

Fourth Quarter Financial Update 2022/23

Planning, Infrastructure & Economic Development – Policy Advisory
Committee

7th June 2023

Lead Officer: Mark Green

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Part A

Executive Summary & Overview



This report provides members with the financial position as at 31st March 2023, covering activity for the Planning, Infrastructure & Economic Development Policy Advisory Committee's (PIED PAC) revenue and capital accounts for the fourth 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 was 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 increased and looks to continue to remain high for some time and is having an impact on contract and energy costs, so the unused contingency has been carried forward. We are also seeing increased demands in temporary accommodation which is linked to the financial economy. These pressures have been offset by increased levels of income and some underspends giving an outturn position which is a small underspend. The significant under and overspends have been reflected in the budget for 2023/24. The headlines for Quarter 4 are as follows:

Part B: Revenue budget – Q4 2022/23

- Overall net expenditure at the end of Quarter 4 for the services reporting to PIED PAC is £1.299m, compared to the approved profiled budget of £1.322m, representing an underspend of £0.023m.

Part C: Capital budget – Q4 2022/23

- Capital expenditure at the end of Quarter 4 was £0.268m against a total budget of £0.341m.

Part B

Fourth Quarter Revenue Budget 2022/23



B1) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for PIED PAC 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).

PIED PAC Revenue Budget & Outturn – Quarter 4

Economic Development

| (a) | (b) | (c) | (d) |
|---|--------------------------|------------|-------------|
| Cost Centre | Approved Budget for Year | Actual | Variance |
| | £000 | £000 | £000 |
| Innovation Centre | -62 | 12 | -74 |
| Business Support & Enterprise | 15 | 15 | 0 |
| Business Terrace | 77 | 78 | -1 |
| Business Terrace Expansion (Phase 3) | -10 | 61 | -72 |
| Economic Dev - Promotion & Marketing | 70 | 70 | 0 |
| Economic Development Section | 226 | 204 | 22 |
| Head of Regeneration and Economic Development | 92 | 88 | 4 |
| Innovation Centre Section | 212 | 192 | 20 |
| Sub-Total: Economic Development | 620 | 720 | -100 |

Planning Services

| (a) | (b) | (c) | (d) |
|---|--------------------------|--------------|-------------|
| Cost Centre | Approved Budget for Year | Actual | Variance |
| | £000 | £000 | £000 |
| Building Regulations Chargeable | -375 | -396 | 21 |
| Building Control | -1 | -8 | 7 |
| Development Control Advice | -293 | -172 | -121 |
| Development Control Appeals | 132 | 190 | -58 |
| Development Control Majors | -558 | -467 | -91 |
| Development Control - Other | -772 | -698 | -74 |
| Development Control Enforcement | 127 | 126 | 1 |
| Planning Policy | 598 | 603 | -6 |
| Neighbourhood Planning | -20 | -20 | 0 |
| Conservation | -11 | 6 | -17 |
| Land Charges | -265 | -222 | -42 |
| Spatial Policy Planning Section | 552 | 536 | 16 |
| Head of Planning and Development | 135 | 132 | 3 |
| Building Surveying Section | 520 | 472 | 48 |
| Mid Kent Planning Support Service | 374 | 320 | 54 |
| Heritage Landscape and Design Section | 388 | 324 | 64 |
| CIL Management Section | 67 | 73 | -6 |
| Mid Kent Local Land Charges Section | 111 | 90 | 21 |
| Development Management Section – Majors | 320 | 275 | 45 |
| Development Management Section – Others | 1,180 | 1,271 | -90 |
| Head of Spatial Planning and Economic Development | 1 | 11 | -10 |
| Salary Slippage | -97 | 0 | -97 |
| Sub-Total: Planning Services | 2,112 | 2,444 | -332 |

Parking Services

| (a) | (b) | (c) | (d) |
|------------------------------------|--------------------------|---------------|------------|
| Cost Centre | Approved Budget for Year | Actual | Variance |
| | £000 | £000 | £000 |
| Environment Improvements | 18 | 17 | 1 |
| Name Plates & Notices | 19 | 21 | -1 |
| On Street Parking | -305 | -339 | 34 |
| Residents Parking | -202 | -231 | 28 |
| Pay & Display Car Parks | -1,208 | -1,352 | 143 |
| Non Paying Car Parks | 15 | 10 | 5 |
| Off Street Parking - Enforcement | -107 | -130 | 23 |
| Mote Park Pay & Display | -195 | -195 | 0 |
| Sandling Road Car Park | -1 | -65 | 65 |
| Park & Ride | 136 | -5 | 141 |
| Other Transport Services | -4 | 0 | -5 |
| Parking Services Section | 424 | 404 | 21 |
| Sub-Total: Parking Services | -1,410 | -1,865 | 455 |
| Total | 1,322 | 1,299 | 23 |

PIED Revenue Budget & Outturn – Quarter 4 (By Lead Member)

Leader of the Council

| (a) | (b) | (c) | (d) |
|---|--------------------------|--------------|-----------|
| Cost Centre | Approved Budget for Year | Actual | Variance |
| | £000 | £000 | £000 |
| Planning Policy | 598 | 603 | -6 |
| Spatial Policy Planning Section | 552 | 536 | 16 |
| Sub-Total: Leader of the Council | 1,150 | 1,140 | 10 |

