TO 2007/08**

2.1 That the Capital Resources available on a year on year basis (i.e. not cumulative) and proposed Capital Programme for 2005/06 to 2007/08 be approved to be financed and allocated as shown in **Schedule 7 and 8** below:

#### **Schedule 7 – Estimated Capital Resources**

<b>Estimated Resources</b>	<b>Note</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Borrowing	1	(1,110)	(1,110)	(1,110)
Capital Grants:				
• DFG	2	(177)	(177)	(177)
• Sports England/Football Foundation		(91)	0	0
Capital Receipts:				
• Generated in year – General		(500)	(500)	(500)
• Generated in year – PRTB	3	(5,100)	(2,000)	(1,400)
Reserves & Balances:				
• Projects Fund	4	(2,853)	724	1,870
• Renewals Reserve		(1,345)	(293)	(437)
<b>TOTAL</b>		<b>(11,176)</b>	<b>(3,356)</b>	<b>(1,754)</b>

**Note 1:** The Council's borrowing requirement has been assumed to continue at current levels i.e. at the level at which the ongoing cost is estimated to be supported by the Revenue Support Grant, and that no unsupported borrowing will be undertaken.

**Note 2:** The Disabled Facilities Grant allocation will not be announced until January 2005. The projection is based upon current allocations.

**Note 3:** The capital receipt projections arise from the sale of land and preserved Right to Buy Receipts. The receipts will be used to support the Council's priorities and in particular sustainable communities and the Housing Strategy. As always the extent to which the Council is meeting its expected capital receipt target will be closely monitored.

**Note 4:** The potential surplus resources have been adjusted to take account of the Revenue Budget shortfall, which will be a first call on the Projects Reserve.

### Schedule 8 – Proposed Capital Programme

Capital programme	Note	2005/06 £000	2006/07 £000	2007/08 £000	Future £000
<b><u>Current Commitments:</u></b>					
Leisuretime Investment		250	0	0	
Sheepmount Development		100	0	0	
Millennium Artefacts		60	0	0	
Shaddonmill		24	12	0	
GIS		85	91	0	
Private Sector Housing Investment		768	768	768	
Major Repairs to Council Property		250	250	250	
Asset Investment Fund		200	200	200	
Vehicles Plant & Equipment		1,345	293	437	
Industrial Estate Maintenance		500	500	0	
Cremator Replacements	1	0	200	0	
<b>Total Existing Commitments</b>		<b>3,582</b>	<b>2,314</b>	<b>1,655</b>	
<b><u>New Spending Proposals:</u></b>					
Information Systems:	1				
Customer Services		150	0	0	
City Wi Fi		20	0	0	
Desk Top Replacement		120	120	120	
Payroll / Personnel System		160	0	0	
Cremator Replacements (additional)	1	0	250	0	330
Housing Strategy (5 Year)	1	1,250	1,250	1,250	1,550
Talkin Tarn	1/2	1,059	474	0	0
Heysham Park		100	100	154	0
Bitts Park Play Area		165	0	0	0
Hardwick Circus Fountain		20	0	0	0
California Road Football Pitch		10	0	0	0
Dale End Road Football Pitch		10	0	0	0
Fusehill Street Play Area		62	0	0	0
Sheepmount Bridge	1	450	50	0	0
Street Lighting		40	0	0	0
Litter Bins		20	0	0	0
Kingmoor Nature Reserve		15	0	0	0
Recycling		76	0	0	0
<b>Total New Proposals</b>		<b>3,727</b>	<b>2,244</b>	<b>1,524</b>	<b>1,880</b>
<b>TOTAL POTENTIAL PROGRAMME</b>		<b>7,309</b>	<b>4,558</b>	<b>3,179</b>	<b>1,880</b>

**Note 1:** The budgets identified have been earmarked for the schemes shown, but progression with the schemes will be subject to further reports to the Executive before release of any monies will be approved.

