

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

DECISION

Agenda Item No 8

meeting date: 15 JANUARY 2015
title: ORIGINAL REVENUE BUDGET 2015/16
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To agree the draft revenue budget for 2015/16, 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 £513k and £900k would be necessary for 2015/16 and 2016/17 based on our indicative grant allocation following a consultation in the summer, and forecast future grant allocation reductions.
- 2.2 Our provisional Settlement Funding Assessment, announced on the 18 December 2014, is £2,240,595 for 2015/16. In comparison our current year's allocation is £2,603,769. This represents therefore a reduction of 14% in our core government funding. No announcement was made regarding 2016/17.
- 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 1% in 2015/16.

In the Autumn Statement announced on 3 December 2014 the Chancellor indicated that in the next Parliament Public Sector spending would continue to fall. He stated that the reductions in spending may be at the same rate seen over the last five years. In my budget forecast in September I have assumed a 10% reduction in core funding for 2016/17 and a further 5% in 2017/18. This pessimistic forecast may eventually prove to have been optimistic. Much will depend on the outcome of the General Election and the pace of economic recovery.

- 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 2015/16
 - 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 10 February 2015.

3 2015/16 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 the settled pay award of 2.2% spread over two years (2014/15 and 2015/16) and price increases of 2%.
- 3.2 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2014/15 Original Estimate, to the proposed Original Estimate for 2015/16. 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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Supplies and Services	58,390	1,160	-10	-1,570	0	0	57,970
Third Party Payments	10,250	200	-140	-7,000	0	0	3,310
Support Services	726,770	0	0	0	-114,780	0	611,990
Depreciation and Impairment	6,360	0	0	0	0	0	6,360
Total Expenditure	801,770	1,360	-150	-8,570	-114,780	0	679,630
Customer and Client Receipts	-578,200	-11,560	2,080	106,070	0	0	-481,610
Total Income	-578,200	-11,560	2,080	106,070	0	0	-481,610
NET	223,570	-10,200	1,930	97,500	-114,780	0	198,020
Comments							
<p>Within supplies and services there has been a decrease in the provision for agricultural consultants as past experience has shown that fewer applications are being referred to County Council agricultural consultants.</p> <p>The provision for ordnance survey work within third party payments has been reduced as the service level agreement between ourselves and Ordnance survey is no longer required.</p> <p>The decrease in support costs is mainly from Community services offset by an increase from Chief Executives department and Legal services. This is due to changes in cost allocations from these services and temporary posts with Community Services being vacant.</p> <p>In addition to providing for an inflationary increase on planning fees, decision notices and pre-application advice, the provision for planning fees and decision notices have been reduced due to an anticipated fall in the larger planning application fees experienced in recent years.</p>							

4.2 PLANNING POLICY

Service Description							PLANP
<p><i>To set an overall framework for improving housing delivery, employment and the protection and enhancement of the environment of the area.</i></p>							
Link to Ambitions							
<p>To protect and enhance the existing environmental quality of our area.</p>							
Budget Analysis	Original Estimate 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Support Services	179,090	0	0	0	33,460	0	212,550
Total Expenditure	179,090	0	0	0	33,460	0	212,550
Customer and Client Receipts	-250	-10	0	260	0	0	0
Total Income	-250	-10	0	260	0	0	0
NET	178,840	-10	0	260	33,460	0	212,550
Comments							
<p>The increase in support costs is mainly from Community services and Chief Executives department due to changes in cost allocations from these services.</p> <p>The provision for sale of publications has been removed as no income is currently being received.</p>							

