

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 8

meeting date: 11 JANUARY 2018
title: ORIGINAL REVENUE BUDGET 2018/19
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To agree the draft revenue budget for 2018/19, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's four year Budget Forecast which predicted budget gaps as follows: £774k in 2018/19, £956k in 2019/20, £1,139k in 2020/21.
- 2.2 In October 2016 this Council submitted an Efficiency Plan to the Government in order to secure a multi year finance settlement. We were notified on 16 November 2016 that we are now formally on the multi-year settlement and can expect to receive the allocations published as part of the 2016/17 local government finance settlement in 2017/18, 2018/19 and 2019/20.
- 2.3 We are currently awaiting the announcement of the provisional Local Government Finance Settlement for 2018/19, but we anticipate that the figures provided previously in the multi-year settlement will be honoured. An update on this position will be provided at your meeting.
- 2.4 The budget for this committee now also includes the budget for the new Planning and Economic Development Department. At this stage the departmental costs cover only the new director post (based on a 1 February 2018 start date).
- 2.5 Consequently the budget does not include the wider implications of the new departmental structure as this is currently being considered. Once finalised this restructuring will be cost neutral based, being based on existing staff currently budgeted for within our existing departmental structure, currently under other committees.

3 BUDGET WORKING GROUP

- 3.1 The Budget Working Group have been undertaking detailed reviews over the past few months of the various funding streams of the council. These have particularly focused on Business Rates, New Homes Bonus and Council Tax. This will be further reviewed now that the full details of the individual committee budgets have been calculated, and once the Local Government Finance Settlement has been announced.

4 BUDGET PROCESS

- 4.1 Presented to committee for decision in October were the proposed fees and charges for 2018/19. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.
- 4.2 Following a great deal of in-depth service analysis and meetings with regard to this committees budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.
- 4.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.
- 4.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2018/19 will also be approved.

5 2018/19 DRAFT REVENUE BUDGET

- 5.1 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 2%.
- 5.2 Within this report the budget is shown in the same manner in which they are reviewed. Each costs centre within the report is shown individually. Behind each costs centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis.

- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.
- **Premises Related:** this group includes expenses directly related to the running of premises and land.
- **Transport Related:** this group includes all costs associated with the provision, hire or use of transport, including travelling allowances.
- **Supplies and Services:** this group includes all direct supplies and service expenses to the council.
- **Third Party Payments:** a third party payment is a payment to an external provider which is operating independently, in return for the provision of a service.
- **Transfer Payments:** this includes the cost of payments to individuals for which no goods or services are received in return by the local authority. A key item here would be the payment of housing benefits.

- **Support Services:** charges for services that support the provision of services to the public. At this council the main support service cost is the support from staff based at the council offices building and the building's associated cost.
- **Depreciation and Impairment:** this is the revenue impact of capital items shown in the service revenue accounts of the council.
- **Income:** this includes income from fees and charges, grants, donations and contributions. Also shown here is the associated 'income' to a support service from the redistribution of its costs to those providing services to the public

5.3 As you will see, the draft proposed budget for 2018/19 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below.

- **Original Estimate 2017/18:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Inflation at 2%:** The budget forecast allows for inflation on pay and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought in to the individual budget areas.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven. In past years items included under the new 'Savings' heading were also included here.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column
- **DRAFT Original Estimate 2018/19:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

5.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2017/18 Original Estimate, to the DRAFT Original Estimate for 2018/19. Comments are also provided on the main variances.

6 COMMITTEE SERVICE ESTIMATES

6.1 **Cost Centre and Description** AONBS: Area of Outstanding Natural Beauty

This relates to the cost of membership of National AONB Organisation and the annual contribution to the Joint Advisory Committee Partnership. This funding contributes to management work and specific projects.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Third Party Payments	6,900	0	140	0	0	0		7,040
Support Services	9,620	0	190	-190	0	-650		8,970
Total Expenditure	16,520	0	330	-190	0	-650	0	16,010
Net Expenditure	16,520	0	330	-190	0	-650	0	16,010

AONBS: Area of Outstanding Natural Beauty

Commentary on Substantial Budget Changes

Support Services:

The decrease is mainly due to changes in cost allocations from Financial Services

6.2 **Cost Centre and Description** BCFEE: Building Control Fee Earning

The expenditure shown under this cost centre results from administering those functions for which charges are to be made in accordance with the Charges Regulations. The charges relate only to the building regulations plan examination and site inspection function, including consideration of any enforcement action but not the service of notices under the provisions of the Building Act 1984.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	3,080		50	40	2,300	0	0	5,470
Transport Related Expenditure	8,190		160	-10	-570	0	0	7,770
Supplies & Services	13,980		290	-100	-2,440	0	0	11,730
Support Services	145,150		2,910	-2,910	0	1,790	0	146,940
Total Expenditure	170,400	0	3,410	-2,980	-710	1,790	0	171,910
Customer & Client Receipts	-175,890		-3,520	-140	-7,380	0	0	-186,930
Total Income	-175,890	0	-3,520	-140	-7,380	0	0	-186,930
Net Expenditure	-5,490	0	-110	-3,120	-8,090	1,790	0	-15,020
Associated Movement in Earmarked Reserves	5,490		110	-110	9,530	0	0	15,020
Net After Earmarked Reserves	0	0	0	-3,230	1,440	1,790	0	0

BCFEE: Building Control Fee Earning

Commentary on Substantial Budget Changes

Employee Related Expenses:

The provision for tuition fees has been increased to allow for professional training of the Building Control Technician

Supplies & Services:

The software maintenance of the MVM system is no longer required as the system has been upgraded to M3 Engage.

Support Services :

The increase in support services is mainly due to changes in cost allocations from Chief Executives Department and Financial Services partly offset by a reduction in costs from Community Services.

Customer & Client Receipts :

The estimated Income from building regulation fees is based on a three year average plus a provision for inflation. This is higher than the original estimate for 2017/18 plus inflation. The variance in estimated income is shown as an unavoidable change to the service costs.

Net Expenditure

Due to the estimated increase in income and reductions in some costs, the surplus on the building control function has increased..

Movement in Earmarked Reserve

The estimated net expenditure for 2018/19 is in surplus, this will be transferred to the Building Regulation Reserve.

6.3 **Cost Centre and Description** BCNON: Building Control Non Fee Earning

Shown here is the balance of building control work for which a charge is not mad(Non Fee Earning). These other activities can be roughly split into Statutory and critical Building Control functions, and include such items as Dealing with Dangerous Structures, administration of the Approved Inspectors Regulations and Building Control Enforcement work.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Transport Related Expenditure	5,860		120	-30	-1,390	0	0	4,560
Supplies & Services	5,750		120	-60	-2,490	0	0	3,320
Support Services	50,790		1,020	-1,020	0	1,270	0	52,060
Total Expenditure	62,400	0	1,260	-1,110	-3,880	1,270	0	59,940
Customer & Client Receipts	-1,320		-30	0	0	0	0	-1,350
Net Expenditure	61,080	0	1,230	-1,110	-3,880	1,270	0	58,590

BCNON: Building Control Non Fee Earning

Commentary on Substantial Budget Changes

Transport Related Expenditure:

The estimated decrease in the cost of car allowances is due to reduced mileage.

Supplies & Services:

Software maintenance costs have been reduced due to the MVM system being no longer being required.

Support Services:

The increase in support costs is due to changes in cost allocations from Chief Executives Department and Financial Services offset by a reduction from Organisation & Member Development.

6.4 **Cost Centre and Description** BCSAP: Building Control SAP Fees

SAP (Standard Assessment Procedure) Calculations - estimating energy performance of buildings - are a requirement of the Building Regulations, and are required for all newly built dwellings in the UK. A SAP Rating has been required for all new homes under Part L of the building regulations since 1995. This cost centre shows officer time involved in doing this, and income received from fees and charges levied.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	1,570	0	30	-10	-280	0	0	1,310
Supplies & Services	280	0	10	0	0	0	0	290
Support Services	840	0	20	-20	0	450	0	1,290
Total Expenditure	2,690	0	60	-30	-280	450	0	2,890
Customer & Client Receipts	-5,240	0	-100	40	2,290	0	0	-3,010
Total Income	-5,240	0	-100	40	2,290	0	0	-3,010
Net Expenditure	-2,550	0	-40	10	2,010	450	0	-120