**Note 2:** The issue of Talkin Tarn is being reconsidered following the Council meeting in November.

## SECTION D - HOUSING REVENUE ACCOUNT BUDGET 2004/05

1. That the revised estimates of £0.197m income to Housing Revenue Account for 2004/05 be approved, it being noted as a consequence that a surplus of £0.197m will be credited to Housing Revenue Account balances. The HRA will then be estimated to stand at £3,509m at 31 March 2005. Of this balance, £3,309m will be transferred to the Projects Reserve to support other Council initiatives, and £200,000 will be retained to fund any potential deficit on Housing Benefits as explained in Paragraph 2.
2. Following the transfer of the Council's Housing Stock to Carlisle Housing Association on 9<sup>th</sup> December 2002, it was estimated that under the previous grant funding arrangements, up to £1.6m of Housing Benefit costs would fall to be met by the General Fund in the three year period following transfer. However under the new grant arrangements it is assumed that this will be met by an equivalent amount of Housing Subsidy payable from the Department of Works and Pensions (DWP). However, the exact amount due from DWP will not be known until after the submission and audit verification of the 2004/05 subsidy claim. Therefore £200,000 has been set aside in the HRA/Benefit Reserve to fund the next years-potential shortfall.
3. It be noted that it is anticipated that the Housing Revenue Account will be formally closed as at 31<sup>st</sup> March 2005 when the approval of the Secretary of State will be required to enable the account to be closed and the closing balance to be transferred to the Projects Reserve.

## SECTION E – USABLE RESERVES PROJECTIONS

1. As a consequence of Sections A, B, C and D detailing the Council's General Revenue, Capital and HRA budgets, the overall effect on the Councils usable Reserves is set out in **Schedule 9** below
2. It should be noted that these balances take into account the recommendations arising from the Review of Reserves and Balances recently undertaken.

### Schedule 9 – Usable Reserve Projections

<b>Council Reserves</b>	<b>Note</b>	<b>Actual 31/03/04 £000</b>	<b>Revised 31/03/05 £000</b>	<b>Projected 31/03/06 £000</b>	<b>Projected 31/03/07 £000</b>	<b>Projected 31/03/08 £000</b>
General Fund Reserve	1	(3,800)	(3,800)	(3,800)	(3,800)	(3,800)
HRA /Benefit Reserve	2	(3,311)	(3,509)	(200)	0	0
CTS Reserve		(123)	(50)	0		0
Projects Reserve	3	(3,556)	(1,469)	(4,322)	(3,598)	(1,728)
Renewals Reserve	4	(2,476)	(2,463)	(2,194)	(2,477)	(2,532)
Pensions Reserve	5	(1,000)	(1,000)	0	0	0
Asset Disposal Reserve		(100)	(100)	(100)	(100)	(100)
Lanes Capital Reserve		(221)	(236)	(251)	(266)	(281)
<b>Total General Usable Balances</b>		<b>(14,587)</b>	<b>(12,627)</b>	<b>(10,867)</b>	<b>(10,241)</b>	<b>(8,441)</b>

**Note 1:** Target is based on an estimated 20% of Net Revenue Expenditure in 2004/05 plus £1m retained for emergencies.

**Note 2:** See Section D, paragraph 2.

**Note 3:** The movement on the Projects Fund is as follows:

<b>Balance as at:</b>	<b>Projected Balance</b>	<b>In Year Revenue Requirement</b>	<b>In Year Capital Requirement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
31/03/05	(1,469)	456	0
31/03/06	*(4,322)	724	0
31/03/07	(3,598)	1,870	0
31/03/08	(1,728)		

\* Includes £3.309m of HRA balances.

**Note 4:** This reserve is used for the replacement of items of vehicles, plant and equipment.

**Note 5:** This sum has been earmarked as a contingency against the anticipated costs of funding the Pensions scheme from 2005/06 onwards. The results of the triennial review are due in mid January. At this stage no assumption has been made regarding any amount that may be needed from this reserve.

## **SECTION F - PROPOSED BUDGET DISCIPLINE**

1. The Council has adopted a 3-year financial strategy as set out in its Medium Term Financial Plan to assist in the integration of financial planning with the priorities set out in the Corporate Plan. The current medium term financial projections point to a significant shortfall in the Council's budgets, which is particularly acute in 2007/08, and which will require additional savings to be identified. In addition, the scope for the Council to continue support for initiatives in future years and to redirect resources to priorities will be dependent on the extent to which the Council is successful in realising and redirecting additional resources. The requirement to find savings or raise additional income in future years is a significant pressure facing the Council. In the light of this, the Executive recommends the following Budget Discipline to the Council.
2. In preparation for the 2006/07 Budget Cycle the Executive requests the Acting Town Clerk and Chief Executive to investigate the following areas and to produce a report to the Executive early in the new year:
  - Carry out a performance review of Services to focus on improved efficiency and any redirection of resources to priority areas in line with the Gershon efficiency agenda. An efficiency plan is required to be submitted to the Government by 31<sup>st</sup> March 2005 setting out the Council's approach to achieving the efficiency savings.
  - Review the Corporate Plan with a view to recommending refinement of the Council's main priority service areas.

