

REPORT TO EXECUTIVE

PORTFOLIO AREA: Finance and Resources

Date of Meeting: 15 October 2001

Public

Key Decision: Yes

Recorded in Forward
Plan:

Yes

Inside Policy Framework

Title: **CIVIC CENTRE, CENTRAL ADMINISTRATION AND PERSONNEL AND TRAINING REVENUE ESTIMATES 2002/03**

Report of: **The City Treasurer**

Report reference: **Financial Memo 2001/02 No 89**

Summary:

To report on the 2001/02 revised estimates and the 2002/03 base estimates for the Civic Centre, Central Departments (Town Clerks, City Treasurers including IT, Design and Property) and Personnel and Training. The reports are compiled in the light of the City Council's agreed budget strategy for 2002/03.

Recommendations:

The Executive is asked to approve the Civic Centre, Central Departments' and Personnel and Training 2001/02 Revised Estimates and 2002/03 Base Estimates for the purposes of formulating a recommended budget to Council.

Contact Officer: David Steele

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CITY OF CARLISLE

To: The Executive Financial Memo

15 October 2001 2001/02 No 89

CIVIC CENTRE, CENTRAL ADMINISTRATION AND PERSONNEL AND TRAINING
REVENUE ESTIMATES 2002/03

1. BACKGROUND INFORMATION AND OPTIONS

1. This report summarises the revenue estimates for the Civic Centre, the Central Service elements of the City Treasurer's, Town Clerk and Chief Executive's and Environment and Development Departments and the Personnel and Training function as shown in the attached appendices:

Appendix 'A' – Civic Centre

Appendix 'B' – Town Clerk & Chief Executive's Department

Appendix 'C' – City Treasurer's – Financial Services

Appendix 'D' – City Treasurer's – I.T. Services

Appendix 'E' – Department of Environment and Development - Design and Property

Services

Appendix 'F' – Personnel and Training

2. These estimates 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 which means that Budget Holders must operate within this approved budget.
3. 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.
4. Members should note that while these estimates have generally been finalised, some headings may still be subject to change before the estimate cycle is completed. These principally relate to the 'Central Administration' recharges which have still to be finally agreed with service departments.

2. CIVIC CENTRE

1. The total gross expenditure as set out in Appendix 'A' can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

Civic Centre

690,375 - Building 684,650 942,000 870,950

113,151 - Telephones 122,120 110,460 116,020

803,526 Total 806,770 1,052,460 986,970

2. The cost of the Civic Centre is fully recharged to services either on the basis of measured floor area occupied (Civic Centre Building) or telephone usage (Civic Centre Telephones). An analysis detailing the variation between the 2001/02 Original and Revised Estimates and the Estimate for 2002/03 can be found at Appendix 'A1'.
3. The principal variation between the Original and Revised Estimate in 2001/02 relates to the increased capital charge that has been calculated due to the requirement to now charge depreciation on all of the Council's property assets (£252,000). This charge will not affect the Council's overall bottom line expenditure requirement. The principal variation in 2002/03 relates to deferred expenditure on window replacement under the repair and maintenance programme (considered elsewhere on the agenda).

3. TOWN CLERK & CHIEF EXECUTIVE – CENTRAL SERVICES

1. Central Services comprises the Management, Corporate Policy and Strategy, Communications, Legal, City Solicitor, Personnel and Central Training, Town Twinning, Committee Servicing, Secretarial and Administration Sections.
2. Gross expenditure is detailed in Appendix 'B', and can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

1,607,603 Town Clerk and 1,779,180 1,878,910 1,914,400

Chief Executive

3. These services are fully recharged to those other services and departments who utilise the support services provided by these sections. The recharges are calculated using a number of methods including time recording information, and are allocated via Service Level Agreements which are agreed with users. A summary of the proposed charges is shown in the Appendix.
4. An analysis detailing the variations between the 2001/02 Original and Revised Estimate and the Estimate for 2002/03 can be found at Appendix 'B1'.
5. The bulk of the difference between the Original and Revised Estimate is explained by a combination of salary turnover savings budgets which have been moved to Central Overheads (£23,430), increased Civic Centre and Central Administration charges (£50,170) and non-recurring budgets brought forward (£25,150). None of the above charges represents a 'real' increase in the Council's overall budget requirement.

