



**REPORT of
DIRECTOR OF RESOURCES**

to
PLANNING AND LICENSING COMMITTEE
16 NOVEMBER 2017

2018 / 19 REVENUE BUDGET AND FEES AND CHARGES

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to consider the revenue growth and fees and charges policy proposals that have been put forward by Officers, prior to the approval of the 2018 / 19 budget and updated medium term financial strategy in January 2018. The proposals only show items that are relevant to this Committee.

2. RECOMMENDATIONS

- (i) that the contents of the report be noted;

To the Finance and Corporate Services Committee:

- (ii) that Members consider the proposals set out in **APPENDIX A** for growth items;
- (iii) that the updated fees and charges policy areas within the purview of this Committee outlined in **APPENDIX B** for 2018 / 19 be adopted.

3. SUMMARY OF KEY ISSUES

- 3.1 For 2018 / 19, the Council is building a zero based budget, this in its nature identifies savings and builds them into the core budget building.
- 3.2 In line with previous Council approval that there should be no additional budget growth, this has been reinforced through the zero budget process to ensure that budgets are only built for the existing service provision. Officers have been advised that growth bids should only be put forward if statutory.
- 3.3 It was reported to the Finance and Corporate Services in September 2017, that the current budget gap is £98,000. It is envisaged that the zero based budget process will generate sufficient savings / additional income to bridge this gap for 2018 / 19.
- 3.4 **Revenue Budget Growth**
- 3.4.1 There are a number of budget growth proposals relevant to this Committee as set out in **APPENDIX A** for consideration.

3.4.2 Homelessness Reduction Act

3.4.2.1 This is in relation to the Homelessness Reduction Act that will be coming into force as from April 2018, there are two main aspects to enable the implementation of the act; the growth bid is for the new IT system requirement, however there is also a staffing need. A new burdens grant of £60,000 is being received over three years which will cover this fixed term post for two years. The full impact of the Homelessness Reduction Act is not yet known, and there could be an increase on the demand for bed and breakfast and other types of temporary accommodation, however the budget has been prepared with a conservative view and will be reviewed mid-way through the year and officers will come back to members if necessary.

3.4.3 Building Control

3.4.3.1 Local authorities are under a duty to provide an at-cost building control service to the public under the Building Act 1984. This includes a duty to enforce the act in their jurisdiction and retain ultimate responsibility for decision-making with regard to enforcement action. However, unlike other statutory services Local Government building control services compete with the private sector (Approved Inspectors) and this has resulted in a loss of business to local authorities.

3.4.3.2 A building control service contains two fundamentally different types of work (Fee earning and non-fee earning). Non-fee earning activities are work that the Council has a statutory obligation to provide for which it cannot charge a fee, such as identifying unauthorised building work, enforcement and prosecutions, demolitions and dealing with dangerous buildings. Fee income is for chargeable services such as the passing of plans for building works and site inspections.

3.4.3.3 The current establishment for Maldon District Council building control service is 1 Building Control Manager, 2.6 Building Control Officers and 0.5 Technical Support Officer. It is not considered that the current quantum of resource facilitates an effective and resilient service. This has been clearly visible over the last twelve months during which time there has been a high level of absence due to sick leave. The lack of resilience within the service, particularly in relation to experienced staff, has resulted in the need to employ agency staff at a direct additional cost to the Council; for 2017 / 18 the cost has been approximately £50,000

3.4.3.4 The current Building Control Manager, alongside the Group Manager for Planning Services, has been tasked with reviewing the service and seeking ways to reduce the current deficit. A number of options to grow the service have come forward including proactively working with developers, undertaking partnership working and also working on behalf of Approved Inspectors. However, the need for the Building Control Manager to cover day to day site inspections, the limited level of experience within the service and limited service resilience has meant that a guaranteed customer service has not been met and these options have not progressed fully. Notwithstanding this, it should be noted that the service has already entered into an agreement to undertake site inspections on behalf of one Approved Inspector. The Council is reimbursed at a competitive hourly rate, including travel time, for any work undertaken on behalf of the Approved Inspector.

- 3.4.3.5 Within the service there is currently a vacancy for one full time Building Control Officer. Regrading this role as a Senior Building Control Officer would provide a greater level of resilience within the team as well as providing additional experience within the service. It is considered that this would allow for an improved customer service, ability to undertake a greater level of fee generating work and allow for the Building Control Manager to work closely with developers to promote and grow the service. It would also assist in supporting and growing our existing staff. The increased cost to the Council of this change would be a maximum of £6,900 per annum.
- 3.4.3.6 It is worth noting that there has already been an interest from agents in the services that the Council can offer. It is however important to recognise that to effectively grow the service there will need to be a proactive campaign to market our offer once the resources are in place and the service has capacity to deliver. There will inevitably be lead time before the investment starts to have demonstrable pay back.
- 3.4.3.7 A minor increase in administrative cover for the team is also proposed. The increase in hours for this change would be a maximum of £1,200 per annum.
- 3.4.3.8 It is envisaged that the increase in income through additional fee earning income will meet the increase in cost to the Council after the initial lead in period.

