

**EXCERPT FROM THE MINUTES OF THE
ECONOMIC GROWTH SCRUTINY PANEL
HELD ON 26 NOVEMBER 2020**

EGSP.59/20 BUDGET 2021/22 – 2025/26

(a) Budget Update – Revenue Estimates 2021/22 to 2025/26

The Corporate Director of Finance and Resources submitted report RD.32/20 providing a summary of the Council's revised revenue base estimates for 2020/21, together with base estimates for 2021/22 and forecasts up to 2025/26 for illustrative purposes. Potential new spending pressures, bids and savings had also been considered in the report.

The report set out known revisions to the MTFP projections, although there were a number of significant factors affecting the budget that were currently unresolved, details of which were recorded at Section 1.3. A summary of the outstanding key issues, together with the resource assumptions were also provided at Section 4. The Panel's agenda set out the matters which fell within their remit.

The Executive had on 9 November 2020 (EX.122/20) received the report and resolved:

"That the Executive:

- (i) Noted the revised base estimates for 2020/21 and base estimates for 2021/22;
- (ii) Noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken;
- (iii) Noted the initial budget pressures, bids and savings which needed to be taken into account as part of the 2021/22 budget process;
- (iv) Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F."

In considering the report, Members raised the following questions and comments:

- In relation to the £45,000 Development Control income shortfall, the Chair asked whether it was expected that income would increase post Covid 19?

The Corporate Director of Finance and Resources anticipated the shortfall being a single year event. The recovery of the development sector was linked to that of the wider economy following Covid 19, therefore close monitoring of the Development Control income would take place.

The Corporate Director of Finance and Resources also provided an overview of the emergency funding already received by central government to assist with income shortfalls and costs. Furthermore, the recent Government Spending Review had allocated £3 billion nationally for 2021/22 to assist local councils in covering costs related to Covid, the amount Carlisle City Council would be awarded was not yet known, but that detail was expected to be provided by mid – late December 2020.

RESOLVED – That report RD.32/20 Budget Update – Revenue Estimates 2021/22 to 2025/26 had been submitted to the Panel.

(b) Review of Charges 2021/2022

The Corporate Director of Finance and Resources presented the Review of Charges reports informing the Panel that there was a 3% increase on the overall level of income in line with the Corporate Charging Policy.

Community Services

The Deputy Chief Executive submitted report CS.30/20 which set out the proposed fees and charges for 2021/22 relating to those services falling within the Community Services Directorate.

The charges highlighted within the report would result in an anticipated level of income of £2,518,400 against the MTFP target of £3,006,000 which represented a shortfall of £487,600 against the MTFP target. Details of the proposed charges in relation to those areas within the Panel's remit as detailed on the agenda, were contained within the report.

The Executive had on 9 November 2020 (EX.123/20) received the report and decided:

“That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.30/20, the Addendum and relevant appendices with effect from 1 April 2021, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges and the Addendum available to relevant Scrutiny Panels for their review and comment.”

In relation to car parking charges, the Neighbourhood Services Manager advised that the 3% increase in charges had been applied, in addition the charges were rounded up to the nearest 10p figure. As part of the Review of Charges parking permit prices had been standardised to provide a 10% discount, it was anticipated that the continued impact of Covid 19 would reduce the take up of permits as commuters continued to work from home. Therefore, Officers would monitor and assess levels of take up going forward.

Analysis of Paddy's Market car park demonstrated that it was principally used as an all day car park, therefore it was proposed to remove the hourly rate payment options from that facility. The Council also operated an “early bird” scheme which offered a reduced fee for all day parking, take up of that scheme had been very low in West Walls car park, which was used rather more by shoppers than commuters, therefore the early bird offer would be removed from that car park and would be replaced by a “check in – check out” systems where users would only pay for the actual time they used the facility for. A trial of that scheme had commenced but data on its usage had been limited by the impact of the second national lockdown.

In considering the report, Members raised the following questions or comments:

- Were the Council's car parks competitive with those offered by other providers in the city?

The Neighbourhood Services Manager responded that the Council's car parking fees were competitive. There were a number of providers in the city, therefore, their pricing structures needed to be taken into account when considering what level of fee to apply to the Council's facilities.