Cabinet Member for Planning, Infrastructure & Economic Development

| (a) | (b) | (c) | (d) |
|--|--------------------------|--------------|-----------|
| Cost Centre | Approved Budget for Year | Actual | Variance |
| | £000 | £000 | £000 |
| Innovation Centre | -62 | 12 | -74 |
| Business Support & Enterprise | 15 | 15 | 0 |
| Business Terrace | 77 | 78 | -1 |
| Business Terrace Expansion (Phase 3) | -10 | 61 | -72 |
| Economic Dev - Promotion & Marketing | 70 | 70 | 0 |
| Economic Development Section | 226 | 204 | 22 |
| Head of Regeneration and Economic Development | 92 | 88 | 4 |
| Innovation Centre Section | 212 | 192 | 20 |
| Building Regulations Chargeable | -375 | -396 | 21 |
| Building Control | -1 | -8 | 7 |
| Development Control Advice | -293 | -172 | -121 |
| Development Control Appeals | 132 | 190 | -58 |
| Development Control Majors | -558 | -467 | -91 |
| Development Control - Other | -772 | -698 | -74 |
| Development Control Enforcement | 127 | 126 | 1 |
| Neighbourhood Planning | -20 | -20 | 0 |
| Conservation | -11 | 6 | -17 |
| Land Charges | -265 | -222 | -42 |
| Head of Planning and Development | 135 | 132 | 3 |
| Building Surveying Section | 520 | 472 | 48 |
| Mid Kent Planning Support Service | 374 | 320 | 54 |
| Heritage Landscape and Design Section | 388 | 324 | 64 |
| CIL Management Section | 67 | 73 | -6 |
| Mid Kent Local Land Charges Section | 111 | 90 | 21 |
| Development Management Section - Majors | 320 | 275 | 45 |
| Development Management Section - Others | 1,180 | 1,271 | -90 |
| Head of Spatial Planning and Economic Development | 1 | 11 | -10 |
| Salary Slippage | -97 | 0 | -97 |
| Environment Improvements | 18 | 17 | 1 |
| Name Plates & Notices | 19 | 21 | -1 |
| On Street Parking | -305 | -339 | 34 |
| Residents Parking | -202 | -231 | 28 |
| Pay & Display Car Parks | -1,208 | -1,352 | 143 |
| Non Paying Car Parks | 15 | 10 | 5 |
| Off Street Parking - Enforcement | -107 | -130 | 23 |
| Mote Park Pay & Display | -195 | -195 | 0 |
| Sandling Road Car Park | -1 | -65 | 65 |
| Park & Ride | 136 | -5 | 141 |
| Other Transport Services | -4 | 0 | -5 |
| Parking Services Section | 424 | 404 | 21 |
| Sub-Total: Cabinet Member for Planning, Infrastructure & Economic Development | 173 | 159 | 13 |
| Totals | 1,322 | 1,299 | 23 |

B1.2 The table shows that at the end of the fourth quarter overall net expenditure for the services reporting to PIED PAC is £1.299m, compared to the approved profiled budget of £1.322m, representing an underspend of £0.023m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the fourth 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 Q4 | Adverse Variance Q4 |
|---|----------------------------|---------------------------|
| Planning, Infrastructure & Economic Development PAC | £000 | |
| ECONOMIC DEVELOPMENT | | |
| Innovation Centre – The variance was caused by a number of factors, the most significant ones being business rate payments that had not been budgeted for and increased building maintenance costs as there were a number of issues that arose that had not been foreseen. | | -74 |
| Business Terrace Expansion (Phase 3) – This is a shortfall against budgeted income as a number of units were vacant during the year. | | -72 |

| | Positive Variance Q4 | Adverse Variance Q4 |
|---|----------------------------|---------------------------|
| Planning, Infrastructure & Economic Development PAC | £000 | |
| PLANNING SERVICES | | |
| Development Control Advice – The majority of this variance relates to a shortfall in Pre-Planning Advice income. This has come about in part due to staff vacancies within the Development Control Majors team. | | -121 |
| Development Control Appeals – There were a number of active appeals during 2022/23 and as a result there have been increased costs above what was budgeted for. | | -58 |
| Development Control Majors – Income was down against budget due to a reduction in the number of applications received. The Majors Team Leader has been seconded to the Local Plans Team and the budget for the post was also transferred for the period of the secondment. | | -91 |
| Development Control Other - Income was down against budget due to a reduction in the number of applications received. | | -74 |

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.

In the past the LPR process has therefore been 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 31st March 2023.

| Opening Balance 01/04/2022 | Spending April - March 2023 | Spending Balance 31/03/2023 |
|---------------------------------------|--|--|
| £'s | £'s | £'s |
| 1,477,664 | 687,718 | 789,946 |

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

| | Positive Variance Q4 | Adverse Variance Q4 |
|---|-------------------------------------|------------------------------------|
| Planning, Infrastructure & Economic Development PAC | £000 | |
| PARKING SERVICES | | |
| Pay & Display Car Parks – Occupancy levels have been consistently higher than anticipated through the year, leading to increased income. | 143 | |
| Sandling Road Car Park – This variance is due to an underspent running costs budget and greater than forecast income. | 65 | |
| Park & Ride – This variance is due to an underspent running costs budget following the closure of the sites and refunded business rates. | 141 | |

Part C

Fourth Quarter Capital Budget 2022/23

C1) Capital Budget: Planning, Infrastructure & Economic Development PAC (PIED)

C1.1 The position of the 2022/23 PIED element of the Capital Programme at the Quarter 4 stage is presented below.

PIED Capital Programme 2022/23 (@ Quarter 4)

| Capital Programme Heading | Revised Estimate 2022/23 £000 | Actual to March 2023 £000 | Budget Remaining £000 |
|--|----------------------------------|------------------------------|--------------------------|
| Planning, Infrastructure & Economic Development | | | |
| Kent Medical Campus - Innovation Centre | 341 | 268 | 73 |
| Total | 341 | 268 | 73 |

This was the budget for the construction of the temporary car park at the centre.