

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

DECISION

Agenda Item No 10

meeting date: 17 JANUARY 2013
title: ORIGINAL REVENUE ESTIMATE 2013/14
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To agree the draft revenue budget for 2013/14, for consideration at Special Policy and Finance Committee.

2 BACKGROUND

2.1 The three year forecast to Policy and Finance Committee in September highlighted the uncertainty surrounding the level of Government funding that will be received by local authorities in 2013/14 and onwards, under the Business Rates Retention Scheme.

2.2 In July the Government began consultation on the detail of how the Business Rates Retention Scheme will work, including consultation on the baseline funding for each local authority. This on-going consultation made it extremely difficult to calculate future Government funding with any degree of accuracy.

2.3 The Government announced its Provisional Grant Settlement for 2013/14 and 2014/15 on December 19th. This was much later than in previous years and (3 Jan 2013) much of the detail is still not available.

2.4 The headline changes to our funding shows a reduction in our spending power of 1.3% with a further reduction of 3.2% the year after.

2.5 The Government's definition of spending power includes other income in addition to our Formula Grant e.g. New Homes Bonus, Council Tax Freeze Grant and shows the total funding being given to local authorities.

2.6 If however, we compare the 2012/13 Grant Settlement with the announcement of 2013/14 and 2014/15 on a like for like basis the cash reduction in our grant is £288,000 and a further £377,000. This is particularly disappointing when it had looked a few months ago as if rural authorities such as ourselves would have been treated more favourably in this settlement.

2.7 The Rural Services Network is campaigning vigorously to get the settlement changed. As far as the Council is concerned the position for 2013/14 is more manageable than the one for 2014/15 and whilst it is too early to give Committees any savings targets I would ask you to look closely at your estimates.

2.8 The Budget Working Group will be meeting over the coming weeks to examine our overall Budget position and will ultimately make recommendations to Special Policy and Finance on 12 February 2013.

3 RESTATING OF ORIGINAL ESTIMATE

3.1 The original estimate that was approved in March 2012, and which is shown in the budget book, does not show the movements that were needed in the budget following

the service reviews. One of the main areas of impact for this has been the movement of staffing into the Contact Centre service, from other departmental cost centres.

- 3.2 To allow a better comparison of the budget to the revised estimate within this report, the budget that was originally approved in March has been restated, to include the impact of the service review and the supplementary estimate for the core strategy approved by this committee in March 2012.
- 3.3 Overall the total net budget for the council has not changed, but at a committee level this has the impact of increasing or decreasing the budget levels on a number of service cost centres, which for this committee results in a net increase in budget.
- 3.4 The impact of this restatement has been summarised in the table below:

Service Area	Original Estimate £	Restated Original Estimate £
Planning	337,520	422,480
Building Control	54,240	54,240
Environmental Enhancements	88,860	88,860
Conservation	11,880	11,880
Grants & Subscriptions	15,280	15,280
Public Transport	7,030	7,030
Net Cost of Service	514,810	599,770
Earmarked Reserves	-1,080	-87,080
Net Expenditure	513,730	512,690

4 2012/13 DRAFT REVENUE BUDGET

- 4.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for a pay and prices increase of 2.5%. Any pay award for local government will be agreed nationally, and whilst this is still being negotiated, indications are that any settlement will be nearer 1%.
- 4.2 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2012/13 Restated Original Estimate, to the proposed Original Estimate for 2013/14. Comments are also provided on the main variances.