- Continue to investigate the capacity to introduce new charges and trading opportunities as enabled by the Local Government Act 2003, in order to raise the proportion of income contributed by users of services compared to Council Tax payers.
3. Members and Officers are reminded that:
- It is essential to maintain a disciplined approach to budgetary matters. Supplementary estimates will only be granted in exceptional circumstances.
  - Proposals seeking virement should only be approved where the expenditure to be incurred is consistent with policies and priorities agreed by the Council.
4. In order to continue the improvements in the links between financial and strategic planning, the Strategic Financial Planning Group will continue to meet regularly to progress forward planning on these issues.

## **SECTION G – STATUTORY REPORT OF THE HEAD OF FINANCE**

1. As in previous years the Council is required to set its Budget Requirement. However there are a number of matters arising from the introduction of the Local Government Act 2003 (Section 25) that the Council must also consider:
- (i) The formal advice of the Head of Finance on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;
  - (ii) The Council has to determine what levels of borrowing, if any, it wishes to make under the new Prudential Code that now governs local authority borrowing.
2. Robustness of the Estimates  
 Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff, the Corporate Management Team and the Strategic Financial Planning Group prior to submission to members.
- The Council's revenue and capital budgets are 'joined up' in terms of the cost of the proposed capital programme is reflected in the revenue estimates.
- The Council has no history of overspending against budget. Indeed, as with many district councils, there has tended to be a degree of underspending. Improved budget monitoring and base budget procedures have been introduced to address this issue.
- However budgeting is an inherently risky business and the year-end position can never exactly match the estimated position in any year. Areas of specific risk do remain, the main ones in the 2005-06 budget being:
- The level of interest receipts and return on Treasury Management activities. Members are advised of this risk every year but clearly actual interest returns are determined by a variety of factors largely outside the

Council's control. At over £1.3m, interest receipts are an important element of the Council's budget;

- Income from fees and charges – to improve the accuracy of base budgets and to avoid year end underspending, income budgets have been set at a more realistic level based on usage to date, price increases etc. This does however give a greater risk that income budgets may not be achieved. There is also an increasing significant reliance on Grant Income.
- Central contingencies – there have been no contingency budgets built in to the base estimates. This means that any unforeseen expenditure will require a supplementary estimate to cover any contingencies that arise.
- Benefits estimates – whilst the budgeted net cost of benefits is relatively small at £480,000 it is the product of gross expenditure and income of over £23m. Calculation of the budget is also very complex and depends on estimates of a variety of factors in the benefit subsidy calculation. There does remain a risk therefore that the outturn may vary from the budget;
- A major financial implication for the Council for 2005/06 onwards in the triennial review of the pension fund. It is anticipated that the effect of this review will be significant on the Council's base budget position. Current projections include a 1% per annum increase being required in contribution rates, which will add to the Council's ongoing base budget requirement. Actual results will be available in January 2005. To cushion the impact, Council has earmarked £1m from their revenue reserves.
- A major financial implication for the Council for 2007/08 onwards is the financial implications of the Job Evaluation and Single Status requirements of the recently negotiated three-year pay deal. Current projections are that the Council may need to fund an additional £1m per annum from 2007/08, although this is felt to be a worst case position.

**Taking the above matters into account it is my opinion that the budget presented for Council approval for 2005/06 is sufficiently robust. However this is subject to taking necessary steps to address and resolve the projected deficit for 2006/07 to 2007/08.**

4. Adequacy of Reserves

The level and usage of the Council's Reserves is undertaken annually as part of the Medium Term Financial Plan.

