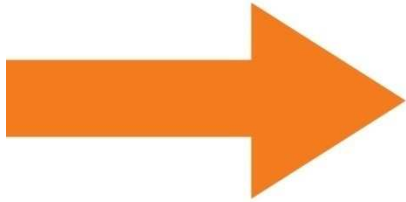


Presentation to ROSP


Medium Term Budget Considerations
2012/13 – 2016/17
Direction of Travel

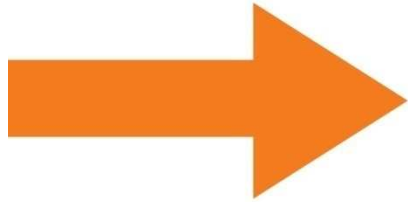




Revenue Budget

Key Assumptions in Budget Projections Paper:

- Includes all items identified as part of the Budget Monitoring process
 - Assumes Recession begins to improve from 2014/15 for items such as Lanes and other Income
 - Assumes Salary Turnover shortfall will improve in 2014/15, due to lower requirement to fund transformation changes
 - Assumes reduction in prudent level of reserves to £2.6m as per risk assessment in MTFP
- 

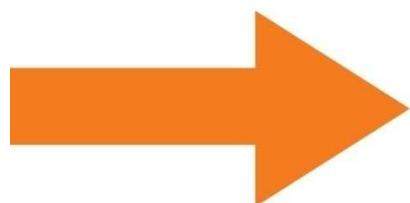


Revenue Budget

Key Assumptions in Budget Projections Paper:

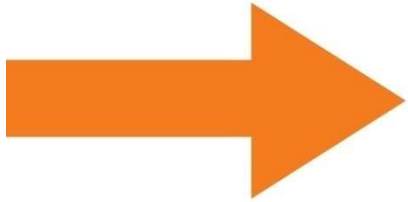
- Assumes Council Tax Freeze in 2012/13 with grant received equivalent to 2.5%, but recurring cost of close to £250,000 per annum. (Council Tax increase of 3.5% p.a. thereafter)
- All the pressures identified would leave reserves running out by the end of 2015/16 if no remedial action taken





Revenue Budget Pressures

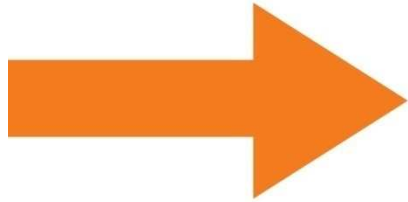
Issue Description	Para	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £
Recurring Revenue Pressures						
Council Tax Freeze (Funding Stream)	3.2	235	244	254	263	273
Council Tax Freeze Grant	3.2	(168)	0	0	0	0
Lanes Head Rent	3.3	277	277	138	0	0
Salary Turnover	3.3	300	300	130	130	130
Development Control Costs	3.3	65	65	65	65	65
Transport (fuel costs)	3.3	100	100	100	100	100
Energy	3.3	55	55	55	55	55
NNDR & Sewerage Charges	3.3	45	45	45	45	45
Industrial Estate Ground Rent	3.3	32	32	32	32	32
Tipping Charges	3.3	50	50	50	50	50
Civic Centre Waste Collection	3.3	5	5	5	5	5
Savings not identified from previous years	3.3	93	93	93	93	93
Reprofiling of Transformation Savings	3.4	360	219	(122)	0	0
Treasury Management Reprofiling	3.5	360	(473)	613	(274)	(282)
Income Below Target	4.2	315	265	215	0	0
Sub Total Recurring Revenue Pressures		2,124	1,277	1,673	564	566
Non Recurring						
Building Control Fees	4.2	25	0	0	0	0
Sub Total Non Recurring Pressures		25	0	0	0	0



Revenue Budget


Items still to be considered:

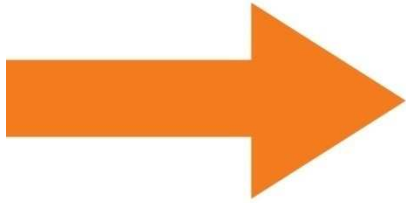
- Impact of County Council savings proposals – Highways, Parking and Waste (Recycling) (Financial Implications on MTFP will need to be assessed by December 2011)
- VAT Claims of £600,000 outstanding (Non Recurring)
- Assumes revised £600,000 p.a. Transformation savings targets. However, if no action taken to mitigate pressures, transformation savings requirement will need to be increased to £1,300,000 from 2013/14 (Total Savings £3.0m by 2016/17)



Revenue Budget

Actions to mitigate pressures:

- Asset Review only assumes £10m net (£13m gross) for Morton, increase to £15m net (£18m gross) in line with current valuations (Could change further once bids are received)
 - Invest £15m from capital receipts for 3 years minimum, would generate additional one off saving in 2013/14 (would also give opportunity to plan for repayment of Stock Issue)
 - Increase Transformational Savings to £800,000 2013/14
- 



