

APPENDIX 1 – FOURTH QUARTER BUDGET MONITORING

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Part A - Fourth Quarter Revenue Budget 2023/24

A1) Revenue Budget: Planning and Healthier Stronger Communities (PHSC) PAC

- A2.1 The table below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into PHSC PAC at the end of Quarter 4. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included).
- A2.2 This table now shows the variance split between expenditure and income to give more of an insight into the nature of the variance.

PHSC PAC Revenue Budget: NET EXPENDITURE (@ 4th Quarter 2023/24)

Cost Centre	Approved (Revised) Budget for Year	Actual as at 31 March 2024	Variance as at 31 March 2024		
	Net £000	Net £000	Exp. £000	Income £000	Net £000
Cabinet Member for Healthier Stronger Communities					
Cultural Development Arts	60	56	4	0	5
Museum	19	-19	40	-2	38
Carriage Museum	7	8	0	-2	-1
Museum-Grant Funded Activities	-2	-1	-0	0	-0
Hazlitt Arts Centre	335	324	11	0	11
Festivals and Events	14	48	-31	-3	-34
Leisure Centre	-141	588	-729	0	-729
Mote Park Adventure Zone	-77	-94	0	18	18
Cobtree Golf Course	-35	-22	0	-13	-13
Mote Park Cafe	-65	-45	-4	-16	-20
Parks & Open Spaces Leisure Activities	-2	-2	0	1	1
Mote Park Leisure Activities	-43	-45	3	-0	2
Tourism	11	-1	12	0	12
Museum Shop	-22	-7	-0	-15	-15
Licences	8	6	-1	3	3
Licensing Statutory	-63	-79	-2	18	15
Licensing Non Chargeable	9	9	-0	0	-0
Pollution Control - General	16	0	9	7	16
Contaminated Land	-3	-4	1	0	2
Food Hygiene	10	-12	13	9	22
Sampling	4	1	3	0	3
Occupational Health & Safety	-8	-12	-0	4	4
Infectious Disease Control	1	1	0	0	0
Licensing - Hackney & Private Hire	-67	-88	16	5	21
Innovation Centre	-57	-83	-3	29	26
Lockmeadow	243	204	39	0	39
Lockmeadow Complex	-1,521	-788	-324	-410	-734
Business Support & Enterprise	23	21	1	0	1
Market	22	11	-2	13	11
Economic Dev - Promotion & Marketing	133	154	-9	-12	-21
Public Health - Obesity	0	0	0	-0	0
Public Health - Misc Services	-53	-54	1	0	1
Press & Public Relations	42	43	-4	3	-1

Cost Centre	Approved (Revised) Budget for Year	Actual as at 31 March 2024	Variance as at 31 March 2024		
	Net	Net	Exp.	Income	Net
Leisure Services Section	68	66	1	0	1
Cultural Services Section	371	360	11	0	11
Visitor Economy Section	194	215	-21	0	-21
Licensing Section	123	101	10	12	21
Environmental Protection Section	294	215	80	0	80
Food and Safety Section	288	304	-18	2	-15
Economic Development Section	30	8	16	6	21
Market Section	95	80	15	0	15
Innovation Centre Section	217	147	69	0	69
Communications Section	244	238	5	0	5
Town Centre Services Manager	64	63	1	0	1
Cabinet Member for Healthier Stronger Communities	785	1,916	-790	-342	-1,132

Cost Centre	Approved (Revised) Budget for Year	Actual as at 31 March 2024	Variance as at 31 March 2024		
	Net £000	Net £000	Exp. £000	Income £000	Net £000
Cabinet Member for Planning Policy & Management					
Building Regulations Chargeable	-395	-420	11	14	25
Building Regulations Non Chargeable	0	0	0	-0	-0
Building Control	-1	2	-8	5	-3
Development Control Advice	-293	-143	-11	-139	-150
Development Control Appeals	138	251	-115	3	-113
Development Control Majors	-557	-477	2	-82	-80
Development Control - Other	-775	-655	-49	-71	-120
Development Control Enforcement	75	84	-13	3	-9
Planning Policy	643	640	2	0	2
Neighbourhood Planning	-20	-20	0	0	0
Conservation	-11	-4	0	-7	-7
Land Charges	-262	-221	7	-48	-42
Spatial Policy Planning Section	372	372	-5	4	-0
Head of Planning and Development	113	116	-3	0	-3
Building Surveying Section	479	449	29	1	30
Mid Kent Planning Support Service	345	283	101	-39	62
Heritage Landscape and Design Section	343	288	55	-0	55
CIL Management Section	10	6	4	0	4
Mid Kent Local Land Charges Section	75	62	91	-77	13
Development Management Section – Majors	312	292	19	0	19
Development Management Section – Others	1,131	1,178	-47	0	-47
Head of Spatial Planning and Economic Develop	108	102	6	0	6
Salary Slippage 2SPI	-175	0	-175	0	-175
Cabinet Member for Planning Policy & Management	1,654	2,186	-98	-433	-531
Planning and Healthier Stronger Communities	2,439	4,102	-888	-775	-1,663

A2) PHSC PAC Revenue Budget: Significant Variances

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. Variances will be reported to each of the Policy Advisory Committees on a quarterly basis throughout 2023/24.

