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## **EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 5 JANUARY 2012**

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**ROSP.06/12      BUDGET 2012/13**

### **(1) Executive's response to the first round of Budget Scrutiny**

There was submitted Minute Excerpt EX.165/11 detailing the response of the Executive to the comments made by the Overview and Scrutiny Panels in response to the first round of Budget scrutiny, namely:

"That the Overview and Scrutiny Panels be thanked for their consideration of the draft Budget reports and their comments, as detailed within the Minutes submitted, taken into account as part of the Executive's deliberations on the 2012/13 budget."

In considering the Executive's response Members raised the following comments and questions:

- At their meeting in December 2011, Scrutiny members did not object to the proposals to freeze the Council tax for 2012/13 but there was some concern with regard to the shortfall that would be the result of the Council tax freeze.

The Assistant Director (Resources) responded that the Budget proposal and the Medium Term Financial Plan took account of the shortfall from the Council Tax freeze and there would be more savings to find in 2013/14. He added that the Council had identified the savings needed and would find the savings to deliver a balanced budget.

The Governance and Resources Portfolio Holder commented that Central Government had offered 2.5% in council tax relief at no cost to the Council Tax payer as a result the Executive felt that the support could not be rejected.

- The Panel thanked the Executive for their positive response to the recommendation from Resources Overview and Scrutiny Panel to retain the Small Scale Community Projects Budget which they felt was a valuable asset for Councillors in the local community.

Members asked for an historical report in early 2012/13 on how the Small Scale Community Projects Budget had been spent the previous year and any Wards which had not spent the allocation. The Panel felt that it was important to monitor that the grants were being used for the benefit of the community.

The Governance and Resources Portfolio Holder responded that a report could be produced or the information could be circulated to each of the Group Leaders and Mr Mason agreed to action this immediately.

- A Member was disappointed that there was little scope for an increase in charges for dog fouling. He felt that greater enforcement was the answer to reducing the dog fouling and education should include information on the consequences of dog fouling including enforcement action.

The Governance Resources Portfolio Holder agreed that greater enforcement was required but education also had to be part of the answer.

A Member commented that the issue was a high priority in local wards and the Council had to demonstrate that the issue was being dealt with by carrying out the necessary enforcement.

RESOLVED – 1) That the decision of the Executive be received.

2) That consideration be given to report on how the Small Scale Community Projects Budget had been used in 2011/12 be submitted to a future meeting of the Resources Overview and Scrutiny Panel in 2012/13.

## **(2) Executive Draft Budget Proposals 2012/13**

There was submitted the Executive draft Budget proposals 2012/13 which had been issued for consultation purposes.

The draft Budget proposals comprised –

<b>Section</b>	<b>Detail</b>
<b>A</b>	<b>Background and Executive Summary</b>
<b>B</b>	<b>Revenue Budget 2011/12 to 2016/17</b> <ul style="list-style-type: none"> <li>• Schedule 1 - Existing Net Budgets</li> <li>• Schedule 2 - Proposed Budget Reductions</li> <li>• Schedule 3 - Recurring Budget Increases</li> <li>• Schedule 4 - Non-Recurring Budget Increases</li> <li>• Schedule 5 - Summary Net Budget Requirement</li> <li>• Schedule 6 - Total Funding and Provisional Council Tax</li> </ul>
<b>C</b>	<b>Capital Programme 2011/12 to 2016/17</b> <ul style="list-style-type: none"> <li>• Schedule 7 - Estimated Capital Resources</li> <li>• Schedule 8 - Proposed Capital Programme</li> <li>• Schedule 9 - Summary Capital Resource Statement</li> </ul>
<b>D</b>	<b>Council Reserves Projections to 2016/17</b> <ul style="list-style-type: none"> <li>• Schedule 10 - Usable Reserves Projections</li> </ul>
<b>E</b>	<b>Budget Discipline and Saving Strategy</b>
<b>F</b>	<b>Statutory Report of the Assistant Director (Resources)</b>
<b>G</b>	<b>Glossary of Terms</b>

The draft Budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular, reports of the Assistant Director (Resources) considered at the Executive meeting of 19 December 2011.

In considering the draft proposals, Members made the following comments and observations:

- A Member asked for clarification with regard to the tipping charges.

