

# Second Quarter Financial Update 2022/23

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# Part A

## Executive Summary & Overview



This report provides members with the financial position as at 30<sup>th</sup> September 2022, covering activity for the Planning & Infrastructure Policy Advisory Committee's (PI PAC) revenue and capital accounts for the second 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 2 are as follows:

#### Part B: Revenue budget – Q2 2022/23

- Overall net expenditure at the end of Quarter 2 for the services reporting to PI PAC is -£0.440m, compared to the approved profiled budget of £0.074m, representing an underspend of £0.514m.

#### Part C: Capital budget – Q2 2022/23

- Capital expenditure at the end of Quarter 2 was £0.000m against a total budget of £0.206m.

# Part B

# Second 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 2. 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 2

#### Planning Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Building Regulations Chargeable	-354	-187	-243	56	-354	0
Building Control	-1	-0	-4	3	-1	0
Development Control Advice	-257	-129	-94	-35	-182	-76
Development Control Appeals	132	8	14	-6	132	0
Development Control Majors	-511	-259	-367	108	-511	0
Development Control - Other	-640	-322	-366	45	-640	0
Development Control Enforcement	71	27	45	-18	71	0
Planning Policy	270	152	173	-21	270	0
Neighbourhood Planning	-20	-20	0	-20	-20	0
Conservation	-11	-7	0	-7	-11	0
Land Charges	-265	-131	-130	-0	-265	0
Environment Improvements	7	3	7	-3	7	0
Name Plates & Notices	19	10	13	-3	19	0
Spatial Policy Planning Section	479	240	211	28	479	0
Head of Planning and Development	122	61	61	-0	122	0
Building Surveying Section	458	205	202	3	458	0
Mid Kent Planning Support Service	325	161	104	57	325	0
Heritage Landscape and Design Section	225	119	143	-24	225	0
CIL Management Section	64	32	-42	74	64	0
Mid Kent Local Land Charges Section	98	49	13	36	98	0
Development Management Section – Majors	298	149	118	31	298	0
Development Management Section – Others	986	497	504	-7	986	0
Salary Slippage 2SPI	-97	-49	0	-49	-97	0
<b>Sub-Total: Planning Services</b>	<b>1,397</b>	<b>610</b>	<b>362</b>	<b>248</b>	<b>1,473</b>	<b>-76</b>

### Parking Services

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
On Street Parking	-305	-144	-179	35	-362	57
Residents Parking	-202	-118	-116	-2	-202	0
Pay & Display Car Parks	-1,192	-468	-567	100	-1,346	154
Non Paying Car Parks	15	12	9	2	15	0
Off Street Parking - Enforcement	-107	-49	-99	50	-167	60
Mote Park Pay & Display	-195	-116	-128	12	-195	0
Sandling Road Car Park	0	0	-32	32	-34	34
Park & Ride	166	120	95	25	116	50
Other Transport Services	-4	-2	-11	8	-4	0
Parking Services Section	324	230	226	4	324	0
<b>Sub-Total: Parking Services</b>	<b>-1,500</b>	<b>-536</b>	<b>-802</b>	<b>266</b>	<b>-1,855</b>	<b>355</b>
<b>Total</b>	<b>-103</b>	<b>74</b>	<b>-440</b>	<b>514</b>	<b>-383</b>	<b>279</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 -£0.440m, compared to the approved profiled budget of £0.074m, representing an underspend of £0.514m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the second 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 Q2	Adverse Variance Q2	Year End Forecast Variance
<b>Planning &amp; Infrastructure</b>	<b>£000</b>		
<b>PLANNING SERVICES</b>			
<b>Building Regulations Chargeable</b> – There has been an increase in income received so far this year, but there is some uncertainty around the level of income we might receive for the remainder of the year, so it is forecast that the budget will break-even by the end of the year.	56		0
<b>Development Control Advice</b> – Demand for pre-application discussions and Planning Performance Agreements is down this year and this trend is expected to continue for the remainder of the year.		-34	-76
<b>Development Control Majors</b> – There has been an increase in the number of major planning applications received this year, but there is some uncertainty around the number of applications we might receive for the remainder of the year, so it is forecast that the budget will break-even by the end of the year.	108		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> September 2022.

Opening Balance 01/04/2022	Spending April - September 2022	Forecast Spending October 2022 - March 2023	Forecast Spending Balance 31/03/2023
£'s	£'s	£'s	£'s
1,461,727	271,833	1,196,767	-6,873



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

	Positive Variance Q2	Adverse Variance Q2	Year End Forecast Variance
<b>Planning &amp; Infrastructure</b>	£000		
<b>PARKING SERVICES</b>			
<b>On Street Parking</b> – Income is up against the budgets for parking meter income and dispensation payments.	35		57
<b>Pay &amp; Display Car Parks</b> – Occupancy levels continue to be higher than forecast with long stay car parks performing particularly well so far this year.	100		154
<b>Off Street Parking Enforcement</b> - Income is up against the budget for Penalty Charge Notices.	50		60
<b>Park &amp; Ride</b> – Spend against the running costs budgets is lower than forecast.	25		50

# Part C

# Second 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 2 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 September 2022 £000	Budget Remaining £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2023/24 £000
<b>Planning &amp; Infrastructure</b>							
Bridges Gyrotory Scheme	206		206	10	10	20	186
<b>Total</b>	<b>206</b>		<b>206</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>186</b>