



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: FINANCE AND PERFORMANCE MANAGEMENT

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Date of Meeting: 18 December 2006

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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### Inside Policy Framework

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**Title: GENERAL FUND REVENUE BUDGET SUMMARY - 2006/07 TO 2009/10**

**Report of: Director of Corporate Services**

**Report reference: CORP64/06**

#### Summary:

At its meeting of the 20 November 2006 the Executive considered and made recommendations concerning the summary budget report position for the years 2007/08 – 2009/10, as set out in report CORP51/06. That report set out key issues which remained to be considered as part of the budget cycle and identified a potential funding shortfall of circa £0.248m (2008/09) and £2.019m (2009/10) should all new spending and savings proposals be accepted and incorporated into the Revenue Budget.

This report updates the position outlined in report CORP51/06 and provides a summary of the Council's Revenue Budgets for 2006/07 (revised), 2007/08 and future years projections for 2008/09 and 2009/10. After adjustments due to the 2005/06 Statement of Accounts finalisation and circa £80,000 being moved from capital to revenue expenditure, and the Pirelli pressure reducing from £15k to £3k; the projected shortfalls on the Project Reserve now needing to be found, in order to balance the budget total £320,000 2008/09 and £2,091,000 in 2009/10. This currently assumes all savings and pressures are approved.

#### Recommendations:

The Report seeks the Executive's recommendations for draft budget consultation purposes, as set out in paragraph 9.1.

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**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: Various reports as set out in Appendix A to this report. DCLG Provisional Revenue Support Grant Settlement announced 28<sup>th</sup> November 2006.

To: The Executive  
18 December 2006

CORP64/06

GENERAL FUND REVENUE BUDGET SUMMARY  
2006/07 TO 2009/10

**1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 This report summarises the budget projections and matters to be considered in respect of the net budget requirement for the Council for the financial years 2006/07 to 2009/10.
- 1.2 In particular, it advises on the Council's core revenue budgets for 2007/08 together with projections to 2009/10, and considers the potential impact on the revenue budget of savings proposals and new spending pressures. The budget funding forecasts contained in the report incorporate the provisional Revenue Support Grant received from the Government on 28 November, and considers the potential impact of the grant settlement on the Council's future budget projections.
- 1.3 The report draws on information contained in a number of reports that have been considered by the Executive and Overview and Scrutiny Committees over the course of the financial year. The principal budget reports have been listed in **Appendix A** for reference purposes. The recommendations of the Executive in response to these reports will form the basis for consultation on the 2007/08 draft budget proposals.
- 1.4 The Council received notification of its provisional 2007/08 Revenue Support Grant settlement in January 2006. On the 28 November 2006 the Minister of State for the Department of Communities and Local Government (DCLG) announced that the provisional grant settlement for 2007/08 would remain at the same level as previously proposed, subject to formal consultation. The consultation period for this provisional figure ends 5 January 2007, but assuming there are no late changes to the proposed settlement, the Council will receive a grant of £10.111million for 2007/08.
- 1.5 The DCLG have announced their intentions to move to three year settlements for the period 2008/09 to 2010/11. However, this is dependent on the 2007 Comprehensive Spending Review, which in turn will consider the Lyons Review into local government finance. As the Lyons Review is not expected to report back to the Government until the new year, and government will then have to decide on the way forward for local government finance as a result, it is not expected that the Council will receive any information on its likely three-year settlement under the new

arrangements until the Autumn of 2007. For the purposes of this report, it has been assumed that the Council will not receive any increase in grant over the three-year period 2007/08 to 2009/10.

- 1.6 The Executive will consider the final consultation feedback, together with the final Government Grant settlement figures (if available) on 22 January and will subsequently recommend a budget to Council on 6<sup>th</sup> February 2007.

