

# First Quarter Financial Update 2022/23

Planning & Infrastructure – Policy Advisory Committee

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# Contents

**Part A: Executive Summary & Overview** Page 2

**Part B: Revenue Budget Q1 2022/23**

B1) Revenue Budget Page 5

**Part C: Capital Budget Q1 2022/23**

C1) Capital Budget Page 9

# Part A

## Executive Summary & Overview



This report provides members with the financial position as at 30<sup>th</sup> June 2022, covering activity for the Planning & Infrastructure Policy Advisory Committee's (PI PAC) revenue and capital accounts for the first quarter of 2022/23.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council has been able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has continued to increase since the budget was set and this is likely to have an impact in particular on contract and energy costs, so the requirement for this provision will be monitored carefully to assess whether it will be adequate. If at any stage it appears that an overspend is likely, measures will need to be taken in-year to bring the budget back into balance.

The headlines for Quarter 1 are as follows:

#### Part B: Revenue budget – Q1 2022/23

- Overall net expenditure at the end of Quarter 1 for the services reporting to PI PAC is -£0.230m, compared to the approved profiled budget of £0.174m, representing an underspend of £0.403m.

#### Part C: Capital budget – Q1 2022/23

- Capital expenditure at the end of Quarter 1 was £0.000m against a total budget of £0.206m.

# Part B

# First Quarter Revenue Budget 2022/23

## B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for PI PAC services at the end of Quarter 1. The financial figures are presented on an accruals basis (e.g., expenditure for goods and services received, but not yet paid for, is included). The Lead Member for Planning & Infrastructure is responsible for all the services shown below.

### PI PAC Revenue Budget & Outturn – Quarter 1

#### Planning Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Building Regulations Chargeable	-354	-89	-115	26	-354	0
Building Control	-1	-0	-2	2	-1	0
Development Control Advice	-257	-62	-42	-20	-257	0
Development Control Appeals	132	0	12	-12	132	0
Development Control Majors	-511	-127	-245	118	-511	0
Development Control - Other	-640	-160	-186	26	-640	0
Development Control Enforcement	71	27	26	1	71	0
Planning Policy	260	-6	-16	9	260	0
Neighbourhood Planning	-20	0	0	0	-20	0
Conservation	-11	-3	0	-3	-11	0
Land Charges	-265	-65	-63	-2	-265	0
Spatial Policy Planning Section	459	115	89	27	459	0
Head of Planning and Development	122	30	31	-1	122	0
Building Surveying Section	458	103	91	12	458	0
Mid Kent Planning Support Service	325	80	61	19	325	0
Heritage Landscape and Design Section	225	66	67	-1	225	0
CIL Management Section	64	16	-12	28	29	35
Mid Kent Local Land Charges Section	98	24	5	20	98	0
Development Management Section – Majors	298	75	56	19	298	0
Development Management Section – Others	986	252	264	-12	986	0
Salary Slippage	-97	-24	0	-24	-97	0
<b>Sub-Total: Planning Services</b>	<b>1340</b>	<b>252</b>	<b>22</b>	<b>230</b>	<b>1305</b>	<b>35</b>

## Parking Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Environment Improvements	7	2	2	0	7	0
Name Plates & Notices	19	5	4	1	19	0
On Street Parking	-310	-77	-99	23	-310	0
Residents Parking	-203	-46	-57	11	-203	0
Pay & Display Car Parks	-1181	-103	-175	73	-1335	154
Non Paying Car Parks	15	10	8	2	15	0
Off Street Parking - Enforcement	-112	-26	-48	22	-112	0
Mote Park Pay & Display	-195	-53	-59	5	-195	0
Sandling Road Car Park	0	0	-15	15	0	0
Park & Ride	166	95	81	15	166	0
Other Transport Services	-4	-1	-8	7	-4	0
Parking Services Section	324	116	114	1	324	0
<b>Sub-Total: Parking Services</b>	<b>-1474</b>	<b>-79</b>	<b>-252</b>	<b>174</b>	<b>-1628</b>	<b>154</b>
<b>Total</b>	<b>-134</b>	<b>174</b>	<b>-230</b>	<b>404</b>	<b>-323</b>	<b>189</b>

B1.2 The table shows that at the end of the fourth quarter overall net expenditure for the services reporting to PI PAC is -£0.230m, compared to the approved profiled budget of £0.174m, representing an underspend of £0.403m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the first 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 Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Planning &amp; Infrastructure</b>	<b>£000</b>		
<b>PLANNING SERVICES</b>			
<b>Development Control Majors</b> – While income levels have been high during the 1 <sup>st</sup> quarter it is still not certain that these will be sustained over the remainder of the year. It is also proposed that this underspend will be utilised to fund some changes that are proposed within the Planning team.	118		0

## 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 30<sup>th</sup> June 2022.

<b>Opening Balance 01/04/2022</b>	<b>Spending April - June 2022</b>	<b>Forecast Spending July - March 2023</b>	<b>Forecast Spending Balance 31/03/2023</b>
<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
1,461,727	42,737	1,420,073	-1,083

In addition to the annual funding a further £1m was allocated from the New Homes Bonus for 2022/23 for the LPR.

	<b>Positive Variance Q1</b>	<b>Adverse Variance Q1</b>	<b>Year End Forecast Variance</b>
<b>Planning &amp; Infrastructure</b>	<b>£000</b>		
<b>PARKING SERVICES</b>			
<b>Pay &amp; Display Car Parks</b> - The variance is created by increased income from Off-Street car parks. Occupancy levels have continued to improve. Long stay car park income is now slightly better than budget.	73		154



# Part C

# First Quarter Capital Budget 2022/23



## B1) Capital Budget: Planning & Infrastructure PAC

B1.1 The position of the 2022/23 PI PAC element of the Capital Programme at the Quarter 1 stage is presented in Table 3 below. The budget for 2022/23 includes resources brought forward from 2021/22.

Capital Programme Heading	Adjusted Estimate 2022/23 £000	Actual to June 2022 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2023/24 £000
<b>Planning &amp; Infrastructure</b>								
Bridges Gyratory Scheme	206		206	10	10	10	30	176
<b>Total</b>	<b>206</b>		<b>206</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>30</b>	<b>176</b>

It was originally intended that the Medway Street flood barrier, to be funded from the residual Bridges Gyratory Scheme budget, would be installed this year. However, following a change in project management arrangements, commissioning has taken longer than expected and the scheme is now expected to go ahead next year.