

# 2022/23 Tranche 2 budget (Planning Policy)

## Planning Policy Committee – 10<sup>th</sup> March 2022

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Report of: Anna D’Alessandro – Chief Finance Officer (Section 151)  
Purpose: To approve the Tranche 2 Budget Report for 2022/23  
Publication status: Unrestricted  
Wards affected: All

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### Executive Summary:

On 10<sup>th</sup> February 2022, Council approved the 2022/23 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2023/24 which sets out the Council’s strategy for financial recovery and the development of sustainable medium-term financial plans. This report set out that savings and pressures were going to be allocated in 3 Tranches. Tranche 1 was allocated as part of the January cycle of reports and approved by Full Council.

This report sets out the allocation of Tranche 2 pressures for the Planning Policy Committee. Tranche 3 does not apply to this Committee

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**This report supports the Council’s priority of:** Building a better Council.

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### Recommendations to Committee:

That:

- A. subject to further consideration by the Strategy & Resources Committee on the 7th April 2022 regarding the overall allocation of Tranche 2 pressures and savings, the revised 2022/23 net budget for the Planning Policy Committee at **Appendix A** be approved;
- B. the uplifted Fees & Charges for the Planning Policy (**Appendix B**) with the exceptions of the Pre-Application fees (non-householder) be approved; and
- C. authority be delegated to the Chief Planning Officer and Chief Finance Officer, in consultation with the Chair and Vice Chair of the Planning Policy Committee, to review and set the fee method, structure and price for Pre-Application fees (non-householder).

## **Reason for recommendation:**

This report builds on the papers presented Council on 10<sup>th</sup> February 2022, where it was outlined that committees would, in March and April, approve the distribution of the Tranche 2 pressures and the subsequent committee budgets for 2022/23.

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### **1. Introduction**

- 1.1. On 10th February 2022, Council approved the 2022/23 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2023/24, which set out the Council's strategy for financial recovery and the development of sustainable medium-term financial plans.
- 1.2. The Council adopted a 'Twin Track' approach to developing its financial plans in response to these challenges. Track 1 focussed on delivering a balanced budget for 2022/23, whilst Track 2 simultaneously sought to address pressures over the medium-term.
- 1.3. Given capacity constraints in Finance and across the Council at the time, we took a pragmatic approach to the distribution of pressures and savings for January committees and February Council, meaning that some pressures and savings were held in Corporate Items pending distribution. These amounts are referred to as Tranche 2 and Tranche 3. This budget paper presents the distribution of Tranche 2, which includes no savings for Planning Policy, as set out in section 3 below.

### **2. General Fund - Revenue Budget Process to Date**

- 2.1. **The 2022/23 Revenue budget is balanced without the use of Reserves.**
- 2.2. As detailed within the January and February budget papers, the distribution of budgets to Committees is being undertaken in tranches:
  - **February 2022 Council - Tranche 1:** The pressures set out in detail in the January Committee reports. These are the pressures which were straightforward and simple to allocate.
  - **March / April 2022 Committee cycle - Tranche 2:** The distribution of these pressures is brought to this Committee for approval:
    - **£367k of pressures** comprising £193k of staffing increments, and £174k of contract inflation; and
    - **£200k of vacancy factor savings that do not apply to Planning Policy**
  - **June 2022 committee cycle - Tranche 3:** The more complex **cross-cutting savings totalling £450k**, which will require Service Reviews and business cases to be undertaken to ensure accurate distribution to Committees. These savings include £200k enabling services/back-office review, £150k of Twin Track accelerated savings in 2022/23, £25k of

review of staffing increments, pay award and terms and conditions and £75k of ensuring best value for external spend. **Tranche 3 savings will not be allocated to Planning Policy.**

2.3. As part of proposed Financial Regulations (Strategy & Resources to recommend to Council in April 2022), budget accountability statements will be produced. Budget Accountability Statements:

- are addressed to the Budget Accountable Officer (Senior Officers), from the Chief Finance Officer;
- request that the Budget Accountable Officer acknowledges the statement by a defined date (usually three weeks from distribution); acknowledgement returns are monitored by Corporate Finance. The Management Team is regularly updated on progress;
- summarise the financial strategy and direction;
- recap the roles and responsibilities of the Budget Accountable Officer (Senior Officers) that is within the Internal Business and Finance Agreement; and
- outline in financial terms the revenue and capital budgets for each Budget Accountable Officer for 2022/23.

