

FAREHAM

BOROUGH COUNCIL

Report to Planning Committee

Date **19 November 2014**

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

Subject: **SPENDING PLANS 2015/16**

SUMMARY

This report sets out the overall level of revenue spending on this Committee's services and seeks approval for the revised revenue budget for 2014/15 and the base budget for 2015/16.

RECOMMENDATION

It is recommended that:-

- (a) the revised budget for 2014/15 be approved
- (b) the 5% increase for pre-application advice for 2015/16 be approved; and
- (c) the base budget for 2015/16 be approved.

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 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 6 October 2014 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 2015/16. 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 2014/15

7. The base budgets for 2014/15 were considered by this Committee in November 2013 and were confirmed by the Full Council on 21 February 2014. The base budget for 2014/15 amounted to £793,400.

Revised Budget 2014/15

8. The overall revised budget for 2014/15 is £801,800, an increase £8,400 or 1% from the base budget.

Base Budget 2015/16

9. The Base Budget 2015/16 is £734,800 a decrease of £58,600 or 7.39% decrease from the base budget for 2014/15.

Revenue Budget Comparisons

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

	Revised Budget 2014/15	Base Budget 2015/16
	£	£
Base Budget 2014/15	793,400	793,400
Planning Advice	-16,300	-15,600
Enforcement of Planning Control	-2,300	-5,400
Appeals	64,500	-3,800
Processing Applications	-37,500	-33,800
TOTAL	801,800	734,800

11. 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 2014/15 and the base budget for 2015/16.

SERVICE ISSUES

Employee and Support Services Costs

12. The employee cost budgets are calculated by estimating the time that will be spent by employees in each service area.
13. 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.
14. 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.

PLANNING ADVICE

15. There has been an overall decrease in the 2015/16 base budget for this service of £15,600. This is mainly due to the reduction in the time allocation in the employee budget resulting from an efficiency saving. The other variations are due to the modification to some of the accounts to improve transparency.
16. The 2014/15 revised budget has reduced by £16,300 due to the reasons mentioned above.

ENFORCEMENT OF PLANNING CONTROL

17. There has been an overall decrease in the 2015/16 budget for this service of £5,400, which is mainly as a result of a decrease in support service costs. The other variations are due to the modification to some of the accounts to improve

transparency.

APPEALS

18. The revised budget for 2014/15 has been increased by £68,500 to cover the legal costs for 3 large planning appeals that are due to place before the end of the financial year. The other minor variations are due to reduction in support service costs and modification to some of the accounts to improve transparency.
19. The base budget for 2015/16 shows a minor reduction of £3,800. The main reason is the reduction in support service costs.

20. PROCESSING APPLICATIONS

There has been an overall decrease in the 2015/16 base budget of £33,800 and £34,100 for the revised budget, which is due to the reduction in support service costs. The other variations reflect the new partnership arrangement for Environmental Health previously budgeted for in the employee budget, which is now budgeted for in the contract payment budget.

RISK ASSESSMENT

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

CONCLUSION

22. 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
23. 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.
24. It follows that Members must give full weight to the Council's overall position and future council tax levels when the revenue budgets for 2015/16 are considered.
25. The Committee is asked to review the revised budgets for 2014/15 and the base budgets and fees and charges for 2015/16 and consider whether it wishes to submit comments for consideration by Full Council.

APPENDIX A – Revenue Budget 2014/15 Revised & 2015/16 Base

Background Papers: None

Reference Papers:

Report of the Director of Finance and Resources to the Executive on 6 October 2014
'Annual Review of the Council's Finance Strategy'

Enquiries:

For further information on this report please contact Sonia Dent. (Ext 4313)

PLANNING ADVICE

	Actuals 2013/14	Base Estimate 2014/15	Revised Estimate 2014/15	Base Estimate 2015/16
	£	£	£	£
EMPLOYEES	190,926	230,000	218,600	220,800
TRANSPORT RELATED EXPENDITURE	1,557	2,600	2,600	2,600
SUPPLIES AND SERVICES	202	0	2,000	2,000
THIRD PARTY PAYMENTS	36,171	41,900	50,400	50,400
SUPPORT SERVICES	64,044	58,700	43,300	41,800
GROSS EXPENDITURE	292,900	333,200	316,900	317,600
FEES AND CHARGES	-10,887	-14,700	-14,700	-14,700
GROSS INCOME	-10,887	-14,700	-14,700	-14,700
NET EXPENDITURE	282,013	318,500	302,200	302,900

ENFORCEMENT OF PLANNING CONTROL

	Actuals 2013/14	Base Estimate 2014/15	Revised Estimate 2014/15	Base Estimate 2015/16
	£	£	£	£
EMPLOYEES	65,827	96,400	95,400	96,200
TRANSPORT RELATED EXPENDITURE	1,554	2,500	2,500	2,500
SUPPLIES AND SERVICES	2,019	1,900	3,100	3,100
THIRD PARTY PAYMENTS	8,169	6,700	8,000	8,000
SUPPORT SERVICES	27,188	27,600	20,400	19,900
GROSS EXPENDITURE	104,757	135,100	129,400	129,700
NET EXPENDITURE	104,757	135,100	129,400	129,700

APPEALS

	Actuals	Base	Revised	Base
	2013/14	Estimate	Estimate	Estimate
	£	£	£	£
EMPLOYEES	33,746	34,800	34,300	34,600
TRANSPORT RELATED EXPENDITURE	85	100	100	100
SUPPLIES AND SERVICES	17,837	21,700	91,400	22,900
THIRD PARTY PAYMENTS	4,814	2,700	2,700	2,700
SUPPORT SERVICES	12,943	12,800	8,100	8,000
GROSS EXPENDITURE	69,424	72,100	136,600	68,300
NET EXPENDITURE	69,424	72,100	136,600	68,300

PROCESSING APPLICATIONS

	Actuals	Base	Revised	Base
	2013/14	Estimate	Estimate	Estimate
	£	£	£	£
EMPLOYEES	416,435	445,000	377,400	380,900
TRANSPORT RELATED EXPENDITURE	7,239	7,400	7,400	7,400
SUPPLIES AND SERVICES	81,785	27,300	33,400	33,400
THIRD PARTY PAYMENTS	4,786	9,700	66,200	65,800
SUPPORT SERVICES	130,783	127,900	98,800	96,000
GROSS EXPENDITURE	641,028	617,300	583,200	583,500
SALES	-2,412	-2,600	-2,600	-2,600
FEES AND CHARGES	-472,063	-347,000	-347,000	-347,000
GROSS INCOME	-474,475	-349,600	-349,600	-349,600
NET EXPENDITURE	166,553	267,700	233,600	233,900

PLANNING COMMITTEE

NET EXPENDITURE	622,747	793,400	801,800	734,800
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