

EXECUTIVE – 15 JANUARY 2014

RESPONSES TO 2014/15 BUDGET CONSULTATION

1. The way to run local government better is by stopping payments and unverified allowed by receipt expenses to the plethora of Councillors in too many Councils. This edict from the past has resulted in many very old and incompetent people, mainly disinterested men seeing an easy add-on for their pensions, earning loads of money (paid by me!) for doing not a lot, and blocking younger councillors coming in. I am an (almost) 70 year old woman, and believe that local government would be better run if all Councillors were paid only receipted and verified expenses – as was the case in the past, with a cap at the age of 70. That would clear out the rot, and bring in faster and more educated decisions!

But it won't happen, 'cos the old reactionaries love their perks for doing not a lot! Fewer councils, fewer bureaucrats equals lowered local taxes and quicker decisions – I can but dream!

Regards

2. Feedback from the Liberal Democrat Group – **copy letter dated 9 January 2014 attached**
3. I am trying to comment upon the Council's draft Budget proposals, but I cannot discover any way of doing so online. None of the numerous "results" which the online search produces seem to connect to any response form, so it appears I will have to send my comments in hard copy. As responses have to be in by 9 a.m. on Monday 13 December, and your offices are not open before then, it will have to be delivered through your letterbox at the weekend.

It appears the same method will also be necessary to deliver a collective response (in the form of a petition against the cuts). The act of delivery will be photographically recorded in order to prove that the response was sent in before the deadline which the Council has imposed.

[REDACTED]

Feedback from [REDACTED] – **copy letter dated 10 January 2014 attached**

Petition from the Socialist Party – **copy attached**



From Councillor:
Trevor Allison



Telephone: [REDACTED]
Email: trevora@carlisle.gov.uk

City Councillor for:
Dalston Ward

Budget Consultation
Carlisle City Council
communications@carlisle.gov.uk

9th January 2014.

The following represents the collective response of the Liberal Democrat Group to the consultation on the Executive Budget proposals 2013/14 to 2018/19.

1) Reserves

We acknowledge that the administration are intent on producing a balanced budget but are concerned that this will be achieved by allowing reserves, including General reserve, to fall below the recommended lowest limit. The Report of the Director of Resources (the 151 officer) covering three paragraphs, significantly in bold, reflects our concern.

"... the main risks...The use of reserves will be necessary to fund this budget... not acceptable in the long term... proposals .to bring back to an acceptable level in the following 5 years... resolve the ongoing projected deficit, as part of the Transformation programme.

and;

Based on current projections, Council Reserves will fall below minimum recommended levels....level of reserves will need to reduce until the impact of the transformation is effective...the £2.6M General Reserve is breached ... replenishing over the following 5 years through a stringent savings strategy.

and;

..review the need for borrowing ... dependent on the level of capital receipts being generated... and the potential of future capital projects...the capital programme for 2014/15 may require the use of Prudential Borrowing... depending on the level of capital receipts that can be generated in the future...full option appraisals will be carried out."

This is set against a background of Government cuts of 38%, and a continuation in the inexorable decline in revenue income across a number of important areas, including Lanes income (£138K), Car park income (£170K before loss of Cecil Street), shortfall on Asset Review income, Recyclates income (£180K), together with a number of pressures identified in the budget documents. Collectively these represent a very substantial shortfall which compounds the Gov. Cuts. With uncertainty about the Tesco project at Morton, £19M has been taken out the projected capital receipts for 2014/15. We believe that this is a manifestation of a changing pattern of retail trade which is not to the advantage of the council.

2) Pool Project

We support the Pool project and agree that the existing facility is beyond the end of its service life. We note the projected maintenance and staffing savings of the order of £250Kpa. But given the above extremely challenging background and the uncertainty of the capital receipt from the Morton site, we are not able to support the provision for external borrowing of £5M to finance this project. We are already saddled with £1.34M pa in interest charges alone on the £15.1M of existing debt.

At a projected PWLB 25yr rates of around 4.5% and the implications for MRP with a 4% provision for capital repayment, (We are cautious about the use of the flexibility that is now allowed with respect to the MRP) the interest charge before capital repayment, will be £225,000pa. and will be broadly covered by the projected savings.

