

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 12 JANUARY 2022
 title: ORIGINAL REVENUE BUDGET 2023/24
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2023/24, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

3 Year Budget Forecast

- 2.1 The budget forecast was presented to Policy and Finance Committee in September. The forecast took into account our knowledge at the time of;

- Covid19
- Changes to the prime minister and the ministerial team
- Changes to our key funding streams
- Cost of living crisis and impact on demand for our services
- Fast moving inflation

Potential Recession and Impact on our Income Levels

- 2.2 The forecast predicted a budget gap of;

£	
2023/24	1,040,966
2024/25	1,394,296
2025/26	2,412,914

- 2.3 Since the forecast was prepared we have seen;
- Another new prime minister and ministerial team
 - Further increases in inflation
 - Further increases in interest rates
 - Further increase in energy costs

Provisional Local Government Finance Settlement

- 2.4 On 19 December 2022 the Government announced the Provisional Finance Settlement after a week earlier producing a Policy Statement which set out the Government's intention for local government finance over the next two years.

- 2.5 The main points of the Policy Statement as far as we concerned were;
- Revenue Support Grant will increase in line with CPI (10.1% in September)
 - Council Tax – the referendum threshold for shire districts will be 3% or £5 whichever is greater

- Rural Services Delivery Grant will be unchanged
- The Services Grant will reduce in 2023/24 to reflect the national insurance contribution increase being abolished
- New Homes Bonus will continue in 2023/24 but without legacy payments
- The Lower Tier Services Grant will be repurposed together with a proportion of the NHB legacy payments to create a new one off funding guarantee grant to ensure all Council's receive at least a 3% increase in Core Spending Power before any decision on Council Tax.

2.6 In the Policy Statement the Government notes the increase in some local authority reserves over the two years of the pandemic. It encourages "local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment."

2.7 The table below shows the assumption made in the Budget Forecast compared with the Provisional Settlement.

	2023/24 Budget Forecast	Provisional Settlement
Council Tax Income (based on £5/£10 inc)	4,232,861	4,138,936
Business Rates Baseline Funding	1,422,113	1,405,077
Transition Grant	695,411	0
New one-off Funding Guarantee	0	788,858
Revenue Support Grant	215	48,588
Less rolled in grants: <i>Council tax annexe discount</i> <i>Local Council Tax Support Admin Subsidy</i>	0	-46,310
New Homes Bonus	420,000	506,197
Rural Services Delivery Grant	118,913	113,250
Lower Tier Services Grant	65,058	0
Services Grant	0	52,612
	6,954,571	7,007,208

2.8 Overall our funding is broadly the same albeit slightly higher (£53,000) than our forecast in September

2.9 However a significant concern is that the new Funding Guarantee is described as a one off grant. Our forecast had assumed we would receive protection via a transition grant each year. This adds considerably more uncertainty to our future financial position and something that will be factored in when we produce an updated 3 year Budget Forecast later in the budget cycle.

2.10 Policy and Finance Committee, when considering our budget forecast, had already recognised that we would have to rely on our reserves in the interim in order to meet our budget deficit. They also recommended that;

- Committees in reviewing their estimates should find savings where possible
- Committees should increase fees and charges in line with the CPI in September (10.1%).

3 BUDGET PROCESS

- 3.1 Following a great deal of in-depth service analysis and meetings with regard to this committee's 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.
- 3.2 Presented elsewhere on the agenda for decision are the proposed fees and charges for 2023/24. The consequential impact of these fees and charges have been incorporated in to the service budgets shown within this report, and as such this report assumes that they will be approved by committee.
- 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 2023/24 will also be approved.

4 2023/24 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 5% and price increases at 7.5% and income at 5%.
- 4.2 The base budget for these inflationary increases has been the Adjusted Original Estimate as referred to in your previous report on the Revised Estimate. This Adjusted Original Estimate brings in the known sizeable inflationary increases that have already been seen on top of the 2022/23 Original Estimate.
- 4.3 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

4.4 As you will see, the draft proposed budget for 2023/24 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.

- **Adjusted Original Estimate 2022/23:** 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.
- **Inflation at 5% Pay, 7.5% Prices and 5% Income:** The budget forecast allows for inflation on pay at 5%, prices at 7.5% (with some exceptions such as grants) and initially income at 5% in line with the September budget forecast. This is where that general allowance for inflation is brought in to the individual budget areas.
- **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.
- **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. Also included here is the further increase to fees and charges as recommended by Policy and Finance Committee - bringing in an overall increase to fees and charges in line with CPI of 10.1% (5% of which is shown above).
- **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 2023/24:** 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.

