

# **AGENDA**

## **Executive**

**Monday, 10 February 2014 AT 16:00  
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG**

### **Apologies for Absence**

To receive apologies for absence and notification of substitutions.

### **Declarations of Interest**

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

### **Public and Press**

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

## **PART A**

**To be considered when the Public and Press are present**

**A.1 LOCAL PLAN PREFERRED OPTIONS CONSULTATION - STAGE TWO 5 - 24**

(Key Decision - KD.034/13)

Pursuant to Minute EX.09/14, the Director of Economic Development to submit a report on the Local Plan Preferred Options Consultation - Stage Two. The Environment and Economy Overview and Scrutiny Panel considered the matter on 16 January 2014.

(Copy Report ED.06/14 and Minute Excerpt herewith)

Background Papers - Carlisle District Local Plan 2015 - 2030 Preferred Options Consultation

**A.2 NOTICE OF EXECUTIVE KEY DECISIONS  
(Non Key Decision)**

The Notice of Executive Key Decisions, published on 10 January 2014, is submitted for information.

**A.3 REVENUE BUDGET OVERVIEW AND MONITORING REPORT 25 - 46**

(Non Key Decision)

The Director of Resources to submit a report providing an overview of the Council's revenue budgets for the period April to December 2013.

(Copy Report RD.83/13 herewith)

**A.4 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT 47 - 64**

(Non Key Decision)

The Director of Resources to submit a report providing an overview of the Council's budgetary position on the capital programme for the period April to December 2013.

(Copy Report RD.82/13 herewith)

**A.5 TREASURY MANAGEMENT JULY - DECEMBER 2013 65 - 78**

(Non Key Decision)

The Director of Resources to submit the regular quarterly report on Treasury Transactions including the requirements of the Prudential Code.

(Copy Report RD.84/13 herewith)

**A.6 JOINT MEETING BETWEEN THE EXECUTIVE AND PARISH COUNCILS 79 - 86**

(Non Key Decision)

The Minutes of the joint meeting between the Executive and representatives of the Parish Councils held on 2 December 2013 are submitted for information.

(Copy Minutes herewith)

**A.7 JOINT MANAGEMENT TEAM 87 - 88**

(Non Key Decision)

The Minutes of the meeting of the Joint Management Team held on 16 December 2013 are submitted for information.

(Copy Minutes herewith)

**PART B**

**To be considered when the Public and Press are excluded from the meeting**

**Members of the Executive**

Councillor C W Glover (Leader)

Councillor Mrs E B Martlew (Deputy Leader; and Environment and Transport Portfolio Holder)

Councillor Ms A Quilter (Culture, Health, Leisure and Young People Portfolio Holder)

Councillor Mrs J Riddle (Communities and Housing Portfolio Holder)

Councillor Dr L Tickner (Finance, Governance and Resources Portfolio Holder)

Councillor Mrs H M Bradley (Economy and Enterprise Portfolio Holder)

**Enquiries to:**

Morag Durham - tel: 817036

**Notes to Members:**

Decisions taken at this meeting, if not subject to call-in, will become live on 20 February 2014

<b>Report to Executive</b>	Agenda Item:  A.1
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Meeting Date: 10th February 2014  
 Portfolio: Economy and Enterprise  
 Key Decision: Yes: Recorded in the Notice Ref:KD  
 Within Policy and Budget Framework YES  
 Public / Private Public

Title: LOCAL PLAN PREFERRED OPTIONS CONSULTATION - STAGE 2  
 Report of: Director of Economic Development  
 Report Number: ED 06/14

**Purpose / Summary:**

The consultation on the first stage of the Preferred Options, between July and September 2013, resulted in 1138 responses. These included objections, support, general comments and alternative sites for development. From this consultation a number of changes have been made to the Plan. The intention is therefore to allow the public to view and comment on the updated Local Plan Preferred Options – Stage Two before progressing towards Publication in the Autumn of 2014.

**Recommendations:**

That Executive:

1. approve the amendments proposed by Environment and Economy Overview and Scrutiny Panel as set out in paragraphs 2.6, 2.7 and Table 1 (Amendments to Policies/Supporting Text), of the following report.
2. refer the draft Local Plan Preferred Options stage 2 to Council on 4<sup>th</sup> March 2014 for approval for public consultation.

**Tracking**

Executive:	
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND**

- 1.1** Preparation of the Carlisle District Local Plan (CDLP) has been ongoing since the advent of the NPPF in March 2012, during which time an extensive evidence base has been produced, covering topics as diverse as flooding, travellers, renewable energy and the viability of affordable housing requirements. There has also been extensive engagement with local communities and stakeholders, and three consultation exercises on the Key Issues, Issues and Options and the Preferred Options – stage one.
- 1.2** To begin, officers were working on producing a Local Development Framework, (a suite of separate documents including a Core Strategy, Development Control policies and Site Allocations), each with its own time frame. However, a change to the planning system was brought about by the Government in March 2012 in the form of the NPPF. This resulted in the requirement for local planning authorities to produce a local plan.
- 1.3** The CDLP will therefore set out a strategy and policies for the long-term vision for Carlisle, detailed development management policies and site allocations for a range of uses including housing.
- 1.4** The Plan will provide a statutory planning policy framework for Carlisle District which will provide developer and community confidence in decision making. This framework will enable the development and expansion of quality homes and businesses, the delivery of infrastructure, and help to foster a wider cultural and leisure offer.
- 1.5** The consultation on the first stage of the Preferred Options generated 1138 comments. The responses have all been assessed, and have resulted in a number of suggested changes. In addition, work on the City Centre Masterplan has been incorporated in the Local Plan, together with updated evidence in the County wide 2013 Gypsy and Traveller Accommodation Assessment . The intention is therefore to allow the public to view and comment on the updated Local Plan Preferred Options – Stage Two, before progressing towards Publication in the summer of 2014.

## **2. OVERVIEW AND SCRUTINY FEEDBACK**

- 2.1** Overall Overview and Scrutiny Panel were supportive of the work that had been undertaken on the draft Local Plan so far. The Local Plan was discussed on a page by page basis. The Panel showed a keen interest in the various evidence based studies that had been carried out and used to inform the Local Plan. They were made aware that all the evidence that has been used to underpin the policies in the Local Plan is available on the City Council web site.
- 2.2** Members asked in particular about a number of background studies (evidence) that had been used to inform the development of the Local Plan, including the following:
- Affordable Housing Economic Viability Assessment (AHEVA);
  - City Centre Masterplan;
  - Gypsy and Traveller Accommodation Needs Assessment (GTAA);
  - Carlisle South Masterplan.
  - Local Plan viability assessment.
- 2.3** Members were advised that the AHEVA had been completed last year and was available on the City Council web site. Work on the City Centre Masterplan is still underway. It was agreed to circulate the GTAA to all Panel members.
- 2.4** With regard to the Carlisle South Masterplan, members were advised that there had been a number of workshops undertaken last year with Cumbria County Council Highways, Education and Drainage sections. However, the bulk of the work will be carried out post Local Plan adoption. The Local Plan as it stands allocates sufficient land for the next 10 years, with Carlisle South identified as a broad location for growth 2025 onwards. This is in line with Government policy in the NPPF about providing for a supply of housing over the Local Plan period.
- 2.5** The Panel also raised links between Allerdale Borough Council Local Plan and the Carlisle Local Plan, as it was considered that there were commuter and other trips between the two districts. Under the 'Duty to Cooperate' requirements there have been ongoing and regular discussions with Allerdale over any strategic issues that are considered to have cross boundary implications, including housing. Allerdale and Carlisle do not share 'Housing Market Areas', and as such both districts can meet their own housing targets within their boundaries.
- 2.6** **Other changes:** three further small housing sites have been deleted from the Local Plan following a meeting with the Lead Flood Authority, where it was identified that 'Main Rivers' (designated by Defra), existed along the boundaries of the sites. No development is allowed within 8 metres of a main river, which would have made the

majority of the site area of these sites is undevelopable. The sites are at Greta Avenue, Raiselands Road, and Harraby Green Road (which lies within a flood zone). An amended Traveller and Travelling Showpeople Provision policy was mistakenly omitted from the version of the draft Local Plan that has been circulated to Members, the amended policy and supporting text are included below for comment.

### **Policy 28 - Traveller and Travelling Showpeople Site Provision**

There is an identified need for additional Gypsy and Traveller site provision over the Plan period for 15 permanent pitches. Site provision has come forward for the first 5 years at Hadrian's Park where an additional 6 pitches have been identified. Land has been identified adjacent to Low Harker Dene, for the remaining 11 pitches.

Proposals which will contribute to achieving the provision of additional transit, permanent and temporary pitches in addition to the sites allocated will be considered favourably where they meet the following criteria:

1. the site has reasonable access to key services and facilities including schools, shops, GP Doctor's surgeries and health care and other community facilities;
2. the location of the site is such that it is possible to promote peaceful and integrated co-existence between the site and the local community;
3. there are opportunities to access these facilities by public transport, walking or cycling;
4. water and sewerage infrastructure connection Adequate services can be provided or are already available or can be made available;
5. the site has existing landscaping screening, or can be landscaped to minimise any impact on surrounding countryside;
6. there would be no unacceptable impact on the amenity of adjacent land uses including residential uses;
7. site management measures are included within the proposals;
8. any additional business uses that are intended to be carried out on the site will not have an unacceptable impact on the residential use of the site, or the amenity of any adjacent land uses or the visual amenity of the area;
9. the site should have, or be able to provide, adequate access for large vehicles and caravans.

### **Justification**

**5.144** The Housing Act 2004 places a duty on local authorities to carry out an assessment of the accommodation needs of gypsies and travellers in the district. In May 2008 the Cumbria Gypsy and Traveller Accommodation Needs Assessment (GTAA) was published to provide evidence of current provision and future need up to 2016. A review of the Cumbria GTAA is currently underway and will provide an up to date picture of need within the District and any site provision requirements up to 2030. A new Cumbria GTAA has recently been published (November 2013) which sets out an up to date picture of accommodations needs across Cumbria on a District by District basis up to 2030. This will ensure that any under provision can be addressed to ensure that an appropriate level of supply is maintained in places where travellers can access education, health, welfare and employment infrastructure. The review is due to be completed prior to commencement of the preferred options consultation therefore this policy will be updated once the findings are available.

**5.145** Government policy on travellers is contained in the CLG document 'Planning policy for traveller sites' states that local planning authorities should make their own assessment of need for the purposes of planning. This will help in identifying land for sites and will also ensure that both plan making and decision taking help to reduce the number of unauthorised developments and encampments and make enforcement more effective.

**5.146** There are currently a number of licensed gypsy sites in the district including: Ghyll Bank Park, Low Harker Dene, (which is owned by Carlisle City Council), and the privately owned Hadrian's Park and Hawthorns. There are also a number of pitches provided through personal consents to cater for the needs of single family units. Carlisle District also has a permanent site for Travelling Showpeople at Willowholme. There is also a permanent site for people of the Showman's Guild at Willowholme in Carlisle.

**5.147** It is likely that there will be a continuing need for gypsy and traveller accommodation in the District. Research from the Equalities and Human Rights Commission (EHRC) indicates a national need to meet the current shortage of pitches in England. This will be evidenced by the findings of the GTAA.

**2.7** A number of amendments to the Policies map are proposed in line with consultation responses and to reflect changes in uses that have taken place, and planning consents that have been granted, within areas of the City. The proposed amendments are as follows:

- The Maltings, Shaddongate – Primary Employment Area amend to Mixed Use Area
- Linton Tweeds, Shaddongate – Primary Employment Area amend to Mixed Use Area
- Madford Retail Park, Charlotte Street – Mixed Commercial Area amend to Large Stores and Retail Warehouses
- Land off Collingwood Street – Primary Employment Area amend to Mixed Commercial Area
- Atlas Works, Nelson Street – Primary Employment Area amend to Mixed Use Area
- DFS, Dukes Drive – Mixed Commercial Area amend to Large Stores and Retail Warehouses

**Table 1 - Amendments to Policies/supporting text**

Section of Local Plan	Change sought by O & S Panel
Vision	Vision to be strengthened. Vision amended to promote Carlisle more in the regional context.
References to ‘Frontiers of the Roman Empire’ throughout the Local Plan, and Policy 53	In the Vision, Spatial Strategy and Strategic Policies section, the term ‘Frontiers of the Roman Empire’ to be retained to give the World Heritage Site its full title. Thereafter to be referred to as ‘Hadrian’s Wall World Heritage Site’.
Paragraph 2.23 and 2.27, references to education.	Delete ‘..partially as a result of under performance in education and low aspirations...’. Delete ‘Education levels within the District have been historically low’. Amend following sentence ‘There has been investment made in respect of the education offer in the District, and the standard is continually improving’.
Page 18, Historic Environment	...
Policy S3 - Broad Location for Growth: Carlisle South	Amend as follows: ‘The proposed uses will include <b>primary and secondary</b> schools...’.
Page 63 – Primary Shopping Area	Amend to Primary Retail Area, however the proposed change in wording to Primary Shopping Area was to ensure consistency with the definition in the NPPF and the Primary Shopping area defined through the City Centre Masterplan work which is ongoing.
Policy 16 Land between Carlton Road and Cumwhinton Road	Amend site area from 1.47 ha to 7.25 ha
Policy 16 – Land to the rear of Reeth Road/ Queensway	Delete site as provides important open landscaped area for adjacent flats
Para 5.131 (Large Houses in Multiple Occupation Subdivision of Dwellings, and Student Accommodation)	Add Stanwix as a location in Carlisle where there is a concentration of HMOs.
Policy 27 – Housing to Meet Specific Needs	Insert after ‘ageing population’, ‘and those with physical and learning disabilities’...

