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## **EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 29 AUGUST 2013**

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### **ROSP.60/13      DRAFT MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19**

The Director of Resources presented report RD.32/13 concerning the draft Medium Term Financial Plan (incorporating the Corporate Charging Policy) 2014/15 to 2018/19. He advised Members that the Medium Term Financial Plan set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 5 February 2013. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Executive had on 5 August 2013 (EX.81/13) considered the report and decided:

- “1. That the Report of the Director of Resources (RD.32/13) on the draft Medium Term Financial Plan 2014/15 to 2018/19 be received.
2. That the report be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.”

In considering the Medium Term Financial Plan Members raised the following comments and questions:

- Why was the Minimum Revenue Provision (MRP) increasing?

The Director of Resources responded that the MRP would decrease when the Council sold assets and increase when it purchased assets. He explained that it was a complicated process but would be happy to explain it to individuals who wished to have more detail.

- A Member asked for an update on the Localisation of Business Rates.

It was felt that this matter should be discussed as a separate agenda item at a future meeting and it was agreed that a report would be submitted to the Panel in October.

- A Member drew the Panels attention to the £1,534,000 additional savings to be found and asked for an update.

The Director of Resources confirmed that the savings for 2013/14 had almost been achieved, the next challenge would be the 2015/16 savings.

The Finance, Governance and Resources Portfolio Holder added that the 2013/14 savings had been met in line with the priorities of keeping jobs and encouraging growth.

A Member was pleased that the savings for 2013/14 had been achieved whilst still being able to pay the Living Wage.

- With regard to car parking, had pay on exit options been considered?

The Director of Local Environment confirmed that pay on exit options had been looked at in some detail but there were issues with the cost of the management of such parking options. The more modern way to pay for parking was via telephone, the Council had had this option for approximately 18 months. The user would receive a text when their ticket was due to run out and then they had the option of adding additional time to the ticket.

RESOLVED – 1) That the Draft Medium Term Financial Plan 2014/15 to 2018/19 (RD.32/13) be welcomed;

2) That a report on the Localisation of Business Rates be submitted to the Resources Overview and Scrutiny Panel in October.

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 SEPTEMBER 2013**

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**EX.96/13      \*\*DRAFT MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19**  
(Key Decision – KD.010/13)

(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.81/13, the Finance, Governance and Resources Portfolio Holder presented report RD.36/13 concerning the draft Medium Term Financial Plan 2014/15 to 2018/19. He reminded Members that the Medium Term Financial Plan set out the current framework for planning and managing the Council's financial resources, developing its annual budget strategy and updating its current five year financial plan. The Plan further sought to link the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources thereby enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives.

The Medium Term Financial Plan was reviewed annually commencing with the assumptions made in the Budget resolution approved by Council on 5 February 2013. In addition, the Corporate Charging Policy had been reviewed and included within the Medium Term Financial Plan. The Corporate Charging Policy provided a framework for potential policy options for each charging area, but recognised the different approaches that might be required for different services and the various influences which needed to be acknowledged in setting individual charges.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved:

“1) That the Draft Medium Term Financial Plan 2014/15 to 2018/19 (RD.32/13) be welcomed;

2) That a report on the Localisation of Business Rates be submitted to the Resources Overview and Scrutiny Panel in October.”

A copy of Minute Excerpt ROSP.60/13 had been circulated prior to the Executive meeting.

The Finance, Governance and Resources Portfolio Holder wished to place on record his thanks to Members of the Resources Overview and Scrutiny Panel for their thorough scrutiny and questioning on the matter.

In response to the points raised, he indicated that:

- The Minimum Revenue Provision would have no impact upon the MTFP;
- The sum of £1,534,000 (referred to at Section 2.3) was a required savings target for 2013/14, and had now been identified;
- The Executive were doing their best with the Medium Term Financial Plan; and the 2013/14 savings had been met in line with the priorities of keeping jobs and encouraging growth;
- The Executive would also support payment of the Living Wage; and
- The issue of car parking would be considered in overall terms next year

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendation which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

**Summary of options rejected**    None

## **DECISION**

1. That the Resources Overview and Scrutiny Panel be thanked for their comments on the draft Medium Term Financial Plan, which had been considered by the Executive.
2. That the draft Medium Term Financial Plan 2014/15 to 2018/19 be referred to Council for approval on 10 September 2013.