The Council have typically £25-30M cash on deposit (Treasury Report), currently at around 1.01% interest. The loss of £50,500 pa in interest by funding the pools project from cash deposits, would be offset by the savings of £250,000, giving a net saving as a reduction in cost to the Council, of almost £200,000 pa. Given that the Asset Review is unlikely to achieve its target yield of 7% in the foreseeable future, we would support the use of cash deposits to fund the pool project.

As to its location and operation, other options should be considered not just The Sands Centre. Since the Centre was opened there has been an explosion of private fitness and leisure facilities in Carlisle. Despite the subsidy the Council pay to the Sands and their ability to attract grant funding, the priva both with budget implications;

- Is the Sands the best location? The GVA Retail study suggests that it is not easily accessible and does not promote city centre footfall. In our submission on The Masterplan, we suggested that the Lower Viaduct may be a more appropriate location for a new pool.
- The Municipal Pools are Discretionary not a statutory obligation. The Council could consider commissioning a private operator to run the Council Pool on our behalf if it still achieves the projected saving in staff costs.

3) Sports Facilities

We need to allow for the wider participation of women and girls in traditionally male dominated sports such as football, rugby and cricket, together with better changing facilities and also for people who are disabled. There also appears to be a greater incidence of wet weather, which has highlighted the urgent need for a drainage programme for a number of our pitches. We would support initiatives in these two areas being incorporated into the budget process.

4) Coach Terminus/Interchange in Rickergate. (A Report)

An option for consideration in the City Centre Masterplan is that the existing bus station between Lonsdale Street and Lowther Street be acquired for a city centre department store such as Primark. This could contribute to increasing patronage and footfall in the city centre. In our submission, we proposed that a new bus station/interchange be located in Rickergate, without any demolition of the houses there. We offered an option but qualified it by acknowledging the need for a professional assessment of the proposed access route. Subsequent research has revealed that two options for a coach interchange were proposed at the time of the Renaissance. These provided better access and no demolition of any existing properties.

We propose that based on work already done, provision be made in the budget to commission a report on these two options, linked to the acquisition of the existing bus station..

5) Civic Centre. Two reports

We agreed with the Council's decision to decline the invitation to relocate to the new County Council office development in Lower Botchergate. We see no merit in moving to this edge of centre site, when we should be promoting the city centre.

But, we are concerned at the continuing exodus of city centre businesses to Kingmoor, with on site parking as a major attraction, and presumably lower business rates. Against this background; we suggest that provision be made in the budget to commission a report on two aspects of the Civic Centre;

- Refurbishment of the exterior of the building to improve its appearance and energy efficiency.
- Given the ongoing reduction in staff numbers in the Civic Centre, to commission an investigation and report on whether two floors could be vacated and offered for commercial office let. This would require free parking and competitive rents but would also contribute to the Council's rates bill currently around £250K pa net.

6) Members' Allowances.

We consider it would be unfair to increase members' allowances at a time when projected savings in the Council budget through staff reductions, are identified at a nominal £1M plus projected savings of a further £230K from lower than budgeted pay increases. We support a freeze on members' allowances but any real reduction in the cost of supporting 52 Councillors would need a political decision by members which is outside of this consultation.

Yours sincerely

RECEIVED

13 JAN 2013

10 January 2014

Chief Executive
Civic Centre
CARLISLE
CA3 8QG

Carlisle City Council's Budget Consultation

For convenience, my comments on the Budget Consultation document are presented in numbered paragraphs.

