

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 11 JANUARY 2024

title: ORIGINAL REVENUE BUDGET 2024/25

submitted by: DIRECTOR OF RESOURCES & DEPUTY CHIEF EXECUTIVE

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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2024/25, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

3 Year Budget Forecast

- 2.1 The Council's three-year budget forecast was presented to Policy and Finance Committee in September. At that time you will recall we were still awaiting the outcome of the long anticipated reforms to local government finances. Therefore predicting our budget forecast with any certainty continued to be extremely difficult.
- 2.2 Our forecast in September predicted the following budget gaps; £877k in 2024/25, £2.261m in 2025/26, £2.740m in 2026/27, after allowing for the use of general fund balances. The biggest factors affecting our forecast then were:
- Threat of losing New Homes Bonus.
 - Assumption that the 'One-off Funding Guarantee' was indeed a one-off for 2023/24.
 - What level interest rates and inflation would be over the life of the forecast.

Changes since the September forecast

- 2.3 The Government's Policy Statement on Local Government Finance was published on 5 December 2023. They announced that all councils would receive an increase in Core Spending Power next year of at least 3%. This will be achieved by continuing the One-Off Funding Guarantee where required. This increase in Core Spending Power will be before any decisions we make on the level of our council tax. Crucially, they also stated now was not the time for reforms to Local Government Finance as councils required stability and continuity.
- 2.4 They also announced:
- New Homes Bonus Allocations will continue for 2024/25
 - Rural Services Delivery Grant will continue for 2024/25
 - Revenue support grant (RSG) will increase in line with CPI with no negative RSG
 - Business Rates will not be reset and Business Rate Pooling will continue
 - A council tax referendum principle of up to 3% or £5 for district councils
- 2.5 The government asks authorities to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities.

Provisional Local Government Finance Settlement

- 2.6 The Provisional Local Government Finance Settlement was published on Tuesday 19 December 2023. This sets out the detailed figures for all councils in terms of the government funding they will receive (subject to consultation) in 2024/25. Ribble Valley's provisional settlement is as follows:

Core Spending Power	Actual	Provisional Movement	
	2023-24	2024-25	
	£m	£m	£m
Settlement Funding Assessment	1.453665	1.508544	0.054879
<i>consists of:</i>			
Baseline Funding Level	1.405077	1.456737	0.051660
Revenue Support Grant	0.048588	0.051807	0.003219
Compensation for under-indexing the business rates multiplier	0.239342	0.294109	0.054767
Council Tax Requirement excluding parish precepts	4.139603	4.342947	0.203344
New Homes Bonus	0.506197	0.647509	0.141312
Rural Services Delivery Grant	0.126574	0.126574	0.000000
Services Grant	0.054777	0.008619	-0.046158
Funding Guarantee	0.773369	0.710563	-0.062806
Core Spending Power	7.293527	7.638865	0.345338

- 2.7 Ribble Valley's Core Spending Power is set to increase by 4.7% after assuming we increase our band d council tax charge by the maximum possible of £5. The overall average nationally is a 6.5% increase in Core Spending Power however districts average a 4.9% increase. This is mainly due to additional funding being put into children's and adult social care.
- 2.8 When comparing the Provisional Grant Settlement to our latest budget forecast we are £826k better off. This is due to the continuation of the New Homes Bonus for another year and also the Funding Guarantee being extended.
- 2.9 The announcements from the Government are clearly much better than we expected. This not only improves our financial position compared with our forecast for next year but also for potentially subsequent years. Given the fact there will be a General Election next year, it now appears unlikely that reforms will take place before the next Spending Review. Even then, whichever Government is elected, it would take some time to propose, consult and implement these substantial reforms.
- 2.10 The guidance from Policy and Finance Committee to service committees is to manage their services from within their existing budgets, finding savings to fund any growth items where possible. It is also recommended that fees and charges are increased on average by 4%.
- 2.11 At the special Policy and Finance Committee meeting on 13 February 2024 we will be in a position to determine the overall financial position after all service committees have met to consider their budgets and after updating the budget forecast to reflect our updated assumptions on government funding, inflation, interest rates etc.

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 You have previously approved the level of this committee's fees and charges for 2024/25. The consequential impact of these fees and charges have been incorporated in to the service budgets shown within this report.
- 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 2024/25 will also be approved.

