

# Third Quarter Financial Update 2021/22

Strategic Planning & Infrastructure Committee

8<sup>th</sup> March 2022

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# Part A

## Executive Summary & Overview



This report provides members with the financial position as at 31 December 2021, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the first three quarters of 2021/22.

Members will be aware of the significant uncertainty in the 2021/22 budget estimates arising from the ongoing impact of the Covid-19 pandemic, both in relation to demands on the Council to respond and the speed of local economic recovery. Financial support from central government received during 2020/21 continues to support specific activities, and the unringfenced Covid-19 grant of £860,000 will be used to support recovery and renewal activities.

The headlines for Quarter 3 are as follows:

#### Part B: Revenue budget – Q3 2021/22

- Overall net expenditure at the end of Quarter 3 for the services reporting to this committee is -£0.513m, compared to the approved profiled budget of -£0.069m, representing an underspend of £0.445m.

#### Part C: Capital budget – Q3 2021/22

- Capital expenditure at the end of Quarter 3 was £0.007m against a total budget of £0.086m. Forecast spend for the year is £0.032m.

The budgets in this report are the revised estimates for 2021/22.

# Part B

# Third Quarter Revenue Budget 2021/22



## B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for SPI services at the end of Quarter 3. The financial figures are presented on an accruals basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

### SPI Revenue Budget & Outturn – Quarter 3

#### Planning Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Building Regulations Chargeable	-347	-264	-332	69	-430	83
Building Control	-1	-1	0	-1	-1	0
Street Naming & Numbering	-73	-55	-51	-4	-73	0
Development Control Advice	-253	-184	-162	-22	-207	-46
Development Control Appeals	129	34	17	17	129	0
Development Control Majors	-511	-388	-300	-88	-391	-120
Development Control - Other	-641	-482	-654	172	-864	223
Development Control Enforcement	70	40	41	-1	70	0
Planning Policy	479	364	378	-14	479	0
Neighbourhood Planning	0	0	-37	37	-37	37
Conservation	-11	-7	-2	-5	-11	0
Land Charges	-265	-196	-227	31	-307	42
Spatial Policy Planning Section	440	332	319	12	440	0
Head of Planning and Development	110	82	84	-2	110	0
Development Management Enforcement Section	0	0	0	0	0	0
Building Surveying Section	442	344	334	11	442	0
Mid Kent Planning Support Service	315	234	198	36	266	48
Heritage Landscape and Design Section	206	154	156	-2	206	0
CIL Management Section	61	46	4	42	-11	72
Mid Kent Local Land Charges Section	94	60	17	43	36	58
Development Management Section – Majors	288	216	204	12	288	0
Development Management Section – Others	856	642	667	-25	856	0
Salary Slippage	-92	-69	0	-69	0	-92
<b>Sub-Total: Planning Services</b>	<b>1,295</b>	<b>903</b>	<b>653</b>	<b>250</b>	<b>990</b>	<b>305</b>

## Parking Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Environment Improvements	7	-29	-45	16	7	0
Name Plates & Notices	19	14	14	1	19	0
On Street Parking	-322	-238	-314	76	-402	80
Residents Parking	-205	-148	-154	6	-205	0
Pay & Display Car Parks	-1,188	-827	-777	-50	-1,113	-75
Non Paying Car Parks	15	13	9	4	15	0
Off Street Parking - Enforcement	-118	-86	-153	67	-193	75
Mote Park Pay & Display	-186	-155	-177	22	-186	0
Sandling Road Car Park	3	2	0	2	3	0
Former Park & Ride Sites	160	140	118	21	160	0
Other Transport Services	-4	6	-13	19	-4	0
Parking Services Section	317	337	327	10	317	0
<b>Sub-Total: Parking Services</b>	<b>-1,501</b>	<b>-971</b>	<b>-1,166</b>	<b>195</b>	<b>-1,581</b>	<b>80</b>
<b>Total</b>	<b>-206</b>	<b>-69</b>	<b>-513</b>	<b>445</b>	<b>-591</b>	<b>385</b>

B1.2 The table shows that at the end of the third quarter overall net expenditure for the services reporting to SPI is -£0.513m, compared to the approved profiled budget of -£0.069m, representing an underspend of £0.445m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the third quarter of the year. The reasons for the more significant variances are explored in section B2 below.

## B2) Variances

B2.1 The most significant variances for this Committee are as follows:

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
<b>Strategic Planning &amp; Infrastructure Committee</b>	<b>£000</b>		
<b>PLANNING SERVICES</b>			
<b>Building Regulations Chargeable</b> - The budget figure was reduced by 10% for this year, and income has been higher than expected so far, and is forecast to continue to be for the rest of the year.	69		83
<b>Development Control (Majors)</b> - The number of major applications remains low and is not expected to improve significantly for the remainder of the year.		-88	-120
<b>Development Control (Minors)</b> - The positive variance is due to a high level of income being generated coupled with the 10% decrease in income budget. The excess in income is due to a substantial increase in principally householder applications.	171		223

## Local Plan Review

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.

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. The table below shows the available revenue resources currently allocated to fund LPR activities, and the spend as at 31<sup>st</sup> December 2021.

<b>Opening Balance 01/04/2021</b>	<b>Spending April - December 2021</b>	<b>Forecast Spending January - March 2022</b>	<b>Forecast Spending Balance 31/03/2022</b>
<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
416,912	445,627	326,120	<b>-354,836</b>

The above forecast excludes expenditure on the Town Centre Strategy, which was covered by a previous separate report to this committee.

The residual overspend, currently estimated to be £355,000 will be funded from corporate contingency budgets, as agreed by Policy and Resources Committee on 24 March 2021.

In addition to the resources and planned expenditure outlined above, £140,000 was allocated from the 2020/21 underspend for non-spatial planning policy development. This will be overseen by the Interim Local Plan Review Director in consultation with the Chairman and Vice-Chairman of the Strategic Planning and Infrastructure Committee. Planned expenditure on these activities has not been included within the table above.

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
<b>Strategic Planning &amp; Infrastructure Committee</b>	<b>£000</b>		
<b>PARKING SERVICES</b>			
<b>On Street Parking</b> – Penalty Charge Notice (PCN) income is higher than forecast, and there are also reduced running costs, although spend is expected to increase for the remainder of the year.	76		80
<b>Pay &amp; Display Car Parks</b> - The adverse variance is due to a continuing reduction from income. Short Stay car parks are over budget for the Q3 with Long Stay and Lockmeadow under budget, although Lockmeadow income has improved slightly at the end of Q3. There is no evidence that long stay income will improve with the continuation of home working. Season ticket income has also been affected.		-50	-75
<b>Off Street Parking (Enforcement)</b> - PCN income is higher than forecast due to a higher number of notices that have been issued.	67		75

# Part C

# Third Quarter Capital Budget 2021/22



## B1) Capital Budget: Strategic Planning & Infrastructure Committee (CHE)

B1.1 The position of the 2021/22 SPI element of the Capital Programme at the Quarter 3 stage is presented in Table 3 below. The budget for 2021/22 includes resources brought forward from 2020/21.

### Capital Programme 2021/22 (@ Quarter 3)

	Revised Estimate 2021/22 £000	Actual to December 2021 £000	Budget Remaining £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2022/23 £000
Bridges Gyrotory Scheme	86	7	80	25	32	55
<b>Total</b>	<b>86</b>	<b>7</b>	<b>80</b>	<b>25</b>	<b>32</b>	<b>55</b>