

**EX.140/11 2011/12 REVISED REVENUE BASE ESTIMATES AND  
UPDATED MEDIUM TERM FINANCIAL PLAN  
PROJECTIONS: 2012/13 TO 2016/17  
(Key Decision)**

**Portfolio** Governance and Resources

**Subject Matter**

The Assistant Director (Resources) submitted report RD.63/11 providing a summary of the Council's revised revenue base estimates for 2011/12, together with base estimates for 2012/13 and updated reserve projections to 2016/17. The base estimates had been prepared in accordance with the guiding principles for the formulation of the budget over the next five year planning period as set out in the Medium Term Financial Plan (MTFP) and Charging Policy; Capital Strategy; and Asset Management Plan agreed by Council on 13 September 2011. The report set out known revisions to the Medium Term Financial Plan projections, although there were a number of significant factors affecting the budget that were currently unresolved, and he reported in some detail on those key issues which included:

- (a) Government Finance Settlement - RSG and NNDR
- (b) Welfare Reform Act including the localisation of Council Tax Benefit
- (c) Local Government Resource Review regarding the localisation of Business Rates
- (d) Impact of County Council's savings initiatives in the areas of Highways Claimed Rights; On Street Parking Enforcement; and Cumbria Waste Partnership
- (e) Minimum Level of Council Reserves
- (f) Transformation

The Assistant Director (Resources) informed Members that the potential impact of any new spending pressures and new savings identified was not reflected within the report, as there were a number of options for Member consideration. It was, however, clear at this early stage of the budget process that all of the pressures currently identified could not be accommodated within existing Council resources. Decisions would need to be made to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies (and probable use of reserves) to enable a balanced budget position to be recommended to Council in February 2012.

He summarised the movements in base budgets and highlighted for Members the updated MTFP projections; the projected impact on revenue reserves; together with a summary of the financial outlook and budget discipline 2012/13 to 2016/17.

The Community Engagement Portfolio Holder asked whether the decision taken by the City Council to grant 100% rate relief to Eden Valley Hospice on

the grounds that, by exception, it provided a remarkable and unique service to Carlisle communities that was not replicated through alternative provision within the district, was subsumed within the report.

In response, the Assistant Director (Resources) advised that he would deal with that issue later on the Agenda or, alternatively, provide a written response.

The Governance and Resources Portfolio Holder then moved the recommendations as detailed within the report.

**Summary of options rejected** None

## **DECISION**

1. That the revised base estimates for 2011/12 and base estimates for 2012/13 be noted.
2. That the current Medium Term Financial Plan projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken, be noted.

## **Reasons for Decision**

To note the Revenue Base Estimates and updated Medium Term Financial Plan projections for consideration as part of the 2012/13 budget process.

## **EX.141/11 REVIEW OF CHARGES 2012/13 – LOCAL ENVIRONMENT (Key Decision)**

**Portfolio** Local Environment and Housing

## **Subject Matter**

The Leader introduced this item of business, confirming that Executive Members had received copies of an Addendum to report LE.23/11, which comprised the Carlisle Car Parking Study Executive Summary (November 2011).

The Assistant Director (Local Environment) submitted report LE.23/11 setting out the proposed fees and charges for 2012/13 in relation to the services falling within the responsibility of the Local Environment Directorate.

The Assistant Director (Local Environment) reminded Members that income generated from car parking had been consistently lower than the target level budgeted for a number of years and the annual budget target had been reduced in 2009/10 to represent a more realistic target which reflected falling demand. The forecast levels for 2010/11 had been reduced further by a sum of £212,000 to £1,182,600 in anticipation of the closure of the Viaduct car

parks and the non-achievement of the Green Travel Plan (i.e. In respect of staff charges for the use of Swifts Bank car park which failed to come to fruition). The net overall car park income target for 2011/12 derived as part of the 2011 budget process was £1,398,000. That large increase took account of the anticipated impact of revised pricing policies on car parks and the reinstatement of the full year utilisation of the Upper and Lower Viaduct car parks following the decision by the University of Cumbria to suspend the River Caldew Project. She added that actual income for the six month period April to September 2011 amounted to £600,400 as compared to the profiled budget projection of £740,300, representing an overall shortfall of around £140,000.

