

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No

meeting date: 9 JANUARY 2020
title: ORIGINAL REVENUE BUDGET 2020/21
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2020/21, for consideration at Special Policy and Finance Committee.

2 BACKGROUND

3 Year Budget Forecast

- 2.1 The Council's three year budget forecast was presented to Policy & Finance Committee in September. Whilst every year it is extremely challenging to predict funding, nearly all of our major income streams are currently very difficult to forecast in the present climate. Our forecast in September predicted the following budget gaps; £0k in 2020/21, £372k in 2021/22, £410k in 2022/23, after allowing for the use of general fund balances.

- 2.2 2019/20 is the last year of the Government's 4 year multi settlement. From 2020/21 we were expecting substantial local government finance reforms. However in September the Government wrote to all councils announcing that a decision has been taken to delay the implementation of 75% business rates retention and the Fair Funding Review until April 2021. They also announced that 75% business rates pilots will come to an end at the end of March 2020 with no new pilots planned for 2020/21.

- 2.3 Policy and Finance Committee recommend that service committees;

- budget based on the current levels of service provision
- increase their fees and charges by inflation (2%) where possible
- only consider growth items which can be funded by identified savings

Spending Round 2019

- 2.4 The Spending Round 2019 was announced on 4 September 2019 and whilst it is for one year only it does provide Councils with some certainty as to next year's funding.

- The Chancellor announced some extra funding for adult and children's social care. He also announced that key grants to local government will continue next year
- The future of the New Homes Bonus scheme remains uncertain. Legacy payments will be honoured but the scheme for 2020/21 is still for discussion with ministers. We currently rely on £1.105m to fund our revenue budget each year and also use some of our allocation to fund the capital programme
- Funding to remove negative RSG will continue for 2020/21.

- A 2% maximum council tax increase and a further 2% increase for Adult Social Care Precept for illustrative purposes. As is customary however, the government will consult on Council Tax Referendum Principles as part of the Local Government Finance Settlement.

General Election

- 2.5 The General Election has resulted in the announcement of the Provisional Local Government Finance Settlement being put back until after the election.
- 2.6 There is also considerable uncertainty with further Local Government Funding as all the major parties set out quite different spending priorities. Hopefully by the time of your meeting the position will be clearer.
- 2.7 Given all of these uncertainties the service committee budgets have been prepared based on the current level of service plus inflation. Where unavoidable service costs have arisen, these are highlighted.

3 BUDGET PROCESS

- 3.1 Presented to committee for decision in October were the proposed fees and charges for 2020/21. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.
- 3.2 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.
- 3.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.
- 3.4 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 2020/21 will also be approved.

4 2020/21 DRAFT REVENUE BUDGET

- 4.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay increases at 3% and price increases at 2%.
- 4.2 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

4.3 As you will see, the draft proposed budget for 2020/21 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 2019/20:** 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 3% Pay and 2% Other:** The budget forecast allows for inflation on pay at 3% 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.
- **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 2020/21:** 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.

4.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2019/20 Original Estimate, to the DRAFT Original Estimate for 2020/21. Comments are also provided on the main variances.

5 COMMITTEE SERVICE ESTIMATES

5.1 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Third Party Payments	6,940		140					7,080
Support Services	8,590		0			50		8,640
Total Expenditure	15,530	0	140	0	0	50	0	15,720
Net Expenditure	15,530	0	140	0	0	50	0	15,720

5.2 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	5,970		110					6,080
Transport Related Expenditure	7,920		150		-990			7,080
Supplies & Services	11,850		240		-90			12,000
Support Services	159,820		0			2,330		162,150
Total Expenditure	185,560	0	500	0	-1,080	2,330	0	187,310
Customer & Client Receipts	-170,270		-3,410		2,520			-171,160
Total Income	-170,270	0	-3,410	0	2,520	0	0	-171,160
Net Expenditure	15,290	0	-2,910	0	1,440	2,330	0	16,150
Associated Movement in Earmarked Reserves	-15,290		2,910	0	-1,440	-2,330		-16,150
Net After Earmarked Reserves	0	0	0	0	0	0	0	0

BCFEE: Building Control Fee Earning

Commentary on Substantial Budget Changes

Support Services:

Net increase in support service costs due to changes in cost allocations from the ICT, Chief Executives, Resources and Economic Development and Planning Departments.

Transport Related Expenditure:

Reduction in car allowance costs resulting from reduced mileage claims.

