

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

DECISION

Agenda Item No 9

meeting date: 16 JANUARY 2014
title: ORIGINAL REVENUE ESTIMATE 2014/15
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To agree the draft revenue budget for 2014/15, for consideration at Special Policy and Finance Committee.

2 BACKGROUND

- 2.1 The three year forecast to Policy and Finance Committee in September showed that significant reductions to our budget of £526k and £1.126m would be necessary for 2014/15 and 2015/16 based on our indicative grant allocation following a consultation in the summer.
- 2.2 Our provisional Settlement Funding Assessment, announced on the 18 December 2013, is £2,603,416 for 2014/15 and £2,204,012 for 2015/16. In comparison our current year's allocation is £2,961,659. These represent therefore a reduction of 12% and 26% correspondingly.
- 2.3 The Government announce movements in our 'Spending Power' which includes income from Council Tax Payers, New Homes Bonus and other grants when quoting our funding allocations. According to the Government we will face a reduction in our Spending Power of 2.3% in 2014/15 and 3.6% in 2015/16.
- 2.4 The Budget Working Group is meeting regularly to consider the council's budget for next year and have suggested **four options** to address the budget shortfall:
- Whether the Council Tax should be increased for 2014/15
 - Examination in detail of our underspends and overspends to ensure our base budget is accurate
 - Consider increasing the amount of New Homes Bonus we use to finance the revenue budget
 - Examination of how much business rates growth we can realistically expect to rely upon.
- 2.5 The Budget Working Group will be continue to meet over the coming weeks and will ultimately make recommendations to Special Policy and Finance on 11 February 2014.
- ## 3 2014/15 DRAFT REVENUE BUDGET
- 3.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for a prices increase of 2.75%. In preparing our estimates we have made a provision for a pay award of 1%. However, any pay award for local government will be agreed nationally.

3.2 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2013/14 Original Estimate, to the proposed Original Estimate for 2014/15. Comments are also provided on the main variances.

4 COMMITTEE SERVICE ESTIMATES

4.1 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Supplies and Services	58,160	1,590	-250	-1,110	0	0	58,390
Third Party Payments	9,970	280	0	0	0	0	10,250
Support Services	649,440	0	0	0	77,330	0	726,770
Depreciation and Impairment	3,970	0	0	0	0	2,390	6,360
Total Expenditure	721,540	1,870	-250	-1,110	77,330	2,390	801,770
Customer and Client Receipts	-529,190	-14,550	-940	-33,520	0	0	-578,200
Total Income	-529,190	-14,550	-940	-33,520	0	0	-578,200
NET	192,350	-12,680	-1,190	-34,630	77,330	2,390	223,570
Comments							
<p>Within supplies and services there has been an inflation increase and also a decrease in the provision for microfilm maintenance and geographic information system (GIS) service due to a move towards scanning and a change in the supplier for the GIS service.</p> <p>There has been an increase in support costs from the Community Services department as a result of an additional planning officer. There has also been an increase in support costs from Legal Services and Chief Executives due to an increased involvement in planning appeals.</p> <p>The increase in capital charges results from depreciation on the 2013/14 capital scheme for upgrading MVM planning software.</p> <p>The level of planning inspection fee income that has been allowed for is based on the original estimate for 2013/14 (which included income to fund 2 new planning posts) plus further income to cover the cost of an additional planning officer that was appointed. General inflation has then been added to this income budget. Should the estimate not be achieved by the 31 March 2015, any shortfall will be met from the Planning Earmarked Reserve.</p>							

4.2 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Supplies and Services	0	0	0	0	0	0	0
Support Services	189,260	0	0	0	-10,170	0	179,090
Total Expenditure	189,260	0	0	0	-10,170	0	179,090
Customer and Client Receipts	-240	-10	0	0	0	0	-250
Total Income	-240	-10	0	0	0	0	-250
NET	189,020	-10	0	0	-10,170	0	178,840
Comments							
Increase in support costs from Community Services to reflect the move of Forward Planning staff into that department. This is offset by a decrease from Chief Executives department.							

