

Quarter 3 2022/23 Budget Monitoring - Planning Policy Committee

Planning Policy Committee Thursday, 23 March 2023

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

Purpose: To note the 2022/23 Quarter 3 / Month 9 (December) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2022/23 Quarter 3 / Month 9 (December) 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 3 / M9 (December) 2022/23 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 in terms of the effect on the budget for 2023/24.

The consolidated position for quarter 3 will be reported to Strategy & Resources Committee on the 30 March 2023.

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 a £126k full-year overspend, a deterioration from £86k in Qtr2 (M6). The overall overspend is mainly due to:

£121k Planning Application and Advice Planning Application and Advice variance consisting of:

- £147k overspend on salaries. Currently, the Planning Policy service is heavily reliant on contract staff and is going through an organisational change which should lead to some mitigation (net £20k improvement from Qtr2 by allocation of Chief Planning Officer time to Planning Policy)
- £32k overspend on specialist recruitment to obtain skilled permanent staff (unchanged from Qtr2).
- £15k overspend on specialist legal advice (£5k improvement from Qtr2, as expected costs awarded against Council risk diminishes over time, offset by emerging injunction risk).
- £35k overspend on third party external consultant advice including retail impact assessments & highways matters. (£5k improvement from Qtr2).

Offset by

- (£108k) surplus on planning application fee income (£59k deterioration from Qtr2 driven by a significant planning application fee drop in October 2022. Developers appear to be adopting a much more cautious approach to committing to future development). Income levels will need to be closely monitored in 2023/24.

£22k Gatwick Airport DCO overspend due to engagement of specialist consultants to assist with Council response to public consultation - (£20k deterioration from Qtr2).

£2k Tree Preservation overspend related to employee expenses (including mileage) - (£2k deterioration from Qtr2).

Offset by

(£17k) Enforcement £18k salary overspend due to use of interim, whilst permanent staff recruited, third party expenditure (£32k) favourable, as appeals risks reduce with time and enforcement appeals income (£3k favourable) - (£8k improvement from Qtr2).

(£2k) Street Naming (£2k) income surplus driven by fees from developers - (£3k improvement from Qtr2).

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 30 March 2023 will set out the total Council position along with potential corporate mitigations.

Capital Programme Update

7. At M9, the Planning Policy (CIL) capital allocation is forecasting £2,085k 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

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 M9 (December) 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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