

CARLISLE CITY COUNCIL

Report to:- The Mayor and Members of The City Council

Date of Meeting:- 05 February 2002

Agenda Item No:-

7(4)

Public	Information	Delegated: Yes
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Accompanying Comments and Statements	Required	Included
Environmental Impact Statement:	No	No
Corporate Management Team Comments:	No	No
City Treasurers Comments:	Yes	Yes
City Solicitor & Secretary Comments:	No	No
Head of Personnel Services Comments:	No	No

Title:- REVENUE SUPPORT GRANT 2002/03 FINAL SETTLEMENT

Report of:- The City Treasurer

Report reference:- Financial Memo 2001/02 No 135

Summary:-

The City Treasurer reports on the Final Settlement for Local Government Finance in 2002/03. The effect of this for Carlisle City Council is a reduction of £21,000 in the implied spending limit and a decrease of £20,000 in external grant compared to the revised provisional settlement figures reported in Financial Memo 2001/02 No 129.

Recommendation:-

Members are asked to note and receive the report, and note that the Executive must recommend an amendment to their budget proposal to give effect to the grant changes reflected in the Final Settlement.

Contact Officer: Angela Brown

Ext: 7280

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: DTLR RSG Settlement 28/1/02

CITY OF CARLISLE

To: The Mayor and Members of
The City Council
05 February 2002

Financial Memo
2001/02 No 135

REVENUE SUPPORT GRANT 2002/03 FINAL SETTLEMENT

1. INTRODUCTION

- 1.1 The final proposals of the Secretary of State relating to the Revenue Support Grant Settlement for 2002/03 were laid before Parliament on 28 January 2002.

2. FINAL SETTLEMENT FOR CARLISLE

- 2.1 For Carlisle, the most important outcome has been a reduction of £21,000 in final SSA and a reduction of £20,000 in grant compared to the settlement assumed in the Executive budget proposals being put to Council on 05 February, as set out below:

<u>Standard Spending Assessment</u>	£000	<u>Gain/(Loss)</u> £000
Actual 2001/02	10,824	
Original 04 Dec	11,222	398
Provisional Revised 19 Dec	11,289	67
Final 28 Jan	11,268	(21)

<u>External Grant:</u>	RSG £000	NNDR £000	Total £000	Gain/(Loss) £000
Actual 2001/02	4,082	3,842	7,924	
Original 04 Dec	3,785	4,285	8,070	146
Provisional Revised 19 Dec	3,851	4,285	8,136	66
Final 28 Jan	3,831	4,285	8,116	(20)

- 2.2 The principle reason for the reduction is further changes by the DTLR to the data in relation to the number of overnight visitors, which has reduced the Council's 'enhanced' population from 105,900 (at 19th December) to 105,715, a reduction of 185. Enhanced population is the most important single component in arriving at District council's Standard Spending Assessment.

- 2.3 The result of this change is that the Council's implied spending at SSA increase in 2002-2003 is reduced from £12.887m to £12.866m as shown below:

	<u>2002/03</u> <u>Final</u> £000	<u>2002/03</u> <u>Reported</u> <u>Per FM 129</u> £000
Implied Budget at SSA Increase	12,866	12,887
Total External Grant	8,116	8,136
Less Collection Fund Surplus	72	72
Amount to be Financed from Council Tax	4,678	4,679
Local Council Tax Base	31,795.10	31,795.10
Council Tax to Support Budget <u>at SSA</u> <u>Increase</u>	147.13	147.17

- 2.4 The main concern is the further erosion of the Council's Standard Spending Assessment, which has the effect of increasing the spending gap in future years by a similar amount.

3. IMPACT ON BUDGET PROPOSALS 2002/03

- 3.1 The impact on the budget proposals being considered by Council are that:

- (i) Council Tax must increase by a further 62p to £150.35; or
- (ii) An additional £19,691 (recurring) must be taken from balances to offset the loss of grant advised in the Final Settlement; or
- (iii) A combination of (i) and (ii).

4. RECOMMENDATION

- 4.1 Members are asked to note and receive the report, and note that the Executive must recommend an amendment to their budget proposal to give effect to the grant changes reflected in the Final Settlement.

D THOMAS
City Treasurer

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City Treasury, Carlisle
29 January 2002 AB/CH/f1350102