4.3 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Employee Related	1,480	40	-30	-10	0	0	1,480
Supplies and Services	360	10	0	0	0	0	370
Support Services	2,060	0	0	0	10		2,070
Total Expenditure	3,900	50	-30	-10	10	0	3,920
Customer and Client Receipts	-5,320	-150	0		0	0	-5,470
Total Income	-5,320	-150	0	0	0	0	-5,470
NET	-1,420	-100	-30	-10	10	0	-1,550
Comments							
Only accredited staff can carry out these inspections. There has been a small inflationary increase in both expenditure and income.							

4.4 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Employee Related	4,620	130	0	-1,140	0	0	3,610
Transport Related	16,480	450	-10	-180	0	0	16,740
Supplies and Services	18,810	520	-60	180	0	0	19,450
Support Services	212,280	0	0	0	-5,480		206,800
Total Expenditure	252,190	1,100	-70	-1,140	-5,480	0	246,600
Customer and Client Receipts	-200,750	-5,530	670	13,310	0	0	-192,300
Total Income	-200,750	-5,530	670	13,310	0	0	-192,300
NET	51,440	-4,430	600	12,170	-5,480	0	54,300
Comments							
<p>The reduction in employee costs is due to a reduction in the provision for tuition fees as there are no plans for any staff to undertake professional training.</p> <p>There has also been a reduction of the support service cost from Financial and Computer services and the Chief Executive's department due to changes in cost allocations from these services.</p> <p>The reduced income from building control fees is anticipated to continue due to the current economic conditions and competition from private surveyors. Details of the subscriptions paid under this service are shown at Annex 1.</p>							

4.5 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Third Party Payments	6,800	190	0	0	0	0	6,990
Support Services	4,330	0	0	0	2,130	0	6,460
Total Expenditure	11,130	190	0	0	2,130	0	13,450
NET	11,130	190	0	0	2,130	0	13,450
Comments							
An inflationary increase has been provided on our contribution to the AONB for 2014/15.							
Support service costs from the Community Services department shows an increase due to changes in cost allocations from this service.							

4.6 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Transfer Payments	6,250	180	0	0	0	0	6,430
Support Services	16,020	0	0	0	30	0	16,050
Total Expenditure	22,270	180	0	0	30	0	22,480
NET	22,270	180	0	0	30	0	22,480
Comments							
There have been no significant changes on this cost centre							

4.7 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Premises Related	10,250	280	0	0	0	0	10,530
Supplies and Services	8,740	240	0	0	0	0	8,980
Transfer Payments	16,810	460	0	0	0	0	17,270
Support Services	21,400	0	0	0	-600	0	20,800
Total Expenditure	57,200	980	0	0	-600	0	57,580
Miscellaneous Recharges	-7,690	-210	0	-2,000	0	0	-9,900
Total Income	-7,690	-210	0	-2,000	0	0	-9,900
NET	49,510	770	0	-2,000	-600	0	47,680
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.							
Based on previous years the emergency tree work recharged to other services has increased from 75% to 94% based on current trends							

4.8 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Premises Related	300	10	-10	0	0	0	300
Supplies and Services	1,540	40	-40	0	0	0	1,540
Support Services	6,050	0	0	0	-880	0	5,170
Total Expenditure	7,890	50	-50	0	-880	0	7,010
Other Grants and Contributions	-1,540	-40	40	0	0	0	-1,540
Total Income	-1,540	-40	40	0	0	0	-1,540
NET	6,350	10	-10	0	-880	0	5,470
Comments							
There have been no inflationary increases in repairs to footpaths, statutory notices and footpath diversion orders.							
There is also a decrease in support costs from the Community Services department and Legal services due to changes in cost allocations from these services.							

4.9 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Support Services	2,170				-110		2,060
Total Expenditure	2,170	0	0	0	-110	0	2,060
NET	2,170	0	0	0	-110	0	2,060
Comments							
There have been no significant changes on this cost centre							

4.10 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Support Services	9,720	0	0	0	-270	0	9,450
Total Expenditure	9,720	0	0	0	-270	0	9,450
NET	9,720	0	0	0	-270	0	9,450
Comments							
There have been no significant changes on this cost centre							

4.11 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Supplies and Services	15,280	430	-20	-780	0	0	14,910
Support Services	0	0	0	0	780	0	780
Total Expenditure	15,280	430	-20	-780	780	0	15,690
NET	15,280	430	-20	-780	780	0	15,690
Comments							
There is an inflationary increase in the subscriptions paid to Lancashire Archaeological Service and the East Lancashire Partnership, offset by a reduction in the Archaeological subscriptions.							
A budget provision has been introduced for support from Financial Services due to changes in cost allocation in this service. Details of the subscriptions paid under this committee are included at Annex 1.							

