

**The Highland Council**  
**Planning, Development and Infrastructure Committee**

**17 February 2016**

**Revenue Budget Monitoring Report – 2015/16**

**Report by Director of Development and Infrastructure**

Agenda Item	<b>3</b>
Report No	<b>PDI 01/16</b>

**Summary**

This report invites Members to approve the revenue budget monitoring position for the period from 1 April 2015 to 31 December 2015.

**1. Background**

1.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome agreement.

**2. Current Position**

2.1 The revenue expenditure monitoring statement, appended to this report, shows the financial position to 31 December 2015. In total, the expenditure is estimated to be £0.013m (0.1%) underspent at the end of the financial year.

2.2 There has been a net increase in the budget of £0.468m from that reported at 30 September 2015 of £12.132m to £12.600m. The budget was increased by £0.383m for the transfer of the road safety unit and remainder of the transport planning function from Community Services, and £0.100m for the agreed pay award for 2015/16. The budget was reduced by £0.015 for reductions in the corporate mobile phone, ICT contracts, graphic design and printing.

**3. Year-End Projection**

3.1 The year to date actual figures represent the transactions for the nine months ended 31 December 2015, and are generally in line with management expectations.

3.2 Members will note that, based on the financial performance to date, it is predicted that at the end of the financial year the budget as a whole will be underspent.

**4. Major Issues and Variances**

4.1 Planning and building standards is overspending due to increased expenditure on dangerous buildings, and costs associated with Public Local Inquiries. Both budgets are set at the same level each year, however given the nature of the unpredictability of the costs involved, these lines may overspend.

- 4.2 Energy and sustainability will not achieve their targeted surplus. The income target for Renewable Heat Incentive is £1m, however this will not be achieved in the current financial year leading to a budget shortfall.
- 4.3 Staff vacancies accounts for the property asset management underspend.
- 4.4 The Service continues to have budget pressures in relation to property revenue maintenance and at this stage in the financial year the Service predicts an overspend of £0.168m. However, indications are that the budget for this financial year, as was the case for the previous year, could result in a £0.250m overspend.
- 4.5 The targeted surplus for rental income from the Council's investment properties will be exceeded this financial year, due to renegotiating a number of leases.
- 4.6 The increase in planning and building warrant income is currently sufficient to meet the predicted overspends. The Service will continue to scrutinise spend in order to minimise the effect. Budgets will be closely managed and any further underspends will be used to offset overspends and pressures within the overall Service budget.

## **5. Budget Savings**

- 5.1 The attached monitoring statement takes full account of the budget savings in 2015/16, apart from the Glen Nevis Centre saving, which the Development and Infrastructure Service was asked to make by the Council.

## **6. Implications**

- 6.1 Resource implications are discussed in this report.
- 6.2 There are no legal, equalities, climate change/carbon clever, risk, Gaelic and rural implications arising as a direct result of this report.

### **Recommendations**

Members are invited to approve the report and the attached monitoring statement which shows the revenue position for the period to 31 December 2015.

Designation:	Director of Development & Infrastructure
Date:	3 February 2016
Authors:	Mike Mitchell, Service Finance Manager
Background Papers:	Monitoring Statement 31/12/15 and the Highland Council Financial Ledger

**DEVELOPMENT AND INFRASTRUCTURE Revenue Expenditure Monitoring Report**
**1 APRIL 2015 - 31 DECEMBER 2015**
**Summary**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Directorate</b>				
Director & Business Team	913	1,266	1,284	18
<b>Planning &amp; Building Standards</b>	4,002	5,094	5,241	147
<b>Infrastructure</b>				
Project Design Unit	(485)	(700)	(742)	(42)
Flood Risk Assessment	187	268	268	0
<b>Environment &amp; Economic Development</b>				
Management	64	83	84	1
Environment	1,390	2,157	2,153	(4)
Economy & Regeneration	1,996	1,975	2,011	36
Trading Standards	569	831	820	(11)
Employability Service	1,076	1,963	1,978	15
<b>Property</b>				
Energy & Sustainability	1,133	(100)	78	178
Property asset management	2,016	3,771	3,716	(55)
Revenue Maintenance	3,402	5,115	5,283	168
Housing Development & Private Sector Housing Grant	3,440	1,703	1,708	5
Investment Properties	(1,868)	(2,201)	(2,284)	(83)
Technical, Design & Projects	883	(4,302)	(4,276)	26
<b>Income</b>				
Planning Fee Income	(1,834)	(2,444)	(2,557)	(113)
Building Warrant Fee Income	(1,743)	(1,879)	(2,178)	(299)
	<b>15,141</b>	<b>12,600</b>	<b>12,587</b>	<b>(13)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	14,726	20,570	20,027	(543)
Other Costs	18,124	18,575	19,642	1,067
<b>Gross Expenditure</b>	<b>32,850</b>	<b>39,145</b>	<b>39,668</b>	<b>524</b>
Grants	(3,832)	(2,018)	(2,018)	0
Other Income	(13,877)	(24,527)	(25,064)	(537)
<b>Total Income</b>	<b>(17,709)</b>	<b>(26,545)</b>	<b>(27,082)</b>	<b>(537)</b>
	<b>15,141</b>	<b>12,600</b>	<b>12,587</b>	<b>(13)</b>

## Notes

**1. Percentage of annual budget**

	Expenditure	Income
This year	<u>84%</u>	<u>67%</u>
Last year	<u>80%</u>	<u>73%</u>

**2. Appeals, Public Local Inquiries and Court Cases  
(included above in Planning & Building Standards)**

	Actual Year to Date £000
PLIs General	22
Invergordon Incinerator	(18)
THC v Alexander Brodie	14
Glenmorrie Wind Farm (PLI)	26
Carn Gorm Wind Farm	25
Strathy South Wind Farm	19
Braemore Wind Farm	20
Cairn Duhie Wind Farm	2
Tesco Ness Side	23
<b>TOTAL</b>	<u>133</u>