

# FAREHAM

## BOROUGH COUNCIL

### Report to Planning Committee

**Date**                    **20 November 2013**

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

**Subject:**              **SPENDING PLANS 2014/15**

#### **SUMMARY**

This report sets out the overall level of revenue spending on this Committee's services and seeks approval for the revised budget for 2013/14 and the base budget for 2014/15.

#### **RECOMMENDATION**

It is recommended that:-

- (a) the revised budget for 2013/14 be approved
- (b) the 5% increase for pre-application advice for 2014/15 be approved; and
- (c) the base budget for 2014/15 be approved.

## **INTRODUCTION**

1. The Council has a co-ordinated strategic service and financial planning process and this report brings together the revenue and capital spending and fees and charges for 2014/15 and allows the Committee to consider in detail these plans for the provision of services, as set out in Local Services Agreements, within 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 October 2013 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. The Government has yet to indicate if Local Authorities will be allowed to increase these charges for 2014/15. As the fees were increased last year by 15% (the first increase in 3 years), the budget has been prepared with the assumption that there will be no increase in the statutory fees. The Medium Term Finance Strategy highlights the need to explore all avenues of possible charging to keep down Council Tax increases.
5. Currently the cost for the pre-application advice is calculated on a case-by-case basis, allowing for the different nature and scale of applications to be taken into account when estimating officer time and finalising the charge. The charge does not recover the full cost of the work involved and it is proposed to increase the charge by 5% in line with other fees and charges. This will increase the income potential without adversely affecting the pre-application dialogue on applications.

## **REVENUE BUDGET**

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

### **Base Budget 2013/14**

7. The base budgets for 2013/14 were considered by this Committee in November 2012 and were confirmed by the Full Council on 21st February 2013. The base budget for 2013/14 amounted to £669,000.

### **Revised Budget 2013/14**

8. The overall revised budget for 2013/14 is £707,400, an increase £38,400 or 5.7% from the base budget.

9. The Base Budget 2014/15 is £793,400 an increase of £124,400 or 18.6% increase from the base budget for 2013/14.

### Revenue Budget Comparisons

10. The following table analyses the total variations between expenditure and income:

	<b>Revised Budget 2013/14</b>	<b>Base Budget 2014/15</b>
	£	£
Base Budget 2013/14	669,000	669,000
Expenditure Variations	38,400	124,400
Income Variations	0	0
<b>TOTAL</b>	<b>707,400</b>	<b>793,400</b>

11. The major variations in the individual service budgets are summarised in the following table:

	<b>Revised Budget 2013/14</b>	<b>Base Budget 2014/15</b>
	£	£
Base Budget 2013/14	669,000	669,000
Planning Advice	46,900	77,900
Enforcement of Planning Control	-10,300	-5,300
Appeals	-5,600	-6,600
Processing Applications	7,400	58,400
<b>TOTAL</b>	<b>707,400</b>	<b>793,400</b>

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 revised budgets 2013/14 and the base budget for 2014/15.

### SERVICE ISSUES

#### Employee, Internal Support and Transport Costs

13. The employee cost budgets are calculated by estimating the time that will be spent by employees in each service area.
14. In order to streamline and simplify the process of allocating employee costs to services, internal processes have been revised which may also have resulted in a small degree of fluctuation between current and future year's budgets.

15. Additional Planning Officer posts (2 FTEs) have been created to cover work for new developments at a cost of £99,000 per annum and will be funded from the Community Infrastructure Fund (CIL).
16. Internal support service cost provided to this committee, including ICT, Personnel, Finance, Customer Services and accommodation recharges, will have also been affected by the changes outlined above.
17. Specific car allowances have been identified and moved from the employee budget to the transport budget for the relative service. In addition the redistribution of other transport budgets has been made to match current usage.

#### **PLANNING ADVICE**

18. There has been an overall increase in the 2014/15 base budget for this service of £77,900. The main reason is the cost of the new posts which will be funded by CIL. In addition other minor variations include an increase in internal support for this service area (£4,000).
19. The 2013/14 revised budget £47,500 is due to the increased employee (£41,000) related expenditure, as outlined above.