## **Reasons for Decision**

To receive the views of the Resources Overview and Scrutiny Panel prior to recommending the draft Medium Term Financial Plan 2014/15 to 2018/19 to Council for formal approval

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## **EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 29 AUGUST 2013**

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### **ROSP.61/13      DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19**

The Director of Resources presented report RD.33/13 on the Draft Capital Strategy 2014/15 to 2018/19. He informed Members that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines.

The Director of Resources outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Director of Resources indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes currently the subject of feasibility studies, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could be made more accurately.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Executive had on 5 August 2013 (EX.82/13) considered the report and decided:

“1. That the Report of the Director of Resources (RD.33/13) regarding the draft Capital Strategy 2014/15 to 2018/19 be received.

2. That the draft Capital Strategy be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.”

In considering the Draft Capital Strategy Members raised the following comments and questions:

- Was the authority still in a position to participate in schemes that would be of benefit to the City?

The Director of Resources explained that there was unallocated monies in the capital strategy but it should be kept for emergencies. The Strategy could be reviewed annually and changed to meet new requirements if needed, however, unless the scheme was an invest to save scheme it would be difficult to support new capital expenditure at the current time.

The Finance, Governance and Resources Portfolio Holder added that there would be additional capital if the Asset Management Plan exceeded expectations, however, if it did not match expectations some work would have to be carried out to re-prioritise the Capital Strategy to ensure the priorities of housing, economic growth and quality jobs were achieved.

- The Capital Programme showed a reduction in the contribution to Disabled Facilitates Grants (DFGs) from 2017/18 onwards. Why was there a reduction?

The Director of Resources responded that the Council was using a framework for tendering jobs and Riverside Carlisle was carrying out smaller jobs themselves. The Council could meet the DFG requirement at the present time but any increase would result in a budget pressure in the future.

**RESOLVED** – That the Draft Capital Strategy 2014/15 to 2018/19 (RD.33/13 ) be welcomed.

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 SEPTEMBER 2013**

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**EX.97/13      \*\*DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19**  
(Key Decision – KD.010/13)

(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.82/13, the Finance, Governance and Resources Portfolio Holder presented report RD.37/13 on the Draft Capital Strategy 2014/15 to 2018/19. He reiterated that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines, details of which were provided.

The Finance, Governance and Resources Portfolio Holder outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Finance, Governance and Resources Portfolio Holder indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could more accurately be made.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved "That the Draft Capital Strategy 2014/15 to 2018/19 (RD.33/13) be welcomed".

A copy of Minute Excerpt ROSP.61/13 had been circulated prior to the Executive meeting.

The Finance, Governance and Resources Portfolio Holder thanked the Panel for the valuable questions raised during their scrutiny of the matter. A key point of note was that the Executive recognised the fact that revenue was low and that balances must be maintained to a prudent level. The Capital Strategy would be reviewed annually and changed to meet new requirements if needed. It would, however, be difficult to support new capital expenditure other than invest to save schemes at the present time.

The Finance, Governance and Resources Portfolio Holder then moved the recommendation set out in the Director of Resources' Report, which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

**Summary of options rejected**    None

## **DECISION**

1. That the Executive had considered the observations of the Resources Overview and Scrutiny Panel.
2. That the draft Capital Strategy 2014/15 to 2018/19 be referred to the meeting of the City Council on 10 September 2013 with a recommendation that the Strategy be approved.



