

Quarter 1 - 2024/25

Financial Report - Planning Policy Committee

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Revenue Commentary – Planning Policy

2023-24 Outturn £k		2024-25 Forecast £k	Annual Budget £k	Forecast Variance £k	One-off events £k	Ongoing Pressures £k
526	Development Management	515	582	(67)	(67)	
352	Enforcement	320	247	73		73
270	Appeals	200	200			
104	Tree Preservation & Advice	107	107			
(0.2)	Community Infrastructure Levy (CIL)	2	2	0		
510	Planning Strategy & Policy Guidance inc. Local Plan	510	510			
21	Gatwick Airport DCO	0	0			
(41)	Land Charges, Developer Contribution Management & Street Naming & Numbering	211	251	(40)		(40)
1,742	Planning	1,866	1,900	(34)	(67)	33

Note – the forecast currently assumes that the budgets for the local plan and other planning policy matters are spent in full in 2024/25 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 underspend £34k. The variance mainly comprises of:

(£67k) Development Management underspend forecast variance at year end based upon the following :

£5k overspend on salaries due to reliance on contract staff for longer than originally anticipated. £33k overspend on running costs related mainly to third party external consultant advice and counsel advice.

(£105k) surplus on planning application fees.

£73k Enforcement overspend at year end. £88k salary overspend due to reliance on contract staff offset by one-off lower running costs (M3 £15k under). This £88k salary overspend includes £4k of additional salary budget from Planning Service - Additional Investment.

(£40k) Land Charges, Developer Contribution Management and Street Naming & Numbering underspend. Land Charges income £28k worse than budget caused by external pressures of rising inflation and high interest rates causing reduced activity for the service. The overall position includes a £40k Government grant to facilitate Land Charges LLC1 data migration to Central Government. £40k underspend mainly due to a reduction in Corporate Support service recharges

Planning Service Additional Investment

Planning budgets have been recast to reflect the Planning Service Additional Investment budget of £320k, being redirected to the most recently approved staff structure in Development Management and Enforcement. Some further redistribution of Planning budgets may be need later in the year, as the Committee's budgets are reviewed and re-based on a line-by line basis.

Planning Strategy & Policy Guidance inc. Local Plan

Officers are in the process of assessing how much will be spent on Local Plan development within the service.

Use of Planning Service Additional Investment

Planning Policy Committee	24/25 Annual Budget			
	Committee	Budget	Investment	Redistributed
	Approved	Changes	Redistributed	Budget
	£k	£k	£k	£k
Planning Service - Additional Investment	320		(320)	0
Development Management	447	(180)	316	583
Enforcement	243		4	247
Appeals	200			200
Tree Preservation & Advice	107	0		107
Community Infrastructure Levy (CIL)	(3)	5		2
Planning Strategy & Policy Guidance inc. Local Plan	511	(1)		510
Gatwick Airport DCO	0			0
Land Charges, Developer Contribution Management & Street Naming & Numbering	76	176		251
Total	1,900	(0)	0	1,900

Planning Service Budget movements are described by :

Budget Changes

Items described as "Budget Changes" are pay, non-pay and income moved to reflect (i) prior year budgets, and (ii) line management responsibilities

Investment Redistributed

Items described as "Investment redistributed" are the redistribution of £320k "Planning Service- Additional Investment" budget, which was an initial measure to re-base the Committee's budget whilst a line-by-line budget review takes place. Whilst this is currently shown with Development Management, further distribution to Enforcement may be required as the year progresses and spending need becomes clearer.

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	Unexpected fall in future planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise	
Planning	Planning appeals and associated legal costs may exceed the Committee's budget to deal with such matters (£200k).	The £200k included in the budget is supplemented by amounts held on the balance sheet for known appeals and further supported by the Council's overall contingency of £1.2m.	
Planning	<p>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.</p>	Extensions of time will be sought where appropriate.	

Capital Budget – Planning Policy

Service	Original Budget 2024/25 £k	Carry Forward from 2023/24 £k	Annual Budget 2024-25 £k	Forecast M3 2024/25 £k	Variance M3 2024/25 £k	Nature of Variance	
						Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k
Planning Policy							
Capital contributions to third parties from CIL	1,619	182	1,801	1,801	0	0	0
Total Planning Policy	1,619	182	1,801	1,801	0	0	0

- Capital Budget was approved by Full Council on 8th February 2024 at £1,619k.
- The request for Capital carry forwards of £182k from 2023/24 was approved in the S&R Committee on 27th June 2024.
- The total available budget for 2024/25 is therefore £1,801k.
- Despite the delays sometimes experienced by projects being linked with match funding, the Service doesn't expect any slippage in the projected scheme expenditure at this time.