

# FAREHAM

## BOROUGH COUNCIL

### **Report to Planning Committee**

**Date**                    **16 January 2019**

**Report of:**        **Director of Finance and Resources**

**Subject:**            **SPENDING PLANS 2019/20**

#### **SUMMARY**

This report sets out the overall level of revenue spending on this Committee's services and seeks agreement for the revised revenue budget for 2018/19 and the base budget for 2019/20 before being recommended to Full Council for approval.

#### **RECOMMENDATION**

That the Planning Committee agrees the revised budget for 2018/19 and the base budget for 2019/20, notes the fees and charges for 2019/20 and recommends the budget to Full Council for approval.

## **INTRODUCTION**

1. The Council has a co-ordinated strategic service and financial planning process and this report allows the committee to consider in detail these plans for the provision of the Planning Committee services during the next financial year.
2. This report and the revenue budgets have been prepared in accordance with the Medium Term Finance Strategy that was approved by the Executive on 7 January 2019 and will cover the capital programme, fees and charges and the revenue budget.

## **CAPITAL PROGRAMME**

3. For this committee there are no capital projects planned.

## **FEES AND CHARGES**

4. The Planning Committee charges that are shown in the budget figures are mainly statutory and therefore not under the control of the committee.
5. The Government in delivering the 2018/19 Settlement indicated that planning fees would be increasing and these changes come into force on 17 January 2018.
6. This change has been reflected in the budgets for 2018/19 and 2019/20.

## **REVENUE BUDGET**

7. Appendix A analyses the overall budget total for the individual Planning Committee services and by the different types of expenditure and income.

## **BASE BUDGET 2018/19**

8. The base budgets for 2018/19 were considered by this committee in January 2018 and were confirmed by Full Council on 23 February 2018. The base budget for 2018/19 amounted to £565,100

## **REVISED BUDGET 2018/19**

9. The revised budget for 2018/19 is £597,800 an increase of £32,700 or 5.8% from the base budget.
10. The main change to the revised budgets is as a result of higher legal and consultant payments due to high profile appeals of planning applications. Some of the costs will be offset by an increase in fee income but the remainder will be a budget pressure on the overall finance position of the council.

## **BASE BUDGET 2019/20**

11. The base budget for 2019/20 is £485,700 a decrease of £79,400 or 14.1% from the base budget.
12. Appendix A of this report shows the analysis of expenditure and income for individual services and the following paragraphs of this report set out issues affecting individual services that have arisen in the current year in order to

explain the variations between base and 2018/19 and base budgets and the 2019/20 base budget.

### **SERVICE ISSUES**

13. In preparing the budget there have been changes to the way the employee budgets have been calculated which have reflected the national pay award. In addition to this there have been changes to the employer's costs of National Insurance and pensions.
14. These changes are reflected in the figures in this report and therefore have resulted in some variances across this committee.
15. Internal Recharges costs provided for this committee include ICT, HR, Finance and Audit, Customer Services and accommodation recharges.
16. In addition the recharges from various partnerships which support the committee include Southampton Legal Partnership, Environmental Health Partnership and Building Control Partnership are shown under Third Party Payments heading.
17. The changes to these two areas have been small when compared to the Base Budget for 2018/19.

### **PROCESSING APPLICATIONS**

18. There has been an overall decrease in the 2019/20 base budget for this service of £75,700. The above increase in income is due to an increase in the planning fee budget of £115,000 to reflect the increase in planning charges along an increase in activity. This has been offset by an increase in the employee budgets of £24,000.

### **PLANNING ADVICE**

19. There has been a reduction in the 2019/20 base budget for this service of £9,800. This is mainly due to increases in fees and charges for advice given which has been offset by changes in the employee budgets that are mentioned above.

### **PLANNING ENFORCEMENT**

20. There has been an overall increase in the 2019/20 base budget for this service of £2,100. This is mainly due to the changes in the way the employee budget has been calculated.

### **PLANNING APPEALS**

21. There has been a small increase in the 2019/20 base budget for this service of £4,000. This is mainly due to the increases in the employee budgets.

### **RISK ASSESMENT**

22. There are no significant risk considerations in relation to this report.

## **CONCLUSION**

23. A number of Planning Committee services are partly funded from fees and charges and other types of income. After taking service income into account investment income and the Council's share of business rate income reduce the overall cost of services to be met by council tax payers.
24. These sources of income are generally outside the Council's control and do not reflect the changes in the overall level of spending on local services.
25. With these sources of income effectively "fixed", members need to be aware that, unless it can be matched by increased service income, additional spending on services has to be fully funded by council tax payers.
26. It follows that Members must give full weight of the Council's overall position and future council tax levels when the revenue budgets for 2019/20 are considered.
27. The Committee is asked to:
  - (a) review and agree the revised budgets for 2018/19
  - (b) review and agree the base budgets for 2019/20; and
  - (c) recommend the budget to Full Council for approval.

## **Appendix A – Revenue Budget 2018/19 revised and 2019/20 Base Budget.**

### **Background Papers: None**

### **Enquiries:**

For further information on this report please contact Neil Wood. (Ext 4506).