### **3. PROPOSALS**

- 3.1** This report presents the Preferred Options – Stage Two that have been updated in response to the consultation that was held over the summer. One of the key outcomes from the previous consultation was the opinion that the housing target for the District should be raised to 665 dwellings per annum over the Plan period, matching the growth projections from the Housing Needs and Demand Study, (the main evidence used to inform the housing policies in the Plan).
- 3.2** Suitable new housing sites submitted through the consultation process have been assessed and included in the CDLP Preferred Options – Stage Two along with existing sites allocated for a range of development including housing, employment and community uses. The allocations will help to meet the objectives of the strategic housing and employment policies.
- 3.3** Appendix 1 shows the preferred locations for a range of housing to meet the needs of current and future population. The sites have all been assessed against a range of factors including location, landscape, biodiversity, heritage, access, flooding etc. These allocations will be shown on the Local Plan Policies Map, which will also show existing established land uses such as areas of housing, employment, retail etc, and areas of land which are protected such as parks, playing fields, other protected landscapes and sites which are important for nature conservation.
- 3.4** Work is also currently being undertaken on a City Centre Masterplan, following the findings in the retail study that by 2018 Carlisle could accommodate an additional 16 900sq m of retail floorspace. The Masterplan was subject to a period of public consultation in November – December 2013 and the responses have helped inform the masterplan development which will inform the Local Plan. The Masterplan and retail study will be important pieces of evidence to help inform the Local Plan and policies may well be further developed as the Masterplan is finalised and new information becomes available. Members will be kept informed of progress.
- 3.5** Drawing on the findings of the County wide Gypsy and Traveller Study a further allocation of Gypsy and Traveller sites have been proposed in the Local Plan.
- 3.6** The Preferred Options Site Allocations have been identified through a variety of sources including:
- sites previously assessed and consulted on through the SHLAA;
  - sites recently submitted to the Council;
  - a review of land allocations in the current Local Plan;

- a review of sites in other corporate strategic documents such as the Asset Management Plan.
- Carlisle Employment Land Study
- Carlisle Retail Study
- County wide Gypsy and Traveller Study

- 3.7** Further work on updating the evidence base has been commissioned to test the viability of the Local Plan. This work is crucial to determine whether the policies in the Local Plan will support sustainable development rather than constraining it. This work will be finalised in the New Year and its findings will be incorporated in the CDLP.
- 3.8** In terms of housing, all of the Preferred Options site allocations put forward in this report are required in order for the Council to meet its proposed annual housing target of 665 per year, with an urban/rural split of 70/30%. The effect of removing a site will be the need to allocate an equivalent alternative elsewhere.
- 3.9** In the rural area in particular a number of large sites were submitted for assessment. Given the need to ensure that rural allocations reflect the scale, form, character and function of a village and landscape in which they are located, a number of rural housing allocations are small sections of much bigger sites which were originally submitted. Some housing sites have been removed in response to the first stage of the Preferred Options Consultation but some sites have been extended and some new sites have been added.
- 3.10** Within and around the urban area of Carlisle, the sites have been allocated taking into account infrastructure capacity issues such as highways, the potential of the sites to integrate with the existing urban form. Officers are in contact with each of the neighbouring authorities and statutory bodies to help determine the impacts of infrastructure requirements and fulfil the duty to cooperate. This work is ongoing and discussion on infrastructure capacity will continue. There has also been some input of the work of the Local Enterprise Partnership in CDLP and the forthcoming Strategic Economic Priorities which are still at a draft stage as this report is being prepared.
- 3.11** Within the rural area, the Plan allocates sites in a wide range of locations, responding to policy in the NPPF which recognises that villages work in clusters, with development in one village having the potential to sustain services in a village nearby. This is a change to previous policy which only allowed housing in villages that had a range of local services. This had led to some villages falling into a

'sustainability trap' and having no new housing development. There has been public support for the new approach, as generally communities want some new housing in their villages, provided that it is in scale with the size of the village.

- 3.12** The Preferred Options site allocations are intended to come forward from the start of the Plan period, 2015. For years 11 – 15, i.e. 2025 – 2030, a broad location for growth has been identified in the area of Carlisle south, spreading westwards from junction 42 of the M6 to Durdar, with potential to expand further in a later plan period. The ultimate aim of this area of development would be to enable the construction of a southern relief road, linking junction 42 with the newly opened western relief road, (CNDR).
- 3.13** There have been a number of other updates to the CDLP based on the consultation responses and other information officers have been made aware of. The text that is highlighted shows the additional text while the text that has been struck out has been removed.
- 3.13** Alongside the public consultation of the CDLP there a number of assessments that will be published at the same time. These will include a Sustainability Appraisal, a Habitats Regulations Assessment, and Equalities Impact Assessment, a Health Impact Assessment, a Gypsy and Traveller Accommodation Assessment, a Viability Assessment and an updated Rural Proofing Report.
- 3.14** Following on from the Preferred Options, the next stages in the plan preparation are:
- Publication** - autumn 2014 (comments can only be made on the 'soundness' of the plan, not general comments about the content and wording of policies)
- Submission** - winter 2014 (plan submitted to the Secretary of State)
- Examination** - spring 2015 (independent examination by Inspector)
- Adoption** - summer 2015.

## **4. CONSULTATION**

- 4.1** A four week consultation is proposed between 10<sup>th</sup> March and 7<sup>th</sup> April 2014. A consultation strategy has been drawn up with the Communications Team to ensure that a range of opportunities are available to engage the public and stakeholders. The production of the Local Plan is a period of continuous dialogue that has to be flexible to changing circumstances and responses received after the 7<sup>th</sup> April will still be considered in the future preparation of the Local Plan.

## **5. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

**5.1** Approval for the Preferred Options – Stage Two will enable the Local Plan to meet the timescale set out in the Planning Service Project Plan. Having an up to date Local Plan is a central requirement of Government Planning policy, and provides an effective policy framework to guide development over the plan period, and on which to make decisions on planning applications. It also gives certainty and confidence to developers and the community.

## **6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

**6.1** The Local Plan will enable the delivery of key elements of the vision within the Carlisle Plan, in particular:

- support the growth of more high quality and sustainable business and employment opportunities;
- address Carlisle’s current and future housing needs;
- develop vibrant sports, arts and cultural facilities

<b>Contact Officer:</b>	<b>Jillian Hale</b>	<b>Ext: 7191</b>
	<b>Helen Jackson</b>	<b>7182</b>

**Appendices  
attached to report:  
None**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **Carlisle District Local Plan 2015 - 2030 Preferred Options Consultation.**

### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive’s** - The Local Plan will help to deliver the objectives of the Carlisle Plan.

**Community Engagement** – The Local Plan policies will help deliver the housing strategy and address community issues when development proposals are considered.

**Economic Development** – The Local Plan provides the basis for delivering economic growth and guiding development proposals throughout the District.

**Governance** – The Local Plan is prepared under the Planning and Compulsory Purchase Act 2004 and the Planning Act 2008 (as amended by the Localism Act 2011).

**Local Environment** – The protection of green space and the delivery of the Green Infrastructure Strategy will be addressed through the Local Plan as well as tackling a number of local environmental issues.

**Resources** - The preferred options report is produced within the Council's own planning policy resources with the use of existing budgets to undertake the required evidence base.

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## EXCERPT FROM THE MINUTES OF THE ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL HELD ON 16 JANUARY 2014

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### EEOSP.07/14 LOCAL PLAN PREFERRED OPTIONS CONSULTATION – STAGE TWO

The Director of Economic Development presented Report ED.04/14 regarding Stage Two of the Local Plan Preferred Options Consultation. The Director gave the background to the preparation of the Carlisle District Local Plan which began in March 2012 and explained that during that time there had been extensive engagement with local communities and stakeholders and three consultation exercises on the Key Issues, Issues and Options and the Preferred Options – Stage One. Consultation on the Preferred Options – Stage One resulted in 1138 comments that had been recorded and assessed. From those comments there were a number of suggested changes to the Local Plan, some of which had been incorporated and therefore the Local Plan had been updated. It was now intended to allow the public to view and comment on the updated Local Plan Preferred Options – Stage Two before progressing towards publication of the Plan in the summer.

The Director of Economic Development advised that one of the key outcomes from the previous consultation was the opinion that the housing target for the District should be raised to 665 dwellings per annum over the Plan period, matching the growth projections from the Housing Needs and Demands Study. Suitable new housing sites submitted through the consultation process had been assessed and included in the Local Plan Preferred Options – Stage Two along with existing sites allocated for a range of developments including housing, employment and community uses. The allocations would help to meet the objectives of the strategic housing and employment policies. The sites included in the Local Plan Preferred Options – Stage Two had been assessed against a range of factors and those allocations would be shown on the Local Plan Policies map which would also show existing established land uses such as areas of housing.

#### 1. Introduction

This was an update on the original Local Plan.

- *Have Members seen the Affordable Housing Economic Viability Assessment?*

The Director of Economic Development advised that the Affordable Housing Economic Viability Assessment was completed in January 2013. A consultant, commissioned by the City Council, was currently working on a viability assessment of the Local Plan.

- *Would Members have access to the various studies that had been and were being undertaken?*

There were a number of studies including the Gypsy and Traveller Accommodation Needs Assessment which the Director of Economic Development agreed to circulate to Members of the Panel.

- *At what stage were the City Centre Masterplan and the Carlisle South Masterplan?*

The Director of Economic Development explained that a number of workshops had been arranged in respect of the City Centre Masterplan and comments from there could be incorporated into the Local Plan. There would be more detail included in the City Centre Masterplan that was outwith the remit of the Local Plan.

With regard to the Carlisle South Masterplan the Director of Economic Development explained that there was no requirement to allocate sites in that area as there were already sufficient sites to meet targets. However the policy allowed Officers to look towards the end of the Local Plan period. Talks were taking place with members of the LEP regarding bidding for funding from the Government in respect of the Carlisle South Masterplan.

- *The South of the City was a very important area but there had to be a balance between the North and South of the City. How would the area fit into a southern relief road?*

The Director of Economic Development advised that there had to be evidence to back up all information included in the Local Plan. That evidence was achieved by pulling a number of strands together.

## 2. Vision and Objectives

- *The Hadrian's Wall heritage Site had been renamed in the document. Members stated that they would prefer the name to remain and to provide an explanation in line with recommendations from English Heritage at the back of the document.*

The Director of Economic Development agreed to amend the document accordingly.

- *The Local Plan Working Group had been awaiting information from the County Council in respect of education in the City. The report stated that education levels within the District had been historically low. A Member agreed that that was the case in some areas but not all and suggested that the relevant line be removed from the report.*

The Director of Economic Development agreed to amend the report accordingly.

- *The vision to link the City with its historic heritage should be developed. Discussions had taken place regarding parts of Hadrian's Wall in two parts of the City which had been covered. Many people visited the City as part of the Hadrian's Path walk.*

The Director of Economic Development agreed to look at the matter further and added that it could be included in other parts of the document.

- *How was Carlisle being promoted? The Local Plan did not state how the City was perceived. The City had a catchment area of over 400,000 people and the Council should promote itself more.*

The Director of Economic Development again agreed to look at the issues and amend the policy accordingly. However she advised that everything that was included in the Plan had to be evidenced and justified.

### 3. Spatial Strategy and Strategic Policies

The Planning Officer (Policy) advised that not much in the policy had changed but it had been amended in line with advice from the Planning Inspector. The annual housing target had been amended and Officers were looking at land to allocate to housing to meet the Council's targets.

- *The report stated that all primary schools were now at capacity yet the County Council appeared to show no urgency in resolving the issue. The application for a new development at Crindledyke required a new school when 199 units had been completed. However the application was for 195 units in the first phase. There appeared to be little democratic input into the matter.*

The Planning Officer (Policy) explained that the policy related to Carlisle South and that education could be planned and incorporated into the policy. The Director of Economic Development advised that discussions were ongoing with the County Council who were aware of the situation. The issue was being addressed by the inclusion of Section 106 Agreements on various sites. More clarity would be provided in the Local Plan regarding education in Carlisle South.

- *Members were concerned that they had not seen the Carlisle South Masterplan. Any such Masterplan would need to include education/shopping/etc. How did the report define the market housing area?*

The Housing Market Areas (HMAs) had been identified in the Housing Need and Demand Study. HMAs had been agreed on a county wide basis. Within Carlisle there were three HMAs, as defined in the November 2011 SHMA. Those areas were Carlisle Urban, Rural West and Rural East. They did not cross boundaries into adjacent districts.

- *There had to be a link between Carlisle and Allerdale's Plans as many people who lived in Allerdale worked in Carlisle.*

Under the Duty to Cooperate requirements there had been regular meetings with Allerdale planners concerning strategic cross boundary issues including housing, the Solway Coast AONB, renewable energy, Hadrian's Wall, etc.

Policy S6 (Regeneration and Strategic Retail in the City Centre and Botchergate) had been updated in respect of the City Centre Masterplan. Consultation had taken place at the end of 2013 and the results of the Masterplan were linked to the retail study. Three areas had been identified for future development. The Citadel area was also included but that was dependent upon the County Council plans to move to the William Street site. The policy also highlighted the Caldew Riverside site for mixed use.

- *If the Caldew Riverside site was developed could it be designed with parking on the ground floor and flats/retail above? That would allow cars to be moved more easily than accommodation/shops should flooding occur.*

The Director of Economic Development informed Members that the area could be used for mixed use developments and that Officers were looking to be flexible in that area.

The Director of Economic Development further advised that the University development fit in with the Council's vision of Carlisle being a University City. Having a specific policy was a positive step and a good part of the Local Plan. New signage had been installed at the City's railway station directing people to the University.

#### 4. Economy

The policy clarified the land uses at Kingmoor Park and Morton and drew attention to land allocation at junction 44 of the M6. The Plan was linked to the LEP and highlighted aspirations for Carlisle South as part of the M6 corridor for employment development. Officers had tried to be more commercially minded in the new Local Plan but allocations would have to be justified. Longtown was also highlighted as an important part of the City.

More flexibility had been built into this policy as the current policy may be considered too restrictive, for example where leisure users would like to locate outside of the City Centre and require larger buildings, the current policy would not allow that type of use in that area. Where there was justification for a leisure site outside of the City Centre Officers would now be able to be more flexible through the policy.

The Director of Economic Development advised that the site at Durranshill had been considered by the Executive on 15 January 2014 and had been allocated as an employment site. Any new developments would be considered as part of the existing Local Plan but would be covered by the new Local Plan.

- *Why had "retail" been changed to shopping within the Local Plan? Members believed that something had been lost in the change as retail was more than shopping and included restaurants and cafes.*

The Director of Economic Development explained that the change had come from the terminology within the City Centre Masterplan. She agreed to look at the matter further.

The policy relating to Arts, Culture and Tourism had been combined with the policy relating to Leisure Development as the criteria was similar. The revised policy added in the City Council's offer and better promoted the District. Officers acknowledged that retail, tourism and leisure were changing and that they were becoming part of the same thing.

Policies relating to Farm Shops and Advertisements had been removed as they were covered by other policies.

#### 5. Housing

Policy 16 explained how the Council could achieve its housing target of 665 houses per year and sought to achieve a 70/30 urban/rural split. The figures in the report related to the

delivery of houses and any backlog. Sites for housing allocations were also included in the report as an appendix.

In response to a query from a Member the Planning Officer (Policy) explained that the target figure had been between 550 and 650. The new figure in the Preferred Options – Stage 2 was 665 and that was consistent throughout the document.

In response to a further query from a Member the Planning Officer (Policy) agreed to check the hectare and yield of land between Carlton Road and Cumwhinton Road.

- *Did the land allocations ensure that recreation areas and playing pitches were not included? Some areas that had been allocated for housing could only be accessed by crossing recreational land some of which had been designated as recreation for many years.*

The Planning Officer (Policy) advised that sites could be removed if they were not right but a replacement site would have to be found to reach the Council's housing target. The Director of Economic Development explained that other parts of the Local Plan would help to ensure that green spaces were protected on developments.