Whilst viewed in isolation the Council's Reserves appear very healthy, the appropriateness of the level of reserves can only be judged in the context of the Council's longer term plans. The Council's medium term financial projections show that the Council will be in significant revenue deficit from 2006/07, which is particularly acute from 2007/08. This position must be addressed and the Executive has set out in its Budget Discipline how it expects to address this position in preparing for the 2006/07 budget cycle. Whilst clearly there is a risk that other savings cannot be identified, the Council has a history of identifying savings in the face of difficult decisions, and therefore that risk is considered to be fairly low.

**Therefore, it is my opinion that Council Reserves are currently at an appropriate level and form a crucial element in the council's longer-term financial strategy.**

5. Determination of Borrowing

The new Prudential Accounting regime enables the Council to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for Council approval once decisions on the overall Capital Programme have been made.

**For the period under review it has been recommended that borrowing will take place only up to the level of that supported for Revenue Grant purposes and the capital programme 2005-08 is largely funded from capital receipts, particularly from the Post Right to Buy Sharing agreement.**

There is a risk however in the long-term sustainability of funding the capital programme from a reducing availability of capital receipts over the longer-term.

### **Reasons for Decision**

To publish details of the Executive's Budget proposals for 2005/06 which will be subject of further consultation.

### **EX.267/04 LOCAL DEVELOPMENT SCHEME (Key Decision)**

**Portfolio** Environment, Infrastructure and Transport

### **Subject Matter**

To consider a report from the Head of Planning Services (P.59/04) concerning the production of a Local Development Scheme which was a list of documents the Council would produce over the next three years to guide planning matters. The Scheme was required under the new development plan system, brought in by the Planning and Compulsory Purchase Act 2004. Formal adoption of the Scheme has to be undertaken by the end of March 2005. However, it had to incorporate views from the Planning Inspectorate and be submitted to the Secretary of State for at least four weeks before it could come into effect.

A revised version of an initial Scheme was submitted, although additional information was required to complete the Scheme.

The Local Development Scheme includes documents that may be produced jointly. At present, it is intended to produce County-wide guidance on Renewable Energy and Environmental Capacity. This has arisen from discussions at the Structure Plan Examination in Public in September 2004. In addition the partnerships for the Areas of Outstanding Natural Beauty are looking for additional planning guidance which could be produced jointly. All these documents are under early discussion and it has not yet been possible to finalise the timescale of production.

Due to the number of documents to produce and the lack of information on joint documents, it has not been practical to confirm the timetable for each document. Priority will be given to Local Plan production which is already well advanced. Some documents will be wholly produced within the three year Scheme, others will be started and continue as the Scheme is rolled forward. The Scheme had been considered by the Infrastructure Overview and Scrutiny Committee on 2 December 2004 when the following resolution was made:-

"1. That the Committee recognised progress made as regards the Local Development Scheme which took account of guidance produced by the Office of the Deputy Prime Minister.

2. The Committee congratulated Burgh by Sands for their Parish Design Statement which could be seen as best practice."

### **Summary of options rejected**

None

### **Decision**

That the Local Development Scheme be approved for submission to the Planning Inspectorate and Secretary of State subject to completion of a timetable and additional document requests from other Business Units.

### **Reasons for Decision**

To consider and approve a Local Development Scheme in accordance with statutory requirements.

### **EX.268/04 INTEGRATED SERVICE DELIVERY ON AN AREA BASIS (Key Decision)**

**Portfolio** Environment, Infrastructure and Transport

### **Subject Matter**

To consider a report from the Head of Commercial and Technical Services (CTS.24/04) setting out proposals to establish area teams to deliver an integrated service for a range of street scene operations.

It was intended to establish multifunctional teams to deliver street cleaning and routine aspects of highway maintenance (on 'claimed highways') and grounds maintenance. At this stage, the more specialised and project based operations would not be included due to economies of scale. However, the balance/range of services would be monitored and adapted where appropriate.

The standards of service provided would initially be based on current levels with a balance between cyclical/planned works and responsive work to deal with problems that emerge. Existing standards are considered to be high and public surveys confirm a high level of satisfaction and any changes must sustain these levels. However, it is considered that there should be some flexibility to deal with specific problems and priorities within local communities.

The intention was to move away from focussed services to operate teams on a geographical/location basis initially split into five area teams. This should develop greater community links and ownership/responsibility by the workforce.

