REPORT TO EXECUTIVE						
PORTFOLIO AREA: FINANCE AND RESOURCES						
Date of Meeting	g:	05 November 2001				
Public						
Key Decision:	Ye	S	Recorded in Forward Plan:	Yes		
Inside Policy Framework						

#### Title: ECONOMIC DEVELOPMENT SERVICES - REVENUE ESTIMATES 2002/03

Report of: The City Treasurer

# Report reference: Financial Memo 2001/02 No 105

#### Summary:

This report considers the revised revenue estimates for 2001/02 together with the estimates for 2002/03 in respect of the Economic Development Services. The report is compiled in the light of the City Council's agreed budget strategy for 2002/03.

#### **Recommendations:**

The Executive is requested to approve the estimates for the purposes of formulating a recommended budget to Council.

Contact Officer: Maureen Williamson

Ext: 7291

#### CITY OF CARLISLE

To: The Chairman and Members of Financial Memo

The Executive <u>2001/02 No 105</u>

05 November 2001

#### ECONOMIC DEVELOPMENT SERVICES -

#### **REVENUE ESTIMATES 2002/03**

# **1. BACKGROUND INFORMATION AND OPTIONS**

1. This report summarises the revenue estimates for the Economic Development Services. The net budget requirement for each service area is summarised below with more detail being shown in the Appendices.

 $file://F: \ Vol\% 2028(4)\% 20 Committee\% 20 Reports \ FM\% 2001.02\% 20 No.105\% 20-\% 20 Econo... \ 08/08/2006$ 

1,029,839	Total		674,250	695,890	417,5
286,094	Corporate Property	В	206,270-	465,350-	517,1
743,745	Economic Development	A	880,520	1,161,240	934,€
£			£	£	£
<u>Actual</u>			<u>Original</u>	<u>Revised</u>	<u>Estim</u>
<u>2000/01</u>		<u>Appendix</u>	2001/02	<u>2001/02</u>	<u>2002</u>

- 2. These estimates have been compiled in accordance with the City Council's agreed budget strategy for 2002/03. They have been prepared on an outturn basis with assumptions built in regarding price changes for all goods and services; in particular the pay award due in April 2002 has been assumed at 3 %. The estimates are cash limited at these amounts, which means that, once approved, Budget Holders must operate within this budget.
- 3. Where estimates have <u>not</u> been contained within agreed cash limits then this is indicated in the relevant section of this report.
- 4. The estimates are presented to the Executive in a summarised format. A set of papers containing all the detailed estimate provisions is available from the City Treasurer's Department on request.
- 5. Members should note that while these estimates have generally been finalised, some budgets might be subject to change before the estimate cycle is completed. This principally relates to the "Central Administration" recharges, which have still to be finally agreed between service departments.
- 6. The services within this report fall within the responsibility of the Economic Prosperity portfolio.

# 2. ECONOMIC DEVELOPMENT SERVICES

- 1. This section comprises Business and Employment Development (including the Irthing Centre and the Enterprise Centre) and Tourism and City Centre Management.
- 2. The net budget requirement for these services is shown attached at **Appendix A**. A detailed analysis of the changes between Original and Revised Estimate 2001/02 and the Estimate for 2002/03 can be found at **Appendix A1**.

2.3 The requirement by the Council to charge depreciation (plus a notional interest charge) on all of the Council's property assets instead of an asset rent calculated at 6% of capital value has resulted in an increased charge of £56,110. This is in respect of the Irthing Centre. However this additional charge will not affect the Council's overall bottom line expenditure requirement, since there is an equal and opposite credit generated by the charge.

2.4 The Council at its meeting on 17 July 2001 approved supplementary estimates of  $\pounds$ 1,023,000 as a result of the General Fund 2000/01 outturn, of which £189,480 related to Economic Development Services. These budgets are reflected in the revised estimates as now presented.

2.5 Salary related costs have increased by £11,850 in 2002/03. This increase is in relation to annual increments and the full year effect of filling a vacant post amounting to £2,660 and £9,190 respectively.

FM 01.02 No.105 - Economic Development Services - Revenue Estimates 2002-03 (Executiv... Page 3 of 7

## **3. CORPORATE PROPERTY**

- 1. This section includes the Lanes Centre Development, Covered Market, Industrial Estates, other Corporate Properties and the Airport.
- 2. The net budget requirement for these services is shown attached at **Appendix B**. A detailed analysis of the changes between Original and Revised Estimate 2001/02 and the Estimate for 2002/03 can be found at **Appendix B1**.

