

Budget Amendments

Agenda item no. 9

Capital Programme 2020/21 Onwards and Capital Strategy

Councillor Bob Matthews Proposed Budget Amendment (1)*

Councillor Paul Symonds Proposed Budget Amendment (2)*

Councillor Nigel Shaw Proposed Budget Amendment (3) †

***Proposed budget amendments circulated originally on 13 February 2020**

†Previously uncirculated proposed budget amendment

Proposed Amendment (1) –

Proposer: Councillor Bob Matthews

Seconder: Councillor Bernard Hunt

Received by the monitoring officer: 13 February 2020, 11.00 a.m.

Herefordshire Rural Verges Management

To allocate £2.2m of the capital receipts monies and remaining funding from New Homes Bonus to commence work to provide adequate passing bays on the county's minor roads network to help prevent the destruction of the grass verges alongside these B and C class Highways which contain a wide range of valuable and rare flora and fauna, and would be a means of protecting the rural environment generally.

The ever increasing size of agricultural machinery and heavy lorries using these classes of highway, many of which are only single track, results in these vehicles having little option other than to drive on the verges resulting in widespread damage as described and blocking water courses.

These proposals would encourage a greater number of flowering species and wildlife for the enjoyment of pedestrians and road users alike. As additional monies were identified the programme would be extended across the county.

Proposed Amendment (2) –

Proposer: Councillor Paul Symonds

Seconder: Councillor Chris Bartrum

Received by the monitoring officer: 13 February 2020, 2.49 p.m.

Proposed Budget Amendment – Highway Maintenance

A Market Towns Dedicated Highway Maintenance Capital Fund

The bulk of Herefordshire Council's planned maintenance work for public realm including highways is funded from capital rather than revenue, the latter being largely used for things like pothole repair, gully cleaning & winter maintenance.

This capital work is programmed on a risk matrix which tends to direct funding towards roads with higher traffic speeds & volumes, skewing investment towards Hereford and rural A & B roads. The government funding formula which determines the level of grant to each highway authority actually gives a higher weighting to urban areas which is partly why Herefordshire receives relatively little compared to the size of its highway network. It is therefore ironic to say the least that current risk based approach is directing funding away from the market towns.

The Herefordshire Council capital budget is supplemented, mostly from government grants, which also tend to be targeted at roads with higher speeds and traffic volumes. The Council has been successful in bidding for these grants which further increases the investment gap between market towns & the rest of the county.

As a result our market towns have suffered from under investment relative to their length of network, compared to the rest of the county & City. Surface dressing, which is the most cost effective highway treatment at around 20% of the cost per m² of filling a pothole, is only suitable for rural routes further increasing the imbalance.

Around 1/3 of Herefordshire's population lives in the market towns & they serve much wider communities than that. The condition of their roads is therefore a significant benchmark by which the Council's performance is judged. The recent residents' budget consultation has reiterated highway condition is their top priority. This is also a key factor in attracting businesses and tourists to our towns, with the associated impact on our economy.

The Council has already agreed a £5.5m budget for repairing and improving highways and public realm in Hereford City under the Herefords City Centre Improvements line in the capital programme. £1.5m was due to be invested in 2019/20 and £2m in the subsequent 2 years, however to date none of this fund has been spent.

In light of the ongoing under investment in market town highway maintenance described above, the £5.5m budget allocation for Hereford could be shared between the city and market towns. However it was stated at the General Scrutiny Committee on 20th January 2020 that the Cabinet feel the full £5.5m capital allocation should be retained for Hereford.

It is therefore proposed that a new capital allocation of £1m per year should be made in 2020/21, 2021/22 and 22/23 to invest in market town public realm maintenance giving a total commitment of £3m.

This allocation would also be valuable in supporting of projects identified in infrastructure delivery plans for the towns which have them.

This budget could also be used as match funding to bid for external funding should this become available.

This sum can be met from capital receipts.

B Budget Amendment – BBLP Contract Management & Supervision

Concerns have been expressed about the effectiveness of the BBLP Public Realm contract. For example the Locality Stewards who assess complaints and requests relating to services delivered through the contract are employed by Balfour Beatty rather than Herefordshire Council.