BCSAP: Building Control SAP Fees

Commentary on Substantial Budget Changes

Customer & Client Receipts:

Decrease in 3 year average of SAP fees

6.5 **Cost Centre and Description** CINTR: Clitheroe Integrated Transport Scheme

The council makes a small contribution to the running costs of the County Council's bus and rail interchange in Clitheroe.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Transfer Payments	5,310		110	-170	0	0	0	5,250
Support Services	800		20	-20	0	20	0	820
Depreciation and Impairment	1,180		20	-20	0	0	0	1,180
Total Expenditure	7,290	0	150	-210	0	20	0	7,250
Net Expenditure	7,290	0	150	-210	0	20	0	7,250

6.6 **Cost Centre and Description** COMMG: Community Groups

Support funding for biodiversity, conservation and environmental community projects

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Transfer Payments	6,660		130	0	-6,790	0	0	0
Support Services	46,880		940	-940	0	-46,880	0	0
Total Expenditure	53,540	0	1,070	-940	-6,790	-46,880	0	0
Net Expenditure	53,540	0	1,070	-940	-6,790	-46,880	0	0

COMMG: Community Groups

Commentary on Substantial Budget Changes

Transfer Payments:

The budget for the payment of grants has been transferred to the Countryside Management cost centre (COUNT)

Support Services:

The decrease is due to support costs from Chief Executives Department being transferred to Health & Housing Committee. This budget has been transferred from the Planning committee budget as this work on behalf of the community is better aligned with the Health and Housing Committee's supporting people agenda.

6.7 **Cost Centre and Description** CONSV: Conservation Areas

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.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	12,970	0	260	-260	0	-3,830	0	9,140
Total Expenditure	12,970	0	260	-260	0	-3,830	0	9,140
Net Expenditure	12,970	0	260	-260	0	-3,830	0	9,140

CONSV: Conservation Areas

Commentary on Substantial Budget Changes

Support Services

The decrease is due to changes in cost allocations from Community Services Department

6.8 **Cost Centre and Description** COUNT: Countryside Management

The Council supports the work of conservation, access and recreation in the natural greenspace and countryside sector. Funding is also given from this cost centre to support third party organisations in the furtherance of our own aims and objectives.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	11,060	0	220	0	0	0	0	11,280
Supplies & Services	9,440	0	190	0	0	0	0	9,630
Transfer Payments	6,130	0	120	130	6,660	0	0	13,040
Support Services	20,640	0	420	-420	0	7,450	0	28,090
Total Expenditure	47,270	0	950	-290	6,660	7,450	0	62,040
Miscellaneous Recharges	-9,620	0	-190	0	900	0	0	-8,910
Total Income	-9,620	0	-190	0	900	0	0	-8,910
Net Expenditure	37,650	0	760	-290	7,560	7,450	0	53,130

COUNT: Countryside Management

Commentary on Substantial Budget Changes

Transfer Payments:

The increase in transfer payments is due to transferring the budget provision for grant funding from Community grants cost centre (COMMG) to this cost centre.

Support Services:

The increase in support costs is mainly due to changes in cost allocations from Community Services Department.

6.13 **Cost Centre and Description** ECDEV: Planning & Economic Development Department

Expenditure within this cost centre relates to the staffing costs of the new director of Planning and Economic Development only at this stage. The details of the new departmental structure is currently being considered but will be cost neutral based on existing staff currently budgeted for within our existing departmental structure.