4.12 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 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
	£	£	£	£	£	£	£
Premises Related	90	0	0	-10	0	0	80
Supplies and Services	30	0	0	0	0	0	30
Transfer Payments	5,280	150	-10	-130	0	0	5,290
Support Services	600	0	0	0	-600	0	0
Depreciation and Impairment	1,180	0	0	0	0	0	1,180
Total Expenditure	7,180	150	-10	-140	-600	0	6,580
Customer and Client Receipts	-120	0	0	20	0	0	-100
Total Income	-120	0	0	20	0	0	-100
NET	7,060	150	-10	-120	-600	0	6,480
Comments							
The changes in transfer payments relate to the contribution paid to the Clitheroe Line Rail Partnership being maintained at 2012/13 levels for 2013/14, and a provision for inflation in 2014/15.							
The support cost from Financial Services has been removed due to changes in cost allocation from this service.							

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						
		Original Estimate 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
PLANG	Planning Control & Enforcement	192,350	-12,680	-1,190	-34,630	77,330	2,390	223,570
PLANP	Planning Policy	189,020	-10	0	0	-10,170	0	178,840
BCSAP	Building Control SAP Fees	-1,420	-100	-30	-10	10	0	-1,550
BLDGC	Building Control	51,440	-4,430	600	12,170	-5,480	0	54,300
AONBS	Area of Outstanding Natural Beauty	11,130	190	0	0	2,130	0	13,450
COMMG	Community Groups	22,270	180	0	0	30	0	22,480
COUNT	Countryside Management	49,510	770	0	-2,000	-600	0	47,680
FPATH	Footpaths & Bridleways	6,350	10	-10	0	-880	0	5,470
HIGHH	High Hedges	2,170	0	0	0	-110	0	2,060
CONSV	Conservation Areas	9,720	0	0	0	-270	0	9,450
PLSUB	Grants and Subscriptions	15,660	430	-20	-780	780	0	16,070
CINTR	Clitheroe Integrated Transport Scheme	7,060	150	-10	-130	-600	0	6,470
NET COST OF SERVICES		555,260	-15,490	-660	-25,380	62,170	2,390	578,290

Cost Centre	Service Name	BUDGET ANALYSIS						
		Original Estimate 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES								
PLBAL H234	Building Control Reserve Fund	4,170	0	0	-2,400	0	0	1,770
NET BALANCES AND RESERVES		4,170	0	0	-2,400	0	0	1,770
NET EXPENDITURE		559,430	-15,490	-660	-27,780	62,170	2,390	580,060

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2013/14	Inflation at 2.75%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2014/15
Employee Costs	6,100	170	-30	-1150	0	0	5,090
Premises Costs	10,640	290	-10	-20	0	0	10,900
Transport Costs	16,480	450	-10	-180	0	0	16,740
Supplies and Services	103,300	2,830	-370	-1,710	0	0	104,050
Third Party	16,770	470	0	0	0	0	17,240
Transfer Payments	28,340	790	-10	-130	0	0	28,990
Support Services	1,113,330	0	0	0	62,170	0	1,175,500
Depreciation & Impairment	5,150	0	0	0	0	2,390	7,540
TOTAL EXPENDITURE	1,300,110	5,000	-430	-3,190	62,170	2,390	1,366,050
Other Grants and Reimbursement	-1,660	-40	40	20	0	0	-1,640
Customer and Client Receipts	-735,500	-20,240	-270	-20,210	0	0	-776,220
Miscellaneous Recharges	-7,690	-210	0	-2,000	0	0	-9,900
TOTAL INCOME	-744,850	-20,490	-230	-22,190	0	0	-787,760
NET COST OF SERVICES	555,260	-15,490	-660	-25,380	62,170	2,390	578,290
ITEMS ADDED TO/ (TAKEN FROM) BALANCES AND RESERVES							
PLBAL/H234 : Building Control Reserve Fund	4,170	0	0	-2,400	0	0	1,770
NET BALANCES AND RESERVES	4,170	0	0	-2,400	0	0	1,770
NET EXPENDITURE	559,430	-15,490	-660	-27,780	62,170	2,390	580,060

