

Planning and Transportation Commission Budget Proposals

RECOMMENDATION

- 1.1 To consider and make any recommendations on Revenue Budget Proposals 2010/11 – 1012/13 for the elements of the Budget that relate to the Commission's Portfolio

SUPPORTING INFORMATION

Corporate Budget Strategy - budget pressures and savings

- 2.1 The introductory pages (pages 2-6) in the revenue Budget Proposals 2010/11 – 2012/13 set out the key issues that will affect the Council as a whole.
- 2.2 The introduction sets out a strategic direction, anticipated funding levels and forecast savings.
- 2.3 The Budget Strategy was agreed at full Council in September 2009 and the Commission received an initial briefing on 26 October 2009. The formal budget consultation began with the all-member presentations on 9 and 15 December 2010.

Elements of the Budget that relate to the Commission's Portfolio

- 2.4 Each section shows on separate pages the actual proposal for 2010-11 then the indicative proposals for 2011-12 and for 2012-13. The right hand column of the 'landscaped' pages shows which is the relevant overview and scrutiny commission. Those relating to the Planning and Transportation Commission are indicated by 'PTC'. Pressures of £50k or more are explained at the end of each section.
- 2.5 Section 3h covers Regeneration and Community - pages 213 to 248. Issues are set out at Appendix 2.
- 2.6 Any recommendations arising from this scrutiny exercise will be formally submitted to Council Cabinet on 16 February. They will be provided earlier to the Corporate Director - Resources and to the Cabinet Members to enable the Commission to beneficially influence the final budget as proposed by Cabinet to full Council on 1 March.

For more information contact:	Rob Davison 01332 255596 e-mail rob.davison@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 - Issues

IMPLICATIONS

Financial

1. The purpose of the main proposals.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. Effective scrutiny will benefit all Derby people.

Corporate Priorities

5. The revenue budget is the financial plan to deliver all of the Council's priorities – see pages 257 and 258. Those priorities are being revised to more closely align with the Sustainable Community Strategy, SCS. Page 254 shows the early SCS priorities.

A. GENERAL REVENUE ISSUES

- i) Section 1 of the Budget Book (pages 2-6) is an Introduction and Overview of the revenue Budget Proposals 2010/11 – 2012/13 and sets out the key issues that affect the Council as a whole.
- ii) The scene setting explains the Council's funding which was identified in September 2009 as £0.69m in 2010/11, rising to £7m in 2011/12 and then £8m for 2012/13. Para 2 b, on page 2, states that the strategic approach to close budget gaps includes 'thorough scrutiny'. Section 3 then sets out developments since September 2009.
- iii) The first point of particular relevance to this Commission is para 3 c (on page 3) which states that the additional £400k for highways maintenance, flagged in last year's indicative budget for 2010/11 has been confirmed for 2010/11 and will be followed by a further £400k from 2011/12.
- iv) The other key issue is concessionary fare funding at para 3 f (on page 4) where central funding is proposed (subject to Whitehall confirmation) to increase by £2.87m from April 2010.
- v) Appendix A, pages 7 to 11, to offers an update on the Area Based Grant. This was previously badged as the Local Area Agreement Single Pot. Now decoupled from the LAA, the Area Based Grant is a collection of grants previously allocated to organisations in local areas to fund particular pieces of work. This revenue funding is now going direct to local authorities which are free to use this non-ring fenced funding as they see fit to support the delivery of local, regional and national priorities in their areas. Derby's indicative figure for 2010/11 sees a reduction from £14.6m (2009/10) to £13m. More than two thirds of the £1,425,537 reduction is accounted for by the loss of £1m approximately in Neighbourhood Renewal Fund and Working Neighbourhood Fund transitional monies.

B. PLANNING AND TRANSPORTATION COMMISSION-RELATED ISSUES

- i) Section 3h covers Regeneration and Community – pages 213 to 248. The right hand column of the 'landscaped' pages shows which is the relevant overview and scrutiny commission is. Those relating to the Planning and Transportation Commission are indicated by 'PTC'.
- **Main changes 2010/2011 to 2012/13**
 - ii) To summarise the 'PTC' issues for **2010/2011**, starting on page 214:
 - Engineering Design shows additional pressures of £80k but mitigated by £40k savings (see B xi below)

- The precise indicative highways figure was £392k to which £47k is shown as an additional pressure (see B xii) but more than offset by £70k savings
- Development control is now planned to yield a £32k saving (see B v)
- The quarter million £ indicative pressure on parking has been increased to £310k – meaning a reduced expected net income from the car parks of £2.1m
- Traffic has a net increase of £93k – a net increase of 12% to £866k
- Several budget changes are shown for Transportation but the net effect is a £200k (approx) reduction to £2,359m – the various elements are listed on pages 220 and 221.
- Concessionary fares show an additional pressure of £650k ie no assumption has been made (yet) about additional central funding (A iv above refers)

iii) Looking further into the future the two main changes now planned for **2011/12**, starting page 216, are:

- A precise figure of £422k for the second highways increase
- Several sizeable budget changes are shown for Traffic but the net effect is a further small real terms rise ...

iv) ... but the main change for **2012/13** is a £100k saving from Traffic, to a planned net cost of £815k. Page 223 ascribes the saving to implementation of a Network Management Information permit scheme (see ix below).

- **Detail**

v) Development control – page 228 – proposes the £32k saving be realised by merging administrative functions

vi) Page 229-230 shows that within the indicative savings for 2010/11 had been £90k for Community Transport, predicated on last year's proposed funding reduction having gone ahead. Following representations, including those of this Commission it was not approved. The saving is taken out for 2010/11 but shown again from 2012/13 based on a review designed to produce efficiencies and savings. The need for user consultation is recognised.

vii) Page 231 to 233 details a multi-strand transport procurement review requiring £166k *extra* to fund the staff team; there is transparency about the sensitivities...

viii) ...while pages 241 to 243 set out the corresponding details for a £166k *reduction*. Much of the text is common to both papers.

ix) Page 234 onwards provided a detailed explanation of the (possible) permit scheme flagged up at iv) and is open about the many variables that remain to be clarified.

x) Road safety budget, page 237 and 238 (*plus* 221). The last budget agreed a reduction of £150k for 2010/11 in road safety expenditure. A policy change has reduced the saving target by £60k. Therefore £90k of spending is still to be saved while the re-instated £60k is now a pressure.

xi) The £80k for Engineering is explained on 239-240 as being consequential on new duties resulting from the 'PITT review'. Sir Michael Pitt was Chief Executive of Kent County Council before heading a Government review into the 2007 flooding.

xii) The £47k pressure on page 244 comprises a suite of 4 street lighting issues

xiii) ... similarly page 247 comprises energy and maintenance for traffic signals producing a £57k pressure for 2010/11.