

Minutes

EXAMINATION OF THE BUDGET AND MEDIUM TERM PLAN (MTP) TASK & FINISH GROUP

MINUTES OF THE EXAMINATION OF THE BUDGET AND MEDIUM TERM PLAN (MTP) TASK & FINISH GROUP HELD ON TUESDAY 12 JANUARY 2010, IN COUNCIL CHAMBER, AYLESBURY TOWN COUNCIL, 5 CHURCH STREET, AYLESBURY, BUCKS HP20 2QP, COMMENCING AT 1.00 PM AND CONCLUDING AT 3.00 PM.

MEMBERS PRESENT

Mrs P Birchley, Mr M Brand, Mr A Busby, Mr T Butcher, Mr P Hardy (Chairman), Mr N Hussain, Mr D Polhill and Mr P Rogerson

IN ATTENDANCE

Mr I Boll, Commissioning Manager Transport
Mr M Chard, Policy officer - Overview and Scrutiny, Buckinghamshire County Council
Mrs C Gray, Senior Democratic Services Officer
Mrs V Letheren, Cabinet Member for Transport
Mrs K Woods, Corporate Policy Manager

1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP

Apologies for absence were received from Tim Butcher.

2 DECLARATIONS OF INTEREST

Niknam Hussain declared a personal interest as he worked as a consultant and gave advice to Home to School Transport providers.

3 CABINET MEMBER FOR TRANSPORTATION: VALERIE LETHEREN

The Chairman welcomed Mrs Valerie Letheren and Mr Ian Boll Commissioning Manager to the meeting and invited her to provide an overview of her budget situation.

Mrs Letheren made the following points:-



INVESTOR IN PEOPLE



- The capital budget was very tight this year. As there had been an overspend on the Aylesbury Hub by £1.7 million this put pressure on the capital programme and particularly maintenance issues.
- The recent extreme weather caused more damage to roads and potholes which also put pressure on the budget. 6 extra gangs had been employed for 3 weeks to address the potholes caused by the snow which cost £3,000 per gang and this makes 15 gangs altogether.
- There had been a roadslip in Gerrards Cross which cost £200,000.
- The Civil Enforcement Areas had not delivered savings. Work had been undertaken in partnership with District Councils and business plans had been developed. Funding for this initiative was reliant on charging for on-street parking in the third year, however in the Chiltern area residents were not in agreement in having on road parking meters and therefore this impacted on income generated. Options now needed to be considered with District Councils about the best way forward e.g enforcing signs and lines more efficiently. If Councils carried on as they were the County Council would risk up to £1 million overspend in 5 years and the Districts proportionate losses themselves.
- The partnership with Ringway Jacobs had produced savings of 7.5% which was their target for their first year. They had achieved this through a single supplier of professional services (reducing work costs) and in-house delivery so they could deliver more for less.
- Because of pressures the portfolio would have to cut the 'We're Working On It' road maintenance programme by half and this would affect service standards. Concern was raised about the impact this would have on rural areas.
- Maintenance of street lights was also a problem – only £100,000 pa was available for this area when £600,000 pa was required to repair them. The portfolio would need to give careful consideration to how many street lights could be installed in new estates and whether street lights would have to be switched off more often. Many of the 27,000 street lights were now old and needed replacement.
- The Head of Transport had made a calculation that £120 million to bring the roads up to a good standard by resurfacing rather than patching. £4 million had been allocated for next years budget.

During discussion the following points were made:-

Revenue budget

- A Member expressed concern about rural areas and safety issues generally if the grass cutting budget was reduced. The Cabinet Member commented that weed spraying would be more effective next year to control growth as the contract started late this year once weeds had already starting growing.
- In terms of managing the contract with Ringway Jacobs the Strategic Client included 4 Senior Managers and support staff. The Strategic Transport Board made decisions in partnership with Ringway Jacobs and followed the Service Plan. Mark Rowe was the Operational Manager of Ringway Jacobs. They were an Alliance and worked closely together. Because of in-house delivery they paid the cost for labour and materials but stripped out second tier overhead and profit margin costs. Inflation assumptions built into the MTP were in line with construction price indices. Transtat examined performance and the budget. If there was an overspend the first 5% was shared between Ringway Jacobs and the Council with any further overspend met wholly by Ringway Jacobs. They were on track for spending this year but had carried over overspends from the previous year with regard to bus efficiencies and the civil enforcement areas. The target contract would be adjusted next year to meet the budget. If budgets were cut significantly and they could not give Ringway Jacobs enough work

they would not be penalised as part of the contract however efficiency savings would be reduced.

