

<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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## CABINET

16 JUNE 2017

### REPORT OF RESOURCES AND CORPORATE SERVICES PORTFOLIO HOLDER

#### A.4 **FINANCIAL OUTTURN 2016/17**

(Report prepared by Richard Barrett and the Accountancy Team)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To provide Cabinet with an overview of the financial outturn for the year 2016/17 and seek approval for:

- Revenue and capital commitments to be carried forward to 2017/18.
- Funding of the 2016/17 General Fund and HRA Capital Programmes.
- The reserves position at the end of 2016/17.

##### **EXECUTIVE SUMMARY**

Set against the context of an on-going and challenging financial environment, strong, effective and proactive financial management has had a major effect on the outturn position along with contributing to the future proofing of the budget in 2018/19 and future years.

Following the completion of the comprehensive end of year processes, the financial outturn position for 2016/17 has been prepared across the various areas of the budget with a summary of the position set out below.

##### **Summary by Key Areas of the Budget**

<b>Key Area</b>	<b>Outturn Position £m</b>
<b>General Fund</b>	
<b>General Fund Revenue – Carry Forwards / Commitments Requested</b>	<b>11.448</b>
<b>General Fund Revenue - Overall favourable variance after allowing for the carry forward / commitment requests above</b>	<b>(1.434)</b>
<b>Capital Programme – Carry Forwards Requested</b>	<b>10.907</b>
<b>Capital Programme – Overall favourable variance after carry forwards</b>	<b>(0.040)</b>
<b>Housing Revenue Account</b>	
Increased Surplus for the year contributed to HRA General Balances	<b>0.146</b>

<b>General Fund Reserves (excluding carry forwards)</b>	
<b>Earmarked Reserves –</b>	
Reduced use of reserves compared to budget	<b>0.074</b>
Additional Contributions to reserves compared to the budget ( <i>excluding carry forwards</i> )	<b>nil</b>
<b><i>There was no change in level of the Uncommitted Reserve which remains at £4.000m</i></b>	

### Reserves

The Council's overall reserves at 31 March 2017 total **£28.209m**. However **£24.209m** is in respect of earmarked reserves which relate to future years commitments (including the 2016/17 carryforwards / commitments set out in the table above). The balance of **£4.000m** is the level of uncommitted reserves which includes a working balance requirement of **£1.600m**. This level of uncommitted reserves matches that previously approved.

### On-going Review of Budgets

The imperative to find savings and reduce the net budget has meant that all services continue to reduce spending and identify efficiencies wherever possible. Similarly to last year, this has had a direct impact on the year end position for 2016/17. A more comprehensive review of the budgets will be undertaken as part of the Financial Strategy process for 2018/19 to identify where further budget reductions can be made in light of this latest position.

### Other Matters for Consideration

Although not related to the outturn position, the Government has given local authorities the flexibility to increase planning fees by 20% with any additional income being reinvested within the Planning Service. Further details are set out towards the end of this report along with an associated recommendation.

## RECOMMENDATION(S)

**That Cabinet:**

- (a) notes the financial outturn position for 2016/17 as set out in this report and appendices;**
- (b) approves the General Fund Revenue Commitments of £11.448m to be carried forward from 2016/17 to 2017/18 as set out in Appendix A of this report;**
- (c) subject to (b) above, approves that the overall General Fund Outturn Variance of £1.434m be carried forward via the Revenue Commitments Reserve for further consideration as part of the Initial Financial Strategy for 2018/19 later in the year;**
- (d) approves the financing of General Fund capital expenditure for 2016/17 as detailed in Appendix D;**

(e) subject to (d), approves the General Fund capital budgets of £10.907m to be carried forward from 2016/17 to 2017/18 and the associated carry forward of the revenue contribution to capital of £1.925m;

(f) approves the movement in uncommitted and earmarked General Fund reserves for 2016/17 set out in Appendix E;

(g) in respect of the HRA, approves the movement on HRA balances for 2016/17 including any commitments set out within Appendices I and J along with recharges to the HRA from the General fund of £2.203m for the year and the financing of the HRA capital expenditure set out in Appendix J;

(h) delegation be given to the Council's S151 Officer, in consultation with the Resources and Corporate Services Portfolio Holder, to adjust the outturn position for 2016/17 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2016/17 accounts; and

(i) following additional flexibilities given to Local Authorities by the Government, agrees to planning fees being increased by 20% from 1 July 2017 with the necessary budget adjustments made to reflect the increase in income and associated ring-fencing arrangements, and that further information is provided to a future Cabinet meeting as to how the additional income is to be used to improve the Planning Service.

