

# FAREHAM

## BOROUGH COUNCIL

### Report to Planning Committee

**Date** 19 January 2022

**Report of:** Director of Planning and Regeneration

**Subject:** ACTUAL REVENUE EXPENDITURE

#### SUMMARY

This report sets out for the information of Members details of the actual revenue expenditure for 2020/21 in respect of the services for which this Committee is responsible.

#### RECOMMENDATION

The Committee is asked to note the content of the report.

## INTRODUCTION

1. The final accounts for the financial year for this Committee shows that the actual expenditure of £848,628 was £249,628 (42%) above the revised budget of £599,000 which was agreed by the executive in December 2020.
2. The actual totals of gross expenditure and income are set out in the table below.

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	£	£	£
Employees	762,200	894,597	132,397
Transport	11,500	9,774	-1,726
Supplies & Services	167,100	334,954	137,854
Third Party Payments	113,300	106,350	-7,370
Internal Recharges	185,900	172,350	-13,550
<b>GROSS EXPENDITURE</b>	<b>1,212,900</b>	<b>1,517,705</b>	<b>277,705</b>
Other Income	-2,600	-96	2,504
Fees & Charges	-641,000	-669,077	-28,077
<b>GROSS INCOME</b>	<b>-641,000</b>	<b>-848,628</b>	<b>-28,077</b>
<b>NET EXPENDITURE</b>	<b>599,000</b>	<b>848,628</b>	<b>249,628</b>

3. The main reasons for the variance was because of additional spend on employee costs due to additional pension costs that are removed from the overall council position. There was also increased spend on consultants and legal costs in relation to planning applications and appeals. Application fee income and work from the legal partnership exceeded the budgeted fees and charges projection, offsetting the overall appeals costs.
4. The actual net revenue expenditure for the year analysed over the main services heading is shown in the following table:-

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	£	£	£
Planning Applications	108,200	204,175	95,975
Planning Advice	204,300	224,323	20,023
Planning Enforcement	140,700	156,317	15,617
Planning Appeals	145,800	263,813	118,013
	<b>599,000</b>	<b>848,628</b>	<b>249,628</b>

5. A detailed breakdown of the actual cost of the individual services is shown in Appendix A. The main variations which exceed £5,000 from the approved budgets are detailed below.

## **PLANNING APPLICATIONS**

6. The service was overspent by just under £96,000, the main reason for variance was a large overspend in the employee budget of £81,500. This was due to additional pension costs of £92,500 which has been offset by various staffing savings during the year of £13,000.
7. There were additional use of consultants for providing specialist advice, such as habitat, ecology and various viability assessments contributing to a £58,900 overspend in this area.
8. There was additional income of £48,700 from the Southampton and Fareham Legal Partnership from costs recovered for work on S106 agreements.
9. Despite a slow start to planning application income during the year, the number of applications has nearly doubled from the previous year. There was increased income of £138,000 compared to the previous financial year, however the overall variance in income from applications was a shortfall of £13,700 during the year.

## **PLANNING ADVICE**

10. The overall overspend for this service was just over £20,000. There were savings from vacant posts throughout the year although this was offset by an overspend due to pension costs of £32,200.
11. Income was slightly less than budgeted by £2,500.

## **PLANNING ENFORCEMENT**

12. The overall overspend for this service was just over £15,000. The main reason for this was additional pension costs of £19,600.

## **PLANNING APPEALS**

13. The overall overspend for this service was just over £118,000. There were a number of high profile planning appeals requiring the use of consultants and legal representation.
14. The largest spend on appeals during the year included Newgate Lane North and South (£170,000), the Tithe Barn (£30,650), Newgate Lane gypsy and traveller appeal (£7,900).
15. There were also two judicial reviews during the year, Save Warsash (£15,100) and Egmont Nurseries (£3,000) with final costs to be concluded in 2021/22.

## **RISK ASSESSMENT**

16. The council notes the ongoing costs of appeals. This is being monitored and managed within existing council resources.
17. Market conditions are causing unprecedented demand on external supply chains. FBC are unable to negotiate good terms as consultants are choosing favourable work or have little or no capacity to complete the demands of the planning service.

## **CONCLUSION**

18. The cost of the services provided by this Committee was £249,628 higher than anticipated when the revised budgets were prepared and the reasons for this are set out in this report.
19. Any overspends against the overall budget will have to be offset by corresponding underspends within other committees or portfolio budgets. Where this is not possible then reserves will have to be used to balance the council's accounts.