5 COMMITTEE SERVICE ESTIMATES

5.1 PLANNING CONTROL AND ENFORCEMENT

Service Description							PLANG
<i>Determination of planning applications, pre-application advice and investigation of authorised development.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Supplies and Services	57,130	1,430	-400	0	0	0	58,160
Third Party Payments	9,710	250	10	0	0	0	9,970
Support Services	535,350	0	0	0	81,590	0	616,940
Depreciation and Impairment	0	0	0	0	3,970	0	3,970
Total Expenditure	602,190	1,680	-390	0	85,560	0	689,040
Customer and Client Receipts	-456,100	-11,410	-47,060	50,380	0	0	-464,190
Total Income	-456,100	-11,410	-47,060	50,380	0	0	-464,190
NET	146,090	-9,730	-47,450	50,380	85,560	0	224,850
Comments							
<p>There are inflationary increases in supplies and services and third party payments.</p> <p>There has been an increase in support costs from the Community Services department, Legal services and Financial services due to changes in cost allocations from these services</p> <p>Nationally planning fees have risen by 15% from November 2012. The Planning Fee Income is estimated based on a 3 year average and thus at this stage we are not assuming the significant increase in income experienced in 2012/13 will necessarily continue. There has been a slight drop in anticipated income from decision notices and pre app advice based on current trends.</p> <p>A review of the Planning section staffing structure is underway and this will be reported to Committee in due course. The budget implications of this are therefore not included in these figures.</p>							

5.2 PLANNING POLICY

Service Description							PLANP
<i>To set an overall framework for improving housing delivery, employment and the protection and enhancement of the environment of the area.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Support Services	190,620	0	0	0	-33,860	0	156,760
Total Expenditure	190,620	0	0	0	-33,860	0	156,760
Customer and Client Receipts	-230	-10	0	0	0	0	-240
Total Income	-230	-10	0	0	0	0	-240
NET	190,390	-10	0	0	-33,860	0	156,520
Comments							
Support service costs from the chief executive's department have been reduced mainly due to the fixed term senior (forward) planning officer post ending. There is also a reduction in support service costs from the Community Services department and Legal services due to changes in cost allocations from these services.							

5.3 CORE STRATEGY

Service Description							CORES
<i>This budget is to meet the cost of producing the Local Development Framework and associated Core Strategy.</i>							
Link to Ambitions							
To match the supply of homes in our area with the identified housing need							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Employee Related	20,000	500	-500	-20,000	0		0
Transport Related	200	10	-10	-200	0		0
Supplies and Services	65,800	1,650	-1,650	-65,800	0		0
Total Expenditure	86,000	2,160	-2,160	-86,000	0	0	0
NET	86,000	2,160	-2,160	-86,000	0	0	0
Comments							
In March 2012 this committee approved a budget request for funding anticipated expenditure for the Core Strategy. An earmarked reserve was established from residual planning delivery grant monies and planning earmarked reserve. The balance in this reserve is anticipated to be £9,780 as at 31 March 2013. Further necessary work is required to update the evidence base and a working group has been established to progress the Local Development Framework. At this stage no budget has been prepared for the additional resources required as a request for these resources is still to be considered by Policy and Finance Committee.							

5.4 BUILDING CONTROL SAP FEES

Service Description							BCSAP
<i>Procedure for estimating energy performance of dwellings</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Employee Related	1,340	30	0	110	-	-	1,480
Supplies and Services	350	10	0	0	0	0	360
Support Services	3,860	0	0	0	-1,800		2,060
Total Expenditure	5,550	40	0	110	-1,800	0	3,900
Customer and Client Receipts	-5,190	-130	0		0	0	-5,320
Total Income	-5,190	-130	0	0	0	0	-5,320
NET	360	-90	0	110	-1,800	0	-1,420
Comments							
<p>Only accredited staff can carry out these inspections, the increase in employee costs is offset by an inflationary increase in income.</p> <p>Support service costs from Financial services have reduced due to changes in cost allocations from the service.</p>							

5.5 BUILDING CONTROL

Service Description							BLDGC
<i>Determination of all types of building control applications and related legislation and standards, including dangerous buildings and elements of licensing</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Employee Related	4,630	110	0	-120	0	0	4,620
Transport Related	19,420	490	-90	-3,340	0	0	16,480
Supplies and Services	20,010	510	-90	-1,620	0	0	18,810
Support Services	225,200	0	0	0	-12,920		212,280
Total Expenditure	269,260	1,110	-180	-5,080	-12,920	0	252,190
Customer and Client Receipts	-215,380	-5,380	-50	20,060	0	0	-200,750
Total Income	-215,380	-5,380	-50	20,060	0	0	-200,750
NET	53,880	-4,270	-230	14,980	-12,920	0	51,440

