

<h1>REPORT TO EXECUTIVE</h1>			
 <b>CARLISLE CITY COUNCIL</b> <a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a>			
<b>PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES</b>			
<b>Date of Meeting:</b>		4 November 2003	
<b>Public</b>			
<b>Key Decision:</b>	Yes	<b>Recorded in Forward Plan:</b>	Yes
<b>Inside Policy Framework</b>			

**Title:** BUDGET 2004/05 – BASE BUDGET REVIEW

**Report of:** Head of Finance

**Report reference:** FS38/03

**Summary:**

The report summarises the proposed reductions identified from the base budget review recently undertaken as part of the 2004/05 budget process.

**Recommendations:**

The Executive is asked:

1. to give initial consideration and views on the proposed permanent amendments to the base budget from 2004/05 onwards, and
2. to note that the revised budgets for 2003/04 will be amended in the light of the proposed reductions identified (£686,960).

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CITY OF CARLISLE

To: The Executive FS38/03

4 November 2003

BUDGET PROCESS 2004/05 –

BASE BUDGET REVIEW

1. BACKGROUND INFORMATION AND OPTIONS

1. Following consideration of the Head of Finance's Three Year Budget report (FS8/03) in July 2003, the Executive instructed the Chief Executive and the Strategic Financial Planning Group 'to look for and implement efficient savings and review base budget estimates wherever possible throughout the whole authority'.
2. The review, undertaken by Executive Directors, the Head of Finance and each Business Unit Head, challenged, prioritised

and reviewed current base budgets. The results of the review are summarised in the tables below and have been split between increased income and reductions in expenditure.

3. At this stage, the Executive (and Overview and Scrutiny) is asked to give initial consideration and views on the proposed permanent amendments to the base budget from 2004/05 onwards.

## 1. SUMMARY OF BASE BUDGET REVIEW

2.1 The review can be summarised in the Tables below as follows:

		2003/04 £	2004/05 £
Table 1	Increased Income Proposals	483,440	530,030
Table 2	Reduction in Expenditure Proposals	203,520	203,520
TOTAL		686,960	733,550

2.2 The proposed reductions for 2003/04 will be built into the revised estimates which will be presented to the Executive on 24 November. This sum will therefore increase General Fund balances and will be available for use on other Council priorities. Appendix A provides a summary of the base budgets.

Table 1: Increased Income Proposals

Service Area	2003/04 £	2004/05 £	Comments	O&S
Additional income generated in excess of the Corporate Charging Policy as detailed below:			Further details can be found within FS36/03 and individual CCP reports considered elsewhere on the agenda:	
Land Charges			LDS58/03	
Legal other		75,000	LDS58/03	CR
Car Parks	75,000	1,320-	CTS26/03	CR
Development Control	1,240-	132,690	P.48/03	INF
Building Control	65,000	15,220	P.48.03 See item below	INF
Licensing	50,000	88,300	EPS77/03	INF
Cemeteries	100,000	1,810	EPS77/03	CR
Tullie House		73,570	CLS67/03	COMM
TOTAL	<del>40,000-</del> 248,760	<del>43,700-</del> 341,570		COMM
Council Tax Costs Income	30,000	30,000	This relates to income generated from summons costs in respect of non-payment of council tax. The existing charge is currently	CR

Service Area	2003/04 £	2004/05 £	Comments	O&S
Renewals Reserve			These contributions are for	COMM

### Table 2: Reduction in Expenditure Proposals

Contributions: Cemeteries	35,000	35,000	the capital replacement of the cremators and should be dealt with as part of the Capital programme. All Renewal Reserve contributions are subject to the results of the VFM study currently being undertaken by Internal Audit and the level of any revenue contributions towards capital will be assessed at that stage	
Democratic Representation	12,000	12,000	Savings identified from Democratic Representation due to the reduced number of portfolio holders and supplies and services and training budgets being consistently underspent	CR
Concessionary Fares	70,000	70,000	Savings identified from payments to bus companies. Subject to a significant bid considered elsewhere on the agenda RB15/03	INF
Council Tax Software Licences	6,620	6,620	Budget provision no longer required	CR
General Supplies & Services: Parks	5,000	5,000		
Highways Claimed Rights Insurance excess	40,000	40,000	Since the City Council claimed the right to operate this contract, the number of insurance claims has consistently been lower than originally estimated and a reduction of £40,000 has been recommended by the Insurers	INF
Telephones	15,000	15,000	Telephone costs for the Civic Centre consistently underspend and a reduction of £15,000 per annum is considered a realistic target	CR
Lanes Capital Reserve contributions	14,900	14,900	Under the existing lease arrangements the City Council no longer has responsibility for capital repairs at the Lanes. This annual contribution to the Lanes Capital Fund is therefore no longer required. The reserve balance as at 1 April 2003 amounted to £206,380 and this will be dealt with as part of the Reserves & Balances	CR

Grounds Maintenance – Industrial Estates	5,000	5,000	General savings offered but significant Capital Investment required	CR
TOTAL	203,520	203,520		

3. CONSULTATION

Corporate Resources, Community and Infrastructure Overview and Scrutiny Committees will consider the amendments to the base budgets at their meetings in November, and feedback any comments on the proposals under consideration to the Executive in December, prior to the Executive issuing their draft budget proposals for wider consultation.

4. RECOMMENDATIONS

The Executive is asked:

- 1. to give initial consideration and views on the proposed permanent amendments to the base budget from 2004/05 onwards, and
- 2. to note that the revised budgets for 2003/04 will be amended in the light of the proposed reductions identified (£686,960).

1. REASONS FOR RECOMMENDATIONS

To ensure that a balanced budget is approved.

2. IMPLICATIONS

- Staffing/Resources – none
- Financial – contained within the report
- Legal – none
- Corporate – CMT and SFPG have considered the reports
- Risk Management – The major risk to this budget review is the heavy reliance on increases in income from fees and charges, which reflect past and present experience of economic and customer activities. Any significant slowdown or economic recession would likely impact on projected income and would result in budget bids for future years.
- Equality Issues – none
- Environmental – none
- Crime and Disorder –none

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APPENDIX A

Business Unit	Original Budget  2003/04  £	Approvals to date  2003/04  £	Base Budget Review Reductions 2003/04	Revised Budget  2003/04  £	Base Budget Review Proposals 2004/05
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Executive Management	-43,400	121,030		77,630	
Strategy & Performance	101,230	120,130		221,360	
Financial Services	1,066,640	-165,930	-279,680	621,030	-206,760
Legal & Democratic	246,100	39,490	-73,760	211,830	-73,680
Member Support & Employee Services	1,588,650	145,930	-12,000	1,722,580	-12,000
Customer & Information Services	-90	245,680	-30,000	215,590	-30,000
Property Services	-3,022,860	126,610	-29,900	-2,926,150	-29,900
Revenues & Benefits	1,379,790	139,710	-106,620	1,412,880	-106,620
Commercial & Technical Services	-182,430	250,880	-105,000	-36,550	-172,690
Planning Services	796,700	266,930	-50,000	1,013,630	-30,220
Economic & Community Development Services	2,739,280	197,840		2,937,120	
Culture Sports & Leisure	5,124,110	169,930	35,000	5,329,040	38,700
Environmental Protection Services	4,547,240	214,910	-35,000	4,727,150	-110,380
TOTAL	14,340,960	1,873,140	-686,960	15,527,140	733,550