Customer & Client Receipts :

The estimated income from building regulation fees is based on full year averages, incorporating income received to date at the point of the review and with adjustment for any inflationary increases. The resulting reduction in estimated income is shown as an unavoidable change to the service costs, and reflects current income trends.

Movement in Earmarked Reserve

The estimated net expenditure for 2020/21 is in deficit. This will be funded from the Building Regulation Reserve.

Any surplus or deficit on the ringfenced fee-earning element of the Building Control service must be accounted for 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. Over a number of years the reserve should breakeven. The forecast deficit position shown above is to be further reviewed by the Corporate Management Team over the coming months.

5.3 **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 made (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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Transport Related Expenditure	4,650		90		-1,410			3,330
Supplies & Services	3,430		70					3,500
Support Services	63,550		0			270		63,820
Total Expenditure	71,630	0	160	0	-1,410	270	0	70,650
Customer & Client Receipts	-1,380		-30					-1,410
Net Expenditure	70,250	0	130	0	-1,410	270	0	69,240

BCNON: Building Control Non Fee Earning

Commentary on Substantial Budget Changes

Transport Related Expenditure:

Reduction in car allowance costs resulting from reduced mileage claims

5.4 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	590		10		-600			0
Supplies & Services	300		10		-310			0
Total Expenditure	890	0	20	0	-910	0	0	0
Customer & Client Receipts	-1,300		-30		1,330			0
Total Income	-1,300	0	-30	0	1,330	0	0	0
Net Expenditure	-410	0	-10	0	420	0	0	0

BCSAP: Building Control SAP Fees

Commentary on Substantial Budget Changes

SAP surveys are no longer being undertaken by the Building Control section resulting in a net reduction to income for the Original Estimate 2020/21 of £410.

5.5 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Transfer Payments	5,250		90					5,340
Support Services	820		0			20		840
Depreciation and Impairment	1,180		0					1,180
Total Expenditure	7,250	0	90	0	0	20	0	7,360
Net Expenditure	7,250	0	90	0	0	20	0	7,360

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

Support funding for biodiversity, conservation and environmental community projects.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Support Services	8,400		0			110		8,510
Total Expenditure	8,400	0	0	0	0	110	0	8,510
Net Expenditure	8,400	0	0	0	0	110	0	8,510

5.7 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Premises Related Expenditure	8,800		180					8,980
Supplies & Services	1,020		20					1,040
Transfer Payments	13,300		270					13,570
Support Services	28,870		0			590		29,460
Total Expenditure	51,990	0	470	0	0	590	0	53,050
Net Expenditure	51,990	0	470	0	0	590	0	53,050

5.8 **Cost Centre and Description** ECPLA: Economic Development and Planning Dept

This departmental cost centre holds the cost of the Regeneration & Housing Section and the Planning Section.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	935,800		27,930	-45,320	100			918,510
Transport Related Expenditure	20,270		400		-390			20,280
Supplies & Services	21,430		430	670	60			22,590
Support Services	164,240		0			8,210		172,450
Total Expenditure	1,141,740	0	28,760	-44,650	-230	8,210	0	1,133,830
Departmental Recharges	-1,141,740		0			7,910		-1,133,830
Total Income	-1,141,740	0	0	0	0	7,910	0	-1,133,830
Net Expenditure	0	0	28,760	-44,650	-230	16,120	0	0

ECPLA: Economic Development and Planning Dept

Commentary on Substantial Budget Changes

Employee Related Expenditure:

The **-£45k** reduction under variation to standard budgeted inflation is made up of several elements:

- A decrease to the employee salary estimate of **-£14k** due to the cessation of a temporary increase in hours and an estimate that assumes that replacements for vacant posts will be recruited to commence employment with the council at the lowest paypoint for that position;
- An actuarial valuation has increased the employers superannuation contribution from 16.5% to 18.7% of pensionable salary with effect from 1st April 2020. This increased cost has been partly offset by lower take up of the scheme than was allowed for in the base budget at the time of the review (**£4k** net increase);
- As part of the pension contributions there has historically also been payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation. This has resulted in a variance of **-£35k** for this department.

Support Services:

Net increase in support service costs due to changes in cost allocations from council premises and the ICT, Chief Executives and Resources Departments.

Departmental Recharges:

A reduction to the estimated net cost of the department for 2020/21 in turn decreases the recharges out to other service areas.

