

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

DECISION

Agenda Item No 8

meeting date: 14 JANUARY 2016
title: ORIGINAL REVENUE BUDGET 2016/17
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To agree the draft revenue budget for 2016/17, 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 £263K in 2016/17, £445K in 2017/18 and £853K in 2018/19 based on estimated future grant allocation reductions at that time.
- 2.2 Our provisional Settlement Funding Assessment, announced on the 17 December 2015, is £1,862,605 for 2016/17. In comparison our current year's allocation is £2,240,595. This represents therefore a reduction of 17% in our core government funding.
- 2.3 The finance settlement also includes the option of a guaranteed settlement for every council for the 4 years 2016/17 to 2019/20, where the council can demonstrate efficiency savings. This will require an efficiency plan to be published, although it is unclear at this time what this would entail. The core funding offered for 2017/18, 2018/19 and 2019/20 show that our grant reductions in future years will be more severe than anticipated. By 2019/20 not only will our Revenue Support Grant be eliminated but the Government propose to introduce a further reduction of £109,000 which will increase our tariff payable under the Business Rates Retention Scheme.
- 2.4 Based on the information provided in the finance settlement, the three year forecast has been reviewed and now indicates increased requirements for reductions to the council's budget. The forecast shows reductions needed of £423K in 2016/17, £756K in 2017/18 and £1,161K in 2018/19 which are markedly worse than we predicted.
- 2.5 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 see an increase of 2.8% in our Spending Power in 2016/17. This includes the Government's assumption that the council will take up the ability to increase its council tax by the maximum allowed of £5, being a special concession for lower quartile authorities.
- 2.6 The Budget Working Group will continue to meet over the coming weeks and will ultimately make recommendations to Special Policy and Finance on 9 February 2016.

3 2016/17 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 pay and price increases at 1.5%.
- 3.2 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2015/16 Amended Original Estimate, to the proposed Original Estimate for 2016/17. 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Supplies and Services	57,970	880	0	3,650	0	0	62,500
Third Party Payments	3,310	50	0	-80	0	0	3,280
Support Services	612,810	0	0	0	60,700	0	673,510
Depreciation and Impairment	6,360	0	0	0	0	-3,960	2,400
Total Expenditure	680,450	930	0	3,570	60,700	-3,960	741,690
Customer and Client Receipts	-481,610	-7,220	6,690	-99,880	0	0	-582,020
Total Income	-481,610	-7,220	6,690	-99,880	0	0	-582,020
NET	198,840	-6,290	6,690	-96,310	60,700	-3,960	159,670
Comments							
<p>Within Supplies and Services, the provision for the Geographical Information System (GIS) service provided by Lancashire County Council reflects the impact of an above inflationary increase. There has also been an increase in the provision for statutory notices reflecting past years profile of expenditure. These increase have been partly offset by a decrease in the provision for agricultural consultants as past experience has shown that fewer applications are being referred to the County Council agricultural consultants.</p> <p>The provision for ordnance survey work within third party payments has been reduced reflecting a below inflationary increase.</p> <p>The increase in support costs is mainly from Community services and the Chief Executive's department reflecting changes in cost allocation from these services.</p> <p>In addition to providing for an inflationary increase on decision notices and pre-application advice, the budgets for planning fees and decision noticed have been increased on the basis that the high leve of income experienced in recent years in likley to continue.</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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Support Services	212,550	0	0	0	-50,740		161,810
Total Expenditure	212,550	0	0	0	-50,740	0	161,810
Comments							
The reduction in support service costs from Community service is offset by an increase from Organisation and Member Development and the Chief Executive's department. This reflects changes in cost allocation from these services but also the transfer of staff on Forward Planning from the Community services department to the Chief Executive's Department							

4.3 LOCAL DEVELOPMENT PLAN

Service Description							LDEVE
<i>The Local Development Plan is a statutory document that the Council has to have in place. It is a public statement of the programme that the Council intend to take forward to deliver the Local Development Framework for the area.</i>							
Link to Ambitions							
To protect and enhance the existing environmental quality of our area							
Budget Analysis	Restated Original Estimate 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Supplies and Services	46,000	690	-690	-10,000	0	0	36,000
Support Services	0	0	0	0	4,040	0	4,040
Total Expenditure	46,000	690	-690	-10,000	4,040	0	40,040
Comments							
There has been a reduction in supplies and service costs as the plan moves from the first stage of public consultation into reviewing the issues and option stage.							
The increase in support service costs are from Organisation & Member Development reflecting changes in cost allocation from this service.							