4. CITY TREASURERS – FINANCIAL SERVICES

1. Financial Services includes the Management, Payments and Administration, Accountancy, Corporate Finance, Audit and Debtors functions within the City Treasury.

2. The Gross expenditure is detailed at Appendix 'C', and can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

1,143,898 City Treasury 1,198,160 1,248,400 1,252,530

- Financial Services

3. These functions are fully recharged to those other services and departments who utilise the support services provided by these sections. The recharges are calculated using a variety of methods including time recording information, and are also allocated via Service Level Agreements which are agreed with users.
4. An analysis detailing the variations between the 2001/02 Original and Revised Estimate and the Estimate for 2002/03 can be found at Appendix 'C1'.
5. The bulk of the difference between the original and revised estimate is explained by net increases in the Civic Centre and Central Administration recharges (£24,000) and salary savings virements (£15,830). None of the above changes represent a 'real' increase in the Council's overall budget requirement.

5. CITY TREASURERS – IT SERVICES

1. The IT Services Division provides computing support for the whole authority.
2. Gross Expenditure is detailed at Appendix 'D', and can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

1,078,605 City Treasury 1,087,200 1,099,380 1,123,820

■ IT Services

1. The cost of this service is fully recharged to those services and departments for whom the IT functions provide support. The recharges are calculated using a variety of methods including time recording information, and are allocated via Service Level Agreements which are agreed with users.
2. An analysis detailing the variation between the 2001/02 Original and Revised Estimate and the Estimate for 2002/03 can be found at Appendix 'D1'. There are no significant items to which Members' attention is drawn.

2. DEPARTMENT OF ENVIRONMENT AND DEVELOPMENT - DESIGN AND PROPERTY SERVICES

1. Design and Property Services comprises the Design Management, Building, Highways, Land Drainage and Property Management Divisions of the Department of Environment and Development.
2. Gross Expenditure is detailed in Appendix 'E' and can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

1,755,841 Design and 1,870,750 1,516,420 1,578,630

Property Services

3. These services are fully recharged to those other services and departments who utilise the support services provided by these sections. The recharges are calculated using a number of methods including time recording information and are allocated via Service Level Agreements that are agreed with users.
4. However it should be noted that there is a total of £263,390 within this overall estimate for next year for which funding is still to be identified. This includes £177,030 in respect of property services.
5. An analysis showing the variation between the Original and Revised Estimate 2001/02 and the Estimate for 2002/03 can be found in Appendix 'E1'.
6. The major variation between the Original and Revised Estimate in 2001/02 results from the salary and other savings reported to Environment Committee in August 2001 due to the transfer of the Highways function to the County Council.

3. PERSONNEL AND TRAINING

1. The Personnel and Training budget is principally comprised of staff training for all City Council employees, including elected Members but excluding those employed by the DSO. It also contains other staff benefits, gratuities, recruitment and selection and union facilities. These costs are fully recharged to services on an agreed basis.
2. Gross expenditure can be summarised as follows:

2000/01 2001/02 2001/02 2002/03

Actual Original Revised Estimate

£ £ £ £

243,364 Personnel and 237,890 240,410 244,660

Training

3. No specific items are drawn to Members' attention but an analysis of the variations between the 2001/02 Original and Revised Estimates and the Base Estimate for 2002/03 can be found in Appendix 'F1'.

8. CONSULTATION

Overview and Scrutiny as part of the Budget process.

9. HEAD OF PERSONNEL'S COMMENTS

Not applicable.

10. CITY TREASURER'S COMMENTS

Included in paragraphs 1-7.