1. Issuing the Budget Consultation document on 16 December 2013 with a response deadline of 13 January 2014 is unreasonable in view of the Christmas/New Year period, when people have other things to do.
2. No hard copy version appears to have been issued to the public. A copy "can be seen at the Civic Centre" (is this like an old-fashioned "chained Bible"?), and if you visit the Civic Centre and wait long enough, customer services staff will print one out for you. Cumbria County Council's Budget Consultation document is printed and freely available in libraries. Why is Carlisle City's not?
3. The document is available online, and part of it states that the Council's "Digital by default" strategy is "to encourage residents to interact with the Council electronically", but as far as I could discover, the electronic version of the document (or any of the website's references to the Budget process) does not provide any means of responding electronically, which suggests that the Council intends its "interaction" with the public to be in one direction only. Even if an electronic response was available, "Digital by default" is a highly discriminatory means of communication, incompatible with the Council's duty to provide equality of access to all its citizens. This shows a poor appreciation of the meaning of "democracy".
4. The Summary version (title page and 2 and a half text pages) is so brief that it gives very little indication of the proposals and says nothing on their likely effects. It relates to a 5 year period and shows summary Revenue and Capital Budgets for 2014/15, but does not show current expenditure in 2013/14, so it is impossible to see where the proposed "savings" (cuts) are being made. The subject headings are generally not self-explanatory, and no explanations are provided. This is particularly regrettable in respect of the most significant item – "New Transformation Savings Required" (£1 million).
5. The Summary is smug and self-congratulatory: "due to its success to date in achieving transformational savings [i.e. previous cuts in jobs and services], the Council now has a solid financial base ... Given the Executive's success in delivering savings in previous years, the Executive is confident that the current savings target will be met ...". There is no acknowledgement of any possible adverse effects or suffering that may have resulted from the way this "success" has been achieved, or which may be caused by the continuation of these policies.
6. The full document (title page and 23 pages of text) obviously provides more information, but not any greater clarity. Rather the reverse: the more figures are presented, the less apparent the meaning. The greater length and complexity of the full version only increases the difficulty created by the short period and inconvenient timing of the consultation process.
7. As regards the content of the main document: the Council's priorities, set out in Section A, include "the growth of more high quality and sustainable business and employment opportunities", and "to develop a skilled and prosperous workforce, fit for the future." How does this square with the Council's previous and future reduction in its own workforce?

8. Two of the priorities aim to "work more effectively with partners", but the Council seems to have great difficulty in working with other local government bodies (County, district and parish councils), other public authorities (Police, Health), commercial organisations or voluntary agencies. Its ludicrous handling of major planning issues has been both discreditable to its reputation and costly to the public.
9. The practically meaningless rhetoric continues with the Council's aim to "Address Carlisle's current and future housing needs", yet it has completely failed to address the issue of the "Bedroom Tax", on the grounds that the Council is not a housing provider (though it has representation on the associations which it has allowed to be the actual providers), while at the same time it has to meet its statutory obligations as a housing authority and administrator of housing and related benefits, as well as offering a (non-statutory) benefits advisory service. The greatest housing need is for the restoration of affordable publicly-controlled housing, both by building sufficient and suitable "Council houses" and taking over and renting out unoccupied or unsold private houses (as many councils used to do). It does not appear that the Council has any plans to undertake those tasks!
10. The document says the Council has a responsibility to set a balanced budget. Legally that may be the case, but there are various ways of achieving it. There is reference to the "Prudential Code" regarding borrowing, but, despite the historically low interest rates, you do not appear to be undertaking any borrowing to support the Revenue Budget in 2014/15. However, you will be borrowing heavily (£5 million) in 2015/16 (which equates with the projected expenditure on "Leisure Facilities") as well as drawing very substantially on reserves, which will have to be replenished in later years. (Further comment on this point will be made in paragraph 19.)
11. It is in Section B that the figures for the Revenue Budget and Capital Programme begin to emerge, but this does not enable the public to understand the "savings" being made, as only one of the schedules actually shows the expenditure in 2013/14, thereby providing a comparison with the proposals for 2014/15 and subsequent years. The differing figures in the various schedules make it very difficult to establish the exact overall figure that is to be cut in 2014/15, and certainly not the amounts which are to be cut from particular budget heads. The overall figure which has been publicly announced is £3.939 million over the five-year period, but how much of this is to be cut in 2014/15 is not readily apparent. I am not inclined to believe that this lack of clarity is unintentional!
12. Schedule 2 "Proposed Budget Reductions" is the nearest approach to an explanation of the financial "elephant in the room", but even that is not straightforward. The undefined "New Transformation Savings Required", amount to £1 million in each of the years 2014/15 – 2016/17, then jump to £2.1 million in 2017/18 and £3.1 million in 2018/19, while "Total Budget Reduction Proposals" range from annual amounts of £1.637 million in 2014/15 to £4.068 million in 2018/19. I have not been able to work out how these figures relate to the supposed overall savings of £3.939 million in 5 years. I suspect that not many of the Councillors have a clear idea of the financial wizardry that may explain these apparent anomalies!
13. The various schedules in Section B become increasingly technical and incomprehensible, and the explanatory notes are not much help to the Council Tax payer. While Councillors may be able to seek clarity from their principal officers, the public, who are supposedly being "consulted" on these proposals, do not have the benefit of this expert guidance. The document fails to explain matters in terms which the electorate can readily understand, and is therefore merely a draft budget, not a true consultation document.
14. The only part which the public can easily grasp is schedule 6, showing the increases in Council Tax in 2014/15 and subsequent years, and these appear to be relatively modest. An increase of 1.99% in 2014/15 costs an extra £3.84 at Band D – nothing to worry about then. But when all of the subsequent annual increases at 1.99% are added together over the 5 years, the rise amounts to the more substantial sum of £20.02. These are of course only estimates ("projections"), and the real increases could be higher.
15. This document does not tell us what services and how many jobs are to be cut in order to achieve the "required savings". When looking at Council Tax, most of the public think only of the charge, and not the services which are to be provided. For many people at the lower end of the Council Tax bands, the cost (the social and economic effect) of lost services and jobs may be much greater than the increase in the tax; whereas those who are on the higher bands (and often less reliant on council services) will derive more financial benefit from freezing Council Tax or keeping it below the rate of inflation. Even a small increase in the Council Tax can therefore act as a reverse redistribution of resources from the poor to the rich.

