

# Strategic Planning, Sustainability & Transportation Committee

12 June 2018

## 4<sup>th</sup> Quarter Budget Monitoring 2017/18

<b>Final Decision-Maker</b>	Strategic Planning, Sustainability & Transportation Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

### Executive Summary

This report sets out the financial position for this Committee at the end of 2017/18 against the revenue and capital budgets. The figures included within the report are still subject to external audit so should be considered provisional at this stage.

This Committee has ended 2017/18 with an overall positive variance of £0.48m comprising £0.15m relating to Planning Services and £0.33m relating to Parking and Transportation. The individual variances which make up this total are detailed by service area in **Appendix 1**.

The position for the Council as a whole at the end of 2017/18 was an underspend of £0.2m, after deducting resources to be carried forward.

This report also details spending against the planned capital programme during 2017/18. Unspent resources required in subsequent years will be carried forward.

### This report makes the following recommendations to this Committee:

1. That the financial performance of the services within its remit for 2017/18 is noted.
2. That the revenue resources to be carried forward into the current financial year, detailed at **Appendix 2**, are noted.
3. That the slippage within the capital programme in 2018/19, detailed in **Appendix 3**, is noted.

### Timetable

<b>Meeting</b>	<b>Date</b>
Strategic Planning, Sustainability & Transportation Committee	12 June 2018

## 4<sup>th</sup> Quarter Budget Monitoring 2017/18

### 1. INTRODUCTION AND BACKGROUND

- 1.1 The Medium Term Financial Strategy for 2017/18 onwards was agreed by full Council on 1 March 2017. This report advises and updates the Committee on how each service has performed in regards to revenue and capital expenditure against the approved budgets within its remit.
- 1.2 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.

#### Revenue Budget

- 1.3 Attached at **Appendix 1** is a table detailing the budget and expenditure position for this Committee's services in relation to 2017/18. The appendix details the net budget per cost centre for this Committee. Actual expenditure is shown to the end of March 2018 and includes accruals for goods and services received but not yet paid for.
- 1.4 Figures in **Appendix 1** have been presented separately for Planning and Parking/Transportation related services to enable the performance of each area to be seen more clearly. The Committee has previously expressed a preference for receiving the information in this format.
- 1.5 The columns of the table in the Appendix show the following detail:
- a) The cost centre description;
  - b) The value of the total budget for the year;
  - c) Amounts to be carried forward from 2017/18 to 2018/19, and amounts which are ring fenced to certain services under legislation;
  - d) Adjusted budget for the year (original budget less amounts carried forward);
  - e) Actual expenditure and income for the year; and
  - f) The variance between the total spend and the adjusted budget.
- 1.6 **Appendix 1** shows that of a net annual income budget of -£615,549 £1,091,586 has been generated, representing an under spend of £476,037, after deducting resources to be carried forward or ring fenced to a particular service under legislation. The latter applies for chargeable building regulations, on street parking, residents parking and off street parking enforcement. For these services, surpluses and deficits are held separately and do not form part of the Council's general revenue underspend.
- 1.7 The total variance relating to Parking and Transportation is an underspend of £331,382 arising predominantly from overachievement of income targets in the Council's pay and display car parks. This is consistent with the position which has been reported to the Committee throughout 2017/18.

- 1.8 There is also a small underspend of £144,656 for Planning services, after including a provision for costs which we anticipate will be incurred in relation to ongoing planning appeals.
- 1.9 **Appendix 2** details the resources which have not been utilised during 2017/18, but which are required to fund expenditure in subsequent years and are therefore being carried forward into 2018/19. This includes grants and a small number of specific carry forwards which have been agreed by the Director of Finance and Business Improvement in line with the Council's Financial Procedure Rules.
- 1.10 Explanations for variances within individual cost centres which exceed £30,000 have been provided in accordance with the Council's constitution.