#### **ENFORCEMENT OF PLANNING CONTROL**

20. There has been an overall decrease in the 2014/15 budget for this service of £5,300, which is mainly as a result of a decrease in the cost of employment (£4,500).

#### **APPEALS**

21. There has been a marginal decrease in both the revised budget 2013/14 and the base budget 2014/15 for this service. This is mainly due to the decrease in cost of employment from the reallocation of the anticipate employee allocations.

#### **PROCESSING APPLICATIONS**

22. There has been an overall increase in the 2014/15 base budget of £58,400, mainly due to increased cost of employment (£45,900). This is due to the additional posts that will be funded by CIL. Supplies and Services budget has increased to cover the costs for advertising public notices (£8,500), this was previously paid corporately but the budgets have now been devolved to individual service areas. There has been a small reduction in support services.

#### **RISK ASSESMENT**

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

#### **CONCLUSION**

24. A number of Planning Committee services are partly funded from fees and charges and other types of income. After taking service income into account, the following sources of income reduce the overall cost of services to be met by council tax payers:

- Investment income;
  - General government grant; and
  - The Council's share of business rate income
25. 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. 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 to the Council's overall position and future council tax levels when the revenue budgets for 2014/15 are considered.
27. The Committee is asked to review the revised budgets for 2013/14 and the base budgets and fees and charges for 2014/15 and consider whether it wishes to submit comments for consideration by Full Council.

## **APPENDIX A – Revenue Budget 2013/14 Revised & 2014/15 Base**

**Background Papers:** None

**Reference Papers:**

Report of the Director of Finance and Resources to the Executive on 7 October 2013 'Annual Review of the Council's Finance Strategy'

Report of the Director of Corporate Policy & Performance to the Planning Development Control Committee on 26 November 2008 'Local Service Agreements (LSA's)

Report of the Chief Executive Officer to the Executive on 2 April 2012 'Efficiency Proposals'

**Enquiries:**

For further information on this report please contact Sonia Dent, Senior Management Accountant (Ext 4313)

**PLANNING COMMITTEE**

**ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2014/15**

<b><u>PLANNING ADVICE</u></b>	<b>Actuals</b>	<b>Base Estimate</b>	<b>Revised Estimate</b>	<b>Base Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
PLANNING ADVICE	245,078	240,600	287,500	318,500
ENFORCEMENT OF PLANNING CONTROL	142,219	140,400	130,100	135,100
APPEALS	57,567	78,700	73,100	72,100
PROCESSING APPLICATIONS	277,982	209,300	216,700	267,700
<b>NET EXPENDITURE</b>	<b>722,846</b>	<b>669,000</b>	<b>707,400</b>	<b>793,400</b>

**SUBJECTIVE ANALYSIS**

	<b>Actuals</b>	<b>Base Estimate</b>	<b>Revised Estimate</b>	<b>Base Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEE RELATED EXPENDITURE	713,229	696,600	726,700	806,200
TRANSPORT	4,641	2,200	11,000	12,600
SUPPLIES AND SERVICES	113,621	44,700	42,800	50,900
CONTRACT PAYMENTS	66,525	62,600	65,300	61,000
INTERNAL SUPPORT	220,003	227,200	225,900	227,000
<b>GROSS EXPENDITURE</b>	<b>1,118,019</b>	<b>1,033,300</b>	<b>1,071,700</b>	<b>1,157,700</b>
OTHER GRANTS & REIMBURSEMENTS	-10,594	0	0	0
SALES	-5,005	-2,600	-2,600	-2,600
FEEES AND CHARGES	-379,574	-361,700	-361,700	-361,700
<b>GROSS INCOME</b>	<b>-395,173</b>	<b>-364,300</b>	<b>-364,300</b>	<b>-364,300</b>
<b>NET EXPENDITURE</b>	<b>722,846</b>	<b>669,000</b>	<b>707,400</b>	<b>793,400</b>

