

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE

18 January 2012

Agenda Item	3
Report No	PED 1/12

Revenue Budget Monitoring Statement to end November 2011 & Review of Charges for 2012/13

Report by Director of Planning & Development

SUMMARY

This report comments on the Revenue Monitoring Statement for the period to the end of November 2011; predicts an over-spend at the year end of £0.577m primarily caused by lower than budgeted fee income and recommends that a request be submitted to the Resources Committee for a supplementary budget estimate of this amount to balance the P&D Revenue Budget for 2011/12. There are also recommendations for 2012/13 following a review of charges for services.

1. Introduction

- 1.1 The statement attached at **Appendix 1** shows the financial position to end November 2011 with a predicted budget over-spend of £0.577m i.e. 6.95% of the annual net revenue budget.
- 1.2 The percentage of annual expenditure at 60% is 1% less compared to the same time last year, but annual income at 62% is 26% less compared to 2010/11 due to the fall in planning and building warrant fee income which is presently predicted as coming in some £0.730m under budget by the year end.

2. Fee Income

- 2.1 Actual cumulative fee income to the end of November 11 compared to previous years was as follows –

	Planning Fees £m	Building Warrant Fees £m	Total £m
Nov 2011	£ 1.063	£ 1.138	£ 2.201
Nov 2010	£ 1.313	£ 1.767	£ 3.080
Nov 2009	£ 1.116	£ 1.092	£ 2.208
Nov 2008	£ 1.409	£ 1.472	£ 2.881
Nov 2007	£ 1.658	£ 1.742	£ 3.400

- 2.2 At the end of Nov 11 therefore fee income in total is already £0.879m below the same period last year but almost the same as at Nov 2009 and below both Nov 2008 and 2007 by £0.680m and £1.199m respectively.

The total fee income gap by the year end is currently projected to be in the region of £0.730m (£0.314m for Planning fees and £0.416m for BW Fees) assuming the same profile in fee income between Dec 11 and Mar 12 as happened in the previous

year. Changes to the General Permitted Development (Scotland) Order 1992 will be implemented in February 2012. The effect of this will be to increase the amount of development that can be carried out without having to apply for planning permission. This will reduce the number of applications for minor developments, and work is underway to assess the precise implications for the Highland Council area including any possible reduction in planning fee income – this will be reported to Committee in due course.

Information from the financial management system to end Dec 11 is not yet available but will be reported verbally to the Committee.

3. Comment on Variances in 2010/11

3.1 **Fee income** – see Section 2 above for details. At the end of November 11, fee income is projected to be £0.730m under budget (Planning £0.314m and Building Warrant £0.416m). The situation is being closely monitored each month but of course is largely dependant on the overall economic climate and therefore Committee is being recommended to request a supplementary budget estimate from Resource Committee.

3.2 £0.186m has been spent on **PLI/JR** (Public Local Inquiries/Judicial Reviews) and related costs to date against a budget of only £0.050m. At present given known facts this budget is predicted to overspend by the year end by £0.225m although it is very difficult to predict future expenditure and again this will be kept under close review.

3.3 Senior Management has also identified the following **further pressures on budgets**

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- A shortfall of £0.045m in income from the new charges introduced for Corporate Address Gazetteer requests
- An over-spend of £0.030m on e-planning due to unbudgeted staffing and IT costs
- £0.050m of an overspend in the Area Planning and Building Standards budgets due to various issues e.g. income gaps for letters of comfort and historical insufficient budget for various subjectives.

3.4 Meantime Senior Management has also identified the following **savings/delay in spending** elsewhere in the budget to reduce the above estimated over-spends/shortfalls in income:

- Staff savings in the order of £0.057m from management of vacancies and reduced hours
- Efficiency savings of £0.050m from the overall Employability Services budget of £1.890m arising from staff vacancies and processes.
- £0.123m in the central budgets for training, printing, stationery, payments to contractors and legal expenses.
- £0.025m on property maintenance expenditure without any implications in terms of Health & Safety.
- £0.028m of total estimated under-spend on various headings in the Access budget

Management will continue to look for further possible savings/deliberate delay in spending to reduce the current prediction of an over-spend. In this regard Members

will be aware from the March and November 2011 PED Committee reports on Employability, that the Service is predicting an under-spend of £0.220m once earmarked balances (£437k) from 2010/11 are included. Final confirmation of budget spend will not be known until towards the year end as it is anticipated that, subject to the outcome of the forthcoming procurement exercise, additional demands for transitional service provision may be generated and may need to be provided for. Close liaison with the Finance Service will continue on this matter.