## 2. GENERAL FUND BUDGET PROJECTIONS 2006/07 REVISED TO 2009/10

- 2.1 The budget projections as currently forecast are summarised in the following table. Further details are contained in the notes following the table and Appendices listed:

<b>Summarised Position</b>	<b>2006/07 Original Estimate £000</b>	<b>2006/07 Revised Estimate £000</b>	<b>2007/08 Original Estimate £000</b>	<b>2008/09 Projection £000</b>	<b>2009/10 Projection £000</b>
Total Projected Expenditure (see 3.1 and Appendix B)	17,056	18,984	18,027	18,597	18,872
Total Projected Resources (see 3.2 and Appendix C)	(17,056)	(18,984)	(17,192)	(17,289)	(17,135)
<b>Projected (Surplus)/ Shortfall excluding savings and new spending</b>	<b>0</b>	<b>0</b>	<b>835</b>	<b>1,308</b>	<b>1,737</b>
<b>Less:</b>					
New Saving Proposals - Recurring - Non-Recurring (see para 4 and Appendix D)			(597) 0	(960) 0	(911) 0
<b>Add:</b>					
New Spending Pressures - Recurring - Non-Recurring (see para 5 and Appendix E)			637 246	694 99	747 30
<b>Potential Budget Shortfall (see para 2.2)</b>			<b>1,121</b>	<b>1,141</b>	<b>1,602</b>
Potential Shortfall Analysis: - Recurring - Non-Recurring			875 246	1,042 99	1,572 30

- 2.2 It should be noted that the potential shortfall projected above would **only occur if all** of the new savings proposals and spending pressures were accepted and incorporated into the Revenue Budget. The Executive are therefore requested to consider the issues in this report and make proposals on the savings, new spending pressures and use of balances set out in this report, in order to issue a draft budget for consultation purposes which **can** be met from within existing resources.
- 2.3 It should also be noted that these projections are subject to the calculation of the final Council Tax base for 2007/08, the anticipated surplus on the Collection Fund at 31 March 2007 and notification of the final Revenue Support Grant, Planning Delivery Grant, Waste Minimisation Grant and LABGI funding all of which are expected in early 2007.

### **3. EXISTING EXPENDITURE COMMITMENTS**

#### **3.1 Existing Expenditure Commitments**

The existing expenditure commitments from the 2006/07 budget and any subsequent approvals by Council are set out in **Appendix B**. The following should be noted:

- The forward year projections at this stage exclude the new spending and saving proposals being put forward for consideration as part of the current year's budget deliberations.
- There is currently one outstanding notification for Parish Council precepts for 2007/08. The current estimate for 2007/08 is for a total £390,868 (a 16.31% increase over 2006/07). The actual Parish requirement for each Parish is set out in **Appendix F**.

#### **3.2 Resources available to meet expenditure commitments**

The figures set out in **Appendix C** are based on the Provisional Local Government Finance Settlement announced by the Secretary of State on 28 November 2006. Contributions from balances include all approvals to date, but make no assumptions on further contributions from balances to support the budget from 2007/08 onwards.

The resources also assume for projection purposes:

- A nil % Government Grant increase for 2008/09 and 2009/10
- An illustrative 3.5% increase in Council Tax increase for 2007/08 to 2009/10;
- A Council Tax Surplus of £55,000 p.a. (the actual for 2007/08 will be available in January)

- A taxbase of 33,443.73 (the actual for 2007/08 will be available in January)

For information, broadly:

- Each 1% (£1.71) movement in Council Tax will change the yield to the Council by £58,000.
- Each 1% movement in Revenue Support Grant or Council Tax Base will change the level of grant by £101,100.
- Each £33,400 increase or decrease in revenue spending will change the Council Tax Requirement by £1.

#### **4. SAVINGS AND ADDITIONAL INCOME PROPOSALS (see Appendix D)**

4.1 The savings and additional income proposals were presented to the Executive at their meeting of 20 November (FS53/06), supported by individual charges review reports.

4.2 In addition, the Executive requested the Senior Management Team to investigate further savings proposals for consideration. The proposals are set out below for Executive consideration. These were also set out in report CORP53/06.