A proposed organisational structure for the revised arrangements was submitted and which could be put into place for delivery of services from 1 April 2005.

It was also intended to hold regular meetings between Area Managers/Supervisors and Ward Members to provide feedback on local problems and to identify priority areas of improvement and provide feedback/agree action plans. Other proposals to engage the community and Ward Members were submitted.

With regard to budgets, the operational costs would be met from a reconfiguration of existing base budgets. There were, however, a number of one-off set up costs, primarily related to training, which were the subject of a bid for £25,000 through the 2005/06 budget process.

Whilst the initial proposals were based on the integration of front line street scene services, there were a number of additional areas that the Council may wish to consider incorporating into this area based culture in the future.

### **Summary of options rejected**

None

### **Decision**

1. That the proposed integration of street scene services and changed delivery systems be approved in principle and further detailed issues be developed in conjunction with the Environment, Infrastructure and Transport Portfolio Holder.
2. That the bid for one-off funding of £25,000 in 2005/06 be considered as part of the budget process.
3. That the report be referred to the Infrastructure Overview and Scrutiny Committee for consideration.

## **Reasons for Decision**

The proposals provide an exciting opportunity to engage elected Members and the community in developing streetscene services to improve responsiveness and target local priorities. The changed operational arrangements are compatible with improving efficiency, as set out by Sir John Gershon and should enable more works to be undertaken. The evolutionary approach provides capacity for learning and further development of the emerging culture.

## **EX.269/04 ADOPTION OF REVISED RACE EQUALITY SCHEME (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

### **Subject Matter**

To consider a report from the Head of Strategy and Performance (SP.47/04) containing a revised Race Equality Scheme, in accordance with the Race Relations (Amendment) Act 2000, for consideration prior to forwarding to the City Council for adoption.

The draft Policy had been considered by the Community Overview and Scrutiny Committee on 26 August and 18 November 2004 and Minute Excerpts were submitted.

### **Summary of options rejected**

None

### **Decision**

That the Executive:

1. notes the legal requirements contained within the Race Relations (Amendment) Act 2000 and the Equality Standard for Local Government for the City Council to act to achieve a greater level of equality for all communities in Carlisle;
2. approves and commends to the City Council the updated version of the Race Equality Scheme, which will be subject to further periodic updates as the Council's work in this area develops.
3. recommends to the City Council that further development of the Race Equality Scheme be delegated to the Executive, in consultation with the Community Overview and Scrutiny Committee.

4. agrees to further work being undertaken in race equality and other equality areas, along best practice lines, with progress being reported on a regular basis to the Executive.

5. That the Leader make arrangements to appoint a Member Champion for Equalities.

### **Reasons for Decision**

To improve the way the Council deals with its minority communities, particularly those of ethnic minority and to reduce the risk to the Council of any charge of discrimination.

### **EX.270/04 PARTNERSHIP POLICY (Key Decision)**

**Portfolio** Policy, Performance Management, Finance and Resources

### **Subject Matter**

To consider a report from the Head of Strategy and Performance presenting a draft Partnership Policy for the Council for consideration by the Executive prior to submission to the City Council for formal adoption.

The draft Policy had been submitted to the Infrastructure Overview and Scrutiny Committee on 2 December 2004 and the following recommendations had been made, upon which the Head of Strategy and Performance commented:-

(1) The Audit Commission adopted definition of 'partnership' be taken on board;

Comment - This has been included in the document.

(2) All partnership working takes on board the Council's Policies on Diversity and Equality;

Comment - This has been included in a guidance note within the document.

(3) The issue of personal liabilities for Members and Officers be investigated, together with financial liability for the Council;

(4) Officers should be briefed on Council policy before they attend Partnership meetings and de-briefed thereafter. Feedback on such attendance should be provided;

(5) Arrangements must be put in place to enable performance monitoring to take place;

Comment - Items (3), (4) and (5) would be taken on board as part of an audit of existing partnerships.

(6) Partnership working must add value and follow the Council's Corporate Plan and priorities. It must also be undertaken for the benefit of the people of Carlisle and surrounding District;

Comment - This would be included as part of the pre-evaluation framework.

(7) Exit strategies must be put in place, upon which legal and financial advice was required;

Comment - This has been included in the document.

