

Quarter 2 2023/24 Budget Monitoring - Planning Policy Committee

Planning Policy Committee Thursday, 16 November 2023

Report of: Chief Finance Officer (Section 151)

Purpose: To note the 2023/24 Quarter 2 / Month 6 (September) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2023/24 Quarter 2 / Month 6 (September) financial position of both revenue and capital for the Committee.

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 2 / M6 (September) 2023/24 be noted.

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 overall 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 2 will be reported to Strategy & Resources Committee on the 30 November 2023.

Introduction and background

1. The 2023/24 Planning Policy Committee Revenue budget was approved at £1,297k by Full Council on 9th 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 9th February 2023, with phasing reviewed during the September Committee cycle.

3. Revenue Headlines

At quarter 2 / M6 (September) Planning Policy Committee is forecasting a £419k full-year overspend (M3 £197k overspend). The overall overspend is mainly due to:

- **£93k Planning Application and Advice negative variance at year end** (M3 £4k positive) based on the following:

£222k overspend on salaries (M3 £86k over) due to reliance on contract staff for longer than originally anticipated, as well as future fee increases.

£42k overspend on running costs (M3 £47k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.

(£171k) surplus (M3 £136k surplus) on planning application fee and expected planning performance agreement income. It is expected that fee income will be supported by income from some major sites where planning applications are anticipated.

- **£133k Enforcement overspend (M3 £11k)**. £144k salary overspend (M3 £21k over) due to reliance on contract staff offset by one-off lower running costs (£10k, M3 £10k under) and a small amount of income.

- **£130k Appeals overspend (M3 £132k over)** due to a change in the forecast Appeals provision, based on doubling the 2022/23 provision, and application of the prior provision where associated expenditure is realised in year.
- **£52k Gatwick DCO overspend (M3 £27k over)** associated with consultant commission for bespoke assessment of air quality and noise impacts on Tandridge arising from Gatwick Airport Northern Runway project. Approved by Planning Policy Committee in March and Sept 2023.
- **£11k overspent (M3 £31k over) Land Charges and Street Naming & Numbering.** Land Charges income worse than budget caused by transient external pressures of rising inflation and high interest rates. Officers will closely monitor search numbers/income whilst delivering new initiatives to improve and promote the service. Includes an expected Government grant of £20k to facilitate Land Charges LLC1 data migration to central government.

4. Capital Programme Update

At quarter 2, the Planning Policy (CIL) capital allocation is a forecast spend of £0.1m, with slippage of £0.4m. 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, across the Council, sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the overall 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 M6 (September) 2023 Financial Report and supporting data

Background papers

- 2023/24 Draft General Fund Budget and Medium-Term Financial Strategy – Planning Policy Committee 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
- Quarter 1 2023/24 Budget Monitoring - Planning Policy Committee Thursday, 21 September 2023

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