All costs of the new Director of Planning and Economic Development re recharged to Planning General (25%), Planning policy (25%) and Economic Development (50%). The following is an analysis of the department's budget.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	0		0		98,880			98,880
Transport Related Expenditure	0		0		5,750			5,750
Total Expenditure	0	0	0	0	104,630	0	0	104,630
Departmental Recharges	0					-104,630		-104,630
Total Income	0	0	0	0	0	-104,630	0	-104,630
Net Expenditure	0	0	0	0	104,630	-104,630	0	0

6.9 **Cost Centre and Description** FPATH: Footpaths & Bridleways

The council provides assistance in footpaths and diversion orders. The costs shown here are for officer time involved in undertaking this work and also the costs of advertising footpath diversion orders. These advertising costs (under supplies and services) are recovered from those requesting the order in full and are shown under 'Other Grants and Contributions'.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	310		10	-10	0	0	0	310
Supplies & Services	1,590		30	0	0	0	0	1,620
Support Services	6,660		130	-130	0	-1,120	0	5,540
Total Expenditure	8,560	0	170	-140	0	-1,120	0	7,470
Other Grants and Contributions	-1,590		-30	0	0	0	0	-1,620
Total Income	-1,590	0	-30	0	0	0	0	-1,620
Net Expenditure	6,970	0	140	-140	0	-1,120	0	5,850

FPATH: Footpaths & Bridleways

Commentary on Substantial Budget Changes

Support Services:

The decrease in support costs is mainly due to cost allocations from Community Services Department.

6.10 **Cost Centre and Description** LDEVE: Local Development Scheme

Local Planning Authorities are required to produce a Local Development Scheme that explains the approach and timetable for policy preparation. The scheme will be used to monitor the Councils progress, and is intended to help manage workloads, resource requirements and to give the public and other interested parties greater opportunity for involvement in the policy process. The costs here are in relation to the production of the Local Plan (Allocations DPD) and it is anticipated that the Council will be at the adoption stage by 2018/19. These costs are funded from monies set aside in earmarked reserve in past years for this purpose. Further information on requirements for the programmed local plan review will be brought to committee in due course.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	42,900		860	-860	-23,740			19,160
Support Services	4,100		80	-80		70,590		74,690
Total Expenditure	47,000	0	940	-940	-23,740	70,590	0	93,850
Net Expenditure	47,000	0	940	-940	-23,740	70,590	0	93,850
Associated Movement in Earmarked Reserves	-42,900		-860	860	23,740			-19,160
Net After Earmarked Reserves	4,100	0	80	-80	0	70,590	0	74,690

LDEVE: Local Development Scheme

Commentary on Substantial Budget Changes

Supplies & Services:

It is anticipated that the Council would be at the delivery stage by 2018/19. This would result in a reduction in printing and stationery costs and consultant fees.

Support Services:

Increase in support costs mainly from changes in cost allocations from Chief Executives Department and Organisation & Member Development service as staff work on the delivery stage.

Movement in Earmarked Reserve:

The net costs of the scheme excluding support costs is funded from reserves . It is anticipated that costs in 2018/19 will be less than 2017/18 which means that in 2018/19 less funding is needed from the planning reserve.

6.11 **Cost Centre and Description** PLANG: Planning Control & Enforcement

The budget shown here relates to the costs associated with the determination of planning applications, pre-application advice and investigation of authorised development. Also shown here is the associated income from charges made under this service. Due to the nature of the service it is difficult to predict accurate income levels from year to year, and therefore past experience in income levels largely forms the basis in establishing the income budgets.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	62,980		1,240	0	210	0	0	64,430
Third Party Payments	3,260		60	0	0	0	0	3,320
Support Services	680,340		13,600	-13,600	0	17,890	0	698,230
Depreciation and Impairment	9,530		190	-190	0	0	0	9,530
Total Expenditure	756,110	0	15,090	-13,790	210	17,890	0	775,510
Customer & Client Receipts	-588,290		-11,760	-93,050	37,050	0	0	-656,050
Total Income	-588,290	0	-11,760	-93,050	37,050	0	0	-656,050
Net Expenditure	167,820	0	3,330	-106,840	37,260	17,890	0	119,460

PLANG: Planning Control & Enforcement

Commentary on Substantial Budget Changes

Support Services

The increase is due to changes in cost allocations from Chief Executive Department and Economic Development offset by a reduction in support costs from Community Services Department.

