

14. 2007/08 BUDGET- USE OF CONTINGENCY AND ACHIEVING PRIORITIES (A137/RMM)

1 This report updates Members on Resource Management Team discussions on use of the 2007/08 budget contingency and funding of priority planning and legal work. A commitment was made to bring a report to Members at the last Strategic Advisory Group meeting.

2 RECOMMENDATION:

That:

- 1. Funding the priority needs identified in paragraph 7 of the report be part of the 2008/09 budget planning process involving Members, with a subsequent report to the December Authority meeting**
- 2. Up to £12,000 of the 2007/08 unallocated contingency be used to support solving one off, short term staffing issues in the legal, minerals and planning teams**

Policy/Legal Background

3 In February 2007 the Authority agreed a budget for 2007/08 with a contingency of £44,000 remaining unallocated whilst we waited for confirmation of sums underpinning the budget assumptions (see paragraph 8). In addition we have identified a saving through re-tendering the insurance contract of £20,000 making a total of £64,000 unallocated contingency.

4 The Authority agreed (minute ref: 11/07) to consider a further report for allocation of the contingency and a number of issues were highlighted as waiting to be considered at that time. This report updates Members on work so far.

5 The areas considered for extra resource allocation in paragraph 7 contribute to the achievement of the following corporate outcomes and key corporate actions:

A: The landscapes of the National Park are valued for their beauty, character and natural resources and managed to adapt to the effects of climate change by:

1. Ensuring landscapes are characterised, conserved and enhanced in accordance with their enduring and dynamic qualities (level 1 priority)

B: The adverse impact of mineral working on the special qualities of the National Park and its communities is minimised by:

1. Influencing Government policy and legislation (level 1 priority)
2. Ensuring those quarries that remain are worked to the highest modern environmental standards (level 2 priority)
3. Managing the reduction of large-scale quarrying in the National Park whilst taking local needs into account (level 2 priority)

I: The Peak District is a living, modern, and innovative area with vibrant and cohesive communities by:

1. Using planning and influencing powers to help create more sustainable communities and a better environment (level 2 priority)
3. Reviewing the Local Development Framework (LDF) affordable housing policy and encouraging an appropriate level of affordable housing (level 2 priority)

K: We provide quality, customer focused, sustainable services and ensure continuous improvements in the way that these are delivered by:

1. Ensuring value for money, sustainability and high standards of corporate governance in the way that we deliver services (level 3 priority)

Key Issues

- 6 At the recent Defra (Department for Environment, Food and Rural Affairs) finance meeting the Chief Executive was advised that the Authority should plan for both a 0% settlement for 2008/09 (i.e. funding to remain at 2007/08 levels) and an inflation settlement (assumed as a 2% increase on 2007/08 levels). In addition it was indicated that bids may be invited for extra funding for activities which directly impact on the achievement of Defra's Public Service Agreement targets. More guidance is expected later in the year.
- 7 In considering the use of the remaining 2007/08 unallocated contingency Resource Management Team has considered and supported business cases for the following:

	Proposal	Need
a)	Senior Planner/Policy Planner scale I (full time, permanent post) (this will be a shared post between Planning Services and Policy, Research and Partnerships Service)	Determining Planning applications and contesting appeals. Also responds to recommendations in recent Planning Advisory Service report contributing to the formulation of emerging policies in the LDF and review of supplementary planning documents e.g. renewables, technical appendices to Design Guide, housing issues
b)	Minerals/Senior Minerals Planner scale I/J (full time, permanent post)	Improving performance to meet government targets, tackling backlog of work and allowing more strategic work to progress
c)	Senior Legal Officer (conveyancing) scale I (half time permanent post)	Addressing workload issues in legal team supporting enforcement, planning and minerals work
d)	Increase hours from 30 to 37 and review grade (currently G) of existing Senior Legal Assistant	Delegation of responsibility to and increase in hours of an existing post to help address workload issues in legal team supporting enforcement, planning and minerals work
e)	Advertising cost for planning applications	Historic overspend in advertising budget needs to be funded following a review of advertising and determination that costs are unavoidable
f)	Water charges and ongoing requirement to implement legionella action plan at Aldern House	Unavoidable increase in costs following revaluations by water company of water charges and legionella risk assessment. Unavoidable cost as a result of providing accommodation for staff to deliver services.