- 4.5 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2022/23 Adjusted Original Estimate, to the DRAFT Original Estimate for 2023/24. 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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Third Party Payments	7,440	560						8,000
Support Services	9,690	0				1,020		10,710
Total Expenditure	17,130	560	0	0	0	1,020	0	18,710
Net Expenditure	17,130	560	0	0	0	1,020	0	18,710
AONBS: Area of Outstanding Natural Beauty								
Commentary on Substantial Budget Changes								
Support Services:								
Net increase in support service costs due to changes in cost allocations from the Community Services and Economic Development and Planning Departments.								

5.2 **Cost Centre and Description** BCREE: 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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	6,190	310		160	200			6,860
Transport Related Expenditure	7,970	600	-640					7,930
Supplies & Services	12,470	940	-810		510			13,110
Support Services	182,620	0				7,720		190,340
Total Expenditure	209,250	1,850	-1,450	160	710	7,720	0	218,240
Customer & Client Receipts	-185,150	-9,250		9,250	-27,730			-212,880
Total Income	-185,150	-9,250	0	9,250	-27,730	0	0	-212,880
Net Expenditure	24,100	-7,400	-1,450	9,410	-27,020	7,720	0	5,360
Associated Movement in Earmarked Reserves	-23,610	0	1,450	-9,410	33,930	-7,720		-5,360
Net After Earmarked Reserves	490	-7,400	0	0	6,910	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.

Customer & Client Receipts :

The estimated income to be generated from building regulation fees is based on income received to date at the point of the review with prior year averages used to estimate income for the remainder of the year. Income at the point of the review during the 2022/23 financial year was at a higher level than originally estimated due to increased demand, and it is expected that this level will continue through to the 2023/24 financial year. The resulting increase in estimated income is shown as an unavoidable change, and reflects current income trends.

As the service is in competition with both the private sector and other public sector providers of building control services there is a need to remain competitive in the market whilst achieving a breakeven position over time. The service has reviewed charges set by other local authority providers and on balance have proposed no increase to fees next financial year. As such the standard inflationary increase of £9k has been reversed in the draft budget figures.

Movement in Earmarked Reserve

The annual net surplus or deficit from the building control fee earning service is set aside in a separate earmarked reserve under local authority charging regulations.

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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Transport Related Expenditure	3,760	280	-1,710					2,330
Supplies & Services	3,860	290						4,150
Support Services	72,870	0				10,760		83,630
Total Expenditure	80,490	570	-1,710	0	0	10,760	0	90,110
Customer & Client Receipts	-1,510	-80		-40				-1,630
Total Income	-1,510	-80	0	-40	0	0	0	-1,630
Net Expenditure	78,980	490	-1,710	-40	0	10,760	0	88,480

BCNON: Building Control Non Fee Earning

Commentary on Substantial Budget Changes

Transport Related Expenditure:

Reduction to the estimated cost of employee car mileage claims following review of recent expenditure.

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.

5.4 Cost Centre and Description CONSV: Conservation Areas

Support funding for biodiversity, conservation and environmental community projects.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Support Services	9,420	0				-1,490		7,930
Total Expenditure	9,420	0	0	0	0	-1,490	0	7,930
Net Expenditure	9,420	0	0	0	0	-1,490	0	7,930
CONSV: Conservation Areas								
Commentary on Substantial Budget Changes								
<u>Support Services:</u>								
Net decrease in support service costs due to changes in cost allocations mainly from the Economic Development and Planning Department.								

5.5 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Premises Related Expenditure	9,380	700		50	0			10,130
Supplies & Services	1,130	80						1,210
Transfer Payments	13,840	0						13,840
Support Services	32,620	0				3,950		36,570
Total Expenditure	56,970	780	0	50	0	3,950	0	61,750
Net Expenditure	56,970	780	0	50	0	3,950	0	61,750

COUNT: Countryside Management

Commentary on Substantial Budget Changes

Support Services:

Net increase in support service costs due to changes in cost allocations mainly from the Economic Development and Planning Department.

