

**THE HIGHLAND COUNCIL**

**PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE**

**12 August 2009**

Agenda Item	
Report No	

**Revenue Budget Outturn 2008/09 and Monitoring Statement to June 2009**

**Report by Director of Planning and Development**

**SUMMARY**

This report comments on the final outturn for the Revenue Budget for the year to 31<sup>st</sup> March 2009 and the Revenue Monitoring Statement for the period to the end of June 2009.

**1. Overall Position on P&D Revenue Budget 2008/09**

- 1.1 **Appendix 1** shows the position at the end of the financial year 2008/09 against budget. Unless otherwise stated the figures referred to are those following the supplementary estimate of £0.758m which was added to the Service budget in February to meet the gap in planning and building warrant fee income budgets caused by the general economic downturn.
- 1.2 The gross expenditure for Planning and Development in 2008/09 was budgeted at £11.108m. Actual gross expenditure to the end of March 2009 was £11.087m which represented almost 100% of the budgeted gross expenditure as detailed in the Appendix.
- 1.3 Total income was budgeted at £5.004m and in the event came in some £0.150m over budget at £5.153m.

**2. Comment on Variances in 2008/09**

- 2.1 The final position for 2008/09 shows an under spend of £0.170m. This is a better position than forecast in January 2008 when it was estimated that the budget would be brought in on target.
- 2.2 The main variances from budget were –
- Overall staffing costs came in £0.650m below budget due to management of vacancies, staff turn-over and the use of existing staff to prepare for the new planning legislation (this was possible due to the downturn in application numbers.)
  - Other costs exceeded budget by some £0.622m due to expenditure on Public Local Inquiries (PLI) being £0.136m over budget; £0.181m being

spent on building standards external assistance in order to maintain a service to the public; and £0.250m on ICT costs for modernisation of the Geographic Information System which is used corporately (£0.064m), support and maintenance for UNI-form and the Corporate Address Gazetteer (CAG) systems - £0.098m and additional hardware and software for the introduction of e-Planning (£0.47m) which was grant funded by the Scottish Government.

- Fee income was £0.150m under the revised budget target. Planning fee income was only £0.023m under budget but Building Warrant fee income was some £0.127m under budget.

### **3. P&D Revenue Budget 2009/10**

- 3.1 The statement attached at Appendix 2 shows the financial position to end June 2009. The percentage of annual **expenditure** at 18% is 2% lower than at this time last year.
- 3.2 The level of **income** to date at 21% is some 9% below the figure for June last year. Actual planning fee income is £0.506m compared to £0.656m in June 2008 and £0.672m in June 2007. Actual building warrant fee income is £0.415m compared to £0.725m in June 2008 and £0.834m in June 2007.

### **4 Year-End Projections**

- 4.1 At this stage in the financial year the Service predicts a year end position of £0.516m overspend due mainly to falling fee income. After only the first quarter of the financial year, almost 50% of the total budget for Public Local Inquiries (PLI) has been spent. It is a fairly safe prediction to say that this budget will once again be overspent by the end of the financial year and management information on current and imminent PLIs is being collated with a view to estimating likely future costs.
- 4.2 Fee income at the end of the first quarter is lower than budgeted even after taking account of the £0.592m budget pressure which the Service received from the Council in 2009/10. Fee income looks like being considerably below budget at the year end, perhaps in the order of around £0.750m although this is a very difficult estimate to predict given the current economic situation. The situation will be closely monitored each month to how matters are progressing.
- 4.3 Meantime the Service has identified staff savings in the order of £0.234m arising from the management of vacant posts, which can be set against the predicted shortfall in income. Senior management in the Service are also actively looking at where other savings or delay in expenditure can be made in the current financial year to help close the projected budget overspend.

### **5 Budget Savings**

- 5.1 The attached monitoring statement takes full account of all budget savings in 2009/10 which the P&D Service was asked to make by the Council.

**6 RECOMMENDATION**

It is recommended that Committee :

- **Note** the Planning and Development Revenue Budget Outturn Statement for 2008/09.
- **Agree** the monitoring report to end of June 09 and the management action being taken to bring the budget in on target.

*This report is produced in support of the Council's corporate governance process, which in turn is designed to support the Council's delivery of all of the Single Outcome Agreement.*

Signature:

Designation: Director of Planning & Development

Date: 31 July 2009

Author: Sheila Lunn, Business Support Manager (2294)