- *Houses in Multiple Occupation (HMOs) were increasing particularly in areas around the St Aidans Ward. There were also a number in the Stanwix area and therefore Stanwix should be included in the policy.*

The Director of Economic Development agreed that HMOs would be an ongoing issue as Carlisle developed as a University City. The policies would ensure that the areas were protected but recognised the need for HMOs as part of the facilities for the University. A lot of HMOs were privately rented and there was a need for a policy relating to privately rented HMOs within the Housing team to determine how they would be managed.

- *Could Policy 27 (Housing to Meet Special Needs) be amended to include people with physical and learning disabilities as well as the elderly?*

The Director of Economic Development explained that that would be included in other areas of the Local Plan.

The Planning Officer (Policy) advised that Policy 28 (Traveller and Travelling Showpeople Provision) had been developed in response to the Gypsy and Traveller Accommodation Assessment which had identified that an additional fifteen pitches would be needed across the district by 2030. The Local Plan identified sites where they could be developed which were generally attached to existing sites.

The Director of Economic Development agreed to circulate the Gypsy and Traveller Accommodation Needs Survey at the request of Members of the Panel.

## 6. Infrastructure

The policies in the section relating to Infrastructure ensured that the relevant infrastructure was in place for new developments. There had been no major change to the policies. It was recognised that infrastructure was the key to development and was essential to attract new

businesses to the City. Housing, retail, transport and infrastructure were the building blocks for development. The Director advised that the airport had not been included in the section on Infrastructure as it was a special case and was included in other parts of the Plan.

It was agreed that broadband was essential for the development of Carlisle.

The policy relating to Waste Minimisation and the Recycling of Waste was important due to the amount of development taking place across the City. The key change had been that Section 106 Agreements would be imposed on applications that would require developers to provide waste bins in accordance with Local Environment guidance. The figures relating to Eurobins had been included in consultation with the Waste Services Team and were standard across the country.

With regard to drainage the Director of Economic Development advised that the Development Control Committee considered drainage issues regularly. She explained that drainage ponds and attenuation tanks were dealt with as the part of the SUDs policy.

The Director of Economic Development further advised that the Community Infrastructure Levy (CIL) would be covered in a future presentation on the Plan.

#### 7. Climate Change and Flood Risk

The objective was to ensure that the district would be more resilient and less vulnerable to climate change and policies had been included to achieve that. A separate policy on wind energy had been included and would take account of the effect on recreational facilities. The policy also covered areas such as Spadeadam and Eskdalemuir and objections from the Ministry of Defence were often received in respect of applications for wind turbines in the area. As a result Carlisle did not have the same pressures as Allerdale for wind energy development.

Policy 39 (Development, Energy Conservation and Efficiency) had seen only minor changes. Developers had previously been asked to build to a higher level than those set out in building regulations. Planning Officers had spoken to Officers within Building Control who had advised that they could only check to standard levels and therefore that part of the policy would be removed. Standards could be enforced through Building Control and therefore it was not necessary to include it in the Local Plan.

The Policy relating to Flood Risk and Development had been updated to include comments from the Environment Agency who advised that the policy should be more specific to Carlisle.

#### 8. Health, Education and Community

The Healthy City Steering Group had been consulted and had gone through the plan and highlighted that some applications for development may be the subject of health impact assessments.

In response to a query from a Member the Director of Economic Development advised that car parking at doctors' surgeries and health centres was covered as part of Policy 42.

Policy 43 (Educational Needs) highlighted issues that had been raised earlier in the meeting regarding capacity and Officers would continue to work with the County Council on the issue.

- *Input from local Councillors was being removed under the Changes to the System of Schools Organisation.*

The Director of Economic Development explained that a Section 106 Agreement had to be justified and be reasonable and it would be unreasonable for a developer to build a school at the start of a housing development. The compromise was that a number of houses would be built before a school was built. In the case of the development at Crindledyke that had been agreed at 199 units and Officers were working with the developer on the issue.

- *Eight years ago a site next to James Rennie School had been allocated for housing. That was not included in the Plan.*

The Director of Economic Development agreed to look at that further.

The main change in relation to Policy 44 (Sustaining Rural Facilities and Services) related to assets listed on a community asset of value register. It was anticipated that that list would increase in future.

Policy 46 (Planning Out Crime) highlighted what was required to be included based on advice from the police.

There had not been much change to Policy 48 (Pollution) as it was largely put together with input by Environmental Health colleagues.

The Director of Economic Development informed Members that the City Council would be included in consultation by the County Council on fracking in future. Such applications would be brought to the City Council's Development Control Committee for consideration.

#### 9. Heritage Historic Environment

Issues relating to the renaming of the Hadrian's Wall Heritage Site and the uncovering of those accessible parts of Hadrian's Wall within the City had been discussed earlier in the meeting. The Director of Economic Development informed Members that the latter would be subject to approval by English Heritage.

#### 10. Green Infrastructure

A lot of work had been undertaken in respect of Green Infrastructure eighteen months previously therefore there was not a lot that required amendment.

#### 11. Monitoring and Implementation

Not a lot had been changed in the policy. In response to a meeting with the Planning Inspector the Planning Officer (Policy) had included how the policy had been prepared. Officers would ensure that the policies were doing what they were meant to do and were meeting the objectives of the Local Plan. Officers would look at policies when trigger points were reached to ensure that they were working effectively.

The Director of Economic Development explained that the Plan would change again as a result of further consultation and the Local Plan Working Group would hold a meeting to look at the Plan in greater detail. The Director welcomed the input from the Panel and thanked the Officers for their hard work in producing the Plan.

The Chairman also thanked the Officers for their hard work and reiterated that Members would welcome sight of the City Centre Masterplan and Carlisle South Masterplan when available and the Gypsy and Travellers Accommodation Needs Assessment.

RESOLVED: 1) That Report ED.04/14 – Local Plan Preferred Options Consultation – Stage Two be noted.

2) That the Director of Economic Development circulates copies of the Gypsy and Travellers Accommodation Needs Assessment.

3) That the Director of Economic Development circulates copies of the City Centre Masterplan and Carlisle South Masterplan when available.



# Report to Executive

Agenda  
Item:

Meeting Date: 10<sup>th</sup> February 2014  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework: YES  
Public / Private: Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
APRIL TO DECEMBER 2013  
Report of: DIRECTOR OF RESOURCES  
Report Number: RD83/13

**Purpose / Summary:** This report provides an overview of the Council's overall budgetary position for the period April to December 2013 for the revenue budget only. The revenue report includes details of balance sheet management issues, high-risk budgets and performance management.

### Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2013;
- (ii) Note the potential forecast year end position;
- (iii) Make recommendations to Council to transfer £250,000 from overachieved Salary Turnover Savings to General Fund Reserves as detailed in paragraph 4.3;
- (iv) To approve for recommendation to Council, the funding of the non-recurring £1m savings in 2014/15 as detailed in paragraph 4.3; and
- (v) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

### Tracking

Executive:	<b>11 February 2014</b>
Overview and Scrutiny:	<b>20 February 2014</b>
Council:	n/a

## 1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Director of Resources.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

## 2. REVENUE BUDGET OVERVIEW

- 2.1 The following statement shows the total annual revenue budget as at December 2013:

2013/14 Revenue Budget	£
Approved Budget (Council resolution – February 2013)	12,755,000
Carry forward requests (2012/13 out-turn)	677,400
<b>Council Resolution 2013/14</b>	<b>13,432,400</b>
Non-Recurring Expenditure (note 1)	
Transformation Costs (Transformation Reserve)	181,700
<b>Updated Budget 2013/14</b>	<b>13,614,100</b>

Note (1) use of earmarked reserves to fund 2013/14 expenditure

### 3. 2013/14 BUDGET MONITORING

3.1 The summarised budgetary position as at December 2013 is shown below:

Directorate / Appendix		Annual Net Budget	Net Budget to date	Net Spend to date	Adjusted Variance
		(£)	(£)	(£)	(£)
Chief Executive's Team	A1	170,800	99,229	58,419	(40,810)
Community Engagement	A2	(19,600)	(17,327)	(11,034)	6,293
Deputy Chief Executive's Team	A3	4,276,800	3,531,474	3,494,740	(36,734)
Economic Development	A4	2,677,200	1,756,429	1,790,065	33,636
Governance	A5	(1,812,700)	(2,021,577)	(2,081,158)	(59,581)
Local Environment	A6	5,914,800	4,473,442	4,316,499	(156,943)
Resources	A7	2,406,800	833,856	649,527	(184,329)
<b>Total</b>		<b>13,614,100</b>	<b>8,655,526</b>	<b>8,217,058</b>	<b>(438,468)</b>

3.2 Further details for each directorate can be found in **Appendices A1 – A7**. Each appendix shows a breakdown of the variance for the Directorate, with comments and a note of any performance issues.

3.3 The figures for the Resources directorate in the above table and attached **Appendix A7** include corporate budgets held centrally.

### 4. KEY ISSUES

4.1 The corporate Salary Turnover Savings target for 2013/14 is £242,500. Savings from staffing budgets across the authority are measured and transferred to it throughout the year. A summary of direct staffing expenditure to the end of December 2013, including transfers to Salary Turnover Savings, is provided in the table below.

Direct Employee Expenditure	Updated Budget	Budget to date	Actual to date	Variance to date	STOS to date	(Under)/Overspend
Directorate	£	£	£	£	£	£
Chief Executive's Team	1,127,900	844,843	852,655	7,812	(8,000)	15,812
Community Engagement	71,300	53,480	52,137	(1,343)	(2,900)	1,557
Deputy Chief Executive's Team	283,100	187,511	190,908	3,397	4,200	(803)
Economic Development	2,576,100	1,893,684	1,836,822	(56,862)	(33,300)	(23,562)
Governance	1,333,900	956,475	925,832	(30,643)	(28,400)	(2,243)
Local Environment	4,741,400	3,559,009	3,224,987	(334,022)	(334,600)	578 *
Resources	2,475,300	1,796,724	1,762,503	(34,221)	(51,000)	16,779
<b>Total</b>	<b>12,609,000</b>	<b>9,291,726</b>	<b>8,845,844</b>	<b>(445,882)</b>	<b>(454,000)</b>	<b>8,118</b>
Savings transferred to fund the Purple Sacks Review*					69,500	
Savings transferred from budgets set aside for Living Wage					(19,600)	
<b>Net Salary Turnover Savings taken to date</b>					<b>(404,100)</b>	

4.2 Members are reminded that Council, at its meeting on 10<sup>th</sup> September, approved the Savings Strategy which will focus on three areas to deliver savings, including the Asset Review, Service Delivery Models and, as part of the transformation programme, a review of those services that are neither core priorities nor statutory requirements. The recurring impact of these savings forms part of the 2014/15 budget process.

4.3 Additional transformational savings are required in order to bring reserves up to minimum levels, and the requirement for 2014/15 has been identified on a non-recurring basis from the first call on 2013/14 underspends, first call on any business rate growth in 2013/14 and first call on the 2014/15 allocation of New Homes Bonus. Executive are asked to recommend to Council the funding of the £1m non-recurring savings as follows:

	Use of General Fund Reserves	Additional Income
Salary Turnover Savings achieved in 2013/14	250,000	
Additional Use of General Fund Reserves	481,000	
New Homes Bonus 2014/15		269,000
	731,000	269,000
<b>Total Funding to achieve Savings Target</b>		<b>1,000,000</b>

## 5. FORECAST OUTTURN POSITION 2013/14

5.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:

- The general effect of the economic climate on the Council's income streams e.g. car parking, tourism and leisure activities.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.

5.2 The Council's financial position continues to be closely monitored and will be reported fully at outturn. The following table provides a broad estimate of the potential year end position.

Potential Additional Costs/Shortfall in Income	Over/(Under) Projection 13/14 £	Notes
Enterprise Centre lettings & NNDR costs	36,600	
Tourist Information Centres - ticket sales	45,600	
Recycling & Waste collection income	16,600	
Off Street Parking	240,000	
Countywide Parking Contracts	35,000	
Investment Income	230,000	
Lanes Income Shortfall	14,000	
Other Properties Net Income	21,300	
NNDR charges	34,700	
Bousteads Grassing rent income	10,200	
<b>Total additional costs/income shortfalls</b>	<b>684,000</b>	
<b>Potential Reduction in costs/Additional income</b>		
Bereavement Services income	(36,000)	
Development Control Inquiry Costs & Fees	(13,600)	
Sewerage & Water Charges	(68,000)	
Transport Repairs & Hire Costs	(26,800)	
Transport Fuel Costs	(19,400)	
Travel Review and Leased Cars	(31,700)	
Revenues & Benefits Shared Service	(23,000)	
Salary Turnover Savings/Pay Award	(171,000)	1
Pension Deficit Funding	(127,000)	
Elections	(82,600)	
City Lighting - Energy and New Lighting	(59,000)	
City Centre Events	(5,900)	
<b>Total reduced costs/additional income</b>	<b>(664,000)</b>	
<b>Other Year End Implications/Requirements:</b>		
VAT recovery Claims (DFGs)	195,000	
Insurance Excess Provision	(100,000)	
Inflation	(11,000)	
Transformation Savings	(351,900)	
<b>Total requirements/(reductions)</b>	<b>(267,900)</b>	
<b>Total (under)/over spends</b>	<b>(247,900)</b>	

Note:

1. The year end forecast has been reduced by £250,000 as detailed in paragraph 4.3.

## 6. HIGH RISK BUDGETS

6.1 A number of high-risk budgets have been identified which require detailed monitoring throughout the year. These particularly include income budgets, some of which have been adjusted by recurring and non-recurring bids, approved in the 2013/14 Council Resolution.

6.2 The summarised position of income budgets deemed to be high risk is as follows:

Budget Area	Directorate	Annual Budget £	Budget to date £	Actual to date £	Variance £	para.
Hostels	ED	(559,100)	(433,383)	(444,044)	(10,661)	6.3
Building Control	ED	(322,400)	(255,589)	(247,556)	8,033	6.4
Development Control	ED	(545,800)	(429,544)	(512,476)	(82,932)	6.5
Enterprise Centre	ED	(140,700)	(105,543)	(71,983)	33,560	6.6
Tourist Information Centres	ED	(133,600)	(117,624)	(85,558)	32,066	6.7
Land Charges	Gov	(165,700)	(124,293)	(124,774)	(481)	6.8
Industrial Estates	Gov	(2,445,600)	(1,961,864)	(1,969,385)	(7,521)	6.9
Lanes	Gov	(1,383,300)	(1,383,300)	(1,372,772)	10,528	6.10
Cemeteries	LE	(267,800)	(200,475)	(190,169)	10,306	6.11
Crematorium	LE	(852,800)	(622,544)	(621,807)	737	6.11
Off Street Parking	LE	(1,299,200)	(1,036,875)	(832,646)	204,229	6.12
On Street Parking	LE	(364,700)	(280,019)	(233,876)	46,143	6.12
Bring Sites	LE	(150,700)	(114,690)	(97,992)	16,698	6.13
Garden Waste	LE	(545,100)	(482,371)	(505,493)	(23,122)	6.13
Bulky Waste/Special Collections	LE	(36,300)	(27,230)	(25,662)	1,568	6.13
Plastics & Card	LE	(201,600)	(150,855)	(134,571)	16,284	6.13
Green Box Collection	LE	(343,300)	(254,007)	(228,740)	25,267	6.13

6.3 There is a delay in the implementation of the new charging structure for the **Hostels** although income to date is in excess of the target by 2.5%.