5.6 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	1,067,710	53,390		-20,620	240,840			1,341,320
Premises Related Expenditure	780	60		-20				820
Transport Related Expenditure	23,250	1,740	-2,000	-50	2,750			25,690
Supplies & Services	25,690	1,930	-5,660	470	1,490			23,920
Support Services	191,370	0				70,300		261,670
Total Expenditure	1,308,800	57,120	-7,660	-20,220	245,080	70,300	0	1,653,420
Departmental Recharges	-1,256,000	0				-397,420		-1,653,420
Total Income	-1,256,000	0	0	0	0	-397,420	0	-1,653,420
Net Expenditure	52,800	57,120	-7,660	-20,220	245,080	-327,120	0	0

ECPLA: Economic Development and Planning Dept

Commentary on Substantial Budget Changes

Employee Related Expenditure:

The £240k increase reported as unavoidable changes to service costs is mainly the result of departmental restructures that have moved the officers (and associated base budgets) for the building control service and a tourism officer into this department from the Community Services and Chief Executive's Departments. There has also been a change to the establishment resulting from an increase in the hours of a previously part-time position to full-time.

Other movements are reported as changes to standard budgeted inflation following a full and detailed review of estimated costs. This movement includes salary scale point movements, a reduction in the employer superannuation contribution rate from 17.1% to 14.7% (following the 3-yearly actuarial review) and a reduction in the employer national insurance rate from 15.05% to 13.8%.

Transport Related Expenditure:

The unavoidable increase of £2,750 is the base employee mileage allowance estimate moved into this cost centre following the departmental restructures. Following analysis of recent mileage claim levels a £2k saving from the departmental budget has been proposed for next year.

Supplies and Services:

The unavoidable increase is mainly due to a movement of the base budget for printer costs into this cost centre from another department following departmental restructures. Following a value for money review a subscription to an online resource has not been renewed resulting in a proposed saving of £5k.

Support Services:

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

Departmental Recharges:

An increase to the estimated net cost of the department for the 2023/24 financial year has in turn increased the recharges out to other service areas.

5.7 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	77,250	5,790			18,740			101,780
Support Services	112,140	0				59,120		171,260
Total Expenditure	189,390	5,790	0	0	18,740	59,120	0	273,040
Net Expenditure	189,390	5,790	0	0	18,740	59,120	0	273,040
Associated Movement in Earmarked Reserves	0				-101,780			-101,780
Net After Earmarked Reserves	189,390	5,790	0	0	-83,040	59,120	0	171,260

LPLAN: Local Plan

Commentary on Substantial Budget Changes

Supplies and Services:

The local plan draft budget has been reprofiled per the revised Local Development Scheme. This has brought about an increase in the estimated costs that are expected to fall in the 2023/24 financial year when compared to 2022/23. The majority of the forecast to be expended next year is for the procurement of consultancy support (£98k).

Support Services

Support service charges mainly from the Economic Development and Planning Department following a review of officer time allocations for the next financial year.

Movement in Earmarked Reserves

Funds required to support progression of the local plan through the procurement of supplies and services are set aside in the local plan reserve. The £101k release from reserve is to fund expenditures that are estimated to fall in the next financial year.

5.8 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	67,150	5,050	-950	310	1,610			73,170
Support Services	764,470	0				20,270		784,740
Depreciation and Impairment	5,150	0						5,150
Total Expenditure	836,770	5,050	-950	310	1,610	20,270	0	863,060
Other Grants and Contributions	0	0			-1,500			-1,500
Customer & Client Receipts	-739,460	-36,980		30,870	164,210			-581,360
Total Income	-739,460	-36,980	0	30,870	162,710	0	0	-582,860
Net Expenditure	97,310	-31,930	-950	31,180	164,320	20,270	0	280,200

PLANG: Planning Control & Enforcement

Commentary on Substantial Budget Changes

Supplies and Services

The unavoidable changes to service costs is an increase to the estimated expenditure on statutory notices following review. Savings of £950 have been proposed as the planning copier maintenance costs are lower than originally forecast.

Support Services

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

Other Grants and Contributions

Estimated income to be received next year for officer time spend on the Haweswater project under a Planning Performance Agreement with United Utilities.