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

Careful planning to ensure financial stability underpins the Council's capacity to deliver against its priorities. Both the capital and revenue budgets of the authority are prepared and monitored with the aim of supporting key objectives. The outturn position reflects this process and supports the successful financial planning process.

### **FINANCE, OTHER RESOURCES AND RISK**

#### **Finance and other resources**

The main financial implications for each section of the Council's accounts are as set out in this report.

#### **Risk**

There are no direct risks associated with the outturn position although the ability to fund future financial forecasts is recognised as a strategic risk to support the achievement of financial resilience of the Council in both the short and long term.

### **LEGAL**

The Council is legally required to calculate a Council Tax requirement each financial year. Within this framework is the requirement to monitor and report accordingly on the financial position of the authority against this requirement.

The outturn position set out in this report and the actions proposed are within the Council's powers and reflect the statutory requirements and responsibilities of the Council in the preparation of its accounts.

## OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

Although there are no direct equality and diversity issues, the overall Financial Strategy and budget process aims to recognise any such issues where appropriate within the Council's wider Financial Framework.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

The Financial Outturn for 2016/17 forms the basis of the information included in the Council's Statement of Accounts which will be published 'Subject to Audit' by the end of June 2017. The external audit of the Statement of Accounts is required by legislation to be completed by the end of September 2017.

Details around specific items such as Revenue, Capital, Reserves and Carry Forwards are set out in the following separate sections of the report along with the Appendices.

### GENERAL FUND REVENUE CARRY FORWARDS / COMMITMENTS INTO 2017/18

It is recognised that due to the size, nature and lead-in times of some schemes, expenditure can span financial years with some schemes not completed by the 31 March in any one year. Therefore commitments for goods and services are likely to remain outstanding at the 31 March, examples of which include uncompleted work that the Council has a contractual obligation against or the project is either currently underway or will be started shortly with payment dates or trigger points within the process yet to be reached, finalised and paid.

Subject to the approval of the requests to carry forward budgets, payments will become due as work is progressed during 2017/18, including budgets where general commitments have been made.

Strict criteria are applied to determine whether requests to commit expenditure in 2017/18 qualify as carry forwards. The criteria includes consideration of issues such as:

- Has a 'contractual commitment' been made;
- Is it related to a long term project which is expected to span a number of financial years;
- Is it a non-recurring item for which no budget provision exists in the following year;

Details of the General Fund Revenue requests to carry forward budgets into 2017/18 are set out below and in **Appendix A** with capital items included within the capital section further on in this report.

#### **Revenue Carry Forwards - £10.524m**

A summary of items by Department is as follows:

**Office of Chief Executive**

Regeneration projects	£1.017m
SME Growth Fund	£0.496m
Development Growth Fund	£0.500m
Big Society	£0.134m
CAB	£0.023m
Budgets where the Council is the accountable body	£0.100m
Other smaller items	£0.022m
<b>Total</b>	<b>£2.292m</b>

**Corporate Services**

Garden Communities Project	£2.000m
New Homes Bonus	£1.412m
Fit for Purpose	£1.598m
Contingency Budget	£0.322m
Other smaller items	£0.231m
<b>Total</b>	<b>£5.563m</b>

**Operational Services**

Community Housing Grant	£0.707m
Fast Food Initiative Funded Projects	£0.075m
Public Health Specialist	£0.083m
Weekly Waste Collection Grant Funded Initiatives	£0.110m
Beach Hut / Seafront Investment	£0.106m
Men's Cycle Tour	£0.160m
Other smaller items	£0.204m
<b>Total</b>	<b>£1.445m</b>

**Planning Services**

Local plan	£1.171m
Other smaller items	£0.053m
<b>Total</b>	<b>£1.224m</b>

**Appendix A** also sets out items, that although do not qualify as carry forwards based on the criteria explained earlier, they have been requested by departments to be carried forward into 2017/18 to support associated projects, activities and initiatives. These total **£0.924m**

**Taking all of the above into account, the carry forward / commitments total £11.448m, which is included within the recommendations above, as the total requested to be carried forward into 2017/18.**

**Revenue Contributions to Capital Programme**

In addition to the above, the 2016/17 capital programme budgeted for a revenue contribution of **£2.050m** to support the overall funding of the General Fund programme. **£1.925m** remains unspent at the end of 2016/17 and has been requested to be carried forward into 2017/18. A more detailed analysis of the capital programme for 2016/17 is given in a separate section further on in this report.

