

SUBJECT:	Portfolio Budgets 2017/18
REPORT OF:	Councillor Nick Naylor – Sustainable Development Portfolio Holder
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WARD/S AFFECTED	All

1. Purpose of Report

- 1.1. To provide Members with information on the draft revenue budget for 2017/18, 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 2017/18 revenue budget
- the 2017/18 fees and charges.

2. Context to the 2017/18 Budget

- 2.1. As a result of the Government's deficit reduction strategy, local authority funding is subject to continuing significant reductions particularly from 2018/19 onwards. Local authorities also face constraints on the level of council tax increases. For South Bucks DC the position is set out in detail in the recently updated Medium Term Financial Strategy¹.
- 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.

¹ Cabinet October 2016

3. Budget Assumptions

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

- Salaries inflation from April 2017 of 1%
- Contracts inflation 2% (unless different rate specified within contract)
- Business rates 2.5%
- Gas 4.0%, Electricity 4.0% and Water 4.0%
- Insurance 0.5%
- Other 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 services 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 changes 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.

Actuals 2015/16 £'000	Budget 2016/17 £'000	Draft Budget 2017/18 £'000
841	976	1,035

4.4. The increase from the current year's approved budget to the 2017/18 draft budget is £60k (6.1%). The main changes are detailed below:

	£'000	Comment
2016/17 Budget	976	
Change in Salaries		
- Provision for pay increase	15	
- Building Control	26	Increments and staffing changes
- Planning Admin	13	Increments and staffing changes
Unavoidable Increases		
- Development Management	40	Reduction in planning income
- Enforcement	10	Budget for Counsel Advice £10k to £20k
- Planning Policy	10	Provision for 3 Neighbourhood plans

	£'000	Comment
Transfers		
- Reallocation of postage budgets	5	Costs now allocated to departments
- Lone Devices to central H&S	-4	
Savings / Income Increases		
- Joint Building Control	-80	Additional income and lower mileage Printing & Stationery
- Planning Admin	-8	
Other Changes		
- Joint Planning Policy	34	Additional LDF cost £54k(reserve funded) Offset by saving on cost of team £20k
- Other minor changes	-2	
2017/18 Draft Budget	1,035	

4.5. The increase to the Sustainable Development Budget includes £54k for expenditure on the Local Plan. An earmarked reserve has been set aside to fund this, and therefore this increase in expenditure will be funded from this earmarked reserve. The balance on the LDF earmarked reserve stood at £668,000 as at 1 April 2016.

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.

- Joint Building Control - including fee earning activities and non fee earning activities such as advising on dangerous structures, access for disabled etc.
- Planning administration – undertaking the administrative functions associated with dealing with applications and appeals.
- Development Management – the processing of planning applications.
- Planning appeals – defending the Council’s decisions at appeal.
- 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.

- Joint Planning Policy - the preparation of a joint local plan for South Bucks and Chiltern. The costs include consultants costs for 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 costs, court costs, and occasionally 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 2017/18 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 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 Government's enhanced timescales. Additionally, the planning service review is underway 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 in some service areas may be an important factor in reducing net 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 2017/18 budget for the Authority.

Background	None
Papers:	