Customer & Client Receipts

The variation to standard budgeted inflation mainly relates to planning fees which are set nationally and for which an increase in the next financial year has not been announced. Income forecasts have been reduced at the draft estimate for pre-application advice fees by £25k and for planning application fees by £139k. Demand for both income streams had seen a reduction during the 2022/23 financial year at the time of the review. The current local plan has been largely delivered on, reducing applications and pre-application advice in respect of major applications, and the cost of living crisis is likely to be impacting on the number of other, lower value applications being received. It is expected that these reduced income levels will largely continue through to the 2023/24 financial year.

5.9 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	2,730	200						2,930
Support Services	108,450	0				-15,690		92,760
Total Expenditure	111,180	200	0	0	0	-15,690	0	95,690
Net Expenditure	111,180	200	0	0	0	-15,690	0	95,690
PLANP: Planning Policy								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
Net decrease in support service costs due to changes in cost allocations mainly from the Economic Development and Planning Department.								

5.10 **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.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	11,110	830		-290				11,650
Total Expenditure	11,110	830	0	-290	0	0	0	11,650
Net Expenditure	11,110	830	0	-290	0	0	0	11,650

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	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
AONBS: Area of Outstanding Natural Beauty	17,130	560				1,020		18,710
BCFEE: Building Control Fee Earning	24,100	-7,400	-1,450	9,410	-27,020	7,720		5,360
BCNON: Building Control Non Fee Earning	78,980	490	-1,710	-40		10,760		88,480
CONSV: Conservation Areas	9,420	0				-1,490		7,930
COUNT: Countryside Management	56,970	780		50	0	3,950		61,750
ECPLA: Economic Development and Planning Dept	52,800	57,120	-7,660	-20,220	245,080	-327,120		0
LPLAN: Local Plan	189,390	5,790			18,740	59,120		273,040
PLANG: Planning Control & Enforcement	97,310	-31,930	-950	31,180	164,320	20,270		280,200
PLANP: Planning Policy	111,180	200				-15,690		95,690

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

Cost Centre and Description	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
PLSUB: Grants & Subscriptions - Planning	11,110	830		-290				11,650
Grand Total	648,390	26,440	-11,770	20,090	401,120	-241,460		842,810
Associated Movement in Earmarked Reserves	-23,610		1,450	-9,410	-67,850	-7,720		-107,140
Net After Earmarked Reserves	624,780	26,440	-10,320	10,680	333,270	-249,180	0	735,670

b) Type of Expenditure/Income (Subjective)

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	1,073,900	53,700		-20,460	241,040			1,348,180
Premises Related Expenditure	10,160	760		30	0			10,950
Transport Related Expenditure	34,980	2,620	-4,350	-50	2,750			35,950
Supplies & Services	201,390	15,110	-7,420	490	22,350			231,920
Third Party Payments	7,440	560						8,000
Transfer Payments	13,840	0						13,840
Support Services	1,483,650	0				155,960		1,639,610
Depreciation and Impairment	5,150	0						5,150
Total Expenditure	2,830,510	72,750	-11,770	-19,990	266,140	155,960	0	3,293,600
Other Grants and Contributions	0	0			-1,500			-1,500
Customer & Client Receipts	-926,120	-46,310		40,080	136,480			-795,870
Departmental Recharges	-1,256,000	0				-397,420		-1,653,420
Total Income	-2,182,120	-46,310	0	40,080	134,980	-397,420	0	-2,450,790
Net Expenditure	648,390	26,440	-11,770	20,090	401,120	-241,460	0	842,810
Associated Movement in Earmarked Reserves	-23,610	0	1,450	-9,410	-67,850	-7,720		-107,140
Net After Earmarked Reserves	624,780	26,440	-10,320	10,680	333,270	-249,180	0	735,670

7 EARMARKED RESERVES

7.1 In the Original Estimate for 2022/23 this committee planned to use a net amount of £23,610 from earmarked reserves to support its net expenditure. Looking forward to 2023/24, the proposal included in the estimates is that this committee will use £107,140 from earmarked reserves.