6.2. Net costs for this committee have increased by £20,630 after allowing for transfers to and from earmarked reserves. The main reasons for this are summarised below:

Description	Variances from original estimate 2013/14 to original Estimate 2014/15 £
PLANG: Planning Control & Enforcement Increase in support costs from Community department as a result of an additional planning officer. There has also been an increase in support costs from Legal Services and Chief Executives due to an increased involvement with planning appeals	77,330
A new depreciation charge has been included following the upgrade to the planning software, which was included in the 2013/14 capital programme	2,390
The level of planning inspection fee income that has been allowed for is based on the original estimate for 2013/14 (which included income to fund 2 new planning posts) plus further income to cover the cost of an additional planning officer that was appointed. General inflation has then been added to this income budget. Should the estimate not be achieved by the 31 March 2015, any shortfall will be met from the Planning Earmarked Reserve.	-34,620

Description	Variances from original estimate 2013/14 to original Estimate 2014/15 £
PLANP: Planning Policy Increase in support costs from Community Services to reflect the move of Forward Planning staff in that department. This is offset by a decrease from Chief Executives	-10,170
BLDGC: Building Control Reduced expenditure on tuition fees due to no staff planning to undertake professional training. Also reduced support costs from Computer, Financial services and Chief Executives due to changes in cost allocations from these services.	-6,480
Reduction in income from building regulation fees (after an inflationary increase) due to the current economic climate and also some organisations using private competitors.	12,770
COUNT: Countryside Management The recharge to other service areas of the council has increased based on previous years trends	-2,000
Various Decrease in net expenditure due to inflationary increases on income, offset by inflationary increase on expenditure	-16,150

7 FEES AND CHARGES

7.1 Fees and charges for this Committee were agreed in November 2013, and have been increased by 2.75% 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 2014.

8 RISK ASSESSMENT

8.1 The approval of this report may have the following implications

- Resources – approval of the revised estimate would see an increase in net expenditure of £20,630 after allowing for transfers to and from earmarked reserves.
- Technical, Environmental and Legal – none identified
- Political – none identified.
- Reputation – sound financial planning safeguard the reputation of the council.
- Equality and Diversity – equality and diversity issues are considered in the provision of all council services.

9 RECOMMENDED THAT COMMITTEE

- 9.1 Agree the revenue budget for 2014/15 and to submit this to the Special Policy and Finance Committee subject to any further consideration by the Budget Working Group.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD1-14/TH/AC
17 December 2013

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

BACKGROUND PAPERS – None

Planning and Development Committee - Subscriptions

Cost Centre	Body	Budgeted Subscription £	Benefits and Outcomes	Since
PLSUB Planning and Development Committee Grants and Subscriptions	Lancashire County Council Archaeological and Ecological Advice Lancashire County Council archaeological service believes that archaeological and historic remains should not be needlessly destroyed and therefore takes an active role in their management, conservation and recording. The service maintains the Lancashire Historic Environment Record (LHER), a record of known archaeological and historic sites in the County.	9,730	The service can provide an assessment of the archaeological effects of a development and any measures to reduce its impact, thus ensuring that the sites are managed and conserved	1996
BLDGC Building Control Subscriptions	Local Authority Building Control (LABC) LABC is a membership organisation representing all local authority building control departments in England and Wales; it is a not-for-profit organisation to promoting public sector expertise.	1,800	The service provides a link to over 300 local authorities and over 3000 members. As a member the authority can obtain information on current legislation and technical advice to ensure a high quality of building control and access to submit-a-plan portal	2002
	Local Authority Building Control NW LABC NW represents the North West Region which extends from Morecambe Bay in the north to the Cheshire Plain in the South, from the Lancashire coast to the Pennine watershed, and includes the counties of Lancashire and Cheshire	190	Promotes high quality building by awarding annual building excellence awards to the winners of 12 categories	2007