- Concern was expressed about the level of road maintenance. The Cabinet Member responded that with the bad winter they would need to prioritise main routes and deal with dangerous pot holes first to avoid any liabilities. Cutting the 'We're Working On It' budget would also have an impact.
- Members discussed talking to Cabinet about their concerns. The Cabinet Member emphasised that there were budget pressures across the Council. The Adult Social Care budget was under pressure because of the increase in older people and the children's budget was under pressure because of the 'baby p' case and the increase of children being put forward for care proceedings. Feedback from public consultation was that roads were a priority. In terms of statutory, mandatory and discretionary spend there were few statutory requirements in relation to roads, except to manage them to a safe standard and follow the DfT rules. However, there were increasing pressures relating to safety e.g bridges being strong enough to carry heavy commercial vehicles and streetlights.
- It was difficult to make changes to the client transport budget as each portfolio put money into it so that transport could deliver their services, therefore it was not in transport's base budget and any savings are returned to the portfolio.
- With the Civil Enforcement areas if they were in a position of receiving surplus income they could use this to pay extra parking attendants or spending it on road improvements in the relevant District.
- Under the winter maintenance forward plan section the number of vehicles were being reduced as they were bigger lorries who could carry more grit and therefore they could be on the roads longer before they returned to the depot. The existing fleet would be expiring shortly and would be replaced by the more efficient vehicles. Whilst the routes would be salted less often, the salt brine which would be used would last longer.

Capital budget

- The Group had a discussion about the deterioration of the roads and the possibilities of upgrading the network to benefit from a long term saving by using Prudential Borrowing. The patching of potholes was much more efficient and the quality had increased through Ringway Jacobs by using better materials and technology for checking quality. However, Members commented that it would be much more efficient to resurface short stretches of road to avoid the pothole reappearing. The Cabinet Member reported that there were different budgets for patching and repairing (split between capital and revenue budgets). The 'We're Working On It' Team were encouraged to work on areas going through the County to avoid revisiting the same area in a short space of time. For a full depth construction 1km cost around £1000,000. It was important that for growth areas additional funding was given for infrastructure.
- Members agreed that it was important to take a strategic view on the road network, which was supported by the Corporate Plan. The Government was underfunding road building. However, they noted that Prudential Borrowing had revenue implications. A new member of planning and policy staff was commencing in February 2010 who would be looking at ways to generate funding.
- In terms of improving the network £0.5 million from the SE Region had been allocated for a study looking at the best way to drive from the North to the South of the County and wider Thames Valley region and what improvements can be made e.g overtaking lanes. The Government no longer supported new roads but wanted to improve the effectiveness of the existing network and to decrease the traffic on the roads, principally using public transport.
- In answer to a question on congestion £4.5 million had been invested in the Urban Traffic Management System. There would be a control room in County Hall where

the traffic lights would be managed to reduce congestion and improve journey time reliability.

- In relation to whether traveller sites were statutory or discretionary the Cabinet Member reported that they had received a grant to manage sites (which is being looked after by Oxfordshire County Council), District Councils made the decision about where they were located.
- The capital allocation for gypsy sites is to enable match funding of any grant received from Government. The Council are still awaiting a decision which is long overdue. Depending on the out come of the bid, any works funded through the capital programme may have to be reconsidered.

Rights of Way

- The Cabinet Member reported that the Rights of Way Team achieved a high level of performance and generated a lot of pleasure for residents. The cuts to this area caused concern.
- In terms of helping with rural isolation there was a bus subsidy but because of budget pressures that had been cuts to services which impacted on residents, including those who depended on public transport for accessibility. A Rural Bus Seminar was being held to look at bus routes and how the Council could work with partners, such as Primary Care Trust to improve services.

Client Transport

- The Council manage the contract with Amey and Board Meetings are held regularly with representation across the portfolios. They have been providing services for the Council for the last 18 months and they started with an overspend on the budget. There were options to reducing services but difficult decisions would have to be made about how services were cut and where e.g home to school transport, passenger support.
- If the client decided to change their policy e.g change to catchment areas it was the responsibility of the transport portfolio to manage this on the clients behalf.

Mrs Letheren and Ian Boll were thanked for their hard work and for attending the meeting.

4 SUMMARISE FINDINGS

Comments from Members were as follows:-

- There should be a common sense approach to Prudential Borrowing, particularly as borrowing costs were negligible. Undertaken patching work on roads rather than resurfacing them stored up problems for the future e.g legal challenges, long term maintenance costs increases. There should be investment now to reduce pressures.
- It would be helpful to have further information and debate on solutions e.g detail on how £120 million could be used to repair all the roads in the County.
- More strategic solutions should be identified to combat the problems that will be experienced in later years with clearer links between the budget and the corporate plan. However, ideas cost money. A Member suggested looking at other countries and particularly EU funding.
- There should be clear responsibility of where the cost implications fell in relation to client transport when there were policy changes to ensure the best use of taxpayers money.
- Infrastructure was a key priority for this Council and if this was deficient would have serious economic implications for the County. The County has major motorways in its

vicinity but there needs to be better access, especially bearing in mind growth areas.
The perception of the Council nationally was important to attract quality contractors.

- Low level of maintenance would have safety implications.
- Possible redistribution of the budget amongst portfolios.

These comments would be taken into account in the discussion on the budget overall.

5 DATE OF NEXT MEETING

20 January 2010.

CHAIRMAN