Mr Mason explained that the £50,000 in tipping charges was a result of the City Council no longer collecting commercial waste.

- What were the savings that had been identified prior to the Transformation Programme which had not been achieved?

Mr Mason explained that a number of savings had been identified 4 years ago which had not achieved the proposed savings. The savings had now been incorporated into the budget proposal.

- The Panel had concerns that the Budget Consultation document would be difficult for members of the public to understand and urged officers to investigate how the document could be made more transparent and encourage more consultation in future years.

Mr Mason commented that a leaflet was sent out to all households with their Council tax bill explaining the budget and how comments could be submitted to the Council.

- A Member highlighted a paragraph in the summary which stated that comments received on the budget prior to the closing date of 16 January 2012 would be considered by this Panel in January. This meeting was the Panel's only January meeting and was before the consultation closing date.

Mr Mason noted the incorrect wording and agreed to circulate any consultation responses to all Members of the Panel.

- A Member asked for more information on the Highways Claimed Rights and On Street Parking Enforcement as they had a big impact on the budget.

The Governance and Resources Portfolio Holder reminded the Panel of the Council's involvement in Highways Claimed Rights and explained that there had been some issues with regard to the difference between revenue and capital spending. The City Council provided a maintenance service over and above the requirements of the County Council and as a result the City Council had to find additional money to supplement the grant provided by the County Council. He explained that if the County Council took back the Claimed Rights the service would be provided to their standard and not to the higher standard that the City operated at. He assured the Panel that there were no current plans to change the Highways Claimed Rights.

With regard to on street parking enforcement in Carlisle the Portfolio Holder explained that the City Council currently undertook enforcement for Carlisle and Eden on behalf of the County Council. The County Council were looking at alternative ways of providing enforcement across the County and the outcomes of those considerations were not yet available.

Mr Mason informed the Panel that Highways Claimed Rights cost the authority £275,000 per year for insurance and for the provision of the additional maintenance. The on street parking currently broke even.

RESOLVED – 1) That the observations of the Panel, as detailed above, be conveyed to the Executive

2) That future budget consultation documents be more transparent, easier to understand and encourage more public consultation.

### **(3) Background Information reports**

#### **(a) Revenue Estimates: Summary of Overall Budgetary Position 2012/13 to 2016/17**

Report RD.70/11 – providing a draft summary of the Council's revised revenue base estimates for 2011/12, together with base estimates for 2012/13 and updated projections to 2016/17. Also included were details of the impact of the new savings and new spending pressures currently under consideration and the potential impact on the Council's overall revenue reserves.

The decision of the Executive on 19 December 2011 (EX.170/11) was:

“That the Executive noted the updated budget projections for 2011/12 to 2016/17, and made recommendations in the light of the budget pressures and savings submitted to date, together with the potential use of balances and reserves, in order to issue a draft Budget for consultation purposes.”

RESOLVED – That the report and decision of the Executive be noted.

#### **(b) Provisional Capital Programme 2012/13 to 2016/17**

Report RD.71/11 – providing revised details of the revised capital programme for 2011/12 together with the proposed method of financing as set out in Appendices A and B. Also summarised was the proposed programme for 201/13 to 2016/17 in light of the capital bids submitted to date for consideration. It summarised the estimated and much reduced capital resources available to fund the programme.

The Executive had on 19 December 2011 (EX.171/11) decided:

“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.71/11.
2. Recommended that Council approve slippage of £4,257,000 from 2011/12 into 2012/13.
3. Made recommendations on the Provisional Capital Programme for 2012/13 to 2016/17 in the light of the capital bids submitted to date, together with the estimated available capital resources for budget consultation purposes.
4. Noted 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.”

RESOLVED – That the report and decision of the Executive be noted.

**(c) Draft Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2012/13**

Report RD.72/11 – setting out the Council’s Treasury Management Strategy Statement for 2012/13 in accordance with the CIPFA Code of Practice on Treasury Management. The Investment Strategy and Minimum Revenue Provision (MRP) Strategy for 2012/13 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Executive had on 19 December 2011 (EX.172/11) approved the draft Treasury Management Strategy Statement for 2012/12 incorporating the draft Investment Strategy and the draft Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2012/13 for draft budget consultation purposes as set out in Appendix A to Report RD.72/11.

RESOLVED – That the report and decision of the Executive be noted.