Details of the relevant figures for contract parking fees; ticket sales; and car park penalty charges were provided at Table 2 to the report in order that Members may sub analyse the position.

The Assistant Director (Local Environment) explained that, on the basis of the figures to date, the full year out-turn for all income streams was likely to be in the region of £1,165,000 as against the 2011/12 target of £1,398,000. That situation, which could worsen even further, pointed towards an overall shortfall in excess of £300,000. If the Council's current charging policy and the MTFP expectation were met, then the overall income budget for Car Parking in 2012/13 should be £1,548,000 (which sum included a recurring additional budget adjustment of £100,000 relating to a return to the full utilisation of the Viaduct Car Parks).

As Members would be aware, the consistently falling usage levels of the City Council's car parks over the past six years or so was of great concern and, in an attempt to maintain overall income levels, a policy of increasing car park charges annually had been adopted. In view of the current economic climate it was, however, necessary to examine other ways of trying to maintain or increase car park income whilst still providing the parking expectations and requirements of residents, visitors and members of the business community. Consultants had therefore been commissioned and Buchanan Order Management (the specialist company tasked with the Car Park Study) had submitted their draft report for discussion which had been presented to the Senior Management Team on 10 November 2011.

The Assistant Director (Local Environment) drew Members' attention to the Addendum to her report. She explained that the Study had confirmed the decline in off-street parking revenues and estimates, and that 2011/12 ticket revenues could be as much as £278,000 below budget for Pay and Display ticket sales alone. In addition, there were declines in contract revenues, expected to be down on last year by some £29,000. The final outturn for the year would depend on the seasonal peak in November and early December.

She outlined the analysis of the pay and display data; the implications of the switch of the Upper Viaduct car park from long stay to short stay in February 2011; the questions considered as part of the study; and reiterated the Council's key objectives in providing a parking service.

It had been suggested during the study that pursuit of the Mid-Term Financial Plan had driven the tariff setting for car parking operations and that appeared to have resulted in the tariffs being out of step with the current parking market. It was therefore suggested that the tariff setting be disengaged from the MTFP objectives and realigned with the current parking market. That would actually help promote and achieve other stated objectives for parking policy and therefore bring about other benefits for the City.

The study further suggested that, although parking behaviour reacted quickly to adverse conditions resulting in a fast or even immediate loss of business, it was likely to be more difficult to reverse that. It would be important to advertise new initiatives and also allow time for behaviour to revert and customers to return. Accordingly, it was difficult to foresee a significant improvement in the parking operations ability to increase revenues quickly, but careful marketing and advertising would certainly help to achieve a faster take up if customers liked the new arrangements. Tactical pricing was therefore proposed by the study as the best way forward in attracting a greater proportion of long stay parkers.

The Assistant Director (Local Environment) advised that the Car Parking Study made many recommendations. It was proposed to implement a number of the recommendations relating to the level of charge via the following :

- to increase the differentiation of parking charges by a new tariff structure for parking and contracts by location, and increase the options through contracts as to the ways to purchase parking.
- City Council car parks to be allocated into four categories, with the prime locations as detailed at Table 1 to the Addendum.
- to introduce a standard charge for 1 hour pay and display parking in all car parks; to hold charges at current levels in all car parks for 2 hour and 3 hour stays and in Category 1 and 2 car parks for 4 hour stays. To reduce charges in Category 3 and 4 car parks for stays of 4 hours or longer.
- Contract Car Parking would offer a minimum choice of 4 car parks instead of the current choice of 2. Higher cost contracts provided even greater choice of parking locations.
- To improve the offer for contract car parking to 7 days a week car parking.
- To increase the choice on method of payment for Pay and Display to include Pay by Phone.
- To provide additional discount for advance payments.