Customer & Client Receipts

Initially the original estimated income has been increased by 2% for inflation, as shown in the column 'Inflation at 2%'. However both pre-application advice and planning fees are to be increase in excess of this 2%, with Planning Fees being increase by 20%. The additional increase over the 2% provision is shown in column 'Variation to Standard Budgeted Inflation'. As in previous years estimated income has been based on a three year average plus inflation. Unfortunately this shows a drop in income which is shown in the 'Unavoidable Changes to Service Costs' column.

6.12 **Cost Centre and Description** PLANP: Planning Policy

The costs shown here are in relation to staff time spent on developing the overall policy framework for improving's housing delivery, employment and the protection and enhancement of the environment of the area.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	158,610		3,170	-3,170		-53,090		105,520
Total Expenditure	158,610	0	3,170	-3,170	0	-53,090	0	105,520
Net Expenditure	158,610	0	3,170	-3,170	0	-53,090	0	105,520

PLANP: Planning Policy

Commentary on Substantial Budget Changes

Support Services:

Decrease in support costs mainly due to changes in cost allocations in Chief Executives Department offset by an increase in support cost from the new Economic Development Department (which only includes the cost of the new director at this stage)

6.13 **Cost Centre and Description** PLSUB: Grants & Subscriptions - Planning

This budget represents the charges that are paid by this committee in relation to the Lancashire Archaeological Advisory Service.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	5,250		110	2,520				7,880
Total Expenditure	5,250	0	110	2,520	0	0	0	7,880
Net Expenditure	5,250	0	110	2,520	0	0	0	7,880

PLSUB: Grants & Subscriptions - Planning

Commentary on Substantial Budget Changes

Supplies & Services

Since April 2016 the archaeological advice has been provided by the Lancashire Archaeological Advisory Service under a service level agreement. The Lancashire Archaeological Advisory Service is to increase its charges in 2018/19 as shown above. Looking forwards to future years it has been indicated that the fees for 2019/20 are to be £10,500 and for 2020/21, £13,125.

There are currently no realistic alternatives as there are no other providers. If we fail to use the service we could be liable to legal challenges on the basis that we have not carried out our legal responsibilities in accordance with the regulations.

7 SUMMARIES

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

a) Cost of the service provided by the committee (Objective)

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
AONBS: Area of Outstanding Natural Beauty	16,520	0	330	-190	0	-650		16,010
BCFEE: Building Control Fee Earning	-5,490		-110	-3,120	-8,090	1,790	0	-15,020
BCNON: Building Control Non Fee Earning	61,080		1,230	-1,110	-3,880	1,270	0	58,590
BCSAP: Building Control SAP Fees	-2,550	0	-40	10	2,010	450	0	-120
CINTR: Clitheroe Integrated Transport Scheme	7,290		150	-210	0	20	0	7,250
COMMG: Community Groups	53,540		1,070	-940	-6,790	-46,880	0	0
CONSV: Conservation Areas	12,970	0	260	-260	0	-3,830	0	9,140
COUNT: Countryside Management	37,650	0	760	-290	7,560	7,450	0	53,130
ECDEV: Planning & Economic Development Department	0		0		104,630	-104,630		0
FPATH: Footpaths & Bridleways	6,970		140	-140	0	-1,120	0	5,850

a) Cost of the service provided by the committee (Objective)

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
LDEVE: Local Development Scheme	47,000		940	-940	-23,740	70,590		93,850
PLANG: Planning Control & Enforcement	167,820		3,330	-106,840	37,260	17,890	0	119,460
PLANP: Planning Policy	158,610		3,170	-3,170		-53,090		105,520
PLSUB: Grants & Subscriptions - Planning	5,250		110	2,520				7,880
Grand Total	566,660	0	11,340	-114,680	108,960	-110,740	0	461,540
Associated Movement in earmarked reserves	-37,410		-750	750	33,270	0	0	-4,140
Net After Earmarked Reserves	529,250	0	10,590	-113,930	37,600	-6,110	0	457,400