### 3. **Tranche 2 Budget Distribution**

3.1. Tranche 2 distributes the inflation, salary increment and National Insurance (Social Care Levy) pressures. Corporately, these total **£367k of pressures** comprising £193k of staffing increments, and £174k of inflation. Planning Policy's share is set out below. Further budget details in **Appendix A**

**Table 1: Budget distribution reflecting Tranche 2**

	<b>Planning Policy £k</b>
Budgets as at 10/2/2022	1,190
Virements	
Tranche 2 - Pressures	14
Tranche 2 - Savings	0
Movement	14
<b>Tranche 2 Revenue Budget</b>	<b>1,204</b>

#### **4. Fees & Charges**

- 4.1. Charges for services for a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.
- 4.2. It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2022/23 will be a challenging year with ongoing uncertainty relating to the pandemic. This is all exacerbated by the significant uncertainty with funding from Central Government over the medium-term. The Spending Review and the provisional settlement has only provided us with surety for one year.
- 4.3. There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.
- 4.4. Planning Policy fees & charges that are discretionary (pre-application advice) have been reviewed and where appropriate have been uplifted by inflation. Where we believe the fees & charges have been historically charged below the market rate we have uplifted by more than inflation.
- 4.5. A full review into how the Council charges for pre-application (non-householder) planning applications is to be undertaken. The proposal is to review the fee structure, method of charging and price of the service to ensure that appropriate costs are recovered. In order for this to be in place as soon as possible, the report recommends that the Committee delegates authority to the Chief Planning Officer and Chief Finance Officer, in consultation with the Chair and Vice Chair, to resolve the final fees. As a minimum, the revised fees will represent an inflationary uplift on current fees.
- 4.6. **Appendix B** outlines the uplifted fees and charges.

## **5. Comments of the Chief Finance Officer (s151)**

- 5.1. Further to the approval of the 2022/23 Budget by Full Council on 10<sup>th</sup> February (including the approval of Tranche 1 pressures) this report sets out the allocation of Tranche 2 pressures to the Planning Policy Committee which is directly due to the increments of Planning / Planning Policy staff. It is important to note that Tranche 2 savings have not been applied to this Committee and neither will Tranche 3 savings. Given the difficulty facing the service over the last couple of years, and the transformation journey on which it has embarked, it felt prudent to not set savings targets for this Committee in 2022/23. Transformation is expected to be undertaken over the course of the next 18 months, at which point the service should be in a better position to start to realise the benefits of the investment.
- 5.2. As stated in this report, it is imperative that the budget is delivered as stated for 2022/23 and Budget Accountability Statements are signed in acknowledgement. Training will be provided to all budget holders over the coming months to ensure they are familiar with and can extinguish their roles as accountable budget managers and live within their budget envelope.

## **6. Comments of the Head of Legal Services**

- 6.1. 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 both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 6.2. 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.

## **7. Equality**

- 7.1. The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.
- 7.2. Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
  - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.3. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 7.4. Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 7.5. The Officers have reviewed their budget changes against the initial equalities screening tool. This has highlighted and concluded that all of savings within the 2022/23 budget will not have any direct effect on residents or service delivery (such as removal of vacant posts, renegotiation of contracts and Reserve adjustments).
- 7.6. The outcome of this is that the budgetary changes have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the budget-setting process and decision-making by using equality impact assessments.

## **8. Climate Change implications**

- 8.1. There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

## **9. Appendices**

**Appendix A** – Overall & Committee Revenue Budget 2022/23

**Appendix B** – Fees & Charges 2022/23

**Appendix C** – Glossary of Terms

## **10. Background papers**

2<sup>nd</sup> Dec Strategy & Resources – 2022/23 Draft Budget & MTFS to 2023/24

20<sup>th</sup> Jan Planning policy – Outline Final Budget

1<sup>st</sup> Feb Strategy & Resources - Outline Final Budget

10<sup>th</sup> Feb Council – Final Budget

## Appendix A - Revenue Budget 2022/23

### Planning Policy Budget

	2021/22	2022/23		2022/23
	Annual Budget	Tranche 1 Budget	Movement	Tranche 2 Budget
	£k	£k	£k	£k
<b>Organisational:</b>				
Planning Applications & Advice	661	361	(26)	335
Planning Strategy & Policy Guidance	294	294	22	316
Appeals	0	40	0	40
Enforcement	50	224	12	236
Tree Preservation & Advice	0	92	3	95
Local Development Plan - Evidence	174	174	7	182
Transfer to/from Neighbourhood Plan Reserve	8	8	0	8
Street Naming	(3)	(3)	(5)	(8)
<b>General Fund</b>	<b>1,185</b>	<b>1,190</b>	<b>14</b>	<b>1,204</b>
Community Infrastructure Levy (CIL)	0	0	0	0
Land Charges	0	0	0	0
<b>Non General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Planning Policy</b>	<b>1,185</b>	<b>1,190</b>	<b>14</b>	<b>1,204</b>
<b>Transaction type:</b>				
Staffing	1,788	1,788	12	1,800
Non Staffing	376	416	5	421
Income	(2,644)	(2,679)	(6)	(2,684)
Use of Reserves (Non General Fund)	1,665	1,665	3	1,668
<b>Net Budget</b>	<b>1,185</b>	<b>1,190</b>	<b>14</b>	<b>1,204</b>