## GENERAL FUND REVENUE OUTTURN 2016/17 – A MORE DETAILED ANALYSIS

The following table sets out a summary of the outturn position after taking into account the **£11.448m** carry forward / commitment requests mentioned above. A more detailed Portfolio and Departmental analysis is set out in **Appendices B and C**.

### Summary of General Fund Revenue Account Outturn 2016/17

Table 1

	Budget	Outturn	Variance
	£m	£m	£m
<b>Total Net Outturn Position</b> <i>(after carry forwards and reserves adjustments)</i>	<b>14.048</b>	<b>12.976</b>	<b>(1.072)</b>
<b>Financing</b>			
Business Rates	(4.649)	(5.011)	(0.362)
Revenue Support Grant	(2.564)	(2.564)	0
Council Tax (including Collection Fund)	(6.835)	(6.835)	0
<b>Total</b>	<b>14.048</b>	<b>14.409</b>	<b>(0.362)</b>
<b>Total Variance for 2016/17</b>			<b>(1.434)</b>

A number of variances at the end of the year have already been brought to the attention of members via the corporate budget monitoring reports during the year.

Explanations for significant variances are set out below with a high level summary as follows:

Variations on Employee Budgets (including vacancy provision)	(£0.183m)
Significant Variations against Income Budgets including Business Rates	(£1.135m)
Significant Variations against Expenditure Budgets	(£0.194m)
Other Net Variations (Aggregated)	(£0.022m)
Variations on Indirect Budgets such as internal recharges	£0.026m
Reduced Contributions from Earmarked Reserves	£0.074m
<b>Total Variance</b>	<b>(£1.434m)</b>

### Variations on Income budgets

One of the main factors contributing to the overall year end position relates to a number of income streams being greater than budgeted with the net variance being **£1.135m**, with further details as follows:

**Table 2**

<b>Income Stream</b>	<b>Variance for 2016/17</b>	<b>Comments</b>
Parking Fees	(£0.125m)	This primarily relates to general fees and charges rather than penalty charges.
Housing Benefits Payments / Welfare reform	(£0.293m)	This primarily reflects the net position for the year which includes the recovery of overpaid benefit payments and a change to the provision for doubtful debts at the end of the year.
Business Rates (Non Domestic Rates)	(£0.385m)	This primarily reflects the additional income receivable by being a member of the Essex Business Rates Pool.
Crematorium / Cemetery Income	(£0.103m)	-
Revenues and Benefits Court Costs and Amounts of Council Tax Benefit recovered that relates to previous years.	(£0.080m)	-
Careline Income	(£0.053m)	-
Planning Income	(£0.173m)	-
External Interest Receivable on Investments	(£0.034m)	-
Other various items	(£0.051m)	-
<b><i>Income Streams lower than budgeted</i></b>		
Council Tax Sharing Agreement	£0.042m	Overall Council Tax amounts collectable for the year were lower than originally projected.
Investment Income from Commercial Property Portfolio	£0.026m	No properties were purchased during the year so no income was generated.
Garden Waste Collection Service	£0.020m	Following this scheme moving from a pilot scheme to a permanent service, accounting adjustments have been made such as allocating income to the year in which the service is provided rather than on a 'cash collected' basis.

		This has resulted in a one-off technical 'correction' being made in 2016/17.
Career Track Scheme	£0.074m	The number of career track trainees has reduced over the year in part due to the uncertainty introduced by the new apprenticeship levy arrangements going into 2017/18. This has resulted in reduced income which supports the cost of the scheme. However the service has now been confirmed as a registered learning provider which is expected to lead to a recovery of the budgetary position going into 2017/18.
<b>Net Income Variance Position for 2016/17</b>	<b>(£1.135m)</b>	<b>Net income over and above the amount budgeted for the year</b>