4 2024/25 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 4%, price increases at 4% and income at 4%. The level of these increases will be kept under review during the budget preparation period and will be reviewed again at a final time in February in light of the very latest information. If necessary and agreed, a contingency for further increases (eg in pay awards) would be added to the budget at that stage.
- 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 cost 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 2024/25 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 2023/24:** 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 4%:** The budget forecast allows for inflation on pay at 4%, prices at 4% (with some exceptions such as grants) and income at 4% 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.
- **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 2024/25:** 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 2023/24 Original Estimate, to the DRAFT Original Estimate for 2024/25. 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 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Third Party Payments	8,000	320		-630				7,690
Support Services	10,710	0				770		11,480
Total Expenditure	18,710	320	0	-630	0	770	0	19,170
Net Expenditure	18,710	320	0	-630	0	770	0	19,170
AONBS: Area of Outstanding Natural Beauty								
Commentary on Substantial Budget Changes								
<u>Variation to Standard Inflation</u>								
Reduction to the estimated cost of the annual contribution towards the Forest of Bowland AONB Partnership.								
<u>Support Services:</u>								
Mainly due to an increase in support service cost allocations from the Economic Development and Planning Department.								

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 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	6,860	270			-1,930			5,200
Transport Related Expenditure	7,930	320			-1,490			6,760
Supplies & Services	13,110	530		-350	200			13,490
Support Services	190,340	0				14,180		204,520
Total Expenditure	218,240	1,120	0	-350	-3,220	14,180	0	229,970
Customer & Client Receipts	-212,880	-8,510			11,020			-210,370
Total Income	-212,880	-8,510	0	0	11,020	0	0	-210,370
Net Expenditure	5,360	-7,390	0	-350	7,800	14,180	0	19,600
Associated Movement in Earmarked Reserves	-5,360	7,390	0	350	-7,800	-14,180	0	-19,600
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.

Expenditure unavoidable changes

The unavoidable movement figure includes budget of -£2.9k that has been moved to non-fee earning activities under cost centre BCNON. This is to ensure that costs charged to each area are apportioned per estimated time to be spent under each activity (and in accordance with charging regulations).

Customer & Client Receipts

Demand for building control services has been lower than estimated during the 2023/24 financial year, likely due to the cost of living crisis and inflation within the building industry . Next year's estimate has been based on a three-year average to build in fluctuations to demand, reducing expected income levels compared to the inflated original base estimate by £11k.

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. Due mainly to the reasons set out above the amount to be released from the reserve to support the service has increased from £5k to £19k when compared to the 2023/24 original estimate.

5.3 **Cost Centre and Description** BCNON: Building Control Non Fee Earning

Shown here is the balance of building control work not falling under the chargeable function at cost centre BCFEE. 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 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	0	0			1,930			1,930
Transport Related Expenditure	2,330	90			90			2,510
Supplies & Services	4,150	170			690			5,010
Support Services	83,630	0				-12,750		70,880
Total Expenditure	90,110	260	0	0	2,710	-12,750	0	80,330
Customer & Client Receipts	-1,630	-60			380			-1,310
Total Income	-1,630	-60	0	0	380	0	0	-1,310
Net Expenditure	88,480	200	0	0	3,090	-12,750	0	79,020

BCNON: Building Control Non Fee Earning

Commentary on Substantial Budget Changes

Expenditure unavoidable changes

Mainly due to net movement of budget in from Building control fee earning services of £2.9k for the reasons set out at BCFEE.

Support Services:

Net decrease 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Support Services	7,930	0				-6,290		1,640
Total Expenditure	7,930	0	0	0	0	-6,290	0	1,640
Net Expenditure	7,930	0	0	0	0	-6,290	0	1,640
CONSV: Conservation Areas								
Commentary on Substantial Budget Changes								
<u>Support Services:</u>								
<p>Net decrease in support service costs due to changes in cost allocations mainly from the Economic Development and Planning Department. The reduction follows this committee's decision in December 2022 to replace two vacant Principal Planning Officer Posts within the Directorate with two Senior Planning Officer posts, and as part of this resolution to also secure specialist external heritage advice services to account for the differing levels of heritage experience between the positions. The arrangement is currently under review and a report is to be brought before this committee in February 2024 for consideration as to whether these consultancy services are to be made into a permanent arrangement.</p>								

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Premises Related Expenditure	10,130	410						10,540
Supplies & Services	1,210	50						1,260
Transfer Payments	13,840	0						13,840
Support Services	36,570	0				6,310		42,880
Total Expenditure	61,750	460	0	0	0	6,310	0	68,520
Net Expenditure	61,750	460	0	0	0	6,310	0	68,520

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 Chief Executives and Economic Development and Planning Departments.

