
EXCERPT FROM THE MINUTES OF THE BUSINESS AND TRANSFORMATION SCRUTINY PANEL HELD ON 26 AUGUST 2021

BTSP.63/21 DRAFT MEDIUM TERM FINANCIAL PLAN 2022/23 to 2026/27

The Corporate Director of Finance and Resources presented the Medium Term Financial Plan (RD.28/21) which set out the current framework for planning and managing the Council's financial resources, to develop its annual budget strategy and update its current five-year financial plan. The Plan linked the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP would inform the budget process and would be updated for changes when known.

The Corporate Director of Finance and Resources reported that the Council had been notified of the outcome of the proposed Local Government Reorganisation (LGR) in Cumbria. The draft MTFP and Capital Investment Strategy had both been prepared based on the Council in its existing form and structure as a going concern for the next five years. However, the decision announced that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria from 1 April 2023. The Council needed to approve a revenue budget, council tax requirement and a capital investment programme for 2022/23. Therefore, the financial plans beyond that date were for illustrative purposes only and would fall under the responsibility of the new Authority.

The Executive had considered the matter at their meeting on 2 August 2021 (EX.65/21 refers) and made the report available to the Panel for scrutiny.

In considering the Draft Medium Term Financial Plan (MTFP) 2022/23 to 2026/27 Members raised the following comments and questions:

- Was the reduction in overall funding from Business Rates of £1,800,000 for 2022/23 secure?

The Corporate Director of Finance and Resources clarified that the reduction detailed within the report was an assumption pending notification and implications of revised retentions scheme, pooling arrangements and baseline reset.

- What work was being undertaken with the other authorities to co-ordinate financial policy in preparation for the LGR?

The Corporate Director of Finance and Resources explained that the Cumbria Finance Officers were meeting weekly, and a detailed data collection exercise was underway as a basis for the work needed for the LGR.

- When would the Tullie House Levelling Up application outcome be announced?

The Corporate Director of Finance and Resources responded that the announcement was expected in the autumn.

- There was some concern that the Council Tax Reduction Scheme (CTRS) would be significantly impacted due to Covid-19, would this Scheme continue?

The Corporate Director of Finance and Resources reminded the Panel that the Scheme was considered and agreed annually as part of the Council budget process.

RESOLVED – That the Panel had considered and commented upon the draft Medium Term Financial Plan 2022/23 TO 2026/27 (RD.28/21).

BTSP.64/21 DRAFT CAPITAL INVESTMENT STRATEGY 2022/23 – 2026/27

The Corporate Director of Finance and Resources submitted the Council's draft Capital Investment Strategy which was intended to direct the Council's Capital Programme and the allocation of resources for the five-year period 2022/23 to 2026/27 (RD.29/21). The guidance in the strategy complements and supplements the Medium-Term Financial Plan.

The Corporate Director of Finance and Resources highlighted the key messages as detailed in section 2 of the report, which included the announcement on the Local Government Reorganisation.

The Executive had considered the Draft Capital Investment Strategy 2022/23 - 2026/27 at their meeting on 2 August 2021 (Minute Excerpt EX.66/21 refers) and made the report available to the Panel for scrutiny.

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

- The current asset portfolio supported operational and non-operational activities; how confident could the Council be that the income could be relied on given the current downturn in retail.

The Corporate Director of Finance and Resources responded that the projections had been reduced previously and work would be undertaken with Property Services to determine how realistic the projections were now and what budget pressures there could be as a result of the current economic situation.

The Finance, Governance and Resources Portfolio Holder reminded the Panel that although high street retail was struggling the Industrial Estates were performing well and were more robust. The Property Services Manager agreed that the large Industrial Estate portfolio, which included Gateway 44, were performing well as out of town retail continued to be successful.

RESOLVED – That the Panel had considered and commented upon the draft Capital Investment Strategy 2022/23 - 2026/27 (RD.29/21).

BTSP.65/21 DRAFT ASSET MANAGEMENT PLAN 2022 TO 2027

The Property Services Manager presented the draft Asset Management Plan 2022 to 2027 which was being updated to reflect the key issues and changes affecting the management and use of the City's property resources (GD.54/21). The Plan also reported on the current position and performance of the Portfolio, and the Asset Disposal Programme.

The Property Services Manager was delighted to report that the Gateway 44 project had been completed on time, under budget and was fully let out. Given the circumstances of the last 18 months this had been an excellent achievement for the Property Services Team.

The Executive had considered the Draft Asset Management Plan 2022 to 2027 at their meeting on 2 August 2021 (Minute Excerpt EX.67/21 refers) and made the report available to the Panel for scrutiny.

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

- Chancerygate had successfully carried out many rent reviews, would their contract be renewed?

The Property Services Manager acknowledged the work that Chancerygate had carried out in securing evidence for the rent reviews and added that the five-year contract with Chancerygate would end in October. Discussions were taking place to determine the best options moving forward.

- The Pools had been removed from the outstanding maintenance programme due to the impending closure, did this include the Victorian pools and health suite?

The Property Services Manager confirmed that all of the pools and health suite were excluded from the programme at this time. However, the Borderlands project included work to identify what repairs were necessary to the buildings, when the work was finished the Victorian pools and health suite would be incorporated back into the maintenance programme.

- Who was leading on the work to understand the energy consumption across the Council's portfolio and the assessment of the carbon footprint and when would the baseline be ready?

The Property Services Manager explained that a team of people with a variety of knowledge and skills were working to establish a baseline as well as trying to secure funding to support the work. It was hoped that the baseline would be established by the end of the financial year.

- A Member sought confirmation that removal of the older, poorly functioning assets such as the Pools was with regard to just the 1970s pool.

The Property Services Manager confirmed that the removal was the actual swimming pool element which would be transferred to the Sands Centre as a modern facility.

- When would the feasibility study which had been undertaken on the health suite be available so Members could understand the implications of the recommendations?

The Chair informed the Panel that the Economic Growth Scrutiny Panel were scheduled to scrutinise the report at their meeting on 21 October 2021.

- Were the rent reviews up to date?

The Property services Manager explained that the rent reviews would be an ongoing project each year. Evidence had to be gathered to support any reviews, Chancerygate had been very good at providing open market evidence to support reviews but the process took some time.

RESOLVED - That the Panel had considered and commented upon the draft Asset Management Plan 2022 to 2027 (GD.54/21).