3.3 Additional income of £23,280 has been generated from the Industrial Estates in 2001/02 as more units have been occupied during the year compared to the original budget assumptions. The rent review for the Parkhouse Estate has also been achieved resulting in additional income of £62,340 in this financial year. However income from General Properties has fallen by £43,210 in 2001/02, and this can be analysed as follows:

Rent Reviews not achieved £27,750

Rent Reviews delayed £3,500

Increased level of unoccupied properties £11,960

3.4 These estimates have been prepared on the basis of providing budget provision for the running costs of the Airport to the date of disposal, therefore generating savings of £328,460 and £112,250 in base budgets for 2001/02 and 2002/03 respectively.

## 4. CONSULTATION

This report will be referred to the relevant Overview and Scrutiny Committee to give them the opportunity to comment on any aspect of the estimates presented within this report, as part of the budget process

#### 5. STAFFING/RESOURCES COMMENTS

Not applicable.

#### 6. CITY TREASURER'S COMMENTS

Included within the report.

#### 7. LEGAL COMMENTS

Not applicable.

#### 8. CORPORATE COMMENTS

The Acting Head of Economic Development and the Corporate Property Officer have been fully involved in the compilation of these estimates and in the preparation of this report.

#### 9. ENVIRONMENTAL IMPLICATIONS

Not applicable.

#### **10. RECOMMENDATIONS**

The Executive is requested to approve the estimates for the purposes of formulating a recommended budget to Council.

FM 01.02 No.105 - Economic Development Services - Revenue Estimates 2002-03 (Executiv... Page 4 of 7

