

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE

14 August 2013

Agenda Item	5
Report No	PED 44/13

Revenue Budget – Final Outturn 2012/13 and Monitoring 2013/14

Report by Director of Planning & Development

SUMMARY

This report comments on the final outturn for the Revenue Budget for the year to 31 March 2013 and the Revenue Monitoring position for the period to 30 June 2013

1. Overall Position on P&D Revenue Budget 2012/13

- 1.1 **Appendix 1** shows the position at the end of the financial year 2012/13 against the budget.
- 1.2 The gross expenditure for Planning and Development in 2012/13 was budgeted at £12.024m. Actual gross expenditure during the financial year was £12.327m i.e. 2.5% over the budgeted gross expenditure.
- 1.3 Total income was budgeted at £4.198m and in the event came in some £0.349m over budget at £4.547m. Fee income came in under target by £0.205m (Planning £0.018m and Building Warrant £0.187m).

2. Comment on Variances in 2012/13

- 2.1 The final position for 2012/13 shows an under-spend of £0.046m compared to the estimated balanced budget which had been predicted at the end of January 2012.
- 2.2 The main variances from budget were:
 - The cost of Public Local Inquiries came in at £0.297m over budget which was an improvement of £0.073m on the end of January forecast. This was because we received a refund of £0.068m for costs paid out for a court action of G Hamilton (Tullochgribban Mains) Ltd v The Highland Council and Breedon Aggregates Scotland Ltd.
 - Planning Fee income is always difficult to forecast. We suspected that there would be a spike in income due to an increase of around 20% in fees from 6 April 2013. This did happen but late on hence the final income figures were £0.018m below budget target compared to the balanced budget predicted at the end of January.

- Again Building Warrant Fee income is always difficult to forecast. However while forecasting an under achievement of fee budget by some £0.150m at end of January, the income actually rose a little in March but not sufficiently and the final figure was £0.187m under budget target.
- The Business Support Budget includes some centralised budgets for the whole service e.g. printing, legal costs, consultancy, ICT and Training as well as a 'pool' of staff costs relating to frozen posts or reduced hours worked. The section came in at £0.165m under budget compared to a projected £0.212m at the end of January – a difference of £0.047m due to ICT charges which had not been anticipated in January.
- The Countryside, Heritage and Natural Resources budget was under-spent by £0.010m less than estimated at the end of January due to £0.025m spend supporting local food proposals; £0.007m funding of promotional literature which happened to fall in the 12/13 financial year and £0.007m for a partnership project grant.
- The Economy and Regeneration budget was under-spent by a further £0.011m compared to predictions at the end of January due to a number of grant claim payments and slight increases in budget spend across a number of cost centres.
- The Employability Services budget was a further £0.013m under-spent because the budget for ICT costs was not spent as forecast.
- In the budgets for Area Planning and Building Standards, the under-spend was increased by £0.044m compared to the estimate at end of January. This was due to a further increase in staffing savings while vacancies were filled and additional savings on other costs e.g. telephones, stationery etc.

3. P&D Revenue Budget 2013/14

3.1 The statement attached at **Appendix 2** shows the financial position to end June 2013.

4. Year-end Projections & Comments on Variances

4.1 At this stage in the financial year the Service predicts that the budget will come in on target at the year end.

4.2 Public Local Inquiry etc. costs incurred in the year to date would appear to have exceeded the annual budget (see details in note 2) but the £0.068m refund of legal costs for Tullochgibbon Quarry was accounted for in 2012/13. However as the actual income has still to be received there is a net cost showing in the statement to date. Actual spend against the £0.050m budget is only £0.014m at end of June.

4.3 The Fee income budget for 2013/14 was increased by £0.380m in the roll-forward budget to take account of an increase of 20% in the Planning fees. At the end of the first quarter Planning and Building Warrant fees have achieved 27% and 26% respectively of the annual budget and were as follows (with comparison to the previous two years adjusted in the case of Planning Fees to take account of the 20% rise in fees in 13/14.)

Quarter 1	Planning fees	Building Warrant Fees
	£m	£m
2013/14	0.591	0.478
2012/13	0.507*	0.419
2011/12	0.511*	0.426

(*adjusted by +20%)

Even with the increase in Planning Fees in 13/14, Planning Fee income has increased in the first quarter of the current financial year compared to the same period in the previous two years. The same is true of the Building Warrant Fees.

It remains to be seen whether these trends continue and the position will be carefully monitored.

4.4 At the end of the first quarter the actual expenditure is low on some budget headings, although the forecast is to be on target at the end of the financial year. Explanations are –

- The Director and Business Support budgets are only currently 9% spent at end of June. This is because the Business Support budget contains many centralised budgets for the whole of the Service e.g. IT, Training, Consultants, printing, stationery (for HQ) as well as a ‘pool’ of staffing costs relating to frozen posts. In addition forward commitments have been made on some of these budgets but the actual costs have yet to be submitted.
- The Economy and Regeneration budget does not include the Q1 payments to either VisitScotland or Business Gateway (in total some £0.225m,) as they will come in in July.
- The Employability Services budget looks light on expenditure as there is an accrual of income from 12/13 of £0.186m still to be spent in 13/14 relating to commitments to graduate intern placement costs.

5. Budget Savings

5.1 The attached monitoring statement takes full account of all budget savings in 2013/14 which the P&D Service was asked to make by the Council.

