

First Quarter Budget Monitoring 2019/20

Strategic Planning & Infrastructure Committee

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Executive Summary

This report provides an overview of performance against revenue and capital budgets for Quarter 1 and a forecast outturn for 2019/20 for the services within the SPI 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 action taken, to combat adverse developments or seize opportunities.

It is advisable for financial 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 Quarter 1 are as follows:

- For this Committee, there is an over spend against the Revenue budget of £0.108m at the Quarter 1 stage, which is expected to increase to an over spend of £0.459m by the end of the financial year. This is due to receipts from Planning Applications and Parking charges being substantially lower than forecast
- The existing over spend is comprised of an over spend within Parking Services of £58,000 and an over spend of £50,000 on Planning Services.
- The position for the Council as a whole at the end of Quarter 1 is an under spend against Revenue budgets of £0.346m, and at this stage we expect to remain within budget for the year.
- Capital expenditure of £5,319 has been incurred in Quarter 1 for the projects within this Committee's remit. Total budget for the year is £1.661m.
- For the Council as a whole, Capital expenditure of £1.424m has been incurred during Quarter 1. Total budget for the year is £51.754m.

Revenue Budget

1st Quarter 2019/20



Revenue Spending

At the end of Quarter 1, there is an overall adverse variance of £0.108m against the revenue budget for this Committee. Based on current information, we are forecasting that this will increase to an over spend of £0.459m by the end of the year.

The charts below show the income and expenditure position for each of the service committees.

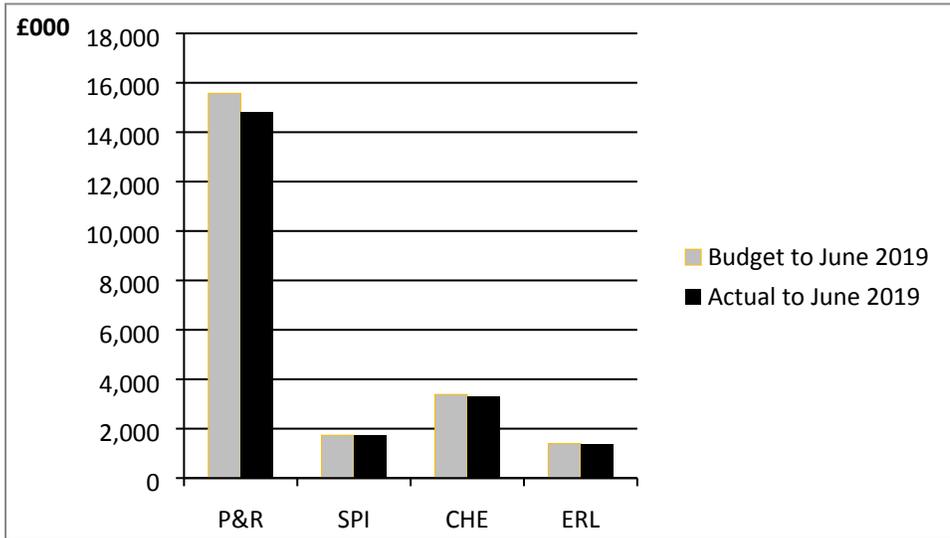


Chart 1 Performance against budget analysed by service committee (Expenditure)

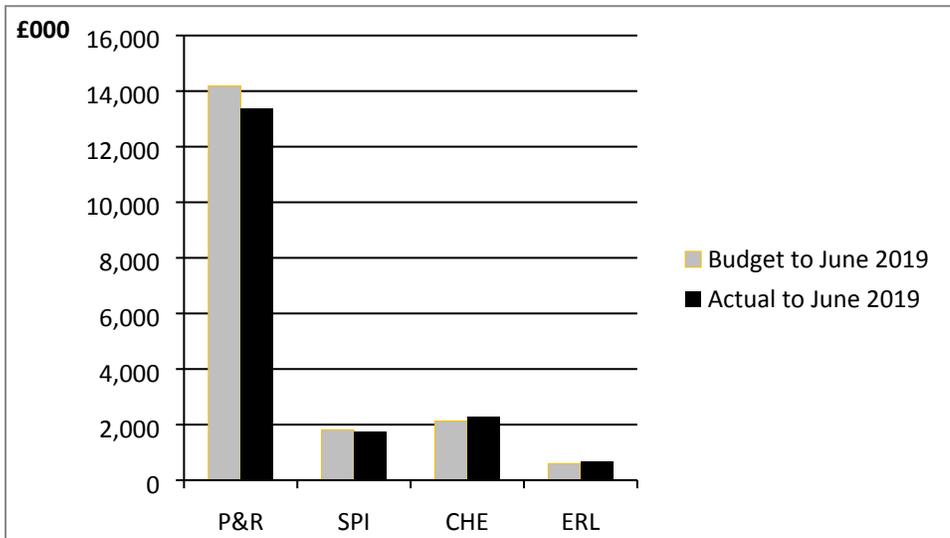


Chart 2 Performance against budget analysed by service committee (Income)

The table on the following page details the budget and expenditure position for this Committee's services during Quarter 1. 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 table columns show the following detail:

- a) The cost centre description;
- b) The value of the total budget for the year;
- c) The amount of the budget expected to be spent by the end of June 2019;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2020.

The table shows that of a net annual expenditure budget of -£1.253m for Quarter 1, it was expected that -£80,000 would be spent up until the end of June 2019. At this point in time the budget is reporting an over spend of £0.108m, although the current forecast indicates that the year-end position for the Committee will increase to an over spend of £0.459m.

