

# Report to: Council

Agenda  
Item

**13(ii)(b)**

Meeting Date: 4 March 2014

Public/Private\*: Public

Title: **Resources Overview and Scrutiny Panel - Chairman's Report – Councillor  
Reg Watson OBE**

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## **Overview Report and Work Programme**

If any member of the Council has any areas of Council services that need to be scrutinised please contact me. The Scrutiny Chairs Group had agreed to ask their relevant Groups for feedback on the future of Scrutiny and the number of panels needed and the Scrutiny Officer would gather further information on available models and everyone would report back to the next meeting on 6 February 2014.

## **Budget Proposals 2014/15**

The Finance, Governance and Resources Portfolio Holder reported that the budget proposals assumed that significant savings must be found within the next five year period; £3.939million in total, with £1.839million to be found by 2015/16 with £2.1million in later years. The Executive had a history of achieving savings, having identified and achieved approximately £6million since 2010/11. That was due to cuts in funding from central Government. Despite having to make these savings, which included an approximate 38% reduction in Government grant, due to prudent financial management, the Council had a sound financial base upon which to set its 2014/15 budget. The Executive was still able to deliver on their proposals despite savage cuts.

The Executive's budget:

- Had frozen car parking charges for the third year running
- Maintained the Council's ambitious capital programme including the Arts Centre
- Provided additional funding for Council events in promoting Carlisle
- Maintained the popular 'Clean Up Carlisle' initiative, which had been well received by businesses and the community
- Supported the recruitment and development of four new apprentices for a two year period

It was with some reluctance that the Executive required to recommend a 1.99% increase in Council Tax for 2014/15 after four years of maintaining a council tax freeze.

## **Provisional Capital & Treasury Management**

- A Member asked for clarity with regard to the Voluntary Redundancy initiative, the Transformation savings and the Council's reserves. The Director of Resources reported that there was a saving of £1.89m to be achieved in 2015/16 which was addressed by the 2014/15 budget reports. It was proposed that up to £1m would be achieved through the Voluntary Redundancy initiative, £250,000 achieved from the reduction in grants and further savings achieved by initiatives such as Digital by Default. The Transformation Board would then look to make the necessary savings to achieve any shortfall in the £1.89m savings.

- Members pointed out that they valued the Small Scale Community Fund but it had not been included in the Executive's budget proposals.

The Finance, Governance and Resources Portfolio Holder confirmed that the Fund had not been included but it was being considered.

- Was the Voluntary Redundancy initiative on target?

The Director of Resources responded that there had been several applications submitted and significant savings were expected. Some of the applications would impact on services so the £1m target would not be reached. There would be a special Senior Management Team meeting on 13 January and Joint Management Team meeting on 20 January 2014 to discuss the applications.

- A Member asked for clarification with regard to Note 4 of Schedule 8 of the Executive's budget proposals which stated that the provision for acquisitions had been removed from the budget.

The Director of Resources reminded the Panel that the original Asset Management Plan had intended to sell and purchase assets. The Council had sold some assets but had not had the opportunity to make acquisitions which had a good return. The acquisitions had been removed from the Capital Programme until the opportunity to make good acquisitions arose.

- A Member asked if the Business Rates growth was still estimated at £600,000 as set out in Schedule 6 of the budget proposals.

The Director of Resources explained that the estimated additional £600,000 growth from Business Rates had been calculated before the Autumn Statement and this figure had now been amended to £500,000.

- Did the £170,000 shortfall in car parking income reflect a reduction in usage?

The Director of Resources explained that, on the advice of consultants, the car parking charges had been reduced with the intention that the use of car parks would increase. The changes had stopped the decline but had not resulted in an increase in usage. The Director of Local Environment was to review the car parks charges and usage again in 2014.

The Finance, Governance and Resources Portfolio Holder highlighted national issues with regard to car parking because of the change in patterns of retail.

Cllr R Watson OBE,  
Chairman.