



City Council

Date: Tuesday, 01 February 2022

Time: 18:45

Venue: Cathedral Room

Present: Councillor Ruth Alcroft, Councillor Trevor Allison, Councillor Louise Atkinson, Councillor James Bainbridge, Councillor Robert Betton, Councillor Jeffrey Bomford, Councillor Mrs Marilyn Bowman, Councillor Lisa Brown, Councillor Nigel Christian, Councillor John Collier, Councillor Dr Helen Davison, Councillor Gareth Ellis, Councillor Ms Jo Ellis-Williams, Councillor Mrs Christine Finlayson, Councillor Mrs Anne Glendinning, Councillor Colin Glover, Councillor Stephen Higgs, Councillor Neville Lishman, Councillor Mrs Elizabeth Mallinson, Councillor John Mallinson, Councillor Mrs Ann McKerrell, Councillor Keith Meller, Councillor Mrs Linda Mitchell, Councillor Michael Mitchelson, Councillor David Morton, Councillor John Paton (until 22:26), Councillor Ms Lucy Patrick (until 23:32), Councillor Fiona Robson, Councillor David Shepherd, Councillor Miss Lee Sherriff, Councillor Christopher Southward, Councillor Peter Sunter, Councillor Dr Les Tickner, Councillor Miss Jeanette Whalen (until 00:07), Councillor Christopher Wills.

Also Present: Town Clerk and Chief Executive
Corporate Director of Governance and Regulatory Services

C.20/22 Apologies for absence

Apologies for absence were submitted on behalf of Councillor Paul Nedved and Councillor Raymond Tinnion.

C.21/22 Public and Press

RESOLVED – That the Agenda be agreed as circulated.

C.22/22 Declarations of Interest

In accordance with the Council's Code of Conduct the following declarations of interest were submitted:

Councillor Mrs Glendinning declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related her role as a Trustee Member of Botcherby Community Centre Board.

Councillor Patrick declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City Council Trustee on the Currock Community Centre Management Committee.

Councillor Shepherd declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Carlisle and District Citizens' Advice Bureau Trustee Management Committee.

Councillor Brown declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City Council Trustee on the Denton Holme Community Centre Management Committee.

Councillor Brown declared an interest in respect of the Labour Group Proposed Amendment No.3 – Carlisle – A Social Enterprise City. The interest related to her employment as Director of Carlisle Community Help CIC; Organise. Act. Change CIC; and Cumbria Boxed LTD.

Councillor Bomford declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Carlisle and District Citizens' Advice Bureau Trustee Management Committee.

Councillor Bainbridge declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Yewdale Community Centre Management Committee.

Councillor Southward declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Denton Holme Community Centre Management Committee.

Councillor Dr Tickner declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role at Trustee of the Yewdale Community Association and Treasurer of Carlisle Community Help.

Councillor Ms Ellis-Williams declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City Council Trustee on the Harraby Community Centre Management Committee.

Councillor Glover declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Currock Community Centre Management Committee.

Councillor Lishman declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Morton Community Centre Management Committee.

Councillor Meller declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role on Brampton Community Centre.

Councillor Morton declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Belah Community Centre Management Committee.

Councillor Dr Davison declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City Council Trustee on the Belah Community Centre Management Committee.

Councillor Miss Sherriff declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City

Council Trustee on the Harraby Community Centre Management Committee and the Petteril Bank Community Centre Management Committee.

Councillor Miss Whalen declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to her role as the City Council Trustee on the Yewdale Community Centre Management Committee.

Councillor Wills declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Currock Community Centre Management Committee.

Councillor J Mallinson declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Longtown Community Centre Management Committee.

Councillor Ellis declared an interest in respect of the Labour Group Proposed Amendment No.1 – Community Centre Funding. The interest related to his role as the City Council Trustee on the Belah Community Centre Management Committee.

C.23/22 Announcements

(i) The Mayor

The Mayor reported the sad death of Councillor Val Tarbitt who died suddenly whilst working in her local community.

Members stood for a minute's silence as a mark of respect to the memory of Councillor Tarbitt.

Councillors J Mallinson, Dr Tickner and Dr Davison paid tribute to the work of Councillor Tarbitt during her time as a City Councillor and a County Councillor and for the work which she carried out on behalf of the residents in her Ward.

The Mayor announced that this would be the final time that Carlisle City Council met to agree a budget.

The Mayor also announced two upcoming events which would be held on behalf of the Mayor's Charity:

24 February 2022 – An Evening with Henry VIII

26 March 2022 – A drag evening at Harraby Catholic Club

(ii) The Leader of the Council

There were no announcements from the Leader of the Council.

(iii) Members of the Executive

There were no announcements from Members of the Executive.

(iv) Town Clerk and Chief Executive

There were no announcements from the Town Clerk and Chief Executive.

C.24/22 Questions from Members of the Council

Pursuant to Procedure Rule 11.2, the Corporate Director of Governance and Regulatory Services reported that no questions had been submitted on notice by Members of the City Council.

C.25/22 Notice of Motion

Pursuant to Procedure Rule 12, the Corporate Director of Governance and regulatory Services reported that no motions had been submitted on notice by Members of the City Council.

C.26/22 Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2022/23

Pursuant to Minute EX.09/22, there was submitted a copy of the Corporate Director of Finance and Resources' report RD.66/21 and relevant Minute Extracts regarding the Council's Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2022/23.

Councillor Ellis moved the report and the recommendation that the Council approve the Treasury Management Strategy Statement for 2022/23, which incorporated the Investment Strategy and the Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2022/23 as set out in Appendix A and the Treasury Management Policy Statement as set out in Appendix D.

Councillor Mallinson (J) seconded, and it was:

RESOLVED – That the City Council approved the Treasury Management Strategy Statement for 2022/23 which incorporated the Investment Strategy and the Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2022/23 as set out in Appendix A and the Treasury Management Policy Statement as set out in Appendix D to Report RD.66/21.

C.27/22 City Council Budget 2022/23

(a). Council Procedure Rules

Councillor Mallinson (J) moved, Councillor Ellis seconded, and it was AGREED that, in accordance with the provisions of Council Procedure Rule 25.1, Procedure Rule 14.4 be suspended insofar as it related to the length of speeches by the proposers of any motions or amendments which were seconded, for the duration of the budget debate, to enable such speeches to exceed ten minutes.

(b). Minutes, Reports and Consultation Feedback

Councillor Mallinson (J) moved and Councillor Ellis seconded the receipt and adoption of the Minutes, Reports and consultation feedback outlined at Items 9(1) and (2) on the Council Summons, including:

- the Minutes of the meeting of the Business and Transformation Scrutiny Panel held on 6 January 2022;
- the Minutes of the Consultation Meetings with Trade Union Representatives and

representatives of Non-Domestic Ratepayers / Business Representatives held on 10 January 2022;

- consultation feedback which referred to the setting of the Council budget for 2022/23;
- Reports RD.64/21 (Budget Update – Revenue Estimates 2022/23 to 2026/27); RD.65/21 (Revised Capital Programme 2021/22 and Provisional Capital Programme 2022/23 to 2026/27); and RD.67/21 (Provisional Local Government Finance Settlement) which were considered by the Executive at their meeting on 19 January 2022; and

the recommendations from the meeting of the Executive held on 19 January 2022 as contained in Minute references EX.06/22 to EX.10/22 inclusive, relating to the City Council's budget for 2022/23, copies of which had been circulated to all Members.

RESOLVED – That the above-mentioned Minutes, consultation feedback, and Reports be noted and dealt with as one item of business as part of the Council's budget process, i.e. to set the General Fund Revenue Budget and the Council's Capital Budget for 2022/23.

(c). General Fund Revenue Budget and Capital Budget 2022/23

Councillor Ellis moved the City Council's General Fund Revenue Budget and Capital Budget for 2022/23 as recommended by the Executive under Minute EX.11/22, and as set out below.

This document contains the budget proposals of the City Council's Executive set out as follows

EXECUTIVE BUDGET PROPOSALS 2021/22 to 2026/27

This document contains the budget proposals of the City Council's Executive set out as follows.