4.3 Local Authority Business Growth Incentive Scheme (LABGI)

This scheme provides the Council with additional resources when the yield from business rates in any one year increases as a direct result of initiatives designed to promote business investment in the area. The additional resources are paid by way of an annual grant and in 2005/06 the Council received £422,000. This grant is paid

retrospectively and notification of the actual amount to be received in 2007/08 is not

expected until February 2007. The amount received in 2005/06 was carried forward

into 2006/07. To date £300,000 has been allocated to Economic Development initiatives. The budget assumes that an additional £30,000 will be received in 2006/07 and £100,000 pa in 2007/08 and 2008/09.

4.4 **Changes since 20/11 Executive meeting.**

Hostel Income – This was shown net on page 16 of the Charges Review Report DS76/06. An amended version is attached at Appendix G shown gross. This is for information and no adjustment is required to the budget as the gross amount has been included in the estimated income receivable.

Building Control income projections – Report DS76/06 (page 10) increased the 2007/08 income budget by 3.1% of the original 2006/07 budget. This level of

income is not realistic and reductions have been made to the cost side to enable this to be reduced to £465,800 rather than £599,400. No changes are required to the bottom line conclusions from that currently incorporated to the budget calculations for 2007/08.

## **5. NEW PRIORITIES FOR REVENUE SPENDING (see Appendix E)**

5.1 The Executive at their meeting of 20 November (FS52/06) considered new spending pressures. The decisions reached at that meeting have been included in this report for budget consultation purposes.

5.2 It should be noted that this report considers the bids for revenue spending only. A further report dealing with the capital programme (CORP63/06) can be found elsewhere on the agenda. Recurring expenditure resulting from the acceptance of capital bids included within the capital programme will, however, have to be met from the revenue budget, and appropriate adjustments have been incorporated into the revenue budget set out in this report.

### **5.3 Changes in priorities for revenue spending since the Executive 20/11/2006.**

Pirelli – A revised pro-forma is attached at Appendix H showing a reduced cash contribution now required. Following further negotiations with the organisers of the Pirelli Rally, an alternative package of support has been proposed from the City Council. It involves activities in kind, including signage, barriers, safety wardens, use of car park space, advertising, and promotional activities. There will be a need to offset some of these direct costs to the City Council so the bid is retained but reduced to £3,000. This has had the effect of reducing the call on the project reserve by £12k.

## **6. PROJECTED IMPACT ON REVENUE BALANCES**

6.1 The Council's overall levels of balances are set out in the table below. It has been assumed at this stage that all of the current budget proposals will be supported and that the call on reserves will as a consequence increase significantly.

6.2 The general principles on the use of each of the Reserves are set out in the Medium Term Financial Plan. In terms of meeting ongoing revenue expenditure, the general guiding principle which Council approved is that :

*'Wherever possible, reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years'.*

<b>Council Reserves</b>		<b>Actual 31/03/06 £000</b>	<b>Revised 31/03/07 £000</b>	<b>Projected 31/03/08 £000</b>	<b>Projected 31/03/09 £000</b>	<b>Projected 31/03/10 £000</b>
General Fund Reserve	(i)	(3,800)	(3,800)	(3,800)	(3,800)	(3,800)
Comm. Serv. Reserve		(100)	0	0	0	0
Projects Reserve	(ii)	(5,747)	(3,218)	(1,389)	320	2,091
Renewals Reserve	(iii)	(1,925)	(1,380)	(1,100)	(983)	(618)
Pensions Reserve	(iv)	(361)	0	0	0	0
Asset Disposal Reserve		(1,100)	(2,100)	(2,100)	(2,100)	(2,100)
Lanes Capital Reserve		(251)	(266)	(281)	(296)	(311)
<b>Total available Council Balances</b>		<b>(13,284)</b>	<b>(10,764)</b>	<b>(8,670)</b>	<b>(6,859)</b>	<b>(4,738)</b>

- i) The General Fund has been built up to the target amount of £3.8m following usage of the reserve to fund £1m allocated to flood recovery work.
- ii) The Projects Reserve has been used as a first call on the current revenue budget deficit. There has been a reduction of £84,000 to the opening balance on the Reserve following completion of the audit of the Statement of Accounts. The forecast of the movement of the reserve is as follows:

