

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

21 January 2009

Agenda Item	
Report No	

REVENUE BUDGET MONITORING REPORT TO END NOVEMBER 2008

Report by Director of Planning & Development

Summary

This report sets out the revenue monitoring position at the end of eight months of the financial year i.e. to 30 November 2008 and estimates year end out-turn.

1 Introduction

- 1.1 The statement attached as an Appendix shows the financial position to end November 2008. While the percentage of annual expenditure is only 2% higher compared to the same time last year, the level of income to date is 9% lower than at the end of November 2007.

2 Variations

2.1 Staff Costs

Overall Staff Costs are projected to under-spend by £397k net. This is due to staff turnover, management of vacancies 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 £220k 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 £120k at the year end.

2.3 Public Local Inquiries

The Committee will recall that the Council provided £50k in 2008/09 for pressures which were mounting in relation to the costs of Public Local Inquiries. Unfortunately these costs have already outstripped the budget of £50k and currently stand at £117k. With other known commitments, it is estimated that expenditure will be at least £161k i.e. £111k 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 present economic climate, are that they will suffer a predicted shortfall in income in the region of £1m 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.

3 **Year-End Projection**

- 3.1 The net overspend arising from the major shortfall in income and taking into account the savings in staffing and net overspend in Other Costs, is therefore anticipated to be £758k 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

At present it is estimated that the Service budget could be over-spent by some £758k at the year end. As per Council procedures, it is recommended that the Committee submit a request to the Resources Committee for a supplementary budget estimate of £758k to balance the P&D Revenue Budget for 2008/09. The pressure on the budget is expected to continue into 2009/10 and will be considered in the overall budget setting process undertaken by the Council.

RECOMMENDATIONS

That Committee –

1. Agree the monitoring position and proposed management action as reported above, and
2. Submit a request to the Resources Committee for a supplementary budget estimate of £758k to balance the P&D Revenue Budget for 2008/09.

Signature:

Designation: Director of Planning & Development

Date: 9 January 2009

Author: Sheila Lunn, Business Support Manager

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL - 30 NOVEMBER 2008

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Director & Business Support				
Director & Business Team	399	783	653	(130)
Geographical Information Systems	257	355	355	0
E-Planning	(117)	121	86	(35)
Environment & Development				
Management	105	179	179	0
Countryside, Heritage & Natural Resources	985	1,930	1,771	(159)
Economy & Regeneration	1,198	2,267	2,228	(39)
Planning & Building Standards				
Management	100	131	151	20
Planning & Building Standards HQ	173	220	220	0
Development Plans	433	769	769	0
Area Planning & Building Standards	2,323	3,400	3,415	15
Public Local Inquiries				
	117	50	161	111
Income				
Planning Fee Income	(1,409)	(2,435)	(1,935)	500
Building Warrant Fee Income	(1,472)	(2,469)	(1,994)	475
	3,092	5,301	6,059	758

BY SUBJECTIVE				
Staff Costs	4,519	7,592	7,195	(397)
Other Costs	2,150	3,471	3,702	231
Gross Expenditure	6,669	11,063	10,897	(166)
Grants	(323)	(478)	(478)	0
Other Income	(3,254)	(5,284)	(4,360)	924
Total Income	(3,577)	(5,762)	(4,838)	924
	3,092	5,301	6,059	758

Notes

1. Percentage of annual budget	Expenditure	Income
This year	<u>60%</u>	<u>62%</u>
Last year	<u>58%</u>	<u>73%</u>
2. Actual expenditure - Public Local Inquiries	£000	
Beauly/Denny	21	
Tain	24	
Asda/Slackbuie	3	
Morbaine	34	
Aldi	28	
Badachro Inn	7	
Total	<u>117</u>	
3. Projects (overleaf)		

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL - 30 NOVEMBER 2008

Summary

3. Projects	ACTUAL TO DATE
	£000
14BH - NPP2	(400)
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	9
14LE - European Unit	(7)
14LG - BAP Implementation Programme, General	(1)
14LG101 - Inshes Wood, Westhill (WIAT projec	9
14LG102 - Maggie's Wood, Dingwall	45
14LG103 - Millburn Escarpment (Ph2)	1
14MA - Wick THI	68
14MB - Small Town Networks 2	(75)
14MC - NEST	21
14MD - Highland Marine Resources & Communities Scheme	(94)
14ME - HC - External Experts & Consultants	18
14MG001 - Highland Housing Fair	28
14MH001 - Conservation Areas Regenertion Sch	12
14MH002 - Wick CARS General	(5)
14MH003 - Wick CARS Small Grants Scheme	(101)
14N - LEADER	(416)
	(850)