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 2014/15	Inflation at 2%	Inflation above or below 2.75%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Employee Related	1,480	30	0	-10	0	0	1,500
Supplies and Services	370	10	0	0	0	0	380
Support Services	2,070	0	0	0	-10	0	2,060
Total Expenditure	3,920	40	0	-10	-10	0	3,940
Customer and Client Receipts	-5,470	-110	0	0	0	0	-5,580
Total Income	-5,470	-110	0	0	0	0	-5,580
NET	-1,550	-70	0	-10	-10	0	-1,640
Comments							
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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Employee Related	3,610	70	-20	-150	0	0	3,510
Transport Related	16,740	330	-40	-2,340	0	0	14,690
Supplies and Services	19,450	400	-90	-950	0	0	18,810
Support Services	206,800	0	0	0	-8,750	0	198,050
Total Expenditure	246,600	800	-150	-3,440	-8,750	0	235,060
Customer and Client Receipts	-192,300	-3,840	310	14,950	0	0	-180,880
Total Income	-192,300	-3,840	310	14,950	0	0	-180,880
NET	54,300	-3,040	160	11,510	-8,750	0	54,180
Comments							
<p>The provision for professional subscriptions within employee related expenses and the provision for car allowances within transport have been reduced to reflect a change in the staffing of the Building Control section.</p> <p>Within supplies and services there has been a small reduction in software support, consumables, subscriptions and mobile devices to reflect previous spending patterns.</p> <p>The reduction in support costs is mainly from Chief Executives department due to changes in cost allocations from this service.</p> <p>The reduced income from building control fees is anticipated to continue due to the current economic conditions and competition from private companies.</p> <p>Details of the subscriptions paid under this service are shown under 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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Third Party Payments	6,990	140	0	0	0	0	7,130
Support Services	6,460	0	0	0	2,030	0	8,490
Total Expenditure	13,450	140	0	0	2,030	0	15,620
NET	13,450	140	0	0	2,030	0	15,620
Comments							
Support service costs from Community services shows an increase due to changes in cost allocation 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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Transfer Payments	6,430	130	0	0	0	0	6,560
Support Services	16,050	0	0	0	-40	0	16,010
Total Expenditure	22,480	130	0	0	-40	0	22,570
NET	22,480	130	0	0	-40	0	22,570
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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Premises Related	10,530	210	0	0	0	0	10,740
Supplies and Services	8,980	180	0	0	0	0	9,160
Transfer Payments	17,270	350	0	0	0	0	17,620
Support Services	20,800	0	0	0	-4,260	0	16,540
Total Expenditure	57,580	740	0	0	-4,260	0	54,060
Miscellaneous Recharges	-9,900	-200	0	0	0	0	-10,100
Total Income	-9,900	-200	0	0	0	0	-10,100
NET	47,680	540	0	0	-4,260	0	43,960
Comments							
There has been a reduction in support service costs mainly from Community services due to changes in cost allocations from this service.							

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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Premises Related	300	10	0	0	0	0	310
Supplies and Services	1,540	30	0	0	0	0	1,570
Support Services	5,170	0	0	0	60	0	5,230
Total Expenditure	7,010	40	0	0	60	0	7,110
Other Grants and Contributions	-1,540	-30	0	0	0	0	-1,570
Total Income	-1,540	-30	0	0	0	0	-1,570
NET	5,470	10	0	0	60	0	5,540
Comments							
There have been no significant changes on this cost centre.							

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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Support Services	2,060	0	0	0	-1240		820
Total Expenditure	2,060	0	0	0	-1,240	0	820
NET	2,060	0	0	0	-1,240	0	820
Comments							
There has been a reduction in support service costs mainly from Community services due to changes in cost allocations from this service.							

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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
	£	£	£	£	£	£	£
Support Services	9,450	0	0	0	80	0	9,530
Total Expenditure	9,450	0	0	0	80	0	9,530
NET	9,450	0	0	0	80	0	9,530
Comments							
There has 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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16	
	£	£	£	£	£	£	£	
Supplies and Services	15,290	300	0	0	0	0	15,590	
Support Services	780	0	0	0	-780	0	0	
Total Expenditure	16,070	300	0	0	-780	0	15,590	
NET	16,070	300	0	0	-780	0	15,590	
Comments								
There has been a reduction in support service costs from Financial services due to changes in cost allocations from this service. Details of subscriptions paid under this committee are included at Annex1.								

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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16	
	£	£	£	£	£	£	£	
Premises Related	70	0	0	30	0	0	100	
Supplies and Services	30	0	0	-30	0	0	0	
Transfer Payments	5,290	110	-10	-140	0	0	5,250	
Support Services	0	0	0	0	10	0	10	
Depreciation and Impairment	1,180	0	0	0	0	0	1,180	
Total Expenditure	6,570	110	-10	-140	10	0	6,540	
Customer and Client Receipts	-100	0	0	0	0	0	-100	
Total Income	-100	0	0	0	0	0	-100	
NET	6,470	110	-10	-140	10	0	6,440	
Comments								
There has been no significant changes on this cost centre.								