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2021/22 to 2026/27 <ul style="list-style-type: none">• Schedule 1 - Existing Net Budgets• Schedule 2 - Proposed Budget Reductions• Schedule 3 - Recurring Budget Increases• Schedule 4 - Non-Recurring Budget Increases• Schedule 5 - Summary Net Budget Requirement• Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2021/22 to 2026/27 <ul style="list-style-type: none">• Schedule 7 - Estimated Capital Resources• Schedule 8 - Proposed Capital Programme• Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2026/27 <ul style="list-style-type: none">• Schedule 10 - Usable Reserves Projections
E	Proposed Budget Discipline and Saving Strategy
F	Statutory Report of the Corporate Director of Finance and Resources
G	Glossary of Terms

These budget proposals are based on detailed proposals that have been considered by the Executive over the course of the last few months. In particular the following reports of the Corporate Director of Finance and Resources were considered at the Executive meeting of 19th January 2022. All of the detailed reports are available on the Council's website.

1. RD64/21 – Budget Update 2021/22 to 2026/27
2. RD65/21 – Capital Programme 2021/22 – 2026/27
3. RD66/21 – Treasury Management Strategy Statement and Investment Strategy and Minimum Revenue Provision Strategy 2022/23

SECTION A – BACKGROUND AND EXECUTIVE SUMMARY

Council Priorities

The Council's priorities are encompassed in the Carlisle Plan, and the Medium-Term Financial Plan must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

Budget Policy Framework

The preparation of the budget proposals is an ongoing process, which starts in the summer with the agreement by Council to the Medium-Term Financial Plan, Corporate Charging Policy, Capital Investment Strategy and Asset Management Plan. These strategic documents set out the Council's policies in guiding the budget process and in particular set out the five-year financial projections that the Council is faced with prior to starting the new budget process.

Approving a Balanced Budget

The Council is obliged to ensure proper financial administration of its affairs in accordance with Section 151 of the Local Government Act 1972. For Carlisle City Council, this is the responsibility of the Corporate Director of Finance and Resources and the Council must consider the advice of the Officer in setting the budget. One of the responsibilities is to ensure that the Council approves a balanced budget meaning that the planned expenditure must not exceed the resources available. Base budgets must be robust and sustainable, and any savings identified must be achievable and the level of Council reserves must be adequate. The Council must determine what levels of borrowing, if any, it wishes to make under the Prudential Code that governs local authority borrowing.

Council Tax Reduction Scheme

There is a requirement to approve the Local Support for Council Tax Scheme ("The Council Tax Reduction Scheme" or CTRS) annually as part of the Budget Process. There are no intentions to make any changes to the reductions given to recipients of the discount scheme for 2022/23, nor any proposals to make any revisions or replace the current scheme and as such the continuation of the current scheme is recommended. Approval is also required to ratify the continued disregard of War widow pensions when determining benefit assessments.

Major Financial Challenges facing the Council

The Council is facing many financial challenges over the next five-year planning period and whilst 2022/23 will be the last budget approved for the City Council, the financial sustainability of the new Authority post April 2023 must be a consideration during this budget process. Current forecast resources are not anticipated to cover the expenditure commitments over the 5-year period post LGR without transformational savings being identified in accordance with the Council's Savings Strategy (section E).

Some of the main issues are:

- Government Finance Settlement – impact of the 2021 Spending Round, and the deferral of the Business Rates Retention and Fair Funding Reviews;
- Further changes in Government Grant e.g. New Homes Bonus, Housing Benefit Admin Grant;
- Future borrowing requirements;
- Commercial and Investment Opportunities;
- On-going impact of COVID-19 and medium to long term economic recovery;
- Local Government Reorganisation

Local Environment Strategy

The Council is committed to becoming carbon neutral in the future and there may be a requirement for significant investment in achieving this goal, with recovery through the achievement of efficiency savings and/or by maximising any external grants and contributions available to support the strategy and action plan through the Council's Funding Strategy. However, any carbon reducing schemes will initially have to be funded from resources currently contained within the Council's existing Revenue and Capital budgets; with any new climate change initiatives, following the formal adoption and approval of the Local Environment (Climate Change) Strategy, being supported by robust business cases with a cost benefit analysis provided.

Summary Budget Proposals

The key issues in this budget proposals document, which is expanded on further in the proposals, are as follows:

- (i) The budget proposes a **0%** annual increase per Band D in Council Tax for the City Council for 2022/23 (Parish Precepts will be an additional charge in the parished rural areas).
- (ii) Based on current projections, the budget proposed will result in the following requirement to be taken **to/(from)** Council reserves to support Council expenditure over the period as follows:

Additional contribution to / (from) reserves	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Original MTFP recurring surplus/(deficit)	(243)	35	209	52	153
Changes to Funding - Increase in TaxBase	34	34	36	37	39
Changes to Funding - Council Tax Surplus	159	0	0	0	0
Changes to Funding - Business Rates Growth	1,800	1,000	1,000	1,000	1,000
Changes to Funding - Council Tax Freeze	(175)	(176)	(179)	(180)	(183)
Changes to Funding - Business Rates Multiplier compensation	97	98	100	102	104
Changes to Funding - Business Rates Baseline	(66)	(67)	(68)	(70)	(71)
Recurring budget reductions (Schedule 2)	16	16	16	16	16
Recurring Budget Increases (Schedule 3)	(1,197)	(1,239)	(1,049)	(812)	(674)
Contribution required (from) / to Reserves to fund Recurring Expenditure	425	(299)	65	145	384
Original MTFP non-recurring surplus/(deficit)	(228)	(273)	(190)	0	0
Non-Recurring budget reductions (Schedule 2)	1,595	0	0	0	0
Non-Recurring budget increases (Schedule 4)	(2,402)	(655)	(530)	0	0
Contribution required (from) / to Reserves to fund Non-Recurring Expenditure	(1,035)	(928)	(720)	0	0
Transfers from Earmarked Reserves	777	323	0	0	0
Total contribution required (from) / to Reserves	167	(904)	(655)	145	384

- (iii) The above table shows a contribution to reserves in 2022/23, with a contribution from reserves for 2023/24 and 2024/25 mainly to fund non-recurring items of expenditure, with a contribution to reserves in 2025/26 and 2026/27. A strategy as detailed in Section E for ensuring the Council sets a robust budget within the revenue budget has been proposed.
- (iv) Given the uncertainty over future funding allocations and other financial pressure the Council is facing, the scope to support new recurring spending and initiatives in future years is still very challenging.

Consultation Responses:

Formal consultation meetings have been held and views sought from council tax payers. The Executive, at their meeting on 19th January 2022, considered the consultation responses,

culminating in their final budget proposals to Council on 1st February 2022. Any changes following the consultation have been incorporated into this budget resolution where appropriate.

Although provisional estimates have been included, it should be noted that at this point in time there are still some issues which have not yet been finalised and which may impact on the final budget proposals to Council on 1st February 2022. Any minor changes will be funded from appropriations to/from revenue reserves and details provided for the Council meeting in February or March.

A glossary of terms is included at the end of this document to aid understanding of the proposals. Further details on these proposals including detailed reports are available on the Council's website or by contacting the Corporate Director of Finance and Resources at the Civic Centre, Carlisle, CA3 8QG.

SECTION B - REVENUE BUDGET 2021/22 to 2026/27

1.0 REVISED REVENUE BUDGET 2021/22

- 1.1 The Executive recommends that the Council's revised net budget for 2021/22 be approved totalling £17.740m compared to the original budget of £13.381m. The increase of £4.359million can be summarised as follows:

Detail:	£000	£000
Original Net Budget		13,381
Carry Forward Requests from 2020/21 (See note 1.2)		1,721
Supplementary Estimate - Ec Devt PMO		91
		15,193
Non-Recurring Expenditure:		
Cremator Replacement Reserve	(66)	
Revenue Grants Reserve	510	
Planning Services Reserve	(58)	
Economic Recovery Reserve	50	
LGR Reserve	2,100	
Prosecutions Fund Reserve	2	
Building Control Reserve	9	
Total Changes		2,547
Revised Net Budget		17,740

- 1.2 The increased budget for 2021/22 is principally as a result of the carry forward of budgets from previous years for work not completed at the financial year-end. Although the 2021/22 budget is increased, there is a corresponding decrease for the previous financial year and so there is no impact on the Council's overall financial position.

