

# Quarter 1 2022/23 Budget Monitoring - Planning Policy Committee

## Planning Policy Committee Thursday, 22 September 2022

Report of: Mark Hak-Sanders - Chief Finance Officer (Section 151)

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Purpose: To note the 2022/23 Quarter 1 / Month 3 (June) financial position of the Committee.

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Publication status: Unrestricted

Wards affected: All

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### **Executive summary:**

This report presents the 2022/23 Quarter 1 / Month 3 (June) financial position of both Revenue and Capital for the Committee.

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### **This report supports the Council's priorities of:**

Building a better Council/ Creating the homes, infrastructure and environment we need / supporting economic recovery in Tandridge/ Becoming a greener, more sustainable District.

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### **Recommendation to Committee:**

That the Committee's forecast Revenue and Capital budgets positions as at Quarter 1 / M3 (June) 2022 be noted.

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## **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.

Finance have committed to bringing quarterly financial monitoring updates 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 as background to the emerging budget for 2023/24.

The consolidated position will be reported to Strategy & Resources Committee on the 29<sup>th</sup> September 2022.

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## **Introduction and background**

- 1 The 2022/23 Planning Policy Committee Revenue budget was approved at £1,204k on 10<sup>th</sup> March 2022, including the distribution of budget for staffing increments (known as the Tranche 2 budget).
- 2 The 2022/23 Planning Policy (Community Infrastructure Levy) Capital Budget was approved at £1.6m by Council on 10<sup>th</sup> February 2022 having been considered by Planning Policy Committee on the 20<sup>th</sup> January 2022.
- 3 This was increased to £2.1m by carry-forwards from 2021/22 approved by S&R committee on 30<sup>th</sup> June 2022.

## **Summary**

- 4 The key headline at M3 is a forecast revenue overspend of £124k in the Planning Applications and Advice budget. Further details are included in Appendix A. The overspend relates to:
  - Greater than expected spend on counsel on resulting from the decision to serve injunctions rather than enforcement notices
  - Salaries, due to a continuing heavy dependence on contract staff in the first quarter of the financial year
  - Greater than anticipated on external consultant advice and late invoice from SCC historic build for fees due in 2021/22
  - Offset by planning application fee income being better than expected income in the first 3 months
- 5 The service is endeavouring to take mitigating action by transitioning from contract to permanent staff; greater dependence on injunctions to deter planning breaches and reduce cost of appeals.

- 6 The Planning Policy position will continue to be monitored, including the impact of an increase in the use of permanent staff rather than interims, and consolidated with the overall Council position. A report to S&R committee on 29<sup>th</sup> September will set out the total Council position along with potential corporate mitigations.
- 7 The capital position is under review and will be updated as part of the Quarter 2 report. At Quarter 1 it is assumed to be on-budget.

## **Key implications**

### **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 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.

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’s M3 (June) 2022 Financial Report and supporting data.

## **Background papers**

- Planning Policy Committee 22/23 draft budget and Medium-Term Financial Strategy – 20<sup>th</sup> January 2022
- 2022/23 final budget and 2023/24 MTFS - Strategy and Resources Committee 1st February 2022
- Planning Policy Committee - 2022/23 Budget – Tranche 2 Pressure and Savings Distribution – 10<sup>th</sup> March 2022
- 2021/22 Budget – Outturn Report – Strategy and Resources Committee 30<sup>th</sup> June 2022

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