Revenue Budget Summary Q1 2019/20

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Budget for Year £000	Budget to 30 June 2019 £000	Actual £000	Variance £000	Forecast 31 March 2020 £000	Forecast Variance 31 March 2020 £000
Building Regulations Chargeable	-325	-81	-85	4	-325	0
Building Control	-1	-0	0	-0	-1	0
Street Naming & Numbering	-69	-17	-27	10	-69	0
Development Control Advice	-94	-22	-47	25	-94	0
Development Control Appeals	124	49	38	10	124	0
Development Control Majors	-912	-223	-128	-95	-532	-380
Development Control - Other	-621	-152	-188	37	-651	31
Development Control Enforcement	67	17	1	16	67	0
Planning Policy	348	44	47	-3	348	0
Neighbourhood Planning	25	0	0	0	25	0
Conservation	-11	-3	0	-3	-11	0
Town Centre Opportunity Area Project	25	6	0	6	25	0
Land Charges	-297	-70	-61	-9	-297	0
Development Management Section	961	240	264	-24	961	0
Spatial Policy Planning Section	362	91	112	-21	362	0
Head of Planning and Development	106	27	33	-6	106	0
Development Management Enforcement Section	201	50	58	-7	201	0
Building Surveying Section	375	96	92	4	375	0
Mid Kent Planning Support Service	397	101	69	33	289	108
Heritage Landscape and Design Section	184	46	58	-12	184	0
CIL Management Section	137	34	32	2	137	0
Mid Kent Local Land Charges Section	45	8	4	4	45	0
Salary Slippage 2SPST	-82	-20	0	-20	-82	0
Sub-Total - Planning Services	946	220	269	-50	1,187	-241
Environment Improvements	17	4	0	4	17	0
Name Plates & Notices	18	5	1	4	18	0
On Street Parking	-361	-97	-93	-4	-361	0
Residents Parking	-253	-60	-63	3	-253	0
Pay & Display Car Parks	-1,913	-317	-239	-78	-1,733	-180
Non Paying Car Parks	11	8	8	0	11	0
Off Street Parking - Enforcement	-83	-21	-31	10	-83	0
Mote Park Pay & Display	-174	-48	-73	25	-174	0
Sandling Road Car Park	3	1	-2	3	3	0
Park & Ride	180	116	150	-34	218	-38
Socially Desirable Buses	33	6	7	-2	33	0
Other Transport Services	-10	-3	-9	6	-10	0
Parking Services Section	334	107	103	4	334	0
Sub-Total - Parking Services	-2,199	-300	-242	-58	-1,981	-218
Total	-1,253	-80	28	-108	-793	-459

Table 1 Revenue Budget Position, Q1 2019/20 – Strategic Planning & Infrastructure Committee

Significant Variances

Within these headline figures, there are a number of adverse and favourable variances for individual service areas. Attention is drawn 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
Strategic Planning & Infrastructure Committee	£000		
PLANNING SERVICES			
Development Control Majors & Other – This year has seen a significant drop in income from Planning Applications compared to original budget expectations. This is particularly the case for Major Applications. Planning officers are now working in partnership with the Finance team in analysing Planning Applications patterns, and future expectations in particular, for both the remainder of 2019/20 and beyond (2020/21 to 2022/23). This will enable the production of more accurate revised estimates for this financial year and a robust updated Medium-Term Financial Plan for the purposes of future financial planning and budget setting.		-58	-351
Mid-Kent Planning Support - The current variance has arisen due to a number of posts that are being held vacant.	33		108
PARKING SERVICES			
Pay & Display Car Parks – The adverse variance is entirely due to underachieved income. Pay and Display income levels are on a par with last year for most car parks however the closure of Brunswick Street and the loss of spaces from Union Street have impacted on income levels. The situation is exacerbated by an assumed increase of £50,000 in income from Pay & Display Car Parks in the budget for 2019/20 (based on volumes; there were no fee increases this year).		-78	-180
Park & Ride - The adverse variance is due to underachieved income. As the service has now been outsourced the variance is not expected to worsen during the remainder of the year.		-34	-38

Table 2 Significant Variances – Strategic Planning & Infrastructure Committee

Capital Budget

1st Quarter 2019/20



Capital Spending

The five-year Capital Programme for 2019/20 onwards was approved by Council on 27th February 2019. Funding for the Programme remains consistent with previous Council decisions in that the majority of capital resources will now come from prudential borrowing as other sources of funding are not sufficient to cover the costs of the programme, although funding does continue to be available from New Homes Bonus. At the time of preparing this report, there has been no need to borrow, but it is still anticipated that borrowing will be needed later in 2019/20.

Progress made towards the delivery of planned projects for 2019/20 is set out in the table below. The budget figure is the approved estimate for 2019/20 and includes resources which have been brought forward from 2018/19 that have been added to the agreed budget for the current year.

To date, expenditure of £5,319 has been incurred against a budget of £1.661m. At this stage, it is anticipated that there will be slippage of £1.336m, 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 2019/20

Capital Programme Heading	Estimate 2019/20. £000	Actual to June 2019 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected	Projected
							Total Expenditure £000	Slippage to 2020/21 £000
Mall Bus Station Redevelopment	1,540	4	1,536	50	75	75	204	1,336
Bridges Gyrotory Scheme	121	2	119	39	40	40	121	0
Total	1,661	5	1,655	89	115	115	324	1,336

Table 3 Capital Expenditure, Strategic Planning & Infrastructure Committee Q1 2019/20

- The Bus Station redevelopment project is progressing, but at this stage it is anticipated that the construction phase will not commence until Spring 2020, so £1.336m of the current budget will need to be carried forward.