2.0 REVENUE BUDGET 2022/23 to 2026/27

2.1 Existing Net Budgets

The Executive recommends that the net budgets for 2022/23 to 2026/27 submitted in respect of existing services and including existing non-recurring commitment and estimated Parish Precepts are as shown in **Schedule 1** below:

Schedule 1 – Existing Net Budgets

Existing Net Budgets	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
City Council					
- Recurring (schedule 5)	12,636	12,686	12,937	13,434	13,679
- Non-Recurring (Sch. 5 note 2)	228	273	190	0	0
Parish Precepts	726	744	763	782	802
Total	13,590	13,703	13,890	14,216	14,481

2.2 Proposed Savings and Budget Reductions

The Executive further recommends that the existing budgets set out in **Schedule 1** be reduced by proposals for budget reductions as detailed in **Schedule 2**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 2 – Proposed Budget Reductions

Proposed Budget Reductions	Note	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Expenditure Reductions/Increased Income:						
Flare Data Management System	1	(16)	(16)	(16)	(16)	(16)
Lower Tier Services Grant	2	(150)	0	0	0	0
Rural Services Grant	3	(193)	0	0	0	0
Services Grant 2022/23	4	(230)	0	0	0	0
New Homes Bonus	5	(1,022)	0	0	0	0
Total Expenditure Reductions/Increased Income		(1,611)	(16)	(16)	(16)	(16)
TOTAL BUDGET REDUCTION PROPOSALS		(1,611)	(16)	(16)	(16)	(16)
Split:						
Recurring		(16)	(16)	(16)	(16)	(16)
Non-Recurring		(1,595)	0	0	0	0

Note 1: The capital programme includes provision of £150,000 for the replacement of the system used in Regulatory Services. However, with Local Government Reorganisation on the horizon, it is deemed not necessary to replace this system at this time. Therefore, there is a

saving on the additional revenue costs that would have been incurred from implementing the system.

Note 2: An un-ringfenced grant will be received to support Councils with responsibility for lower tier services such as homelessness, planning, recycling and refuse collections and leisure services.

Note 3: A further allocation of the Rural Services Delivery Grant as outlined in the draft Local Government Finance Settlement for 2022/23.

Note 4: A new one-off un-ringfenced grant will be received to support Councils delivery of front-line services. Allocations for future years will be determined after consultation with the sector.

Note 5: A one-year allocation of New Homes Bonus has been provided for 2022/23, with no legacy payments expected in subsequent years; however all previously announced legacy payments for previous years will be honoured in the 2022/23 allocations and these are already included in the MTFP.

2.3 Proposed Budget Increases

The Executive further recommends that the existing budgets set out in **Schedule 1** be increased by new budget pressures detailed in **Schedules 3 and 4**. Full details of all of the proposals are contained within various reports considered by the Executive at various stages during the budget process to date.

Schedule 3 – Recurring Budget Increases

Recurring Budget Pressures	Note	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
ICT	1	160	160	160	160	160
Pest Control Income Shortfalls	2	12	13	15	16	18
Developer Contributions	3	19	0	0	11	(41)
Gateway 44 Income Shortfalls	4	523	487	342	262	262
Energy Costs	5	180	123	123	123	123
Revenue Financing Capital Programme	6	26	26	26	26	26
Treasury Management	7	277	430	383	214	126
Total Recurring Budget Pressures		1,197	1,239	1,049	812	674

Note 1: This proposal seeks additional revenue funding to invest in ICT and includes additional resources for the IT Helpdesk (£38,600), licence costs for wi-fi improvements (£5,600), network security (£2,700) and telephony (£24,000). A base budget review has also been undertaken that has identified a net budgetary shortfall for current IT costs (£49,300) and a savings requirement of £40,100 that cannot be achieved.

Note 2: This pressure is as a result of not implementing the domestic charge for the treatment of rats in line with the approved Council's charging policy.

Note 3: The MTFP assumes an income stream from developers, particularly from the establishment of the Garden Village. A re-profiling exercise has been undertaken to ensure the MTFP reflects the level of income that can be achieved.

Note 4: Covid-19 has had a major impact on the retail sector and although out of town big box retail has fared better than traditional town centre retailing there has still been a hit on rental

levels and potential tenants have suffered financial difficulties. Agreements have been reached with tenants however rental levels are lower than originally anticipated and the extended marketing period has resulted in a longer void period than originally anticipated. The overall income now anticipated to be achieved by 2025/26 taking into account these pressures will still be £615,000, which represents an 11.2% return on the capital investment made.

Note 5: This additional cost arising due to the current global situation with wholesale energy costs. The Council procures its energy through the County Council framework and has received notification of a potential 55% increase in gas costs for 2022/23 and 38% in electricity costs, with both reducing to a 25% increase (on 2021/22 levels) from April 2023.

Note 6: The waste service contributes revenue financing for the replacement of vehicles, however, there is a shortfall on the available budget that cannot be achieved.

Note 7: Treasury Management projections have been updated to include updates to the Capital programme and updated for interest rate forecasts. This projection includes the potential impact on reserves for all the pressures and savings contained in this report together with the updated borrowing costs for the capital programme. It is proposed to release the amount held in the Operational Risk Reserve (£600,000) to cover some of this additional pressure.

Schedule 4 – Non-Recurring Budget Increases

Non-Recurring Budget Pressures/Savings	Note	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
District Centre Business Support Fund	1	40	0	0	0	0
Homelessness Accommodation Income Shortfall	2	102	0	0	0	0
Lanes Income	3	500	400	330	0	0
Reprofiling of savings target	4	1,200	0	0	0	0
Car Parking income	5	425	200	200	0	0
Carlisle Local Focus Hub	6	55	55	0	0	0
Mental Health Group support	7	10	0	0	0	0
Jubilee Celebrations	8	50	0	0	0	0
City Centre Anti- Social Behaviour Action	9	20	0	0	0	0
Total Non-Recurring Budget Pressures		2,402	655	530	0	0

Note 1: This proposal involves the continuation of the pilot project for a further year and will be extended to the district centres and will address the issue of empty shops, which is becoming an increasing problem in the market towns and neighbourhood parades.

Note 2: There is a shortfall in income from homeless accommodation mainly due to reduced capacity and restrictions placed upon the accommodation as a result of COVID-19.

Note 3: The economic impact on the high street, both pre-COVID and post COVID and the vacation of Debenhams has resulted in income from the Lanes being severely diminished. There will be a period where increased holding costs of vacant units will be incurred and therefore the Council's share of income will be reduced. This pressure anticipates a slow return to the income levels currently included in the MTFP.

Note 4: The current MTFP assumes a recurring savings requirement to be found by 2023/24 of £2.050million. This continues to be the case; however, the reprofiling of this target, as set out in the table below, now means that no in year savings are required for 2022/23.

	Cumulative Savings identified as 2021/22 Budget £000	Additional Cumulative Savings Required £000	Reprofiled Savings £000	Revised Cumulative Savings required £000	Revised in Year Savings Required £000
2022/23	1,200	0	(1,200)	0	0
2023/24	2,050	0	0	2,050	2,050
2024/25	2,050	0	0	2,050	0
2025/26	2,050	0	0	2,050	0
2026/27	2,050	0	0	2,050	0

Note 5: Car parking income is not achieving its budgeted expected levels as a result of lower usage of the car parks. This pressure also includes proposals to review the parking offer within Carlisle with a view to increasing footfall in the City Centre.

Note 6: To fund a two-year fixed term post to support the transition of the Carlisle and Eden Community Safety Partnership as the new unitary arrangements in Cumbria are brought into being.

Note 7: To provide funding to continue to support mental health groups and mental health provision in the District.

