

Month 6 (September 22) Financial Report – Planning Policy Committee

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Chief Finance Officer (S151)

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Revenue Commentary – Planning Policy

Note – the forecast assumes that the budgets for the local plan and other planning policy matters are spent in full in 2022/23 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.

2021/22 Outturn	Forecast at M06		Annual Budget		Outturn Variance from M03		Change		One-off events		Ongoing Pressures	
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
816 Planning Applications & Advice	428	335	92	(30)	31	62						
294 Planning Strategy & Policy Guidance	316	316	0	0	0	0						
50 Enforcement	267	276	(9)	(5)	(9)	0						
(2) Tree Preservation & Advice	95	95	(0)	0	(0)	0						
0 Community Infrastructure Levy (CIL)	0	0	0	(0)	0	0						
174 Local Development Plan - Evidence	182	182	0	(0)	0	0						
0 Gatwick Airport DCO	2	0	2	(0)	2	0						
9 Transfer to/from Neighbourhood Plan Reserve	8	8	0	0	0	0						
(10) Land Charges and Street Naming	(6)	(8)	2	(3)	2	0						
1,332 Planning	1,290	1,204	86	(37)	25	62						

Planning Policy – Forecast overspend : £86k (Change from Q1:£37k improvement)

The forecast variance mainly comprises of:

- **£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 income 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)

The service is endeavouring to take mitigating action by greater dependence on injunctions to deter planning breaches and reduce cost of appeals

Capital Budget – Planning Policy

Scheme Name	Original Budget		Carry Forward		Budget including Carry Forwards		Forecast Variance M6	
	2022/23	2021/22	2021/22	2022/23	2022/23	2022/23	2022/23	2022/23
	£k	£k	£k	£k	£k	£k	£k	£k
Capital contributions to third parties from CIL	1,667	479	2,146	527	(1,619)			
Total Capital Programme	1,667	479	2,146	527	(1,619)			

- The Capital Budget for Planning Policy consists of the Capital Contributions for Community Infrastructure Levy. When the budget was set, this consisted of £1.7m, with a further £950k as part of the Croydon Road scheme in S&R.
- Carry forwards agreed as part of the 30th June S&R committee have increased this to £2.1m, as set out above.
- The forecast against this has been reviewed with the Budget Holder and current expectation is for spend of £0.5m; £1.6m less than budget. As this is CIL funded, there is no General Fund impact. The variance relates to:
- Forecast delays where the budget assumed earlier agreement on Grant letters/agreements for Waringham Green, Burstow Road Safety and Blanchmans in 2022/23.
- The budget also reflects some older CIL Grants which are subject to external fund raising, which has been slow due to Covid-19 or agencies needing to re-schedule works due to shifting programmes.

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	Likely Financial Risk £k
Planning	Local Plan business case roadmap unforeseen costs and alternatives required	Additional costs would be offset within the Local Plan reserve in the first instance		
Planning	The need for externalising legal work could increase as more complex planning matters arise and thereby causing a possible cost pressure within planning services	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Unexpected fall of in planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Although the Council's decision to serve injunctions, rather than enforcement notices, drives the need for external specialist Counsel costs, it does have a long term benefit for the Council.	Use of injunctions, results in a long term saving through deterrent effect on other individuals wanting to breach planning control and overall reduction in cost of planning appeals		
Planning	Gatwick Airport Development Consent Order. Gatwick Airport has set out its proposal to bring its existing northern runway into regular use, alongside its main runway, as set out in its masterplan. The Council will incur specialist consultant advice to respond to each stage of the consultation process.	Value for money will be achieved by working with other Councils to secure the most effective, efficient and economical services to deliver the Councils responses to the consultation.	£68k - £48k	£58k