A solution to this would be to transfer the Locality Stewards from Balfour Beatty to Herefordshire Council, Hoople or another contractor, where team they would have more influence over BBLP. This would also increase residents' confidence in the Locality Stewards, who are seen as helpful but hampered by being on the contractor's payroll.

As well as increasing the effectiveness and trust in Locality Stewards, they would bring a wealth of knowledge about grass roots BBLP service delivery which would be invaluable to the client team.

It is therefore proposed that a full review of the Locality Steward service should be undertaken by 30th September 2020, to evaluate the benefits of transferring this service from BBLP to Herefordshire Council, Hoople or another contractor. Any change arising from this review being implemented by 1st April 2021.

Whilst a change to the Locality Steward service would increase trust, influence and control over their priorities, it would not increase the amount of resource available to monitor the contractor. It is therefore also proposed that 2 inspectors are added to the Herefordshire Council client team to carry out checking and review of capital works undertaken by BBLP and to contribute to overall contract management.

The 2 new posts would help provide greater assurance that capital works undertaken by BBLP are being carried out in the right place, to the right quality and at the right price. It is proposed these posts are funded from capital receipts, initially for 3 years to allow their effectiveness to be assessed. This is permissible because the works they would be supervising are funded by capital so the new posts are a legitimate 'on-cost'.

The cost of these posts would be £50,000 each including on-costs, giving a total of £100,000 per year.

Proposal A

That a new ring fenced capital allocation be included in the capital programme to provide an additional £1m per year to be invested through the Public Realm annual plan for market towns public realm improvement in 2020/21, 2021/22 and 2022/23 and that this be funded from capital receipts.

Proposal B

That additional capital funding of £300,000 be allocated to the client team budget for the Public Realm contract to provide 2 additional inspectors during 2020/21, 2021/22 and 2022/23, increasing supervision and checking of capital works carried out by BBLP and to enable a review during 2020/21 of the benefit in transferring the Locality Steward service from BBLP to Herefordshire Council, Hoople or another contractor. This funding to be provided from capital receipts.

Proposed amendment to the Budget 2020/21

Budget Amendment

Individual Member:

Cllr Symonds

Group: Liberal Democrats

Directorate/Service	Description of amendment	Implications for Service Delivery
Capital Programme	£1m per year to be invested through the Public Realm annual plan for market towns public realm improvements in 2020/21, 2021/22 and 2022/23	No impact on current service delivery, this is additional capacity to the current capital programme
Capital Programme	£300k for the Public Realm contract to provide 2 additional inspectors during 2020/21, 2021/22 and 2022/23, increasing supervision and checking of capital works carried out by BBLP and to enable a review during 2020/21 of the benefit in transferring the Locality Steward service from BBLP to Herefordshire Council, Hoople or another contractor	No impact on current service delivery, this is additional capacity to the current capital programme
Capital Receipts	Capital Receipts	Access the unallocated capital receipts
Total	Total	

Chief Finance
Officer (S.151
Officer)

Andrew Lovegrove

Date: 13th February 2020

Proposed Amendment (3) –

Proposer: Councillor Nigel Shaw

Seconder: Councillor Carole Gandy

Received by the monitoring officer: 13 February 2020, 8.24 p.m.

This amendment reduces the capital allocated to the Hereford Transport Plan from £3.6m to £1.6m and provides the released £2m to be used to repair and maintain our U and C roads.

The bulk of the Hereford Transport Plan capital funding was predicated on the need to purchase early properties that might be blighted by the route of the Hereford Bypass. With the scheme now under review and any funding application for the scheme, should it go ahead, further delayed, it makes no sense to keep this capital allocation at the current level. The Conservative Group would ask others to consider the plight of the U and C roads in our most rural communities. In the unlikely event that additional capital above the £1.6m is suddenly needed for the HTP, then the general reserve and the financial resilience reserve (standing at £13.6m) are available.

Although A and B roads in Herefordshire are the fastest roads and carry the most vehicles, the C and U roads are the capillaries that feed these roads and, in the more remote places the arteries for local transport too. Since the one off spending of £20m in 2014/5 there has been minimal investment in the U and C road infrastructure and drainage and the results are visible for all to see.

This additional £2m will not fix all of the issues, but is seen as a responsible step by this Council to address the concerns of the rural third of this county's population.

.