6.4 The reduced income levels from **Building Control** fees continue to challenge the service managers and spending is held at the lowest possible level in an attempt to offset the anticipated shortfall, currently running at 3%.

6.5 Fee income from **Development Control** charges has declined in recent years, with fewer planning applications received throughout the economic downturn, however there has been a slight upturn in recent months and this is now achieving almost 19% more than the target to date.

6.6 Local small businesses continue to feel the ongoing effects of the recession, this is reflected in the number of empty units at the **Enterprise Centre** and there is a significant drop in income (32% down on the budget to date) from lettings.

- 6.7 Income generated from sales at Carlisle's **Tourist Information Centre** was affected by its relocation whilst building improvements were carried out at the Old Town Hall and although it was expected that the refurbishment and changes would reverse this position on re-opening, the income has dropped and there is a shortfall of 27% up to the end of December 2013.
- 6.8 The annual budget for income from **Land Charges** has been reduced over the past few years to reflect the continuing impact of the economic climate on the housing market. However, there was a year end surplus of £6,000 on the budget set for 2012/13 and the target for this year includes an increase of 10% in anticipation of further recovery in this sector. The current activity levels are just above the improved target by 0.4%.
- 6.9 Adjustments for rent recovered from **Industrial Estates** now sold have helped to offset the full effects of the downturn in the property market.
- 6.10 The high street and town centres continue to be affected by the economic recession and changing trends in consumer spending. In spite of a credit in the region of £63,000 following the reconciliation after the end of last year, rental income from the **Lanes** is down 1% against the target for the first nine months.
- 6.11 There was a small surplus of 1.5% on **Bereavement Services** income at the end of last year and the budget uplift for 2013/14 was set at a lower rate than this level. The first nine months' receipts for the current year have fallen short of the updated target by over 1%.
- 6.12 Income generated from **Car Parking** has been consistently lower than the level budgeted for a number of years and significant changes to the charging strategy were introduced after a review undertaken in 2012. However, the combined impact of the recession and internet shopping on the high street and visitor numbers, and increasing private sector parking facilities makes it difficult to quantify any benefit that may have been realised from the changes. In addition, the budget for parking income increased by £45,300 for this year and there is now a deficit of 19% against the new level up to the end of December 2013.
- 6.13 The total income from the various **Waste and Recycling Collection Services** is 4% lower than the expected levels up to the end of the third quarter of 2013/14. Income from the Bring Sites is down by 15% against the nine months' target, Plastics and Card is down 11%, and Green Box Collection is down almost 10%. Garden Waste Collection is currently 5% above target.

## 7. S.106 COMMUTED SUMS

- 7.1 As at December 2013 balances totalling £1,876,646 are held in respect of Section 106 agreements and other commuted sums, with a further £4,462,586 expected. The expected sums, for the most part, relate to agreements for sites yet to be developed and include negotiated items that, in view of the terms of the agreement, may not be due until later phases of development. These sums are to be used for the provision and future maintenance of public open spaces, school buildings, children's play areas, cycleways and transport facilities etc.
- 7.2 The City Council acts as custodian only for £1,207,596 of the sums held, in respect of projects for which Cumbria County Council is responsible, including the Public Realm. Should the County Council not progress these projects, or they remain incomplete within the agreed deadlines, the custodial sums must be repaid, along with a premium for interest, to the Developers. A summary of the balances retained is set out in the table below:

Commuted Sums 2013/2014	Opening Balance & Receipts (£)	Spend (£)	Retained Balance Dec 2013 (£)	Expected Sums (£)
Affordable Housing Contributions	15,000	0	15,000	254,373
Cycleway & Public Realm	732,841	0	732,841	0
Education	0	0	0	3,500,000
Play Areas & Facilities	239,009	4,728	234,281	69,310
Public Open Spaces Provision/Maintenance	473,806	54,037	419,769	282,034
Sports Provision/Maintenance	0	0	0	48,584
Transport & Pedestrianisation	488,837	14,082	474,755	308,285
<b>Total</b>	<b>1,949,493</b>	<b>72,847</b>	<b>1,876,646</b>	<b>4,462,586</b>

## 8. DIRECTION OF TRAVEL

### 8.1 Balance Sheet Management

In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2013	Balance at 27/12/2013	Note
Investments	£18.7m	£20.8m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£1.07m	£1.80m	(iii)
Creditors	£0.06m	£0.07m	

- (i) The anticipated return on investments for 2013/14 was estimated at £473,100 with current projections anticipated to be significantly below this target.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,000 in 2013/14 with costs currently on target. There are no proposals for further borrowing during 2013/14.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR and Housing Benefit overpayments.
- (iv) Use of Reserves: The usage and level of all Council reserves are set out in the Medium Term Financial Plan (RD36/13), approved by Council in September 2013. It is anticipated that £0.4m will be required from the Council's Revenue Reserves to fund expenditure in 2013/14, including £667,400 of 2012/13 carry forwards. Any under or overspend at the year end will adjust the balance transferred to or from the reserve. Council reserves are under significant pressure for 2013/14 and the savings strategy approved in February 2013 will help to resolve the projected deficit. However, further savings must be identified to replenish usable revenue reserves to the minimum required.
- (v) The Council's VAT partial exemption calculation for the period ending December 2013 has been calculated and is well below the 5% limit set by HMRC at 1.55%.

## 9. BAD DEBT WRITE-OFFS

- 9.1 The Director of Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £496,362.06 have been written off during Quarters 2 and 3. A summary of bad debts is given in Table 1, **Appendix B** of this report and these costs will fall against the following:

	£
General Fund	24,044.72
Council Tax (Collection Fund)	47,520.94
NNDR	424,796.40
<b>Total Write-offs</b>	<b>496,362.06</b>

Note:

Of the £424,796 in Business Rates write-offs, £213,196.07 are in respect of The Public Safety Charitable Trust (PSCT). The PSCT engaged in taking leases on empty properties to relieve the liability on the landlords. This was known as Empty Rate avoidance. They were charged a nominal rent of £1.00.

The PSCT then claimed to be in occupation for its charitable purpose and claimed 80% Mandatory relief. However, the only “occupation” was the installation of a very small Bluetooth transmitter which broadcast public messages to people within the vicinity (crimestoppers).

We refused to grant Relief because we did not believe that the premises were “wholly or mainly” used for charitable purposes. Then in October 2012 when according to the latest legal decision this type of occupation was deemed both legal and for the purposes of this charity, the judge ruled it was a lawful “ruse”. The case was heard in West Cheshire Magistrates Court. The Council granted 80% Mandatory Relief.

This decision was challenged and in July 2013, the 80% Mandatory Relief was removed as per the high court decision. This raised a large amount of debt and many rating authorities obtained liability orders and in May 2013 South Cambridge District Council presented a petition for the company’s winding up. The winding up order was made on 8<sup>th</sup> July 2013. Write-offs were subsequently actioned in August 2013. There are approximately 150 Councils including Carlisle writing off a total of £15,245,000.

- 9.2 The “write-ons” itemised in Table 2, **Appendix B**, totalling £23,864.79, are in respect of balances originally written off that have since been paid, credit write-offs for Quarters 2 & 3. The write-ons will be credited as follows:

	£
General Fund	20.06
Council Tax (Collection Fund)	7,355.43
NNDR	16,489.30
<b>Total Write-offs</b>	<b>23,864.79</b>

- 9.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. HRA debts and provisions have transferred to the General Fund and any write-off/write-on of Council Tax will fall against the pool provisions within these accounts. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

9.4 At this stage of the year, the level of bad debts for NNDR is in excess of the provision established in the 2012/13 statement of accounts to fund the bad debts. The other areas are broadly in line with expectations and will be within the scope of the current provisions to fund the bad debts. This situation is continuously under review and any major deviations will be reported as part of the outturn report.

## **10. CONSULTATION**

10.1 Consultation to date.

SMT and JMT have considered the issues raised in this report.

10.2 Consultation Proposed

Resources Overview and Scrutiny Panel will consider the report on 20<sup>th</sup> February 2014.

## **11. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

11.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2013;
- (ii) Note the potential forecast year end position;
- (iii) Make recommendations to Council to transfer £250,000 from overachieved Salary Turnover Savings to General Fund Reserves as detailed in paragraph 4.3;
- (iv) To approve for recommendation to Council, the funding of the non-recurring £1m savings in 2014/15 as detailed in paragraph 4.3; and
- (v) Note the action by the Director of Resources to write-off bad debts as detailed in paragraph 9.

## **12. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

12.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the position to December 2013 shows the delivery of these priorities within budget.

**Contact Officer: Emma Gillespie**

**Ext: 7289**

**Appendices A1 to A7, & B  
attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

**CORPORATE IMPLICATIONS/RISKS:** SMT and JMT have been involved in the preparation of this report. Risks to budgets and development of ongoing impact of issues identified are monitored carefully and appropriate action taken.

**Chief Executive's – N/A**

**Economic Development – N/A**

**Governance –** The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process.

**Local Environment – N/A**

**Resources –** Financial implications are contained within the main body of the report.

## REVENUE BUDGET MONITORING 2013/14

CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	2,422,500	(88,400)	(2,163,300)	<b>170,800</b>
Budget to date	1,797,964	(80,522)	(1,618,213)	<b>99,229</b>
Total Actual	1,796,882	(124,493)	(1,613,970)	<b>58,419</b>
<b>Adjusted Variance</b>	<b>(1,082)</b>	<b>(43,971)</b>	<b>4,243</b>	<b>(40,810)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact Section	1	(96)	(33,000)	104	(32,992)
Miscellaneous	2	(986)	(10,971)	4,139	(7,818)
<b>Total Variance to date</b>		<b>(1,082)</b>	<b>(43,971)</b>	<b>4,243</b>	<b>(40,810)</b>

Note	Chief Executive's Team - Comments
1.	Additional backdated income for reception services provided in 2011/12 and 2012/13.
2.	Various net minor underspends and surplus income across the service.

## REVENUE BUDGET MONITORING 2013/14

COMMUNITY ENGAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	155,600	0	(175,200)	<b>(19,600)</b>
Budget to date	114,091	0	(131,418)	(17,327)
Total Actual	120,366	0	(131,400)	(11,034)
<b>Adjusted Variance</b>	<b>6,275</b>	<b>0</b>	<b>18</b>	<b>6,293</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Miscellaneous	1	6,275	0	18	<b>6,293</b>
<b>Total Variance to date</b>		<b>6,275</b>	<b>0</b>	<b>18</b>	<b>6,293</b>

Note	Community Engagement - Comments
1.	Overspent expenses in relation to Tullie House Trust costs.

## REVENUE BUDGET MONITORING 2013/14

DEPUTY CHIEF EXECUTIVE'S TEAM	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	4,716,100	(274,800)	(164,500)	<b>4,276,800</b>
Budget to date	3,870,791	(215,925)	(123,392)	<b>3,531,474</b>
Total Actual	3,890,817	(272,702)	(123,375)	<b>3,494,740</b>
<b>Adjusted Variance</b>	<b>20,026</b>	<b>(56,777)</b>	<b>17</b>	<b>(36,734)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Carlisle Partnerships	1	(33,042)	(2,284)	0	(35,325)
Miscellaneous	2	53,068	(54,493)	17	(1,409)
<b>Total Variance to date</b>		<b>20,026</b>	<b>(56,777)</b>	<b>17</b>	<b>(36,734)</b>

Note	Deputy Chief Executive's Team - Comments
1.	Underspends on building repairs, offset by an overspend on fireshow.
2.	Various net overspends offset by surplus income across the service.

## REVENUE BUDGET MONITORING 2013/14

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	5,714,400	(2,316,800)	(720,400)	<b>2,677,200</b>
Budget to date	4,168,529	(1,871,722)	(540,378)	<b>1,756,429</b>
Total Actual	4,267,707	(1,936,365)	(541,277)	<b>1,790,065</b>
<b>Adjusted Variance</b>	<b>99,178</b>	<b>(64,643)</b>	<b>(899)</b>	<b>33,636</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Hostels & Homeshares	1	38,016	(10,971)	0	<b>27,046</b>
Housing Regeneration	2	3,674	21,861	0	<b>25,535</b>
Enterprise Centre	3	2,013	33,560	0	<b>35,573</b>
Tourist Information Centres	4	(4,255)	37,826	0	<b>33,570</b>
Development Control	5	67,655	(82,109)	0	<b>(14,454)</b>
Miscellaneous	6	(7,925)	(64,811)	(899)	<b>(73,635)</b>
<b>Total Variance to date</b>		<b>99,178</b>	<b>(64,643)</b>	<b>(899)</b>	<b>33,636</b>

Note	Economic Development - Comments
1.	Overspend on salaries due to delay in implementing new structure.
2.	Under achievement of LA fees on Disabled Facilities Grants.
3.	Overspend on repairs and income shortfall from lettings due to empty business units
4.	Underspent staffing and supplies; offset by shortfalls on accommodation bookings' commission and sale of goods.
5.	Overspend includes £77,100 Airport application legal expenses, offset by fees' income surplus.
6.	Various net minor underspends and surplus income against budgets to date.