Note 8: To provide funding to provide a mixture of a city council event and an increase to members small scale community projects to support local community events for Jubilee celebrations.

Note 9: To provide financial support to address anti-social behaviour in the city Centre (subject to a further report back to the Executive).

2.4 Revised Net Budget Requirement

As a consequence of the above, the Executive recommends that the Net Budget Requirement for Council Tax Purposes for 2022/23, with projections to 2026/27, be approved as set out in **Schedule 5** below:

Schedule 5 – Summary Net Budget Requirement for Council Tax Purposes

2021/22 Revised £000	Summary Net Budget Requirement	2022/23 Budget £000	2023/24 Proj £000	2024/25 Proj £000	2025/26 Proj £000	2026/27 Proj £000
	Recurring Revenue Expenditure					
	Existing Expenditure (Schedule 1)	12,636	12,686	12,937	13,434	13,679
	Budget Reductions (Schedule 2)	(16)	(16)	(16)	(16)	(16)
	New Spending Pressures (Schedule 3)	1,197	1,239	1,049	812	674
13,284	Total Recurring Expenditure	13,817	13,909	13,970	14,230	14,337
	Non Recurring Revenue Expenditure					
34	Existing Commitments (Schedule 1)	228	273	190	0	0
1,721	Carry Forward	0	0	0	0	0
(764)	Budget Reductions (Schedule 2)	(1,595)	0	0	0	0
3,465	Spending Pressures (Schedule 4)	2,402	655	530	0	0
17,740	Total Revenue Expenditure	14,852	14,837	14,690	14,230	14,337
	Less Contributions (from)/to Reserves:					
564	Recurring Commitments (Note 1)	425	(299)	65	145	384
	Sub Total					
	Non Recurring Commitments					
(2,735)	- Existing Commitments (Note 2)	(228)	(273)	(190)	0	0
(1,721)	- New Commitments	(807)	(655)	(530)	0	0
(4,456)	Sub Total	(1,035)	(928)	(720)	0	0
13,848	Total City Council Budget requirement	14,242	13,610	14,035	14,375	14,721
708	Parish Precepts	726	744	763	782	802
14,556	Projected Net Budget Requirement for Council Tax purposes	14,968	14,354	14,798	15,157	15,523

Note 1: This is the projected contribution (from)/to reserves in relation to recurring expenditure.

Note 2: Non - recurring Revenue commitments arising from existing approved commitments from earlier years are as follows:

Existing Non Recurring Commitment Approvals	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Asset Disposal Refresh - financed from Capital Receipts	(112)	0	0	0	0
New Homes Bonus	42	0	0	0	0
Carlisle Ambassadors	25	0	0	0	0
City Centre Properties Income	190	190	190	0	0
Ec Devt Project Mgt Office	83	83	0	0	0
Total	228	273	190	0	0

2.5 Funding and Provisional Council Tax Projections

As a consequence of the above and having made the appropriate calculations required under Section 32 of the Local Government Finance Act 1992, the Executive is putting forward a proposal for a **0%** increase in Council Tax for 2022/23 per Band D property. The detail of this is set out in **Schedule 6** below and the impact per Council Tax Band is as follows:

	2021/22 Council Tax £	Proposed Annual Increase £	2022/23 Council Tax £	Weekly Increase
Band A	148.13	0.00	148.13	0 pence
Band B	172.82	0.00	172.82	0 pence
Band C	197.51	0.00	197.51	0 pence
Band D	222.20	0.00	222.20	0 pence
Band E	271.58	0.00	271.58	0 pence
Band F	320.96	0.00	320.96	0 pence
Band G	370.33	0.00	370.33	0 pence
Band H	444.40	0.00	444.40	0 pence

Council tax levels for other districts – excluding parish precepts

The table below shows the comparative Band D Council Tax levels for each of the District Council's in Cumbria for 2021/22. As part of the Local Government Reorganisation programme, agreement will be needed as to how these levels will be harmonized for each of the two new Unitary Authorities. Legislation allows for up to an 8-year harmonization period, but the decisions will be made by the new Authorities.

	2021/22 Council Tax District Council (Band D) £	2021/22 Council Tax County Council (Band D) £	2021/22 Council Tax County Council (Adult Social Care) (Band D) £	2021/22 Council Tax Cumbria Police (Band D) £	Overall 2021/22 Council Tax (Band D) £
Allerdale	179.72	1340.93	157.11	272.16	1949.92
Copeland	214.39	1340.93	157.11	272.16	1984.59
Carlisle	222.20	1340.93	157.11	272.16	1992.40
Eden	200.75	1340.93	157.11	272.16	1970.95
South Lakeland	204.54	1340.93	157.11	272.16	1974.74
Barrow	245.41	1340.93	157.11	272.16	2015.61

Schedule 6 – Total Funding and Provisional Council Tax Projections

2021/22	Total Funding and Council Tax Impact	2022/23	2023/24	2024/25	2025/26	2026/27
34,666.41 £000	Estimated TaxBase	35,164.84 £000	35,516.49 £000	35,871.65 £000	36,230.37 £000	36,592.67 £000
	Projected Net Budget Requirement for Council Tax Purposes (Schedule 5)					
13,848	- City	14,242	13,610	14,035	14,375	14,721
708	- Parishes	726	744	763	782	802
14,556	Total	14,968	14,354	14,798	15,157	15,523
	Funded by:					
(7,703)	- Council Tax Income	(7,814)	(8,069)	(8,329)	(8,594)	(8,863)
(3,335)	- Retained Business Rates	(3,336)	(3,403)	(3,471)	(3,540)	(3,611)
(2,700)	- Business Rate Growth/Pooling	(2,700)	(1,900)	(1,900)	(1,900)	(1,900)
(174)	Business Rates Multiplier Grant	(274)	(279)	(285)	(291)	(297)
64	- Estimated Council Tax Surplus	(118)	41	(50)	(50)	(50)
(708)	- Parish Precepts	(726)	(744)	(763)	(782)	(802)
(14,556)	TOTAL	(14,968)	(14,354)	(14,798)	(15,157)	(15,523)
£ 222.20	City Council Tax Band D Council Tax	£ 222.20	£ 227.20	£ 232.20	£ 237.20	£ 242.20
	Increase over Previous year:					
£5.00	£	£ -	£ 5.00	£ 5.00	£ 5.00	£ 5.00
2.30%	%	0.00%	2.25%	2.20%	2.15%	2.11%

It should be noted that the funding projections in **Schedule 6** are based upon:

- The figures above include the draft figures received in Mid-December for the Local Government Finance Settlement. Final confirmation will be received in January/February 2022.
- The Council Tax Surplus and Taxbase have been finalised.
- Parish Precept figures included above are estimated. There is currently 1 Parish yet to supply details of their precept requests.
- The Council is continuing to participate in the Cumbria Business Rates Pool with the other Councils within Cumbria in order to manage Business Rates in 2022/23.
- The projections of Council Tax for 2023/24 onwards are indicative only.

SECTION C - CAPITAL PROGRAMME 2021/22 TO 2026/27

1. REVISED CAPITAL BUDGET 2021/22

- 1.1 The Executive recommends that the revised 2021/22 Capital Programme be approved at £32.643m compared to the original budget of £28.058m as set out in the report of the Corporate Director of Finance and Resources.

2. CAPITAL BUDGET 2022/23 to 2026/27

- 2.1 The Executive recommends that the estimated Capital Resources available and proposed Capital Programme for 2022/23 to 2026/27 be approved to be financed and allocated as detailed in **Schedule 7 and 8** below:

Schedule 7 – Estimated Capital Resources

Estimated Resources	Note	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Capital Grants:						
- DFG	1	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)
- Other	2	(21,174)	(4,325)	0	0	0
Capital Receipts						
- Generated in year (Asset Business Plan)	3	(286)	(101)	(4,653)	(1,145)	(2,585)
Receipts used to fund resources	3	112	0	0	0	0
Direct Revenue Financing	4	(1,962)	(1,062)	(1,062)	(1,062)	(1,062)
TOTAL		(25,210)	(7,388)	(7,615)	(4,107)	(5,547)

Note 1: Disabled facilities grant (DFG) allocation will be received in the new year, and it has been assumed that this grant will be protected at current levels. However, this grant will be awarded via the County Council's Better Care Fund and there is still some uncertainty as to what the final allocations will be.