<b>Balance as at:</b>	<b>Projected Balance £000</b>	<b>In year Revenue Requirement £000</b>	<b>In Year Capital Requirement £000</b>
31/03/06	(5,747)	2,529	0
31/03/07	(3,218)	1,829	0
31/03/08	(1,389)	1,709	0
31/03/09	320	1,771	0
31/03/10	2,091		

The main potential call on this reserve over the next three-year period is in relation to the potential impact of the Job Evaluation process

- iii) Renewals Reserve
- The Renewals Reserve is used to fund the purchase of capital items of vehicles, plant and equipment. The balance on the Reserve is reducing however, due to

increasing demands for vehicle and IT purchases. Report CORP63/06 elsewhere on the agenda provides an up to date position statement on the Reserve.

iv) Pensions Reserve

The balance on the Pensions Reserve at 31 March 2006 has now been transferred into the Projects Reserve.

**7. MEDIUM TERM OUTLOOK AND BUDGET DISCIPLINE 2008/09 to 2010/11**

7.1 If all savings and budget pressures currently included as part of the budget report are approved, then substantial savings will be required to meet the Council's ongoing commitments and set a balanced budget.

7.2 Additionally, the Government has moved towards three-year grant settlements for local government. Three-year settlements will help considerably with future years financial and service planning, as early indications of future government support to the Council will be available at the start of the budget process. In January 2006, the Government notified local authorities of the settlement for 2006/07 and 2007/08. The provisional settlement notified for 2007/08 has not changed from the figure previously notified in January 2006. The three-year settlement figures 2008/09 to 2010/11 will not be provided until the Autumn of 2007 and will be dependent on the results of the Lyons Review of local government finance, the 2007 Comprehensive Spending Review, (which may propose further efficiency targets) and possibly the White Paper from the DCLG on Strong and Prosperous Communities.

7.3 Implications arising from the Lyons Review on Local Government Finance and the Government Spending Review will need to be assessed and built into future years' projections once the results of the Reviews are made available. This was due to be handed to Ministers 21 December but publication has now been delayed until March 2007.

As a consequence, however, it is considered prudent now to leave the forecast for the grant settlement over the next three years at the same level as notified in 2007/08, although the assumptions in the Medium-Term Financial Plan considered in July assumed a 3% increase year-on-year. This will be updated shortly.

7.4 Other grant assistance is provided through specific grants, e.g. planning delivery grant, waste minimisation grant. As notification on specific grants is received on an individual basis late in the budget process, financial planning around these services will continue to be less robust.



- 7.5 The Council needs to establish as part of its budgetary process the financial discipline to be followed by members and officers in the ensuing financial years, and the Executive is asked to make recommendations in this respect.
- 7.6 Under section 25 of the Local Government Act 2003 the Director of Corporate Services is required to prepare a statutory report which considers the robustness of the estimates and the adequacy of reserves and which determines levels of borrowing. A full report will be prepared and included within the Executive's draft budget proposals for consultation purposes. At this stage it should be noted that although the current revenue budget deficit is at a manageable level, further savings will be required to meet the forecasted projected shortfall in 2009/10. This is consistent the Executive's aims to levying a fair Council tax for the people of Carlisle and to ensure that Reserves are maintained at appropriate levels as set out in the Medium Term Financial Plan.

## **8. CONSULTATION**

- 8.1 The Executive's draft budget will be issued for consultation on 19<sup>th</sup> December. The consultation feedback, together with the final Government Grant settlement (if available), will be considered by the Executive on 23<sup>rd</sup> January 2007 following which the Executive will make final budget recommendations to Council on 6<sup>th</sup> February 2007.

