

Appendix A
Quarter 3 - 2023/24
Finance Update Report-Planning Policy
Committee

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Revenue Commentary – Planning Policy Committee

2022/23		Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn		Qtr 3	Budget	Variance	from Qtr2	events	Pressures
£k		£k	£k	£k	£k	£k	£k
409	Planning Applications & Advice	520	391	129	36	4	125
324	Planning Strategy & Policy Guidance	332	332	0	0		
259	Enforcement	398	239	159	26	159	
-	Appeals	262	80	182	52		182
95	Tree Preservation & Advice	100	100	0	0		
-	Community Infrastructure Levy (CIL)	2	2	0	0		
182	Local Development Plan - Evidence	178	178	0	0		
2	Gatwick Airport DCO	52	0	52	0	52	
(11)	Land Charges and Street Naming	27	16	11	0		11
1,259	Planning	1,871	1,338	533	114	215	318

Note – the forecast currently assumes that the budgets for the local plan and other planning policy team matters are spent in full in 2023/24 or remain ringfenced to the local plan if not. Conversely, additional spending on planning policy team matters will be met from the reserve where they exceed the annual budget.

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. See next slide.

Planning Policy Committee overspend £533k : deterioration of £114k from M6 .

The variance mainly comprises of:

- **£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.

Use of Planning Earmarked Reserves

Use of Planning Earmarked Reserves	
	Forecast change in Reserve £ k
Planning Policy & Local Plan Reserve	69
Neighbourhood Plan Reserve	2
In year change in Earmarked Reserves	71

Use of Earmarked Reserves 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.

Local Plan and Planning Policy Team Funds Available in 2024/25 :

Funding for the Local Plan in 2024/25 is limited and will require robust management. The maximum funding available for all Planning Policy matters, including the Local Plan, is £1,489k. This consists of £979k in reserves and £510k in-year budget. The Local Plan is likely to span multiple years, meaning that use of the reserve should be carefully considered. Other matters are unpredictable and are likely to further place further constraints on the budget.

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
Planning	The need for externalising work may increase now that the Local Plan has been found unsound with more appeals requiring external legal output.	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	Planning Guarantee ; The planning guarantee is defined by Government as “a policy that no application should spend more than a year with decision-makers, including any appeal.” The policy sits alongside statutory time limits for decision making, subject to the potential to agree extensions. The Council has no control over the timing of Appeals. Linked to this is a risk that current planning fees become repayable if secured extensions of time are exceed in certain circumstances.	Extensions of time will be sought where appropriate.	

Capital Budget – Planning Policy Committee (CIL)

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	

Planning Policy						
Capital contributions to third parties from CIL	500	253	(247)	0	(247)	149
Total Planning Policy	500	253	(247)	0	(247)	149

- The Capital Budget was approved by Full Council on 9th February 2023 at £500k.
- The request for Capital carry forwards of £2,108k from 2022/23 was approved in the S&R Committee on 29th June 2023.
- The total available budget for 2023/24 was therefore £2,608k.
- Due to match funding and project delivery delays, £2,108k slippage in the projected scheme expenditure was requested to be carried forward to 2024/25. This is normal practice with grant allocations. This was approved in the S&R committee on 28th September 2023.
- The budget 2023/24 now stands at £500k.
- The budget has been reviewed for deliverability at M9 with a forecast variance - slippage of (£247k)