11. CITY SOLICITOR & SECRETARY'S COMMENTS

Not applicable.

12. ENVIRONMENTAL IMPLICATIONS

None.

13. CMT COMMENTS

Not applicable.

14. RECOMMENDATIONS

The Executive is asked to approve the Civic Centre, Central Departments' and Personnel and Training 2001/02 Revised Estimates and 2002/03 Base Estimates for the purposes of formulating a recommended budget to Council.

15. REASONS FOR RECOMMENDATIONS

As in paragraphs 1-7.

D THOMAS

City Treasurer

Contact Officer: David Steele Ext: 7288

City Treasury

Carlisle

08 October 2001

DKS/CH/f890102

ORIGINAL	REVISED	
ESTIMATE	ESTIMATE	ESTIMATE
2001/02	2001/02	2002/03

		£	£	£
CONTROLLABLE				
EMPLOYEE COSTS		124,410	108,220	111,320
PREMISES RELATED COSTS		129,640	131,480	134,330
ENERGY		60,270	55,680	54,450
SUPPLIES AND SERVICES		86,860	88,860	88,820
AGENCY & CONTRACTED		15,750	15,750	16,150
TOTAL CONTROLLABLE COSTS		416,930	399,990	405,070
UNCONTROLLABLE COSTS				
TRAINING RECHARGES		1,190	1,190	1,220
INSURANCES		5,870	6,080	6,230
BUILDING REPAIRS		156,420	156,420	69,630
RENT & RATES		154,910	160,820	164,840
CENTRAL ADMINISTRATION		32,490	34,290	36,860
CAPITAL FINANCING COSTS		156,000	408,200	408,200
INCOME		- 117,040	- 114,530	- 105,080
TOTAL UNCONTROLLABLE COSTS		389,840	652,470	581,900
TOTAL COSTS		806,770	1,052,460	986,970
RECHARGES - EXT	ENV & DEV	- 228,340	- 277,770	- 261,860
	HOUSING	- 116,890	- 141,080	- 135,020
	TOWN CLERKS	- 159,710	- 197,230	- 185,390
	CITY TREASURER	- 187,880	- 229,800	- 215,750
	LEISURE	- 45,170	- 55,840	- 52,650
	WORKS	- 2,810	- 2,810	- 2,810
	CORP&DEM CORE	- 74,420	- 95,860	- 89,860
	UNALLOCATED	- 16,870	- 50,270	- 50,270
TOTAL RECHARGES		- 832,090	- 1,050,660	- 993,610

NET TOTAL COST		- 25,320	1,800	- 6,640
				APP 'B'
		ORIGINAL	REVISED	
		ESTIMATE	ESTIMATE	ESTIMATE
		2001/02	2001/02	2002/03
		£	£	£
EMPLOYEE COSTS		1,239,820	1,269,610	1,279,590
TRANSPORT COSTS		61,480	58,010	53,410
SUPPLIES AND SERVICES		226,850	240,170	238,460
AGENCY & CONTRACTED SERVICES		22,170	32,880	43,630
TOTAL CONTROLLABLE COSTS		1,550,320	1,600,670	1,615,090
TRAINING RECHARGES		32,810	32,810	33,730
INSURANCES		4,490	4,650	4,770
BUILDING REPAIRS		-	-	-
CENTRAL ADMINISTRATION		221,460	271,630	281,750
DEPARTMENTAL ADMINISTRATION		101,740	101,740	165,290
INCOME		- 29,910	- 30,860	- 20,940
RECHARGES – INTERNAL		- 101,730	- 101,730	- 165,290
TOTAL UNCONTROLLABLE COSTS		228,860	278,240	299,310
		1,779,180	1,878,910	1,914,400
RECHARGES	ENV & DEV	- 203,760	- 187,430	- 224,930
	HOUSING	- 182,560	- 187,890	- 205,460
	TOWN CLERKS	- 224,370	- 231,870	- 206,410
	CITY TREASURER	- 62,910	- 62,910	- 63,040