## **9. RECOMMENDATIONS**

- 9.1 The Executive is requested to make recommendations for draft budget consultation purposes on the following issues:
- (i) Recommend approval of the revised estimates for 2006/07 totalling £18.984m and the consequential reduction by £1.928m in reserves, together with the 2007/08 base estimate of £18,027m (para 2.1).**
  - (ii) Recommend any savings and increased income as summarised in appendix D.**
  - (iii) Recommend any new spending commitments as summarised in appendices E.**
  - (iv) Recommend the amount to be appropriated from Balances and Reserves by way of a contribution to General Fund revenue expenditure requirements in 2007/08.**

- (v) **Recommend directions to be given to the Council on the budgetary discipline to be followed in 2007/08 to 2009/10 and on the criteria to be applied in the strategic reallocation of resources to meet the future budget requirements identified in the medium term financial outlook.**

## **10. REASONS FOR RECOMMENDATIONS**

10.1 To enable the Executive's draft budget proposals for consultation purposes to be prepared.

## **11. IMPLICATIONS**

- Staffing/Resources – Certain of the new bid proposals have staffing implications.
- Financial – Included within the report.
- Legal – Not applicable.
- Corporate – Included within the report.
- Risk Management – A major risk to the budget projections is the heavy reliance on income. Income from fees and charges reflect past experience of economic and customer activities, and any significant slowdown or economic recession would likely impact on projected income. This is particularly relevant in 2006/07, with current indications anticipating a significant shortfall against income projections. There is also a heavy reliance on investment income and changed interest rates. Also there is an increased reliance on specific Government grants particularly in the areas of Benefits and Planning, and the Council would need to address the issues which would result from any withdrawal of grants.
- Equality Issues – Not applicable.
- Environmental – Not applicable.
- Crime and Disorder – Not applicable.
- Impact on the Customer – Principally Council tax and charges impacts.

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**PRINCIPAL REPORTS CONSIDERED  
DURING THE BUDGET PROCESS TO DATE**

<b>Report Ref</b>	<b>Date</b>	<b>Title</b>
FS12/06	16/06/06	Medium Term Financial Plan 2007/08 to 2009/10
FS11/06	16/06/06	Corporate Charging Policy 2007/08 to 2009/10
FS13/06	16/06/06	Capital Strategy 2007/08 to 2009/10
DS37/06	12/06/06	Asset Management Plan 2006 to 2011
FS29/06	31/07/06	Three Year Budget 2007/08 to 2009/10 First Forecast and Timetable
CORP51/06	20/11/06	General Fund Revenue Estimates 2007/08 to 2009/10
CORP52/06	20/11/06	Budget 2007/08 to 2009/10 – New Priorities for Revenue Spending
CORP54/06	20/11/06	Provisional Capital Programme 2006/07 to 2009/10
CORP46/06	20/11/06	Renewals Reserve – 5 Year Rolling Programme 2006/07 to 2010/11
CORP53/06	20/11/06	Budget 2007/08 to 2009/10 – Summary of Saving Proposals and Income Projections
LDS59/06	20/11/06	Charges Review – Licensing
LDS53/06	20/11/06	Charges Review – Legal and Democratic Services
DS76/06	20/11/06	Charges Review – Development Services
CS45/06	20/11/06	Charges Review – Community Services 2007/08
CORP54/06	19/12/05	Provisional Capital Programme 2006/07 to 2009/10

NB: In addition to the above reports, specific detailed reports on certain significant budget issues have been considered as separate items.

