

Quarter 1 2024/25 Budget Monitoring - Planning Policy Committee

Planning Policy Committee Thursday, 19th September 2024

Report of: Director of Resources (Section 151)

Purpose: To note the 2024/25 Quarter 1 / Month 3 (June) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2024/25 Quarter 1 / Month 3 (June) financial forecast against both Revenue and Capital budgets for the Committee.

This report supports the Council's priority of: Protecting and enhancing our environment./Delivering affordable housing for local people./Financial prudence and sustainability./Putting residents at the heart of what we do./A safe, healthy and caring community supporting those most in need./A thriving economy.

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Recommendation to Committee:

- A) That the Committee's Revenue and Capital budget forecast positions as at Quarter 1 / M3 (June) 2024/25 be noted.
- B) That the virements be approved to:
 - Restructure the Committee's budget to more accurately reflect line management and planned staffing structures.

- Distribute the £320k additional planning investment to Development Management and Enforcement.

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.

Quarterly financial monitoring updates are presented 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 impact on the Medium-Term Financial Strategy.

The consolidated forecast position for Quarter 1 will be reported to Strategy & Resources Committee on the 26th September 2024.

Introduction and background

- 1 The 2024/25 Planning Policy revenue budget was proposed at £1,817k on 18th January 2024 and approved by Full Council on the 8th February 2024. Subject to approval by Strategy & Resources Committee on the 26th September, this will be increased by £83k to distribute an amount held corporately for the 2024/25 pay award, bringing the total budget to £1,900k. The increase is assumed within this paper.
- 2 The Community Infrastructure Levy Capital Programme for 2024/25 was approved by Committee at £1,619k on 18th January 2024. Carry forwards of £182k were approved at Strategy & Resources Committee on 27th June 2024 to increase the available budget to £1,801k. It was agreed by Strategy & Resources Committee to revisit the phasing of the Capital Programme for 2024/25 in the September Committee cycle. A proposed unchanged phasing of the Capital Programme for the Committee is set out in paragraph 7 below and will be put forward to Strategy & Resources Committee for approval on the 26th September.

Key implications

Revenue

3 At Month 3 a £34k underspend for the Committee is forecast. It should be noted that despite forecasting an underspend at M3, a number of risks and opportunities are being managed within the budget, particularly:

- Development Management - overspend on salaries due to reliance on contract staff, offset by a surplus on planning application fees leading to an overall surplus against the budget. Pay, non-pay costs and income are being closely monitored.
- Enforcement - overspend on salaries due to reliance on contract staff.
- Planning Strategy & Policy Guidance including the Local Plan. The process of assessing how much will be spent on Planning Policy work and the Local Plan is being developed within the Service and will be considered with due oversight from the Chair and Vice Chair and the Planning Policy Working Group.

4 **Planning Service - Additional Investment**

Investment of £320k in the Planning Policy Committee was approved by the Committee on 18th January 2024 and Full Council in February, as an initial measure to re-base the Committee's budget whilst a line-by-line budget review took place. This was to include strengthening Development Management and investment in delivering the new Enforcement policy, which was most recently considered in June 2024.

Following consultation with the Chair and Vice Chair of the Committee, Planning Service budgets have been recast to reflect the Planning Service Additional Investment of £320k being redirected to the most recent staffing structure in Development Management and Enforcement. Appendix A contains a reconciliation of the budget movements. Some further redistribution within the Committee may be needed later in the year, as the Service's budgets continue to be refined.

If the additional investment required for Development Management and Enforcement exceeds the budget currently assigned to the Committee, the Service Capacity Fund can be accessed to fund specific spending requirements. Additional spend on Enforcement, approved recently by way of an urgency decision, will be met from Committee budgets where possible and the Service Capacity Fund if required.

Use of Planning Reserves

5 At Month 3, the amount to be spent on Planning Policy work and the Local Plan in 2024/25 is being compiled within the Service. The majority of work

and therefore resource is likely to be in 2024/25 and 2025/26. The Council is looking for opportunities for efficiencies, including by joint working with other authorities.

- 6 Funding for the Local Plan and Planning Policy matters in 2024/25 is limited and will require robust management. The maximum funding available for all Planning Policy matters in 2024/25, including the Local Plan and the Neighbourhood Plan, is £1,551k. This consists of £1,021k in the Local Plan reserve, and £20k in the Neighbourhood Plan reserve at the end of 2023/24 and £510k 2024/25 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.

Capital

- 7 For 2024/25 a Capital Budget for Community Infrastructure Levy (CIL) schemes of up to £1,801k is available to the Committee. This consists of £1,619k approved as the original budget for 2024/25 plus carry forwards of £182k approved at Strategy & Resources Committee on 27th June 2024. Whilst this is the available budget, Officers have been considering the likely timing of capital expenditure and the amount required for 2024/25. Strategy & Resources Committee approved that whilst carry-forwards would be approved in totality, the phasing would be reported in the September Committee cycle. The proposed capital programme is set out in Appendix A and summarised below.
- 8 It is proposed that the entire £1,801k be retained as the budget for 2024/25, meaning no rephasing of budget in this Committee.
- 9 The phasing for all Committees will be put forward to Strategy & Resources Committee on 26th September for approval.

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 that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify realistic funding mechanisms.

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 2024/25 Q1 / M3 Financial Report & Supporting Data

Background papers

- Planning Policy Committee 2024/25 Draft Budget, Medium-Term Financial Strategy and capital programme – 18th January 2024
- 2024/25 Final Budget, MTFS and Capital Programme - Strategy and Resources Committee 30th January 2024
- 2024/25 final budget, MTFS and Capital programme – Full Council 8th February 2024
- 2023/24 Budget – Outturn Report – Strategy and Resources Committee 27th June 2024

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