

Committee(s)	Dated:
Planning & Transportation Committee	12/12/2023
Subject: Revenue and Capital Budgets 2024/25	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain Interim Executive Director Environment	For Decision
Report author: Dipti Patel, Chamberlain's Department	

Summary

This report presents for approval the revenue and capital budgets for the Planning & Transportation Committee for 2024/25.

Overall, the proposed revenue budget for 2024/25 totals (£18.364m), an increase in net expenditure of (£1.797m) compared to the 2023/24 Original Budget of (£16.567m).

The proposed budget for 2024/25 has been prepared within the provisional resource envelopes allocated to the Interim Executive Director Environment by Resource Allocation Sub-Committee in October 2023, including an inflation increase of 3% and the full year impact of pay increases to staff arising from the pay deal effective from July 2023. The proposed budget includes £110,000 in unidentified savings and a £155,000 vacancy factor to be achieved during 2024/25.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced City Fund budget.

Recommendation(s)

Members are asked to:

- i) review and approve the proposed revenue budget for 2024/25 for submission to Finance Committee;

- ii) review and approve the proposed capital budgets for 2024/25 for submission to Finance Committee;
- iii) agree that amendments for 2023/24 and 2024/25 budgets arising from changes to recharges or any further implications arising from subsequently approved savings proposals, changes to the Cyclical Works Programme, or changes to the resource envelope be delegated to the Chamberlain in consultation with the Interim Executive Director Environment.

Main Report

Background

1. This report sets out the latest budget for 2023/24 and the proposed revenue and capital budgets for 2024/25 for your Committee and under the control of the Interim Executive Director Environment, analysed between:
 - **Local Risk budgets** – these are budgets deemed to be largely within the Chief Officer’s control.
 - **Central Risk budgets** – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of their control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
 - **Support Services and Capital Charges** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
2. In the various tables, income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or reductions in income. Only significant variances (generally those greater than £50,000) have been commented on.
3. The latest 2023/24 budget and provisional 2024/25 budgets are summarised in Table 1 below and further analysed by risk, fund and Chief Officer in Appendix 1.

Table 1 Summary Revenue Budgets 2023/24 and 2024/25	Original Budget 2023/24 £'000	Latest Budget 2023/24 £'000	Original Budget 2024/25 £'000
Expenditure	(35,498)	(39,137)	(38,668)
Income	29,052	31,336	31,283
Support Services & Capital Charges	(10,121)	(10,137)	(10,979)
Total Net Expenditure	(16,567)	(17,938)	(18,364)

Latest Revenue Budget 2023/24

4. Appendix 2 provides details on budget movements between the 2023/24 original budget and 2023/24 latest budget. Overall, the 2023/24 latest budget is net expenditure of (£17.938m), an increase in net expenditure of £1.371m compared to the 2023/24 original budget. Main reasons for this net expenditure increase are:

Budget Increases:

- A decrease in unidentified savings allocations, (£1.728m).
- Net impact of pay increases to staff arising from the pay deal effective from July 2023, (£506,000).
- Additional Highways repairs & maintenance funding agreed at RASC from the On-Street Parking Reserve Account (£600,000).
- Approved carry-forwards from 2022/23 for Transport Strategy Review and Night-time /motorcycle parking review, (£50,000).
- A net increase in departmental recharges, (£16,000).

Budget Decreases:

- Net increased income from planning performance agreements (PPA), planning fees, building control fees, Thames Tideway SLA and Minorities car park rent, £1.197m.
- Increase in net transfers from the On-Street Parking Reserve Account, £290,000.
- Reduction to the City Surveyor's Building Repairs & Maintenance budget, £32,000.
- Reduced cost for festive lighting £10,000.

Proposed Revenue Budget for 2024/25

5. The proposed 2024/25 budget is net expenditure of (£18.364m), an increase of (£1.797m) in net expenditure compared to the 2023/24 original budget.
6. For 2024/25 budgets include:
 - 3% uplift for inflation.
 - The full year effect of pay increase from July 2023.