5.9 **Cost Centre and Description** LDEVE: Housing and Economic Development (DPD)

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 HED DPD). These costs are funded from monies previously set aside in an earmarked reserve for this purpose.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	11,200		220		-11,420			0
Support Services	109,580		0			-109,580		0
Total Expenditure	120,780	0	220	0	-11,420	-109,580	0	0
Net Expenditure	120,780	0	220	0	-11,420	-109,580	0	0
Associated Movement in Earmarked Reserves	-11,200		-220		11,420			0
Net After Earmarked Reserves	109,580	0	0	0	0	-109,580	0	0

LDEVE: Housing and Economic Development (DPD)

Commentary on Substantial Budget Changes

This cost centre was established to allocate the cost of developing the Housing and Economic Development, Development Plan Document (HED DPD) to be funded from monies set aside in the planning reserve for that purpose. The HED DPD document has now been developed and was formally adopted by Full Council on 15th October 2019. Accordingly the budget under this cost centre has been removed and work will commence in the 2020/21 financial year on the new Local Plan with any associated costs to be held under cost centre LPLAN.

5.10 **Cost Centre and Description** LPLAN: Local Plan

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 from 2020/21 following adoption of the HED DPD in the 2019/20 financial year (see LDEVE).

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Support Services	0		0			114,160		114,160
Total Expenditure	0	0	0	0	0	114,160	0	114,160
Net Expenditure	0	0	0	0	0	114,160	0	114,160

LPLAN: Local Plan

Commentary on Substantial Budget Changes

Support service charges from the Economic Development & Planning, Community services and Resources Departments as shown here relate to the development of the new Local Plan. There are likely to be other external costs in relation to the development of the Plan, and these will be considered for approval separately.

5.11 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	68,050		1,340	160	-3,490			66,060
Third Party Payments	3,160		60		-3,220			0
Support Services	656,490		0			-10,460		646,030
Depreciation and Impairment	6,040		0				-5,280	760
Total Expenditure	733,740	0	1,400	160	-6,710	-10,460	-5,280	712,850
Customer & Client Receipts	-745,530		-14,910	13,340	12,650			-734,450
Total Income	-745,530	0	-14,910	13,340	12,650	0	0	-734,450
Net Expenditure	-11,790	0	-13,510	13,500	5,940	-10,460	-5,280	-21,600

PLANG: Planning Control & Enforcement

Commentary on Substantial Budget Changes

Supplies and Services

The budget for ad-hoc expenditure on policy related activities is now held under the Planning Policy cost centre (PLANP).

Third Party Payments

Removal of budget originally used to subscribe to Ordnance Survey data in order to access aerial photography layer. The budget is no longer required following access to a free alternative under the Public Sector Mapping Agreement.

Support Services

Net decrease in support costs due to changes in cost allocations from the Economic Development and Planning, Community, Chief Executives and Resources Departments.

Capital

Decrease in annual depreciation charge in respect of the delayed implementation of the planning system upgrade capital scheme.

Customer & Client Receipts

The variation to standard budgeted inflation relates to planning fees which are set nationally and for which an increase in the next financial year has not been announced. The planning fee income estimate is based on a 3-year average. Following analysis of the 2016/17-2018/19 financial years the budget has been reduced as shown within the 'Unavoidable Changes to Service Costs' above.

5.12 **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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	0		0		2,680			2,680
Support Services	106,700		0			-2,010		104,690
Total Expenditure	106,700	0	0	0	2,680	-2,010	0	107,370
Net Expenditure	106,700	0	0	0	2,680	-2,010	0	107,370

PLANP: Planning Policy

Commentary on Substantial Budget Changes

Supplies and Services

A budget for planning policy related activities has been moved in to the Planning Policy section (PLANP) from Planning Control (PLANG)

Support Services

Net decrease in support service costs due to changes in cost allocations from the Economic Development and Planning, Community, Chief Executives and Resources Departments.

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

This budget represents the charges that are paid by this committee in relation to planning archaeological advisory service subscriptions.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	8,040		160		2,380			10,580
Total Expenditure	8,040	0	160	0	2,380	0	0	10,580
Net Expenditure	8,040	0	160	0	2,380	0	0	10,580

PLSUB: Grants & Subscriptions - Planning

Commentary on Substantial Budget Changes

Supplies and Services

The Lancashire Archaeological Advisory Service which provided advice to the planning section closed at the end of the 2018/19 financial year. An alternative provider has been sourced, but this has brought about an increase in costs which is reflected in the unavoidable changes above.