Note 2: General grants and contributions identified as funding streams for projects. This relates to the Future High Street Fund projects and Sustainable Warmth (LAD3 and HUG1) projects.

Note 3: Capital receipts from the sale of fixed assets. A review of the asset disposal programme has been undertaken and a reprofiling of disposals between 2022/23 and 2026/27 has been incorporated into the table above.

Note 4: Direct revenue financing with contributions being made from the revenue budget or other earmarked reserves.

Schedule 8 – Proposed Capital Programme

Capital Scheme		Note	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Vehicles & Plant		1	1,186	2,132	1,139	1,166	1,213
Planned Enhancements to Council Property		2	250	250	250	250	250
Disabled Facilities Grants			1,900	1,900	1,900	1,900	1,900
ICT Infrastructure		3	410	0	75	101	101
Leisure Facilities		4	3,450	0	0	0	0
Recycling Containers		5	45	45	45	45	45
Crematorium Infrastructure	A	6	1,775	875	0	0	0
Future High Street Fund	A	7	3,653	4,325	0	0	0
Carlisle Southern Relief Road	A	8	5,000	0	0	0	0
Sands Car Park Resurfacing		9	210	0	0	0	0
Swifts Car Park Resurfacing		9	200	0	0	0	0
Cumbria Sustainable Warmth		10	17,745	0	0	0	0
Play Areas		11	250	0	0	0	0
TOTAL POTENTIAL PROGRAMME			36,074	9,527	3,409	3,462	3,509

A: Subject to further reports to the Executive, including a full Business Plan, prior to the release of any earmarked reserve and any expenditure being incurred.

Note 1: The anticipated budgets for the replacement of the Council's vehicle fleet on the assumption of like for like replacements, with smaller electric vehicles being purchased where possible.

Note 2: Provision for expenditure to maintain the enhancement programme on Council operational property in line with the Asset Management Plan priorities.

Note 3: The provision for expenditure of ICT equipment.

Note 4: Capital expenditure for the enhancement work to Leisure Facilities. Associated costs of the external borrowing are included in the revenue budget.

Note 5: To cover expenditure on replacement recycling and refuse containers.

Note 6: To provide new infrastructure for the crematorium including replacement cremators, assuming electric replacement. The project is part funded from the amounts set aside in the Cremator Replacement Earmarked Reserve.

Note 7: This project is part of the funding application to the Future High Streets Fund and seeks to redevelop and improve the area around the Greenmarket and Market Square in Carlisle City Centre. The project is part funded through the FHSF grant, with a funding requirement from the Council of £390,000.

Note 8: This relates to the contribution committed in support of the Housing Infrastructure Fund Bid (HIF) for the development of the Carlisle Southern Relief Road as part of the Garden City initiative. It is envisaged that the cost of this contribution will be recouped through developer contributions once the Garden Village starts being delivered.

Note 9: The Sands redevelopment project does not provide for any enhancement of the car park once the project is complete. This proposal seeks to provide funding to carry out resurfacing and enhancement work to the car park that will enhance the overall site once the project is completed. The Swifts car park will serve as an overflow car park for the Sands and as such enhancement work is required to improve the standard of the surface.

Note 10: A successful bid for grant funding for a county wide scheme totalling £19.955m across 2021/22 and 2022/23 for Sustainable Warmth (LAD3) and Home Upgrade (HUG1).

Note 11: An allocation for Play Areas, urban and rural which can also be used to support exiting schemes in parished areas.

A summary of the estimated resources compared to the proposed programme is set out in **Schedule 9** below:

Schedule 9 – Summary Capital Resource Statement

Summary Programme	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Estimated Borrowing Requirement 31 March 2022	28,795				
In Year Impact:					
- Estimated resources available in year (Schedule 7)	(25,210)	(7,388)	(7,615)	(4,107)	(5,547)
- Proposed Programme (Schedule 8)	36,074	9,527	3,409	3,462	3,509
Borrowing Requirement	39,659	41,798	37,592	36,947	34,909

SECTION D – USABLE RESERVES PROJECTIONS

1. The Executive recommends, as a consequence of Sections A, B and C detailing the Council's Revenue and Capital budgets, the overall use of the Councils usable Reserves as set out in **Schedule 10** below.

Schedule 10 – Usable Reserve Projections

Analysis of Council Reserves		Outturn 31 March 2021 £000	Projected 31 March 2022 £000	Projected 31 March 2023 £000	Projected 31 March 2024 £000	Projected 31 March 2025 £000	Projected 31 March 2026 £000	Projected 31 March 2027 £000
Revenue Reserves								
General Fund Reserve		(3,100)	(3,100)	(3,100)	(2,726)	(2,071)	(2,216)	(2,600)
Projects Reserve		(1,708)	(363)	(530)	0	0	0	0
Carry Forward Reserve		(628)	(628)	(628)	(628)	(628)	(628)	(628)
		(5,436)	(4,091)	(4,258)	(3,354)	(2,699)	(2,844)	(3,228)
Cremator Replacement Reserve		(1,196)	(887)	13	13	13	13	13
Economic Recovery Reserve		(50)	0	0	0	0	0	0
Operational Risk Reserve - Covid19	(i)	(500)	(500)	0	0	0	0	0
Operational Risk Reserve - Treasury Mgt	(i)	(600)	(600)	(323)	0	0	0	0
Operational Risk Reserve - Savings		(1,600)	0	0	0	0	0	0
Operational Risk Reserve - LGR		(500)	0	0	0	0	0	0
Building Control Reserve		(24)	(24)	(24)	(24)	(24)	(24)	(24)
Planning Services Reserve	(ii)	(206)	(225)	(225)	(225)	(225)	(225)	(225)
Waverley Viaduct Reserve		(30)	(30)	(30)	(30)	(30)	(30)	(30)
Revenue Grants Reserve		(2,141)	(1,761)	(1,761)	(1,761)	(1,761)	(1,761)	(1,761)
Council Tax Hardship Grant Reserve		(359)	0	0	0	0	0	0
Council Tax Income Guarantee		(69)	0	0	0	0	0	0
Scheme Reserve		(9,463)	0	0	0	0	0	0
Prosecutions Fund Reserve		(35)	(35)	(35)	(35)	(35)	(35)	(35)
City Centre Reserve		(5)	(5)	(5)	(5)	(5)	(5)	(5)
Flood Reserve		(4)	(4)	(4)	(4)	(4)	(4)	(4)
Apprentice Reserve		(96)	(96)	(96)	(96)	(96)	(96)	(96)
Total Revenue Reserves		(22,314)	(8,258)	(6,748)	(5,521)	(4,866)	(5,011)	(5,395)
Capital Reserves								
Usable Capital Receipts		0	0	0	0	0	0	0
Unapplied capital grant		(126)	(3)	(3)	(3)	(3)	(3)	(3)
Lanes Capital Reserve		(90)	(105)	(120)	(135)	(150)	(165)	(180)
Total Capital Reserves		(216)	(108)	(123)	(138)	(153)	(168)	(183)
Total Usable Reserves		(22,530)	(8,366)	(6,871)	(5,659)	(5,019)	(5,179)	(5,578)
Other Technical Reserves	(iii)	(105,815)						
Total All Reserves		(128,345)						

These reserves are to be released to General Fund in 2022/23 and 2023/24

- (i) Economic Growth Scrutiny Panel requested that consideration be given to this reserve being used to enhance planning enforcement and tree preservation matters
- (ii) These reserves are of a technical nature and are not cash backed. They are not available either to fund expenditure or to meet future commitments.

