

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Sustainability, Planning and Climate Change Portfolio Holder 20 January 2012

AUTHOR/S: Executive Director (Corporate Services)

REVENUE AND CAPITAL ESTIMATES FOR THE SUSTAINABILITY, PLANNING AND CLIMATE CHANGE PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2012/13 and the Capital Programme up to the year 2016/17.
2. This is not a key decision. However, the report presents the relevant 2011/12 revised and 2012/13 estimates for endorsement by the Portfolio Holder, prior to being included as part of the overall estimates to be presented to the Cabinet and confirmed by Council in February 2012.

Recommendations

3. The Portfolio Holder for the Sustainability, Planning and Climate Change Portfolio is requested to endorse:
 - (a) the Revenue Estimates as shown at **Appendix A**; and
 - (b) the Capital Programme as shown at **Appendix B**, and associated proposal forms **Appendix C1 to C2**,
 - (c) the change of name for the Capital Programme project formerly described as "St Denys Church, East Hatley" to "Heritage Responsibilities", and an increase of £8,000 to this budget, increasing it from £22,000 to £30,000.
 - (d) the funding of the above £8,000 increase in capital expenditure from the £54,622 balance of the Historic Buildings Preservation Fund Reserve.

Background

4. The estimates for the Sustainability, Planning and Climate Change Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:

Sustainability, Planning and Climate Change Portfolio

Development Control
Building Control Service
Open Space Agreement Cherry Hinton
Concessionary Fares
Conservation
Museums
Travellers Issues (All Sites)
Sustainability

5. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead Estimates on 20 December 2011. The recharges approved at that meeting are shown as “Central, Departmental and Support Services” in the detailed estimates attached and the analysis reflects the current service structure. It should be noted that, as all the recharges have already been approved, individual portfolio holders cannot amend them.
6. The estimates will be summarised in a report for examination by the Scrutiny and Overview Committee on 6 February 2012, consideration by the Cabinet on 9 February, and finally, presentation to the Council on the 23 February for confirmation of the estimates and levels of the Council Tax and Rents.
7. The revenue estimates are set out in **Appendix A**, whilst the capital programme is shown at **Appendix B**.
8. **Appendix C** consists of any capital proposal forms, for consideration alongside the capital programme being approved.
9. Provisions for inflation have been applied to individual estimates only in cases where price increases can be justified. No automatic inflation allowance has been applied, but the 2.5% overall assumption of non-pay inflation in the Medium Term Financial Strategy remains as the overriding level of provision.
10. Where applicable, the estimates of each portfolio take account of any rollover of budget from the previous year and virement made during the year; they also incorporate expenditure approvals by Cabinet and Council up to November 2011.
11. All the estimates exclude the small number of “Precautionary Items” that are listed at the back of the current estimate book. These are specific, exceptional items of expenditure that may or may not occur during the budget period, but if they did the Council would be required to meet them. An updated list will be presented to the Cabinet on 9 February 2012. However, none has been identified within this Portfolio.

Considerations

REVENUE ESTIMATES: REVISED 2010/11 AND ESTIMATES 2011/12

12. A summary of the revenue estimates for Sustainability, Planning and Climate Change Portfolio is shown at **Appendix A**. The total estimates have been analysed between direct costs, transfers to and from reserves, income, grants and recharges, so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs are specifically within the control of the relevant cost centre manager. By contrast, the Staffing and Overhead Estimates determine the recharges and the capital charges are notional charges that do not affect the overall expenditure of the Council. Compared with the 2011/12 original estimates, the net direct costs decreased in the Revised Estimates by £5,370 and decreased by £40,750 in the 2012/13 Estimates.
13. The **Appendix A** also shows a net direct costs comparison for both years, between the expected target expenditure and the new estimates that have been compiled for this meeting; the target was arrived at by taking the total direct costs in the original 2011/12 estimates and adjusting for transfers to and from other accounts, virement, any approved additional expenditure and, for next year, inflation. The result is that the Revised 2011/12 exceeded the target by £16,630. The 2012/13 Estimate was above the target by £6,790.

Comments on the individual estimate headings are given in the following paragraphs.

14. Development Control:

As part of the round of budget savings £57,000 worth of savings were identified in the originally approved Development Control budgeted costs. These were in the following budgets, and have been reflected in the revised estimates for 2011/12 because they are expected to be:

- Advice on Current Applications
- Appeals Costs

The target budget for 2012/13 is also based on the inclusion of these savings.

There have been more Section 106 costs recovered, than anticipated in the current financial year, and as a result the budgeted income has been increased from £10,950 to £25,000. The budget for 2012/13 has been left at the same £25,000 level, and will contribute towards the salary costs of the S106 Officers.

