

Month 9 (December 2022)

Financial Report - Planning Policy Committee

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Chief Finance Officer (S151)

March 2023

Revenue Commentary – Planning Policy

2021/22 Outturn £k	Forecast at Q3 £k	Annual Budget £k	Outturn Variance £k	Change from Q2 £k	One-off events £k	Ongoing Pressures £k
816 Planning Applications & Advice	457	335	121	29	33	88
294 Planning Strategy & Policy Guidance	316	316	0	0	0	0
50 Enforcement	259	276	(17)	(8)	(17)	0
(2) Tree Preservation & Advice	97	95	2	2	2	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	22	0	22	20	22	0
9 Transfer to/from Neighbourhood Plan Reserve	8	8	0	0	0	0
(10) Land Charges and Street Naming	(10)	(8)	(2)	(4)	(2)	0
1,332 Planning	1,330	1,204	126	40	38	88

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.

Planning Policy overspend £126k (deterioration of £40k since Q2) The variance mainly comprises of:

- **£121k Planning Application and Advice**
- £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 (£20k improvement from Q2 driven by allocation of Chief Planning Officer time to Planning Policy)
- £32k one off overspend on third party specialist recruitment to obtain skilled permanent staff (unchanged from Q2)
- £15k Overspend on specialist legal advice (£5k improvement from Q2, 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 since Q2)
- Offset by
- (£108k) surplus on planning application fee income (£59k deterioration from Q2 driven by a significant planning application fee drop in Sept and Oct 22. Developers appear to be adopting a much more cautious approach to committing to future development)
- **£22k Gatwick Airport DCO** overspend due to engagement of specialist consultants to assist with Council response to public consultation - (£20k deterioration from Q2)
- **£2k Tree Preservation** overspend related to employee expenses (including mileage) - (£2k deterioration from Q2)

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 Q2).
- **(£2k) Street Naming** £2k income surplus driven by fees from developers - (£3k improvement from Q2).

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

Capital Budget – Planning Policy

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget including Carry Forwards 2022/23	FY Forecast at Q3	Forecast Variance at Q3
	£	£	£	£	£
Capital contributions to third parties from CIL	1,667	479	2,146	61	(2,085)
Total Capital Programme	1,667	479	2,146	61	(2,085)

- The Capital Budget for Planning Policy consists of the Capital Contributions for Community Infrastructure Levy. When the budget was set, this consisted of £1,667k, 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 £2,146k, as set out above.
- The forecast against this has been reviewed at Q3 with the Budget Holder and current expectation is for spend of £61k, £2,085k 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 Warlingham Green and Burstow Road Safety 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: continued

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.	£48k - £68k	£58k