	LEISURE	- 144,400	- 145,530	- 171,810
	WORKS	- 49,600	- 49,790	- 49,650
	C D C	- 893,100	- 893,940	- 964,320
	MILLENNIUM	-	-	- 30,500
	UNALLOCATED	- 18,480	- 119,550	1,720
	TOTAL RECHARGES	- 1,779,180	- 1,878,910	- 1,914,400
	TO REVENUE ACCOUNT	-	-	-
		-	-	-

		ORIGINAL	REVISED	
		ESTIMATE	ESTIMATE	ESTIMATE
		2001/02	2001/02	2002/03
		£	£	£
CONTROLLABLE				
EMPLOYEE COSTS		809,690	829,320	862,37
PREMISE RELATED COSTS		-	-	
TRANSPORT COSTS		16,720	19,610	20,68
SUPPLIES AND SERVICES		56,040	58,700	57,04
AGENCY & CONTRACTED SERVICES		-	-	
TOTAL CONTROLLABLE COSTS		882,450	907,630	940,09
UNCONTROLLABLE COSTS				
TRAINING RECHARGES		11,920	11,920	12,26
INSURANCES		2,600	3,160	3,24
CENTRAL ADMINISTRATION		301,030	325,690	296,94
DEPARTMENTAL ADMINISTRATION		157,470	157,470	184,15
INCOME		160	-	
RECHARGES - INTERNAL		- 157,470	- 157,470	- 184,15
TOTAL UNCONTROLLABLE COSTS		315,710	340,770	312,44
TOTAL COSTS		1,198,160	1,248,400	1,252,53
RECHARGES - EXT	ENV & DEV	- 181,060	- 181,060	- 173,95
	HOUSING	- 117,600	- 117,600	- 136,71
	TOWN CLERKS	- 319,030	- 319,030	- 350,85
	CITY TREASURER	- 196,120	- 196,120	- 265,05
	LEISURE	- 193,320	- 193,320	- 168,89
	WORKS	- 177,040	- 177,040	- 157,47
	CORP&DEM CORE	-	-	
	UNALLOCATED	- 13,990	- 64,230	39

TOTAL RECHARGES		- 1,198,160	- 1,248,400	- 1,252,53
NET TOTAL COST		-	-	
I.T. SERVICES				
OUTTURN		ORIGINAL		REVI
2000/01		ESTIMATE		ESTI
£		2001/02		200
		£		:
CONTROLLABLE				
480,099	EMPLOYEE COSTS	488,230		49
15,950	TRANSPORT COSTS	17,680		1
151,716	SUPPLIES AND SERVICES	136,160		13
673	AGENCY & CONTRACTED SERVICES	-		
121,164	SOFTWARE LICENCES	147,260		14
13,334	COMPUTER CONSUMABLES A/C	-		
184,234	REPAIRS & RENEWALS FUND	184,230		17
967,170	TOTAL CONTROLLABLE COSTS	973,560		97
UNCONTROLLABLE COSTS				
3,201	TRAINING RECHARGES	7,670		
3,605	INSURANCES	3,650		
70,380	CENTRAL ADMINISTRATION	67,340		7
34,285	CAPITAL FINANCING COSTS	34,260		3
- 36	INCOME	720		
111,435	TOTAL UNCONTROLLABLE COSTS	113,640		12
1,078,605	TOTAL COSTS	1,087,200		1,09

- 141,970	RECHARGES - EXT	ENV & DEV	- 127,950	- 12
- 156,400		HOUSING	- 169,880	- 16
- 120,660		TOWN CLERKS	- 210,820	- 21
- 460,300		CITY TREASURER	- 442,150	- 44
- 97,050		LEISURE	- 102,820	- 10
- 39,800		WORKS	- 39,960	- 3
48,940		CORP&DEM CORE	-	
-		UNALLOCATED	6,380	-
- 967,240	TOTAL RECHARGES		- 1,087,200	1,09
111,365	NET TOTAL COST		-	

