

MEETING:	ENVIRONMENT SCRUTINY COMMITTEE
DATE:	28 JUNE 2010
TITLE OF REPORT:	CAPITAL BUDGET MONITORING
REPORT BY:	DIRECTOR OF RESOURCES

Wards Affected

County-wide

Purpose

To advise members on the Scrutiny Committee of the final outturn position for the 2009/10 Environment Capital Programme within the overall context of the Council's Capital Programme and the proposed Environment Capital Programme for 2010/11.

Recommendation

THAT the report be noted.

Introduction and Background

- 1 The final outturn for the 2009/10 Environment Programme was £17.4 million and the current budget for 2010/11 is £18.5 million.
- 2 The Environment Capital Working Group meets regularly and keeps overall spending position under careful review.

Key Considerations

Capital Budget 2009/10

- 3 The final outturn position for the Environment Capital Programme is shown in Appendix 1, on scheme basis with funding arrangements indicated in overall terms.
- 4 The total of the Environment Capital Programme increased to £17,387k from the figure of £15,764k previously reported to this committee. This is a net increase of £1,623k relates to the following main variances:
 - a. There is a net underspend of £273k on Local Transport Plan (LTP) schemes representing 2% of the total forecast spend of £12,043k on LTP Schemes for 2009/10.

- b. The main underspend on LTP schemes relates Herefordshire Council's contribution to Network Rail towards the replacement costs of the Colwall Green Railway Bridge. Works carried out by the end of 2009/10 were initially estimated at £750k however the final provision for payment on account received in March 2010 was only £500k.
- c. A final outturn valuation of £2,320k has been added to the Capital Programme for the Ross Flood Alleviation Scheme, this reflects the costs incurred in 2009/10 and are fully funded by the Environment Agency.
- d. There was an increase in spend of £101k on the Rotherwas Access Road scheme relating to the settlement of compensation payments. This is funded through prudential borrowing.
- e. A reduction of £243k due to slippage in the Closed Landfill Site at Leominster, we are awaiting guidance on the approach from the Environment Agency. Proposed work to install the remainder of the leachate perimeter drain will be carried out in 2010/11 subject to this agreement.
- f. A reduction of £205k in relation to schemes funded from s106 contributions, which will now be delivered in future years.

Capital Budget 2010/11

- 5 The proposed Capital Programme for 2010/11 is attached in Appendix 2. This has been increased to £18,476k from the original budget included in the Medium Term Financial Management Strategy of £14,844. This increase of £3,632k relates to:
- a. A reduction of £92k in relation to Rotherwas Access Road. This reflects accelerated payment in relation to compensation events made in 2009/10.
 - b. In March 2010, Department of Transport announced that a budget of £100m was being made available to assist local authorities repair damage to their roads caused by the severe weather conditions in January 2010. Herefordshire Council expect to receive £1,017k grant for Emergency Fund Winter Damage in 2010/11. This has been added to the 2010/11 Capital Programme for roads maintenance, meaning an annual budget of £11.6 million.
 - c. An increase of £1m in relation Growth Point funding from central government as part of its commitment to increasing housing supply. This capital grant was awarded following a bid for expenditure on Hereford Transport Infrastructure schemes.
 - d. An increase of £891k in relation to the Widemarsh Street Refurbishment scheme. This reflects the works expected to be completed in 2010/11. Works commenced at the end of February and are expected to be complete in November 2010. Total scheme cost is estimated at £1.4million.
 - e. Slippage in previous year schemes in relation to Hereford Crematorium and Grafton Travellers site Schemes totalling £60k have also been added in 2010/11. As discussed in point 4e above, £243k had also been added to the 2010/11 Programme.

- f. The budget for the Connect 2 scheme has been increased by £208k to £558k to reflect the works expected to be carried out in 2010/11. The scheme is expected to be completed by 2012/13 at a total estimated cost of £2.6 million.
- g. An addition of £130k in relation to works on the detrunked A465 and A40 roads. These works are expected to be carried out in 2010/11. A grant of £220k was received from Department of Transport to contribute to the costs of addressing improvements identified prior to the council taking over responsibility for their maintenance.
- h. An addition of £56k in relation to Transport Asset Management Grant. This grant of £233k from Department of Transport was received in the previous year 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.
- i. An addition of £120k in relation to the pilot scheme at Maylord Orchard Car Park of a pay on foot scheme.

5 Following an announcement by the Chancellor of the Exchequer on 17 May 2010 that the 'coalition has agreed that £6bn of savings to non-front line public services should be made this financial year', a Written ministerial Statement was laid in the House of Commons on 10 June 2010 outlining Local Government Savings. This identified the following reduction in capital grants which fall within the Environment remit.

Local Authority	Integrated Transport Block £000	PRN Network Funding £000	Road Safety Capital Grant £000	Total £000
Herefordshire	-0.54	-0.03	-0.07	-0.64

These grants support budget currently managed by Amey Herefordshire as part of the Managing Agent Contract and will be re-aligned by the joint Environment Capital Working Group in July 2010/

Financial Implications

6 These are contained in the body of the report.

Appendices

Appendix 1 – Summary Environment Capital Programme Budget 2009/10

Appendix 2 – Summary Environment Capital Programme Budget 2010/11

Background Papers

- None identified.