

First Quarter Budget Monitoring 2018/19

Strategic Planning, Sustainability and
Transportation Committee
11 September 2018
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Executive Summary

This report is intended to provide Members with an overview of performance against revenue and capital budgets and outturn during the first quarter of 2018/19 for the services within this Committee's remit.

Robust budget monitoring is a key part of effective internal financial control, and therefore is one of the elements underpinning good corporate governance.

The aim of reporting financial information to service committees at quarterly intervals is to ensure that underlying trends can be identified at an early stage, and that action is taken to combat adverse developments or seize opportunities.

It is advisable for these reports to be considered in conjunction with quarterly performance monitoring reports, as this may provide the context for variances identified with the budget and general progress towards delivery of the Council's strategic priorities.

Headline messages for this quarter are as follows:

- For this Committee, there is an underspend against the revenue budget of £18,000, but this is expected to change to an overspend of £35,000 by the end of this financial year.
- The position for the Council as a whole at the end of the first quarter is an underspend against the revenue budgets of £831,000. At this stage we expect to remain within budget for the year.
- There has been no capital expenditure to date this year for the projects which sit within this Committee's remit. This represents slippage of £0.489m.
- Overall capital expenditure totaling £1.671m has been incurred during the first quarter, against a budget of £28.754m.

Revenue Budget

1st Quarter 2018/19



Revenue Spending

At the end of the first quarter, there is an overall positive variance of £18,000 against the revenue budget for this Committee. This comprises an adverse variance of £8,000 on parking and transportation services, and a favourable variance of £26,000 on planning and development. Based on current information, we are forecasting an overall adverse variance of £35,000 by the end of the year, arising from unachieved income from parking and transportation services. It is anticipated the current variance on planning services will reduce to zero by the end of the year. However, there has been a fall in the number of planning applications received during the first quarter and for larger applications this trend is likely to continue because there is a recently adopted Local Plan in place, and whilst at this stage we are forecasting a break even position for the Development Control Applications the possibility of a shortfall in income does exist if large 'windfall' applications are not received. It should also be noted that a number of appeals have now been withdrawn and so the likelihood of additional spend in this area has now reduced. Members will recall that funds had been previously set-aside for possible appeals costs.

As illustrated by the chart below, all committees have kept expenditure within the agreed budget, or have achieved/exceeded their agreed income target this quarter.

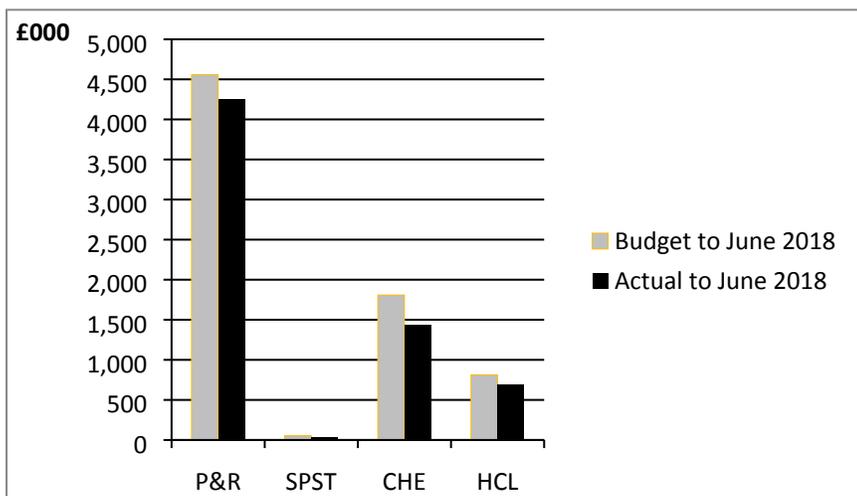


Chart 1 Performance against budget analysed by service committee

The table on the following page details the budget and expenditure position for this Committee's services during the first quarter. These figures represent the net budget for each cost centre. The actual position includes expenditure for goods and services which we have received but not yet paid for.