## Appendix 1

<b>PLANNING &amp; DEVELOPMENT Revenue Expenditure Monitoring Report</b>
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<b>1 APRIL 2008 - 31 MARCH 2009 (NEAR FINAL)</b>
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<b>Summary</b>
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	£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	704	805	704	(101)
Geographical Information Systems	372	356	372	16
E-Planning	19	116	19	(97)
<b>Environment &amp; Development</b>				
Management	185	179	185	6
Countryside, Heritage & Natural Resources	1,617	1,936	1,617	(319)
Economy & Regeneration	2,121	2,271	2,121	(150)
<b>Planning &amp; Building Standards</b>				
Management	179	132	179	47
Planning & Building Standards HQ	302	221	302	81
Development Plans	666	772	666	(106)
Area Planning & Building Standards	3,579	3,412	3,579	167
<b>Public Local Inquiries</b>				
	186	50	186	136
<b>Income</b>				
Planning Fee Income	(2,025)	(2,048)	(2,025)	23
Building Warrant Fee Income	(1,971)	(2,098)	(1,971)	127
	<b>5,934</b>	<b>6,104</b>	<b>5,934</b>	<b>(170)</b>

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY SUBJECTIVE</b>				
Staff Costs	7,069	7,719	7,069	(650)
Other Costs	4,019	3,389	4,019	630
<b>Gross Expenditure</b>	<b>11,088</b>	<b>11,108</b>	<b>11,088</b>	<b>(20)</b>
Grants	(385)	(478)	(385)	93
Other Income	(4,769)	(4,526)	(4,769)	(243)
<b>Total Income</b>	<b>(5,154)</b>	<b>(5,004)</b>	<b>(5,154)</b>	<b>(150)</b>
	<b>5,934</b>	<b>6,104</b>	<b>5,934</b>	<b>(170)</b>

Notes		
	Expenditure	Income
<b>1. Percentage of annual budget</b>	re	
This year	100%	103%
Last year	<u>101%</u>	<u>104%</u>
<b>2. Actual expenditure - Public Local Inquiries</b>	£000	
Beauly/Denny	21	
Tain	24	
Asda/Slackbuie	57	
Morbaine	45	
Aldi	28	
Badachro Inn	7	
Baillie	2	
Unit 7	2	
<b>Total</b>	<u><u>186</u></u>	

## Appendix 2

<b>PLANNING &amp; DEVELOPMENT Revenue Expenditure Monitoring Report</b>
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<b>1 APRIL- 30 JUNE 2009</b>
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<b>Summary</b>
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	£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	53	733	733	0
Geographical Information Systems	32	345	345	0
E-Planning	(36)	164	102	(62)
<b>Environment &amp; Development</b>				
Management	46	301	301	0
Countryside, Heritage & Natural Resources	367	2,371	2,313	(58)
Economy & Regeneration	262	2,181	2,166	(15)
<b>Planning &amp; Building Standards</b>				
Management	62	133	133	0
Planning & Building Standards HQ	67	224	224	0
Development Plans	146	785	785	0
Area Planning & Building Standards	895	3,452	3,353	(99)
<b>Public Local Inquiries</b>				
	24	50	50	0
<b>Income</b>				
Planning Fee Income	(506)	(2,202)	(2,002)	200
Building Warrant Fee Income	(415)	(2,232)	(1,682)	550
	<b>998</b>	<b>6,305</b>	<b>6,821</b>	<b>516</b>

**BY SUBJECTIVE**

Staff Costs	1,721	7,740	7,506	(234)
Other Costs	454	4,095	4,095	0
<b>Gross Expenditure</b>	<b>2,175</b>	<b>11,835</b>	<b>11,601</b>	<b>(234)</b>
Grants	(162)	(715)	(715)	0
Other Income	(1,015)	(4,815)	(4,065)	750
<b>Total Income</b>	<b>(1,177)</b>	<b>(5,530)</b>	<b>(4,780)</b>	<b>750</b>
	<b>998</b>	<b>6,305</b>	<b>6,821</b>	<b>516</b>

## Notes

**1. Percentage of annual budget**

	Expenditure	Income
This year	<u>18%</u>	<u>21%</u>
Last year	<u>20%</u>	<u>30%</u>

**2. Actual expenditure - Public Local Inquiries**

Baillie Hill Wind Farm PLI	24
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Total	<u>24</u>
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### 3. Projects (overleaf)

3. Projects	ACTUAL TO DATE £000
14BH - NPP2	(401)
14DB006 - SMR Development	(1)
14ED009 - TC - Income	(194)
14LB003 - EMIRES	41
14LB004 - Leonardo Programme - CIELI Skills	(16)
14LB005 - Transport to Employment - ESF Project	83
14LB006 - T2E 07/08 PROJECT	9
14LG - BAP Implementation Programme, General	18
14LG101 - Inshes Wood, Westhill (WIAT projec	9
14LG102 - Maggie's Wood, Dingwall	45
14LG103 - Millburn Escarpment (Ph2)	1
14MA - Wick THI	(96)
14MB - Small Town Networks 2	(75)
14MD - Highland Marine Resources & Communities	(94)
14ME - HC - External Experts & Consultants	(17)
14MG001 - Highland Housing Fair	(29)
14MH001 - Conservation Areas Regenertion Sch	35
14MH002 - Wick CARS General	(10)
14MH003 - Wick CARS Small Grants Scheme	(111)
14N - LEADER	(514)
Total	<u>(1,317)</u>