### Variations on Expenditure budgets

**Table 3**

<b>Expenditure Item</b>	<b>Variance for 2016/17</b>	<b>Comments</b>
Waste Collection, Recycling and Street Cleaning Contracts	(£0.078m)	Contract / other costs have been lower than expected.
Insurance Budgets	(£0.056m)	A number of budgets set aside to support initiatives such as risk workshops etc. remained unspent at the end of the year.
Financial Strategy 'Allowance'	(£0.088m)	An 'allowance' was included within the 2016/17 budget to offset any issues that may arise due to specific risks associated with the estimates process. However there was no requirement to call upon this budget in 2016/17.
Revenue Contribution to the Capital Programme	(£0.216m)	In addition to some small underspends against schemes that have now been completed, a sum of money was retained against a historic capital project to meet potential additional costs. It has now been determined that this retained sum is no longer required.
Other	(£0.101m)	-

<b><i>Expenditure Items Greater than Budgeted</i></b>		
Property Valuations	£0.049m	Additional upfront costs have been incurred in 2016/17 following the engagement of external valuers that are required to support property values within the Council's Statement of Accounts. An additional £0.013m has also been incurred in respect of property values to support the requirement to seek two external values as part of the Council's property dealing activities.
Air Show	£0.030m	Additional costs were incurred to support the successful delivery of the 2016 show.
Planning Inquiries	£0.102m	Although the budget was subject to a significant increase during the year, the cost associated with on-going inquiries has exceeded the budget along with a compensation payment now recognised in the 2016/17 accounts.
Homelessness Costs	£0.052m	Additional costs have been incurred primarily reflecting the increased reliance on bed and breakfast accommodation. This has been partly offset by increases in associated income for the year.
Princes Theatre Income	£0.112m	An on-going investigation is in progress in connection with a potential fraud committed against the Council. This variance reflects the potential loss of income if the Council is unsuccessful in recovering the money via legal proceedings which are currently being considered.
<b>Total net expenditure variance position for 2016/17</b>	<b>(£0.194m)</b>	

Although not highlighted within the above, the cost of running the various leisure facilities were delivered within the overall net budget as part of an on-going managed response by the Service. Although the total direct cost of the response to the legionella issue at Frinton and Walton Pool totalled **£0.116m** in 2016/17 (remedial work and loss of income), it has been possible to accommodate this within the overall budget via offsetting savings such as from the facility being closed and displaced income to other Council run leisure facilities. However a further cost of **£0.035m** is expected to be incurred in 2017/18 as part of the final cost in responding this issue which has been included within the carry forwards / commitment requests set out in **Appendix A**.

In addition to the above, the following changes to earmarked reserves have been made in 2016/17:

- **Reduced Contribution from Residents Parking Reserve - £0.074m**

The budget had allowed for a call on this reserve to support the cost of the residents parking scheme. Given the increased parking income highlighted in Table 2 above, a call on this reserve has not been required with the amount remaining in the reserve for consideration in future year's budgets.

### **PROPOSED USE OF THE GENERAL FUND REVENUE VARIANCE FOR THE YEAR**

Taking all of the variances and adjustments mentioned earlier on in this report, there is an overall favourable variance for the year of **£1.434m**.

Given the increasing pressure on the Council's budget following the Government's commitment to phasing out the Revenue Support Grant by the end of 2019/20, it would be prudent to carry forward this balance into 2017/18 and consider its use as part of the Financial Strategy for 2018/19. The recommendations set out earlier in this report therefore reflect this proposal.

During the external audit of the Council's Accounts during the summer months, adjustments or amendments may be recommended by the Council's External Auditor. Although subject to the actual adjustments that may be recommended by the Auditor, they may have a direct impact on the overall outturn position for the year rather than be just presentational changes. They would then be included in the Statement of Accounts that would be presented to the Audit Committee in September for approval. To enable the right level of flexibility in responding to any changes recommended by the External Auditor, a delegation is included in the recommendations above to enable the Council's S151 officer, in consultation with the Resources and Corporate Services Portfolio Holder, to make the necessary adjustments to the 2016/17 outturn position along with any corresponding changes to earmarked reserves, as it may not be possible to secure the formal approval of Cabinet within the Statement of Accounts' reporting timescales.

