

**THE HIGHLAND COUNCIL**

**PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE**

**19 November 2008**

Agenda Item	
Report No	

**REVENUE BUDGET MONITORING REPORT TO END SEPTEMBER 2008**

**Report by Director of Planning & Development**

**Summary**

This report sets out the revenue monitoring position for the first six months of the financial year i.e. to 30 September 2008 and estimates year end out-turn.

**1 Introduction**

- 1.1 The statement attached as an Appendix shows the financial position to end September 2008. While the percentage of annual expenditure is only 1% higher compared to the same time last year, the level of income to date is 5% lower than at the end of September 2007.

**2 Variations**

**2.1 Staff Costs**

Overall Staff Costs are projected to under-spend by £175k. This is due to vacancies and staff turnover and some restructuring proposals not having been implemented to date (including the staff restructuring required to meet the pressures of new planning legislation). These savings are being used to reduce the projected gap in fee income.

**2.2 Other Costs**

Other Costs are estimated to overspend by £107k due to the use of consultants to enable the Building Standards service to continue despite a number of staff vacancies and also additional training costs to raise performance standards following the SBSA Audit. To offset this, the Service has been able to find savings of £100k between Access Path maintenance and Fishery Grants. Overall Other Costs are therefore projected to be overspent by £7k at the year end.

**2.3 Public Local Inquiries**

Unfortunately these costs have already outstripped the budget of £50k (currently standing at £79k) and with known future costs already committed, it is estimated that this expenditure will be at least £47k over budget by the year end.

## 2.4 Income

The main income stream for the Service is from fees from planning applications and building warrants. Whilst it is difficult to estimate the year end outcome for these budgets, the indications, given the fall in the number of applications and the local "credit crunch", are that they will suffer a predicted shortfall in income in the region of £943k against budget at the year end.

The Service has been able to identify one-off unbudgeted income of £51K to partially offset the gap in fee income.

The net overspend arising from the shortfall in income is therefore anticipated to be £724k at the year end.

The situation is being carefully monitored each month and further compensating savings will continue to be actively sought in other areas of the Service and reported to future PED Committees.

## 3 **Year-End Projection**

3.1 At present it is estimated that the Service budget could be over-spent by some £724k at the year end.

### **RECOMMENDATION**

That Committee agree the monitoring position and proposed management action as reported above.

Signature:

Designation: Director of Planning & Development

Date: 6 November 2008

Author: Sheila Lunn, Business Support Manager

**PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report**

**1 APRIL - 30 SEPTEMBER 2008**

**Summary**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Director &amp; Business Support</b>				
Director & Business Team	314	783	663	(120)
Geographical Information Systems	163	355	355	0
E-Planning	(126)	121	91	(30)
<b>Environment &amp; Development</b>				
Management	80	179	179	0
Countryside, Heritage & Natural Resources	711	1,930	1,793	(137)
Economy & Regeneration	541	2,267	2,228	(39)
<b>Planning &amp; Building Standards</b>				
Management	93	131	151	20
Planning & Building Standards HQ	126	222	242	20
Development Plans	330	769	769	0
Area Planning & Building Standards	1,714	3,399	3,419	20
<b>Public Local Inquiries</b>				
	79	50	97	47
<b>Income</b>				
Planning Fee Income	(1,120)	(2,435)	(1,912)	523
Building Warrant Fee Income	(1,216)	(2,469)	(2,049)	420
	<b>1,689</b>	<b>5,302</b>	<b>6,026</b>	<b>724</b>

<b>BY SUBJECTIVE</b>				
Staff Costs	3,374	7,592	7,417	(175)
Other Costs	1,282	3,472	3,479	7
<b>Gross Expenditure</b>	<b>4,656</b>	<b>11,064</b>	<b>10,896</b>	<b>(168)</b>
Grants	(296)	(478)	(478)	0
Other Income	(2,671)	(5,284)	(4,392)	892
<b>Total Income</b>	<b>(2,967)</b>	<b>(5,762)</b>	<b>(4,870)</b>	<b>892</b>
	<b>1,689</b>	<b>5,302</b>	<b>6,026</b>	<b>724</b>

Notes

<b>1. Percentage of annual budget</b>	Expenditure	Income
This year	42%	51%
Last year	41%	56%
<b>2. Actual expenditure - Public Local Inquiries</b>	£000	
Beaulieu/Denny	21	
Tain	15	
Asda/Slackbuie	3	
Morbaine	12	
Aldi	28	
Total	79	
<b>3. Projects (overleaf)</b>		

**PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report****1 APRIL - 30 SEPTEMBER 2008****Summary**

<b>3. Projects</b>	<b>ACTUAL TO DATE</b>
	<b>£000</b>
14BH - NPP2	(295)
14DB006 - SMR Development	(1)
14EA007 - Highland Biodiversity Project	(2)
14EA008 - SAC Project, Skye and Lochalsh	5
14EC001 - Fisheries - Tain Mussels Co	8
14ED009 - TC - Income	(113)
14LB003 - EMIRES	69
14LB004 - Leonardo Programme - CIELI Skills	(11)
14LB005 - Transport to Employment - ESF Project	83
14LB006 - T2E 07/08 PROJECT	7
14LE - European Unit	(7)
14LG - BAP Implementation Programme, General	(23)
14LG101 - Inshes Wood, Westhill (WIAT projec	9
14LG102 - Maggie's Wood, Dingwall	45
14LG103 - Millburn Escarpment (Ph2)	1
14MA - Wick THI	47
14MB - Small Town Networks 2	(75)
14MC - NEST	21
14MD - Highland Marine Resources & Communities Scheme	(101)
14ME - HC - External Experts & Consultants	18
14MG001 - Highland Housing Fair	57
14MH001 - Conservation Areas Regenertion Sch	4
14MH002 - Wick CARS General	1
14MH003 - Wick CARS Small Grants Scheme	(120)
14N - Leader Plus	(436)
	(810)