

# Quarter 3 2023/24 Budget Monitoring - Planning Policy Committee

## Planning Policy Committee Thursday, 21 March 2024

Report of: Director of Resources (Section 151)

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Purpose: To note the 2023/24 Quarter 3 / Month 9 (December) 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 3 / Month 9 (December) 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 3 / M9 (December) 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 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 approved budget for 2024/25.

The consolidated position for quarter 3 will be reported to Strategy & Resources Committee on the 26 March 2024.

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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, with phasing reviewed during the September Committee cycle.

### 3. Revenue Headlines

At quarter 3 / M9 (December) Planning Policy Committee is forecasting a £533k full-year overspend (increased by £114k from the M6 £419k overspend). The overall overspend is mainly due to:

- **£129k Planning Application and Advice adverse variance at year end predicted** (M6 £93k adverse) based upon the following:

£230k overspend on salaries (M6 £222k over) due to reliance on contract staff for longer than originally anticipated.

£54k overspend on running costs (M6 £42k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.

(£155k) surplus (M6 £171k 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, as well as future fee increases.

- **£159k Enforcement overspend (M6 £133k) predicted.** £168k salary overspend (M6 £144k over) due to reliance on contract staff offset by one off lower running costs (£9k in M9, M6 £10k under) and a small amount of income.

- **£182k Appeals overspend (M6 £130k over)** due to a change in provisions, based on operational Planning records, and application of the prior provision where associated expenditure is realised in year.
- **£52k Gatwick DCO overspend (unchanged from M6)** 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 September 2023.
- **£11k overspent (unchanged from M6) 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 a Government grant of £20k to facilitate Land Charges LLC1 data migration to Central Government.

#### 4. Use of Planning Reserves

At quarter 3 / M9 (December) Planning Policy Committee is forecasting a £71k use of Planning Reserves as described by :

- **£69k Planning Policy & Local Plan Earmarked Reserve.** Use of reserve to fund overspend due to salary and wages expenditure, associated with full year use of interims and seconded officers to manage Planning Policy Team function.
- **£2k Neighbourhood Plan Reserve.** Use of reserve to fund overspend associated with Tatsfield Neighbourhood Plan, examination and on going progression of Neighbourhood Plan.

#### 5. Capital Programme Update

At quarter 3, the Planning Policy (CIL) capital allocation is a forecast spend of £0.3m, with slippage of £0.2m. 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 M9 (December) 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
- Quarter 2 2023/24 Budget Monitoring - Planning Policy Committee Thursday, 16 November 2023

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