

# **Quarter 1 - 2023/24 Financial Report - Planning Policy Committee**

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**Chief Finance Officer (S151)**

**September 2023**

# Revenue Commentary – Planning Policy

2022/23 Outturn £k		Forecast Qtr 1 £k	Annual Budget £k	Outturn Variance £k	One-off events £k	Ongoing Pressures £k
409	Planning Applications & Advice	387	391	(4)	(4)	
316	Planning Strategy & Policy Guidance	324	324	0		
259	Enforcement	250	239	11	11	
	0 Appeals	212	80	132	132	
95	Tree Preservation & Advice	100	100	0		
	0 Community Infrastructure Levy (CIL)	2	2	0		
182	Local Development Plan - Evidence	178	178	0		
	2 Gatwick Airport DCO	27	0	27	27	
	8 Transfer to/from Neighbourhood Plan Reserve	8	8	0		
(11)	Land Charges and Street Naming	47	16	31		31
<b>1,259</b>	<b>Planning</b>	<b>1,535</b>	<b>1,338</b>	<b>197</b>	<b>166</b>	<b>31</b>

**Note** – the forecast currently assumes that the budgets for the local plan and other planning policy matters are spent in full in 2023/24 or remain ringfenced to the local plan if not.

This ensures that funding approved for such matters is retained to meet uncertain future costs and not used to offset overspends elsewhere in the budget.

**Planning Policy overspend £197k** The variance mainly comprises of:

- **(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 surplus on planning application fee income. It is expected that fee income will be supported by income from some major sites where planning applications are anticipated.
- **£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.
- **£132k Appeals overspend** due to a change in the forecast Appeals provision, based on doubling the 2022/23 provision.
- **£27k Gatwick DCO overspend** 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 2023. 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 overspend.** 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.

# Revenue Risks

These risks have not been included in the budget monitoring position unless otherwise stated

Committee	Outline of Risk	Mitigation	Range Max - Min £k	Likely Financial Risk £k
Planning	The need for externalising legal work could increase as more complex planning matters arise and thereby causing a possible cost pressure within planning services. Costs are unpredictable.	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Unexpected fall of in planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Gatwick Airport Development Consent Order. Gatwick Airport has set out its proposal to bring its existing northern runway into regular use, alongside its main runway, as set out in its masterplan. The Council will incur specialist consultant advice to respond to each stage of the consultation process.	Value for money will be achieved by working with other Councils to secure the most effective, efficient and economical services to deliver the Councils responses to the consultation.	Further spend subject to committee approval or urgency decisions.	

# Capital Budget – Planning Policy

Service	Original Budget 2023/24 £k	Carry Forward from 2022/23 £k	Approved Additions £k	Original Budget incl. Carry Forwards & Additions £k	Forecast M3 2023/24 £k	Variance M3 2023/24 £k	Variance Overspend/ (Underspend) £k	Variance Acceleration /(Slippage) £k
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## Planning Policy

Capital contributions to third parties from CIL	500	2,108		2,608	500	(2,108)	0	(2,108)
<b>Total Planning Policy</b>	<b>500</b>	<b>2,108</b>	<b>0</b>	<b>2,608</b>	<b>500</b>	<b>(2,108)</b>	<b>0</b>	<b>(2,108)</b>

- Capital Budget was approved by Full Council on 9<sup>th</sup> February 2023 at £500k.
- The request for Capital carry forwards of £2,108k from 2022/23 was approved in the S&R Committee on 29<sup>th</sup> June 2023, with a revised phasing to be reported during the September 2023 committee cycle.
- The total available budget for 2023/24 is therefore £2,608k.
- Due to match funding and project delivery delays, we expect £2,108k slippage in the projected scheme expenditure. This is normal practice with grant allocations.