3.4.4 Planning Services

- 3.4.4.1 Within the current financial year a number of increased costs have been funded from vacancy savings, the Local Development Plan (LDP) reserve and an increased income generated through planning fees. A number of these costs are recurring and will therefore need to be budgeted for 2018 / 19.
- 3.4.4.2 The recurring costs are as follows and are explained in more detail below:
- Two Planning Policy Salary Supplements - £18,100
 - Four Development Management Salary Supplements - £20,400
 - Extend temporary enforcement assistant post by twelve months - £27,000
 - Extend temporary Planning Officer post within 'Major Applications Team' by twelve months - £34,600.
- 3.4.4.3 Market supplements have been paid to a number of individuals to address difficulties in recruitment that the Council has previously experienced. The supplementary offers are subject to review on a rolling twelve month basis to assess whether they are still appropriate.
- 3.4.4.4 A new Corporate Fraud and Enforcement Team was formed in October 2015. This new team was designed to provide a more holistic approach to enforcement matters; one of the primary roles that this team provides management of complaints regarding and breaches of planning control. At the time of inception there were a large number of complex and historic cases within an extensive backlog of work. Since then there has been a demonstrable increase in the number of complaints received by the Council; with a percentage increase of some 64% between 2013 / 14 and 2016 / 17. There has been a corresponding increase in the number of enforcement cases closed

(71% increase between 2013 / 14 and 2016 / 17) and the amount of open cases has stabilised. An 'Enforcement Assistant' that has primarily concentrated on initial site visits and the resolution of more minor and less complex cases currently supports the team. This post has been funded through in year savings. It is considered that this has been a successful addition to the team and allows for the more complex and time consuming cases to be prioritised by the Corporate Fraud and Enforcement Officers. It is proposed that it is necessary to retain this role for a further twelve months to ensure that the service continues to grow.

3.4.4.5 A Planning Officer post within 'Major Applications Team' has previously been funded through the Local Development Plan resource as this was dedicated to support delivery of the strategic sites allocated through the Local Development Plan. Due to a number of circumstances outside of the Council's control the delivery of these sites has not been at the rate first considered likely by the Council. It is therefore, considered necessary to fund this additional resource for a further twelve months.

3.4.4.6 The income for planning fees, excluding the strategic sites is projected to be £80,100 higher than originally budgeted for 2017 / 18 and £56,100 for 2018 / 19 (compared to original 2017 / 18). In addition the Government have provisionally tabled an increase in planning fees by 20% which will be included in budgets for 2018 / 19. When the Government originally proposed the increase it was stated that it would need to be 'ring fenced' for additional growth within the planning service. This expected increase will contribute towards the additional costs outlined in paragraphs 3.4.4.1 to 3.4.4.4 above by £104,200. It should however be noted that there is a projected £283,000 shortfall in income generated from strategic sites against that originally budgeted for 2017 / 18. This is due to delays in strategic sites coming forward. This also has a projected negative impact of £166,800 in 2018 / 19 (compared to original 2017 / 18).

3.4.5 Other Matters

3.4.5.1 Groups or areas within the District are entitled to create their own Neighbourhood Plan detailing their aspirations for their local area, but must tie into our Local Development Plan. There is no budget set for this, and it is unknown which areas may wish to make a designation, or how complex a designation may be, and therefore this hasn't been included as a growth bid. A reserve is available that has been created from previous unused Neighbourhood Grant funding, but should additional funds be required, then this will be dealt with by way of a supplementary estimate.

3.5 **Fees and Charges**

3.5.1 Fees and charges set by the Council are one area where the Council may have the ability to generate increased resources, however each area is subject to different constraints. In looking at these policies, the following factors need to be considered:

- Corporate and service objectives / priorities;
- Seeking to make services self-financing, where there is scope to do so;
- The level of charges levied by commercial competitors and other local authorities;
- The introduction of new charges, where appropriate;

- Whether concessionary charges for specific users of the service would apply.

3.5.2 **APPENDIX B** shows the fees and charges policy for the approval of this committee with detail where a policy is proposed to be amended.

4. CONCLUSION

4.1 It is essential for members to consider the proposals set out in this paper in order to allow sufficient time for this to be built into the 2018 / 19 budget setting process.

4.2 It is considered that the indicated budget gap in 2018 / 19 is manageable at this time and can be dealt with once the detailed budgets for 2018 / 19 are built up. However, more work will be needed to close down the predicted budget gaps for future years.

5. IMPACT ON CORPORATE GOALS

5.1 The Strategic and Financial Planning process contributes towards our Corporate Goal “Delivering good quality, cost effective and valuable services”.

5.2 Each of the revenue proposals is also linked to the corporate goals.

6. IMPLICATIONS

- (i) **Impact on Customers** – The fees and charges are for discretionary services and therefore impact on service users.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The implementation of the budget setting process is designed to minimise the risk of not having a robust Medium Term Financial Strategy.
- (iv) **Impact on resources (financial)** – As outlined in this report.
- (v) **Impact on Resources (human)** – As well as financial factors, availability of staff has been considered for each of the projects and this has been included.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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