
EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 30 AUGUST 2012

ROSP.60/12 DRAFT MEDIUM TERM FINANCIAL PLAN (INCORPORATING THE CORPORATE CHARGING POLICY) 2013/14 TO 2017/18

The Finance, Governance and Resources Portfolio Holder presented report RD.29/12 on the draft Medium Term Financial Plan (incorporating the Corporate Charging Policy) 2013/14 to 2017/18. He advised Members that the Medium Term Financial Plan set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Corporate Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

He drew Members' attention in particular to:

- Section 2.4 of the draft Medium Term Financial Plan (MTFP) which detailed a number of high impact pressures on the Council's budgets. The impact of those potential revisions (some positive) would be further analysed and reported throughout the budget process, and revisions made to current budget deficit projections as required.
- Section 3.1 concerning the state of the economy. It should be borne in mind that the figures were changing rapidly with regard to the effects on the MTFP and those would need to be closely monitored in the short term in order to react effectively to changing situations.
- Section 4.6 and Appendix F concerning the use of reserves. That would be significant from 2012/13 onwards.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 23 February 2012. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Finance, Governance and Resources Portfolio Holder then explained that the draft Medium Term Financial Plan would go come back to the Executive on 3 September, prior to transmission to Council for approval on 11 September 2012.

The Executive had on 6 August 2012 considered the report (EX.090/12 refers) and made it available for the Resources Overview and Scrutiny Panel.

In considering the Plan and Policy Members raised the following comments and questions:

- The Plan showed that the income from car parking had been declining steadily, was that a result of the new car parking strategy?

The Financial Services Manager (Miss Taylor) responded that the figures were based on the previous car parking strategy and the effects of the changes to the strategy would be monitored closely.

A Member felt strongly that the new car parking strategy and prices should be advertised to ensure members of the public understood that Carlisle City Council was 'car friendly.'

- Were the Council's Shared Services making the savings that were required in the business plan?

Miss Taylor confirmed that the savings set out in the MTFP were being achieved.

- A Member requested more information with regard to the Revised Transformation Targets.

Miss Taylor explained that the MTFP included £2.5million in savings. A report would be considered by the Executive on 3 September 2012 to determine how those savings would be achieved.

- A Member asked for an explanation with regard to the Transfer Payments figure in appendix C of the report.

Miss Taylor responded that the amount was the housing benefits payments which were almost fully reimbursed by Government. The Transfer Payment made up 51.60% of the gross cost of the Authority.

- Would the Council be financially better off under the Localisation of Council Tax now that the Business Rates could be retained by the Council?

Miss Taylor clarified that a consultation was being carried out with regard to Business Rate Retention and it was not yet known if the New Homes Bonus and the business rates would be subsumed within the RSG.

- A Member felt that the most urgent matter contained within the MTFP was the Welfare Reform and its impact. He asked if the Executive and the Council had begun work outlining the effect of the Reform and how the impact would be managed.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that a number of issues impacted the MTFP over the five year period. He explained that the Executive and Officers were discussing the impact and details of the Reform to balance the resources available.

Members were very concerned with regard to the impact of the Welfare Reform and asked that reports on the item be considered by Overview and Scrutiny before any decision was taken by the Executive.

- How were communities of Carlisle consulted on the Community Plan?

The Town Clerk and Chief Executive (Dr Gooding) informed the Panel that the Carlisle Partnership managed the consultation on the Community Plan.

Councillor Mrs Luckley, as a Member of the Carlisle Partnership, added that the Carlisle Partnership included over 80 different public partnerships that made contributions on behalf of local communities.

- The population impact within the report was based on a 1% increase in population; this was likely to be higher due to the increase in development applications being received by the Council.

Miss Taylor explained that there had not been any detailed work carried out on developments that were being proposed; and that the 1% increase quoted within the MTFP was for illustrative purposes only.

- Would the budget be able to sustain the ageing population within Cumbria?

The Finance, Governance and Resources Portfolio Holder responded that the Council's Policy Team monitored the changes in population closely.

RESOLVED – That the comments and concerns of the Committee be forwarded to the Executive for consideration.