## REVENUE BUDGET MONITORING 2013/14

GOVERNANCE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	4,341,900	(4,862,900)	(1,291,700)	<b>(1,812,700)</b>
Budget to date	3,135,893	(4,188,562)	(968,908)	<b>(2,021,577)</b>
Total Actual	3,114,708	(4,227,097)	(968,769)	<b>(2,081,158)</b>
<b>Adjusted Variance</b>	<b>(21,185)</b>	<b>(38,535)</b>	<b>139</b>	<b>(59,581)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Miscellaneous	1	(21,185)	(38,535)	139	<b>(59,581)</b>
<b>Total Variance to date</b>		<b>(21,185)</b>	<b>(38,535)</b>	<b>139</b>	<b>(59,581)</b>

Note	Governance - Comments
1.	Underspent expenses and surplus income across the services

## REVENUE BUDGET MONITORING 2013/14

LOCAL ENVIRONMENT	Gross Expenditure	Gross Income	Recharges	Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	14,699,500	(6,204,600)	(2,580,100)	<b>5,914,800</b>
Budget to date	11,197,887	(4,788,452)	(1,935,993)	<b>4,473,442</b>
Total Actual	10,696,291	(4,444,063)	(1,935,729)	<b>4,316,499</b>
<b>Adjusted Variance</b>	<b>(501,596)</b>	<b>344,389</b>	<b>264</b>	<b>(156,943)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(28,683)	13,537	8	<b>(15,138)</b>
CCTV	2	(12,766)	(460)	0	<b>(13,226)</b>
Environmental Protection	3	(33,306)	(8,355)	28	<b>(41,632)</b>
Green Spaces Management	4	(38,715)	(27,686)	50	<b>(66,350)</b>
Off Street Parking	5	(20,743)	203,438	32	<b>182,727</b>
On Street Parking	6	(26,252)	46,143	0	<b>19,891</b>
Small Scale Community Schemes	7	(26,991)	0	0	<b>(26,991)</b>
City Lighting	8	(61,486)	0	0	<b>(61,486)</b>
Recycling & Waste Collection	9	(28,948)	10,092	55	<b>(18,800)</b>
Street Cleaning	10	(25,285)	(2,160)	0	<b>(27,445)</b>
Clean Up Carlisle	11	(49,325)	(6,622)	31	<b>(55,916)</b>
Miscellaneous	12	(149,098)	116,461	60	<b>(32,577)</b>
<b>Total Variance to date</b>		<b>(501,596)</b>	<b>344,389</b>	<b>264</b>	<b>(156,943)</b>

## REVENUE BUDGET MONITORING 2013/14

Note	Local Environment - Comments
1.	Underspent utilities and premises repairs and offset by underachieved income from internments.
2.	Underspent equipment contract repairs and maintenance.
3.	Underspent supplies & services, offset by additional license Income received.
4.	Underspent premises, transport, equipment and materials; grants and surplus miscellaneous income
5.	Underspent staffing (£86,400) into Salary Turnover Savings; windfall (£45,500) from Lower Viaduct and John Street car parks backdated sewerage charge rebate offset by NNDR £27,600 increase; shortfall on ticket sales and PCNs' income.
6.	Net overspend after savings in administration costs and income shortfall from ticket sales and PCNs.
7.	Underspends on Councillors' small scale community schemes
8.	Underspent lighting maintenance and energy savings. Charging mechanism to be introduced for County works as work carried out has not yet been invoiced by the County Council.
9.	Underspent transport hire and repairs, partly offset by income shortfall.
10.	Efficiency savings on transport and cost of materials following purchase of new fleet of vehicles.
11.	Underspent expenses, any residual at the year end to be rolled forward to fund the scheme's completion.
12.	Various minor underspends more than offset income shortfalls across the services.

## REVENUE BUDGET MONITORING 2013/14

RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 27th December 2013	£	£	£	£
Annual Budget	43,350,800	(34,593,400)	(6,350,600)	<b>2,406,800</b>
Budget to date	32,858,977	(27,163,066)	(4,862,055)	<b>833,856</b>
Total Actual	32,541,941	(27,091,574)	(4,800,840)	<b>649,527</b>
<b>Adjusted Variance</b>	<b>(317,036)</b>	<b>71,492</b>	<b>61,215</b>	<b>(184,329)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Building Maintenance	1	(1,704)	(6,139)	42,277	<b>34,433</b>
Civic Centre	2	(13,084)	(5,369)	68	<b>(18,385)</b>
Public Conveniences	3	(19,762)	301	0	<b>(19,461)</b>
Treasury & Debt Management	4	(4,158)	179,498	0	<b>175,339</b>
Non Distributed Costs	5	(80,144)	0	0	<b>(80,144)</b>
Other Financial Costs	6	(219,471)	(64,582)	0	<b>(284,052)</b>
Corporate Management	7	39,112	0	0	<b>39,112</b>
Miscellaneous	8	(17,825)	(32,216)	18,870	<b>(31,171)</b>
<b>Total Variance to date</b>		<b>(317,036)</b>	<b>71,492</b>	<b>61,215</b>	<b>(184,329)</b>

## REVENUE BUDGET MONITORING 2013/14

Note	Resources - Comments
1.	Shortfall on job recharges due to increased levels of sickness. This situation has now been addressed.
2.	Underspent premises and contract payments; surplus rental income achieved.
3.	Underspent premises expenses and provision for final Superloo lease charge.
4.	Continued decline in average interest rates is having a negative impact on investment income target.
5.	Savings on shared service pension costs.
6.	Improvements in savings from Salary Turnover (£222,200); and surplus income includes (£25,800) New Homes Bonus, (£19,800) Transition Grant for Rural LA's, (£8,500) New Burdens' Grants, (£7,800) Assets of Community Value Grant and (£11,500) compensation.
7.	Overspend on bank and credit card charges.
8.	Various minor overspends and surplus income, partly offset by recharged expenses shortfall.

**BAD DEBT PROVISION**

TABLE 1 Type of Debt	Write-Offs December 2013		Comments
	No.	£	
NNDR (General)	60	211,600.33	01/04/13 to 31/12/13
NNDR (PSCT)	12	213,196.07	01/04/13 to 31/12/13
Council Tax	124	47,520.94	01/07/13 to 31/12/13
Debtors:			
Private Tenants			
Housing Benefit Overpayments	46	9,813.38	01/07/13 to 31/12/13
General Fund	35	755.22	01/07/13 to 31/12/13
Penalty Charge Notices:			
On Street	136	12,656.12	01/07/13 to 31/12/13
Off Street	10	820.00	01/07/13 to 31/12/13
Ex FTA Benefit			
<b>TOTAL</b>	<b>423</b>	<b>496,362.06</b>	

TABLE 2 Type of Debt	Write-Ons December 2013		Comments
	No.	£	
NNDR (General)	16	16,489.30	01/04/13 to 31/12/13
Council Tax	44	7,355.43	01/07/13 to 31/12/13
Debtors:			
Private Tenants			
Housing Benefit Overpayments			
General Fund	12	20.06	01/07/13 to 31/12/13
Ex FTA Benefit			
<b>TOTAL</b>	<b>72</b>	<b>23,864.79</b>	

<b>Report to Executive</b>	Agenda Item:
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Meeting Date: 10 February 2014  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework: YES  
 Public / Private: Public

Title: CAPITAL BUDGET OVERVIEW AND MONITORING REPORT:  
 APRIL TO DECEMBER 2013  
 Report of: DIRECTOR OF RESOURCES  
 Report Number: RD82/13

**Purpose / Summary:**

This report provides an overview of the budgetary position of the City Council’s capital programme for the period April to December 2013.

**Recommendations:**

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2013; and
- (ii) Make recommendations to Council to approve reprofiling of £75,000 in relation to Public Realm Improvement Works from 2013/14 into 2014/15.

**Tracking**

Executive:	<b>10 February 2014</b>
Overview and Scrutiny:	<b>20 February 2014</b>
Council:	

## **1. BACKGROUND**

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Director of Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Directors to control income and expenditure within their areas of responsibility and to monitor performance, taking account of financial information provided by the Director of Resources.
- 1.2 All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Throughout the report, the use of brackets indicates a credit or income budget, and the term underspend also relates to additional income generated.
- 1.4 It is important to understand the distinction between capital and revenue expenditure.

**The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.**

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

## **2. CAPITAL BUDGET OVERVIEW**

- 2.1 The following statement shows the annual capital programme for 2013/14:

<b>2013/14 Capital Budget</b>	<b>£</b>
<b>Original 2013/14 Programme (approved Feb 2013)</b>	<b>9,280,000</b>
Carry forwards from 2012/13 (RD11/13 Council 16/7/13)	1,828,700
Removal of budgets (RD11/13 Council 16/7/13)	(6,348,500)
<b>2013/14 Capital Programme (RD11/13 Council 16/07/13)</b>	<b>4,760,200</b>
Direct Revenue Financing - Customer Contact Centre (OD 014/13 26/03/13)	40,000
Direct Revenue Financing - Employee Payment & Resource Management System (RD07/13 Executive 7/05/13)	70,000
Bring Sites Review (LE21/13 Council 16/07/13)	227,000
Reprofiling of Arts Centre (CD47/13 Council 10/09/13)	(200,000)
Purple Sacks Review (LE28/13 Council 10/09/13)	69,500
Empty Property Initiative (CD42/13 Council 16/07/13)	305,700
Asset Review Business Plan Reinvestment (RD20/13 Executive 05/08/13)	1,312,500
Asset Review Business Plan Reinvestment	1,400,000
<b>Revised 2013/14 Capital Programme (at Sept 2013)</b>	<b>7,984,900</b>
Old Town Hall Phase 2 Reprofiling (Subject to Council Approval ED236/13 5/11/13)	62,000
Cenotaph Funding (Subject to Council Approval RD43/13 5/11/13)	67,000
Use of Planning & Delivery Grant	8,100
Direct Revenue Financing - Old Town Hall	2,300
External contributions towards Play Area Developments	19,100
<b>Revised 2013/14 Capital Programme (at December 2013)</b>	<b>8,143,400</b>
Carry forwards into 2014/15 (Subject to Council Approval)	(710,000)
Further carry forwards into 2014/15 (Subject to Council Approval)	(75,000)
<b>Revised 2013/14 Capital Programme</b>	<b>7,358,400</b>

Note:

Budget proposal presented to Council in February 2014 requested the approval of £710,000 to be carried forward into 2014/15.

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

### **3. 2013/14 BUDGET MONITORING**

3.1 The position statement as at December 2013 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Chief Executive's Team	40,000	38,724	38,395	(329)	3.4
Deputy Chief Executive's Team	710,000	0	1,394	1,394	3.5
Economic Development	2,350,300	1,819,323	1,460,705	(358,618)	3.6
Governance	2,712,500	1,312,500	1,315,307	2,807	3.7
Local Environment	1,132,000	67,237	56,632	(10,605)	3.8
Resources	1,198,600	650,182	570,781	(79,401)	3.9
<b>Total</b>	<b>8,143,400</b>	<b>3,887,966</b>	<b>3,443,214</b>	<b>(444,752)</b>	

A detailed analysis of the schemes within each directorate can be found in **Appendices B to G** with the main issues for each directorate being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £3,443,214 has been incurred. When considered against the profiled budget of £3,887,966 this equates to an underspend of £444,752.
- 3.3 A review of the 2013/14 capital programme has been undertaken to identify accurate project profiles. To date, £785,000 has been identified as needing profiled into future years. £710,000 of these have been put forward to Council for approval as part of the 2014/15 budget process, and Executive are asked to recommend to Council a further £75,000 to be carried forward in relation to Public Realm Improvement Works.

Directorate	Annual Budget £	Carry Forwards £	Revised Annual Budget £	Spend to Date £	Budget Remaining £
Chief Executive's Team	40,000	0	40,000	38,395	1,605
Deputy Chief Executive's Team	710,000	0	710,000	1,394	708,606
Economic Development	2,350,300	(75,000)	2,275,300	1,460,705	814,595
Governance	2,712,500	0	2,712,500	1,315,307	1,397,193
Local Environment	1,132,000	(660,000)	472,000	56,632	415,368
Resources	1,198,600	(50,000)	1,148,600	570,781	577,819
<b>Total</b>	<b>8,143,400</b>	<b>(785,000)</b>	<b>7,358,400</b>	<b>3,443,214</b>	<b>3,915,186</b>

The unspent balance remaining of the revised annual budget of £7,358,400 is £3,915,186 as at December 2013.

- 3.4 There are no significant variances to date in the Chief Executive's Team.
- 3.5 There are no significant variances to date in the Deputy Chief Executive's Team
- 3.6 The variance in Economic Development is attributable to the following:
- (i) An underspend on Disabled Facilities Grants. The take up of DFGs at the start of the financial year was slower compared to other years, but is now increasing. The position will be closely monitored to determine whether this will be an ongoing trend.
  - (ii) An underspend on Families accommodation replacement. The final account from the main contractor is awaited and due by the end of January, but it is expected the project will come in under budget.
  - (iii) An underspend on Empty Properties Initiative. 21 grant approvals have been issued so far, with further work schedules produced for interested clients to achieve the required 45 grant approvals by year end. A carry forward will be required at year end to honour commitments and allow the properties to be returned to use
- 3.7 There are no significant variances to date in Governance.
- 3.8 There are no significant variances to date in Local Environment.
- 3.9 The variance in Resources is attributable to the following:
- (i) An underspend on Planned Enhancements to Council Properties. Some work planned for various properties has been delayed and will now be carried out in 2014/15 subject to the approval of a carry forward at the year end.
  - (ii) An overspend on Town Clocks Invest to Save initiative. Funding is provided for this project from revenue savings generated from the work.
- 3.10 One scheme is included in the capital programme for 2013/14 that requires a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Public Realm	100,000	1
<b>Total</b>	<b>100,000</b>	

Note:

1. Executive are asked to recommend to Council the reprofiling of £75,000 into 2014/15.

#### 4. FINANCING

4.1 The 2013/14 capital programme can be financed as follows:

	£
<b>Total Programme to be financed (para 2.1)</b>	<b>7,358,400</b>
<u>Financed by:</u>	
Capital Receipts (including PRTB receipts)	5,548,800
Capital Grants	
• Disabled Facilities Grant	663,000
• General	342,700
Direct Revenue Financing	322,200
Other Contributions	56,800
Earmarked Reserves	424,900
<b>Total Financing</b>	<b>7,358,400</b>

#### 5. CAPITAL RESOURCES

5.1 The following table shows the position as at December 2013 of the capital resources due to be received during 2013/14:

	2013/14 Budget £	2013/14 Revised Budget £	2013/14 Actual £	2013/14 Not yet received £	Note
Capital Receipts					
• General	(660,000)	(660,000)	(6,300)	653,700	1
• Asset Review	(21,218,000)	(2,218,000)	(665,375)	1,552,625	1
• Vehicle Sales	0	0	(163,858)	(163,858)	2
• Renovation Grants repaid	0	0	(1,488)	(1,488)	
• PRTB Sharing agreement	(150,000)	(150,000)	(3,443)	146,557	3
Capital Grants					
• Disabled Facilities Grant	(663,000)	(663,000)	(667,717)	(4,717)	
• Old Town Hall	(33,700)	(33,700)	0	33,700	
• General	(255,700)	(296,700)	(267,224)	29,476	
Capital Contributions					
• Section 106	(716,800)	(56,800)	0	56,800	4
• Disabled Facilities Grant	0	0	(20,327)	(20,327)	
• General	0	0	(1,370)	(1,370)	
<b>Total</b>	<b>(23,697,200)</b>	<b>(4,078,200)</b>	<b>(1,797,102)</b>	<b>2,281,098</b>	

Notes:

- Receipts for 2013/14 are anticipated to be received from the Lovells agreement (£160,000), general capital receipts (£250,000) and Hostel replacement (£250,000). The asset review sales anticipated to be received have been revised downwards to reflect delays in realising receipts.

