

# Quarter 1 2023/24 Budget Monitoring - Planning Policy Committee

## Planning Policy Committee Thursday, 21 September 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: To note the 2023/24 Quarter 1 / Month 3 (June) financial position of the Committee and take associated decisions.

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Publication status: Unrestricted

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Wards affected: All

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### **Executive summary:**

This report presents the 2023/24 Quarter 1 / Month 3 (June) financial position of both revenue and capital for the Committee.

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**This report supports the Council's priority of:** Building a better Council/ Creating the homes, infrastructure and environment we need / supporting economic recovery in Tandridge/ Becoming a greener, more sustainable District.

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### **Recommendation to Committee:**

That the Committee's forecast Revenue and Capital budget positions as at Quarter 1 / M3 (June) 2023/24 be noted.

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### **Reason for recommendation:**

The Council has a duty to ensure that its expenditure does not exceed resources available. The medium-term financial outlook remains uncertain and so the Council must continue to take steps towards growing its financial resilience, including building reserves to a sustainable level.

It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that the revenue budget is delivered, and that any new expenditure is contained within the available resources.

Finance have committed to bringing quarterly financial monitoring updates to each committee to ensure that all Members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and in terms of the effect on the developing budget for 2024/25.

The consolidated position for quarter 1 will be reported to Strategy & Resources Committee on the 28 September 2023.

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## Introduction and background

1. The 2023/24 Planning Policy Committee Revenue budget was approved at £1,297k by Full Council on 9<sup>th</sup> February 2023. This budget excluded the 2023/24 approved pay award of which £41k is allocated for Planning Policy Committee, bringing the Committee's total budget to £1,338k.

2. The 2023/24 Planning Policy (Community Infrastructure Levy) Capital Budget was approved at £0.5m by Council on 9<sup>th</sup> February 2023.

3. Carry forwards of £2.1m approved by S&R committee on the 29<sup>th</sup> June 2023 brought the available budget to £2.6m, subject to review for the September Committee cycle.

## Revenue Headlines

Planning Policy Committee is forecasting a £197k full-year overspend. The overall overspend is mainly due to:

**£132k forecast appeals pressure** due to a change in the forecast appeals provision, based on doubling the amount set aside at 2022/23 outturn. The potential for appeals costs is a key risk to the Council's finances and so the provision is being increased where possible and based on the best intelligence available at the time.

**£11k Enforcement overspend** predicted. £21k salary overspend due to reliance on contract staff offset by one off lower running costs (£10k) and a small amount of income.

**£27k Gatwick DCO expenditure** associated with consultant commission for bespoke assessment of air quality and noise impacts on Tandridge arising from Gatwick Airport Northern Runway project. Up to £30k approved by Planning Policy Committee on 23 March 23. However, it is likely that this will increase as further assistance from external advisors is required. Note that this forecast precedes the additional approvals set out in the Gatwick DCO paper to this Committee and will therefore need to be updated for Quarter 2.

**£31k Land Charges and Street Naming & Numbering.** Reduction in Land Charges income caused by transient external pressures of rising inflation and high interest rates. Officers will closely monitor search numbers/income and initiate a promotion of the service through Communications in order to maintain and increase our market share.

Offset by:

**(4k) Planning Application and Advice** Positive variance at year end predicted based upon the following:

£86k overspend on salaries due to reliance on contract staff for longer than originally anticipated.

£47k Overspend on running costs related mainly to third party external consultant advice including retail impact assessments and highways matters.

(£136k) It is expected that fee income will be supported by income from some major sites where planning applications are anticipated.

## **Capital Programme Update**

At M3, the Planning Policy (CIL) capital allocation is forecasting spend of £0.5m, effectively re-profiling the £2.1m carry-forwards from 2022/23 into 2024/25. Further details are set out in Appendix A. As this is CIL funded it has no General Fund impact. Further work is underway to refine the process of CIL forecasting.

## **Key implications**

### **Comments of the Chief Finance Officer**

The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions taking into account all material, financial and business issues and risks. The key financial implications at this stage are captured in the body of the report.

### **Comments of the Head of Legal Services**

It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

## **Equality**

There are no equality implications associated with this report.

## **Climate change**

There are no significant environmental / sustainability implications associated with this report.

## **Appendices**

Appendix A – Committee’s M3 (June) 2023 Financial Report and supporting data

## **Background papers**

- Planning Policy Committee 23/24 draft budget and Medium-Term Financial Strategy – 19th January 2023
- 2023/24 Final budget and MTFS - Strategy and Resources Committee 31st January 2023
- 2022/23 Budget – Outturn Report – Strategy and Resources Committee 29th June 2023

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