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	4,650	0	80	30	100,900	0	0	105,660
Premises Related Expenditure	11,370	0	230	-10	0	0	0	11,590
Transport Related Expenditure	14,050		280	-40	3,790	0	0	18,080
Supplies & Services	142,170	0	2,850	1,500	-28,460	0	0	118,060
Third Party Payments	10,160	0	200	0	0	0	0	10,360
Transfer Payments	18,100	0	360	-40	-130	0	0	18,290
Support Services	1,137,400	0	22,760	-22,760	0	-6,110	0	1,131,290
Depreciation and Impairment	10,710		210	-210	0	0	0	10,710
Total Expenditure	1,348,610	0	26,970	-21,530	76,100	-6,110	0	1,424,040
Other Grants and Contributions	-1,590		-30	0	0	0	0	-1,620
Customer & Client Receipts	-770,740	0	-15,410	-93,150	31,960	0	0	-847,340
Departmental Recharges	0					-104,630		-104,630
Miscellaneous Recharges	-9,620	0	-190	0	900	0	0	-8,910
Total Income	-781,950	0	-15,630	-93,150	32,860	-104,630	0	-962,500
Net Expenditure	566,660	0	11,340	-114,680	108,960	-110,740	0	461,540
Associated Movement in Earmarked Reserves	-37,410		-750	750	33,270	0	0	-4,140
Net After Earmarked Reserves	529,250	0	10,590	-113,930	142,230	-110,740	0	457,400

8 EARMARKED RESERVES

8.1 In the Original Estimate for 2017/18 this committee planned to use a net amount of £37,410 from earmarked reserves to support its net expenditure. Looking forward to 2018/19, the proposal included in the estimates is that this committee will use £4,140 from earmarked reserves. This is based on using £19,160 from earmarked reserves to support its spending in-year and adding £15,020 in respect of the building regulations service to earmarked reserves at year-end.

8.2 The table below provides a summary of the DRAFT Original Estimate for 2018/19 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves

	DRAFT Original Estimate 2018/19	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	461,540	
PLBAL/H234: Building Regulation Reserve	15,020	Any surplus or deficit on the ringfenced fee-earning element of the Building Control service must be set aside in an earmarked reserve. Any surplus can then be used in future years/off-set against past deficits – or likewise any deficit must then be recovered in future years/off-set against past surpluses. As a result of reduced costs and increased income it is estimated that there will be a net surplus in 2018/19, which will therefore be added to the reserve as shown.
PLBAL/H336: Planning Reserve Earmarked Reserve	-19,160	The total cost of the Local Development Scheme is to be met from earmarked reserves. This contribution represents the estimated final contribution from earmarked reserves of £19,160, out of a total of £82,000 which was set aside to fund the Local Development Scheme over a number of years.
Committee Net Cost of Services after Movements on Earmarked Reserves	457,400	

9 KEY VARIATIONS

- 9.1 The net expenditure for this committee has decreased by £71,850 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance Original Estimate 2017/18 to DRAFT Original Estimate 2018/19
<p><u>PLANG: Planning Control and Enforcement</u> The government have indicated that we can increase our planning fees by 20%.</p>	-102,780
<p>Income from pre application advice, decision notices and planning application fees have all been based on a three year average plus a provision for inflation This is less than the original estimate for 2017/18 plus inflation, resulting in a fall in income.</p>	30,600
<p><u>LDEVE: Local Development Scheme</u> Expenditure on the scheme, other than support service costs are met from earmarked reserves. With the exclusion of support services, the costs associated with this service are anticipated to fall in the estimates provided.</p>	-23,740
<p><u>BCFEE: Building Control Fee Earning</u> The estimated Income from building regulation fees is based on a three year average plus a provision for inflation. This is higher than the original estimate for 2017/18 plus inflation</p>	-7,380
<p><u>Support Service Costs</u> The total decrease in support costs from other services due to changes in cost allocations from those services.</p>	-6,110

10 RISK ASSESSMENT

- 10.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2018/19 would see an decrease in net expenditure of £105,120 compared with the original budget for 2017/18 or £71,850 after allowing for movements on 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.

11 RECOMMENDED THAT COMMITTEE

- 11.1 Approve the revenue original estimate for 2018/19 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-18/TH/AC
15 December 2017

For further background information please ask for Trudy Holderness

BACKGROUND PAPERS - None