SECTION E - BUDGET DISCIPLINE AND SAVING STRATEGY

1. Although LGR is expected to be implemented on 1 April 2023, the Council has continued to adopt a 5-year financial strategy as set out in its Medium-Term Financial Plan to assist in the integration of financial planning with the priorities set out in the Carlisle Plan. The current medium-term financial projections point to a shortfall in the Council's recurring budgets, requiring the use of reserves and the achievement of identified savings. In addition, the scope for the Council to continue support for initiatives in future years and to redirect resources to priority areas will be dependent on the extent to which the Council is successful in realising savings and maximising income and funding streams. The requirement to achieve savings or raise additional income in future years is a continuing and increasing pressure facing the Council.
2. The Council continues to recognise the challenges of reductions in Central Government funding and uncertainty over other Government funding such as Business Rate Retention (and significant reductions in other revenue and capital grants) together with increased cost pressures. However due to its success to date in identifying savings, the Council now has a solid financial base in order to set its 2022/23 budget.
3. The savings strategy will continue to concentrate on the following areas to deliver the savings required to produce a balanced budget, however the exact work programme will be dependent on progress with the Transformation programme.
 - Asset Strategy – to focus on ensuring the council's asset portfolio maximises the benefit to the Council through income generation or by realising receipts of assets that do not generate a return that can then be utilised to ease pressures in capital and revenue budgets through the most appropriate means, e.g., re-investment in new assets and supporting the capital programme to reduce the Council's borrowing requirement.
 - Service Reviews – A review of services to include their purpose and relevance in achieving the Carlisle Plan priorities, including a review of those services which do not fall within the Council's core priorities or which are not statutory will be undertaken to ensure that services and resources are properly aligned to what the Council wants to achieve.
 - Core Budgets – a review of base budgets, including income generation to ensure compliance with best practice on priority and outcome based budgeting and other appropriate budget disciplines.
4. Members and Officers are reminded that it is essential to maintain a disciplined approach to budgetary matters and as such:
 - Supplementary estimates will only be granted in exceptional circumstances.
 - Proposals seeking virement should only be approved where the expenditure to be incurred is consistent with policies and priorities agreed by the Council.
5. In order to continue the improvements in the links between financial and strategic planning, the Joint Management Team will continue to meet regularly to progress forward planning on these issues.

STATUTORY REPORT OF S.151 OFFICER

1. In setting its Budget Requirement, the Council is required under the Local Government Act 2003 (Section 25) to consider:

- (i) The formal advice of the statutory responsible financial officer (Corporate Director of Finance and Resources) on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;
- (ii) The Council has to determine what levels of borrowing, if any, it wishes to make under the Prudential Code that governs local authority borrowing.

2. Robustness of the Estimates

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff, the Senior Management Team and the Strategic Financial Planning Group prior to submission to members.

The Council's revenue and capital budgets are integrated in that the financial impact of the proposed capital programme is reflected in the revenue estimates.

The Council has no history of overspending against budget, indeed, there has tended to be a degree of underspending. However improved budget monitoring backed up by specific action where appropriate and base budget procedures have proven effective in addressing this issue.

However, there are risks involved in projecting budgets particularly over the medium term and the year-end position will never exactly match the estimated position in any given year. Areas of specific risk in the current five-year period under consideration are:

- The Savings programme is expected to achieve savings of £2.050million in 2023/24 in order to meet the expected cuts in grants from central government and other budgetary pressures identified in the previous budget process. This will ensure that a balanced 5-year budget is produced and where Council reserves are replenished over the longer term (subject to the impact of LGR).
- The level of interest receipts and return on Treasury Management activities are subject to market rates. Members are advised of this risk every year and it should be noted that in the current economic climate with low and relatively static base rates, investment income returns in the medium term continue to prove challenging. The Council is also having to deal with a reduced number of counterparties it is able to place deposits with.

The main risk to the robustness of the estimates contained within the 5-year MTFP is the continued uncertainty regarding the Fair Funding Review and Business Rates Retention Review. Economic recovery following COVID-19 and the impact this has on costs and inflationary assumptions is also a significant risk. The implementation of Local Government Reorganisation in Cumbria will also impact on the level of earmarked reserves held by the Council, and the 5-year MTFP has been prepared in order to achieve financial sustainability for the new organisation post April 2023.

There will be a requirement to use reserves in the short term; however, proposals must put in place to ensure that reserves will rise over the following 5-year period to minimum levels to inform and sustain the new Unitary Council.

The delivery of the savings proposals identified and continuing work to deliver further savings will also be important to maintaining reserves at prudent levels. Regular budget monitoring, particularly in the area of the Savings programme is imperative during this period. The level of the Council's future Capital Programme, taking account of a significant reprofiling in capital receipts, is fully funded but includes a significant borrowing requirement over the five-year period. The Capital Programme includes plans to sell assets that can be utilised to reduce the overall borrowing requirement for future capital investment decisions.

- Central contingencies – there have been no contingency budgets built into the existing estimates. This means that any unforeseen expenditure that cannot be contained within existing budgets will require a supplementary estimate to cover any costs. The budget proposals will significantly limit the capability to deal with any of these events and these may have to be found from within other budgets and reserves should the need arise.

2. Adequacy of Reserves

The level and usage of the Council's Reserves is undertaken annually as part of the Medium-Term Financial Plan.

The appropriateness of the level of reserves can only be judged in the context of the Council's longer-term plans and an exercise has been undertaken to review the level of reserves through the use of a risk assessment matrix. The findings of this exercise suggested that the minimum level should be set at £3.1million as a prudent level of General Fund Reserves which will be required as a general working capital/ contingency to cushion the Council against unexpected events and emergencies.

The Councils policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years. The Executive sets out in its Budget Discipline and Saving Strategy on how it expects Officers to address the 2022/23 budget pressures in setting the 2022/23 budget and principles to be adopted.

Based on current projections, Council Reserves as at 31st March 2023 will be maintained at prudent levels. It is accepted that the level of reserve is reliant on the delivery of the transformation savings and achievement of income targets and government funding.

3. Determination of Borrowing

The Prudential Accounting regime enables the Council to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for Council approval once decisions on the overall Capital Programme have been made.

For the period under review the need for borrowing will be kept under consideration and will be dependent on the level of capital receipts being generated and the potential of future capital projects. Due to projects currently under consideration, the capital programme for 2022/23 to 2026/27 will require the use of Prudential Borrowing (including internal borrowing) to sustain levels depending on the levels of capital receipts that can be generated in the future. Where borrowing is required, full option appraisals will be carried out. The financial sustainability and level of debt for the new Unitary Authority will be a consideration especially in terms of the timing of any external borrowing undertaken.

SECTION G – GLOSSARY OF TERMS

BUDGET

- **GROSS** – the total cost of providing the council's services before taking into account income from service related government grants and fees and charges for services.
- **NET** – the Council's gross budget less specific government grants and fees and charges, but before deduction the settlement funding assessment and other funding from reserves.
- **ORIGINAL BUDGET** – the budget for a financial year approved by the council before the start of the financial year.
- **REVISED BUDGET** – an updated revision of the budget for a financial year.
- **NET BUDGET REQUIREMENT FOR COUNCIL TAX PURPOSES** – the estimated revenue expenditure on general fund services that needs to be financed from the Council Tax after deducting income from fees and charges, certain specific grants and any funding from reserves.

CAPITAL EXPENDITURE - Expenditure on the acquisition of a fixed asset or expenditure, which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS – the proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure within rules set down by the government, but they cannot be used to finance revenue expenditure.

CONTINGENCY – money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

COUNCIL TAX – the main source of local taxation to local authorities. Council tax is levied on households within its area by the billing authority and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

DISABLED FACILITIES GRANT (DFG) – individual government grants towards capital spending on providing disabled adaptations to housing.

EXECUTIVE- consists of elected Members appointed by the Leader of the Council to carry out all of the local authority functions which are not the responsibility of any other part of the local authority.

FEES AND CHARGES – income raised by charging users of services for the facilities.

INTEREST RECEIPTS – the money earned from the investment of surplus cash.

NATIONAL NON-DOMESTIC RATE (NNDR) - this is a levy on businesses, based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy. Also known as 'business rates', the 'uniform business rate' and the 'non-domestic rate'.

NON-RECURRING EXPENDITURE – items which are in a budget for a set period of time.

