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| Committee(s) | Dated: |
| Planning & Transportation Committee | 21/01/2025 |
| Subject: Revenue and Capital Budgets 2025/26 | 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 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 2025/26.

Overall, the proposed revenue budget for 2025/26 totals (£18.637m), an increase in net expenditure of (£1.701m) compared to the 2024/25 Original Budget of (£16.936m).

The proposed budget for 2025/26 has been prepared in line with the budget guidelines set by Resource Allocation Sub Committee and within the resource envelope allocated to the Executive Director Environment, including an inflation increase of 2%.

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 2025/26 for submission to Finance Committee;
- ii) review and approve the proposed capital budgets for 2025/26 for submission to Finance Committee;
- iii) agree that amendments for 2024/25 and 2025/26 budgets arising from changes to recharges or any further implications arising from subsequently approved savings proposals or changes to the Cyclical Works Programme (CWP) be delegated to the Chamberlain in consultation with the Executive Director Environment.

Main Report

Background

1. This report sets out the latest budget for 2024/25 and the proposed revenue and capital budgets for 2025/26 for your Committee and under the control of the 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 2024/25 budget and provisional 2025/26 budgets are summarised in Table 1 below and further analysed by risk, fund, and Chief Officer in Appendix 1.

| Table 1 Summary Revenue Budgets 2024/25 and 2025/26 | Original Budget 2024/25 £'000 | Latest Budget 2024/25 £'000 | Original Budget 2025/26 £'000 |
|--|--|--|--|
| Expenditure | (39,946) | (41,604) | (42,771) |
| Income | 33,989 | 34,362 | 35,012 |
| Support Services & Capital Charges | (10,979) | (10,932) | (10,878) |
| Total Net Expenditure | (16,936) | (18,174) | (18,637) |

Latest Revenue Budget 2024/25

4. Appendix 2 provides details on budget movements between the 2024/25 original budget and 2024/25 latest budget. Overall, the 2024/25 latest budget is net expenditure of (£18.174m), an increase in net expenditure of (£1.238m) compared to the 2024/25 original budget. The main reasons for this net expenditure increase are:

Budget Increases:

- Additional new CWP bid agreed by Priorities Board relating to Off-Street car parks which will be funded from the On-Street Parking Reserve Account, as agreed at Resource Allocation Sub Committee (RASC), (£871,000).
- Changes to the newly agreed CWP, (£418,000), relating mainly to Highways works.
- Savings to be applied allocated to services as a result of additional income savings achieved, (£110,000).
- Historic England SLA costs, (£85,000), agreed as part of the Deep Dive budget review.
- New Health & Safety post agreed by RASC, (£75,000).

Budget Decreases:

- Increase in Traffic Management fee income, £270,000.
- Net reduction in recharges for the Department, £47,000.
- Increase in net transfers from the On-Street Parking Reserve Account, £4,000.

Proposed Revenue Budget for 2025/26

5. The proposed 2025/26 budget is net expenditure of (£18.637m), an increase of (£1.701m) in net expenditure compared to the 2024/25 original budget.
6. For 2025/26 budgets include:
 - 2% uplift for inflation.

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 Executive Director Environment, with the following exceptions and assumptions:
 - Members should note that the CWP figures included in this report relate to both the newly agreed programme for the City overall and the new additional CWP bid agreed for Off-Street car parks, which will be funded from the On-Street Parking Reserve Account, as agreed at RASC in January 2024.

- Support Services budgets reflect the attribution and cost of central departments. All support services are based on time spent or use of services and were reviewed during 2023/24 with the method of apportionment updated to reflect the latest up to date corporate information. 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 Executive Director Environment.

8. Appendix 3 provides details on budget movements between the 2024/25 original budget and the 2025/26 proposed budget. Overall, there is an increase in net expenditure of (£1.701m). The main reasons for this net expenditure increase are:

Budget Increases:

- Additional new CWP bid agreed by Priorities Board relating to Off-Street car parks which will be funded from the On-Street Parking Reserve Account, as agreed at RASC, (£2.126m).
- Reduced local risk income from car park fees, (£1.042m), and Planning Performance Agreements, (£237,000).
- Increase in employee cost provision for pay increases due to estimated July 2025 pay award, incremental and career grade progression, and additional new Health & Safety post, (£815,000).
- Increase to the newly agreed CWP, (£302,000), relating mainly to Highways works.
- Increase in various supplies & service budgets relating to Historic England SLA costs, fees & services, computer licences, software maintenance support costs, subscriptions, advertising costs and parking contract costs, (£281,000).
- Savings to be applied allocated to services as a result of additional income savings achieved, (£110,000).
- Increase in car park rates, (£33,000).

Budget Decreases:

- Increase in central risk income budgets mainly relating to On-Street parking PCN income, and Planning pre-app advice fees, £1.018m.
- Increase in net transfers from the On-Street Parking Reserve Account, £820,000.
- Increase in local risk income budgets relating to Traffic Management fees, £514,000, Planning Application fee income, £178,000, and other fee income, £75,000.
- Reduced energy costs £262,000.
- Increased income for staff costs recharged to capital projects, £258,000.
- Net reduction in recharges for the Department , £101,000.

Staffing Statement

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

| Table 2 Staffing Summary | Original Budget 2024/25 | | Original Budget 2025/26 | |
|---------------------------------------|--|------------------------------------|--|------------------------------------|
| | Manpower Full-time Equivalent | Estimated Cost £000 | Manpower Full-time Equivalent | Estimated Cost £000 |
| Executive Director Environment | | | | |
| Town Planning | 64.3 | (4,478) | 64.3 | (4,657) |
| City Property Advisory Team | 6.0 | (428) | 6.0 | (442) |
| Planning Obligations | 8.2 | (542) | 8.2 | (560) |
| Transportation Planning | 33.7 | (2,859) | 34.3 | (2,953) |
| Road Safety | 1.7 | (131) | 1.0 | (76) |
| Building Control | 26.4 | (2,121) | 27.7 | (2,246) |
| Structural Maintenance/Inspections | 5.1 | (514) | 5.1 | (523) |
| Highways | 20.2 | (1,552) | 21.3 | (1,674) |
| Traffic Management | 20.1 | (1,302) | 21.4 | (1,404) |
| On-Street Parking | 18.6 | (1,100) | 17.8 | (1,101) |
| Off-Street Parking | 1.0 | (85) | 1.8 | (137) |
| Drains & Sewers | 7.6 | (529) | 7.6 | (540) |
| Directorate | 25.0 | (1,957) | 26.0 | (2,100) |
| Vacancy Factor | | 155 | | 155 |
| Total P&T Committee | 237.9 | (17,443) | 242.5 | (18,258) |

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 2025.

Conclusion

13. This report presents the proposed budgets for 2025/26 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 – 2024/25 Original Budget to 2024/25 Latest Budget
- Appendix 3 – 2024/25 Original Budget to 2025/26 Original Budget
- Appendix 4 – Draft Capital and Supplementary Revenue Budgets

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