
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 JANUARY 2013

**EX.01/13 BUDGET 2013/14 – CONSIDERATION OF CONSULTATION
FEEDBACK**
(Key Decision – KD.033/12)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported the submission of the following documents in response to consultation on the draft Budget proposals:

- (a) Minutes of the budget consultation meeting with the Large Employers Affinity Group - 4 January 2013
- (b) Minutes of the budget consultation meeting with Trade Union representatives - 9 January 2013
- (c) Minutes of the Resources Overview and Scrutiny Panel - 3 January 2013

In addition, comments received from members of the public; AWAZ Cumbria and Cumbria County Council in response to the budget consultation process had been circulated to Executive Members prior to the meeting.

The Finance, Governance and Resources Portfolio Holder commented upon the very helpful and constructive nature of the budget consultation meetings on 4 and 9 January 2013. The Portfolio Holder further thanked the Chairman and Members of the Resources Overview and Scrutiny Panel for their very useful comments.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the documentation, indicating that all comments raised in response to the budget consultation process would be taken into consideration by the Executive and a formal response provided.

The Leader seconded the Portfolio Holder's comments.

Summary of options rejected None

DECISION

1. That the Minutes of the consultation meetings with the Large Employers Affinity Group and Trade Union representatives, attached as Appendices B and C; the Extract from the Minutes of the Resources Overview and Scrutiny Panel, and comments received from members of the public; AWAZ Cumbria and Cumbria County Council be received.
2. That the consultation feedback be received, it being noted that the comments had been taken into account by the Executive when formulating its final recommendations for the City Council's 2013/14 Budget to be submitted later in the meeting.

Reasons for Decision

To take into account any consultation feedback when formulating recommendations on the 2013/14 Budget

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 JANUARY 2013

**EX.02/13 **BUDGET 2013/14 – REVENUE ESTIMATES – SUMMARY OF
OVERALL BUDGETARY POSITION 2013/14 TO 2017/18
(Key Decision – KD.033/12)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.158/12, the Finance, Governance and Resources Portfolio Holder submitted report RD.66/12 providing an update on the Council's revenue budget position for 2013/14 to 2017/18. He informed Members that the report had been amended to mirror the Executive's draft Budget Proposals which were issued for consultation purposes on 17 December 2012, and updated to take account of any further known changes since that date. He then outlined the changes for the benefit of Members.

The Finance, Governance and Resources Portfolio Holder summarised the General Fund Budget Projections for 2012/13 revised to 2017/18. He added that any proposed budget shortfall would need to be met by appropriation from Council reserves. He further detailed the projected impact on the Council's revenue balances.

The overall budgetary summary set out in the report incorporated the significant savings required over the five years commencing 2012/13. However, due to its success to date in identifying transformational savings, the Council now had a solid financial base in order to set its 2013/14 budget. In the circumstances the Council could adopt a more measured approach in spreading the further savings required over the next four years whilst maintaining a safe and healthy financial future for the Council.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation, which was duly seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive noted the draft updated budget projections for 2012/13 to 2017/18, together with the potential use of balances and reserves, in order to recommend a budget to Council on 5 February 2013.

Reasons for Decision

To prepare a draft budget proposal for 2013/14 for recommendation to the City Council

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 JANUARY 2013

**EX.03/13 **BUDGET 2013/14 – PROVISIONAL CAPITAL PROGRAMME 2013/14
TO 2017/18**
(Key Decision – KD.033/12)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

Pursuant to Minute EX.159/12, the Finance, Governance and Resources Portfolio Holder submitted report RD.67/12 on the Council's Capital Programme for 2013/14 - 2017/18. He informed Members that the report had been updated to reflect the Executive's budget proposals together with any other known changes. The report detailed the revised capital programme for 2013/14 and proposed capital programme for 2013/14 to 2017/18, together with the proposed methods of financing.

The Finance, Governance and Resources Portfolio Holder added that the report summarised the implications of the changes on the proposed programme for 2013/14 to 2017/18 in light of the capital bids submitted to date for consideration; and the estimated and much reduced capital resources available to fund the programme.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

1. Agreed the Provisional Capital Programme for 2013/14 to 2017/18 in the light of the capital bids submitted to date, together with the estimated available capital resources, for recommendation to Council on 5 February 2013 and approved carry forwards of £3,000,000 from 2012/13 into 2013/14 and savings of £2,080,300.

2. Recommended to the City Council that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved by the Executive, following detailed consideration by the Corporate Programme Board.

Reasons for Decision

To prepare a draft Budget proposal for 2013/14 for recommendation to the City Council

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 JANUARY 2013

**EX.05/13 **EXECUTIVE RESPONSE TO THE BUDGET CONSULTATION AND
RECOMMENDATIONS FOR THE 2013/14 BUDGET
(Key Decision – KD.033/12)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Leader referred to the Executive's Budget proposals for 2013/14, copies of which were tabled at the meeting.

The Finance, Governance and Resources Portfolio Holder informed the meeting that the Budget had been considered over the course of the year, the main issues being as detailed within Reports RD.66/12, RD.67/12 and RD.68/12 considered earlier in the meeting.

Speaking on behalf of the Executive, the Portfolio Holder expressed grateful thanks to Officers for their invaluable assistance during the budget process.