4. Year End Projection

- 4.1 In total Management has identified to date £1.080m in budget pressures (13% of the net revenue budget) and also £0.503m (which includes the £0.220m referred to above from Employability Services) of savings or delayed expenditure (6.1% of the net revenue budget) to reduce the projected end of year over-spend to £0.577m (6.95% of net revenue budget). These savings are not without impact although front line services have been safeguarded. Many of the savings are only possible this year and the situation regarding a possible fee income gap and the costs of PLI/JRs for next year will require further consideration.

While this is the best estimate of the end of year position it should be noted that at present there is no guarantee of the £0.220m savings from Employability Services and we do not know the costs to date for our landline telephones and calls, our full costs for Fujitsu services nor the costs associated with our ICT refresh which has not yet taken place for most of the Service. There is also the fee income gap which could yet vary over Dec 11 to end of Mar 12.

- 4.2 As per Council procedures, it is recommended that the Committee submit a request to the Resources Committee for a supplementary budget estimate of £0.577m to balance the P&D Revenue Budget for 2011/12. The pressure on the budget is expected to continue into 2012/13 and will be considered in the overall budget setting process undertaken by the Council.

5. Budget Savings

- 5.1 The attached monitoring statement takes full account of all budget savings in 2011/12 which the P&D Service was asked to make by the Council. These are being implemented and generating the expected level of savings. Alternative savings have been put forward where necessary when previously proposed savings are not now possible.

6. Review of Charges for Services in 2012/13

- 6.1 The Council will be including an increase of 5% where possible on all charges for services in the roll forward budget for 2012/13. The P&D Service therefore proposes to act in a similar manner as set out in **Appendix 2** to this report, except where no change in charge is proposed and in the following instances where the proposed increase is greater than 5% -

- Pre-application advice on Major Development Projects – increase by £200 to £950 plus VAT
- Increase that part of the BW fee which is based on estimated costs of operations, in line with the BCIS guide i.e. around 5%. This will increase the fee for a typical house by £50.
- Introduce a new charge of £50 admin fee for the re-numbering of a new

development which has already completed street naming and numbering (i.e. after the initial Street Name and Numbers have been confirmed).

- Introduce a different level of charge for the provision of archaeological advice to statutory undertakers - £100 for the first hour or part thereof and £65 per hour or part thereof for subsequent time involved plus VAT @ 20%.

7. Implications

- 7.1 There are no legal, equality or climate change implications arising out of this report. There are resource implications for the Council arising out of the request for a supplementary budget estimate to Resources Committee. Similarly, there is a risk to the P&D Service of not being able to balance its revenue budget in 2011/12 if this request is refused.

8. RECOMMENDATIONS

It is recommended that the Committee:

- **Note** the monitoring report to end of November 2011 and **Agree** the management action which has been taken to date to reduce the projected over-spend against budget to £0.577m at the year end
- **Submit** a request to the Resources Committee for a supplementary budget estimate of £0.577m to balance the P&D Revenue Budget for 2011/12, and
- **Agree** the updated charges for services in 2012/13 as outlined in section 6.1 above and Appendix 2 to this report.