**EXISTING EXPENDITURE COMMITMENTS**



<b>EXPENDITURE PROJECTION</b>	<b>2006/07 Original Estimate £000</b>	<b>2006/07 Revised Estimate £000</b>	<b>2007/08 Original Estimate £000</b>	<b>2008/09 MTFP Projection £000</b>	<b>2009/10 MTFP Projection £000</b>
<b>Core Spending:</b>					
Core Base Expenditure	13,551	13,551	13,584	13,584	13,584
Treasury Management	620	620	725	1,009	980
Inflation Projection	1,156	1,156	1,600	2,000	2,693
2006/07 agreed Savings	(975)	(975)	(1,218)	(1,202)	(1,202)
2006/07 agreed Spending	1,288	1,288	1,288	1,288	1,288
2006/07 agreed Spending (Job Evaluation Process)			1,000	1,000	1,000
<b>Total Core Spending</b>	<b>15,640</b>	<b>15,640</b>	<b>16,979</b>	<b>17,679</b>	<b>18,343</b>
<b>Non Recurring Exp:</b>					
Pre 2006/07 approvals	671	671	550	460	120
2006/07 New Spending	409	409	55	0	0
Carry Forward from 2005/06	0	1,740	0	0	0
2006/07 Supplementary Estimates	0	188	103	108	49
<b>Total Non-Rec Exp</b>	<b>1,080</b>	<b>3,008</b>	<b>708</b>	<b>568</b>	<b>169</b>
<b>Total City Council Budget Requirement</b>	<b>16,720</b>	<b>18,648</b>	<b>17,687</b>	<b>18,247</b>	<b>18,512</b>
<b>Parish Council Precepts</b>	<b>336</b>	<b>336</b>	<b>340</b>	<b>350</b>	<b>360</b>
<b>Total GF Requirement</b>	<b>17,056</b>	<b>18,984</b>	<b>18,027</b>	<b>18,597</b>	<b>18,872</b>

**RESOURCE PROJECTIONS**





<b>RESOURCES PROJECTION</b>	<b>2006/07 Original Estimate £000</b>	<b>2006/07 Revised Estimate £000</b>	<b>2007/08 Original Estimate £000</b>	<b>2008/09 MTFP Projection £000</b>	<b>2009/10 MTFP Projection £000</b>
<b>Projected External Finance:</b>					
- Revenue Support Grant	(1,581)	(1,581)	(10,111)	(10,111)	(10,111)
- NNDR Grant	(8,190)	(8,190)	0	0	0
- Surplus on Collection Fund	(145)	(145)	(55)	(55)	(55)
- C/Tax for Parish Precepts	(336)	(336)	(340)	(350)	(360)
- Council Tax Yield (estimate of 3.5% increase 2007/08 +)	(5,740)	(5,740)	(5,978)	(6,205)	(6,440)
<b>Total Income based on 3.5% Tax Increase Projections</b>	<b>(15,992)</b>	<b>(15,992)</b>	<b>(16,484)</b>	<b>(16,721)</b>	<b>(16,966)</b>
<b>Plus Approved contributions from Balances:</b>					
- Pre 2006/07 non-recurring commitments	(671)	(671)	0	0	
- 2006/07 non-recurring commitments	(319)	(2,247)	(708)	(568)	(169)
- Pre 2006/07 recurring	(74)	(74)	0	0	
<b>Total Use of Reserves</b>	<b>(1,064)</b>	<b>(2,992)</b>	<b>(708)</b>	<b>(568)</b>	<b>(169)</b>
<b>Total Projected Resources</b>	<b>(17,056)</b>	<b>(18,984)</b>	<b>(17,192)</b>	<b>(17,289)</b>	<b>(17,135)</b>

## **APPENDIX D**

### **SAVING PROPOSALS**

<b>Detail</b>	<b>2007/08 £000</b>	<b>2008/09 £000</b>	<b>2009/10 £000</b>
<b><u>2006/07 Recurring savings</u></b>	<b>(424)</b>	<b>(657)</b>	<b>(553)</b>
<b><u>Savings proposals - 2007/08</u></b>			
Management Restructure	(80)	(80)	(80)
Shared Services - Procurement	0	(100)	(100)
Green Plan Travel	0	(30)	(30)
Elections change to 4 yearly	0	0	(55)
Energy Efficiency	(10)	(10)	(10)
Rationalisation of depots	(10)	(10)	(10)
Overtime Reduction	(56)	(56)	(56)
Car Mileage Reduction	(17)	(17)	(17)
<b>Total of proposed savings</b>	<b>(173)</b>	<b>(303)</b>	<b>(358)</b>
<b>Total savings</b>	<b>(597)</b>	<b>(960)</b>	<b>(911)</b>