# D THOMAS

# **City Treasurer**

# Contact Officer: Maureen Williamson Ext: 7291

OUTTURNESTIMA2000/012001.££ECONOMIC DEVELOPMENT SERVICES184,664MANAGEMENT & SUPPORT154,252BUSINESS & EMPLOYMENT DEVELOPMENT145,252BUSINESS & EMPLOYMENT DEVELOPMENT36,900ENTERPRISE CENTRE92,498BRAMPTON BUSINESS CENTRE92,498BRAMPTON BUSINESS CENTRE174,698TOURISM & CITY CENTRE DEVELOPMENT174,698CONFERENCE GROUP100,318CARLISLE TOURIST INFORMATION CENTRE761,665TOTAL GROSS COST891,7-7,020RECHARGES			
OUTTURNESTIMA2000/01£££ECONOMIC DEVELOPMENT SERVICES184,664MANAGEMENT & SUPPORT154,252BUSINESS & EMPLOYMENT DEVELOPMENT145,252BUSINESS & EMPLOYMENT DEVELOPMENT36,900ENTERPRISE CENTRE92,498BRAMPTON BUSINESS CENTRE92,498BRAMPTON BUSINESS CENTRE174,698TOURISM & CITY CENTRE DEVELOPMENT174,698CONFERENCE GROUP100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT		ECONOMIC DEVELOPMENT SERVICES ESTIMATES 2002/03	
2000/01         2001           £         £           ECONOMIC DEVELOPMENT SERVICES         ECONOMIC DEVELOPMENT SERVICES           184,664         MANAGEMENT & SUPPORT         318,2           154,252         BUSINESS & EMPLOYMENT DEVELOPMENT         145,5           36,900         ENTERPRISE CENTRE         46,6           92,498         BRAMPTON BUSINESS CENTRE         95,4           1         NEW DEAL CONTRACT         173,5           18,334         CONFERENCE GROUP         21,5           100,318         CARLISLE TOURIST INFORMATION CENTRE         90,2           761,665         TOTAL GROSS COST         891,7           -7,020         RECHARGES			ORIGINAL
££184,664MANAGEMENT & SUPPORT154,252BUSINESS & EMPLOYMENT DEVELOPMENT154,252BUSINESS & EMPLOYMENT DEVELOPMENT36,900ENTERPRISE CENTRE92,498BRAMPTON BUSINESS CENTRE92,498BRAMPTON BUSINESS CENTRE174,698TOURISM & CITY CENTRE DEVELOPMENT174,698CONFERENCE GROUP100,318CARLISLE TOURIST INFORMATION CENTRE761,665TOTAL GROSS COST891,7-7,020RECHARGES-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT	OUTTURN		ESTIMATE
ECONOMIC DEVELOPMENT SERVICES184,664MANAGEMENT & SUPPORT154,252BUSINESS & EMPLOYMENT DEVELOPMENT154,252BUSINESS & EMPLOYMENT DEVELOPMENT36,900ENTERPRISE CENTRE92,498BRAMPTON BUSINESS CENTRE92,498BRAMPTON BUSINESS CENTRE174,698TOURISM & CITY CENTRE DEVELOPMENT174,698CONFERENCE GROUP100,318CARLISLE TOURIST INFORMATION CENTRE761,665TOTAL GROSS COST891,7-7,020RECHARGES-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT	2000/01		2001/02
184,664MANAGEMENT & SUPPORT318,2154,252BUSINESS & EMPLOYMENT DEVELOPMENT145,536,900ENTERPRISE CENTRE46,692,498BRAMPTON BUSINESS CENTRE95,41NEW DEAL CONTRACT173,5174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP21,5100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES-10,900	£		£
154,252BUSINESS & EMPLOYMENT DEVELOPMENT145,536,900ENTERPRISE CENTRE46,692,498BRAMPTON BUSINESS CENTRE95,41NEW DEAL CONTRACT95,4174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP21,5100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES11,2-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2		ECONOMIC DEVELOPMENT SERVICES	
36,900ENTERPRISE CENTRE46,892,498BRAMPTON BUSINESS CENTRE95,41NEW DEAL CONTRACT95,4174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP21,5100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES11,2-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2	184,664	MANAGEMENT & SUPPORT	318,210
92,498BRAMPTON BUSINESS CENTRE95,41NEW DEAL CONTRACT1174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP21,9100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES1-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2	154,252	BUSINESS & EMPLOYMENT DEVELOPMENT	145,520
1NEW DEAL CONTRACT174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP100,318CARLISLE TOURIST INFORMATION CENTRE761,665TOTAL GROSS COST-7,020RECHARGES-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2	36,900	ENTERPRISE CENTRE	46,850
174,698TOURISM & CITY CENTRE DEVELOPMENT173,518,334CONFERENCE GROUP21,5100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES0-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2	92,498	BRAMPTON BUSINESS CENTRE	95,480
18,334CONFERENCE GROUP21,9100,318CARLISLE TOURIST INFORMATION CENTRE90,2761,665TOTAL GROSS COST891,7-7,020RECHARGES0-10,900DEMOCRATIC PROCESS & CORP MANAGEMENT-11,2	1	NEW DEAL CONTRACT	0
100,318       CARLISLE TOURIST INFORMATION CENTRE       90,2         761,665       TOTAL GROSS COST       891,7         -7,020       RECHARGES       0         -10,900       DEMOCRATIC PROCESS & CORP MANAGEMENT       -11,2	174,698	TOURISM & CITY CENTRE DEVELOPMENT	173,560
761,665       TOTAL GROSS COST       891,7         -7,020       RECHARGES         -10,900       DEMOCRATIC PROCESS & CORP MANAGEMENT       -11,2	18,334	CONFERENCE GROUP	21,900
-7,020     RECHARGES       -10,900     DEMOCRATIC PROCESS & CORP MANAGEMENT	100,318	CARLISLE TOURIST INFORMATION CENTRE	90,230
-10,900 DEMOCRATIC PROCESS & CORP MANAGEMENT -11,2	761,665	TOTAL GROSS COST	891,750
	-7,020	RECHARGES	0
0 DEPARTMENTAL SUPPORT	-10,900	DEMOCRATIC PROCESS & CORP MANAGEMENT	-11,230
	0	DEPARTMENTAL SUPPORT	0
-17,920 TOTAL RECHARGED -11,2	-17,920	TOTAL RECHARGED	-11,230
743,745 TOTAL NET COST 880,5	743,745	TOTAL NET COST	880,520

				APPENDIX A1
ECONOMIC DEVELOPMENT	SERVICES			
ANALYSIS OF CHANGES FRO	OM BASE ESTIMATE			
			£	£
ORIGINAL BASE ESTIMATE 2	2001/02			880,520
1.Adjustments Approved by (	Committee/Officers To Date			
Salary Savings budgets vired to	o Central Overheads			18,830
2.Expenditure Adjustments				
Allowed Changes				
- Capital charges			56,110	
- Leased Car Recharges			2,480	
		İ		

file://F:\Vol%2028(4)%20Committee%20Reports\FM%2001.02%20No.105%20-%20Econo... 08/08/2006