	<b>Positive Variance Q4 £000</b>	<b>Adverse Variance Q4 £000</b>
<b>Parking &amp; Transportation Services</b>		
<b>Pay &amp; Display Car Parks</b> – Income from pay and display and season tickets has continued to outperform against the budget, in line with previous projections. The variances are particularly significant for Lockmeadow and King Street car parks. It should be noted that the reported variance incorporates adverse variances for Sandling Road and Mote Park car parks. This has been offset against the overall underspend.	305	
<b>Planning Services</b>		
<b>Development Control Applications</b> – Total planning fee income generated was in line with the budget, despite the increase in fees not starting until January 2018 (6 months later than anticipated). The positive variance is due to the expenditure budget relating to the fee increase only being partially utilised during the year.	107	
<b>Development Control Appeals</b> – This variance reflects a provision of £296,300 for anticipated costs in relation to a number of ongoing appeal cases.		-100

	<b>Positive Variance Q4 £000</b>	<b>Adverse Variance Q4 £000</b>
<b>Development Management Enforcement</b> – Agency costs required to cover staff absence have given rise to the overspend in this area.		-35
<b>Spatial Policy Planning</b> – The variance relates to staff costs due to vacant posts. This budget is required and it is anticipated that it will be utilised during 2018/19.	63	
<b>Building Regulations</b> – Income continues to be above budget in this area, and the underspend is expected to continue through to the end of the year. It should be noted that this service is required to break even on a rolling three year basis.	40	

## **Capital Budget**

- 1.11 The capital programme was approved by Council on 1 March 2017. 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.
- 1.12 The 2017/18 capital programme for this Committee is set out in **Appendix 3** and shows that the budget includes resources brought forward from 2016/17.
- 1.13 The only capital budget for this Committee is for the Bridges Gyrotory Scheme, where there remains £200,000 unspent from the original budget. These funds are to be used to address flood risks arising from the new road layout, as follows:
- construction of a barrier by the Medway Street subway, with the objective of protecting the lower end of Earl Street and Medway Street;
  - purchase of temporary barriers for deployment along the A229 in the event of a flood alert.
- 1.14 It is anticipated that these works will be completed during 2018/19 and the budget for these projects has therefore been carried forward into next year.

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## **2. AVAILABLE OPTIONS**

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.

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### **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 In considering the current position on the revenue budget and the capital programme at the end of 2017/18 the Committee can choose to note this information or it could choose to take further action.
- 3.2 The committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position.

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### **4. RISK**

- 4.1 This report is presented for information only and has no risk management implications.
- 4.2 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2018/19. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.

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### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 No consultation has been undertaken in relation to this report.

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### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The fourth quarter budget monitoring reports are being considered by the relevant Service Committees throughout June, including a full report to Policy & Resources Committee on 27 June 2018.
- 6.2 Details of the discussions which take place at service committees regarding budget management will be reported to Policy and Resources Committee where appropriate.

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### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	This report monitors actual activity against the revenue budget and other financial	Director of Finance & Business

	<p>matters set by Council for the financial year. The budget is set in accordance with the Council's Medium Term Financial Strategy which is linked to the strategic plan and corporate priorities.</p>	Improvement
<b>Risk Management</b>	<p>This has been addressed in section 4 of the report.</p>	Director of Finance & Business Improvement
<b>Financial</b>	<p>Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p>	Director of Finance & Business Improvement
<b>Staffing</b>	<p>The budget for staffing represents a significant proportion of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p>	Director of Finance & Business Improvement
<b>Legal</b>	<p>The Council has a statutory obligation to maintain a balanced budget and this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.</p>	Mid Kent Legal
<b>Privacy and Data Protection</b>	<p>No specific issues arise.</p>	Director of Finance & Business Improvement
<b>Equalities</b>	<p>The budget ensures the focus of resources into areas of need</p>	Director of Finance &

	as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Business Improvement
<b>Crime and Disorder</b>	No specific issues arise.	Director of Finance & Business Improvement
<b>Procurement</b>	No specific issues arise.	Director of Finance & Business Improvement

## **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix 1: Fourth Quarter 2017/18 Revenue Monitoring – Strategic Planning, Sustainability & Transportation
- Appendix 2: Carry Forward of Revenue Resources 2017/18 – Strategic Planning, Sustainability & Transportation
- Appendix 3: Capital Programme 2017/18 – Strategic Planning, Sustainability & Transportation

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## **9. BACKGROUND PAPERS**

None