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| REPORT TO: | Planning Policy Committee - 28 November 2023 |
| SUBJECT: | Budget Monitoring Report to 30 September 2023 |
| LEAD OFFICER: | Antony Baden – Group Head of Finance & Section 151 Officer |
| LEAD MEMBER: | Councillor Martin Lury, Chair of Planning Policy Committee |
| WARDS: | All |
| CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's budget supports all the Council's Objectives. | |
| DIRECTORATE POLICY CONTEXT: Budget monitoring and forecasting are key in ensuring sound financial control and control of spending is in place. It is also a major part in ensuring sound governance arrangements. | |
| FINANCIAL SUMMARY: The report shows the Committee's Revenue budget forecast out turn position for 2023/24 as at the end of Quarter 2. | |

1. PURPOSE OF REPORT

1.1. The purpose of this report is to apprise the Planning Policy Committee of its forecast out turn against the 2023/24 budgets, which were approved by Full Council at its meeting of the 9 March 2023.

2. RECOMMENDATIONS

1.2. To note the report.

2. EXECUTIVE SUMMARY

2.1. The report sets out in further detail the Committee's Revenue budget performance projections to the 31 March 2024.

3. DETAIL

3.1. Table 1 below details the 2023/24 forecast out turn as at Quarter 2 and anticipates an overspend of £452,000, which is an adverse movement of £452,000 against the outturn to budget position reported in Quarter 1. The variances are outlined in paragraphs 4.2 to 4.4 below.

Table 1

| Description | Last Year Actual | Original Budget | Curr Budget | Forecast | Variance (Q2) | Variance (Q1) | Change |
|--|------------------|-----------------|----------------|------------------|----------------|---------------|----------------|
| | | £ | | £ | £ | £ | £ |
| Employees | 1,677,029 | 2,126,110 | 2,126,110 | 1,450,500 | (676,000) | - | (676,000) |
| Premises | 100 | 150 | 150 | 150 | - | - | - |
| Transport | 11,741 | 18,010 | 18,010 | 18,010 | - | - | - |
| Supplies and Services | 890,653 | 535,710 | 535,710 | 1,105,710 | 570,000 | - | 570,000 |
| Support Services | 67,296 | 72,000 | 72,000 | 72,000 | - | - | - |
| Income | (1,412,888) | (1,845,500) | (1,845,500) | (1,287,500) | 558,000 | - | 558,000 |
| Planning Policy Committee - Total | 1,255,931 | 906,480 | 906,480 | 1,358,870 | 452,000 | - | 452,000 |

- 3.2. A £558,000 under achievement of planning fee income against budget is anticipated. Application fee income and workload was buoyant for a sustained period over the past three financial years prior to 2023/24. As a result, the fee income budget for 23/24 was derived based on this buoyant over-achievement during this long period of time. It was a reasonable assumption to make at the time but there has been a drop off in applications in recent months. It was hoped that the drop would be followed by a peak, but this has not happened, and the forecast has been reduced, resulting in a pressure of £558,000.
- 3.3. This is a national issue and Members will note that other West Sussex authorities are experiencing similar significant reductions in planning application fee income. The Government has recently confirmed that planning application fee increases will be applicable from the 6 December 2023. The increase will be between 25% and 35% and could have a big positive impact on fee income for the remainder of 2023/24. It could also have a big impact beyond the current financial year because application fee income is now index linked to annual increases.
- 3.4. An underspend of £676,000 is anticipated in relation to the very high level of vacancies across the planning service due to the difficulty in recruiting suitable and qualified staff. However, this is partially offset by a cost of £570,000 to cover those vacancies with the use of external companies and specialist consultants.

4. CONSULTATION

- 4.1. Consultation with other stakeholders is not required for this report.

5. OPTIONS / ALTERNATIVES CONSIDERED

- 5.1. There are no alternative options to this report.

6. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 6.1. There are no additional financial implications arising from the matters set out in this report. Committee will note that the Group Head of Finance & Section 151 Officer will work throughout the financial year with other Group Heads to mitigate any overspends that have been highlighted in the report and to maximise potential income generation opportunities/cost avoidance efficiencies.

7. RISK ASSESSMENT CONSIDERATIONS

- 7.1. Regular budget monitoring and forecasting mitigates against the risk of poor financial control and ensures that Members are informed when corrective action is required and what action has been taken.

8. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 None.

9. HUMAN RESOURCES IMPACT

- 9.1. None.

10. HEALTH & SAFETY IMPACT

- 10.1. None.

11. PROPERTY & ESTATES IMPACT

- 11.1. None.

12. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 12.1. None.

13. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

- 13.1. None.

14. CRIME AND DISORDER REDUCTION IMPACT

- 14.1. None.

15. HUMAN RIGHTS IMPACT

- 15.1. None.

16. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

- 16.1. None.

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

[Budget Book 2023/24](#)

[Minute 779, Full Council 9 March 2023 – Arun District Council budget 2023/24.](#)

[Quarter 1 Budget Monitoring Report, Planning Policy Committee, Minute 258.](#)