

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET 26 APRIL 2007

**REPORT OF THE EXECUTIVE DIRECTOR FOR PLANNING AND
CONSERVATION**

BUDGET MONITORING 2006/07 – QUARTER 4

PLANNING AND CONSERVATION

SUMMARY

REVENUE BUDGET

Even with the transfer of £51,000 from extra planning applications income to the Council's Capital Reserve last quarter and more of the surplus income used to fund new expenditure pressures, the overall forecast for the Business Group has only reduced by £34,000 to **£189,000** (3.2%). This can almost entirely be attributed to an over achievement of income of £140,000.

Building Regulations fee income has further exceeded expectations and has enabled £70,000 to be re-directed to specific one off projects without effecting the overall £100,000 surplus income position.

Slippage carry forwards totalling £75,000 are anticipated.

CAPITAL BUDGET

The capital budget for 2006/07 was revised as part of the review of the Capital Programme which was agreed by Cabinet on 22nd February 2007. Against this revised budget there is now a forecast underspend of £76,000 (36%), of which only £57,000 will be slipped into next year. This is predominantly on the newspaper Stalls project with the first due to be positioned at the end of April with the unexpected unavailability of the designer. Small savings on the Warwick Road Junction Improvements and Redcliffe Garden Railings will be achieved.

FOR INFORMATION

1. REVENUE BUDGET

Revenue Budget Monitoring Report - Planning & Conservation February 2007

Service	Annual Budget £'000	Spend to date £'000	Spend to Date %	Projected Outturn £'000	Variance £'000	Variance %	RAG Status
Budgets Controlled by Business Group							
SUPPORT SERVICES							
Executive	268	241	89.9%	268	0	0.0%	Green
Support Services	1,111	1,060	95.4%	1,180	69	6.2%	Green
BUILDING CONTROL							
	221	-86	-38.9%	-83	-304	-137.6%	Red
PLANNING SERVICES							
Development Control, Planning Information Office, Land Charges	491	401	81.7%	534	43	8.8%	Green
Policy and Graphics	499	376	75.4%	501	2	0.4%	Green
Design and Conservation	587	493	84.0%	589	2	0.3%	Green
Arboriculture	754	597	79.2%	753	-1	-0.1%	Green
Total Budgets Controlled by Business Group	3,931	3,082	78.4%	3,742	-189	-4.8%	Amber
Budgets controlled by other Business Groups	1,898	1,319	69.5%	1,898	0	0.0%	
Total	5,829	4,401	75.5%	5,640	-189	-3.2%	

RAG Status:

Red = £100k+ variance and over +/-5%

Amber = £100k+ variance and between +/-3-5%

Green = under £100k variance or under +/-3%

Commentary on Variances

1.1 Building Regulations Fee income has displayed significant monthly fluctuations this year with administrative problems on invoicing and so identifying a trend has been difficult. January saw the backlog cleared and a more confident forecast outturn can now be made. It is anticipated that by the end of the year the extra income will remain at £100,000 and this is after a further £67,000 has been re-directed to specific one off priorities that have arisen in recent months. This shows that the proactive marketing of their services and securing partnering schemes outside the Borough has brought results and the loss of work to Approved Inspectors appears to have been halted to an extent. The strategy of retaining vacancies as they arose to keep costs down has now become unsustainable and although four posts were advertised in November only one post has subsequently been filled by an internal candidate. A third round of advertising is about to commence for the remaining three posts. Two agency staff are being employed as an interim solution. Following these difficulties in recruitment, salaries are forecast to underspend by £160,000, up by £25,000 from last quarter. With good income levels being achieved it is now forecast that a surplus will be achieved on the Building Regulations trading account of around £100,000. This will go some way to eradicating the deficit of the previous two years to bring the three year rolling trading position closer to breakeven.

- 1.2 As can be seen from the Key Trends in paragraph 4, Planning Applications Fee income has already exceeded the amount achieved last year and remains on a sharp upward trend. Of the £276,000 extra income now assumed for the year, £236,000 has been re-directed to alternative purposes during the year.
- 1.3 The potential slippage carry forwards totalling £75,440 are listed below and comprise three PDG funded projects and the business process re-engineering exercise that has commenced but the final report is only due in May.

Project	Budget £	Forecast Underspend £
Local Development Framework	100,000	26,000
IT Equipment	27,840	27,840
IT Developments	12,300	11,600
BPR Consultants	20,000	10,000
TOTAL	160,140	75,440

- 1.4 The Cabinet Member is requested to note the budget virements approved by the Group Finance Manager during this quarter. £70,000 extra Building Regulations fee income has been re-directed to funding design consultants for Sloane Square (£20,000), recruitment costs associated with the new Executive Director (£10,000), new computer screens to make the viewing of plans easier (£10,000) and for scanning and other cross departmental costs (£29,000) managed by Support Services.

Progress on Growth and Savings

- 1.5 All savings and growth proposals within the revenue budget are on track with the exception of the creation of a new post of Director of Planning Policy. This is no longer planned with the impending retirement of the Executive Director, although the funding for the post has been used to cover the majority of the recruitment costs of the new Executive Director.