6 SUMMARIES

6.1 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 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
AONBS: Area of Outstanding Natural Beauty	15,530		140			50		15,720
BCFEE: Building Control Fee Earning	15,290		-2,910		1,440	2,330		16,150
BCNON: Building Control Non Fee Earning	70,250		130		-1,410	270		69,240
BCSAP: Building Control SAP Fees	-410		-10		420			0
CINTR: Clitheroe Integrated Transport Scheme	7,250		90			20		7,360
CONSV: Conservation Areas	8,400		0			110		8,510
COUNT: Countryside Management	51,990		470			590		53,050
ECPLA: Economic Development and Planning Dept	0		28,760	-44,650	-230	16,120		0
LDEVE: Housing and Economic Development (DPD)	120,780		220		-11,420	-109,580		0

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

Cost Centre and Description	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
LPLAN: Local Plan	0		0			114,160		114,160
PLANG: Planning Control & Enforcement	-11,790		-13,510	13,500	5,940	-10,460	-5,280	-21,600
PLANP: Planning Policy	106,700		0		2,680	-2,010		107,370
PLSUB: Grants & Subscriptions - Planning	8,040		160		2,380			10,580
Grand Total	392,030		13,540	-31,150	-200	11,600	-5,280	380,540
Associated Movement in Earmarked Reserves	-26,490		2,690		9,980	-2,330	0	-16,150
Net After Earmarked Reserves	365,540	0	16,230	-31,150	9,780	9,270	-5,280	364,390

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	942,360		28,050	-45,320	-500			924,590
Premises Related Expenditure	8,800		180					8,980
Transport Related Expenditure	32,840		640		-2,790			30,690
Supplies & Services	125,320		2,490	830	-10,190			118,450
Third Party Payments	10,100		200		-3,220			7,080
Transfer Payments	18,550		360					18,910
Support Services	1,307,060		0			3,690		1,310,750
Depreciation and Impairment	7,220		0				-5,280	1,940
Total Expenditure	2,452,250	0	31,920	-44,490	-16,700	3,690	-5,280	2,421,390
Customer & Client Receipts	-918,480		-18,380	13,340	16,500			-907,020
Departmental Recharges	-1,141,740		0			7,910		-1,133,830
Total Income	-2,060,220	0	-18,380	13,340	16,500	7,910	0	-2,040,850
Net Expenditure	392,030	0	13,540	-31,150	-200	11,600	-5,280	380,540
Associated Movement in Earmarked Reserves	-26,490		2,690	0	9,980	-2,330		-16,150
Net After Earmarked Reserves	365,540	0	16,230	-31,150	9,780	9,270	-5,280	364,390

7 EARMARKED RESERVES

- 7.1 In the Original Estimate for 2019/20 this committee planned to use a net amount of £26,490 from earmarked reserves to support its net expenditure. Looking forward to 2020/21, the proposal included in the estimates is that this committee will use £16,150 from earmarked reserves.
- 7.2 The table below provides a summary of the DRAFT Original Estimate for 2020/21 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 2020/21	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	380,540	
PLBAL/H234: Building Regulation Reserve	-16,150	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. In 2020/21 it is forecast that the service will be in a deficit position, with £16,150 being released from the earmarked reserve to support the service. The forecast deficit position is to be further reviewed by the Corporate Management Team over the coming months.
Committee Net Cost of Services after Movements on Earmarked Reserves	364,390	

8 KEY VARIATIONS

8.1 The net expenditure for this committee has decreased from £365,540 by £1,150 to £364,390 after allowing for associated movements on earmarked reserves. The main reasons for this net decrease are summarised in the table below.

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21
<p><u>PLANG: Planning Control & Enforcement</u> The original estimate at 2019/20 included depreciation costs relating to the planning portal capital scheme. It is now anticipated that the scheme will not be completed in 2019/20 and as year one depreciation costs are charged in the financial year after completion of the scheme, the estimate has been reduced for 2020/21 by -£5k.</p> <p>The planning fee income estimate is based on a 3-year average. Following analysis of income received in the 2016/17-2018/19 financial years the budget has been reduced by £12k for the 2020/21 estimate.</p>	7,370
<p><u>Support Service Costs</u> There is a net increase in support service costs charged to the committee following changes to various departmental cost allocations.</p>	9,270
<p><u>ECPLA: Economic Development and Planning Department</u> As part of the pension contributions there has historically been a payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation.</p> <p>This has resulted in a variance of -£35k for this department which has offset other inflationary increases relating to departmental salary, national insurance and superannuation costs of £17k.</p>	-17,690

9 RISK ASSESSMENT

9.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2020/21 would see a decrease in net expenditure of £11,490 compared with the original budget for 2019/20 or £1,150 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

10 RECOMMENDED THAT COMMITTEE

10.1 Approve the revenue original estimate for 2020/21 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD3-20/VT/AC
16 December 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None