### **GENERAL FUND CAPITAL OUTTURN POSITION FOR 2016/17**

Full details of the outturn position for each scheme together with the carry forward requests are set out in **Appendix D**. However a summary is set out in the following table:

	<b>Budget 2016/17</b>	<b>Outturn 2016/17</b>	<b>C/Fwd</b>	<b>Remaining Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>GF Capital Expenditure</b>	13.242	2.295	10.907	(0.040)

### **Financing the Capital Programme**

A summary of the proposed financing of the capital expenditure in 2016/17 is set out in the following table, with a more detailed analysis being provided in **Appendix D** to this report:

	<b>Budget 2016/17 £m</b>	<b>Outturn 2016/17 £m</b>	<b>To Fund C/fwds £m</b>	<b>Variance £m</b>
External Sources of Finance	0.241	0.001	0.240	0
S106	0.076	0.064	0.007	(0.006)
Government Grants	7.630	1.515	6.116	0
Capital Receipts	1.692	0.062	1.630	0
Revenue Contributions	2.050	0.104	1.925	(0.021)
Use of Earmarked Reserves	1.552	0.550	0.989	(0.013)
<b>Total</b>	<b>13.242</b>	<b>2.295</b>	<b>10.907</b>	<b>(0.040)</b>

There were no significant variances at the end of the year after taking into account the carry forward requests, although a number of smaller projects were completed at a cost that was below the allocated budget.

#### **GENERAL FUND RESERVES OUTTURN POSITION FOR 2016/17**

Earmarked reserves are shown in more detail in **Appendix E** and include the adjustments set out elsewhere in this report.

The change in the budgeted use of net earmarked reserves of **£14.436m** takes into account the proposed level of revenue and capital carry forward requests of **£14.362m**.

The overall level of reserves at the end of 2016/17 is **£28.209m**, made up of **£15.181m** for earmarked commitment reserves, **£9.028m** for other earmarked reserves and **£4.000m** for uncommitted reserves.

It should be noted however, that transfers to earmarked reserves are not an increase in the Council's longer-term unallocated general resources as it relates to future years commitments.

The Financial Strategy has continued to aim to maintain the Uncommitted Reserve, including the minimum working balance of **£1.600m**, at **£4.000m**. At 31 March 2017 the uncommitted reserve stands at **£4.000m** so it remains in line with this requirement.

#### **CORPORATE DEBT AND INCOME FROM S106 AGREEMENTS**

The position against general debt and housing rent and service charges is set out in **Appendix F** along with additional comments where relevant. There are no significant issues to highlight.

Details around the use of income from S106 agreements is set out in **Appendix G**. There are no significant issues to highlight and no money was returned to developers during the year.

## LOCAL COUNCIL TAX SUPPORT SCHEME (LCTSS), COUNCIL TAX AND BUSINESS RATES

The outturn position for the year is set out in **Appendix H**.

For both Council Tax and Business Rates, the amounts collected during the year are in excess of the amounts budgeted for, with the cost of LCTSS discounts being **£0.633m** lower than budgeted.

In accordance with the associated regulations, surpluses or deficits remain within the Collection Funds for both Council Tax and NDR respectively that will be applied as part of the budget setting processes in following years.

## A REVIEW OF THE HRA OUTTURN POSITION FOR 2016/17

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for the income and expenditure arising from a housing authority's landlord functions.

A summary of the Council's Housing Revenue Account for 2016/17 is set out in the table below with a more detailed analysis provided in **Appendix I** to this report.

**Table 4**

	<b>Budget 2016/17</b>	<b>Outturn 2016/17</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Expenditure	6.387	6.525	0.138
Income	(14.459)	(14.219)	0.240
Indirect Income / Expenditure	9.336	6.899	(2.437)
Use of HRA Commitments / Repairs Reserve	(1.403)	(1.641)	(0.238)
<b>Net HRA (Surplus) / Deficit for year</b>	<b>(0.139)</b>	<b>(2.436)</b>	<b>(2.297)</b>
Carry Forwards <i>(transferred to HRA Commitments Reserve)</i>			2.151
<b>Net HRA (Surplus) / Deficit for year after Carry Forwards</b>			<b>(0.146)</b>
<b>HRA General Reserves c/fwd as at 31 March 2017 after allowing for carry forwards</b>			<b>4.562</b>

### Housing Repairs Reserve

Following the movement on the Repairs Reserve of **£0.238m** set out above, the repairs reserve totals **£1.573m** at the 31 March 2017, which is available to support on-going repairs to the housing stock in 2017/18 and beyond.

### Housing Revenue Account Overview

The outturn position shows an increased contribution to balances of **£0.146m** with further details set out in **Appendix I**. This is after taking into account carrying forward the revenue contribution of **£2.151m** to the capital programme to support the on-going new build and acquisition projects.