## **APPENDIX E**

### **NEW SPENDING PRESSURES**

Detail	2007/08 £000	2008/09 £000	2009/10 £000	Future £000
<b><u>Recurring Revenue Expenditure</u></b>				
Planning Delivery Grant – Officers	67	67	67	
Planning Delivery Grant – Software Maintenance	30	30	30	
Municipal Elections	29	29	29	
Concessionary Fares Increase	145	195	247	
Civic Centre Network Maintenance & Software Licences increases	20	20	20	
Members Broadband	16	16	16	
Insurance Premium Increase	21	21	21	
Equality and Diversity	15	12	12	
Energy Costs Inflation	100	100	100	
Member Support	20	20	20	
Benefits Admin. Grant Reduction	95	105	105	
<b>Total Recurring Cost</b>	<b>558</b>	<b>615</b>	<b>667</b>	
PARISH PRECEPTS 2007/08				
Car Park Income Deficit projected	80	80	80	
Parish Council Precept Paid 2006/07	638	Precept Requested 2007/08	695	Percentage Difference
<b><u>Total Deficit</u></b>		£		%
<b><u>Non- Recurring Revenue Expenditure</u></b>				
Pirelli Rally	2			
Arthurton	37,720	43,042		14.11
Recreation Park	3,165	3,244		2.50
Bewcastle	3,250	3,250	16	0.00
Connected Cumbria Partnership	82,000	82,000		0.00
Capacity Building/ACE/Joint	11,750	12,300		4.68
Burtholme Working/WDP	1,600	1,650	40	3.13
Carlton & Cumrew	500	500		0.00
Financial Services	3,300	3,630		10.00
Womersdale	4,000	4,250		6.25
Waste Minimisation	2,540	2,640		3.94
Cumwhinton	30,000	32,000	43	6.67
Synthetic Football Pitch Income Deficit				
Denton Upper	1,025	1,025		0.00
Farlam	1,800	2,100		16.67
<b>Total Non Recurring Expenditure</b>	<b>11,845</b>	<b>12,200</b>	<b>99</b>	<b>3.00</b>
Hethersgill	5,000	5,000		0.00
Irthington	5,200	5,200		0.00
Kingmoor	3,120	3,512		12.56
Kingwater	900	900		0.00
Kirkandrews- on-Esk	4,500	6,000		33.33
Kirklington	1,850	1,950		5.41
Midgeholme	350	375		7.14
Nether Denton	2,690	2,770		2.97
Nicholforest	4,000	4,000		0.00
Orton	2,400	3,000		25.00
Rockcliffe	2,700	2,800		3.70
Scaleby	3,600	4,500		25.00
Solport	1,000	1,000		0.00
Stanwix Rural	34,550	34,550		0.00
Stapleton	1,800	1,800		0.00
St Cuthbert Without	16,500	18,500		12.12
Walton	3,900	4,180		7.18
Waterhead	600	600		0.00
Westlinton	1,400	1,400		0.00
Wetheral	45,000	85,000		88.89
<b>TOTAL</b>	<b>335,555</b>	<b>390,868</b>		<b>16.48</b>

**APPENDIXG**



"CORP64.06  
Appendix G.xls"

**REVENUE BUDGET 2007/08  
PRO-FORMA TO BID FOR ADDITIONAL RESOURCES**

Please complete the pro-forma and return to Shelagh McGregor as soon as possible but no later than the 11<sup>th</sup> August. Should you need any assistance please contact Shelagh McGregor (7290) or Alison Taylor (7280).