The columns of the table show the following detail:

- The cost centre description;
- The value of the total budget for the year;
- The amount of the budget expected to be spent by the end of June 2018;
- The actual spend to that date;
- The variance between expected and actual spend;
- The forecast spend to year end; and

g) The expected significant variances at 31 March 2019.

The table shows that of a net annual income budget of -£1.000m it was expected that £52,000 would be spent up until the end of June. At this point in time the budget is reporting an underspend of £18,000, and the current forecast indicates that the year-end position for this committee will decrease to an over spend of £35,000. The table separates the overall figures into the two main functions of this committee, Planning Services and Parking and Transportation, in order to show the budget and outturn for each function.

Revenue Budget Summary Q1 2018/19

| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|--|-------------------------|--------------------------------------|----------------|------------------|-----------------------------------|---|
| Cost Centre(T) | Budget for Year £000 | Budget to 30 June 2018 £000 | Actual £000 | Variance £000 | Forecast 31 March 2019 £000 | Forecast Variance 31 March 2019 £000 |
| Building Regulations Chargeable | -320 | -80 | -88 | 8 | -320 | 0 |
| Building Control | -1 | -0 | -0 | 0 | -1 | 0 |
| Street Naming & Numbering | -49 | -12 | -22 | 10 | -49 | 0 |
| Development Control Advice | -115 | -28 | -58 | 31 | -175 | 60 |
| Development Control Applications | -1,470 | -352 | -325 | -27 | -1,470 | 0 |
| Development Control Appeals | 122 | 28 | 18 | 10 | 122 | 0 |
| Development Control Enforcement | 66 | 11 | 12 | -1 | 66 | 0 |
| Planning Policy | 235 | 30 | 32 | -3 | 235 | 0 |
| Neighbourhood Planning | 75 | 75 | 75 | -0 | 75 | 0 |
| Conservation | -11 | -3 | -0 | -3 | -11 | 0 |
| Land Charges | -299 | -71 | -59 | -12 | -299 | 0 |
| Development Management Section | 899 | 227 | 262 | -35 | 959 | -60 |
| Spatial Policy Planning Section | 332 | 83 | 85 | -2 | 332 | 0 |
| Head of Planning and Development | 127 | 49 | 49 | -0 | 127 | 0 |
| Development Management Enforcement Section | 279 | 57 | 43 | 15 | 279 | 0 |
| Building Surveying Section | 368 | 94 | 83 | 11 | 368 | 0 |
| Mid Kent Planning Support Service | 422 | 106 | 95 | 11 | 422 | 0 |
| Heritage Landscape and Design Section | 176 | 44 | 43 | 2 | 176 | 0 |
| Planning Business Management | 137 | 34 | 23 | 12 | 137 | 0 |
| Mid Kent Local Land Charges Section | 46 | 8 | 7 | 1 | 46 | 0 |
| Sub-Total - Planning Services | 1,018 | 301 | 275 | 26 | 1,018 | 0 |
| Environment Improvements | 16 | 4 | 5 | -1 | 16 | 0 |
| Name Plates & Notices | 18 | 4 | 2 | 3 | 18 | 0 |
| On Street Parking | -364 | -96 | -59 | -37 | -332 | -33 |
| Residents Parking | -263 | -62 | -60 | -2 | -263 | 0 |
| Pay & Display Car Parks | -1,750 | -254 | -323 | 68 | -1,909 | 159 |
| Non Paying Car Parks | 11 | 8 | 8 | 1 | 11 | 0 |
| Off Street Parking - Enforcement | -75 | -19 | -8 | -11 | -75 | 0 |
| Mote Park Pay & Display | -174 | -48 | -53 | 5 | -174 | 0 |
| Sandling Road Car Park | -2 | -0 | -6 | 6 | -2 | 0 |
| Park & Ride | 203 | 113 | 161 | -48 | 364 | -161 |
| Socially Desirable Buses | 48 | 1 | 2 | -1 | 48 | 0 |
| Other Transport Services | -10 | -2 | -9 | 6 | -10 | 0 |
| Parking Services Section | 324 | 103 | 99 | 4 | 324 | 0 |
| Sub-Total - Parking Services | -2,018 | -250 | -242 | -8 | -1,983 | -35 |
| Total | -1,000 | 52 | 33 | 18 | -965 | -35 |