The legal costs recoverable estimate of £22,850 for 2011/12 has reduced to £3,000. The 2010/11 income included costs awarded to the Council in respect of the Linton Wind Farm Appeal.

Whilst this budget is of a reactive nature, and therefore difficult to predict, the budgeted income level for 2012/13 has been set at £10,000.

Contracted Consultants – Advice on Current Applications

The revised Central, Departmental and Support Services recharge from the New Communities has increased from £79,630 in the original 2011/12 estimates to £534,510 in the revised 2011/12 estimate as staff posts, previously funded from Cambridgeshire Horizons and charged 100% to Growth Agenda in the Northstowe and New Communities Portfolio, have now been re-allocated across the Councils services (mainly to Development Control) as that funding has ceased.

15. Planning Activity

The revised budget for Planning Fee income has been set at £850,000 for 2011/12, broadly in line with the original 2011/12 budget of £848,700.

Planning Fee income for 2012/13 has been set at the same level of £850,000, on the basis that one major application may progress. Consequently the budget includes a provision for the North West Cambridge (NIAB2). Pre application discussions are at an early stage.

16. Building Control Service

1. For 2011-12 the income received by Building Control is greater than anticipated allowing the Council to use fewer reserves and with a reduced cost to the General Fund. The 2012-13 estimates show an expectation of similar income levels with a minimal increase in the charge to the General Fund.

2. Overall, compared to the original 2011-12 estimates, the Building Control Service shows a decrease of £1,220 in the revised estimates and an increase of £3,240 in the 2012-13 estimates. This figure is, in effect, the movement in the cost of non fee-earning work charged to the General Fund, the fee-earning deficit being shown as a transfer from Reserves. The revised 2011-12 estimates include a transfer from reserves of £20,090 representing the under-recovered direct cost of fee-earning works, with £39,170 estimated for transfer in 2012-13.
 - (a) The movement in the revised estimates is primarily attributable to a reduction in recharges of £8,600 relating to service restructuring and staff allocation of time; effectively decreasing the charge to the General Fund, and an increase in recharges of £14,110 in 2012-13 reflecting the full year impact of changes.
 - (b) The revised income estimate 2011-12 of £336,300 has been increased by £6,300 when compared to the original estimate to reflect the expected income in the period. The 2012-13 income estimate of £336,300 reflects the continued uncertainty resulting from the economic downturn and the ongoing effect on market share of private sector Approved Inspectors.

The level of income from chargeable activities is expected to show variability over time reflecting the progression of applications from the plan to inspection stage. Overall the distribution of applications between charging schedules remains largely consistent with the previous five years; the level of income and applications received will continue to be kept under review. It is noted that a rise or fall in income will have no impact on the level of Council tax, the balance being funded from the Building Control Trading Reserve.

- (c) The Building (Local Authority Charges) Regulations 2010 requires local authorities to set their own fee charges at a level to ensure that income from fees will cover the full cost of providing the fee-earning element of the service. In view of the current economic uncertainty and levels of applications received by the Council an increase in fees for chargeable work is not proposed at this time. The charges included in the estimated income for 2012-13 have, therefore, been based on current levels of activity. The work of the building control service will continue under regular review and the scheme of charges adjusted, on approval by the Portfolio Holder, if required.
- (d) In view of the economic downturn the Council could choose to support local residents and businesses by making a charge for services that recovers less than the full direct cost, the under-recovery being financed from the Building Control Reserve. The 2011-12 revised estimated income reflects the expectation that the level of applications received will continue at current levels, therefore, a contribution from reserves of £20,090 has been included to offset the under recovery of costs. Should the property market show an upturn: an increase in the number of applications would result in a lower or nil transfer from reserves: alternately a decrease in applications would require an increase in the transfer from reserves.
- (e) The current charges and discount factors will result in the Authority having an estimated overall deficit of £146,706 over the three-year rolling period 2010-11 to 2012-13. This assumes a deficit on the fee-earning account of £87,446 (2010-11) and a projected deficit of £20,090 (2011 -12) and £39,170 (2012-13) respectively, and is based on current levels of staffing and expenditure.

Building Control Chargeable Account (3 year rolling period net (surplus) / deficit)

2005-2008	2006-2009	2007-2010	2008-2011	2009-12	2010-13
(108,374)					
	(20,887)				
		169,750			
			270,105		
				254,656	
					146,706

(g) There is one item in the Capital Estimates 2011 –12 relating to the Building Control IT system and is included in the estimates under the heading of ICT development within the Policy and Performance Portfolio; the revised estimate of £28,000 is to be funded from the Building Control Trading Reserve.

(h) The Building Control Trading Reserve held a balance of £202,777 at the 31 March 2011. The high levels of reserves accrued in the period 2002 – 2009 were due to higher levels of applications and associated income. The uncommitted sum in reserves, after transfers from reserves in 2011-12 and 2012-13 as included in the estimates, is £115,517.

