

# **Quarter 2 - 2024/25**

## **Financial Report - Planning Policy Committee**

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**November 2024**

# Revenue Commentary – Planning Policy

2023-24 Outturn £k		2024-25 Forecast £k	Annual Budget £k	Forecast Variance £k	Change from Qtr1 £k	One-off events £k	Ongoing Pressures £k
526	Development Management	698	582	116	183	116	
352	Enforcement	329	247	82	9		82
270	Appeals	200	200	0	0		
104	Tree Preservation & Advice	107	107	0	0		
(0.2)	Community Infrastructure Levy (CIL)	2	2	0	0		
510	Planning Strategy & Policy Guidance inc. Local Plan	510	510	0	0		
21	Gatwick Airport DCO	0	0	0	0		
(41)	Land Charges, Developer Contribution Management & Street Naming & Numbering	211	251	(40)	0		(40)
<b>1,742</b>	<b>Planning</b>	<b>2,058</b>	<b>1,900</b>	<b>158</b>	<b>192</b>	<b>116</b>	<b>42</b>

**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 overspend £158k (M3 24/25 was £34k under).** The variance mainly comprises of:

**£116k Development Management** overspend forecast variance at year end based upon the following (M3 £67k favourable) : £35k overspend on salaries (M3 £5k over) due to reliance on contract staff for longer than originally anticipated (includes £20k of ecologist cost). £48k overspend on running costs (£33k over in M3) related mainly to third party external consultant advice and legal professional advice.

£33k deficit on planning application fees (M3 £105k surplus). Change due to reduced planning fee volumes. Q2 volumes of high value planning fees (above £10,000), have not supported the Q1 estimate.

**£82k Enforcement** overspend at year end (M3 £73k worse). £86k salary overspend (M3 £88k overspend) due to reliance on contract staff and one-off injunction costs (M6 £2k over, M3 £15k under), offset by £6k Enforcement Appeal Fees income.

**(£40k) Land Charges, Developer Contribution Management and Street Naming & Numbering** underspend (£40k favourable). 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.

# 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	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

Service	Original Budget 2024/25 £k	Carry Forward from 2023/24 £k	Approved Additions and Rephasing £k	Annual Budget 2024-25 £k	Forecast M6 2024/25 £k	Variance M6 2024/25 £k	Nature of Variance	
							Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k
<b>Planning Policy</b>								
Capital contributions to third parties from CIL	1,619	182	0	1,801	1,519	(282)	0	(282)
<b>Total Planning Policy</b>	<b>1,619</b>	<b>182</b>	<b>0</b>	<b>1,801</b>	<b>1,519</b>	<b>(282)</b>	<b>0</b>	<b>(282)</b>

- 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.
- At M6 24/24 slippage of £282k is expected due to delays experienced by projects being linked with match funding.
- Actual expenditure across the Committee's schemes is £310k (17%) at Q2.