(8) A clear audit trail must be in place, particularly as regards accountability;

Comment - A guidance note on accountability would be added to the document.

(9) The role of scrutiny must be clearly defined within the Partnership Policy (operating on an exception basis);

Comment - This would be taken on board as part of an audit of existing partnerships.

(10) Guidance Notes 1 to 6 be adopted as good practice for Officers and Members;

(11) Training must be provided for those people involved in partnership working.

Comment - The points raised at (10) and (11) would be included in the document.

The Head of Strategy and Performance further reported on the following additional points to emerge from the consultation process:-

- Prior to entering into partnerships, the legal powers to do so should be checked. This would be added as part of pre-evaluation work.

- It was important to record that relevant authority had been given by the Executive or Officer to enter into a particular partnership.

- Clarification was needed as to whether the City Council was to act as Accountable Body or Lead Body so that the role was transparent at the outset.

### **Summary of options rejected**

None

## **Decision**

1. That the Partnership Policy, as submitted, be recommended to the City Council for approval.
2. That the Infrastructure Overview and Scrutiny Committee be thanked for their input which had been taken on board in developing the policy.
3. That the Head of Strategy and Performance, in consultation with the Policy, Performance Management, Finance and Resources Portfolio Holder, be authorised to agree further amendments to the Policy arising from consultation prior to the Policy being submitted to the City Council for formal approval.

## **Reasons for Decision**

To consider the draft Partnership Policy in order that a final document may be recommended for approval by the City Council.

### **EX.271/04 TALKIN TARN ESTATE - IMPLICATIONS ARISING FROM FULL COUNCIL RESOLUTION (Non-Key Decision)**

**Portfolio** Environment, Infrastructure and Transport  
Policy, Performance Management, Finance and Resources

## **Subject Matter**

To consider a report from the Head of Property Services (PS.28/04) concerning the implications arising from the City Council resolution on the transfer of the Talkin Tarn Estate.

The City Council, at its meeting on 23 November 2004, resolved as follows:-

"That the City Council:

1. Defers any decision on the transfer of the Talkin Tarn Estate, pending:
  - (a) Further negotiations with Cumbria County Council to ensure the inclusion of the Tarn End Hotel in the transfer, as detailed in the Executive Minute EX.195/03, confirmed in the Council Minutes C.151/03(d) and outlined in the separate letters from the former Chief Executive and from Councillor Mitchelson as Council Leader to the County Council, appended to Report CLS.58/03.
  - (b) More detailed investigation of the cost of treatment and of future management of the lake, given the stated difficulties of dealing with the problems of Blue Algae and the Health and Safety concerns.

(c) The production of a detailed business plan based on Stage G costing; using an independent consultancy if necessary.

(d) More detailed reports on potential revenue costs and income.

(e) More detailed reports on any potential obligations as outlined in paragraphs 2.1. and 2.2 of Report P.23/04.

(f) Evidence of commitment from capital grant sources.

2. Request that all the above are brought before the Executive and all three Overview and Scrutiny Committees for consideration."

Following the City Council meeting, clarification had been sought over the position regarding the inclusion of the Tarn End Hotel as part of the transfer.

A letter dated 7 December 2004 from the Chief Executive, Cumbria County Council was submitted confirming that the hotel was not included in the transfer.

The remaining matters listed in the City Council resolution would require new resources of up to £95,000 depending on the level of detail required.

The Head of Property Services further reported that the business case had been written on the assumption that the transfer was to be a wholly funded City Council scheme. An alternative approach could be to use the work undertaken to date as the basis for exploring other ways of undertaking a scheme.

For example, there had been an offer of financial assistance with regard to the blue green algae. A further detailed report had been prepared as part of the work to date in any case. This alternative approach may involve the setting up of a partnership to run the estate, perhaps by leasing it from the County Council rather than outright purchase. Ultimately, most of the risk would still fall to the City Council, but some of the concerns raised at Council, particularly in relation to an exit strategy, may be allayed. However, additional resources would be required to investigate this more complex route.

The Head of Property Services concluded that all schemes were at risk to uncertainty as costs/income could never be guaranteed or problems necessarily be eradicated. If Members require, further detailed investigations could be made which challenge the assumptions upon which the Talkin Tarn business case has been presented although additional funding would be needed. Officers could investigate external grant sources, eg trust options, in partnership although again, more resources would be required.