## FM 01.02 No.105 - Economic Development Services - Revenue Estimates 2002-03 (Executiv... Page 5 of 7

- Salary related adjustments				260		
- Other				(4,460)	54,390	
3. Income Adjustments		7				
- Increased rental income (Enterprise Centre)					(5,270)	
4. Internal Recharge Adjustments						
Increase /(decrease) in Central Administration charges			1	(330)		
Increase /(decrease) in Central Accommodation charges			1	3,620	3,290	
			1		-,	
ADJUSTED BASE ESTIMATE 2001/02		]			951,760	
5. Non Recurring Items			-			
Budgets b/fwd from 2000/01(per Council 17 July 2001)		٦		189,480		
Non Recurring Supplementary Estimate (Tourism)	-			20,000	209,480	
REVISED ESTIMATE 2001/02 ADJUSTED BASE ESTIMATE 2001/02		1			<b>1,161,240</b> 951,760	
ADJUSTED BASE ESTIMATE 2001/02					951,760	
6. Expenditure Adjustments	٦					
Allowed Changes	_					
- Leased Car Recharges				(330)		
- Salary related changes				11,850		
- Other				200		
Non Recurring New Policy Initiative				(23,000)	(11,280)	
				0.000		
- General				9,800	24.040	
- Salary related				14,240	24,040	
7. Internal Recharge Adjustments						
Increase /(decrease) in Central Administration charges			1	(26,300)		
Increase /(decrease) in Democratic Process charges			1	340		
Increase /(decrease) in Central Accommodation		]	-	(1,640)	(27,600)	
8. Income Adjustments	-					
Corporate Charging Policy					(1,800)	
9. Savings Incorporated into Estimates		1				
Savings incorporated into Estimates		]			(500)	
BASE ESTIMATE 2002/03		1			934,620	
						2002/02
	ע י		VIEINI SE		STIMATES	2002/03
						RIGINAL
					<u> </u>	STIMATE
2000/01 CORPORATE	PR	OPERTY	,			2001/02
£						£
						-
-70,831 TOWN CEN	JTE			г		-462,940
				·		
-55,058 COVERED						-79,390
-39,014 INDUSTRIA		STATES				-101,020
51,003 GENERAL	PR	OPERTIE	S			-3,630
399,994 AIRPORT						440,710
						++0,710

file://F:\Vol%2028(4)%20Committee%20Reports\FM%2001.02%20No.105%20-%20Econo... 08/08/2006

\_

FM 01.02 No.105 - Economic Development Services - Revenue Estimates 2002-03 (Executiv... Page 6 of 7

286,094

TOTAL CORPORATE PROPERTY

-206,270

		PPENDIX B1
ECONOMIC DEVELOPMENT SERVICES - CORPORATE PROPERTY		
ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		(206,270)
1.Adjustments Approved by Committee/Officers To Date		
Savings re the Airport		(328,460)
2.Expenditure Adjustments		
Allowed Changes		
- Capital charges	(9,110)	
- NNDR	3,060	
- Other	890	(5,160)
3. Income Adjustments		
- Reduced Income (Market Hall)	5,000	
- Increased income (Industrial Estates)	(23,280)	
- Reduced income (General Properties)	43,210	24,930
		,
4. Internal Recharge Adjustments		
Increase /(decrease) in Central Administration charges		103,100
ADJUSTED BASE ESTIMATE 2001/02		(411,860)
5. Non Recurring Items		
Budgets b/fwd from 2000/01(per Council 17 July 2001)	8,850	
Increased income (Parkhouse Review)	(62,340)	(53,490)
REVISED ESTIMATE 2001/02		(465,350)
ADJUSTED BASE ESTIMATE 2001/02		(411,860)
		( )/
6. Expenditure Adjustments		
Allowed Changes		
Non recurring Repair & Maintenance (Asbestos Inspections)	(15,000)	
Savings re the Airport	(112,250)	
Miscellaneous	(5,810)	(133,060)
Inflation Provision		
- General		2,320
7. Internal Recharge Adjustments		
Increase /(decrease) in Central Administration charges		36,560
8. Income Adjustments	]	
-		

file://F:\Vol%2028(4)%20Committee%20Reports\FM%2001.02%20No.105%20-%20Econo... 08/08/2006

FM 01.02 No.105 - Economic Development Services - Revenue Estimates 2002-03 (Executiv... Page 7 of 7

Increased Income (Industrial Estates)		(10,350)	
Increased Income (General Properties)		(730)	(11,080)
	-		
BASE ESTIMATE 2002/03			(517,120)