16. The other part of the budget which is likely to attract some public attention is Section C, the Capital Programme, particularly the proposal to borrow £5 million in 2015/16 "to fund Leisure Facilities", and the use of nearly £4.6 million in 2014/15 – 2015/16 "Capital receipts from the sale of Assets". The budget document does not expand on those matters, but as these topics will no doubt be vigorously discussed in the local newspapers, I am not going to comment on them here.
17. After further tables in Section D, the document goes into a more explanatory mode in Section E to tell us why the "Savings Strategy" is required and how it will be delivered. Except that it does not really explain either of these important matters. It is full of self-satisfied phrases (see paragraph 5 above), but there is no real substance behind the verbose statements about "the transformation programme". When and where is the Council going to spell out just what these mean? How can it reconcile "looking at ... Discretionary funding to ... Tullie House £250,000" with the (laudable) objective to "Develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle" (as set out in Section A, page 3)? We all remember the fiasco of Carlisle's expensive bid for "City of Culture" status, while failing actually to support arts and culture in the city.
18. One vitally important issue which requires greater clarification is the effect of these "savings" on jobs. How many "One off expressions of interest in voluntary redundancy ..." (whatever that means) will it take to make the kind of projected savings in salaries referred to in the tables? The Council says it will endeavour to avoid compulsory redundancies, but voluntary redundancies and non-filling of "casual vacancies" (arising from "natural wastage" in the workforce) can have a devastating effect on the workload and welfare of the staff who remain in work, even if you do undertake to pay them a "living wage".
19. One final point, the "Draft Statutory Report of Director of Resources" highlights the fact that "The use of reserves will be necessary to fund this budget in the short term [:] however it is not acceptable in the longer term and should only be seen as a short term fix." What a wonderfully apt phrase. It seems that the entire 5 year budget programme is a "short term fix" to enable the current Council leadership (in control since 2012) to appear as competent and responsible guardians of the public purse in order to strengthen their electoral chances in the next 2 years (and their party's at the Parliamentary elections in 2015), in the hope that a change in the national government will assist them to cope with their financial difficulties in subsequent years.
20. In conclusion, my response to this "Budget Consultation document" is that it is not intended to be understood by the public; it is full of complicated tables of figures, without any explanation how the numbers will affect services; and its high-sounding phrases have little or no real substance. Congratulations on an excellent attempt to "pull the wool over the eyes of the public", but some of us are not so easily fooled!