Councillor Bloxham, Environment, Infrastructure and Transport Portfolio Holder, made the following comments on the Council resolution 1(a) to (e):-

(a) the County Council has reaffirmed its position that the hotel is not part of the transfer.

(b) a report on environmental issues commissioned in 2004 clearly identified how the problem of blue/green algae could be managed in an acceptable way.

(c), (d), (e) Should the City Council wish to proceed with the further investigations, funding would be required by way of supplementary estimate.

Councillor Bloxham considered that the matter should be referred back to the City Council on 18 January 2005 for a final decision to be taken on whether the City Council wished to proceed with this transfer.

### **Summary of options rejected**

None

### **Decision**

That the matter be referred back to the City Council on 18 January 2005, with the Executive's comments, for a final decision to be taken on whether the City Council wished to proceed with the transfer of Talkin Tarn from the County Council.

### **Reasons for Decision**

To seek instructions from the City Council on whether the transfer of the Talkin Tarn estate from the County Council to the City Council should proceed.

### **EX.272/04 FORWARD PLAN OF EXECUTIVE DECISIONS (Non-Key Decision)**

**Portfolio** All

### **Subject Matter**

The Forward Plan of key decisions of the Executive for the period 1 January to 30 April 2005 was submitted for information.

An item had been included in the Forward Plan for decision at this meeting on the Three Rivers Strategy. This is being deferred to the 21 February 2005 meeting of the Executive to allow more time for Officers to analyse information received from the surveyor allied to additional information being sought from the County Council regarding the Petteril Valley and the Eden Rivers Trust about their proposals for the Eden catchment. This is integral to the strategy the City Council is seeking to develop and, as such, the item is not sufficiently developed at this time to enable it to be considered by the Executive.

An item had been included in the Forward Plan for decision at this meeting on the Housing Strategy. This is being deferred to the 24 January 2005 meeting of the Executive to allow further time for consideration of the Strategy by the Community Overview and Scrutiny Committee.

**Summary of options rejected**

Not applicable

**Decision**

That the Forward Plan and the reasons stated for the deferred items be noted.

**Reasons for Decision**

Not applicable

**EX.273/04 SCHEDULE OF DECISIONS TAKEN BY INDIVIDUAL PORTFOLIO HOLDERS (Non-Key Decision)**

**Portfolio** Health and Community Activities

**Subject Matter**

Details of decisions taken by an individual portfolio holder were submitted.

**Summary of options rejected**

None

**Decision**

That the decisions, attached at Appendix A, be noted.

**Reasons for Decision**

Not applicable

**EX.274/04 DATES AND TIMES OF MEETINGS FOR 2005/06 (Non-Key Decision)**

**Portfolio** All

**Subject Matter**

To consider a report from the Head of Legal and Democratic Services (LDS.74/03) seeking consideration to be given to the dates and times of meetings of the City Council, Overview and Scrutiny Committees and the Regulatory Committees for 2005/06 in order to make a recommendation to

the City Council. The dates and times of meetings of the Executive, as determined by the Leader, were included for information.

The report was being submitted to the Overview and Scrutiny Management Committee so that their views could be reported directly to the City Council on 18 January 2005.

The Leader reported that, as part of the Budget timetable for 2005/06, he intended to arrange special meetings of the Executive to deal with the Budget process. Special meetings of Overview and Scrutiny Committees would be arranged, in consultation with Overview and Scrutiny Chairmen, to meet the timescales for consultation within the Budget process.

### **Summary of options rejected**

None

### **Decision**

1. That the schedule of dates and times for meetings in the 2005/06 Municipal Year be recommended to the City Council for approval.
2. That the dates and times for meetings of the Executive, which have been chosen by the Leader, be noted.
3. That it is noted that the Leader intended, as part of the Budget timetable for 2005/06, to arrange special meetings of the Executive to deal with the Budget process and that special meetings of Overview and Scrutiny Committees would be arranged, in consultation with Overview and Scrutiny Chairmen, to meet the timescales for consultation within the Budget process.

### **Reasons for Decision**

To make recommendations to the City Council on the arrangements for the dates and times of meetings in 2004/05.

(The meeting ended at 1.35pm)