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	1,341,320	53,660		17,380	-7,370			1,404,990
Premises Related Expenditure	820	30		210				1,060
Transport Related Expenditure	25,690	1,020	-80	-870				25,760
Supplies & Services	23,920	950	-1,040	400	3,500			27,730
Support Services	261,670	0				14,020		275,690
Depreciation and Impairment	0	0					2,580	2,580
Total Expenditure	1,653,420	55,660	-1,120	17,120	-3,870	14,020	2,580	1,737,810
Departmental Recharges	-1,653,420	0				-84,390		-1,737,810
Total Income	-1,653,420	0	0	0	0	-84,390	0	-1,737,810
Net Expenditure	0	55,660	-1,120	17,120	-3,870	-70,370	2,580	0

ECPLA: Economic Development and Planning Dept

Commentary on Substantial Budget Changes

Employee Related Expenditure:

Changes to budget estimates reported as unavoidable movements are the estimated net reduction to costs that are the result of re-gradings between Senior and Principal Planning Officer posts in advance of recruitment into vacant positions.

Other movements are reported as changes to standard budgeted inflation following a detailed review of estimated costs. This movement includes salary scale point changes within grades and inflation variances where the pay award was higher or lower than individual estimates for positions in the authorised establishment for this committee.

Supplies and Services:

A saving of £1k has been proposed following review of photocopying costs which are likely to be lower than the budget available. The unavoidable changes figure is mainly due to a budget increase of £2.8k for the estimated cost of the Geographical Information Service (Mapzone). As this is available for all officers to access the cost is now being shared across departments rather than being charged just to the planning service.

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 2024/25 financial year has in turn increased the recharges out to other service areas.

Depreciation

Estimated depreciation charges for the updating mobile connectivity capital scheme.

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	101,780	4,070		-4,070	37,960			139,740
Support Services	171,260	0				1,500		172,760
Total Expenditure	273,040	4,070	0	-4,070	37,960	1,500	0	312,500
Net Expenditure	273,040	4,070	0	-4,070	37,960	1,500	0	312,500
Associated Movement in Earmarked Reserves	-101,780	-4,070	0	4,070	-37,960			-139,740
Net After Earmarked Reserves	171,260	0	0	0	0	1,500	0	172,760

LPLAN: Local Plan

Commentary on Substantial Budget Changes

Supplies and Services:

Funds available to produce the new local plan (excluding recharges) are set aside in earmarked reserves to be released within the years that associated planned expenditures take place over the lifetime of the project.

Estimated expenditures on supplies and services next year are higher than those planned at original estimate 2023/24. This is mainly due to the timing of expenditures on specialised consultancy support following review.

Movement in Earmarked Reserves

After associated movements in earmarked reserves the net variance is nil.

Support Services

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

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	73,170	2,920	-17,810	-80	10,020			68,220
Support Services	784,740	0				44,300		829,040
Depreciation and Impairment	5,150	0					8,060	13,210
Total Expenditure	863,060	2,920	-17,810	-80	10,020	44,300	8,060	910,470
Other Grants and Contributions	-1,500	0						-1,500
Customer & Client Receipts	-581,360	-23,250		-113,400	136,460			-581,550
Total Income	-582,860	-23,250	0	-113,400	136,460	0	0	-583,050
Net Expenditure	280,200	-20,330	-17,810	-113,480	146,480	44,300	8,060	327,420

PLANG: Planning Control & Enforcement

Commentary on Substantial Budget Changes

Supplies and Services

Savings

There are proposed savings of £1k from the scanning budget and £17k from the statutory notices budget. Scanning requirements are likely to be lower than the budget available and the section has generated savings on the statutory notices budget by reducing both the size and frequency of planning application newspaper notices.

Unavoidable changes

These include proposed increases to the consultancy draft budgets of £11k for archaeological advice services (budget moved in from cost centre PLSUB) and £6.5k for the estimated cost of Biodiversity Net Gain ecology consultancy services during the Apr-Dec period of the financial year (twelve month contract approved by this Committee Dec 2023).