The Deputy Chief Executive added that the Council had also made improvements to its car parking sites in terms of surfacing, layout and different payment methods. He was of the view that the Council's fees were competitive, and that its sites were safe and sited in good locations.

- What was the level of admin fee associated with parking permits?

The Neighbourhood Services Manager explained that the production of permits generated an admin fee by the service provider of 92 pence per transaction that was currently charged to the Council; for an annual permit that charge was applied once, for monthly permits the Council had to pay that charge 12 times. It was proposed that the administrative fee now be incorporated into the permit price.

- A Member expressed support for the use of the "check in – check out" payment model at West Walls car park, considering it would support the economic vitality of the city centre by affording users greater flexibility.
- The report proposed to increase the cost of a parking permit at Talkin Tarn from £55 to £60, which was a 9% increase, were the number of permits for that car park still restricted?

The Deputy Chief Executive advised that the additional percentage increase was as a result of cost rounding. The permit scheme at Talkin Tarn had been in operation for several years, with 50 permits being made available on an annual basis. It was likely there was sufficient usage data available to assess effectiveness of the permit scheme. Therefore, if Members were minded to have the scheme reviewed, subject to the agreement of the relevant Portfolio Holder, Officers could undertake that work.

The Neighbourhood Services Manager noted that the scheme was significantly 'over-subscribed', moreover as existing permit holders were invited to renew permits. This effectively created a waiting list for new people to be able to access the permit, was an issue that could be considered as part of any future review of the scheme.

A Member considered that the scheme ought to be reviewed as it was an issue that caused concern for a number of residents.

RESOLVED – 1) That the Charges Review Report 2021/22 – Community Services be endorsed (CS.30/20).

2) That a review of the parking permit scheme at Talkin Tarn be carried out.

Economic Development

The Corporate Director of Economic Development submitted report ED.38/20 which set out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

Members were reminded that Development Control fees was set nationally and that any income from those fees was ringfenced to be spent on the service. Similarly, Building Control Fees were ringfenced and the service was not permitted to generate either a profit or a loss. However, that service operated in a commercial market, therefore, proposed fees were considered in that context.

In response to Covid 19, the annual fee for use of the Shopmobility Scheme had been replaced by a daily usage charge.

The Executive had on 9 November 2020 (EX.122/20) received the report and resolved:

“That the Executive agreed for consultation on the charges, as set out in Report ED.38/20 and accompanying Appendices, with effect from 1 April 2021; noting the impact those would have on income generation as detailed within the report.”

RESOLVED – That the Charges Review Report 2020/21 – Economic Development be endorsed (ED.38/20).

(c) Revised Capital Programme 2020/21 and Provisional Capital Programme 2021/22 to 2025/26

The Corporate Director of Finance and Resources submitted report RD.33/20 detailing the revised Capital Programme for 2020/21, totalling £29,915,800, together with the proposed method of financing. The report summarised the proposed programme for 2021/22 to 2025/26 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

Section 4 provided details of the existing and capital spending proposals. 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. A summary of the estimated resources compared to the proposed programme year on year was also provided.

The Executive had on 9 November 2020 (EX.127/20) received the report and decided:

“That the Executive:

- (i) Noted the revised capital programme and relevant financing for 2020/21 as set out in Appendices A and B to Report RD.33/20;
- (ii) Had given initial consideration and views on the proposed capital spending for 2021/22 to 2025/26 given in the report in the light of the estimated available resources;
- (iii) 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.”

In considering the report, Members raised the following questions or comments:

- What level of grant had the Council been awarded for the Future High Street Fund Market Square project?

The Corporate Director of Finance and Resources advised that a grant application for £2.3M had been submitted to the Ministry of Housing, Communities and Local Government. Were that to be approved there would be a £390,000 funding requirement from the Council.

The Corporate Director of Economic Development provided an overview of the grant application process thus far and set out procedure the Council would undergo in the event of the grant being awarded.

RESOLVED – That the Revised Capital Programme 2020/21 and Provisional Capital Programme 2021/22 to 2025/26 (RD.33/20) be endorsed.