Revenue Budget

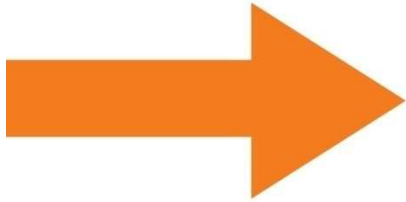
• Financial Position if no action taken

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Net Reserves (In hand) / Overdrawn	(1,257)	(991)	(582)	(409)	243

• Financial Position if additional savings / mitigation taken


	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Net Reserves (In hand) / Overdrawn	(1,067)	(1,649)	(1,732)	(2,297)	(2,596)

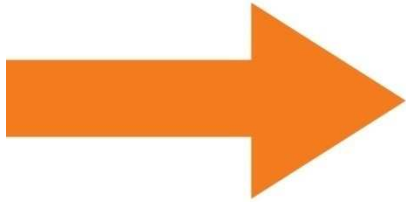




Capital Budget

Key Assumptions in Budget Projections Paper:

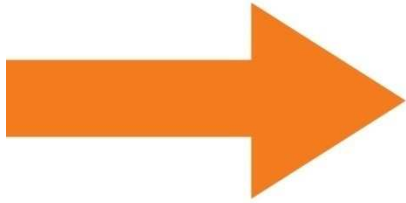
- DFG's requirement of £200,000 per annum from Council
 - Vehicle replacement requirement (Not yet funded)
 - Reduction in anticipated receipts from Lovell's agreement
 - Additional Lovells agreement receipts (Dalton Avenue) not included in budget
 - Potential Borrowing requirement funded from revenue from 2014/15
 - Look at longer term capital requirements in 2013/14 budget when implications of service reviews on capital are better known.
- 



Capital Budget

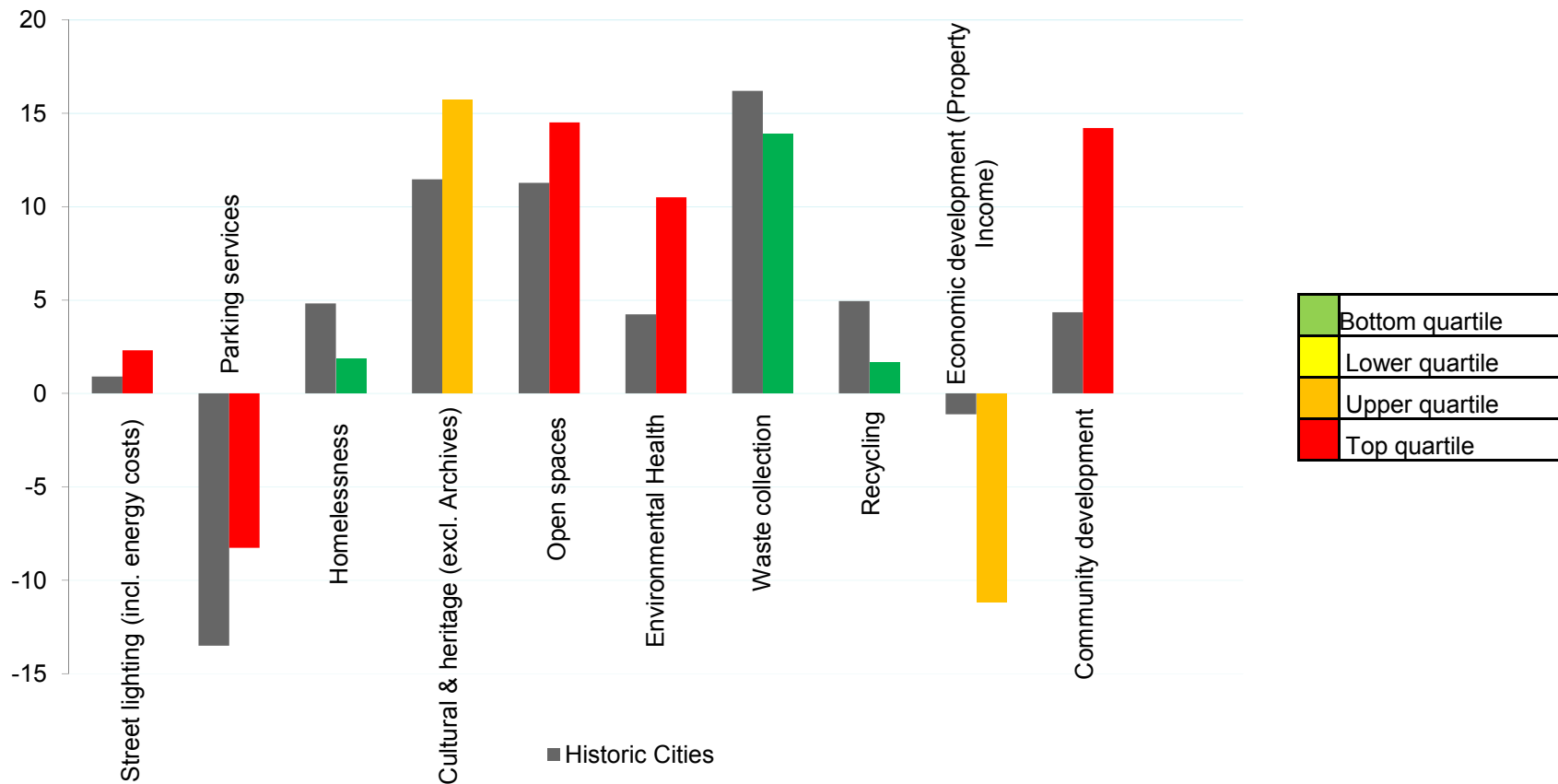
• Capital Receipts balance with all pressures