	Tranche 2:			
	Pay	Non Pay	Income	Net Budget
	£k	£k	£k	£k
<b>Organisational:</b>				
Planning Applications & Advice	1,011	62	(738)	335
Planning Strategy & Policy Guidance	301	15		316
Appeals		40		40
Enforcement	221	15		236
Tree Preservation & Advice	95	0		95
Local Development Plan - Evidence	4	178		182
Transfer to/from Neighbourhood Plan Reserve		8		8
Street Naming			(8)	(8)
<b>General Fund</b>	<b>1,631</b>	<b>319</b>	<b>(746)</b>	<b>1,204</b>
Community Infrastructure Levy (CIL)	118	1,682	(1,800)	0
Land Charges	51	87	(138)	0
<b>Non General Fund</b>	<b>169</b>	<b>1,769</b>	<b>(1,938)</b>	<b>0</b>
<b>Planning Policy</b>	<b>1,800</b>	<b>2,088</b>	<b>(2,684)</b>	<b>1,204</b>

Note: Whilst updating the pay budgets, some posts have been aligned to reflect the current structure

## Appendix B: Fees & Charges

Planning Committee - Fees and Charges	Gross Charges (Incl VAT if applicable) Current Charges 2021/22	Proposed Gross Charges (incl VAT if applicable) 2022/23	Percentage Increase 2022/23 %	Budgeted Income 2021/22 £	Actual YTD at Sept21	Expected Outturn 2021/22	Proposed Budget 2022/23
<b>Planning Fees*</b>							
Planning Application Fees ( set nationally)	Varied List	Varied List	0.0%	584,600	362,374	584,600	634,600
Planning Conditions (set nationally)	97.00	97.00	0.0%	6,500	330	6,500	6,500
Charges for Pre-application Meeting (Non Householder)	£171 to £1469	To be finalised	To be finalised	79,800	2,590	15,000	64,800
Charges for Pre-application Meeting (Householders)	122.00	127.00	4.5%	25,000	5,425	25,000	25,000
High Hedges (new)	0.00	800.00		0	0	0	0
<b>Community Infrastructure Levy (CIL)*</b>				1,800,000	330,512	700,000	1,800,000
Convenience Retail	£103 per Sq Meter	£103 per Sq Meter	0.0%				
Residential	£123 per Sq Meter	£123 per Sq Meter	0.0%				
Street Naming & Numbering	From £12 to £180	From £10 to £200		3,200	4,720	8,000	8,000
<b>Land Charges</b>							
LLC1	28.00	30.00	7.5%	27,200	4,768	9,536	27,200
CON29	138.00	180.00	30.0%	110,500	62,935	115,000	115,000
Extra Parcels	24.00	25.00	4.0%				1,000
Part 2 Questions (CON 290)	21.60	25.00	16.0%				
Solicitors own Questions	62.00	65.00	5.0%				
Refresher Searches (new)	0.00	60.00	0.0%				
Section 106 service (no Budget)	10.00	25.00	150.0%				100
<b>Total Fees and Charges</b>				<b>2,636,800</b>	<b>773,654</b>	<b>1,463,636</b>	<b>2,682,200</b>



## Appendix C – Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
CIL – The Community Infrastructure Levy	Community Infrastructure Levy is a charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area.
Pressure	<p>Known budgeted expenditure increases and income reductions due to the following:</p> <ul style="list-style-type: none"> <li>• Growth factors – e.g. demographic, inflation and/or increased demand for services;</li> <li>• Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or</li> <li>• Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.</li> </ul>
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> <li>• Containing additional costs of Inflationary increases in contracts or pay;</li> <li>• Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money;</li> <li>• The delivery of new or additional services; and/or</li> <li>• Optimising sources of income.</li> </ul>
Reserves: General Fund balance	A contingency fund - money set aside for emergencies or to cover any unexpected costs that may occur during the year, such as unexpected repairs.
Reserves: Earmarked Reserves	Funds set aside by Council for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings or equalising over time a particular income stream.