

REPORT TO EXECUTIVE			
PORTFOLIO AREA: COMMUNITY ACTIVITIES			
Date of Meeting:	2 SEPTEMBER 2002		
Public			
Key Decision:	No	Recorded in Forward Plan:	No
Inside/Outside Policy Framework			

Title: TOWN TWINNING FINANCIAL POLICY OPTIONS

Report of: CITY SOLICITOR AND SECRETARY

Report reference: TC.142/02

Summary:

The report deals with the proposal to reduce expenditure on Town Twinning as part of the Council's budget savings requirements for 2003/04 and sets out a proposal for a revised Town Twinning Programme to reflect the new budget allocation.

Recommendations:

In order to achieve a saving of £10,000 on the total town twinning budget for 2003/04, to approve the Revised Programme/Budget allocation for Town Twinning activities as set out in paragraph 5 and note the possible implications as a result of the Budget reduction as set out in paragraph 6 of this report.

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1. BACKGROUND INFORMATION

1.1 Arising from the discussions at the meeting of the Executive on 27 May 2002 I was asked to prepare a report on financial policy options in respect of the Town Twinning budget with a view to reducing the budget by £10,000 per annum to meet the Council's budget saving requirements.

1.2 The following report explains how this might be achieved and the likely effect on town twinning activities.

2. BUDGET COMPOSITION

2.1 The total Town Twinning budget is made up of a number of different constituent heads as follows:

2.1.1 Directly controlled budgets for:

- Town Twinning General Expenses, Three Way Youth Camp, Supplies and Services etc which for 2002/2003 total £31,900 and

2.1.2 Indirectly Controlled budgets for:

- A Central administration element which amounts to £3,060 and

2.1.3 Employee Budgets for:

- The Employee budget for Town Twinning is part of the salary costs of the Senior Administrative Assistant in the Town Clerk and Chief Executive's Department who spends approximately 30% of her time on Town Twinning matters.
- There is also an element within that Employee salary code which is paid to staff in the Leisure and Community Development Department in connection with the operation of the youth exchange.

2.2 For the purposes of this report, it is proposed that the £10,000 reduction is removed from the directly controlled element of the supplies and services of the Town Twinning budget itemised under paragraph 2.1.1 above.

3. TWINNING PROGRAMME

3.1 The Council's twinning partners are Slupsk in Poland and Flensburg in Germany who along with Carlisle take it in turn to host the Civic Delegation and Youth Exchange elements of the Town Twinning programme. In terms of the budget requirements in the years when the City Council hosts one of those elements, there is a substantial call on the town twinning budget. In other years, the call on the budget is not so great. For this reason, there has been an agreement with the City Treasurer (confirmed by Members as part of the annual budget approval) that there should be a three year rolling budget in respect of the Town Twinning activity in order to iron out the peaks and troughs in the call on the budget and the budget has been set at a level to reflect that.

3.2 The core activities for the programme are an Annual Civic Exchange and an Annual Three Way Youth Exchange. The Council also support School Exchanges, Swimming Exchanges and other community groups who wish to make an exchange visit to either Slupsk or Flensburg and some of these have become almost annual grants because of their recurring nature. The Council have also in the past supported technical exchanges with Slupsk.

3.3 The Council have also for a number of years allocated funding from the Town Twinning budget to support the William Howard School link with the Uru School, Tanzania.

3.4 The Youth Exchange element of Town Twinning is organised and run by officers in the Leisure and Community Development Unit in view of their particular expertise in the area of youth work.

4. BUDGET ALLOCATIONS

4.1 By way of illustration, for the last three year cycle the Council has allocated the following budget:

99/00 £30,550

00/01 £30,660

01/02 £31,120

A total of £92,330

4.2 By way of illustration, the Council has over that same three year span spent the following:

- On the Civic Delegation 1 visit per year X 3 £11,208
- On Three Way Youth Exchange 1 exchange per year X 3 £42,638
- School Exchanges 1 school exchange £ 1,032

4.3 Sundry other expenses, as set out at Appendix A, give a total expenditure of £65,425 minus £10,070 of income against a budget of £92,330, which equates to an underspend of £36,975 over the three year period.

4.4 During that period, there were a number of school exchanges, swimming exchanges, initiatives with twinning partners and community group exchanges which were progressed but did not come to completion which in part explains the underspend.

5. PROPOSED REVISED PROGRAMME

5.1 The proposal to reduce the town twinning supplies and services budget by £10,000 to a new figure of £21,900 per annum, together with a 3% uplift for inflation, would provide a new three year budget total requirement of £67,690.