17. Concessionary Fares

(a) This budget has reduced to include only some minor administration costs, and a small level of income for the administration of Railcards, following the County Council adoption of the administration of the Concessionary Fares scheme.

18. Housing & Planning Delivery Grant

(a) The Government withdrew this grant as part of the spending review in 2010. It was mainly used to fund a number of posts within the Portfolio and a post in the New Communities Portfolio. The unused balance was transferred to a reserve account.

(b) The revenue balance of the Housing & Planning Delivery Grant Reserve (H&PDG) was £981,912 as at 31 March 2011. Staff costs and the cost of the Archaeology Advisory Service, funded from the H&PDG are anticipated to utilise £244,480 of this fund.

Estimated utilisations, for the same purposes in 2012/13, are anticipated to be £249,360.

19. Travellers (All Sites)

A budget of £138,000 continues to be included in this heading, with any underspend transferred to reserves in order to accumulate a fund for any future issues. The balance on the reserve was £628,400 as at 31 March 2011.

20.

Sustainability

Additional Parish Energy Project Officer/Green Deal:

- (a) Resources are required to meet the Councils action in 2012/13 to work with local communities and businesses to develop and deliver actions on climate change which make a difference.

The aim in 2012/13 is to continue to support and develop the successful Sustainable Parish Energy project (currently almost a third of the villages in the District have a Parish Energy Group, aiming to reduce carbon emissions and focussing on activities which have the greatest impact) and to maximise benefits and opportunities which the "Green Deal" will offer.

To do so will require:

- The Sustainable Parish Energy Officer post to be made permanent and full time at a cost of £37,000 per annum to be met from savings.
- Taking the Green Deal forward with the County Council and Districts, using part of the £20,000 secured from the Climate Change Skills fund.

The work will focus on understanding what our local communities could achieve, and what will have the greatest benefit for them. SCDC is expected to commission this work. If additional resources are required, a request for virement will be made from existing consultancy budgets in this Portfolio and if required, from the Northstowe and New Communities Portfolio.

Other Collaborative Projects:

£20,000 of external funding has also been identified from part of the the Climate Change Skills Fund to be used to finance a study on the effectiveness of the 10% Renewable Energy Policy (The Merton Rule) and shown as the budget heading "Other Collaborative Commissioned Projects".

PV Installation - Design & Procurement:

This revised budget relates to pre-tender costs in relation to these proposed works on South Cambridgeshire Hall and is being met by a rollover from 2010/11.

CAPITAL ESTIMATES: REVISED 2011/12 AND ESTIMATES 2013 TO 2016/17

21. The capital programme for the Sustainability, Planning and Climate Change Portfolio is attached at **Appendix B**. Members attention is drawn to the following capital items:

(a) **Capital Grants**

Capital Grants, for the following activity areas, have been transferred into the Leader's Portfolio, and therefore no longer appear in the Capital Programme for the Planning Services Portfolio:

- Trees
- Wildlife
- General Conservation

- Archaeology Grants
- Parish Paths Initiative

In addition, it is proposed that the capital project formerly named “St Denys Church, East Hatley” be renamed “Heritage Responsibilities”, in order to reflect the wider utilisation and heritage responsibilities of the Council.

There is currently a requirement to carry out works at closed Churchyards (e.g. Willingham Churchyard wall). The current “Heritage Responsibilities” capital budget of £22,000 is insufficient for these purposes.

As a result it is proposed that this capital budget is increased by £8,000, to £30,000 with this increase in budget being financed from the current balance of £54,622 held in the Historic Buildings Preservation Fund Reserve.

(b) Planning IT Systems;

The 2011/12 revised estimate of £8,200 is a rollover from 2010/11 approved by the Finance and Staffing Portfolio holder on the 21 June 2011. The budget is for Historic Building and Trees modules to be added to the Development Control system.

(c) Conservation;

The capital proposal forms at **Appendix C1** give details of a grant funded scheme.

(d) Sustainability

The capital proposal forms at **Appendix C2** give details of this scheme for the installation of Photo Voltaic Cells, at South Cambridgeshire Hall, which will be funded from reserves.

Implications

22. Financial:

- (a) The estimates for the General Fund services of the Sustainability, Planning and Climate Change Portfolio will be included in the General Fund Summary of estimates along with the expenditure of other Portfolios.
- (b) The Capital Estimates for the Sustainability, Planning and Climate Change Portfolio will be included in the Council’s Capital Programme.

23.	Legal	No additional implications. The estimates show the financial effect of decisions that have already been made.
	Staffing	As above
	Risk Management	As above
	Equality and Diversity	As above
	Equality Impact Assessment completed	No
		As above
	Climate Change	As above

Consultations

24. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure within them, have been consulted in the compilation of the estimate figures.