PRECEPT – the levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

- **PRECEPTING AUTHORITIES** – those authorities which are not billing authorities, i.e., do not collect the council tax and non-domestic rate. County councils, police authorities and joint authorities are ‘major precepting authorities’ and parish, community and town councils are ‘local precepting authorities’.

RESERVES – amounts set aside in one year to cover expenditure in the future, which all Authorities must maintain as a matter of prudence. Reserves can either earmarked for specific purposes or general.

RETAINED BUSINESS RATES - collected by billing authorities on behalf of central government and the precepting authorities (Central Government, County Councils and Billing Authority) and redistributed in accordance with a prescribed formula set by the DLUHC taking into account top up and tariffs.

REVENUE EXPENDITURE – day to day running costs of the Authority, including employee costs, premises costs and supplies and services.

SENIOR MANAGEMENT TEAM (SMT) – a group of senior officers consisting of the Chief Executive, Deputy Chief Executive and Corporate Directors.

SUPPLEMENTARY ESTIMATE – an amount, which has been approved by the authority, to allow spending to be increased above the level of provision in the original or revised budget.

TAXBASE – the number of Band D equivalent properties within each Local Authority area used to determine the Funding settlement by the DLUHC and to calculate the Council Tax yield by each authority.

VIREMENT – the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head i.e., a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.

(d). Councillor Ellis presented the Executive’s Budget for 2022/23, which would be the last budget of Carlisle City Council which had been in existence for 48 years. He highlighted the exciting projects which would change Carlisle and help support its recovery. He announced car parking changes, to be consulted upon, which would help increase footfall into the city and support the recovery of the City Centre. The Executive intended to reduce the car parking costs Monday to Friday from £1.30 for the first hour to £1. In addition, parking at the weekends and bank holidays would be free. Enforcement Officers would be redeployed to support other areas of work such as street cleaning.

Councillor Ellis then addressed the Council, at some length, in support of the motion that the recommendations of the Executive in respect of the General Fund Revenue Budget and the Council’s Capital Budget for 2022/23 be agreed.

Councillor J Mallinson formally seconded the motion.

(e). Amendments / Objections to the Executive’s Budget Recommendations

Speaking at the invitation of the Mayor, and on behalf of Members of the Labour Group, Councillor Dr Tickner gave notice of 4 amendments which would be submitted to

Councillor Ellis' motion. The amendments related to Community Centre Funding; Cost of Living Support Funding; Carlisle – A Social Enterprise City; and Happy Mums Foundation – Peer Support Worker.

Councillor Paton gave notice of 1 amendment which would be submitted to Councillor Ellis' motion regarding Mental Health Support.

Speaking on behalf of Members of the Independent and Liberal Democrat Group, Councillor Bomford indicated that no amendments would be submitted to Councillor Ellis' motion.

Councillor Dr Davison gave notice of 2 amendments which would be submitted to Councillor Ellis' motion. The amendments related to funding for the formation of a Citizens' Jury and Jubilee Trees Legacy.

Councillor Betton gave notice of 2 amendments which would be submitted to Councillor Ellis' motion. The amendments related to Environmental Clean Up and Enforcement and Cost of Bereavement.

(f). Adjournment of Meeting

Following circulation of copies of the above-mentioned amendments, it was moved by the Mayor and AGREED under Procedure Rule 14.10(g), that the meeting be adjourned to allow time for consideration of the amendments.

The meeting adjourned at 19:20 and reconvened at 19:51

The Mayor sought and received confirmation that there were no further amendments to the Motions already moved.

(g). Consideration of Amendments

1. Community Centre Funding

Councillor Patrick moved an amendment to Councillor Ellis' motion as follows:

“Community Centres are at the heart of our wards and are an essential community resource. This Council agrees to guarantee funding at existing levels plus inflation for 2022/23 and 2023/24 and that the grant funding for the two years is all paid in 2022/23. This will provide security of income to the Centres as we transition to the 'Cumberland' Unitary Council. This would be paid for from existing revenue budgets but would be a re-profiling of these existing budgets.”

Councillor Dr Tickner seconded the amendment.

Councillors Patrick and Dr Tickner addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Patrick:

Councillors Alcroft, Atkinson, Betton, Birks, Brown, Dr Davison, Mrs Glendinning, Glover, Paton, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Patrick:

Councillors Allison, Bainbridge, Bomford, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Patrick, as set out above, was DEFEATED.

2. Cost of Living Support Funding

Councillor Brown moved an amendment to Councillor Ellis' motion as follows:

"The proposed freezing of Council Tax will be welcomed by some in our communities. However, this will only go so far in protecting families on the margins from the cost of living rises that are forecast to increase dramatically in 2022. We applaud the Ways to Welfare Scheme however we appreciate that grant will not be sufficient to meet the number of applications submitted. We welcome the continued support by way of Council Tax discounts for those citizens of Carlisle lacking the means to pay full Council Tax. These families will not gain from the Council Tax freeze, and we propose that this Council sets aside a fund of £110,000 to support these households. The fund would be administered by Carlisle CACE who have experience of this type of scheme. The £110,000 would include all scheme administration costs and the grants would be limited to a maximum of £100 per household. The allocation would not be time limited. This funding would be subject to a grant funding agreement and be in addition to any support scheme central government may introduce. This would be paid for from existing revenue reserves."

Councillor Dr Tickner seconded the amendment.

Councillors Brown and Dr Tickner addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Brown:

Councillors Alcroft, Atkinson, Betton, Birks, Bomford, Brown, Dr Davison, Mrs Glendinning, Glover, Paton, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Brown:

Councillors Allison, Bainbridge, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs

Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Brown, as set out above, was DEFEATED.

3. Carlisle – A Social Enterprise City

Councillor Brown moved an amendment to Councillor Ellis' motion as follows:

“This budget amendment seeks to provide funding of £30,000 for an impact and needs analysis study for Carlisle to achieve Social Enterprise City status. Social enterprises are businesses that are changing the world for the better. Like traditional businesses they aim to make a profit but it's what they do with their profits that sets them apart – reinvesting or donating them to create positive social change. Social enterprises are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies. A working group is already developing an action plan with members from Cumbria County Council, CVS, Carlisle City Council and established Social Enterprises working together and the needs analysis study will provide vital help with securing long term private sector funding for the bid, similar to The Transforming West Cumbria (TWC) **Spark Programme** which is funded through Sellafield Limited's SiX (Social impact, multiplied) Programme. This money would be funded from existing reserves.”

Councillor Glover seconded the amendment.

Councillors Brown and Glover addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Brown:

Councillors Alcroft, Atkinson, Betton, Birks, Brown, Dr Davison, Mrs Glendinning, Glover, Paton, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Brown:

Councillors Allison, Bainbridge, Bomford, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Brown, as set out above, was DEFEATED.

4 Happy Mums Foundation – Peer Support Worker

Councillor Alcroft moved an amendment to Councillor Ellis' motion as follows:

“The Happy Mums Foundation is a relatively new initiative in the city that is seeing an increase in demand for its services. There are currently groups operating at Harraby, the ICan Fitness

Centre, as well as two online groups one of which provides support specifically for parents of children with downs syndrome. This budget amendment seeks to support the expansion of this group in order to meet the growing demand by providing a one-off grant of £10,000 in order to provide a group facilitator to help run the groups for a few hours each week. This would be paid for from existing revenue reserves.”

Councillor Wills seconded the amendment.

Councillors Alcroft and Wills addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources’ comments on the impact of the above amendment on the Executive’s budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Alcroft:

Councillors Alcroft, Atkinson, Betton, Birks, Brown, Dr Davison, Mrs Glendinning, Glover, Paton, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Alcroft:

Councillors Allison, Bainbridge, Bomford, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Alcroft, as set out above, was DEFEATED

Suspension of Standing Orders

It was moved, seconded and RESOLVED that Council Procedure Rule 9, in relation to the duration of meetings be suspended in order that the meeting could continue over the time limit of 3 hours.

