

Quarter 2 2022/23 Budget Monitoring - Planning Policy Committee

Planning Policy Committee Thursday, 24 November 2022

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

Purpose: To note the 2022/23 Quarter 2 / Month 6 (September) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2022/23 Quarter 2 / Month 6 (September) financial position of both Revenue and Capital for the Committee.

This report supports the Council's priority 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 budget positions as at Quarter 2 / M6 (September) 2022 be noted.

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 for quarter 2 will be reported to Strategy & Resources Committee on the 1st December 2022.

Introduction and Background

1. The 2022/23 Planning Policy Committee Revenue budget was approved at £1,204k on 10th 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 10th February 2022 having been considered by Planning Policy Committee on the 20th January 2022.
3. This was increased to £2.1m by carry-forwards from 2021/22 approved by S&R committee on 30th June 2022.

Revenue Headlines

4. Planning Policy Committee is forecasting an £86k full-year overspend, a £37k improvement from Q1 (M3), mainly due to:

£92k Planning Application and Advice Planning Application and Advice variance consisting of:

- £164k overspend on salaries. Previously, the service has been reliant on contract staff and has gone through an organisational change which will lead to some mitigation (net £15k improvement from Qtr1 comprising, £24k restructure improvement offset by £9k one-off costs)
- £32k overspend on specialist recruitment to obtain skilled permanent staff (£32k deterioration from Qtr1)

- £20k overspend - Greater than expected spend on counsel on resulting from the decision to serve injunctions rather than enforcement notice (£10k deterioration from Qtr1)
- £43k overspend - greater than anticipated on external consultant advice. (£4k deterioration from Qtr1)

Offset by

- £167k surplus on planning application fee income being better than expected in the first 3 months (£61k improvement from Qtr1)

£9k Enforcement underspend due to staff churn and third party expenditure (£7k favourable) and enforcement appeals income (£2k favourable) - (£5k improvement from Qtr1).

5. The service is endeavouring to take mitigating action by completing the transition 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 1st December will set out the total Council position along with potential corporate mitigations.

Capital Programme Update

7. At M6, the Planning Policy (CIL) capital allocation is forecasting £1,619k of slippage due to rephasing of expected contributions. Further details are set out in Appendix A. As this is CIL funded it has no General Fund impact.

Key implications

Comments of the Chief Finance Officer

8. 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

9. 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 M6 (September) 2022 Financial Report and supporting data

Background papers

Planning Policy Committee 22/23 draft budget and Medium-Term Financial Strategy – 20th 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 – 10th March 2022

2021/22 Budget – Outturn Report – Strategy and Resources Committee 30th June 2022

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