The resulting resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

7. The budget has been prepared within the resource envelope allocated to the Interim Executive Director Environment, with the following exceptions and assumptions:
 - The proposed budget includes of £110,000 of unidentified savings and £155,000 vacancy factor required to remain within the resource envelope. The Interim Executive Director Environment is continuing to develop proposals to deliver these savings. As a result, the savings

required have been incorporated into the 2024/25 proposed budget as “Savings to be Applied” and will be revised as necessary throughout the year.

- Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2023/24 and 2024/25. The separate bid for CWP works in 2024/25 has not been included in this report. The report will be submitted to Projects and Procurement Sub-Committee in January 2024 and will then require approval by Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2024/25 programme, Members will be advised of the outcome and Members are asked to authorise the Chamberlain to revise the budgets to allow for these approvals.
- Support services and capital charges budgets reflect the attribution and cost of central departments. However, the full budgets for these departments have not yet been finalised, so further changes to these budgets may be required. Members are asked to agree that the decision as to the changes required to these budgets are delegated to the Chamberlain in consultation with the Interim Executive Director Environment.

8. Appendix 3 provides details on budget movements between the 2023/24 original budget and the 2024/25 proposed budget. Overall, there is an increase in net expenditure of (£1.797m). Main reasons for this net expenditure increase are:

Budget Increases:

- Increases in employee cost due to full year effect of July 2023 pay award and provision for pay increases due to estimated July 2024 pay award, incremental and career grade progression, (£1.734m)
- A decrease in unidentified savings allocations, (£1.618m).
- Reduction in net transfers from the On-Street Parking Reserve Account, (£1.250m).
- Additional Highways repairs & maintenance costs and increase in energy prices, partly offset by reduced car park rates costs and other premises expenses (£946,000).
- Increase in capital charges for Highways infrastructure asset depreciation costs, (£858,000).
- Net income reduction for staff costs recharged to capital projects, (£155,000).
- Other small increases to supplies & services, (£20,000).

Budget Decreases:

- Increased income from planning performance agreements (PPA), planning fees, building control fees, Off-Street car park fees, Minorities car park rental income and traffic management fees, £2.557m.
- Decrease in the cost of the CWP due to changes in planned works and phasing, £1.626m.

- Net increase in On-Street parking income from increased pay & display and suspension income £994,000 partly offset by shortfall in PCN income, (£522,000).
- BIDs contribution to fund new Head of BID's post and S106/CIL funding towards increase in employee admin costs £129,000.

Staffing Statement

9. Table 2 below shows the movement in manpower and related staff costs.

Table 2 Staffing Summary	Original Budget 2023/24		Original Budget 2024/25	
	Manpower Full-time Equivalent	Estimated Cost £000	Manpower Full-time Equivalent	Estimated Cost £000
Executive Director Environment				
Town Planning	59.3	(3,856)	64.3	(4,478)
City Property Advisory Team	5.0	(332)	6.0	(428)
Planning Obligations	8.2	(490)	8.2	(542)
Transportation Planning	35.3	(2,662)	33.7	(2,859)
Road Safety	2.0	(130)	1.7	(131)
Building Control	26.4	(1,890)	26.4	(2,121)
Structural Maintenance/Inspections	6.1	(482)	5.1	(514)
Highways	24.8	(1,618)	20.2	(1,552)
Traffic Management	15.7	(910)	20.1	(1,302)
On-Street Parking	19.5	(1,018)	18.6	(1,100)
Off-Street Parking	0.7	(56)	1.0	(85)
Drains & Sewers	8.2	(501)	7.6	(529)
Directorate	28.0	(1,919)	25.0	(1,957)
Vacancy Factor		155		155
Total P&T Committee	239.2	(15,709)	237.9	(17,443)

Draft Capital and Supplementary Revenue Budgets

10. The latest estimated costs of the Committee's current capital and supplementary revenue projects are summarised in Appendix 4.
11. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
12. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2024.

Conclusion

13. This report presents the proposed budgets for 2024/25 for the Planning & Transportation Committee for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary Budget – by Risk, Fund and Chief Officer
- Appendix 2 – 2023/24 Original Budget to 2023/24 Latest Budget
- Appendix 3 – 2023/24 Original Budget to 2024/25 Original Budget
- Appendix 4 – Draft Capital and Supplementary Revenue Budgets

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