## APPENDIX A

### PLANNING COMMITTEE

#### ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2019/20

	<b>Base Estimate 2018/19 £</b>	<b>Revised Estimate 2018/19 £</b>	<b>Base Estimate 2019/20 £</b>
PROCESSING APPLICATIONS	135,700	14,900	60,000
PLANNING ADVICE	253,100	253,900	243,300
PLANNING ENFORCEMENT	123,900	124,400	126,000
PLANNING APPEALS	52,400	204,600	56,400
	<b>565,100</b>	<b>597,800</b>	<b>485,700</b>

#### SUBJECTIVE ANALYSIS

	<b>Base Estimate 2018/19 £</b>	<b>Revised Estimate 2018/19 £</b>	<b>Base Estimate 2019/20 £</b>
EMPLOYEES	754,100	753,800	787,100
TRANSPORT EXPENDITURE	11,600	11,600	11,600
SUPPLIES AND SERVICES	60,800	242,800	60,800
THIRD PARTY PAYMENTS	94,400	93,900	99,400
INTERNAL RECHARGES	159,500	163,000	172,800
<b>GROSS EXPENDITURE</b>	<b>1,080,400</b>	<b>1,265,100</b>	<b>1,131,700</b>
OTHER INCOME	-2,600	-2,600	-2,600
FEEs AND CHARGES	-512,700	-664,700	-643,400
<b>GROSS INCOME</b>	<b>-515,300</b>	<b>-667,300</b>	<b>-646,000</b>
<b>NET EXPENDITURE</b>	<b>565,100</b>	<b>597,800</b>	<b>485,700</b>

	Base Estimate 2018/19 £	Revised Estimate 2018/19 £	Base Estimate 2019/20 £
<b><u>PROCESSING APPLICATIONS</u></b>			
EMPLOYEES	418,200	417,700	442,000
TRANSPORT EXPENDITURE	7,000	7,000	7,000
SUPPLIES AND SERVICES	32,900	62,900	32,900
THIRD PARTY PAYMENTS	77,000	76,500	80,700
INTERNAL RECHARGES	101,200	103,400	113,700
<b>GROSS EXPENDITURE</b>	<b>636,300</b>	<b>667,500</b>	<b>676,300</b>
OTHER INCOME	-2,600	-2,600	-2,600
FEEES AND CHARGES	-498,000	-650,000	-613,700
<b>GROSS INCOME</b>	<b>-500,600</b>	<b>-652,600</b>	<b>-616,300</b>
<b>NET EXPENDITURE</b>	<b>135,700</b>	<b>14,900</b>	<b>60,000</b>

	Base Estimate 2018/19 £	Revised Estimate 2018/19 £	Base Estimate 2019/20 £
<b><u>PLANNING ADVICE</u></b>			
EMPLOYEES	214,700	214,700	218,500
TRANSPORT EXPENDITURE	2,100	2,100	2,100
SUPPLIES AND SERVICES	2,000	2,000	2,000
THIRD PARTY PAYMENTS	12,200	12,200	13,000
INTERNAL RECHARGES	36,800	37,600	37,400
<b>GROSS EXPENDITURE</b>	<b>267,800</b>	<b>268,600</b>	<b>273,000</b>
FEEES AND CHARGES	-14,700	-14,700	-29,700
<b>GROSS INCOME</b>	<b>-14,700</b>	<b>-14,700</b>	<b>-29,700</b>
<b>NET EXPENDITURE</b>	<b>253,100</b>	<b>253,900</b>	<b>243,300</b>

	<b>Base Estimate 2018/19 £</b>	<b>Revised Estimate 2018/19 £</b>	<b>Base Estimate 2019/20 £</b>
<b><u>PLANNING ENFORCEMENT</u></b>			
EMPLOYEES	96,300	96,400	97,700
TRANSPORT EXPENDITURE	2,500	2,500	2,500
SUPPLIES AND SERVICES	3,000	3,000	3,000
THIRD PARTY PAYMENTS	5,200	5,200	5,700
INTERNAL RECHARGES	16,900	17,300	17,100
<b>GROSS EXPENDITURE</b>	<b>123,900</b>	<b>124,400</b>	<b>126,000</b>
<b>NET EXPENDITURE</b>	<b>123,900</b>	<b>124,400</b>	<b>126,000</b>

	<b>Base Estimate 2018/19 £</b>	<b>Revised Estimate 2018/19 £</b>	<b>Base Estimate 2019/20 £</b>
<b><u>PLANNING APPEALS</u></b>			
EMPLOYEES	24,900	25,000	28,900
SUPPLIES AND SERVICES	22,900	174,900	22,900
INTERNAL RECHARGES	4,600	4,700	4,600
<b>GROSS EXPENDITURE</b>	<b>52,400</b>	<b>204,600</b>	<b>56,400</b>
<b>NET EXPENDITURE</b>	<b>52,400</b>	<b>204,600</b>	<b>56,400</b>

<b>TOTAL PLANNING COMMITTEE</b>	<b>565,100</b>	<b>597,800</b>	<b>485,700</b>
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