Comments
<p>The reduction in employee costs and transport costs is due to a reduction in professional fees and car allowances. There has also been a reduction of the support service cost from the Chief Executive's department, these reductions relate to the end of the trainee building surveyor fixed term post.</p> <p>The decrease in supplies and services relates to a reduction in the provision for microfilm maintenance as the backlog of microfilming comes to an end and subscriptions to Lexis Nexis for building control law and practice publications is terminated.</p> <p>In addition to the reduction in support service costs from the Chief Executive's department there has been a reduction in support service costs from the Community Services department and Computer services, due to changes in cost allocations of these services and a reduction in staffing in the Chief Executive's department.</p> <p>The reduced income from building control fees is anticipated to continue due to the current economic conditions and competition from private surveyors.</p>

5.6 AREA OF OUTSTANDING NATURAL BEAUTY

Service Description							AONBS
<i>This relates to the cost of membership of National AONB Organisation and the annual contribution to the Joint Advisory Committee Partnership. Funding contributes to managements work and projects</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Third Party Payments	7,360	180	-180	-560	0	0	6,800
Support Services	4,530	0	0	0	-200	0	4,330
Total Expenditure	11,890	180	-180	-560	-200	0	11,130
NET	11,890	180	-180	-560	-200	0	11,130
Comments							
Our contribution to the AONB has been fixed at 2011 levels.							
Support service costs from the Community Services department shows a small decrease due to changes in cost allocations from this service.							

5.7 COMMUNITY GROUPS

Service Description							COMMG
<i>Support funding for biodiversity, conservation and environmental community projects.</i>							
Link to Ambitions							
To help make peoples lives safer and healthier.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Transfer Payments	6,100	150	0	0	0	0	6,250
Support Services	15,700	0	0	0	320	0	16,020
Total Expenditure	21,800	150	0	0	320	0	22,270
NET	21,800	150	0	0	320	0	22,270
Comments							
There has been a small increase in support service costs from the Chief Executive's department offset by a reduction from the Community Services department due to changes in cost allocations from these services.							

5.8 COUNTRYSIDE MANAGEMENT

Service Description							COUNT
<i>The Council provides advice on countryside management matters and gives grants for trees, woodlands, hedgerows planting and environmental projects.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Premises Related	10,000	250	0	0	0	0	10,250
Supplies and Services	8,530	210	0	0	0	0	8,740
Transfer Payments	16,400	410	0	0	0	0	16,810
Support Services	21,240	0	0	0	160	0	21,400
Total Expenditure	56,170	870	0	0	160	0	57,200
Miscellaneous Recharges	-7,500	-190	0	0	0	0	-7,690
Total Income	-7,500	-190	0	0	0	0	-7,690
NET	48,670	680	0	0	160	0	49,510
Comments							
There have been Inflationary increases to emergency tree work costs, purchases of equipment and grants.							
Small increase in support service costs from Financial Services is offset by small decrease in support service costs from the Community Services department due to changes in cost allocations from these services.							

5.9 FOOTPATHS AND BRIDLEWAYS

Service Description							FPATH
<i>The Council provides assistance in footpath and diversion orders</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Premises Related	290	10	0	0	0	0	300
Supplies and Services	1,500	40	0	0	0	0	1,540
Support Services	4,150	0	0	0	1,900	0	6,050
Total Expenditure	5,940	50	0	0	1,900	0	7,890
Other Grants and Contributions	-1,500	-40	0	0	0	0	-1,540
Total Income	-1,500	-40	0	0	0	0	-1,540
NET	4,440	10	0	0	1,900	0	6,350
Comments							
There have been inflationary increases in repairs to footpaths, statutory notices and footpath diversion orders.							
There is also an increase in support costs from the Community Services department and an introduction of support costs from Legal services due to changes in cost allocations from these services.							