The new Labour administration was keen to deliver a budget which would enable them to deliver a new vision of "In everything we do, we aim to promote a proud and prosperous City." That would be delivered through six new priorities -

- Fostering more, high quality and sustainable business and employment opportunities, through growing existing enterprises and bringing in new ones
- Providing a vibrant arts, cultural and heritage offering that befits Carlisle's history and traditions
- Working more effectively through partnerships
- Helping to ensure that Carlisle develops a skilled and prosperous working age population for the 21st Century
- Making Carlisle clean and tidy "together"
- Helping address Carlisle's Housing Need

In line with the Council's Budget Policy Framework, preparation of the budget proposals was an ongoing process; and the matter would be considered over the five years of the Medium Term Financial Plan.

The Finance, Governance and Resources Portfolio Holder reminded Members that the Council was obliged to ensure proper financial administration of its affairs in accordance with Section 151 of the Local Government Act 1972; and to ensure that a balanced budget was approved by Council.

Central Government had failed to put into place policies which would encourage growth. Although the Executive was producing the best budget it could in what were very difficult economic circumstances, it was not the budget they wanted or which Carlisle needed.

The Council was facing many financial challenges over the coming five-year planning period and forecast resources were not anticipated to cover the expenditure commitments without a major 'transformational' review of service provision.

Some of the main issues being:

- Government Finance Settlement for 2013/14
- Further reductions from 2014/15 for RSG settlement as announced in the Autumn Statement
- Local Government Resource Review regarding the localisation of Business Rates
- Corporate Review of Local Environment Budgets
- Implications on MTFP of limiting future Council Tax increases to 2% to avoid triggering a referendum

The Finance, Governance and Resources Portfolio Holder referenced specifically to the Recurring Budget Increases, details of which were set out at Schedule 3 of the Budget Proposals. He emphasised that the Executive was extremely keen to ensure that local businesses were supported and would continue to subsidise car parking income. It was also their intention to implement the living wage for staff, and they would encourage all partners to do likewise.

Referring to the Proposed Non-Recurring Budget Increases at Schedule 4, the Finance, Governance and Resources Portfolio Holder said that clearly Homelessness was a big problem which would worsen with the Welfare Reform cuts. The Executive had therefore proposed an additional grant award for Homelessness. They would also be investing in Tourism to raise people's awareness of what Carlisle had to offer.

Turning to Schedule 7 – Estimated Capital Resources; and Schedule 8 – Proposed Capital Programme, he reiterated that Officers within Treasury Management were doing an excellent job. However, the economy was in a double dip recession and the Executive was therefore doing everything possible to ensure that its capital resources worked for the benefit of the people of Carlisle. The new Capital Programme was

designed to improve services, attract tourism, encourage jobs and create growth in the City as promised in the election campaign.

The savings outlined in the document were necessary to ensure that the Council continued to meet the challenges of a 28% reduction in RSG (and significant reductions in other revenue and capital grants) over the five years commencing 2011/12. The Executive had endeavoured to make savings in non-staffing areas, front loaded in order to buy time prior to the identification of the required further savings. Executive Members would not shirk their responsibility in that regard.

The Finance, Governance and Resources Portfolio Holder reported that the minimum level of General Fund Reserves should be set at £2.6m and the Executive was taking a prudent approach in terms of the adequacy of Reserves. He gave an assurance that the Executive would take action to address the deficit projections.

Referring to the Asset Business Plan, he stressed that any capital scheme for which funding had been approved by Council would only proceed after a full report, including business case and financial appraisal, had been approved by the Executive.

The Leader indicated that the Executive's Budget Strategy was:

- (i) To support hard working people in Carlisle, both those in work and those who were not, but were desperate to work
- (ii) To boost the local economy
- (iii) To use their financial resources effectively by investing in the Carlisle community and making those resources work for Carlisle

On behalf of the Executive he also emphasised that:

- The Council had frozen the Council Tax for a third year.
- The Council was paying employees the 'Living Wage' in order to try and boost the local economy and as an example of a good employer.
- They were maintaining the present level of Council Tax benefits for this year despite the 10% funding cut imposed by government.
- The Executive was greatly concerned about the effects of the badly misnamed Welfare Reform Act, which would adversely affect one in six Carlisle families.
- The Council had a new capital programme designed to improve services, attract tourism, and encourage jobs in the building trade and retail sector. It was also making a significant investment, in partnership with the County Council in Carlisle South. An area that badly needed that investment.
- The Executive was striving to support the development of Carlisle Airport and Distribution Centre. That should secure existing jobs and create new ones.

- Work with the University and the Chamber of Commerce to establish a Business Interaction Centre in the city centre at Paternoster Row. That would develop an enterprise culture, raise skill levels and grow the University Business School.
- Safeguard and develop the city centre as a vibrant and pleasant place for the people of Carlisle and many visitors. The Executive saw that as vital to Carlisle's future economic wellbeing.
- The Executive intended to bid for infrastructure and EU funding with a view to moving towards a better future over the next five year period.

In conclusion, the Leader moved that the Executive Budget Proposals 2013/14 be forwarded to the City Council for approval on 5 February 2013. The Finance, Governance and Resources Portfolio Holder seconded the recommendation.

Summary of options rejected A number of options which had been considered as part of the Council's 2013/14 budget deliberations as identified in various reports

DECISION

That the Executive Budget Proposals for 2013/14, attached as Appendix D, be forwarded to the City Council for approval on 5 February 2013.

Reasons for Decision

To produce the Executive's budget proposals for 2013/14 for recommendation to the City Council