4.4 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Employee Related	1,500	20	0	20	0	0	1,540
Supplies and Services	380	10	0	-50	0	0	340
Support Services	2,060	0	0	0	-1,030	0	1,030
Total Expenditure	3,940	30	0	-30	-1,030	0	2,910
Customer and Client Receipts	-5,580	-80	0	270	0	0	-5,390
Total Income	-5,580	-80	0	270	0	0	-5,390
NET	-1,640	-50	0	240	-1,030	0	-2,480
Comments							
<p>There has been a reduction in support service cost from the Chief Executive's Department, reflecting changes in cost allocation from this service.</p> <p>There has also been a reduction in income, reflecting a fall in the 3 year average which is used as a basis for this estimate</p>							

4.5 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Employee Related	3,510	50	-20	-480	0	0	3,060
Transport Related	14,690	220	-20	-1,030	0	0	13,860
Supplies and Services	18,810	280	-60	-1,980	0	0	17,050
Support Services	198,050	0	0	0	12,910	0	210,960
Total Expenditure	235,060	550	-100	-3,490	12,910	0	244,930
Customer and Client Receipts	-180,880	-2,710	100	7,330	0	0	-176,160
Total Income	-180,880	-2,710	100	7,330	0	0	-176,160
NET	54,180	-2,160	0	3,840	12,910	0	68,770
Comments							
<p>The provisions for travel and subsistence and professional subscriptions within employee related expenses, the provision for car allowances within transport and microfilming/scanning within supplies and services have been reduced to reflect the spending patterns over recent years.</p> <p>The increase in support costs is mainly from the Chief Executive's department due to changes in cost allocations from this service.</p> <p>It is anticipated that income from building regulation fees is likely to continue to fall, 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>							

4.6 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Third Party Payments	7,130	110	-10	-330	0	0	6,900
Support Services	8,490	0	0	0	260	0	8,750
Total Expenditure	15,620	110	-10	-330	260	0	15,650
NET	15,620	110	-10	-330	260	0	15,650
Comments							
<p>The decrease in contribution to the Joint Advisory Committee Partnership reflects the lack of an inflationary increase in the 2014/15 contribution, which was paid at the end of the financial year. This impacted on the 2015/16 budget, and now on 2016/17.</p> <p>The increase in support service costs from the Community Services department is due to changes in cost allocation from this service.</p>							

4.7 COMMUNITY GROUPS

Service Description							COMMNG
<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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Transfer Payments	6,560	100	0	0	0	0	6,660
Support Services	16,010	0	0	0	160	0	16,170
Total Expenditure	22,570	100	0	0	160	0	22,830
NET	22,570	100	0	0	160	0	22,830
Comments							
There have been no signifiacnt changes on this cost centre							

4.8 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Premises Related	10,740	160	0	0	0	0	10,900
Supplies and Services	9,160	140	0	0	0	0	9,300
Transfer Payments	17,620	260	-40	-900	0	0	16,940
Support Services	16,540	0	0	0	2,760	0	19,300
Total Expenditure	54,060	560	-40	-900	2,760	0	56,440
Miscellaneous Recharges	-10,100	-150	0	0	0	0	-10,250
Total Income	-10,100	-150	0	0	0	0	-10,250
NET	43,960	410	-40	-900	2,760	0	46,190
Comments							
<p>Within Transfer Payments there has been a reduction in grants to other bodies reflecting previous expenditure patterns.</p> <p>There has been an increase in support service costs mainly from the Community Services department due to changes in cost allocations from this service.</p>							

4.9 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Premises Related	310	0	0	0	0	0	310
Supplies and Services	1,570	20	0	0	0	0	1,590
Support Services	5,230	0	0	0	1,310	0	6,540
Total Expenditure	7,110	20	0	0	1,310	0	8,440
Other Grants and Contributions	-1,570	-20	0	0	0	0	-1,590
Total Income	-1,570	-20	0	0	0	0	-1,590
NET	5,540	0	0	0	1,310	0	6,850
Comments							
Increase in support service costs from Legal services and Organisation and Member Development offset by reduction from Community services due to changes in cost allocations from these services							

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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Support Services	9,530	0	0	0	6,470	0	16,000
Total Expenditure	9,530	0	0	0	6,470	0	16,000
NET	9,530	0	0	0	6,470	0	16,000
Comments							
Increase in support service costs from Community services due to changes in cost allocations from this service.							