**PLANNING ADVICE**

	<b>Actuals</b>	<b>Base</b>	<b>Revised</b>	<b>Base</b>
	<b>2012/13</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEE RELATED EXPENDITURE	150,203	157,500	198,500	230,000
TRANSPORT	277	0	2,000	2,600
SUPPLIES AND SERVICES	604	400	0	0
CONTRACT PAYMENTS	50,676	42,700	41,900	41,900
INTERNAL SUPPORT	53,313	54,700	59,800	58,700
<b>GROSS EXPENDITURE</b>	<b>255,073</b>	<b>255,300</b>	<b>302,200</b>	<b>333,200</b>
FEES AND CHARGES	-9,995	-14,700	-14,700	-14,700
<b>GROSS INCOME</b>	<b>-9,995</b>	<b>-14,700</b>	<b>-14,700</b>	<b>-14,700</b>
<b>NET EXPENDITURE</b>	<b>245,078</b>	<b>240,600</b>	<b>287,500</b>	<b>318,500</b>

**ENFORCEMENT OF PLANNING CONTROL**

	<b>Actuals</b>	<b>Base</b>	<b>Revised</b>	<b>Base</b>
	<b>2012/13</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEE RELATED EXPENDITURE	96,762	100,900	92,000	96,400
TRANSPORT	1,586	1,000	2,200	2,500
SUPPLIES AND SERVICES	394	2,400	2,100	1,900
CONTRACT PAYMENTS	14,724	6,700	6,700	6,700
INTERNAL SUPPORT	29,153	29,400	27,100	27,600
<b>GROSS EXPENDITURE</b>	<b>142,619</b>	<b>140,400</b>	<b>130,100</b>	<b>135,100</b>
FEES AND CHARGES	-400	0	0	0
<b>GROSS INCOME</b>	<b>-400</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>142,219</b>	<b>140,400</b>	<b>130,100</b>	<b>135,100</b>

**APPEALS**

	<b>Actuals</b>	<b>Base Estimate</b>	<b>Revised Estimate</b>	<b>Base Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEE RELATED EXPENDITURE	36,255	39,100	35,900	34,800
TRANSPORT	13	0	100	100
SUPPLIES AND SERVICES	7,000	21,700	21,700	21,700
CONTRACT PAYMENTS	0	3,500	2,700	2,700
INTERNAL SUPPORT	14,299	14,400	12,700	12,800
<b>GROSS EXPENDITURE</b>	<b>57,567</b>	<b>78,700</b>	<b>73,100</b>	<b>72,100</b>
<b>NET EXPENDITURE</b>	<b>57,567</b>	<b>78,700</b>	<b>73,100</b>	<b>72,100</b>

**PROCESSING APPLICATIONS**

	<b>Actuals</b>	<b>Base Estimate</b>	<b>Revised Estimate</b>	<b>Base Estimate</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEE RELATED EXPENDITURE	430,009	399,100	400,300	445,000
TRANSPORT	2,765	1,200	6,700	7,400
SUPPLIES AND SERVICES	105,623	20,200	19,000	27,300
CONTRACT PAYMENTS	1,125	9,700	14,000	9,700
INTERNAL SUPPORT	123,238	128,700	126,300	127,900
<b>GROSS EXPENDITURE</b>	<b>662,760</b>	<b>558,900</b>	<b>566,300</b>	<b>617,300</b>
OTHER GRANTS & REIMBURSEMENTS	-10,594	0	0	0
SALES	-5,005	-2,600	-2,600	-2,600
FEEES AND CHARGES	-369,179	-347,000	-347,000	-347,000
<b>GROSS INCOME</b>	<b>-384,778</b>	<b>-349,600</b>	<b>-349,600</b>	<b>-349,600</b>
<b>NET EXPENDITURE</b>	<b>277,982</b>	<b>209,300</b>	<b>216,700</b>	<b>267,700</b>

**PLANNING COMMITTEE**

<b>NET EXPENDITURE</b>	<b>722,846</b>	<b>669,000</b>	<b>707,400</b>	<b>793,400</b>
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