- 8 However the full year cost of meeting the above is £126,964 including employer on costs but not including the pay award for 2007/08. To fund this now would require making cuts to other activities as well as allocation of the contingency. In addition the Chief Finance Officer has advised against allocating the contingency on a permanent basis yet as there are a number of risks to address as part of the 2008/09 budget planning process. These risks include:
- a) A 0% settlement has been confirmed by Defra as a possibility which will leave the Authority with a potential shortfall of £279,000 based on current expenditure and these proposals
 - b) The pay award for 2007/08 is not yet known and if higher than the planned 2.5% will have implications for 2007/08 and also affect the planning assumptions for 2008/09 by a further estimated £34,000 per annum
 - c) We still await the Planning Delivery Grant (PDG) outcome for 2007/08 which is a risk in itself as it underpins the budget by £100,000 but a further risk is the unknown position for 2008/09. We have a number of fixed term contract posts expiring 31 March 2008 (related to planning, policy and e-planning performance) funded by PDG with no firm indication of what the future arrangement for Planning Fees will be to make up any PDG deficit in 2008/09.
- 9 At the Strategic Advisory Group members requested that Management Team bring forward proposals as a matter of urgency to address workload issues in Planning, Minerals and Legal services. In addition, a recently received report on the Local Development Framework (LDF) programme from the Planning Advisory Service that will be discussed at Audit and Performance Committee on 20 July has suggested that the team is under-resourced for its current work plan. All of the needs supported for expenditure in paragraph 7 contribute to the Authority's level 1 and level 2 priorities agreed for 2007/08 for:
- Planning
 - Minerals
 - Affordable Housing and LDF
- 10 However cutting activities to fund these now will be pre-empting the 2008/09 budget planning process, which involves Members, starting with the Strategic Planning workshop on 7 September when priorities and areas for reducing resources will need to be identified if these recommendations are to be approved. There is a balance to be made between acting promptly on a defined resource need and committing a significant amount of resource prior to the budget planning round.
- 11 It is therefore proposed that the above needs should be considered as part of the 2008/09 budget planning process and that this process should conclude earlier than in previous years, with areas for reduction of resources being agreed in November, so that funding of the above can be confirmed for 2008/09 by the Authority meeting on 7 December 2007. This will mean that in 2007/08 the staff posts identified at paragraph 7 could be filled for three months of the year using the unallocated contingency, at a cost of approximately £25,000. With £27,000 of unavoidable costs (paragraphs 7e and 7f above) the remaining contingency of £12,000 is proposed for one off expenditure in 2007/08 for legal, minerals and planning staffing issues.
- 12 In order to ensure recruitment could be effective for the last three months of the 2007/08 year consideration will be given later in the budget planning process to advertising the vacancies earlier, in consultation with the Chair of Services Committee, so that appointments can be made immediately authority for the posts has been given. This is subject to the position on resource allocation and the Defra settlement being clear at that time.

APPENDIX

Background

- 1 In January the Authority agreed level 1, 2 and 3 priorities for resource allocations and focus in 2007/08. These can be found at www.peakdistrict.gov.uk/corporatepriorities.htm

Resources

- 2 The following is a summary of the figures given under key issues:

Proposal	Cost	
	2007/08 part year cost	Recurring full year cost
Senior Planner/Policy Planner scale I (full time, permanent post)	3 months: £8,467	£33,870 plus pay award
Minerals/Senior Minerals Planner scale I/J (full time, permanent post)	3 months: £10,553	£42,212 plus pay award
Senior Legal Officer (conveyancing) scale I (half time, permanent post)	3 months: £4,234	£16,935 plus pay award
Increase hours and review grade of existing Senior Legal Assistant (permanent change)	3 months: £1,612	Estimated at £6,447 plus pay award
Advertising cost for planning applications	All year: £20,000	£20,000
Water charges and ongoing requirement to implement legionella action plan at Aldern House	All year: £7,500	£7,500
One off expenditure in 2007/08 for legal and minerals staffing issues.	£12,000	
TOTAL	£64,366	£126,964

- 3 If there is a 0% settlement the cuts required to balance the 2008/09 budget will be between £280-£300,000; if a 2% settlement is announced the deficit will be between £130-£160,000. The recommendations in this report will require significant reallocations.

Risk Management

- 4 See paragraph 8.

Human Rights, Equal Opportunities, Health & Safety

- 5 These have been considered and there are no issues to highlight

Consultees

- 6 The Management Team, Head of Finance/Chief Finance Officer and Head of HR and Performance have been consulted on this report and comments included as appropriate.

Enclosures

7 None

List of Background Papers (not previously published)

8 None

Report Author

9 Ruth Marchington, Director of Corporate Resources

Publication date

10 Thursday 28 June 2007