

<b>SUBJECT:</b>	Portfolio Budgets 2016/17
<b>REPORT OF:</b>	Councillor Nick Naylor – Sustainable Development Portfolio Holder
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<b>WARD/S AFFECTED</b>	All

## 1. Purpose of Report

- 1.1. To provide Members with information on the draft revenue budget for 2016/17, including the context of the overall financial position facing the Council for the coming year.
- 1.2. This report provides summary information on the budgets and highlights issues for consideration. The accompanying booklet presents the detailed information to assist Members in their decision making.

## RECOMMENDATION

Members are requested to advise the Portfolio Holder on the approval of the following items for onward submission to Cabinet:

- the 2016/17 revenue budget
- the 2016/17 fees and charges.

## 2. Context to the 2016/17 Budget

- 2.1. As a result of the Government's deficit reduction strategy, local authority funding is subject to continuing significant reductions. Local authorities also face constraints on the level of council tax increases.
- 2.2. It would therefore be prudent at this stage not to include any funding for new recurring expenditure to improve or expand services. The Authority also needs to identify measures to compensate for the reductions in resources referred to. Part of these measures will be the benefits from joint working with Chiltern DC.
- 2.3. The progressing work with Chiltern DC is resulting in more services being provided by joint teams. Where this affects budgets in this Portfolio area it is highlighted in the detailed information. Note: At present when a service is hosted at CDC then the detailed budget information is held at CDC, and the SBDC budgets only show the appropriate expenditure contribution. For next year the Finance team will be reviewing the presentation of shared service budgets in order to allow greater scrutiny of the detailed budgets at the non host authority.

2.4. The SBDC Overview & Scrutiny Committee established a Financial Savings Panel to look at potential savings options. This Panel reported back to the Overview & Scrutiny Committee on 11<sup>th</sup> November 2015.

### 3. Budget Assumptions

3.1. The budgets have been prepared in accordance with the following inflation assumptions:

- Salaries inflation from April 2016 of 1%
- Contracts inflation 1.9% (unless different rate specified within contract)
- Business rates 1.9%
- Gas 1.8%, Electricity 9% and Water 1.9%
- Insurance 3.5% - as Insurance Premium Tax has gone up from 6% to 9.5%.
- Other expenditure heads 0%
- Income 0%.

### 4. Summary Revenue Budgets

4.1. The draft budgets presented to Members at this stage represent the net direct running costs of services. They do not contain the apportionment of support service charges such as accommodation, IT, finance etc. These will be included in the final approved budgets, once the budgets for these support services have been set. The budgets reflected in this report are therefore the direct costs under the Portfolio Holder's control.

4.2. The budgets have been reviewed by the appropriate service manager for any material volume or changes related to maintaining current service standards.

4.3. The net budget figures for the Portfolio are shown below. A more detailed breakdown by service is shown within the booklet.

<b>Actuals 2014/15 £'000</b>	<b>Budget 2015/16 £'000</b>	<b>Draft Budget 2016/17 £'000</b>
278	748	907

4.4. The increase from the current year's approved budget to the 2016/17 draft budget is £159k (21.2%). The main changes are detailed below:

	£'000	Comment
<b>2015/16 Budget</b>	<b>748</b>	
<b>Change in Salaries</b>		
- Provision for pay increase	15	
- Planning Administration	19	Increments and staffing changes
- Development Management	32	Increments and staffing changes
- Other	2	

	£'000	Comment
<b>Savings / Income Increases</b>		
- Additional Dev Mgmt Income	-80	Increased Income
- Development Management	-9	Consultants fees
- Enforcement	-5	Overtime & Mileage
- Joint Building Control	-6	Partner Fees
- Joint Building Control	-2	Overtime & Mileage
<b>Other Changes</b>		
- Planning Administration	7	Printing & Stationery
- Tree Preservation	10	Scanning of TPO files (one-off cost)
- Planning Policy	167	See LDF Report to Cabinet 13/10/15 and Para. 4.5 below
- Increase in Insurance costs	9	
<b>2016/17 Draft Budget</b>	<b>907</b>	

4.5. Note that the increase to the Sustainable Development Budget includes £167k increase for expenditure on the Local Plan. An earmarked reserve has been set aside to fund this, and therefore the increase in expenditure will be funded from this earmarked reserve.

4.6. Further details of the budgets for each area are shown within the booklet.

## 5. Commentary on Budgets

### Main Elements of the Budget

5.1. The main elements of this budget are as follows.

- Building Control - including fee earning activities and non fee earning activities such as advising on dangerous structures, access for disabled etc.
- Development Management – the processing of planning applications.
- Planning appeals – defending the Council's decisions at appeal.
- Planning administration – undertaking the administrative functions associated with dealing with applications and appeals.
- Enforcement - dealing with unauthorised development.
- Design and Conservation – specialist advice to protect listed buildings and conservation areas.
- Tree Preservation - dealing with applications for works to protected trees, the making of Tree Preservation Orders and advice to Development Management on trees on development sites.
- Planning Policy - the preparation of a joint local plan for South Bucks and Chiltern. The costs include consultants costs in the preparation of a wide range of evidence base studies needed for the preparation of a local plan.

- Planning Policy (non-shared costs) – provision to provide support to parish councils for the preparation of neighbourhood plans

### **Budget Priorities**

5.2. The budget reflects the following Council priorities.

- Develop a joint Local Plan and manage development through the terms set out in it
- Manage green belt development pressures.

### **Risks**

5.3. When considering the proposed budgets for the coming financial year it is important to be aware of the risks within the budgets. For this Portfolio the main risk areas are:

- Building Control and Development Management income
- The cost of defending planning appeals against the refusal of planning permission, and appeals against Enforcement Notices. Those appeals/prosecutions which result in a form of public inquiry or court hearing can incur legal representation, court costs, and on occasions damages.
- The costs associated with preparing the Local Plan.

5.4 The actions taken to mitigate or monitor these risks are as follows.

- Budget monitoring and regular meetings with the Portfolio Holder.

5.5. An overall review of the main risk issues for the 2016/17 budget will be undertaken once Cabinet has agreed a proposed budget. This review and proposed actions to mitigate the risks will be part of the final report to the Cabinet on the budget in February.

### **Opportunities and Plans for Improvement**

5.6. A major opportunity is the preparation of a joint local plan for South Bucks and Chiltern, which will result in lower costs for both authorities than if each authority were to prepare its own local plan to the Governments new enhanced timescales. Additionally, the planning service review has commenced in order to deliver enhanced service quality, enhanced resilience and savings.

## **6. Fees and Charges**

6.1. The Budget Booklet also contains the list of proposed fees and charges. All of the proposed fee increases have been built into the draft revenue budgets.

6.2. The Portfolio Holder is asked to consider the list of fees and charges and consider whether to approve these. Income may be in some service areas an important factor in reducing expenditure.

**7.    Links to Council Policy Objectives**

7.1    One of the primary purposes of the Council’s budget process is to ensure that, as far as possible, resources are aligned to the corporate priorities of the Council and that any material risks are assessed.

**8.    Next Step**

8.1    The Cabinet will consider the outcome of the PAG discussions at its February meeting when it will formulate a final draft of the overall 2016/17 budget for the Authority.

<b>Background Papers:</b>	None
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