2. Included within vehicle sales are receipts of £97,442 for individual vehicle sales that are below the deminimis of £10,000 for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. PRTB income for the year is received on 28 April following the year-end but is accrued into the relevant year. It should be noted that Riverside Group are currently preparing forecasts for PRTB receipts for 2013/14 and the current payment due to the Council is £340,748 based on 14 sales to date as at the end of December. This position is being monitored regularly and revised projections will be provided as part of the out-turn report. The income received to date relates to an adjustment on the 2012/13 receipts received.
4. Contributions from Section 106 agreements to Castle Way scheme (£46,800) and Public Realm S106 (£10,000). Although the monies have been received this will be a year end accounting adjustment. The reductions relate to reprofiling into 2014/15.

## **6. BALANCE SHEET MANAGEMENT**

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued on a five-year rolling programme to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2012/13 accounts, fixed assets totalled £153million (2011/12 £167million). This represents 91% of the net current assets of the City Council.

#### 6.4 Debtors

This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure, and receipts for the Council's share of the PRTB (Preserved Right to Buy) agreement. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at December 2013 debtors of £90,974 (£399,769 at 31 March 2013) were outstanding for capital grants, contributions and receipts. PRTB receipts for 2012/13 were received in April in accordance with the agreement.

#### 6.5 Creditors

This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at December 2013 totalled £112,644 (£388,758 at 31 March 2013).

### 7. **PERFORMANCE**

- 7.1 The 2013/14 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects.
- 7.2 Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Corporate Programme Board chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

## **8. CONSULTATION**

### **8.1 Consultation to Date**

SMT & JMT have considered the issues raised in this report.

### **8.2 Consultation Proposed**

Resources Overview & Scrutiny Panel will consider the report on 20 February 2014.

## **9. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

### **9.1 The Executive is asked to:**

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2013; and
- (ii) Make recommendations to Council to approve reprofiling of £75,000 in relation to Public Realm Improvement Works from 2013/14 into 2014/15.

## **10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

### **10.1 The Council's capital programme reflects the current priorities in the Carlisle Plan e.g. Arts Centre and Public Realm work.**

**Contact Officer: Emma Gillespie**

**Ext: 7289**

**Appendices A to G  
attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's** – Not applicable

**Economic Development** – Not applicable

**Governance** – The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process

**Local Environment** – Not applicable

**Resources** – Financial implications are contained in the main body of the report.

Scheme	Original Capital Programme 2013/14 £	Carry Forwards from 2012/13 £	Other Adjustments 2012/13 Outturn £	Other Adjustments £	Proposed Carry Forwards £	Revised Capital Programme 2013/14 £
<b>Current non-recurring commitments</b>						
Public Realm (S106)	330,000	40,000	0	0	(360,000)	10,000
Clean Up Carlisle	12,000	8,500	0	0	0	20,500
	<b>342,000</b>	<b>48,500</b>	<b>0</b>	<b>0</b>	<b>(360,000)</b>	<b>30,500</b>
<b>Recurring commitments</b>						
Asset Review Purchases/Expenditure	6,272,500	0	(6,272,500)	2,712,500	0	2,712,500
Planned Enhancements to Council Property	300,000	0	0	0	(50,000)	250,000
Vehicles, Plant & Equipment	259,500	311,000	0	(78,300)	0	492,200
ICT Shared Service	114,000	108,300	0	0	0	222,300
IT Equipment	79,000	0	(76,000)	0	0	3,000
	<b>7,025,000</b>	<b>419,300</b>	<b>(6,348,500)</b>	<b>2,634,200</b>	<b>(50,000)</b>	<b>3,680,000</b>
<b>New non-recurring commitments</b>						
Arts Centre	250,000	0	0	(200,000)	0	50,000
Public Realm Work	100,000	0	0	0	(75,000)	25,000
Paternoster Row	100,000	0	0	0	0	100,000
Harraby School and Community Campus contribution	600,000	0	0	0	0	600,000
Customer Contact Centre	0	0	0	40,000	0	40,000
Employee Payment & Resource Management System	0	0	0	70,000	0	70,000
Bring Sites Review	0	0	0	227,000	0	227,000
Purple Sacks Review	0	0	0	69,500	0	69,500
Empty Property Initiative	0	0	0	305,700	0	305,700
Cenotaph & War Memorials	0	0	0	67,000	0	67,000
Old Town Hall Phase 2	0	0	0	62,000	0	62,000
Waste Optimisation Software	0	0	0	18,300	0	18,300
Leisure Initiatives	0	0	0	60,000	0	60,000
Planning & Delivery Grant	0	0	0	8,100	0	8,100
	<b>1,050,000</b>	<b>0</b>	<b>0</b>	<b>727,600</b>	<b>(75,000)</b>	<b>1,702,600</b>
<b>Disabled Facilities Grants</b>						
Private Sector Grants	863,000	0	0	0	0	863,000
	<b>863,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>863,000</b>
<b>Continuing Schemes</b>						
Play Area Developments	0	6,200	0	19,100	0	25,300
Old Town Hall	0	298,500	0	2,300	0	300,800
Trinity Church MUGA	0	2,100	0	0	0	2,100
Castle Street Public Realm	0	10,000	0	0	0	10,000
Female & Families Accommodation	0	608,600	0	0	0	608,600
Kingstown Industrial Estate	0	32,900	0	0	0	32,900
PCIDSS Capital	0	30,600	0	0	0	30,600
Document Image Processing	0	13,500	0	0	0	13,500
Connect 2 Cycleway	0	11,700	0	0	0	11,700
Castle Way (S106)	0	346,800	0	0	(300,000)	46,800
	<b>0</b>	<b>1,360,900</b>	<b>0</b>	<b>21,400</b>	<b>(300,000)</b>	<b>1,082,300</b>
<b>TOTAL</b>	<b>9,280,000</b>	<b>1,828,700</b>	<b>(6,348,500)</b>	<b>3,383,200</b>	<b>(785,000)</b>	<b>7,358,400</b>

**CHIEF EXECUTIVE'S TEAM**

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Customer Services	40,000	0	40,000	38,724	38,395	(329)	Improvements to Civic Centre reception/foyer area funded from additional revenue income generated. (OD 14/13 26.03.13)
<b>Grand Total</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>38,724</b>	<b>38,395</b>	<b>(329)</b>	

**DECEMBER 2013 - CAPITAL BUDGET MONITORING**

**APPENDIX C**

**DEPUTY CHIEF EXECUTIVE'S TEAM**

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Art Centre	50,000	0	50,000	0	0	0	Revised scheme approved by Council (CD47/13 10/09/13).
Leisure Initiatives	60,000	0	60,000	0	0	0	Budget approved by Executive 18/11/13 (RD50/13) from underspends on vehicle replacement programme to fund one-off capital costs of leisure initiatives.
Harraby School and Community Campus Contribution	600,000	0	600,000	0	1,394	1,394	Budget released by Executive 11/3/13 (SD02/13).
<b>Grand Total</b>	<b>710,000</b>	<b>0</b>	<b>710,000</b>	<b>0</b>	<b>1,394</b>	<b>1,394</b>	

**ECONOMIC DEVELOPMENT**

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Public Realm Work	100,000	(75,000)	25,000	0	0	0	Budget still to be released by Executive.
Old Town Hall - Strategic TIC	300,800	0	300,800	300,800	300,879	79	Revised project approved by Council 13/11/12. There is potential for an overspend on this project due to the funding partner changing their mind about supporting additional work agreed over the original tender amount.
Old Town Hall Phase 2	62,000	0	62,000	0	0	0	Reprofiling and release of budget agreed by Council 5/11/13 (ED36/13).
Paternoster Row	100,000	0	100,000	100,000	100,000	0	Approved by Executive 17/12/12 (ED37/12).
EA Central Plaza	0	0	0	0	452	452	Implementation on an Urgent Works Notice under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to be funded from the Conservation Fund approved by Executive 30.08.11 (ED29/11)
Housing & Planning Delivery Grant	8,100	0	8,100	8,100	8,050	(50)	Purchase of planning plotter funded from unapplied capital grant.
Disabled Facilities Grants	863,000	0	863,000	647,337	502,345	(144,992)	The take up of DFGs has been slower at the start of this financial year compared to other years and the position is being closely monitored. Expenditure has increased during the last quarter.
Housing - Investment in Empty Homes	0	0	0	0	1,000	1,000	Outstanding commitment from previous year schemes.
Empty Properties Initiative	305,700	0	305,700	152,911	18,845	(134,066)	Approved by Council 16/07/13 (CD42/13) to allow the provision of loans and grants to be made to owners of empty property and assist in bringing them back into use. A carry forward will be required at the year end to allow commitments to grants to be met.
Families Accommodation Replacement	608,600	0	608,600	608,600	527,559	(81,041)	Project complete. Opening day held 15/07/13. Final account awaited and is expected by the end January 2014.
Trinity Church Multi Use Games Area	2,100	0	2,100	1,575	1,575	0	Budget provided to allow replacement of existing seat and grass resurfacing.
<b>Grand Total</b>	<b>2,350,300</b>	<b>(75,000)</b>	<b>2,275,300</b>	<b>1,819,323</b>	<b>1,460,705</b>	<b>(358,618)</b>	

**GOVERNANCE**

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Asset Management Plan	2,712,500	0	2,712,500	1,312,500	1,315,307	2,807	A five year Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue account on a recurring basis. The budgets have been returned to reserves.
<b>Grand Total</b>	<b>2,712,500</b>	<b>0</b>	<b>2,712,500</b>	<b>1,312,500</b>	<b>1,315,307</b>	<b>2,807</b>	

LOCAL ENVIRONMENT

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
Play Areas	25,300	0	25,300	23,753	19,526	(4,227)	Budget provided for additional furniture/equipment at St James Park and Richmond Green play areas. Additional grant received for St James Park.
Chances Park	0	0	0	0	(1,000)	(1,000)	Retention less than expected.
Kingstown Industrial Estate Roads	32,900	0	32,900	0	2,048	2,048	To complete refurbishment of Kingstown Broadway North carriageway to 10 year design life including additional works to a number of access crossings.
Castle Street Public Realm Improvements	10,000	0	10,000	7,501	1,053	(6,448)	To complete scheduled works carried over from 2012/13.
Connect 2 Cycleway	11,700	0	11,700	0	0	0	To ensure works required to ensure adoption of the cycleway can be completed.
Clean Up Carlisle	20,500	0	20,500	0	0	0	Approved by Council 17/07/12 (LE22/12). Budget required to ensure the 2 year Clean Up Carlisle Campaign can be completed and full benefits received.
Public Realm (S106)	370,000	(360,000)	10,000	0	350	350	Approved by Executive 3/9/12 (RD34/12). Funded by Section 106 monies. Slippage into 2014/15.
Castle Way (S106)	346,800	(300,000)	46,800	0	6,435	6,435	Approved by Executive 11/4/12 (RD01/12). Funded by Section 106 monies. Slippage into 2014/15.
Bring Sites Review	227,000	0	227,000	17,683	17,670	(13)	Approved by Council 16/07/13 (LE21/13) to purchase vehicle and equipment required to provide an in-house service. Use of capital receipts will be repaid from revenue savings.
Purple Sacks Review	69,500	0	69,500	0	0	0	Approved by Council 10/09/13 (LE28/13) to purchase additional wheeled bins and gull sacks. Orders have been placed
Waste Optimisation Software	18,300	0	18,300	18,300	10,550	(7,750)	Purchase and implementation of route optimisation software for Waste Services.
<b>Grand Total</b>	<b>1,132,000</b>	<b>(660,000)</b>	<b>472,000</b>	<b>67,237</b>	<b>56,632</b>	<b>(10,605)</b>	

**RESOURCES**

Scheme	Annual Budget	Proposed Carry Forwards	Revised Annual Budget	Budget to date	Expenditure to date	Variance to date	Details of major variance
IT Shared Service	225,300	0	225,300	9,936	13,033	3,097	Part of Shared Service Business Case.
Planned Enhancements to Council Property	300,000	(50,000)	250,000	189,004	109,014	(79,990)	Budget released by Executive 8/4/13 (RD01/13). Slippage of £50,000 into 2014/15 for improvements to Civic Centre. Underspend to date due to delay in improvements at various sites. Carry forwards will be required at year end
Town Clocks Invest to Save	0	0	0	0	12,799	12,799	To fit auto-winding and regulation of town clocks. Revenue savings will be generated to repay the capital investment.
Vehicles & Plant	492,200	0	492,200	348,700	348,519	(181)	Replacement Plan on schedule.
Document Image Processing	13,500	0	13,500	10,128	9,629	(499)	Phased implementation in progress.
PCIDSS Capital	30,600	0	30,600	30,600	36,348	5,748	Implementation costs for a new security standard in line with the Payment Card Industry (RD26/12 Executive 6/8/12).
Employee Payment & Resource Management System	70,000	0	70,000	35,014	39,320	4,306	Approved by Executive 7/5/13 (RD07/13).
Genotaph	67,000	0	67,000	26,800	2,119	(24,681)	Approved by Council 5/11/13 (RD34/13). A carry forward into 2014/15 will be required.
<b>Grand Total</b>	<b>1,198,600</b>	<b>(50,000)</b>	<b>1,148,600</b>	<b>650,182</b>	<b>570,781</b>	<b>(79,401)</b>	



# Report to Executive

Agenda  
Item:

Meeting Date: 10 February 2014  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework YES  
 Public / Private Public

Title: TREASURY MANAGEMENT JULY - DECEMBER 2013  
 Report of: DIRECTOR OF RESOURCES  
 Report Number: RD84/13

**Purpose / Summary:**

This report provides the regular quarterly report on Treasury Transactions including the requirements of the Prudential Code.

**Recommendations:**

That this report be received and the Prudential Indicators noted as at the end of December 2013.

**Tracking**

Executive:	<b>10 February 2014</b>
Audit Committee:	<b>14 April 2014</b>
Council:	n/a

## 1. INTRODUCTION

1.1 The purpose of this report is to inform Members on various Treasury Management issues. The report is set out as follows:

(i) **Appendix A** sets out the schedule of Treasury Transactions for the period 1 April 2013 – 27 December 2013

- **Appendix A1** – Treasury Transactions April to December 2013
- **Appendix A2** – Investment Transactions April to December 2013
- **Appendix A3** – Outstanding Investments at December 2013 and

(ii) **Appendix B** discusses the Prudential Code and Prudential Indicators for 2013/14:

- **Appendix B1** – Prudential Code background
- **Appendix B2** – Prudential Indicators

## 2. CONSULTATION

2.1 Consultation to Date.  
None.

2.2 Consultation proposed.  
None

## 3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

3.1 That this report is received and the Prudential Indicators noted as at the end of December 2013.

## 4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

4.1 To ensure that the Council's investments are in line with the appropriate policies including the Treasury Management Strategy Statement.