5.10 HIGH HEDGES

Service Description							HIGHH
<i>The Council adjudicate on whether a hedge adversely affects a complainant's reasonable enjoyment of their property.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Support Services	2,060				110		2,170
Total Expenditure	2,060	0	0	0	110	0	2,170
NET	2,060	0	0	0	110	0	2,170
Comments							
A small increase in support service costs from the Community Services department due to changes in cost allocations from this service.							

5.11 CONSERVATION AREAS

Service Description							CONSV
<i>The Council has the power to designate areas as Conservation Areas, these are areas of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Support Services	11,880	0	0	0	-2,160	0	9,720
Total Expenditure	11,880	0	0	0	-2,160	0	9,720
NET	11,880	0	0	0	-2,160	0	9,720
Comments							
Reduction in support service costs from the Community Services department due to changes in cost allocations from this service.							

5.12 GRANTS AND SUBSCRIPTIONS – PLANNING AND DEVELOPMENT COMMITTEE

Service Description							PLSUB
<i>Within this budget are various Grants, Contributions and Subscriptions paid by the Council from this committee</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area.							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Supplies and Services	15,280	380	0	0	0	0	15,660
Total Expenditure	15,280	380	0	0	0	0	15,660
NET	15,280	380	0	0	0	0	15,660
Comments							
There is an inflationary increase in the subscriptions paid to Lancashire Archaeological Service and the East Lancashire Partnership.							

5.13 CLITHEROE TRANSPORT INTERCHANGE

Service Description							CINTR
<i>The council makes a small contribution to the running costs of the County Council's bus and rail interchange in Clitheroe</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area							
Budget Analysis	Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
	£	£	£	£	£	£	£
Premises Related	100	0	0	-10	0	0	90
Supplies and Services	30	0	0	0	0	0	30
Transfer Payments	5,280	130	0	-130	0	0	5,280
Support Services	570	0	0	0	30	0	600
Depreciation and Impairment	1,180	0	0	0	0	0	1,180
Total Expenditure	7,160	130	0	-140	30	0	7,180
Customer and Client Receipts	-130	0	0	10	0	0	-120
Total Income	-130	0	0	10	0	0	-120
NET	7,030	130	0	-130	30	0	7,060
Comments							
The changes in transfer payments relates to the contribution paid to the Clitheroe Line Rail Partnership being maintained at 2011/12 for 2012/13, and a provision for inflation in 2013/14.							

6 SUMMARIES

6.1 The draft budget is summarised in two ways. One over the cost of the service (objective) provided by the committee. The other is over the type of expenditure and income (subjective).

a) *Cost of Services Provided (Objective)*

Cost Centre	Service Name	BUDGET ANALYSIS						
		Restated Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
PLANG	Planning Control & Enforcement	146,090	-9,730	-47,450	50,380	81,590	3,970	224,850
PLANP	Planning Policy	190,390	-10	0	0	-33,860	0	156,520
CORES	Core Strategy	86,000	2,160	-2,160	-86,000	0	0	0
BCSAP	Building Control SAP Fees	360	-90	0	110	-1,800	0	-1,420
BLDGC	Building Control	53,880	-4,270	-230	14,980	-12,920	0	51,440
AONBS	Area of Outstanding Natural Beauty	11,890	180	-180	-560	-200	0	11,130
COMMG	Community Groups	21,800	150	0	0	320	0	22,270
COUNT	Countryside Management	48,670	680	0	0	160	0	49,510
FPATH	Footpaths & Bridleways	4,440	10	0	0	1,900	0	6,350
HIGHH	High Hedges	2,060	0	0	0	110	0	2,170
CONSV	Conservation Areas	11,880	0	0	0	-2,160	0	9,720
PLSUB	Grants and Subscriptions	15,280	380	0	0	0	0	15,660
CINTR	Clitheroe Integrated Transport Scheme	7,030	130	0	-130	30	0	7,060
NET COST OF SERVICES		599,770	-10,410	-50,020	-21,220	33,170	3,970	555,260