DEPARTMENT OF ENVIRONMENT & DEVELOPMENT - DESIGN AND PROPERTY SERVICES			
OUTTURN		ORIGINAL ESTIMATE	REVISED ESTIMATE
2000/01		2001/02	2001/02
£		£	£
	CONTROLLABLE		
1,298,210	EMPLOYEE COSTS	1,396,490	1,080,000
70,295	TRANSPORT COSTS	75,980	50,000
133,485	SUPPLIES AND SERVICES	71,310	60,000
-	SUPP/NEW POLICY INITIATIVES	30,000	30,000
1,501,990	TOTAL CONTROLLABLE COSTS	1,573,780	1,240,000
	UNCONTROLLABLE COSTS		
26,314	TRAINING RECHARGES	24,170	20,000
5,271	INSURANCES	4,830	5,000
234,160	CENTRAL & DEPT SUPPORT	274,050	250,000
- 11,894	INCOME	- 6,080	-
253,851	TOTAL UNCONTROLLABLE COSTS	296,970	275,000
1,755,841	TOTAL COSTS	1,870,750	1,515,000
	RECHARGES - EXT		
	ENV & DEV	- 875,360	- 820,000
	HOUSING	- 250,950	- 300,000
	TOWN CLERKS	- 73,630	- 100,000
	CITY TREASURER	- 3,080	- 10,000
	LEISURE	- 103,800	- 120,000

- 1,755,841	WORKS	-	
	MILLENNIUM	- 23,960	- 7
	HEAD OF DESIGN	-	1
	CORP&DEM CORE	- 86,280	- 6
	UNALLOCATED	- 453,690	- 2
- 1,755,841	TOTAL RECHARGES	- 1,870,750	- 1,51
-	NET TOTAL COST	-	

APPENDIX A1		
CIVIC CENTRE - ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		806,770
1.Adjustments Approved by Committee/Officers To Date		2,080
2.Expenditure Adjustments		
- Capital Charges	252,200	
- Other	- 14,900	237,300
3.Income Adjustments		2,510
4. Internal Recharge Adjustments		1,800
ADJUSTED BASE ESTIMATE 2001/02		1,050,460
5. Non Recurring Items		
- Budgets b/fwd from 2000/01		2,000
REVISED ESTIMATE		1,052,460

2001/02						
ADJUSTED BASE ESTIMATE 2001/02						1,050,460
6.Expenditure Adjustments						
(a) Allowed Charges						
- Municipal Repair & Maintenance					- 86,790	
- Other					- 2,950	- 89,740
(b) Inflation Provision						14,230
7.Income Adjustments						
- Adjustment to Social Services Recharge					9,790	
- Other					- 340	9,450
8.Internal Recharge Adjustments						2,570
BASE ESTIMATE 2002/03						986,970

APPENDIX B1		
TOWN CLERK AND CHIEF EXECUTIVE'S - ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		1,779,180
1.Adjustments Approved by Committee/Officers To Date		
- Staff Turnover Savings	23,430	
- Recurring Virements	4,020	27,450
2.Expenditure Adjustments		
- Allowed Changes		- 6,190
3.Income Adjustments		
- Reduced attendance rates		3,150
4. Internal Recharge Adjustments		
- Increase in Central Administration charges	23,970	
- Increase in Civic Centre charges	26,200	50,170
ADJUSTED BASE ESTIMATE 2001/02		1,853,760
5. Non Recurring Items		
- Budgets b/fwd from 2001/02		25,150

REVISED ESTIMATE 2001/02			1,878,910
ADJUSTED BASE ESTIMATE 2001/02			1,853,760
6.Expenditure Adjustments			
(a) Allowed Charges			- 3,000
(b) Inflation Provision			52,470
7.Income Adjustments			1,060
8.Internal Recharge Adjustments			
- Increase in Central Administration Charges		17,910	
- Decrease in Civic Centre		- 7,800	10,110
BASE ESTIMATE 2002/03			1,914,400