**Contact Officer:** Steven Tickner

**Ext:** 7280

**Appendices**

**Appendix A1 – Treasury Transactions April to December 2013**

**attached to report:**

**Appendix A2 – Investment Transactions April to December 2013**

**Appendix A3 – Outstanding Investments at December 2013**

**Appendix B1 – Prudential Code background**

**Appendix B2 – Prudential Indicators**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's** – not applicable

**Economic Development** – not applicable

**Governance** – The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process.

**Local Environment** – not applicable

**Resources** – Contained within the report

TREASURY TRANSACTIONS  
1 APRIL 2013 to 27 DECEMBER 2013

1. LOANS (DEBT)1.1 Transactions 1 October to 27 December 2013

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0		0	0
Local Bonds	0		0	0
Short Term Loans	0		0	0.00
Overnight Borrowing	0		0	0.00
	<b>0</b>		<b>0</b>	

This provides a summary of any loans that have been raised or repaid, analysed by type, since the previous report. New procedures have been put in place to map the cash flow more accurately to enable better forecasting and to limit the amount of short term/overnight borrowing which may be required.

1.2 Loans (Debt) Outstanding at 27 December 2013

	£
City of Carlisle Stock Issue	15,000,000
Short Term Loans	13,300
	<b>15,013,300</b>

1.4 Loans Due for Repayment (Short Term)

	PWLB £	Overnight £	Total £
Short Term Debt at 27 December 2013 (These are the balances held on behalf of Carlisle Educational Charity and Mary Hannah Almshouses)	0	0	13,300
			<b>13,300</b>

### 1.5 Interest Rates

Capita Asset Services (previously Sector) is not forecasting an interest rate rise until Quarter 4 of 2015.

## 2 INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	32,935,000	0.38 - 0.85	35,475,000	0.38 - 1.75
	<b>32,935,000</b>		<b>35,475,000</b>	

A full schedule of investment transactions is set out in Appendix A2. Appendix A3 shows outstanding investments at 27 December 2013.

## 3 REVENUES COLLECTED

To: 27 December 2013		Collected £	% of Amount Collectable %
2013/14	Council Tax NNDR	41,942,702 37,373,230	85.69 88.84
<b>Total</b>		<b>79,315,932</b>	<b>87.14</b>
2012/13	Council Tax NNDR	40,986,514 35,343,358	86.03 86.36
<b>Total</b>		<b>76,329,872</b>	<b>86.18</b>
2011/12	Council Tax NNDR	40,712,911 33,408,985	86.05 87.18
<b>Total</b>		<b>74,121,896</b>	<b>86.55</b>

Collection levels have been fairly stable in each of the past three years.

## 4 BANK BALANCE

At 27 December 2013 £1,388,491.64 in hand.

This records the Council's bank balance at the end of the last day covered by the report.

5 PERFORMANCE ON TREASURY MANAGEMENT TRANSACTIONS  
TO 27 DECEMBER 2013

	Estimate £000	Actual £000	Variance £000
Interest Receivable	(355)	(175)	180
Interest Payable	850	849	(1)
Less Rechargeable	(7)	(7)	0
	<b>843</b>	<b>842</b>	<b>(1)</b>
Principal Repaid	0	0	0
Debt Management	15	12	(3)
<b>NET BALANCE</b>	<b>503</b>	<b>679</b>	<b>176</b>

The estimate column is the profiled budget to 27 December 2013.

Interest receivable is falling behind budgeted projections due to average investment returns being lower than those anticipated when the budget was set. Although bank base rates have remained at 0.50%, investment rates fell significantly over the first 6 months of 2013 due to banks being able to access capital from the Bank of England that has meant they do not need to offer higher rates to attract investment from the financial markets. This has meant, for example, that a twelve month investment made now will only attract a yield of less than 1%, whereas at this point twelve months ago, the same investment could have achieved a return of 3%.

**APPENDIX A2**

**INVESTMENT TRANSACTIONS 1 JULY TO 27 DECEMBER 2013**

INVESTMENTS MADE		INVESTMENTS REPAID	
	£		£
IGNIS	2,100,000.00	IGNIS	1,160,000.00
HSBC	3,620,000.00	Royal Bank of Scotland	1,000,000.00
Royal Bank of Scotland	1,000,000.00	IGNIS	1,050,000.00
IGNIS	990,000.00	IGNIS	130,000.00
IGNIS	1,800,000.00	IGNIS	2,550,000.00
HSBC	210,000.00	HSBC	980,000.00
HSBC	330,000.00	HSBC	225,000.00
IGNIS	1,550,000.00	HSBC	3,470,000.00
HSBC	4,000,000.00	HSBC	220,000.00
HSBC	355,000.00	IGNIS	380,000.00
Royal Bank of Scotland	1,000,000.00	Royal Bank of Scotland	1,000,000.00
IGNIS	670,000.00	IGNIS	120,000.00
IGNIS	1,780,000.00	IGNIS	1,150,000.00
Royal Bank of Scotland	1,000,000.00	IGNIS	2,350,000.00
Royal Bank of Scotland	1,000,000.00	HSBC	430,000.00
HSBC	4,925,000.00	Royal Bank of Scotland	2,000,000.00
HSBC	375,000.00	HSBC	620,000.00
Royal Bank of Scotland	1,000,000.00	HSBC	150,000.00
HSBC	305,000.00	HSBC	55,000.00
IGNIS	1,000,000.00	HSBC	4,350,000.00
HSBC	1,925,000.00	Royal Bank of Scotland	1,000,000.00
Royal Bank of Scotland	1,000,000.00	HSBC	1,475,000.00
Royal Bank of Scotland	1,000,000.00	HSBC	500,000.00
		Royal Bank of Scotland	1,000,000.00
		IGNIS	1,000,000.00
		HSBC	1,275,000.00
		NATIONWIDE	1,000,000.00
		HSBC	3,735,000.00
		Royal Bank of Scotland	1,000,000.00
		HSBC	100,000.00
<b>TOTAL</b>	<b>32,935,000</b>		<b>35,475,000</b>
		Bfwd	23,380,000
		Paid	32,935,000
		Repaid	35,475,000
		<b>Total</b>	<b>20,840,000</b>

### Outstanding Investments as at 27 December 2013

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
O	HSBC	840,000	0.50%		Call			0
G	Nationwide Building Society	2,000,000	0.63%	02/04/2013	02/01/2014	90	275	9,493
B	Bank of Scotland	1,000,000	1.10%	04/01/2013	03/01/2014	460	364	10,970
B	Bank of Scotland	1,000,000	1.10%	13/02/2013	14/02/2014	502	366	11,030
N/C	Barclays Bank	1,000,000	0.52%	09/06/2013	06/03/2014	522	270	3,847
B	Bank of Scotland	1,000,000	1.10%	25/03/2013	28/03/2014	544	368	11,090
B	Bank of Scotland	1,000,000	1.10%	27/03/2013	28/03/2014	544	366	11,030
B	Bank of Scotland	1,000,000	1.10%	28/03/2013	28/03/2014	544	365	11,000
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	2,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Royal Bank of Scotland	1,000,000	0.80%		Call90	90		
B	Bank of Scotland	1,000,000	1.10%	11/04/2013	10/04/2014	95	364	10,970
B	Bank of Scotland	1,000,000	1.05%	30/05/2013	30/05/2014	607	365	10,500
N/C	Barclays Bank	1,000,000	0.69%	22/08/2013	30/05/2014	607	281	5,312
B	Bank of Scotland	1,000,000	1.01%	02/08/2013	01/08/2014	670	364	10,072
<b>Total Investments</b>		<b>£20,840,000</b>	<b>0.86%</b>			<b>323</b>	<b>341</b>	<b>£105,315</b>

N.B Interest is recognised in the appropriate financial year in which it is due.

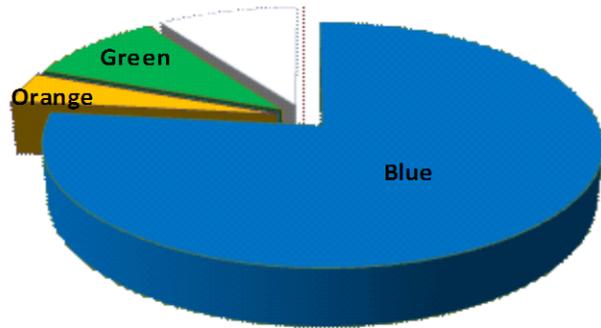
The category colour represents the duration of investment recommended by Capita Asset Services, the Council's Treasury Advisors. Those investments with No colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

## Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return	Weighted Average Days to Maturity	Weighted Average Dats to Maturity from Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	76.77%	16,000,000	50.00%	8,000,000	38.39%	0.94%	93	228
Orange	4.03%	840,000	100.00%	840,000	4.03%	0.50%	0	0
Red	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Green	9.60%	2,000,000	0.00%	-	0.00%	0.63%	2	275
No Colour	9.60%	2,000,000	0.00%	-	0.00%	0.61%	108	230
<b>TOTAL</b>	<b>100.00%</b>	<b>20,840,000</b>	<b>42.42%</b>	<b>8,840,000</b>	<b>42.42%</b>	<b>0.86%</b>	<b>82</b>	<b>223</b>

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Dec 2013	Sep 2013	Jun 2013	Mar 2013
1	0	0	0.0	0.0
2	0	0	0.0	0.0
3	2.3	2.1	2.1	2.6
4	0.2	0.4	0.0	0.4
5	0	0	0.6	0.3
6	0.6	1.3	1.0	0.0
7	0.7	0	0.0	0.0
<b>AVERAGE</b>	<b>3.7</b>	<b>3.8</b>	<b>3.7</b>	<b>3.3</b>

**Portfolio Composition by Capita's Suggested Lending Criteria**



Yellow Purple Blue Orange Red Green No Colour

Criteria	Capita Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour

Government Backed  
Non Government Backed

**Normal' Risk Score**      **3.5**      **3.5**      **3.5**      **3.5**

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate, to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the council to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision making process.
- 2.2 Appendix B2 sets out the latest performance indicators for the current year.

3. Supported and Unsupported (or Prudential) Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Code any local authority borrowing was essentially based upon a government 'permission to borrow'. Differing types of government control operated over the years but since 1990 these had been termed credit approvals. The level of an authority's previous years' credit approvals is also included in the revenue support grant (RSG) allocation so that ultimately any borrowing is 'supported' via RSG.

- 3.2 This element of supported borrowing is still part of the RSG system although the City Council has previously resolved that its capital borrowing would be limited to its level of supported borrowing. In 2013/14 this is estimated to be Nil.
- 3.3 However, there may be circumstances in which the City Council will wish to undertake some prudential borrowing and the issues surrounding unsupported and supported borrowing are discussed below.
- 3.4 Authorities are permitted to borrow in excess of their supported borrowing allocation. This is referred to as prudential or unsupported borrowing. This can be undertaken so long as the Council can demonstrate that the revenue consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

PRUDENTIAL INDICATORS

Central to the operation of the Prudential code is the compilation and monitoring of prudential indicators covering affordability, prudence, capital expenditure, and treasury management. Set out below are the indicators for 2013/14 to date as detailed in the Treasury Management Strategy Statement for 2013/14.

**(a) Affordability**

	2013/14 Original £	2013/14 Revised £
<b>(i) Capital Expenditure</b>	7,780,000	7,358,400
<b>(ii) Financing Costs</b> Total Financing Costs	845,959	1,060,493
<b>(iii) Net Revenue Stream</b> Funding from Govt Grants/Local Taxpayers	13,454,000	13,454,000
<b>(iv) Ratio of Financing Costs to Net Revenue Stream</b> The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.	6.29%	7.88%
<b>(v) Incremental Impact on Council Tax</b> This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.	0.56	0.56
<b>(vi) Authorised Borrowing Limit</b> Maximum Level of Borrowing and Other Long term Liabilities	37,600,000 15,013,300	37,600,000
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2013/14 Original £	2013/14 Revised £
<p><b>(vii) Operational Borrowing Limit</b> Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.</p>	32,600,000  15,013,300	32,600,000
<p><b>(viii) Capital Financing Requirement (CFR)</b> As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.</p>	(5,293,000)	n/a

**(b) Prudence and Sustainability**

	2013/14 Revised £
<p><b>(i) New Borrowing to Date</b> No Long Term Borrowing has been taken in 2013/14 to date</p>	0
<p><b>(ii) Percentage of Fixed Rate Long Term Borrowing</b> at 27 December 2013</p>	100%
<p><b>(iii) Percentage of Variable Rate Long Term Borrowing</b> at 27 December 2013 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.</p>	0%
<p><b>(iv) Minimum Level of Investments Classified as Specified</b> Level of Specified Investments as at 27 December 2013</p> <p>As part of the Investment Strategy for 2013/14 the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.</p>	50.00% 100.00%



**JOINT MEETING BETWEEN THE EXECUTIVE AND REPRESENTATIVES  
FROM THE PARISH COUNCILS**

**MONDAY 2 DECEMBER 2013 AT 7.00 PM**

PRESENT: Councillor C W Glover (Chairman) (Carlisle City Council)  
Councillor Mrs E B Martlew (Carlisle City Council)  
Councillor Mrs H Bradley (Carlisle City Council)  
Councillor Mrs J Riddle (Carlisle City Council)  
Councillor Dr L Tickner (Carlisle City Council)

Mr D Sheard (Cumbria County Council)

Councillor R Auld (Chairman, Carlisle Parish Councils  
Association)  
Ms C Rankin (Parish Liaison Officer, CALC)  
Councillor E Williamson (Beaumont Parish Council)  
Mrs M E McKenna (Beaumont Parish Council)  
Councillor K McIntosh (Cummersdale Parish Council)  
Councillor C Byers (Dalston Parish Council)  
Councillor O Rickerby (Dalston Parish Council)  
Councillor M Ridley (Irthington Parish Council)  
Councillor W Bundred (Kirkandrews on Esk Parish Council)  
Ms P MacDonald (Orton Parish Council)  
Councillor W Little (Orton Parish Council)  
Councillor J Harper (Rockcliffe Parish Council)  
Mr D E Johnson (St Cuthbert Without Parish Council)  
Mrs A McCallum (Stanwix Rural Parish Council)  
Councillor C Nicholson (Stanwix Rural Parish Council)  
Councillor Ms J Holland (Wetheral Parish Council)

ALSO PRESENT :

Mr D Crossley (Deputy Chief Executive)  
Mr M Lambert (Director of Governance)  
Mr P Mason (Director of Resources)  
Mrs J Meek (Director of Economic Development) - until 7.25 pm  
Ms A Culleton (Director of Local Environment) - until 7.25 pm  
Mrs M Durham (Lead Committee Clerk)

**1. WELCOME**

The Chairman welcomed all those present to the joint meeting.

