

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET 22 FEBRUARY 2007

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

**BUDGET MONITORING 2006/07 – QUARTER 3
PLANNING AND CONSERVATION**

SUMMARY

REVENUE BUDGET

The forecast for the Business Group is now £110,000 more than last quarter with an **underspend of £223,000** (3.8%). This has followed a particularly good quarter for both planning applications (£60,000) and building regulations (£50,000) income. It is proposed to re-direct £50,000 of this extra income to three specific projects, namely, process business re-engineering consultants, consultants to support Crossrail case and additional street tree planting. Slippage carry forwards totalling £50,000 are anticipated of Planning Delivery Grant funded projects.

CAPITAL BUDGET

It is forecast at this stage that the Business Group will **underspend by £93,000** (32.7%) by the year-end, predominantly on the Stalls project and all of which will slip to next year.

FOR INFORMATION

1. REVENUE BUDGET

**Revenue Budget Monitoring Report - Planning & Conservation
December 2006**

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	258	188	72.9%	252	-6	-2.3%	Green
Support Services	1,059	864	81.6%	1,141	82	7.7%	Green
BUILDING CONTROL							
	290	0	0.0%	22	-268	-92.4%	Red
PLANNING SERVICES							
Development Control, Planning Information Office, Land Charges	621	280	45.1%	545	-76	-12.2%	Green
Policy and Graphics	464	291	62.7%	497	33	7.1%	Green
Design and Conservation	547	393	71.8%	559	12	2.2%	Green
Arboriculture	743	534	71.9%	743	0	0.0%	Green
Total Budgets Controlled by Business Group	3,982	2,550	64.0%	3,759	-223	-5.6%	Red
Budgets controlled by other Business Groups	1,898	903	47.6%	1,898	0	0.0%	
Total	5,880	3,453	58.7%	5,657	-223	-3.8%	

RAG Status (on net budget):

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 trend has picked up and returned to £100,000 over budget, an increase of £50,000 from last quarter. In spite of the proactive marketing of their services and securing partnering schemes outside the Borough, the gradual loss of work to Approved Inspectors continues and is difficult to counteract. The annual review of fee rates for next year will investigate introducing greater flexibility to replicate one of the advantages of competitors. The strategy of retaining vacancies as they arose to keep costs down has now become unsustainable. The department has reached a position of needing to recruit and give consideration to actions to retain current staff. Four posts have now been advertised but are unlikely to be filled before the end of the year and agency staff are being employed as an interim solution. Introduction of the congestion charge in February 2007 will adversely affect the surveyors and it has been agreed that the charge will be reimbursed for those officers who use their cars for work purposes. It is now forecast that a surplus will be achieved on the Building Regulations trading account.
- 1.2 Planning Applications Fee income remains extremely buoyant, especially with the receipt of £65,500 for Holland Park School re-development in November. It is now forecast that an additional £140,000 will be received by the end of the year, which is £60,000 more than reported last quarter, although a further £50,000 has already been approved to be used for additional street tree maintenance. It is also proposed that another £50,000 is re-directed to one off priority projects - £20,000 to business re-engineering consultants, £20,000 for consultants employed to

defend the Council's position on Crossrail and £10,000 for new street tree planting.

1.3 The demand for additional tree maintenance work as mentioned in previous reports has now been accommodated through a budget virement of £100,000 in total from planning application fee income. Although this situation is likely to continue to a degree, it is not planned to make any permanent additions to the budget until the full extent of the problem is determined. A further £10,000 for tree planting is proposed to re-plant in areas that have had to have trees removed for health and safety reasons.

1.4 The underspend on Planning Delivery Grant funded projects is now projected at £50,000.

Progress on Growth and Savings

1.5 All savings and growth proposals within the revenue budget are on track with the same 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.

2 CAPITAL

Capital Budget Monitoring - Planning & Conservation December 2006								
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Description	Original Budget £'000	Annual Budget £'000	Budget Profile to Q3 £'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	83	70	66	80.0%	70	13	0
Redcliffe Square Railings	0	16	5	5	31.2%	16	0	0
Norland Square Railings	30	30	20	20	66.7%	30	0	0
Public Realm Improvements	0	25	10	10	40.0%	15	10	10
Stalls	90	120	0	0	0.0%	50	70	70
Planning Services	203	284	115	111	39.2%	191	93	80

Financed By								
Loan (General Resources)	120	120				50	70	70
Planning Delivery Grant	25	25				15	10	10
Section 106 Funds	11	11				11	0	0
Car Parking Reserve	50	50				37	13	0
P&C Special Capital Reserve	78	78				78	0	0
Total	284	284				191	93	80