2 CAPITAL

Capital Budget Monitoring - Planning & Conservation								
February 2007								

Description	Original Budget £'000	Revised Annual Budget £'000	Budget Profile to Q4 £'000	Actual Exp To Date £'000	% of annual budget spent	Forecast Outturn £'000	Forecast Variance £'000	Proposed Slippage into 2007/08 £'000
Shop Front Grant	0	10	10	10	100.0%	10	0	0
Warwick Road Junction Imps	83	78	70	68	87.2%	70	8	0
Redcliffe Square Railings	0	16	5	5	31.3%	5	11	0
Norland Square Railings	30	30	20	20	66.7%	30	0	0
Public Realm Improvements	0	25	16	16	64.0%	16	9	9
Stalls	90	50	2	2	4.0%	2	48	48
Planning Services	203	209	123	121	57.9%	133	76	57

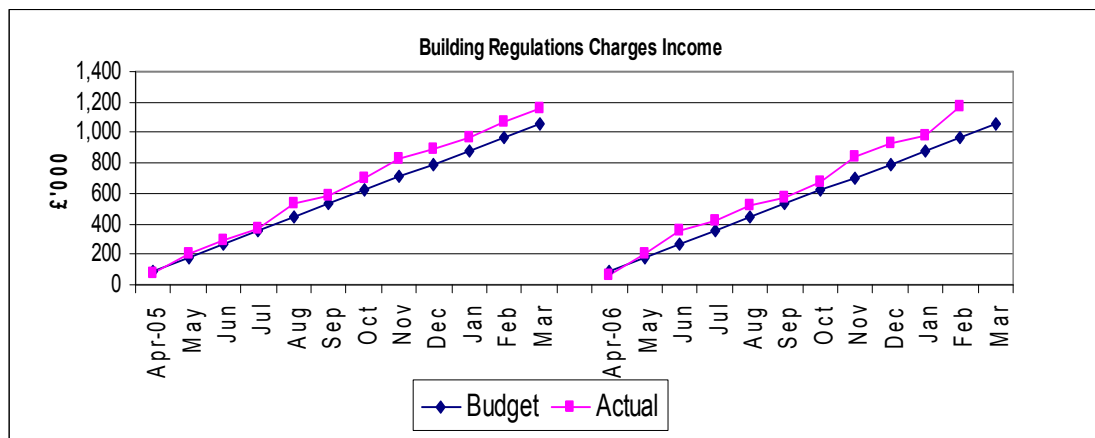
Financed By		Original Budget £'000	Revised Annual Budget £'000	Budget Profile to Q4 £'000	Actual Exp To Date £'000	% of annual budget spent	Forecast Outturn £'000	Forecast Variance £'000	Proposed Slippage into 2007/08 £'000
Loan (General Resources)	120	80					32	48	48
Planning Delivery Grant	0	25					16	9	9
Section 106 Funds	11	11					11	0	0
Car Parking Reserve	50	50					50	0	0
P&C Special Capital Reserve	22	43					24	19	0
Total	203	209					133	76	57

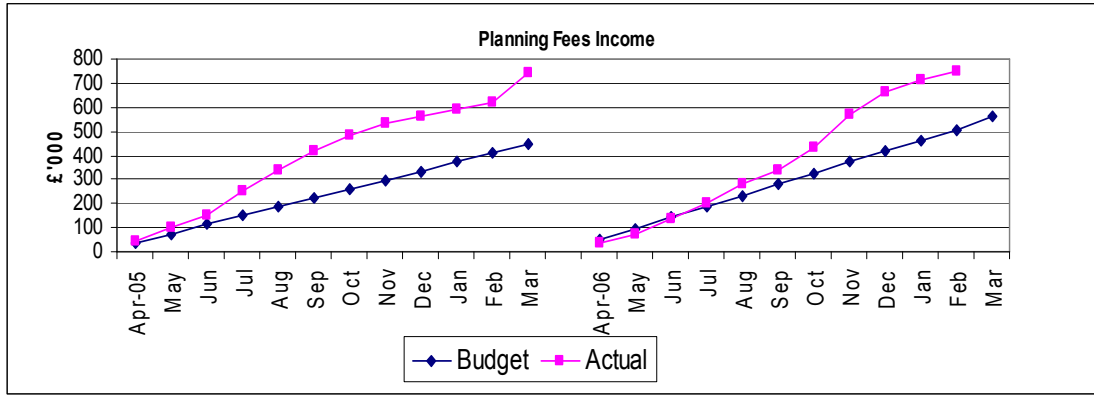
Commentary on Variances

3.1 All projects are progressing well and will be completed by the end of the year, except for the Stalls project which has been subject to further delay with the recent unforeseen unavailability of the designer. The first stall is now planned to be placed in Earls Court Road late April. There will be small savings on each of the Warwick Road Junction improvements and Redcliffe Square Railings projects.

4 KEY TRENDS, COST DRIVERS and LEAD INDICATORS

4.1 Key Trends





4.2 Staff Costs Table

Staff Costs Budget Monitoring February 2006

Service	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance budget to date £'000	Variance budget to date %	Overtime & Agency Spend £'000	Overtime/ Agency as % of total spend
Support Services	939	861	963	102	11.9%	30	3.1%
Building Control	1,193	1,093	945	-148	-13.5%	33	3.5%
Planning Services	2,276	2,086	2,150	63	3.0%	103	4.8%
Total	4,408	4,040	4,058	18	0.4%	166	4.1%

PERFORMANCE INDICATORS

4.3 Percentage of supplier invoices paid within 30 days (BVPI 8)

Q1 05/06	Q2 05/06	Q3 05/06	Q4 05/06	Cum. Year 05/06	Q1 06/07	Q2 06/07	Q3 06/07	Q4 06/07	Cum. Yr to Date
85.7%	88.8%	94.2%	92.2%	90.2%	92%	87%	95%	95.2	92.8%

Michael French

EXECUTIVE DIRECTOR OF PLANNING AND CONSERVATION