6. **RECOMMENDATIONS**

It is recommended that the Committee :

- **Note** the Planning & Development Revenue Budget outturn statement for 2012/13
- **Agree** the monitoring report to the end of June 2013..

Designation: Director of Planning & Development

Date: 29 July 2013

Author: Sheila N Lunn, Business Support Manager Ext 2294

Ref: SNL

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL 2012 - 31 MARCH 2013

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	653	818	653	(165)
E-Planning	10	18	10	(8)
Environment & Development				
Management	118	157	118	(39)
Countryside, Heritage & Natural Resources	2,049	2,082	2,049	(33)
Economy & Regeneration	2,119	2,180	2,119	(61)
Employability Service	1,968	2,095	1,968	(127)
Planning & Building Standards				
Management	95	86	95	9
Planning & Building Standards HQ	231	225	231	6
Development Plans	637	620	637	17
Area Planning & Building Standards	3,014	3,160	3,014	(146)
Appeals, Public Local Inquiries & Court Cases				
	347	50	347	297
Income				
Planning Fee Income	(1,824)	(1,842)	(1,824)	18
Building Warrant Fee Income	(1,636)	(1,823)	(1,636)	187
	7,781	7,826	7,781	(46)
BY SUBJECTIVE				
Staff Costs	7,022	7,341	7,022	(319)
Other Costs	5,305	4,683	5,305	622
Gross Expenditure	12,327	12,024	12,327	303
Grants	(244)	(61)	(244)	(183)
Other Income	(4,302)	(4,137)	(4,302)	(165)
Total Income	(4,547)	(4,198)	(4,547)	(349)
	7,781	7,826	7,781	(46)

Notes

1. Percentage of annual budget

	Expenditure	Income
This year	103%	108%
Last year	98%	109%

2. Appeals, Public Local Inquiries and Court Cases

	Actual Year to Date £000
Tullochgibbon Quarry, Dulnain Bridge (Supreme Court)	123
Resaurie, Inverness (Court of Session)	12
Druim Ba Wind Farm (PLI)	61
Princes St, Sir John Sq, Thurso (PLI)	21
Grantown Caravan Park, Grantown on Spey (appeal hearing)	5
Invergordon Incinerator (PLI)	131
Allt Duine Wind Farm (PLI)	37
Scotsburn, Invergordon (written submissions appeal)	11
Daviot Wind Farm (written submissions appeal)	6
Ness Castle, Inverness (written submissions appeal)	7
TOTAL	414

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL - 30 JUNE 2013

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	81	908	908	0
Environment & Development				
Management	14	79	79	0
Countryside, Heritage & Natural Resources	417	2,073	2,073	0
Economy & Regeneration	302	2,080	2,080	0
Employability Service	42	2,250	2,250	0
Planning & Building Standards				
Management	21	87	87	0
Planning & Building Standards HQ	63	230	230	0
Development Plans	151	639	639	0
Area Planning & Building Standards	743	3,150	3,150	0
Appeals, Public Local Inquiries & Court Cases	82	50	50	0
Income				
Planning Fee Income	(591)	(2,183)	(2,183)	0
Building Warrant Fee Income	(478)	(1,849)	(1,849)	0
	847	7,514	7,514	0

BY SUBJECTIVE

Staff Costs	1,737	7,333	7,333	0
Other Costs	310	4,778	4,778	0
Gross Expenditure	2,047	12,111	12,111	0
Grants	(1)	(41)	(41)	0
Other Income	(1,199)	(4,556)	(4,556)	0
Total Income	(1,200)	(4,597)	(4,597)	0
	847	7,514	7,514	0

Notes

1. Percentage of annual budget	Expenditure	Income
This year	<u>17%</u>	<u>26%</u>
Last year	<u>21%</u>	<u>28%</u>
2. Appeals, Public Local Inquiries and Court Cases	Actual Year to Date £000	
PLIs general	7	
Tullochgribbon Quarry, Dulnain Bridge (Supreme Court)	68	
Invergordon Incinerator (PLI)	10	
Daviot Wind Farm (written submissions appeal)	<u>(3)</u>	
TOTAL	<u>82</u>	
3. Projects (overleaf)		

PLANNING & DEVELOPMENT Revenue Expenditure Monitoring Report

1 APRIL - 30 JUNE 2013

Summary

3. Projects	Actual Year to Date £000
14BH - NPP2	1
14DL500 The Fox Trail Project	7
14DL501 Culloden Access & Interpretation Project	25
14DT006 - Inverness, Academy Street, THI	(273)
14EC002 Fisheries Axis 4 Project	(9)
14EC003 Fisheries Axis 5 Project	2
14EC013 Marine Biodiversity Project 2013-16	(14)
14ED009 - TC - Income	(55)
14LF -Great Glen Way donations	(87)
14LF West Highland Way donations	(2)
14LF Glen Nevis Visitor Centre donations	5
14LF Tourism Workshops Project	1
14LG - BAP Implementation Programme, General	5
14LH003 ESF Create & Employ Project	(210)
14LH004 ESF Youth Work Experience Project	36
14LH005 Business Growth Grant Project	(153)
14LH006- ESF Commissioned Services Project	(103)
14MA - Wick THI	(92)
14MD - Highland Marine Resources & Communities Scheme	(84)
14MF001 - Highland Core Path Implementation	(100)
14MH - Conservation Areas Regeneration Scheme	(124)
14N - LEADER	<u>2,634</u>
Total	1,410