7.2 The table below provides a summary of the DRAFT Original Estimate for 2023/24 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 2023/24	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	842,810	
PLBAL/H234: Building Regulation Reserve	-5,360	The annual net surplus or deficit from the building control fee earning service is set aside in a separate earmarked reserve under charging regulations In 2023/24 it is forecast that the service will be close to a break even position, with £5,360 being released from the earmarked reserve to support the service.
PLBAL/H387: Local Plan Reserve	-101,780	The Local Plan has an approved budget of £300k excluding recharges. Remaining funds of £271k were set aside in this reserve during the 2021/22 financial year to be released as future expenditures occur. This draft estimated movement in reserve represents total budgeted expenditure on supplies and services to support progression of the local plan during the 2023/24 financial year.
Committee Net Cost of Services after Movements on Earmarked Reserves	735,670	

8 KEY VARIATIONS

- 8.1 The net expenditure for this committee has increased from £624,780 by £110,890 to £735,670 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Movement from Original Estimate 2022/23 to DRAFT Original Estimate 2023/24
<p><u>BCFEE: Building Control</u> Increase to building control estimated income due to heightened demand for services that occurred during the 2022/23 financial year and that is forecast to continue through to the next year.</p> <p>The annual net surplus or deficit from the building control fee earning service is set aside in a separate earmarked reserve under charging regulations. Mainly due to increased demand levels the value to be added to the reserve has increased when compared to the 2022/23 financial year.</p>	<p>-27,730</p> <p>18,250</p>
<p><u>ECPLA: Economic Development and Planning Department</u> Draft increases to departmental salary, national insurance and superannuation costs due to restructures that have moved the building control section and a Tourism Officer into this department from the Chief Executives and Community Services departments. This budget increase represents the estimated movement of the opening base budget between the departments.</p>	<p>222,740</p>
<p><u>LPLAN: Local Plan</u> The local plan draft budget has been reprofiled per the revised Local Development Scheme. This has brought about a net increase in next year's estimated expenditure for supplies and services under this cost centre when compared to the original estimate.</p> <p>Release of funds set aside in the local plan reserve on supplies and services that are estimated to be expended to support progression of the local plan during the 2023/24 financial year.</p>	<p>18,740</p> <p>-101,780</p>
<p><u>PLANG: Planning Control and Enforcement</u> Reduction to estimated planning fee income at the draft original estimate. £34k of this represents a reversal to the standard inflation applied across budgets as central government have not announced an increase to these nationally set fees. The remainder of the decrease has been proposed following a reduction to demand during the 2022/23 financial year that is forecast to largely continue through to next year.</p> <p>Demand for Pre-application advice is lower than that originally estimated and the draft income estimate has been reduced accordingly.</p>	<p>172,870</p> <p>25,290</p>

Description	Variance Original Estimate 2022/23 to DRAFT Original Estimate 2023/24
<u>Support Service Costs</u> There is a net decrease in support service costs charged to the committee following changes to various departmental cost allocations.	-249,180
<u>Standard inflation</u> Net standard inflationary increases applied to the Planning and Development Committee budgets.	26,440

9 CONCLUSION

- 9.1 As mentioned in section 4.2 of the report and Section 3 of the Revised Estimate report, it was recognised earlier in the 2022/23 financial year that the council was facing significant increases in costs due to inflation and pay increases. For this committee this extra cost was then estimated at £50,770. The Original Estimate was therefore restated from £597,620 to £648,390.

	Original Estimate 2022/23 £	Adjusted Original Estimate 2022/23 £	Original Estimate 2023/24 £	Movement from Original to Adjusted Original Estimate 2022/23 £	Movement from Adjusted Original 2022/23 to Original Estimate 2023/24 £	Total Movement from Original 2022/23 to Original Estimate 2023/24 £
Net Expenditure	597,620	648,390	842,810	50,770	194,420	245,190
Movement in Earmarked Reserves	-23,610	-23,610	-107,140	0	-83,530	-83,530
Net after Movement in Earmarked Reserves	574,010	624,780	735,670	50,770	110,890	161,660

- 9.2 The difference between the Original Estimate 2023/24 and Adjusted Original Estimate 2022/23 is a further increase in net expenditure of £110,890 after allowing for transfers to and from earmarked reserves. This means that the total movement from the true Original Estimate 2022/23 to the Original Estimate 2023/24 is £245,190, or £161,660 after movements in earmarked reserves.

10 RISK ASSESSMENT

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

- Resources: The total movement from the Original Estimate 2022/23 to the Original Estimate 2023/24 is £245,190, or £161,660 after movements in 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 2023/24 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-23/VT/AC
20 December 2022

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None