## **Reasons for Decision**

To consider the comments of the Resources Overview and Scrutiny Panel on the draft Capital Strategy prior to recommending the Strategy to Council for approval

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## EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 29 AUGUST 2013

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### **ROSP.62/13 DRAFT ASSET MANAGEMENT PLAN 2013 TO 2018**

The Director of Resources presented report RD.31/13 on the draft Asset Management Plan 2013 – 2018.

The Director of Resources outlined the background to the matter, reminding Members that the draft Asset Management Plan was being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011 details of which were provided.

The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Executive had on 5 August 2013 (EX.83/13) considered the report and decided:

“That the Executive:

1. Noted the position as set out in Report RD.31/13.
2. Approved the updates to the draft Asset Management Plan in order for it to proceed for consideration by the Resources Overview and Scrutiny Panel, before coming back to the Executive and full Council in September 2013.”

In considering the Asset Management Plan Members raised the following comments and questions:

- In response to questions the Director of Resources clarified that the Asset Business Plan was in year three of the five year Plan. It was agreed that an update on the Asset Business Plan would be submitted to the Panel in November.

*Councillor Betton declared a disclosable pecuniary interest in accordance with the Council's Code of Conduct in respect of the Enterprise Centre. The interest related to the fact that he was a tenant at the Enterprise Centre.*

*Councillor Betton left the meeting for the duration of the discussion regarding the Enterprise Centre.*

- The Environment and Economy Overview and Scrutiny Panel had carried out an in depth Task and Finish Group on the Enterprise Centre and had felt that there was a lot of space not being used as it might be, how would the Enterprise Centre be moved forward and was there any aspiration to make better use of it?

The Town Clerk and Chief Executive acknowledged that there needed to be a long term plan for the Enterprise Centre and at the moment the Council was keeping its options open.

The Director of Resources added that there was £50,000 in the budget for the Enterprise Centre to patch the roof to make it last a further three to five years.

*Councillor Betton returned to the meeting.*

RESOLVED – 1) That the Draft Asset Management Plan 2013 to 2018 (RD.31/13) be welcomed:

2) That an update on the Asset Business Plan would be submitted to the Panel in November.

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 SEPTEMBER 2013**

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**EX.98/13      \*\*DRAFT ASSET MANAGEMENT PLAN 2013 - 2018**  
(Key Decision – KD.012/13)

(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.83/13, the Finance, Governance and Resources Portfolio Holder presented report RD.40/13 on the draft Asset Management Plan 2013 – 2018.

The Finance, Governance and Resources Portfolio Holder outlined the background to the matter, reminding Members that the draft Asset Management Plan was being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011 details of which were provided.

The Plan also reported on the current position and performance of the Portfolio and the Asset Disposal Programme.

The Resources Overview and Scrutiny Panel had, on 29 August 2013, considered the matter and resolved:

- “1) That the Draft Asset Management Plan 2013 – 2018 (RD.31/13) be welcomed;
- 2) That an update on the Asset Business Plan would be submitted to the Panel in November.”

A copy of Minute Excerpt ROSP.62/13 had been circulated prior to the Executive meeting.

The Finance, Governance and Resources Portfolio Holder reported that a Member of the Panel had declared a disclosable pecuniary interest in relation to the Enterprise Centre, and retired from the meeting during discussion on that aspect.

The Portfolio Holder indicated that the Executive would take on board the comments of the Resources Overview and Scrutiny Panel; and the position would be monitored as the year progressed. He further clarified that the Asset Management Plan should not be confused with the Asset Disposal Programme.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendation which was duly seconded by the Deputy Leader; and Environment and Transport Portfolio Holder.

**Summary of options rejected**    None

## **DECISION**

1. That the Executive had considered and would take on board the comments of the Resources Overview and Scrutiny Panel.
2. That the draft Asset Management Plan, as attached to Report RD.40/13, be referred to the meeting of the City Council on 10 September 2013 for adoption.

## **Reasons for Decision**

To receive the comments of the Resources Overview and Scrutiny Panel on the draft Asset Management Plan 2013 – 2018 prior to recommending the Plan to Council for adoption