The above costs are partially offset by a reduction of -£9k for the annual cost of the Geographical Information Service (Mapzone). As the service is available to be used by all departments the cost of the service is now to be shared across those departments rather than being charged in full to the planning section under this cost centre.

Additional recurring cost of £1.7k for subscription to Building cost Information Service online. This is to enable access to price indices that are needed to index S106 agreement funds (to be recovered from S106 agreement fees charged to developers).

Support Services

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

Depreciation

Increase to the annual depreciation charge due to estimated capital expenditures on the planning portal link/planning system upgrades (offset by reduced annual charge for other schemes that are now fully depreciated).

Customer & Client Receipts

The increase under variation to standard budgeted inflation relates to planning application fees which are set nationally and for which an increase in fees of at least 25% has been announced from December 2023 (as reported to this committee in December 2023.)

The estimated income level for next year has then been reduced by £135k to bring the estimate back to the original base budget, with this movement being included within 'unavoidable changes to service costs'. This reduction is proposed because income levels received during the 2023/24 financial year at the time of the budget review were lower than the original budget estimate by a similar amount to the minimum planning application fee increase (being 23% under budget for the period to November). These lower income levels are thought to be because the council is receiving fewer major planning applications than in previous years because the current local plan has been largely delivered on.

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	2,930	120						3,050
Support Services	92,760	0				13,010		105,770
Total Expenditure	95,690	120	0	0	0	13,010	0	108,820
Net Expenditure	95,690	120	0	0	0	13,010	0	108,820
PLANP: Planning Policy								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
Net increase in support service costs mainly 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	11,650	470		-1,120	-11,000			0
Total Expenditure	11,650	470	0	-1,120	-11,000	0	0	0
Net Expenditure	11,650	470	0	-1,120	-11,000	0	0	0
PLSUB: Grants & Subscriptions - Planning								
Commentary on Substantial Budget Changes								
This budget represents the charges that are paid by this committee in relation to planning archaeological advisory service subscriptions. The budget has now been moved across to the main planning budget (PLANG).								

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 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
AONBS: Area of Outstanding Natural Beauty	18,710	320		-630		770		19,170
BCFEE: Building Control Fee Earning	5,360	-7,390		-350	7,800	14,180		19,600
BCNON: Building Control Non Fee Earning	88,480	200			3,090	-12,750		79,020
CONSV: Conservation Areas	7,930	0				-6,290		1,640
COUNT: Countryside Management	61,750	460				6,310		68,520
ECPLA: Economic Development and Planning Dept	0	55,660	-1,120	17,120	-3,870	-70,370	2,580	0
LPLAN: Local Plan	273,040	4,070		-4,070	37,960	1,500		312,500
PLANG: Planning Control & Enforcement	280,200	-20,330	-17,810	-113,480	146,480	44,300	8,060	327,420
PLANP: Planning Policy	95,690	120				13,010		108,820

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

Cost Centre and Description	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
PLSUB: Grants & Subscriptions - Planning	11,650	470		-1,120	-11,000			0
Grand Total	842,810	33,580	-18,930	-102,530	180,460	-9,340	10,640	936,690
Associated Movement in Earmarked Reserves	-107,140	3,320		4,420	-45,760	-14,180		-159,340
Net After Earmarked Reserves	735,670	36,900	-18,930	-98,110	134,700	-23,520	10,640	777,350

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	1,348,180	53,930		17,380	-7,370			1,412,120
Premises Related Expenditure	10,950	440		210				11,600
Transport Related Expenditure	35,950	1,430	-80	-870	-1,400			35,030
Supplies & Services	231,920	9,280	-18,850	-5,220	41,370			258,500
Third Party Payments	8,000	320		-630				7,690
Transfer Payments	13,840	0						13,840
Support Services	1,639,610	0				75,050		1,714,660
Depreciation and Impairment	5,150	0					10,640	15,790
Total Expenditure	3,293,600	65,400	-18,930	10,870	32,600	75,050	10,640	3,469,230
Other Grants and Contributions	-1,500	0						-1,500
Customer & Client Receipts	-795,870	-31,820		-113,400	147,860			-793,230
Departmental Recharges	-1,653,420	0				-84,390		-1,737,810
Total Income	-2,450,790	-31,820	0	-113,400	147,860	-84,390	0	-2,532,540
Net Expenditure	842,810	33,580	-18,930	-102,530	180,460	-9,340	10,640	936,690
Associated Movement in Earmarked Reserves	-107,140	3,320	0	4,420	-45,760	-14,180	0	-159,340
Net After Earmarked Reserves	735,670	36,900	-18,930	-98,110	134,700	-23,520	10,640	777,350