## **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from:

Councillor Ms A Quilter (Carlisle City Council)  
Dr J Gooding (Chief Executive)  
Ms E Dixon (Carlisle Partnership Manager)  
Councillor B Craig (Carlisle Parish Councils Association)  
Ms S Kyle (Clerk to Walton, Scaleby and Hethersgill Parish Council)  
Councillor I Yates (Wetheral Parish Council)

## **3. MINUTES**

The Minutes of the meeting between the City Council's Executive and Representatives from the Parish Councils held on 10 June 2013 were circulated.

RESOLVED – That the Minutes be received and agreed as a true record of the meeting.

## **4. MATTERS ARISING**

Councillor Auld indicated that the issue of Recycling Bring Sites had been discussed in detail at the last joint meeting. The Director of Local Environment was in attendance tonight to respond to any further questions on the issue, however, no questions were forthcoming.

## **5. CARLISLE LOCAL PLAN 2015 – 2030 UPDATE ON PREFERRED OPTIONS CONSULTATION**

The Director of Economic Development gave a presentation updating the meeting on the Preferred Options Consultation undertaken between August – September 2013.

The Director reported that the exercise involved a variety of meetings, events and drop in sessions; together with information in the local newspapers and social media. Officers had attended Parish meetings at Irthington, Brampton and Rockcliffe; continued to push the consultation to be digital where possible and would make the document as accessible for as many people as possible. She accepted the difficulties associated with the presentation of what was a lengthy and technical document for public consultation, but would continue to seek ways to improve the position. A healthy response had been received to the consultation.

An independent Inspector had visited and, following analysis, had given an excellent report.

Feedback had focussed on housing sites; consisted of a mixture of support and alternatives, together with a healthy batch of objections –

- 196 respondents with 1137 comments
- 423 objections, 243 in support
- 43 new housing sites being put forward

Each response had been acknowledged and the Local Plan was now being prepared to reflect the responses to the consultation.

The Director summarised the following key messages:

- The Housing Need and Demand Study set the target (665 new houses per year) – previously the Local Plan had set a flexible target of between 550 and 650. The target was challenging and there was a need to consult on those new sites
- A viability study had been commissioned and was now underway. Comments expressed a feeling that the Local Plan needed a more robust evidence base to consider viability of future policies
- Increased flexibility for Carlisle South to allow the Masterplan / future plans to come forward sooner in the Plan period if growth was stalled and growth needed to come forward sooner
- Meetings were ongoing with the County Council regarding education and highways, which would feed into the Infrastructure Delivery Plan that would sit alongside the Local Plan.
- Discussions were also ongoing with housing colleagues as to whether there was a need to allocate a future site for gypsy and travellers
- The county wide 'Cumulative Impact of Vertical Structures Study' which would help determine the impact of wind turbines on the landscape was awaited
- Officers were also working with the University of Cumbria on the issue of accommodation

The Director further explained what was happening now in terms of the City Centre Masterplan; additional sites; Gypsy and Traveller provision; Infrastructure; Viability Study and 2011 Census. All of that work would contribute towards making the City vibrant and viable. Continued dialogue was taking place with the County Council and other infrastructure providers to ensure deliverability of sites.

In terms of the next steps, the Director advised that there would be an additional consultation stage (lasting 4 weeks). She outlined the programme timetable, adding that Officers were working really hard and good progress was being made.

Councillor Nicholson sought clarification as to who had set the housing target of 665 new houses per year.

In response, the Director of Economic Development stated that the figure emanated from a variety of consultation responses.

Councillor Holland noted that the additional consultation would span a period of 4 weeks and asked whether that would give Parish Councils a reasonable opportunity to respond.

The Director considered that the statutory consultation period was reasonable, and emphasised the need to keep the momentum moving forward.

Councillor Harper highlighted the issue of infrastructure, commenting that residents in Rockcliffe had a bus service which may not be provided in future. He questioned how that would be taken into account.

The Director of Economic Development replied that the City Council would work with the Highway Authority to ensure that any development was sustainable and accessible. She recognised that the timescale was tight and, if Parish Councils required help, that would be provided as far as possible. The Director further thanked the Parishes for their support.

The Chairman added that he sat on the Local Plan Working Group, and that all comments received were extremely valuable and very welcome.

RESOLVED – That the presentation on the Carlisle Local Plan 2015 – 2030 be received.

## **6. MANAGEMENT ARRANGEMENTS FOLLOWING THE DEPARTURE OF THE DIRECTOR OF COMMUNITY ENGAGEMENT**

The Chairman reported that the Director of Community Engagement had recently left the City Council. He invited the Deputy Chief Executive to update the meeting on the current position.

The Deputy Chief Executive advised that, given the current circumstances within Local Government, the Council had taken the opportunity presented by the departure of the Director of Community Engagement to look at the reallocation of responsibilities.

The services provided by the former Directorate would now be allocated as follows:

**Housing** - to temporarily transfer in its entirety (except Welfare Advice) to the Director of Economic Development.

**Customer Services** - the Chief Executive would take the lead. That would help to give an overall corporate focus to the service.

**Contracts and Community Services & Partnership Manager** - those functions would report to the Deputy Chief Executive. The Contracts and Community Services Manager would head up the Team.

**Revenues and Benefits** - the service would transfer to the Director of Resources.

**Property Services and Freedom of Information** – would transfer to the Director of Governance

RESOLVED – That the position be noted.

## **7. PARISH CHARTER – PLANNING AGREEMENT**

The Deputy Chief Executive introduced this item of business, commenting that arrangements had been reviewed and officially signed off by the Leader of the Council on 8 April 2013.

At that time it was agreed that the Planning Agreement would remain in its current form, but would be subject to an ongoing review process due to the large number of significant changes as a result of both legislation and locally (such as the agreement of a Local Plan).

The Planning Agreement had subsequently been through the Parish Council system, in addition to which consultations had taken place in the City Council.

The Deputy Chief Executive added that the Council was not in a position to say that the Planning Agreement could be completed tonight. Rather the proposal was that interested parties should discuss the matter with the Director of Economic Development and the Development Manager, and respond to Councillor Nicholson as soon as possible.

The Deputy Chief Executive apologised that it was not possible to sign the matter off tonight.

Councillor Auld indicated that it would be remiss of him not to place on record disappointment at the position. He had understood that the Planning Agreement would be resolved this evening, emphasising that it had been ongoing for some three years. The Parish Councils were disappointed and very anxious to conclude the matter as soon as possible.

Whilst echoing the feeling of disappointment, Councillor Nicholson considered it prudent to ensure that the Planning Agreement was done properly.

Councillor Nicholson felt confident that if the Development Manager (Mr Hardman) was leading on the issue it would be done well. He added that the Development Manager had been very helpful and wished to place on record thanks to Mr Hardman for his contribution.

The Chairman recognised the feeling of frustration, but emphasised the importance of getting the Planning Agreement right. He added that it would be brought forward as soon as possible.

RESOLVED – That the current position with regard to the Parish Charter Planning Agreement be noted; and every effort made to resolve the matter as soon as possible.

## **8. DIGITAL COMMUNICATIONS**

Councillor Auld outlined the background to the issue commenting that, some time ago, the Council's Resources Overview and Scrutiny Panel had requested that a Task Group be set up to look into saving paper within the democratic process. The Task Group had reported back on their findings and made several recommendations, including a recommendation to undertake a pilot of using tablet technology in Committee meetings. He added that, at the last joint meeting, Councillor Craig had given an overview of the trial of paper free working within the Committee System

During 2013 the CPCA Executive Committee had discussed changes to the Carlisle City Council Planning Portal, and the willingness or otherwise of Parish Councils to use modern technology for the handling and display of planning consultations.

A number of Parish Councils of differing sizes had expressed an interest and enthusiasm in the use of digital equipment to display plans, photographs, etc. to assist with planning consultations.

In response, the CPCA Executive had agreed that they could offer a small grant to Parish Councils to assist with the purchase of digital equipment (such as a digital projector, projector stand or ceiling fixing and a screen). The CPCA had therefore made a request to Carlisle City Council to consider match funding any CPCA grant, which request was currently under consideration.

Councillor Auld added that the CPCA was offering a grant of £150 per Parish Council for up to 5 Councils (on a first come, first served basis) that may wish to participate in a pilot scheme.

Parish Councils, which wished to register an interest, were asked to complete a form (copies of which were circulated) for return to Claire Rankin, with a completion date of 31 January 2014.

Mrs McCallum felt that the allocation of grant on a first come, first served basis was not fair.

In response Councillor Auld explained that resources were simply not available to fund the provision of equipment for all Parish Councils. The CPCA Executive was keen to get things moving, commencing with the pilot scheme.

The Chairman stated that Councillor Craig had been involved in the Saving Paper Task Group referred to. Digital communications constituted a very sensible opportunity, which should be explored further. There was a distinct possibility that it would be progressed as an 'invest to save' project.

The Chairman added that it was prudent to undertake a pilot scheme to determine the likely level of success prior to spending a great deal of money on it. The sharing of equipment between Parishes may, for example, be another option. He added that the matter would be considered seriously in terms of how it could be taken forward.

Councillor Auld said that the CPCA Executive was very conscious that Parish Councils had differing ways of dealing with the display of planning consultations that. They were keen to work with the City Council on the matter. Some Parish Councils may already have digital equipment and, in conjunction with Planning Services, could start using that equipment.

The Deputy Chief Executive added that consideration was being given to the Council's web provision, and the Planning Portal would be included in that tranche of work. The Digital and Information Services staff were looking at the matter now. It could perhaps be the subject of an agenda item at a future joint meeting.

RESOLVED – (1) That the update on Digital Communications be received.

(2) That Parish Councils interested in applying for the grant, as outlined above, be requested to register their interest as soon as possible and in any event by 31 January 2014.

## **9. LOCALITY WORKING – POSSIBLE PROJECTS**

Councillor Auld reported that, following on from consultations on locality working, it had been agreed by the CPCA Executive that a meeting take place with Wetheral Parish Council to explore ideas as part of consultations to run a pilot in the Wetheral area. A number of ideas, including the difficulties being experienced on the A69 and the de-trunking of that road, had come forward as part of those discussions which were very welcome.

Councillor Auld added that Rory Stewart MP had requested that he look at the matter as an independent person. He had consulted with the County and City Councils, Parish Councillors and the Parish Councils affected on the A69 and A689.

The matter had been ongoing for a considerable time and it was unlikely that Warwick Bridge would get a by-pass in the near future. It was essential that all the Parish Councils involved considered the issue very carefully.

Councillor Auld advised that it had been agreed that a meeting would take place with the County Council to give consideration to what processes could be put in place, and he wished to take the initiative to try to move it forward under locality working.

The main projects which could arise from locality working were:

- Looking into the possibility of a Fuel Co-operative along the lines for the Northern Fells Group
- Information sharing between Parish Councils
- Contract work

The latter project concerned work previously carried out in parish areas by the County / City Councils and which was not being done due to budget cuts (e.g. weeding). The CPCA was looking to act as a 'lynch pin' with contractors in order that Parish Councils could call on particular contractors as part of the Scheme. Claire Rankin would be compiling a list of contractors in the New Year.

RESOLVED – That the update on Locality Working be received.

## **10. CYCLING CHAMPION**

Councillor Auld introduced this item of business commenting that, for many people in the parish areas, cycling was an important means of transport into and out of the City. That was not easy and issues, such as cars parking on designated cycle ways, were problematic. Councillor Holland had therefore suggested that the City Council might nominate a cycling champion to work with Parishes on cycling issues. Ongoing maintenance of cycle ways was also an issue.

In response, the Deputy Chief Executive stated that the Community Development Officer - Sport Development (Paul Frampton) was working with British Cycling and, in particular, with volunteers locally to take them through a scheme to become cycle leaders; and to increase the numbers of women cyclists. It was recognised that cyclists faced issues, particularly on the busy 'A' roads out with the City.

The Deputy Chief Executive suggested that Paul Frampton could act as a point of contact from a sporting and safety perspective, and his contact details could be circulated.

Councillor Holland emphasised the need for a change in ethos with regard to cycling. The ATAG, which provided a forum for consideration of cycling issues, was no longer in existence. It was therefore difficult for Parish Councils to have discussions on transport issues. She requested that cycling be placed up there on the agenda i.e. that there should be a change in approach and awareness of cycling related issues.

Councillor Mrs Bradley replied that cycling came under the auspices of Cumbria County Council; which authority employed a Cycling Officer (Mark Brierley) whose contact details could be supplied. She emphasised that the issue was taken seriously within the City Council, as evidenced by a variety of City Council documentation and the development of cycling paths in the City.

Councillor Mrs Bradley added that the City Council was trying to do more, but clearly cycling could not be prioritised over other matters.

Councillor Holland added that she was aware of the problems associated with funding the Petteril / Dalston cycle paths, and was just asking for the matter to be put on the radar.

The Chairman stated that the Joint Transport Working Group could discuss any cycling related issues, although it must be recognised that no vast sums of more were available to address the matters highlighted.

RESOLVED – That the contact details of the Officers referred to above be circulated to Parish Councils.

[CONTACT DETAILS –

Paul Frampton - Telephone: 01228 817581  
Mark Brierley – Telephone: 01228 226740]

## **11. DATES OF FUTURE MEETINGS**

RESOLVED – That arrangements be made for the joint meetings between the Executive and Parish Councils Association in 2014 [June (to be hosted by Carlisle Parish Councils Association) and December (to be hosted by the City Council)].

## **12. CHAIRMAN'S COMMENTS**

The Chairman thanked all those present for their attendance and expressed the hope that fruitful discussions would continue throughout the year.

The Chairman further extended compliments of the season and invited everybody to join him for refreshments.

(The meeting ended at 8.05 pm)

## JOINT MANAGEMENT TEAM

16<sup>th</sup> December 2013

## MINUTES

<b>Present:</b>	Councillors Colin Glover (Chair), E Martlew, A Quilter, J Riddle, H Bradley and L Tickner
	D Crossley, A Culleton, J Gooding, M Lambert, P Mason and M Miller
<b>Apologies:</b>	J Meek

<b>JMT 92/13 – JMT minutes of previous meeting</b>
The minutes of the previous meeting were discussed and agreed by all.
<b>ACTION:</b>
<b>JMT 93/13 – Forward Plan of Executive Decisions</b>
Noted by JMT
<b>ACTION:</b>
<b>JMT 94/13 – Forward Plan of JMT</b>
Agreed
<b>ACTION:</b>
<b>JMT 33/13 – Any Other Business</b>
Health & Safety Executive agreed an extension to end of March 2014 No Executive Briefing on 30/12/13 – Portfolio Holders to discuss reports with Directors prior to Executive meeting on 6/01/14.
<b>ACTION:</b>