Effect on Strategic Aims

25. To determine detailed Sustainability, Planning and Climate Change budgets to provide the resources for the Council to continue its corporate objectives as far as possible within the current financial constraints.

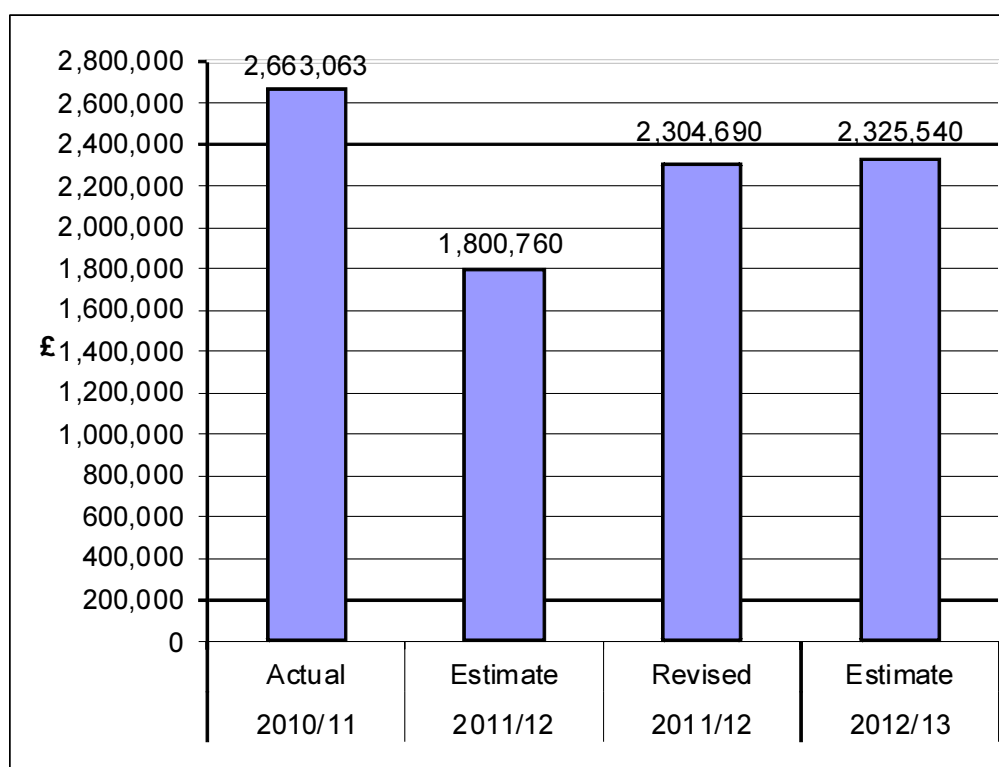
Conclusions / Summary

26. The total net expenditure as shown at **Appendix A** is reproduced below to show the percentage changes between budgets.

Year	Amount £	£	Variance %
2010-11 Actual	2,663,063		
		-862,303	-67.6%
2011-12 Estimate	1,800,760		
		+503,930	+30.7%
2011-12 Revised	2,304,690		
		+20,850	+1.6%
2012-13 Estimate	2,325,540		

These comparisons are shown diagrammatically below:

SUSTAINABILITY, PLANNING AND CLIMATE CHANGE PORTFOLIO



27. The total Net Expenditure reduced by £862,303 from the original 2010/11 outturn of £2,663,063 to £1,800,760 in the Original 2011/12 Estimate. This was mainly due to a reduction in the Concessionary Fares budget (£565,000) as the scheme was transferred to the County Council. Also there was a reduction in recharges (£116,000) and a reduced budget for Advice on Current applications (£50,600) and no budget for Judiciary Review (£51,000).
28. The total Net Expenditure increased by £503,930 from the original estimate for 2011/12 of £1,800,760 to £2,304,690 in the Revised 2011/12 estimate. This was mainly due to an increase in the recharges from New Communities to the Development Control service (£454,880) as the funding of a number of posts by Cambridgeshire Horizons has ended. These were originally included in the Growth Agenda service in the Northstowe and New Communities Portfolio budget where a similar change has been made showing a reduction in the recharges.
29. Overall the Net Direct Cost are only slightly over the target budgets by the nominal amounts of £16,630 for 2011/12 and £6,790 for 2012/13.

Background Papers: the following background papers were used in the preparation of this report:

Estimate files within Accountancy Services
LGA Circular 782/99 – Building (local authority charges) Regulations 1998

Contact Officers:

Richard Mann, Accountant Telephone No. (01954) 713075
Sally Smart, Principal Accountant (Building Control) Telephone No. (01954) 713076