

**CAPITAL BUDGET MONITORING****Report By: DIRECTOR OF RESOURCES****Wards Affected**

County-wide

**Purpose**

1. To advise Scrutiny Committee on the final outturn position for the 2008/09 Environment Capital Programme and the proposed Environment Capital Programme for 2009/10.

**Summary**

2. The final outturn for the 2008/09 Environment Capital Programme was £18.7 million and the current budget for 2009/10 is £16.8 million.
3. The Environment Capital Working Group meets regularly and keeps overall spending position under careful review.

**Financial Implications****Capital Outturn 2008/09**

4. The final outturn position for the Environment Capital Programme is shown in Appendix 1, on scheme basis with funding arrangements indicated in overall terms.
5. The total of the Capital Programme reduced to £18,687,000 from the figure of £21,056,000 previously reported to this committee. This is a net underspend of £2,369,000 and the main variances were:
  - i) A net underspend of £277,000 on Local Transport Plan (LTP) schemes representing 2% of the total forecast spend of £13.2 million on LTP schemes for 2008/09.
  - ii) Hereford Transport Strategy scheme includes £248,000 underspend compared to the budget for the year on Rotherwas Access Road scheme in relation to compensation payments not yet finalised. Rotherwas Access Road opened to traffic at the beginning of June 2008 and became the main route into the Estate for vehicles over 7.5 tonnes following the introduction of the traffic order on Holme Lacy Road later in the year. Important cycle infrastructure schemes at Yazor Road and Holmer Road have been delivered this financial year with the remaining sections of the Holmer Road scheme (which links the north of Hereford City to the Great Western Way) planned over the next three financial years. A significant programme of disabled and pedestrian improvements was also implemented this year – notably disabled access improvements on footways along Whitecross Road that have been welcomed by 'Hereford Access for All' group.
  - iii) Rural Herefordshire Transport Strategy schemes underspend includes slippage on the Shaw Cycleway scheme and Symonds Yat Boat maintenance scheme. The Shaw Cycleway scheme was delayed due to planning constraints whilst the Symonds Yat works were delayed by the requirement for further design work as a

result of the additional land slippage caused by the 2008 floods. Both of these schemes are programmed for delivery in 2009/10. A significant programme of disabled and pedestrian improvements was delivered in market towns and rural location whilst the design of Shaw cycleway and Symonds Yat maintenance schemes were completed ready for implementation in 09/10. The high priority rural footway scheme at Clehonger was also completed during the year.

- iv) Venns Lane improvement scheme, funded through s106 agreement, included within the Road Safety Strategy schemes has been delayed to enable further consultation which is scheduled to take place in the summer of 2009.
- v) Additional Highways maintenance schemes on roads and footways have been completed in the year resulting in additional spend of £220,000. This reflects the response to two flood events in the autumn of 2008 and a programme of repair works as a result of the damage caused by the floods and extreme weather.
- vi) An underspend of £1.875 million against the 2008/09 forecast in relation to Ross Flood Alleviation Scheme. This reflects the pain/gain requirement against the contractor under the contract for the scheme. Costs to date total £10.5 million before the pain/gain claim and Environment Agency have currently agreed funding up to £11.04 million.
- vii) Slippage in the closed landfill site schemes at Leominster of £106,000 and Strangford of £77,000 sites which will be completed in 2009/10.

#### **Capital budget 2009/10**

6. The proposed Capital Programme for 2009/10 is attached in Appendix 2. This has increased to £17,574,000 from the original budget included in the Medium Term Financial Management Strategy of £15,350,000. This increase of £2,224,000 relates to:
- i) Slippage in the 2008/09 Programme in relation to Enhancements to High Street, Hereford of £398,000, Closed Landfill site improvements of £183,000, Rotherwas Access Road of £248,000 and Pedestrian Improvement to Ledbury Road of £51,000.
  - ii) An increase of £442,000 in relation to unspent DEFRA grant from previous years on Waste Infrastructure. This has been earmarked to be spent in 2009/10 on the purchase of wheelie bins and vehicles relating to the new waste collection contract.
  - iii) Following the Detrunking of the A465 and A40 there is additional one-off grant funding from the Department of Transport of £220,000 towards various agreed improvements schemes.
  - iv) Additional grant funding of £120,000 from Department of Transport to assist the Council in building up its highways asset inventory and analysis capability. This work is necessary to support changes in accounting guidelines for highways assets which will be incorporated into the 2011/12 accounts.
  - v) An addition of £562,000 for various schemes programmed for 2009/10 funded through s106 Agreements, which includes the Venns Lane improvement scheme and the Shaw Cycleway scheme.

#### **RECOMMENDATION**

**THAT the report be noted.**

**BACKGROUND PAPERS**

- None identified

**APPENDICES**

Appendix 1 – Summary Environment Capital Programme Outturn 2008/09

Appendix 2 – Summary Environment Capital Programme Budget 2009/10