She then drew attention to Table 2 which showed the proposed charges recommended to the Executive for implementation, the expected income from

implementation thereof being £1,248,000. Although that constituted a shortfall on the MTFP target for car parking income of £300,000, the Budget reports considered elsewhere on the Agenda (RD.64/11 and LE.23/11) already included a potential shortfall of £100,000. An additional budget pressure of £200,000 would therefore be required. She added that the income projections based on those charges anticipated a 12.5% increase in usage of the City Council's car parks and that anticipated increase would be monitored throughout the budget process for 2012/13 as part of the monitoring of high risk budgets. The impact of that pressure would be included in the Executive's budget proposals to be considered in December 2011.

Turning to the use of parks and green spaces, the Assistant Director (Local Environment) pointed out that application for formal approval on charge levels had inadvertently been omitted from previous Local Environment Charges Reports. Upon discovery of that omission, she had taken an Officer Decision under delegated powers to introduce a minimum fee structure (OD.012/11), details of which were provided. Taking the Council's Corporate Charging Policy and relevant factors into account, the basic charging structure identified in Table 5 to her report had been implemented for an interim period, pending further consideration of the charging levels introduced in general and the results of a pilot scheme in Bitts Park in particular. She added that the Officer Decision referred to envisaged that, if the pilot was successful, charging would be rolled out to all of the City Council's parks and green spaces via the 2012/13 charges process. Whilst there had only been one event ("Flick at Bitts" as part of Carlisle Love Parks Week in July 2011) it was now recommended that the charges outlined in Table 5 of the report be formally approved through the charges process and extended to cover other sites. It was further proposed that standard charges be introduced as detailed in section 4.2.7 to the report.

Notwithstanding the above, it was intended that Officers should have discretion to waive or reduce charges in circumstances where a commercial operator was needed in order to provide a catering service as part of a City Council run event. The Executive was therefore requested to issue her with delegated responsibility for making any changes to the charges set for the use of parks and green spaces and to have the Scheme of Delegation amended accordingly.

She then outlined other proposed charges in relation to Highways Services, Allotments, Sports Pitches, Talkin Tarn Car Park / Other Charges (including the proposed introduction during 2012/13 of a further income stream in respect of an annual registration fee for swimmers at Talkin Tarn), Bereavement Services, Environmental Quality, Food Safety, and Bulky Waste / Special Collections.

In conclusion, the Assistant Director (Local Environment) advised that, with the exception of Talkin Tarn (the income of which was ring-fenced) and car parking income (which was being evaluated in the light of the Consultants' report mentioned earlier), acceptance of the charges highlighted within her

report would result in an anticipated level of income of £1,287,200 against the MTFP target of £1,299,100 in 2012/13. That represented a shortfall of £11,900 against the MTFP target.

The Leader moved that the second recommendation be amended so that the Assistant Director (Local Environment) be issued with delegated responsibility, in consultation with the Environment and Housing Portfolio Holder, for making any changes to the charges set for the use of parks and green spaces and to have the Scheme of Delegation amended accordingly.

Referring to the first recommendation, the Environment and Housing Portfolio Holder suggested that the charges as set out in the body of the report and relevant appendices be agreed early in the New Year, rather than with effect from 1 April 2012. He further referred to Page 22, Table 5 (proposed charging levels for the use of parks) fourth item, and proposed that the words "NB proof for charity status will be required" be deleted.

In response, the Leader said that the Executive would seek guidance as to the timing of the charges and would agree an implementation date at their meeting in December 2011.

In moving the report and addendum, the Environment and Housing Portfolio Holder stated that the Carlisle Car Parking Study had been very helpful and contained valuable information, including exciting ideas for car parking going forward. Car parks would be split between four categories which would determine the charges to be applied. The proposed charges included some substantial decreases, particularly in relation to all day and contract parking. Both the Executive and himself believed that the charges outlined would benefit residents, commuters and visitors to the City.