5 SUMMARIES

5.1 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 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
PLANG	Planning Control & Enforcement	223,570	-10,200	1,930	97,500	-114,780	0	198,020
PLANP	Planning Policy	178,840	-10	0	260	33,460	0	212,550
BCSAP	Building Control SAP Fees	-1,550	-70	0	-10	-10	0	-1,640
BLDGC	Building Control	54,300	-3040	160	11,510	-8,750	0	54,180
AONBS	Area of Outstanding Natural Beauty	13,450	140	0	0	2,030	0	15,620
COMMG	Community Groups	22,480	130	0	0	-40	0	22,570
COUNT	Countryside Management	47,680	540	0	0	-4,260	0	43,960
FPATH	Footpaths & Bridleways	5,470	10	0	0	60	0	5,540
HIGHH	High Hedges	2,060	0	0	0	-1,240	0	820
CONSV	Conservation Areas	9,450	0	0	0	80	0	9,530
PLSUB	Grants and Subscriptions	16,070	300	0	0	-780	0	15,590
CINTR	Clitheroe Integrated Transport Scheme	6,470	110	-10	-140	10	0	6,440
NET COST OF SERVICES		578,290	-12,090	2,080	109,120	-94,220	0	583,180
ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES								
PLBAL H234	Building Control Reserve Fund	1,770	0	0	1,250	0	0	3,020
NET BALANCES AND RESERVES		1,770	0	0	1,250	0	0	3,020
NET EXPENDITURE		580,060	-12,090	2,080	110,370	-94,220	0	586,200

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2014/15	Inflation at 2%	Inflation above or below 2%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2015/16
Employee Costs	5,090	100	-20	-160	0	0	5,010
Premises Costs	10,900	220	0	30	0	0	11,150
Transport Costs	16,740	330	-40	-2,340	0	0	14,690
Supplies and Services	104,050	2080	-100	-2,550	0	0	103,480
Third Party	17,240	340	-140	-7,000	0	0	10,440
Transfer Payments	28,990	590	-10	-140	0	0	29,430
Support Services	1,175,500	0	0	0	-94,220	0	1,081,280
Depreciation & Impairment	7,540	0	0	0	0	0	7,540
TOTAL EXPENDITURE	1,366,050	3660	-310	-12,160	-94,220	0	1,263,020
Other Grants and Reimbursement	-1,640	-30	0	0	0	0	-1,670
Customer and Client Receipts	-776,220	-15,520	2,390	121,280	0	0	-668,070
Miscellaneous Recharges	-9,900	-200	0	0	0	0	-10,100
TOTAL INCOME	-787,760	-15,750	2,390	121,280	0	0	-679,840
NET COST OF SERVICES	578,290	-12,090	2,080	109,120	-94,220	0	583,180
ITEMS ADDED TO/ (TAKEN FROM) BALANCES AND RESERVES							
PLBAL/H234 : Building Control Reserve Fund	1,770	0	0	1,250	0	0	3,020
NET BALANCES AND RESERVES	1,770	0	0	0	0	0	3,020
NET EXPENDITURE	580,060	-12,090	2,080	110,370	-94,220	0	586,200

5.2 Net costs for this committee have increased by £6,140 after allowing for transfers to and from earmarked reserves. The main reasons for this are summarised below:

Description	Additional Costs from 2014/15 to 2015/16 £
PLANG: Planning Control and Enforcement	
Planning fees have been reduced due to an anticipated fall in the larger planning application fees experience in recent years	104,870
BLDGC: Building Control	
Reduced income from building control fees is anticipated to continue	14,950

6 RISK ASSESSMENT

6.1 The approval of this report may have the following implications

- Resources – approval of the original budget for 2015/16 would see an increase in net expenditure of £4,890, compared with the original budget for 2014/15 or £6,140 after allowing for transfers to and from earmarked reserves.
- Technical, Environmental and Legal – none identified
- Political – none identified
- Reputation – sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

7 FEES AND CHARGES

7.1 Fees and charges for this Committee were agreed in October 2014, and have been increased by 2%. Detailed rates will be contained in the Council's fees and charges book and the new rates will be applicable from 1 April 2015.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue budget for 2015/16 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

PD1-15/TH/AC
19 December 2014

For further background information please ask for Trudy Holderness.

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.	9,920	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	180	Promotes high quality building by awarding annual building excellence awards to the winners of 12 categories	2007