Designation: Director of Planning & Development

Date: 6 January 2012

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PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL- 30 NOVEMBER 2011

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Director & Business Support				
Director & Business Team	343	1,026	913	(113)
E-Planning	39	54	84	30
Environment & Development				
Management	61	177	175	(2)
Countryside, Heritage & Natural Resources	1,330	2,167	2,139	(28)
Economy & Regeneration	1,082	2,446	2,421	(25)
Employability Service	880	1,888	1,618	(270)
Planning & Building Standards				
Management	83	116	117	1
Planning & Building Standards HQ	192	237	230	(7)
Development Plans	406	654	640	(14)
Area Planning & Building Standards	2,443	3,486	3,536	50
Public Local Inquiries	186	50	275	225
Income				
Planning Fee Income	(1,063)	(1,987)	(1,673)	314
Building Warrant Fee Income	(1,138)	(2,014)	(1,598)	416
	4,844	8,300	8,877	577

BY SUBJECTIVE

Staff Costs	5,318	8,225	8,168	(57)
Other Costs	2,429	4,749	4,613	(136)
Gross Expenditure	7,747	12,974	12,781	(193)
Grants	(81)	(61)	(61)	0
Other Income	(2,822)	(4,613)	(3,843)	770
Total Income	(2,903)	(4,674)	(3,904)	770
	4,844	8,300	8,877	577

Notes

1. Percentage of annual budget	Expenditure	Income
This year	<u>60%</u>	<u>62%</u>
Last year	<u>61%</u>	<u>88%</u>
2. Actual expenditure - Public Local Inquiries	£000	
Tain	(67)	
Tullochgribbon Quarry	25	
Combined Power & Heat	9	
Spittal Wind Farm	58	
Tom Na Clach Windfarm	43	
Bova	59	
Highland Wide Development Plan	59	
TOTAL	<u>186</u>	
3. Projects (overleaf)		

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL- 30 NOVEMBER 2011

Summary

3. Projects	ACTUAL TO DATE £000
14BH - NPP2	(277)
14ED009 - TC - Income	(135)
14LF - Great Glen Way Donations	(130)
14LG - BAP Implementation Programme, General	(6)
14MA - Wick THI	(95)
14MD - Highland Marine Resources & Communities Scheme	(84)
14MF001 - Highland Core Path Implementation	(169)
14MH001 - Conservation Areas Regeneration Scheme	(427)
14MH002 - Wick CARS General	495
14MH003 - Wick CARS Small Grants Scheme	(111)
14N - LEADER	(319)
14P - Future Jobs Fund	(36)
Total	(1,294)

PLANNING & DEVELOPMENT - PLANNING & BUILDING STANDARDS

SERVICES PROVIDED TO BUSINESSES AND PRIVATE INDIVIDUALS

Charges with effect from 1 April 2012

Development Management		
Pre-Application advice on Major Development Projects	Increase by £200	£950 plus vat @ 20% = £1140
Examination of planning application case file (whether case is live or determined)	No Change	No Charge (A charge will be made for copies requested of decision notices, drawings and other file material, and for the cost of postage and packing.)
Retrieval fee for providing certified copies of planning decision notice and/or drawings.	Increase by 5% on basis of Council's Corporate Charging Policy	£65 (plus copying and postage costs if relevant)
Press Advertisements – Advertised under Schedule 3 of Development Management Regulations Neighbour Notification (Where there are no premises on neighbouring land) Site Owner Notification (Where owner(s) cannot be traced) Planning applications accompanied by an EIA	No Change	£100 £100 £100 £550
Section 50 Certificates (under the Licensing (Scotland) Act 1982)	Increase by 5% on basis of Council's Corporate Charging Policy	£32

Building Standards		
While the Building Warrant fees are set by Scottish Ministers, the fee payable as part of the Building Warrant submission is based on the estimated cost of operations. When checking the accuracy of estimated costs of operations, the Building Standard Surveyor refers to the Building Cost Information Surveys of Quarterly Review of Building Prices (BCIS guide published by the RICS). This provides the mean price in £/m ² for works of different character.	Review the sliding fee scale annually w.e.f. 1 April by referring to the latest BCIS guide	Increase the cost per square metre indices over the range of building types, averaging a 5% increase. This will increase the cost per m ² of a typical house by £50 to £1150/ m ² .
Examination of Building Warrant case file whether the case is live or complete. Access to certain files may be restricted for security purposes depending on the building type. The area office will advise.	No Change	No Charge (A charge will be made for copies requested of decision notices, drawings and other file material, and for the cost of postage and packing.)

