

Fourth Quarter Budget Monitoring 2019/20

Strategic Planning & Infrastructure Committee

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Executive Summary

This report provides Members with an overview of progress against the 2019/20 revenue and capital budgets as at 31st March 2020 (i.e. the provisional outturn position) for the services falling within the remit of the Strategic Planning and Infrastructure Committee (SPI). The analysis gives consideration given to the Council's overall position.

This report is backward looking and the figures presented therefore do not reflect the significant impact on the Council's finances arising from the Covid-19 pandemic. This is being monitored closely and will be reflected in future budget monitoring reports to this committee.

The headlines for Quarter 4 are as follows:

Part A: Fourth Quarter Revenue Budget 2019/20

- Overall net income for the services reporting to SPI is £473,000, compared to the approved revised budget of £790,000, representing a net income shortfall of £318,000.

Part B: Fourth Quarter Capital Budget 2019/20

- Capital expenditure for the services reporting to SPI of £88,000 has been incurred against the approved revised budget of £371,000. This means there is slippage of £283,000, and this will be carried forward into 2020/21.

Part A

Fourth Quarter Revenue Budget 2019/20



A1) Revenue Budget: Strategic Planning & Infrastructure (SPI)

A1.1 Table 1 below provides a detailed summary on the budgeted net income position for SPI services at the end of Quarter 4. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

Table 1: SPI Revenue Budget: NET EXPENDITURE

(a)	(b)	(c)	(d)
Cost Centre	Revised Budget for Year £000	Actual £000	Variance £000
Building Regulations Chargeable	-325	-348	23
Building Control	-1	-1	-0
Street Naming & Numbering	-69	-83	14
Development Control Advice	-211	-221	10
Development Control Appeals	50	48	2
Development Control Majors	-685	-515	-169
Development Control - Other	-837	-694	-142
Development Control Enforcement	275	275	0
Planning Policy	88	81	7
Neighbourhood Planning	0	-0	0
Conservation	-11	3	-15
Town Centre Opportunity Area Project	0	18	-18
Land Charges	-297	-301	4
Environment Improvements	25	29	-4
Development Management Section	1,200	1,264	-64
Spatial Policy Planning Section	507	495	11
Head of Planning and Development	123	126	-3
Development Management Enforcement Section	231	219	12
Building Surveying Section	423	410	13
Mid Kent Planning Support Service	428	343	85
Heritage Landscape and Design Section	252	258	-6
CIL Management Section	154	145	9
Mid Kent Local Land Charges Section	98	91	7
Salary Slippage 2SPI	-71	0	-71
Sub-Total - Planning Services	1,348	1,643	-294

(a)	(b)	(c)	(d)
Cost Centre	Revised Budget for Year £000	Actual £000	Variance £000
Name Plates & Notices	18	22	-3
Arterial Route Improvements	0	-2	2
On Street Parking	-361	-435	74
Residents Parking	-253	-174	-79
Pay & Display Car Parks	-1,896	-1,725	-171
Non Paying Car Parks	11	9	3
Off Street Parking - Enforcement	-83	-193	111
Mote Park Pay & Display	-189	-207	17
Sandling Road Car Park	3	1	3
Park & Ride	197	204	-7
Socially Desirable Buses	33	15	18
Other Transport Services	-10	-11	1
Parking Services Section	390	381	9
Sub-Total - Parking Services	-2,140	-2,116	-24
Total	-791	-473	-318

A1.2 The table shows that overall net income for the services reporting to SPI is £473,000, compared to the approved revised budget of £790,000, representing a net income shortfall of £318,000.

A2) SPI Revenue Budget: Significant Variances (>£30,000)

A2.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning.

A2.2 Table 2 below highlights and provides further detail on the most significant variances i.e. those meeting or exceeding £30,000 at the end of Quarter 4.

Table 2: SPI Variances >£30,000 (@ Quarter 4)

	Positive Variance Q4	Adverse Variance Q4
Development Control Majors – The initial income target set was reviewed and reduced, as outlined in the Quarter 3 report. However, the number of applications received has continued to be significantly less than forecast hence the shortfall in income for this year.		-169
Development Control Other – This is a similar situation to the major applications budgets where minor planning applications received are significantly less than forecast for the year.		-142
Development Management Section – Budget pressures have been experienced on salaries and wages (£50,000) and professional services (£14,000) due to the use of additional consultancy resources to address shortfalls in capacity.		-64
Mid Kent Planning Support Service – This variance relates to a number of posts that have been vacant during the year.	+85	
Salary Slippage – This is a credit budget, which allows for service underspends on salaries, due to temporary vacancies arising from staff turnover. This adverse variance offsets underspends in other service areas.		-71
On-Street Parking – Higher than expected on-street parking space turnover has driven higher than budgeted income.	+74	
Residents Parking – A number of Tribunal cases have been lost where the adjudicator has ruled that the wrong contravention code has been used within resident parking bays. Consequently, processes have been adapted, entailing a lower contravention code (leading to a lower penalty charge), which has depressed income from this source. PCN volumes for Residents Parking infringements are also down slightly compared to last year.		-79
Pay & Display Car Parks – Income levels from Pay & Display car parks have not met expectations.		-171
Off-Street Parking Enforcement – although overall PCN volumes are comparable to last year, a slightly greater proportion have been issued for Off-Street infringements than the budget assumes, which is offset by a slightly lower proportion issued for Residents	+111	

A3) Local Plan Review (LPR)

A3.1 The Local Plan Review (LPR) process is an important, high profile and continuous task undertaken by the Planning Services team. The associated revenue spending profile however is cyclical and does not fit the conventional 12-month financial planning process for general revenue expenditure. Instead, spending tends to follow the five-year production period of each Local Plan with various peaks and troughs over that time period.

A3.2 The LPR process is therefore funded through an annual £200,000 revenue contribution, in addition to the existing service budget, with any remaining unspent balances at year end automatically rolled forward into the following financial year. Table 3 below shows the movement in revenue resources currently allocated to fund LPR activities; there is a surplus of £280,397 for the year-end, which will automatically roll forward into 2020/21.

Table 3: Local Plan Review (LPR) Spending (@ Quarter 4 2019/20)

Opening Balance 1/04/2019 (including 2019/20 allocation)	Spending April 2019 – March 2020	Remaining Balance 31/03/2020
£'s	£'s	£'s
518,070	(237,673)	280,397

Part B

Fourth Quarter Capital Budget 2019/20



B1) Capital Budget: Strategic Planning & Regeneration Committee (SPI)

B1.1 The final outturn position of the 2019/20 SPI element of the Capital Programme at the Quarter 3 stage is presented in Table 3 below. The budget for 2019/20 includes resources brought forward from 2018/19.

Table 4: SPI Capital Programme 2019/20 (@ Quarter 4)

Capital Programme Heading	Adjusted Estimate 2019/20 £000	Actual to March 2020 £000	Budget Remaining £000
Strategic Planning & Infrastructure			
Mall Bus Station Redevelopment	250	53	197
Bridges Gyratory Scheme	121	35	86
Total	371	88	283

B1.2 Comments on the variances in the table above are as follows:

- Mall Bus Station Redevelopment – work is progressing on the scheme with survey and design work being undertaken so far. Subject to the impact of Covid-19 it is anticipated that the major works will be undertaken at some point in 2020/21.
- Bridges Gyratory Scheme – the residual budget is being used to fund flood prevention works by the Medway Street subway. Designs have been drawn up and the work is now expected to take place in early 2020/21.