Yours sincerely,



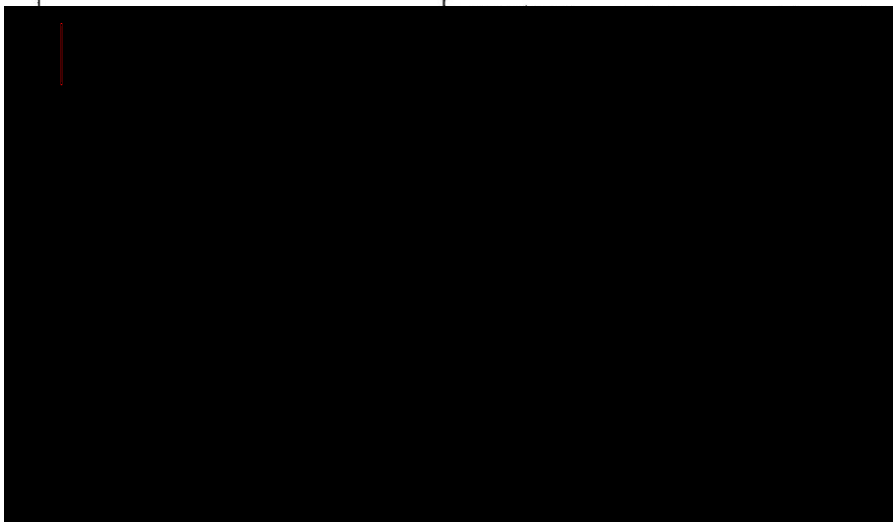
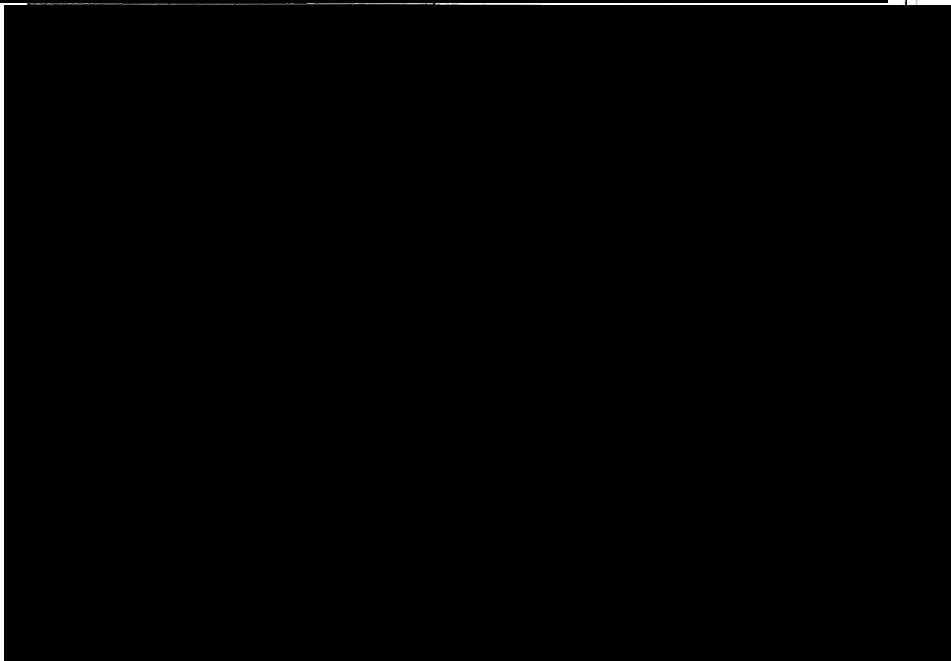
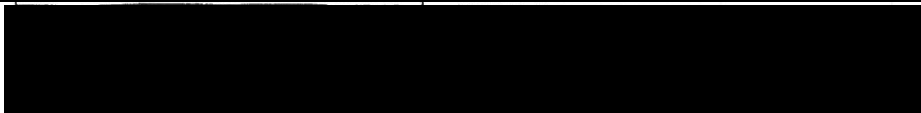


STOP THE CUTS

Carlisle City Council proposes to cut £3.939 million from its budget in 2014/15 and the following years.

We reject these proposals and demand "No More Cuts in Jobs and Services".

We, the undersigned, therefore call upon Carlisle City Council to set a budget to meet the needs of the people of Carlisle, and demand the necessary finance from central government.

Name	Full Address	Signature
		
		
		



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[REDACTED]	[REDACTED]	[REDACTED]



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