7 EARMARKED RESERVES

7.1 In the Original Estimate for 2023/24 this committee planned to use a net amount of £107,140 from earmarked reserves to support its net expenditure. Looking forward to 2024/25, the proposal included in the estimates is that this committee will use £159,340 from earmarked reserves.

7.2 The table below provides a summary of the DRAFT Original Estimate for 2024/25 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 2024/25	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	936,690	
PLBAL/H234: Building Regulation Reserve	-19,600	The annual net surplus or deficit from the building control fee earning service is set aside in a separate earmarked reserve under charging regulations. Next year it is forecast that the service will be in a deficit position, with £19,600 being released from the earmarked reserve to support the service.
PLBAL/H387: Local Plan Reserve	-139,740	Funds available for development of the new local plan are set aside in earmarked reserves to support expenditures in the years that they occur. This draft estimated movement in reserve represents the release of funds to support expenditures on supplies and services that are estimated to fall during the 2024/25 financial year.
Committee Net Cost of Services after Movements on Earmarked Reserves	777,350	

8 KEY VARIATIONS

- 8.1 The net expenditure for this committee has increased from £735,670 by £41,680 to £777,350 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 2023/24 to DRAFT Original Estimate 2024/25
<p><u>VARIOUS: Standard inflation</u> Net standard inflationary increases of 4% applied to the Planning and Development Committee budgets.</p>	33,580
<p><u>BCFEE: Building Control</u> Reduction to estimated building regulation fee income for next year due to a fall in demand levels.</p>	11,020
<p>Mainly because of the above the amount to be released from the building control earmarked reserve to support the service has increased when compared to the 2023/24 financial year.</p>	-14,240
<p><u>ECPLA: Economic Development and Planning Department</u> Net increase to departmental salary, national insurance and superannuation budgets above standard budgeted inflation.</p>	10,070
<p><u>LPLAN: Local Plan</u> Expenditure on supplies and services to progress the new local plan is estimated to be higher next year than at original estimate 2023/24. This is due to an update of when planned expenditures over the lifetime of the project are now likely to be incurred following review.</p>	37,960
<p>In January 2020 this committee approved a budget of £300k to support production of the new local plan. Remaining funds of £271k (at March 2023) are set aside in an earmarked reserve to fund expenditures in the years that they occur. The above estimated increase in expenditure next year therefore also increases the associated release from this earmarked reserve.</p>	-37,960
<p><u>PLANG: Planning Control and Enforcement</u> <i>Planning application fee income</i> Additional inflation added to planning fee income following announcement that fees are to increase by a minimum of 25% from December 2023.</p>	-113,400
<p>Planning fee income is expected to be lower than the inflated base, mainly due to a reduction in the number of major planning applications being received. This movement of £135k reduces estimated planning fee income back to 2023/24 levels (i.e. reversal of standard and additional inflation).</p>	135,000

Description	Movement from Original Estimate 2023/24 to DRAFT Original Estimate 2024/25
<p>Savings</p> <p>The planning section has generated savings on the cost of statutory planning notices by reducing both the size and frequency of newspaper notices.</p>	-16,770
<p><u>VARIOUS: Support Service Costs</u></p> <p>There is a net decrease in support service costs charged to this committee following changes to various departmental cost allocations.</p>	-9,340
<p><u>Capital</u></p> <p>Net increase to the annual depreciation charge for this committee for various capital schemes.</p>	10,640

9 CONCLUSION

9.1 The difference between the Proposed Original Estimate 2024/25 and Original Estimate 2023/24 is an increase in net expenditure of £41,680 after allowing for transfers to and from 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 2023/24 to the Original Estimate 2024/25 is £93,880, or £41,680 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 2024/25 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES
AND DEPUTY CHIEF EXECUTIVE

PD2-24/VT/AC
19 December 2023

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None