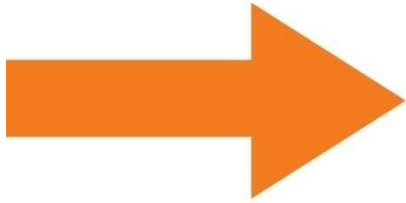
	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Net Reserves (In hand) / Overdrawn	(11,460)	184	(1,442)	3,187	3,477
Borrowing Requirement	0	0	0	(3,187)	(3,477)



Benchmarking

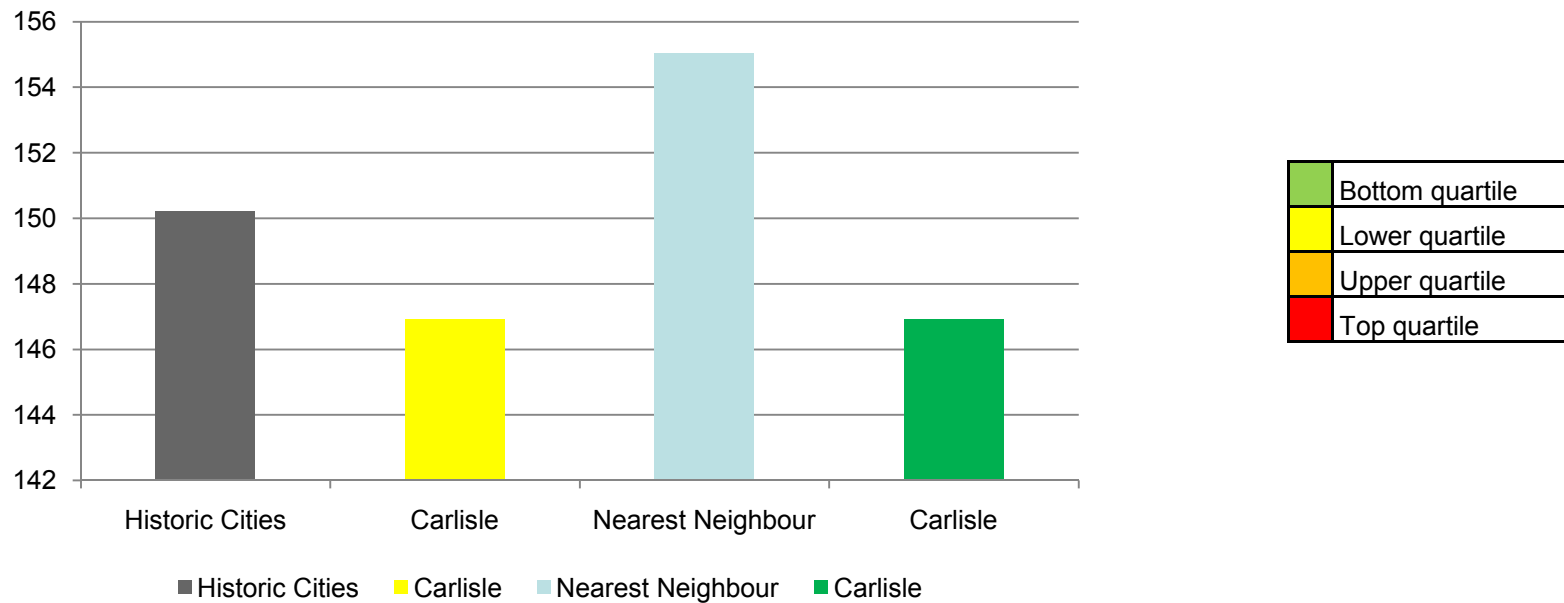
Comparison to Historic Cities (Net Expenditure Per Head of Population)





Benchmarking

Total Expenditure per Head of Population 2011/12



Note: Carlisle's Total Expenditure per Head of Population in 2008/09 was £153.50