A further exciting innovation was the introduction of Pay by Phone whereby Carlisle could take the lead within Cumbria. Notwithstanding the above, further work was required with regard to car parks and the Council should work closely with the County Council to maximise traffic movement. In conclusion, the Portfolio Holder recommended that the report and the addendum be made available for consultation by Overview and Scrutiny.

The Performance and Development Portfolio Holder expressed his thanks to the Portfolio Holder and Officers for the excellent Addendum which looked at various issues in a manner not done for some time. It included a number of very worth while and attractive opportunities, and he was pleased to second the recommendations.

The Economic Development Portfolio Holder also welcomed the proposed charges which were vital from both a business and tourism point of view.

The Leader then thanked the Environment and Housing Portfolio Holder, the Assistant Director (Local Environment) and her team for their efforts. He was pleased that the Council had taken the time to listen to concerns and undertake a proper study into car parking, commenting that the study included

options for everyone. In conclusion, he stressed that there would be a reduction in parking charges overall.

**Summary of options rejected** None

## **DECISION**

That the Executive:

1. agreed for consultation the proposed charges, as set out in Report LE.23/11, relevant Appendices and the Addendum; and noted the impact of those charges on income generation, as detailed within the report. (The Executive would agree an implementation date at their December 2011 meeting).
2. granted delegated responsibility to the Assistant Director (Local Environment), in consultation with the Environment and Housing Portfolio Holder, for making any changes to the charges set out for the use of parks and green spaces and to have the Scheme of Delegation amended accordingly.

## **Reasons for Decision**

To ensure that the City Council's Corporate Charging Policy is complied with.

**EX.142/11 REVIEW OF CHARGES 2012/13 – COMMUNITY  
ENGAGEMENT  
(Key Decision)**

**Portfolio** Environment and Housing

## **Subject Matter**

The Assistant Director (Community Engagement) submitted report CD.25/11 setting out the proposed fees and charges for the Hostel services falling within the responsibility of the Community Engagement Directorate.

He outlined proposed charges for hostels, pointing out that those did not include a support element as that was funded through Cumbria Supporting People. The charges had been increased in line with the Corporate Charging Policy which would result in an income of £445,800 in 2012/13.

In moving the recommendations, the Environment and Housing Portfolio Holder congratulated Officers for work undertaken.

**Summary of options rejected** None

## **DECISION**

That the Executive agreed for consultation the increase in charges, as set out in Report CD.25/11, with effect from 1 April 2012; and noted the impact thereof on income generation as detailed within the report.

### **Reasons for Decision**

To ensure that hostel charges reflected the actual cost of service provision and were in line with the City Council's Corporate Charging Policy.

**EX.143/11 REVIEW OF CHARGES 2012/13 – ECONOMIC DEVELOPMENT**  
(Key Decision)

**Portfolio** Economic Development

### **Subject Matter**

The Assistant Director (Economic Development) submitted report ED.39/11 setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate. The proposed charges related to Economic Development and Tourism and Planning Services.

She informed Members that the acceptance of the charges highlighted within her report, with the exception of Building Control which was self financing, would result in an anticipated level of income of £560,900 against the Medium Term Financial Plan target of £696,400. That represented a shortfall of £135,500.

The Economic Development Portfolio Holder moved the recommendation.

**Summary of options rejected** None

## **DECISION**

That the Executive agreed for consultation the proposed charges, as set out in the relevant Appendices to Report ED.39/11, with effect from 1 April 2012; noting the impact those would have on income generation as detailed within the report.

### **Reasons for Decision**

To ensure that the City Council's Corporate Charging Policy is complied with.

**EX.144/11 REVIEW OF CHARGES 2012/13 – GOVERNANCE**  
(Key Decision)

**Portfolio** Governance and Resources

**Subject Matter**

The Assistant Director (Governance) submitted report GD.62/11 setting out the proposed fees and charges for areas falling within the remit of the Governance Directorate.

He outlined the proposed charges in respect of Electoral Registers; Minute Books and Room Bookings; and Local Land Searches, the introduction of which was forecast to generate income of £154,400 in 2012/13.