Cost Centre	Service Name	BUDGET ANALYSIS						
		Restated Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES								
PLBAL H234	Building Control Reserve Fund	-1,080	0	0	5,250	0	0	4,170
PLBAL H358	Core Strategy Reserve	-86,000	0	0	86,000	0	0	0
NET BALANCES AND RESERVES		-87,080	0	0	91,250	0	0	4,170
NET EXPENDITURE		512,690	-10,410	-50,020	70,030	33,170	3,970	559,430

b) Type of Expenditure/Income (Subjective)

	Restated Original Estimate 2012/13	Inflation at 2.5%	Inflation above or below 2.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2013/14
Employee Costs	25,970	640	-500	-20,010	0	0	6,100
Premises Costs	10,390	260	0	-10	0	0	10,640
Transport Costs	19,620	500	-100	-3,540	0	0	16,480
Supplies and Services	168,630	4,230	-2,140	-67,420	0	0	103,300
Third Party	17,070	430	-170	-560	0	0	16,770
Transfer Payments	27,780	690	0	-130	0	0	28,340
Support Services	1,015,160	0	0	0	33,170	0	1,048,330
Depreciation & Impairment	1,180	0	0	0	0	3,970	5,150
TOTAL EXPENDITURE	1,285,800	6,750	-2,910	-91,670	33,170	3,970	1,235,110
Customer & Client Receipts	-1,630	-40	0	10	0	0	-1,660
Other grants and reimbursements	-676,900	-16,930	-47,110	70,440	0	0	-670,500
Miscellaneous Recharges	-7,500	-190	0	0	0	0	-7,690
TOTAL INCOME	-686,030	-17,160	-47,110	70,450	0	0	-679,850
NET COST OF SERVICES	599,770	-10,410	-50,020	-21,220	33,170	3,970	555,260
ITEMS ADDED TO/ (TAKEN FROM) BALANCES AND RESERVES							
PLBAL/H234 : Building Control Reserve Fund	-1,080	0	0	5,250	0	0	4,170
PLBAL/H358: Core Strategy Reserve Fund	-86,000	0	0	86,000	0	0	0
NET BALANCES AND RESERVES	-87,080	0	0	91,250	0	0	4,170
NET EXPENDITURE	512,690	-10,410	-50,020	70,030	33,170	3,970	559,430

6.2. Net costs for this committee have increased by £46,740 after allowing for transfers to and from earmarked reserves. The main reasons for this are summarised below:

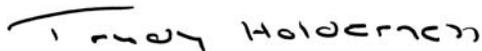
- ❖ Decrease in net expenditure of £60k due to inflationary increases on income, offset by inflationary increase on expenditure.
- ❖ Decrease in building regulation fees of £15k due to continuing difficult current economic climate
- ❖ Increase in support service costs of £33k from other committees due to changes in cost allocations from services within those committees.
- ❖ New depreciation charge of £4k brought in following the purchase of the new printer/ scanner in 2012/13 in the capital programme.
- ❖ Decrease in Planning Application fees of £48k based on 3 year average

7 FEES AND CHARGES

- 7.1 Fees and charges for this Committee were agreed in November 2012, and have been increased by 2½% or more if the increase could be sustained. Detailed rates will be contained in the Council's fees and charges book and the new rates will be applicable from 1 April 2013.

8 RECOMMENDED THAT COMMITTEE

- 8.1 Agree the revenue budget for 2013/14 and to submit this to the Special Policy and Finance Committee subject to any further consideration by the Budget Working Group.

Trudy Holderness

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-13/TH/AC
2 January 2013

For further background information please ask for Trudy Holderness extension 4436.

BACKGROUND PAPERS – None