The meeting adjourned at 22:08 and reconvened at 22:20

5. Mental Health Support

Councillor Paton moved an amendment to Councillor Ellis’ motion as follows:

“To provide a grant of £50,000 to support the work of mental health groups and the provision of mental health services in Carlisle and the surrounding areas. This non-recurring proposal would be funded from the Projects Reserve.”

Councillor Betton seconded the amendment.

Councillor Paton addressed the Council in support of the amendment.

Councillor Mallinson (J) considered the amendment to be laudable and gave a commitment to increase the mental health budget allocation by £40,000, the increase would include £10,000 for the Happy Mums Foundation.

With that assurance, Councillor Paton confirmed that he was happy to withdraw the amendment.

On that basis, and in accordance with Procedure Rule 14.8, the amendment was WITHDRAWN.

Councillor Paton left the meeting.

6. Funding for the formation of a Citizens' Jury

Councillor Dr Davison moved an amendment to Councillor Ellis' motion as follows:

"This amendment is to provide the £10,000 of match funding required to enable a Citizens' Jury to take place in Carlisle and District. The match funding is required to add to the £20,000 already available from the Carlisle allocation in the Zero Carbon Partnership lottery money to enable each District Council in Cumbria to hold their own Citizens' Jury. This was agreed in the Zero Carbon Cumbria bid and Carlisle City Council is a partner in that agreement.

This money will mean that the citizens of Carlisle get the same opportunity as the residents of West Cumbria to have their views heard on climate action to then inform the new Cumberland council on its climate strategies.

Copeland residents have already had their say. Allerdale council is in discussion about having one for their residents. Failure to provide a Citizens' Jury in Carlisle and District will mean that future climate policy, that will greatly impact our residents, will be informed by those outside of Carlisle. It's vital that the views of our citizens in Carlisle are also heard as we tackle the climate emergency.

A one-off sum of £10,000 is proposed funded from revenue reserves."

Councillor Sunter seconded the amendment.

Councillors Dr Davison and Sunter addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Dr Davison:

Councillors Alcroft, Atkinson, Betton, Birks, Bomford, Brown, Dr Davison, Mrs Glendinning, Glover, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Dr Davison:

Councillors Allison, Bainbridge, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Dr Davison, as set out above, was DEFEATED

7. Jubilee Trees legacy:

Councillor Dr Davison moved an amendment to Councillor Ellis' motion as follows:

"This amendment is for £10,000 to allow the planting of trees around the city as part of the Jubilee celebrations and as a legacy from Carlisle City Council.

A one-off sum of £10,000 is proposed from revenue reserves."

Councillor Alcroft seconded the amendment.

Councillors Dr Davison and Alcroft addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Dr Davison:

Councillors Alcroft, Atkinson, Betton, Birks, Brown, Dr Davison, Mrs Glendinning, Glover, Patrick, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Dr Davison:

Councillors Allison, Bainbridge, Bomford, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Dr Davison, as set out above, was DEFEATED

8. Environmental Clean Up and Enforcement

Councillor Betton moved an amendment to Councillor Ellis' motion as follows:

"To provide funding for staff and associated equipment for the team dealing with all aspects of environmental clean-up and enforcement in respect of dog fouling, litter and fly tipping. This would be a continuation of the current scheme costing £60,000 covering the whole of the Carlisle District. This non-recurring proposal would be funded from the Projects Reserve."

Councillor Southward seconded the amendment.

Councillor Christian acknowledged the increase in littering, fly tipping and graffiti. The Executive wanted to provide a clean, safe environment for residents and visitors and gave an undertaking to provide funding to the service from existing resources as required.

With that assurance, Councillor Betton confirmed that he was happy to withdraw the

amendment.

On that basis, and in accordance with Procedure Rule 14.8, the amendment was WITHDRAWN.

9. Cost of Bereavement:

Councillor Betton moved an amendment to Councillor Ellis' motion as follows:

"Given the financial difficulties' households are currently encountering with COVID and other cost of living pressures, it is proposed to freeze the charges for bereavement services in 2022/23. We therefore ask the Executive to reconsider the increase in these charges for 2022/23 and fund the income shortfall from Revenue Reserves."

Councillor Mrs Glendinning seconded the amendment.

Councillor Patrick left the meeting.

Councillors Betton and Mrs Glendinning addressed the Council in support of the amendment.

The Corporate Director of Finance and Resources' comments on the impact of the above amendment on the Executive's budget proposals had been circulated.

Debate followed, during which various Members of the City Council outlined their support for / opposition to the amendment.

A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

The following Members voted for the amendment of Councillor Betton:

Councillors Alcroft, Atkinson, Betton, Birks, Brown, Dr Davison, Mrs Glendinning, Glover, Miss Sherriff, Southward, Sunter, Dr Tickner, Miss Whalen and Wills.

The following Members voted against the amendment of Councillor Betton:

Councillors Allison, Bainbridge, Bomford, Mrs Bowman, Christian, Collier, Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The amendment of Councillor Betton, as set out above, was DEFEATED

(h) There being no further amendments, the Council considered the motion of Councillor Ellis with regard to the City Council Budget for 2022/23.

Discussion ensued, with input from a number of Members of the City Council.
A recorded vote was taken in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

Councillor Whalen left the meeting.

The following Members voted for the Motion of Councillor Ellis:

Councillors Allison, Bainbridge, Betton, Bomford, Mrs Bowman, Christian, Collier, Dr Davison,

Ellis, Ms Ellis-Williams, Mrs Finlayson, Higgs, Lishman, Mrs Mallinson, Mallinson (J), Mrs McKerrell, Meller, Mrs Mitchell, Mitchelson, Morton, Robson and Shepherd.

The following Members voted against the Motion of Councillor Ellis:

Councillors Alcroft, Atkinson, Birks, Brown, Mrs Glendinning, Glover, Miss Sherriff, Southward, Sunter, Dr Tickner and Wills.

The Motion of Councillor Ellis as set out at (c) above relating to the City Council's General Fund Revenue Budget and Capital Budget for 2022/23 was CARRIED.

C.28/22 Establishment of 'Cumberland' Council area – Joint Committee

Pursuant to Minute EX.15/22 consideration was given to a report of the Corporate Director of Governance and Regulatory Services regarding the establishment of a Cumberland Joint Committee. Copy Report GD.07/22 and relevant minute extracts were circulated.

Councillor Ellis moved the recommendations and Councillor J Mallinson seconded them.

RESOLVED – That Council

(1) Agreed to the establishment of the Cumberland Joint Committee as detailed in report GD.07/22 and to the Terms of Reference attached at Appendix 1.

(2) Delegated the Non-executive Functions within the Terms of Reference to the Cumberland Joint Committee.

(3) Delegated to the Corporate Director of Governance and Regulatory Services, in consultation with the Leader and Mayor, the making of any minor changes to the Terms of Reference following consideration by other Councils making up the Joint Committee

(4) Authorised the Corporate Director of Governance and Regulatory Services to make the necessary amendments to the Council's Constitution and to update the Council's Scheme of Delegation in Section 2(a) of the Constitution.

(5) Appointed Councillors Mallinson (J), Ellis and Dr Tickner to the positions on the Cumberland Joint Committee in accordance with the political representation / balance calculation.

(6) Delegated to the Town Clerk and Chief Executive following consultation with the Leader and the Mayor the authority to agree which of the 'Cumberland' Councils acts as the host authority for the Cumberland Joint Committee.

(7) Agreed that this Joint Committee would be/is the Cumberland Joint Committee for the purposes of the forthcoming Cumbria (Structural Changes) Order 2022 (or such similar title that her Majesty's Government decides).

C.29/22 Operation of Provisions Relating to Call-In and Urgency

Pursuant to Overview and Scrutiny Procedure Rule 15(i), consideration was given to a report of the Corporate Director of Governance and Regulatory Services (GD.08/20) on procedures in respect of occasions where decisions taken by the Executive were urgent.

RESOLVED – That the report be noted.

C.30/22 COMMUNICATIONS

There were no communications or items of business brought forward by the Mayor as a matter of urgency to be dealt with at the meeting.

The Meeting ended at: 00:13