The Governance and Resources Portfolio Holder moved the report.

**Summary of options rejected** None

**DECISION**

That the Executive agreed for consultation the proposed charges, as set out in Appendix A to Report GD.62/11, with effect from 1 April 2012; and noted the impact thereof on income generation as detailed within the report.

**Reasons for Decision**

To ensure that the City Council's Corporate Charging Policy is complied with.

**EX.145/11 REVIEW OF CHARGES 2012/13 – GOVERNANCE  
DIRECTORATE - LICENSING**  
(Key Decision)

**Portfolio** Governance and Resources

**Subject Matter**

The Assistant Director (Governance) submitted report GD.58/11 setting out the fees and charges for areas falling within the responsibility of the Licensing Section of the Governance Directorate. He advised Members that the Regulatory Panel had responsibility for determining the licence fees and the Panel had, on 19 October 2011, approved the charges set out in Appendices A and B of Report GD.57/11.

The Governance and Resources Portfolio Holder moved the recommendation.

**Summary of options rejected** None

**DECISION**

That the Executive noted the Licensing Charges which had been approved by the Regulatory Panel on 19 October 2011.

### **Reasons for Decision**

To ensure that the City Council's Corporate Charging Policy is complied with and sufficient income is generated to cover the costs associated with administering and enforcing the Council's statutory licensing function.

## **EX.146/11 BUDGET 2012/13 – 2016/17 - SUMMARY OF NEW REVENUE SPENDING PRESSURES** (Key Decision)

**Portfolio** Governance and Resources

### **Subject Matter**

The Assistant Director (Resources) submitted report RD.64/11 summarising the new revenue spending pressures and reduced income projections which would need to be considered as part of the 2012/13 budget process. He reminded Members that the issues had to be considered in the light of the Council's corporate priorities of Economy and Environment.

The Assistant Director (Resources) then outlined the pressures identified in the report. He added that clearly all of the pressures could not be accommodated within existing resources (including the use of reserves) and decisions would need to be made throughout the budget process to limit pressures to high priority and unavoidable issues to ensure that a balanced budget position was recommended to Council in February 2012.

Referring to the question concerning the Council's decision to grant Discretionary Rate Relief to the Eden Valley Hospice raised earlier by the Community Engagement Portfolio Holder, the Assistant Director (Resources) advised that the cost thereof was not separately identified within the report. That issue would be addressed.

The Governance and Resources Portfolio Holder moved the recommendations, commenting that the Executive was happy to make the report available to Overview and Scrutiny for consultation.

**Summary of options rejected** None

### **DECISION**

That Report RD.64/11 on the new revenue spending pressures be received and forwarded to the relevant Overview and Scrutiny Panels for consideration as part of the 2012/13 budget consultation process.

## **Reasons for Decision**

To make arrangements for the new revenue spending pressures to be considered as part of the 2012/13 budget process.

### **EX.147/11 BUDGET 2012/13 – 2016/17 - SUMMARY OF SAVINGS DELIVERED AND NEW PROPOSALS** (Key Decision)

**Portfolio** Governance and Resources

#### **Subject Matter**

The Assistant Director (Resources) submitted report RD.65/11 summarising proposals for savings and additional income generation to be considered as part of the 2012/13 budget process. He reminded Members that the Savings Strategy approved by Council on 13 September 2011 focussed on the following areas to deliver the savings required to produce a balanced longer term budget:

- (a) Asset Review;
- (b) Service Delivery Models; and
- (c) Transformation Programme.

The Assistant Director (Resources) reported that, at this stage, the Executive (and Overview and Scrutiny) were being asked to give initial consideration to the new proposals for further permanent reductions in base expenditure budgets and also increases to income budgets from 2012/13 onwards. The requests would need to be considered in the light of the projected budget shortfall outlined in Report RD.63/11 and also the spending pressures in RD.64/11.