5.2 Using previous years as a guide, this could provide a twinning programme as follows:

Three Way Civic Delegation, 1 visit per year X 3 £12,000

Three Way Youth Exchange, 1 exchange per year X 3 £47,046 (see note)

School Exchanges £1,000 per year X 3 £ 3,000

UK Poland Seminar, one seminar £ 1,300

Website Development and Maintenance ongoing £ 1,050

William Howard/Uru School, Tanzania £500 per year X 3 £ 1,500

General Expenses £1,000 per year X 3 £ 3,000

TOTAL £68,896

5.3 This would result in a projected overspend on the budget over the three year period of £1,206 ie just over £400 per year.

5.4 As the Youth Exchange has the largest call on the budget it is considered that the overspend could be addressed by effectively reducing the Youth Exchange Budget by £1,205 over the three year period. That reduction could be accommodated by either asking the Leisure and Community Development Department, who run the Youth Exchange, to reduce expenditure on the exchange by that amount or to raise additional income by, for instance, imposing a charge/requesting extra fund raising from each participants on the youth exchange.

6. IMPACT OF REDUCTIONS

6.1 Members need to be aware that should the above proposals be approved and (with the exception of the reduction in funding for the Youth Exchange as set out above) the existing core activities were to remain largely unaffected then there would be no budget available for the Council to respond and allocate grants to other Community Groups or Twinning Initiatives as it has done in the past. Funding would also only be available for one school exchange per year. Any requirements to fund any initiatives/grants above that level would require a consequent reduction in the budget available for the current core activities/commitments or new funding being provided from elsewhere.

6.2 If it is considered that the proposals at Section 5 do not provide sufficient flexibility and that funding should be available to enable the Council to respond to new initiatives/requests, then the allocation of funding as set out above will need to be amended. It should, however, be noted that any requirement to alter the funding and current arrangements for the core commitments for the Civic Delegation and the Youth Exchange would need to be discussed and agreed with the Council's Twinning partners. Indeed, if the capacity to respond to new initiatives is going to be restrained from the level of capacity operated in the past then it would be advisable to make the other two twinning partners aware of the Council's likely approach at the forthcoming delegation visit to Slupsk in September because the position would be that the Council would be unable to respond to any initiatives other than those programmed for under paragraph 5.2 above. The Council's twinning partners would need to be made aware of this.

7. RECOMMENDATION

In order to achieve a saving of £10,000 on the total town twinning budget, to approve the Revised Programme/Budget allocation for Town Twinning activities as set out in paragraph 5 and note the possible implications as a result of the Budget reduction as set out in paragraph 6 of this report.

1. BACKGROUND INFORMATION AND OPTIONS

Not applicable.

2. CONSULTATION

Not applicable.

3. STAFFING/RESOURCES COMMENTS

Not applicable

4. CITY TREASURER’S COMMENTS

No comments

5. LEGAL COMMENTS

Not applicable.

6. CORPORATE COMMENTS

Not applicable

7. RISK MANAGEMENT ASSESSMENT

Not applicable

8. EQUALITY ISSUES

Not applicable

9. ENVIRONMENTAL IMPLICATIONS

Not applicable

10. CRIME AND DISORDER IMPLICATIONS

Not applicable

11. RECOMMENDATIONS

In order to achieve a saving of £10,000 on the total town twinning budget for 2003/04, to approve the Revised Programme/Budget allocation for Town Twinning activities as set out in paragraph 5 and note the possible implications as a result of the Budget reduction as set out in paragraph 6 of this report.

JOHN EGAN

CITY SOLICITOR AND SECRETARY

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TOWN TWINNING EXPENDITURE 1999 onwards

DESCRIPTION	1999/00	2000/01	2001/02	3 YEAR TOTAL
General Expenses	1506.18	1941.00	-1000.79 A	2446.39
Flensburg Civic	25.49			25.49
Flensburg School Exchanges	32.00			1032.00
Flensburg Misc Exp	32.00		1000.00	972.66
3-Way Civic Del	3407.64		818.66	11208.90
3-Way Youth Exchange Exp	4489.27	13273.83	1982.26	42638.33
3-Way Youth Exchange Inc	-2550.00	-1950.00	24875.23	-10070.55
Twinning Officers Meeting	900.97		-5570.55 B	900.97
3-Way Events		2056.00		2056.00
Slupsk Civic	60.00		57.60	117.60
Slupsk Other		518.00		518.00
Slupsk Misc Exp	91.80	16.00		107.80
Slupsk Drug/Solvent	188.11	48.00		236.11
UK Poland Seminar 18/04/99	2036.28			2036.28
40th Anniversary		6.00	473.58	479.58
Website Dev & Maint		394.00	255.81	649.81
TOTAL	10219.74	22243.83	22891.80	55355.37
BUDGET	30550.00	30660.00	31117.00	92327.00

NOTES

A Recharges for cashing of travel vouchers and twinning stock produces credit balance

B Prior to 2001 income was a charge levied per person. 2001 income is EU grant of £4780 plus sponsorship raised by young people of £790.55