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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Supplies and Services	15,590	230	-80	-5,670	0	0	10,070
Support Services	0	0	0	0	460	0	460
Total Expenditure	15,590	230	-80	-5,670	460	0	10,530
NET	15,590	230	-80	-5,670	460	0	10,530
Comments							
The provision for subscription to Lancashire Economic Partnership has been removed. This has not been paid since the 2010/11 financial year.							
There has been an increase 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 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 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
	£	£	£	£	£	£	£
Premises Related	100	0	0	0	0	0	100
Transfer Payments	5,250	80	0	-100	0	0	5,230
Support Services	10	0	0	0	-10	0	0
Depreciation and Impairment	1,180	0	0	0	0	0	1,180
Total Expenditure	6,540	80	0	-100	-10	0	6,510
Customer and Client Receipts	-100	0	0	0	0	0	-100
Total Income	-100	0	0	0	0	0	-100
NET	6,440	80	0	-100	-10	0	6,410
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						
		Restated Original Estimate 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
PLANG	Planning Control & Enforcement	198,840	-6,290	6,690	-96,310	60,700	-3,960	159,670
PLANP	Planning Policy	212,550	0	0	0	-50,740	0	161,810
LDEVE	Local Development Scheme	46,000	690	-690	-10,000	4,040	0	40,040
BCSAP	Building Control SAP Fees	-1,640	-50	0	240	-1,030	0	-2,480
BLDGC	Building Control	54,180	-2,160	0	3,840	12,910	0	68,770
AONBS	Area of Outstanding Natural Beauty	15,620	110	-10	-330	260	0	15,650
COMMG	Community Groups	22,570	100	0	0	160	0	22,830
COUNT	Countryside Management	43,960	410	-40	-900	2,760	0	46,190
FPATH	Footpaths & Bridleways	5,540	0	0	0	1,310	0	6,850
CONSV	Conservation Areas	9,530	0	0	0	6,470	0	16,000
PLSUB	Grants and Subscriptions	15,590	230	-80	-5,670	460	0	10,530
CINTR	Clitheroe Integrated Transport Scheme	6,440	80	0	-100	-10	0	6,410
NET COST OF SERVICES		629,180	-6,880	5,870	-109,230	37,290	-3,960	552,270
ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES								
PLBAL H234	Building Control Reserve Fund	3,020	0	0	-11,080	0	0	-8,060
PLBAL H358	Core Strategy Reserve Fund	-22,450	0	0	22,450	0	0	0
PLBAL H336	Planning Reserve Fund	-23,550	0	0	-12,450	0	0	-36,000
NET BALANCES AND RESERVES		-42,980	0	0	-1,080	0	0	-44,060
NET EXPENDITURE		586,200	-6,880	5,870	-110,310	37,290	-3,960	508,210

b) Type of Expenditure/Income (Subjective)

	Restated Original Estimate 2015/16	Inflation at 1.5%	Inflation above or below 1.5%	Unavoidable Changes to Service Cost	Support Services	Capital	Original Estimate 2016/17
Employee Costs	5,010	70	-20	-460	0	0	4,600
Premises Costs	11,150	160	0	0	0	0	11,310
Transport Costs	14,690	220	-20	-1,030	0	0	13,860
Supplies and Services	149,480	2,250	-830	-14,050	0	0	136,850
Third Party	10,440	160	-10	-410	0	0	10,180
Transfer Payments	29,430	440	-40	-1000	0	0	28,830
Support Services	1,081,280	0	0	0	37,290	0	1,118,570
Depreciation & Impairment	7,540	0	0	0	0	-3,960	3,580
TOTAL EXPENDITURE	1,309,020	3,300	-920	-16,950	37,290	-3,960	1,327,780
Other Grants and Reimbursement	-1,670	-20	0	0	0	0	-1,690
Customer and Client Receipts	-668,070	-10,010	6,790	-92,280	0	0	-763,570
Miscellaneous Recharges	-10,100	-150	0	0	0	0	-10,250
TOTAL INCOME	-679,840	-10,180	6,790	-92,280	0	0	-775,510
NET COST OF SERVICES	629,180	-6,880	5,870	-109,230	37,290	-3,960	552,270
ITEMS ADDED TO/ (TAKEN FROM) BALANCES AND RESERVES							
PLBAL/H234 : Building Control Reserve Fund	3,020	0	0	-11,080	0	0	-8,060
PLBAL/H358: Core Strategy Reserve Fund	-22,450	0	0	22,450	0	0	0
PLBAL/H336: Planning Reserve	-23,550	0	0	-12,450	0	0	-36,000
NET BALANCES AND RESERVES	-42,980	0	0	-1,080	0	0	-44,060
NET EXPENDITURE	586,200	-6,880	5,870	-101,310	37,290	-3,960	508,210

5.2 Net costs for this committee have increased by £77,990 after allowing for transfers to and from earmarked reserves. The main reasons for this are summarised below:

Description	Variance 2015/16 to 2016/17 £
PLANG: Planning Control and Enforcement	
Above inflationary increase in GIS service in 2014/15, plus increase in statutory notices based on previous year's expenditure, offset by decrease in agricultural referrals to County Council.	3,650
An increase in planning application fees from the conservative view taken in 2015/16.	-96,460

Description	Variance 2015/16 to 2016/17 £
LDEVE: Local Development Scheme	
Reduction in supplies and service costs (such as printing & stationery, postages and consultancy) as the scheme moves from the first stage of public consultation into reviewing the issues and options stage.	-10,000
BLDGC: Building Control	
Income from Building Regulation fees are likely to continue to fall, due to the current economic conditions and competition from private companies	7,330
PLSUB: Planning Grants & Subscriptions	
Provision for subscription to Lancashire Economic Partnership has been removed	-5,670
Various	
Increase in support service costs charged to this Committee	37,290

6 RISK ASSESSMENT

6.1 The approval of this report may have the following implications

- Resources – approval of the original budget for 2016/17 would see an increase in net expenditure of £76,910 compared with the original budget for 2015/16 or £77,990 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 2015, and have been increased by 1.5%. Detailed rates will be contained in the Council's fees and charges book and the new rates will be applicable from 1 April 2016.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue budget for 2016/17 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

PD1-16/TH/AC
23 October 2015

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.	10,070	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.	1,770	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