Table 1 Revenue Budget Position, Q1 2018/19 – Strategic Planning, Sustainability and Transportation Committee

Significant Variances

Within these headline figures, there are a number of adverse and favourable variances for individual service areas. This report draws attention to the most significant variances, i.e. those exceeding £30,000 or expected to do so by the end of the year. The table below provides further detail regarding these variances, and the actions being taken to address them.

It is important that the potential implications of variances are considered at this stage, so that contingency plans can be put in place and if necessary, this can be used to inform future financial planning.

| | Positive Variance Q1 | Adverse Variance Q1 | Year End Forecast Variance |
|--|----------------------|---------------------|----------------------------|
| Planning Services | £000 | | |
| Development Control Advice – Income is showing a positive variance mainly due to the introduction of Planning Performance Agreements. | 31 | | 60 |
| Development Management Section – There has been a high level of expenditure on temporary staff costs, although the vacant posts they are covering are now being filled. | | -35 | -60 |

Table 2 Significant Variances – Planning Services (Strategic Planning, Sustainability and Transportation Committee)

| | Positive Variance Q1 | Adverse Variance Q1 | Year End Forecast Variance |
|---|----------------------|---------------------|----------------------------|
| Parking & Transportation | £000 | | |
| On Street Parking – Penalty Charge Notice income budgets have been realigned with the new contract, but there has been an issue with the reporting data after a new system was introduced in June, which partly explains the variance. However parking meters income and dispensation payments are performing slightly better than budget. | | -36 | -32 |
| Pay & Display Car Parks – Pay & Display income is currently £13,000 below expectation and this is forecast to be £78,000 by the end of the year. However this has been offset by increased season ticket sales and the introduction of the Parking Reserve budget when the increased tariff was implemented. | 68 | | 159 |
| Park & Ride – The first month of pay to park has been disappointing with income 50% lower than the equivalent period last year. Expenditure is currently £35,000 over budget, and whilst this is expected to improve slightly if income levels stay the same then they will end the year £143,000 under the budgeted figure. | | -48 | -161 |

Table 3 Significant Variances – Parking & Transportation (Strategic Planning, Sustainability and Transportation Committee)

Capital Budget

1st Quarter 2018/19

Capital Spending

The five year capital programme for 2018/19 onwards was approved by Council on 7 March 2018. Funding for the programme remains consistent with previous decisions of Council in that the majority of capital resources come from New Homes Bonus along with a small grants budget.

Progress made towards delivery of planned projects for 2018/19 is set out in the table below. The budget figure includes resources which have been brought forward from 2017/18, and these have been added to the agreed budget for the current year.

To date, there has been no expenditure incurred against a budget of £0.489m. At this stage, it is anticipated that there will be slippage of £0.190m, although this position will be reviewed at the end of the year when the Committee will be asked to approve/note the carry forward of resources into the next financial year.

Capital Budget Summary Q1 2018/19

| Capital Programme Heading | Adjusted Estimate 2018/19 £000 | Actual to June 2017 £000 | Budget Remaining £000 | Q2 Profile £000 | Q3 Profile £000 | Q4 Profile £000 | Projected Total Expenditure £000 |
|--|--------------------------------------|--------------------------------|-----------------------------|--------------------|--------------------|--------------------|---|
| Strategic Planning, Sustainability and Transportation | | | | | | | |
| Bridges Gyratory Scheme | 449 | | 449 | 50 | 50 | 50 | 150 |
| Riverside Towpath | 40 | | 40 | | | 40 | 40 |
| Total | 489 | 0 | 489 | 50 | 50 | 90 | 190 |

Table 4 Capital Expenditure, Q1 2018/19