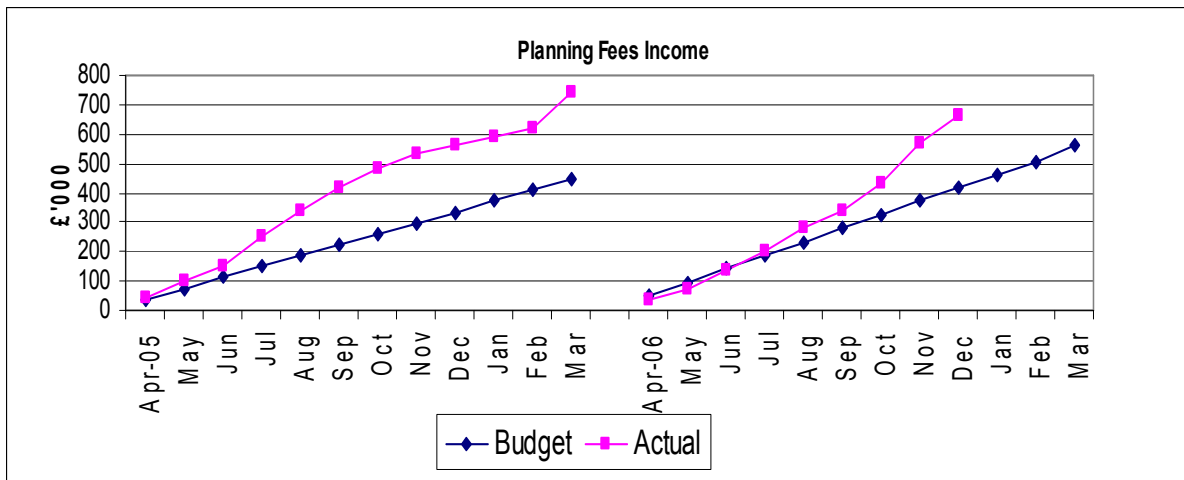
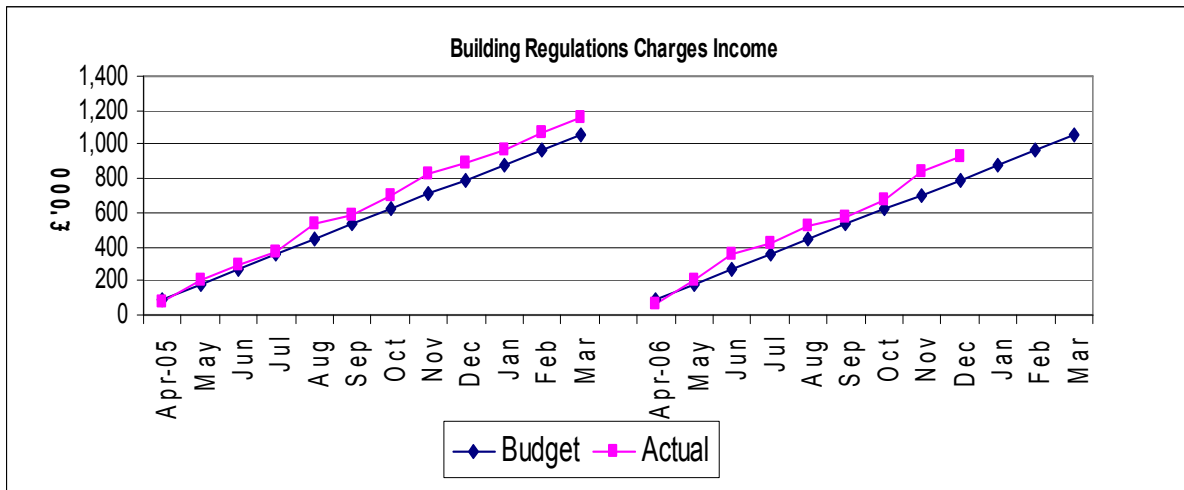
Commentary on Variances

3.1 All projects are progressing well and will be completed and achieve full spend by the end of the year, except for the Stalls project. It is now projected that only the first stall will be in situ in Ladbroke

Grove in March 2007 with the remaining three to be installed in the following year. Warwick Road Junction improvements just need to be replanted and are projecting to underspend by £13,000.

4 KEY TRENDS, COST DRIVERS and LEAD INDICATORS

4.1 Key Trends



4.2 Staff Costs Table

Staff Costs Budget Monitoring December 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	929	687	742	55	8.0%	25	3.4%
Building Control	1,193	895	772	-123	-13.7%	11	1.4%
Planning Services	2,241	1,681	1,747	66	3.9%	70	4.0%
Total	4,363	3,263	3,261	-2	-0.1%	106	3.3%

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%	92.0%	86.6%	95.4%		91.3%

5 RECOMMENDATIONS

It is recommended that a £50,000 budget virement from Planning Applications fee income is agreed to cover £20,000 for Business Process Re-Engineering, £20,000 for Crossrail costs, £10,000 extra for street tree planting.

Michael French

EXECUTIVE DIRECTOR FOR PLANNING AND CONSERVATION