The increased surplus for the year is primarily due to:

- **(£0.273m)** - Reversal of previous year's impairment charges as land prices associated with the sites in Jaywick have increased since last year, which reflects the confidence in the market that the Council has significantly contributed to in the area.
- **£0.196m** – void loss (rents and other service charges and council tax on empty properties) due to condition of properties when returned to the Council, asbestos works undertaken before properties are relet and long term empty sheltered housing properties which are currently subject to a review about their longer term future.
- **£0.129m** – Change in provision for doubtful debts and write-off charges incurred during the year.
- **(£0.198m)** – Aggregate value of a number of smaller variances

General Fund recharges to the HRA totalled **£2.203m**, a reduction of **£0.002m** against the budget for the year. Agreement to this level of recharge forms part of the recommendations set out earlier on in this report.

In general the outturn for the year is broadly in line with the budgets, albeit with some budgets ahead of profile whilst others behind profile.

### HRA Capital Programme

A summary of the Council's HRA Capital Programme for 2016/17 is set out in the table below with a more detailed analysis provided in **Appendix J** to this report.

	<b>Budget 2016/17</b>	<b>Outturn 2016/17</b>	<b>C/Fwd</b>	<b>Remaining Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>HRA Capital Expenditure</b>	7.144	3.413	3.089	(0.642)

### Financing the HRA Capital Programme

A summary of the proposed financing of the capital expenditure in 2016/17 is set out in the following table, with a more detailed analysis being provided in **Appendix J** to this report:

	<b>Budget 2016/17</b>	<b>Outturn 2016/17</b>	<b>To Fund C/fwds</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Major Repairs Reserve	4.841	3.262	0.937	(0.642)
Government Grant	0.017	0.017	0	0
S106	0.102	0.102	0	0
Revenue funding from the HRA	2.183	0.032	2.151	0
<b>HRA Total</b>	<b>7.144</b>	<b>3.413</b>	<b>3.089</b>	<b>(0.642)</b>

The overall variance of **£0.642m** is largely due to the timing and programme of works which will continue in 2017/18 and beyond supported by the Major Repairs Reserve within a wider stock condition / refurbishment programme.

### **HRA Balances and Reserves**

The overall level of HRA General Balances has increased to **£4.562m**. Full details of HRA reserves are set out in **Appendix K**.

### **OTHER MATTERS FOR CONSIDERATION**

Although not directly linked to the outturn position, it is timely to seek an approval from Cabinet in respect of planning fees.

During the year the Government confirmed that Local Authorities would be able to increase their planning fees by 20% in recognition of the demands on this important local government function. This would be the first increase since 2012. However they also went on to state that it is up to each Local Authority to determine if they wish to take up this offer with the proviso that any money raised from the increase in fees must be reinvested in the Planning Service. Given the demand on the service locally it is proposed to take up this offer and increase planning fees by 20% from 1 July 2017, with related budget adjustment made to reflect the ring-fencing requirements. Information will form part of further decision making processes within the Council's overall budget setting framework.

Demands on the Planning Service that continue to put pressure on resources include the large number of planning applications of a significant scale received, appeals lodged against planning decisions, production of the Local Plan, severe difficulties in recruiting qualified and experienced planners and more stringent performance targets. Additional income from planning fees will assist in addressing these pressures.

### **BACKGROUND PAPERS FOR THE DECISION**

None

### **APPENDICES**

<b>Appendix A</b>	<b>GF - Carry Forward / Commitment Requests</b>
<b>Appendix B</b>	<b>GF - Portfolio / Department Outturn Summary 2016/17</b>
<b>Appendix C</b>	<b>GF – Revenue Departmental / Directorate Outturn 2016/17</b>
<b>Appendix D</b>	<b>GF - Capital Outturn 2016/17</b>
<b>Appendix E</b>	<b>GF - Reserves</b>
<b>Appendix F</b>	<b>Corporate Debt</b>
<b>Appendix G</b>	<b>Income from S106 Agreements</b>
<b>Appendix H</b>	<b>LCTSS and Business Rates</b>
<b>Appendix I</b>	<b>HRA – Revenue Outturn 2016/17</b>
<b>Appendix J</b>	<b>HRA – Capital Outturn 2016/17</b>
<b>Appendix K</b>	<b>HRA - Reserves</b>