
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 16 JANUARY 2012

**EX.005/12 EXECUTIVE RESPONSE TO THE BUDGET CONSULTATION AND
RECOMMENDATIONS FOR THE 2012/13 BUDGET
(Key Decision)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Governance and Resources

Subject Matter

The Leader referred to the Executive's Budget proposals for 2012/13, copies of which were tabled at the meeting.

The Leader reiterated that the Budget proposals were necessary to ensure that the authority continued to meet the challenges of the reduction in money as a result of the economic downturn over the five years which started in 2011/12.

The Executive had successfully identified £3 m in transformational savings and now had a solid financial base in order to set their 2012/13 Budget. It was therefore possible to adopt a more measured approach in spreading the further savings required of £2.57 m over the next four years whilst maintaining a safe and healthy financial future for the Council.

As part of next year's budget, the Executive was proposing a Council Tax freeze for the City Council for 2012/13 which was the first time the citizens of Carlisle had the benefit of a freeze for two years running. The Executive was also committed to a Council Tax freeze during 2013/14 which would mean a freeze for three years in succession.

He added that the Executive remained committed to protecting front-line services, such as waste and recycling collections and street cleaning, but had to take some tough decisions about services and future spending.

The Council would continue:

- working in partnership with other Councils or organisations;
- buying in services (where it made good financial sense);
- focussing on raising more income from its own assets; and
- making the Council's services even more efficient.

In addition to the Council Tax freeze the key issues within the Executive's budget proposals included:

- shortfalls in income had now been factored into the 2012/13 budget
- as a result of a thorough review of car parking facilities within the City they had an overall reduction in charges for 2012/13
- continuation of the small scale community budgets for members to spend in their own areas tackling specific ward issues.

The Leader reported that there was also a small amount of flexibility within the budget to enable the Executive to fund non-recurring revenue schemes, support for an Environmental Support Team for two years; financial support for the Events Programme which included the Olympic Torch, Music City and to celebrate the Queen's Jubilee, which would achieve community involvement as well as an economic boost to Carlisle.

Confirmation that the proposed savings carried over from the current year's budget covering advice agencies would not be taken. The Executive would continue to support the Law Centre and the Citizens Advice Bureau which was important during a time of recession.

The budget included capital support for projects such as the replacement Families Accommodation; the Old Town Hall and extra money for Disabled Facilities Grants.

Re-profiling of the Asset Business Plan included the first £15m being invested in the Treasury Management money markets to generate additional interest income pending a decision on the £15 m loan which this administration had inherited. The Executive was already looking at how any surplus would be invested in the economic growth and cultural offer of Carlisle as they were developing major projects.

In conclusion, the Leader stated that the Budget proposals would provide sustainability for the Council, investment in the growth of Carlisle and importantly value for money for the residents of Carlisle.

The Governance and Resources Portfolio Holder indicated that he was pleased with the pragmatic and innovative nature of the Executive Budget Proposals 2012/13 which would be recommended to the City Council on 7 February 2012. He was particularly pleased that the Budget proposed a Council Tax freeze for the City Council for 2012/13 and 2013/14 (a three year freeze) and importantly sought to protect advice agencies in order that they may continue to support people in the current very difficult circumstances.

The Governance and Resources Portfolio Holder added that the £15 m investment from the Asset Review would prevent the need for cuts otherwise required. It had always been the Executive's intention of minimise cuts as far as possible. He referred to the superb transformation process which had successfully identified £3 m in savings and resulted in one of the most effective management structures ever in place within the City Council.

Notwithstanding the fact that times were difficult, the authority had performed well and could move forward with some considerable confidence.

Summary of options rejected

A number of options which had been considered as part of the Council's 2012/13 budget deliberations as identified in various reports

DECISION

That the Executive Budget Proposals for 2012/13, attached as Appendix D, be forwarded to the City Council for approval on 7 February 2012.

Reasons for Decision

To produce the Executive's budget proposals for 2012/13 for recommendation to the City Council.