APPENDIX C1		
CITY TREASURERS - FINANCIAL SERVICES - ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		1,198,160
1.Adjustments Approved by Committee/Officers To Date		
- Salary Turnover Savings		12,310
2.Expenditure Adjustments		10,770
3. Internal Recharge Adjustments		
- Increase in Central Administration charges	11,320	
- Increase in Civic Centre charges	13,340	24,660
ADJUSTED BASE ESTIMATE 2001/02		1,245,900
4. Non Recurring Items		2,500
REVISED ESTIMATE 2001/02		1,248,400
ADJUSTED BASE ESTIMATE 2001/02		1,245,900
5.Expenditure Adjustments		
(a) Allowed Charges		- 800
(b) Inflation Provision		36,180
6.Internal Recharge Adjustments		
- Decrease in Central Administration charges	24,400	-
- Decrease in Civic Centre charges	- 4,350	- 28,750

BASE ESTIMATE 2002/03	1,252,530
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APPENDIX D1		
I T SERVICES - ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		1,087,200
1.Adjustments Approved by Committee/Officers To Date		
- Salary Turnover Savings	8,460	
- Other	840	9,300
2.Expenditure Adjustments		
(a) Allowed Changes		2,170
(b) Volume Changes		
- Equipment Fund		- 9,000
3.Internal Recharge Adjustments		
- Increase in Civic Centre charges		9,710
REVISED ESTIMATE 2001/02		1,099,380
ADJUSTED BASE ESTIMATE 2001/02		1,099,380
4.Expenditure Adjustments		
(a) Allowed Charges		- 640
(b) Inflation Provision		23,220
5.Internal recharge Adjustments		
- Increase in Central Administration Charges	4,740	

- Decrease in Civic Centre charges	- 2,880	1,860
BASE ESTIMATE 2002/03		1,123,820

APPENDIX E1		
DEPARTMENT OF ENVIRONMENT AND DEVELOPMENT - DESIGN AND PROPERTY SERVICES		
ANALYSIS OF CHANGES FROM BASE ESTIMATE		
	£	£
ORIGINAL BASE ESTIMATE 2001/02		1,870,750
1. Adjustments Approved by Committee/Officers To Date		
- Recurring Supplementary estimates	- 370,470	
- Recurring Virements	2,230	- 368,240
2. Expenditure Adjustments		8,760
3. Internal Recharge Adjustments		- 310
ADJUSTED BASE ESTIMATE 2001/02		1,510,960
4. Non Recurring Items		
- Budgets b/fwd from 2000/01	2,500	
- Non Recurring Supplementary estimates	30,000	
- Other non-recurring items - Salary Related	- 27,040	5,460
REVISED ESTIMATE 2001/02		1,516,420
ADJUSTED BASE ESTIMATE 2001/02		1,510,960
5. Adjustments approved by Committee/Officers To Date		
- Full year effect of 2001/02 supplementary		58,190

estimates				
6. Expenditure Adjustments				
(a) Salary related			13,040	
(b) Inflation Provision			36,790	
7. Internal Recharge Adjustments				
- Decrease in Central Administration charges		- 36,050		
- Decrease in Civic Centre charges		- 4,300	- 40,350	
BASE ESTIMATE 2002/03			1,578,630	

APPENDIX F1			
PERSONNEL AND TRAINING - ANALYSIS OF CHANGES FROM BASE ESTIMATE			
	£	£	
ORIGINAL BASE ESTIMATE 2001/02		237,890	
1. Non Recurring Items			
- Budgets b/fwd from 2000/01		2,520	
REVISED ESTIMATE 2001/02		240,410	
ADJUSTED BASE ESTIMATE 2001/02		237,890	
2. Volume Changes (over and above inflation)			
-Long Service Awards		840	
3. Inflation Provision		5,930	
BASE ESTIMATE 2002/03		244,660	