

# 2022/23 Budget Outturn - Planning Policy Committee

## Planning Policy Committee Thursday, 22 June 2023

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

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Purpose: To note the 2022/23 Outturn / Quarter 4 / Month 12 (March) financial position of the Committee.

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Publication status: Unrestricted

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Wards affected: All

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### Executive summary:

This report presents the 2022/23 Outturn / Quarter 4 financial position of both the revenue and capital budgets for this Committee.

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**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 Revenue and Capital budget positions as at Quarter 4 / M12 (March) 2022/23 be noted.

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## Reasons 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 savings are 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 will be reported to Strategy & Resources Committee on the 29<sup>th</sup> June 2023.

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### 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 reporting an actual full year variance of £55k overspend, an improvement from £126k in Quarter3 (M9). The overall overspend is mainly due to:

**£74k Planning Application and Advice** variance consisting of:

- £84k 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 (£147k overspend in quarter 3). Change primarily due to reduction in Development Management staffing costs, including staff commencing employment later than forecast in quarter 3.

- £43k overspend on specialist recruitment to obtain skilled permanent staff (£32k overspend in quarter 3).
- £1k overspend on specialist legal advice. (£15k overspend in quarter 3). At Q3 the forecast assumed £15k additional legal costs, but the risk of this diminished over Q4 to a £1k overspend at outturn.
- £26k overspend on third party external consultant advice including retail impact assessments & highways matters. (£35k overspend in quarter 3).

Offset by

- (£80k) surplus on planning application fee income (£108k surplus in quarter 3). Change in forecast due to:
  - (i) softening in developer demand
  - (ii) deferment of spending government grant to 2023/24
  - (iii) Pre app interim churn has resulted in some pre app income being received in advance of work done, income has been carried to 2023/24

Income levels will continue to be closely monitored in 2023/24.

**£2k Gatwick Airport DCO** overspend due to engagement of specialist consultants to assist with Council response to public consultation - (£22k overspend in quarter 3). Change in timing of operational expenditure between quarter 3 and outturn.

Offset by

**(£1k) Tree Preservation** underspend related to employee expenditure (including mileage) - (£2k overspend in quarter 3).

**(£17k) Enforcement** £29k salary overspend due to use of interim, whilst permanent staff recruited, third party expenditure (£39k) favourable, as appeals risks did not materialise in year and enforcement appeals income (£7k favourable) - (overall (£17k) underspend in quarter 3).

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

5. The service is endeavouring to take mitigating action to reduce overspends in 2023/24 by completing the transition to permanent staff.

6. The outturn position assumes that the budgets for the local plan and other planning policy matters remain ringfenced to the local plan and are therefore held for future spend. 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. The current unspent balance is £1.047m, with a further £0.5m in the 2023/24 budget for planning policy matters, including the local plan.
7. The Planning Policy Committee position will continue to be monitored into 2023/24, 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 June 2023 will set out the total Council position along with potential corporate mitigations for 2023/24 risks.

## **Capital Programme Update**

8. At quarter 4, the Planning Policy (CIL) capital allocation is reporting an actual slippage of £2,108k due to rephasing of expected contributions. £2,085k of slippage was reported in quarter 3. 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 - Committees M12 (March) 2023 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 30<sup>th</sup> June 2022

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