A2.2 The table below highlights and provides further detail on the most significant variances at the end of Quarter 4.

	Positive Variance Q4	Adverse Variance Q4
Planning and Healthier Stronger Communities	£000	
<p>Leisure Centre – The overspend in this area relates principally to the Lockmeadow Health Club. This was operated by David Lloyd until their lease expired in May 2023. The Council then took it over and engaged Serco to operate it as an extension to the contract for running the Leisure Centre. Membership income has had to be rebuilt and running costs have exceeded expectations, with a higher staffing requirement than was anticipated and substantial expenditure to bring the facilities up to an acceptable standard.</p> <p>There has also been an overspend at the Mote Park leisure centre relating to additional utility costs. Under the terms of the existing contract with Serco, when utility costs rise above a specified level the Council is liable to meet the difference. This threshold is to be re-based when a contract extension commences in August 2024.</p>		-729
<p>Development Control Advice - Income from Planning Performance Agreements and pre-application planning advice has continued to be significantly down on budget. The Head of Service states that this is because developers have waited for the new Local Plan to be adopted before progressing with further applications.</p>		-149
<p>Development Control Appeals – There were a number of significant appeals this year which led to an overspend on this budget. There are sums set aside to use where there are significant appeals costs but as this overspend can be contained within the Council’s overall budget it is not proposed to draw down on these.</p>		-113

<p>Development Control Majors - Income from major applications continued to be significantly down this year. This is said to be for the same reason as income from development control advice is below budget, i.e. developers have waited for the new Local Plan to be adopted before progressing with further applications.</p>		-80
<p>Development Control Other – Having been in line with budget for the first three quarters, income from minor applications reduced in the final quarter. There were increased running costs from the use of an external agency to process planning applications during the first half of the year.</p>		-120
<p>Lockmeadow Complex - A number of units at the complex have fallen vacant during the period, leading to a shortfall against budget. The Corporate Property team has been active in seeking to find new tenants for vacant units. A tenant offering virtual reality experiences moved into one of the vacant units during 2023/24. The former David Lloyd unit now operates as the Lockmeadow Health Club, under the same management as the council's leisure centre. However, the former Frankie & Benny's and Feathers units remain vacant. New letting agents have been taken on to identify potential tenants, recognising that changes in the leisure and hospitality market mean that different approaches and different types of tenant need to be considered.</p>		-733

Part B - Fourth Quarter Capital Budget 2023/24

B1) Capital Budget 2023/24 (@ 4th Quarter 2023/24)

Capital Programme Heading	Revised Estimate 2023/24	Actual to March 2024	Budget Remaining
	£000	£000	£000
Planning and Healthier Stronger Communities			
Mote Park Lake - Dam Works	40	40	0
Museum Development Plan	389	571	-182
Leisure Provision	699	73	626
Tennis Courts Upgrade	40	19	21
Riverside Walk Works	250		250
Mote Park Kiosk Refurbishment & Extension	15	8	7
Bridges Gyratory Scheme	206		206
Town Centre Strategy	450		450
Total	2,089	712	1,377

B2) Capital Budget Variances (@ 4th Quarter 2023/24)

Planning and Healthier Stronger Communities
Museum Development Plan - Further works took place in the new Archaeology Gallery in the final quarter, which took the cost of the project over the approved budget for the year in the capital programme. However, this was anticipated as external funding had been secured to cover these costs.
Leisure Provision - The extension to the contract for the management of the centre was agreed earlier in the year, and there was the possibility of some of the planned capital works starting in the final quarter, but these did not happen, and the unused budget will be rolled forward into 2023/24.
Riverside Walk Works - This project has now been subsumed into plans for Town Centre improvement works, including upgrades to lighting in the Town Centre. The budget will therefore be carried forward to 2024/25.
Bridges Gyratory Scheme - Plans are in place for the construction of a flood barrier at the bottom of Medway Street as the final element of the Bridges Gyratory Scheme. It has unfortunately proved a slow process getting the necessary approvals for the barrier, as it will be situated on highways land. It is envisaged that construction will take place this autumn.
Public Realm & Greening relating to the Town Centre - The current strategy is being developed and is likely to be adopted in the near future.