### **Enquiries:**

For further information on this report please contact Neil Wood. (Ext 4506)

## APPENDIX A

PLANNING COMMITTEEACTUAL OF EXPENDITURE AND INCOME 2020/21

	<b>Revised Budget 2020/21 £</b>	<b>Actual 2020/21 £</b>	<b>Variance 2020/21 £</b>
Planning Applications	108,200	204,175	95,975
Planning Advice	204,300	224,323	20,023
Planning Enforcement	140,700	146,346	15,617
Planning Appeals	145,800	263,813	118,013
	<b>599,000</b>	<b>848,628</b>	<b>249,628</b>

	<b>Revised Budget 2020/21 £</b>	<b>Actual 2020/21 £</b>	<b>Variance 2020/21 £</b>
<b><u>SUBJECTIVE ANALYSIS</u></b>			
Employees	762,200	894,597	132,397
Transport	11,500	9,774	-1,726
Supplies & Services	167,100	334,954	167,854
Third Party Payments	113,300	106,030	-7,270
Internal Recharges	185,900	172,350	-13,550
<b>GROSS EXPENDITURE</b>	<b>1,212,900</b>	<b>1,517,705</b>	<b>277,705</b>
Other Income	-2,600	-96	2,504
Fees & Charges	-638,400	-669,077	-30,581
<b>GROSS INCOME</b>	<b>-641,000</b>	<b>-668,981</b>	<b>-28,077</b>
<b>NET EXPENDITURE</b>	<b>599,000</b>	<b>848,628</b>	<b>249,628</b>

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	£	£	£
<b><u>PLANNING APPLICATIONS</u></b>			
EMPLOYEES	473,200	554,704	81,504
TRANSPORT EXPENDITURE	7,600	6,408	-1,192
SUPPLIES AND SERVICES	32,900	92,742	59,842
THIRD PARTY PAYMENTS	88,600	84,917	-3,683
INTERNAL RECHARGES	122,200	112,312	-9,888
<b>GROSS EXPENDITURE</b>	<b>724,500</b>	<b>851,083</b>	<b>126,583</b>
OTHER INCOME	-2,600	-96	2,504
FEES AND CHARGES	-613,700	-646,812	-33,112
<b>GROSS INCOME</b>	<b>-616,300</b>	<b>-646,908</b>	<b>-30,608</b>
<b>NET EXPENDITURE</b>	<b>108,200</b>	<b>204,175</b>	<b>95,975</b>

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	£	£	£
<b><u>PLANNING ADVICE</u></b>			
EMPLOYEES	165,000	193,009	28,009
TRANSPORT EXPENDITURE	1,500	1,188	-312
SUPPLIES AND SERVICES	6,000	1,813	-4,187
THIRD PARTY PAYMENTS	16,100	13,356	-2,744
INTERNAL RECHARGES	40,400	37,126	-3,274
<b>GROSS EXPENDITURE</b>	<b>229,000</b>	<b>246,492</b>	<b>17,492</b>
FEES AND CHARGES	-24,700	-22,169	2,531
<b>GROSS INCOME</b>	<b>-24,700</b>	<b>-22,169</b>	<b>2,531</b>
<b>NET EXPENDITURE</b>	<b>204,300</b>	<b>224,323</b>	<b>20,023</b>

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>PLANNING ENFORCEMENT</u></b>			
EMPLOYEES	98,400	117,661	19,261
TRANSPORT EXPENDITURE	2,400	2,092	-308
SUPPLIES AND SERVICES	13,300	12,063	-1,237
THIRD PARTY PAYMENTS	8,600	7,757	-843
INTERNAL RECHARGES	18,000	16,744	-1,256
<b>NET EXPENDITURE</b>	<b>140,700</b>	<b>156,317</b>	<b>15,617</b>

	<b>Revised Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Variance 2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>PLANNING APPEALS</u></b>			
EMPLOYEES	25,600	29,223	3,623
TRANSPORT EXPENDITURE	0	86	86
SUPPLIES AND SERVICES	114,900	228,336	113,436
INTERNAL RECHARGES	5,300	6,168	868
<b>NET EXPENDITURE</b>	<b>145,800</b>	<b>263,813</b>	<b>118,013</b>

<b>TOTAL PLANNING COMMITTEE</b>	<b>599,000</b>	<b>848,628</b>	<b>249,628</b>
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