<u>DIRECTORATE:</u>	<u>Development Services</u>
<u>PORTFOLIO:</u>	<u>Promoting Carlisle</u>
<u>PORTFOLIO HOLDER:</u>	<u>Cllr Mitchelson</u>
<u>SERVICE HEAD:</u>	<u>David Beaty</u>
<u>BID TITLE:</u>	<u>Pirelli Rally</u>

<u>Is this bid required to develop existing services or</u>	<u><b>N</b></u>
<u>To provide resources for service growth</u>	<u><b>Y</b></u>

Brief Description of Bid:

- Sponsorship of the Motor-sport Rally that is due to take place in May 2007. The rally has attracted sponsorship in the past [£10,000] in 2006 but there has been no Budget provision for the event. This is an event that is part of the international motor-sport calendar and as such attracts multi-national media coverage. This is the final year for Council sponsorship under the discussions that have taken place between the Council and officers and the Rally organisers. The sum of £3,000 sought is based on an estimate of the level of sponsorship likely to be achievable

Objective and Outcome:

- Improved local and national profile for Carlisle
- Generation of spending in the locality
- Support for the Hotel and Hospitality sector

Specific Impact on Corporate Priorities and Service Standards:

- No impact on Service Standards
- No direct link to Corporate Priorities, other than profile raising of Carlisle

**Will, or has, the proposal been the subject of a separate report to Members, including Overview and Scrutiny?**

No

Other Strategic Considerations:

None

**Risk Assessment:**

Reputation risk if the event founders and this is blamed on lack of support by the Council.

<u>Risk</u>	<u>Likelihood</u>	<u>Impact</u>	<u>Action to mitigate risk</u>	
<b><u>Adverse Publicity</u></b>	<b><u>High</u></b>	<b><u>Moderate</u></b>	<b><u>Clarity in communicating Council's position well ahead of the date of the event if funding is not to be made available</u></b>	
<u>Operating Costs:</u>		<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
		£	£	£
<b><u>Employees</u></b>		<u>Staff time from</u>		
		<u>Community</u>		
		<u>Services</u>		
		<u>Directorate</u>		
<b><u>Premises</u></b>				
<b><u>Transport</u></b>				

<b><u>Supplies and Services</u></b>	<u>May be implications for Community Services</u>		
<b><u>Other</u></b>	<u>£15,000</u>	<u>0</u>	<u>0</u>
<u>Gross Cost</u>	<u>£25,000</u>		
<b><u>Income</u></b>			
<b><u>Fees and Charges</u></b>			
<b><u>Grants</u></b>	<u>£22,000 sponsorship</u>		
<b><u>Other [Specify]</u></b>			
<u>Gross Income</u>	<u>£22,000</u>		
<u>Net Cost to Revenue Budget</u>	<u>£3,000</u>		

**Staffing levels contributing to employee costs:**

N/A

**Value Added Tax:**

N/a

<b>Contact Officer:</b>	John Bell
<b>Telephone:</b> 817126	
<b>e-mail:</b> johnb@carlisle.gov.uk	

**Agreed by Director:**

YES

Hostels charges and income 2007/8 - compared with current charges					
Project		2006/7		2007/8	
		Weekly Charges	Annual income	Weekly charges	Annual Income
London Road					
Single					
5	Total charge	137.80	35,828	181.67	47,234
5	Personal charge	8.36	2,174	18.75	4,875
Family					
5	Total charge	167.56	43,566	181.67	47,234
5	Personal charge	9.63	2,504	18.75	4,875
Total			79,394		94,468
John Street					
21	Total charge	137.80	150,478	178.03	194,409
21	Personal charge	8.36	9,129	15.11	16,500
Homeshares					
29	Total charge	137.8	207,802	174.88	263,719
29	Personal charge	8.36	12,607	11.96	18,036
Total income projections			437,674		552,596

Less: Provision for voids (142,400)  
Increased funding for additional Hostel costs (67,000)

<b>Net income projection</b>	<b>343,196</b>
<b>Supporting People income</b>	<b>202,700</b>
<b>Total 2007/08 Projected Housing income</b>	<b>545,896</b>

#### Note

1. Total income projections show maximum potential income receivable.
2. To show a more realistic picture, the potential income has been reduced by a provision for voids (empty properties) and bad debts .
3. Part of the additional potential income will be used to provide funding for some of the costs of running the hostels which are currently not budgeted for.
4. The net income projection ties up to the figure shown in paragraph 6.1