He summarised the proposed savings relating to additional Transformation Savings, Recruitment Advertising and Non-Staffing Reductions, and also highlighted the new savings proposals and additional income projections.

The Governance and Resources Portfolio Holder moved the recommendations set out in the report. He added that the Senior Management Team would continue to investigate efficiencies and savings in line with the Transformational Savings Strategy, and the Executive would comment further during the Budget process.

**Summary of options rejected** None

#### **DECISION**

1. That the proposed reductions to the base budget from 2012/13 onwards, as set out in Report RD.65/11, be received and forwarded to the relevant

Overview and Scrutiny Panels for consideration as part of the budget consultation process.

2. That it be noted that the Senior Management Team would continue to investigate efficiencies and savings in accordance with the Transformational Savings Strategy.

### **Reasons for Decision**

To make arrangements for the proposals for savings and additional income generation to be considered as part of the 2012/13 budget process.

## **EX.148/11 REVISED CAPITAL PROGRAMME 2011/12 AND PROVISIONAL CAPITAL PROGRAMME 2012/13 TO 2016/17 (Key Decision)**

**Portfolio** Governance and Resources

### **Subject Matter**

The Assistant Director (Resources) submitted report RD.66/11 detailing the revised Capital Programme for 2011/12, together with the proposed method of financing. The report summarised the proposed programme for 2012/13 to 2016/17 in the light of the new capital pressures identified, and summarised the estimated and much reduced capital resources available to fund the programme.

Details of the current commitments and two new spending proposals were provided.

The Assistant Director (Resources) highlighted for Members the summary of the estimated resources compared to the proposed programme year on year, which indicated that the current level of capital programme over the next five years was unachievable due to capital funding being used up in 2012/13. Ongoing Service Reviews would help to identify, for example, whether all the vehicles currently included in the replacement programme would be required. He added that, if all commitments identified were required and no additional capital receipts could be generated, it was likely that there would be a borrowing requirement in 2015/16 of £3.1m. However, the impact of Service Reviews on vehicle requirements would be undertaken in 2012/13 and that would be subject to future reports to the Executive.

The Governance and Resources Portfolio Holder then moved the recommendations as detailed within the Assistant Director's report.

**Summary of options rejected** None

### **DECISION**

That the Executive :

1. Noted the revised capital programme and relevant financing for 2011/12 as set out in Appendices A and B of Report RD.66/11;
2. Recommended that the City Council approve slippage of £4,257,000 from 2011/12 into 2012/13;
3. Had given initial consideration to the capital spending requests for 2012/13 to 2016/17 contained in Report RD.66/11 in the light of the estimated available resources; and
4. Noted that any capital scheme for which funding had been approved by the Council may only proceed after a full report, including business case and financial appraisal, had been approved.

### **Reasons for Decision**

To note the details of the revised Capital Programme and relevant financing and make arrangements for the new capital bids to be considered as part of the 2012/13 budget process.

### **EX.149/11 TREASURY MANAGEMENT JULY - SEPTEMBER 2011 AND FORECASTS FOR 2012/13 TO 2016/17** (Key Decision)

**Portfolio** Governance and Resources

### **Subject Matter**

The Assistant Director (Resources) submitted report RD.67/11 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2012/13 with projections to 2016/17, and set out information regarding the requirements of the Prudential Code on local authority capital finance.

The Governance and Resources Portfolio Holder moved the recommendation set out in the report.

The Leader emphasised that all of the information provided would form part of the Executive's draft Budget proposals, which would be presented at the meeting on 19 December 2011. He added that the Executive welcomed Government support concerning the freeze on Council Tax. Historically the Executive had always kept increases in Council Tax to a minimum and there would be no increase this year.

**Summary of options rejected** None

## **DECISION**

That Report RD.67/11 be received and the projections for 2012/13 to 2016/17 be incorporated into the Budget reports elsewhere on the Agenda.

### **Reasons for Decision**

To receive the report on Treasury Management for 2011/12 and 2012/13 and refer it as part of the budget process.