Building Standards (contd)		
<p>Retrieval Fee for providing certified copies of Building Warrant documentation e.g. copy of Building Warrant, copy of Acceptance of Completion Certificate and/or copies of approved BW drawings.</p> <p>As above, restrictions may apply for security purposes depending on the building type. The area office will advise.</p>	Increase by 5% on basis of Council's Corporate Charging Policy	£65 (for warrant and/or completion certificate if both requested at the same time) (plus copying and postage costs if relevant)
<p>Letters of Comfort (where no Building Warrant was obtained)</p> <p>This proposal accords with statutory fee levels for Late Building Warrant applications and submissions for Completion Certificates where no BW was obtained.</p>	Increase by 5% on basis of Council's Corporate Charging Policy	£336 for works not exceeding £10k in value. Thereafter fee will be based on the national BW fee scale but with a 25% penalty added.
<p>Letters of Comfort (where Building Warrant has expired)</p>	Increase by 5% as per above	£215
<p>Section 50 Certificates (under the Licensing (Scotland) Act 1982)</p>	Increase by 5% on basis of Council's Corporate Charging Policy	£32

Access Exemptions		
<p>Section 11 exemption requests under the Land Reform (Scotland) Act 2003</p>	Increase by 5% on basis of Council's Corporate Charging Policy	£110 (no VAT involved) plus recover the costs of any advertising involved.

Corporate Address Gazetteer Charges			
No of Plots	Current Charges(per Plot)	Proposed Change	New Charges (no VAT involved)
1	£80	Increase by 5% on basis of Council's Corporate Charging Policy (rounded)	£84
Plots 2-5	£40		£42
Plots 6 – 10	£25		£26
Plots 11-50	£20		£21
Plots 51 +	£15		£16
Admin fee for re-numbering a new development which has already completed street naming and numbering (this is after the initial SNN has been confirmed.)		New Charge	£50

CHARGES FOR COPIES OF MAPS ON WIDE FORMAT PRINTERS – All have been increased by 5% as per Council Corporate Policy			
PAPER SIZE	COLOUR COST	VAT @ 20%	TOTAL COST
A0	£ 18.50	£ 3.70	£22.20
A1	£13.00	£ 2.60	£15.60
A2	£10.50	£ 2.10	£12.60
	B/W COST	VAT @ 20%	TOTAL COST
AO	£ 2.60	£ 0.52	£ 3.12
A1	£ 1.60	£ 0.32	£ 1.92
A2	£ 1.30	£ 0.26	£ 1.56

Charges for Research/Copying and Advice		
Photocopying	No Change	A4 – B&W £0.10 per copy A3 – B&W £0.30 per copy A4 – Colour £0.30 per copy A3 - Colour £0.60 per copy (all prices inclusive of VAT @ 20%)
Microfilm/Microfiche extraction	No Change	£25 per hr or part thereof plus VAT @ 20%
CD Extraction /Copying	No Change	£25 per hour or part thereof plus VAT @ 20% (including a copy CD if requested)
General requests for retrieval of information **(see note 1 at end of chart)	No Change	Actual hourly rate of staff member up to a maximum of £15 per hour or part thereof plus VAT @ 20% (plus copy charges as above & postage charges at cost if relevant)
Provision of archaeological advice to statutory undertakers	New Charge	£100 for the first hour and £65 per hour or part thereof for subsequent time involved plus VAT @ 20%
Provision of archaeological advice and information to commercial companies.	Increase by 5% as per Council's Corporate Charging Policy	£65 per hour or part thereof plus VAT @ 20%

** Note 1 – Charges for environmental information under the EIRs -

We do not charge for the time to determine whether we hold the information requested, nor for the time it takes to decide whether the information can be released. Charges are made for locating, retrieving and providing the information to you.

We will advise you of the charge and how it has been calculated. The information will be provided to you on payment of the charge. If you decide not to proceed with the request there will be no charge to you.

04.01.12 - SL