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| MEETING: | ENVIRONMENT SCRUTINY COMMITTEE |
| DATE: | 13 SEPTEMBER 2010 |
| TITLE OF REPORT: | CAPITAL BUDGET MONITORING |
| REPORT BY: | DIRECTOR OF RESOURCES |

Wards Affected

County-wide

Purpose

To advise Scrutiny Committee on progress of the 2010/11 Environment Capital Programme within the overall context of the Council's Capital Programme.

Key Decision

This is not a Key Decision.

Recommendation

THAT the report be noted.

Introduction and Background

- 1 This report is largely based on the latest round of capital monitoring, which involved the examination of all schemes at the end of July 2010. The Environment Capital Working Group is keeping the overall spending position under careful review.
- 2 The total spent and committed at 31 July 2010 is £8.168 million or 43.4% of the Revised Forecast. The actual amount spent to date is £3.705 million.

Key Considerations

- 3 The Capital budgets for Environment for 2010/11 are shown in summary on Appendix 1, on scheme basis with funding arrangements indicated in overall terms.
- 4 The total of the Capital Programme increased to £18,838k from the figure of £18,476k previously reported to this committee. This is an increase of £362k and relates to the following variance:
 - a. A reduction of £570k in relation to the Local Transport Plan budgets. This is in response to, as previously reported, 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 and of these reductions £0.54m Integrated Transport Block and £0.03m PRN Network Funding for bridgeworks support the LTP budgets.

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

- b. In order to address the reduction in grant for the Integrated Transport Block of £0.54m it has been necessary to carefully review the schemes within the current year. In considering the approach to budget reduction, consideration has been given to the Council's priorities of Road Safety, Highway Maintenance and supporting sustainable modes of transport. As a result, the Hereford park and ride project that was scheduled to deliver a short term small scale facility has been put on hold pending development of strategic park and ride proposals associated with the Local Development Framework Core Strategy. This has released sufficient funding to address the majority of cuts and also enable programming of a scheme to provide coach parking near the Hereford leisure pool car park.
- c. The hold on the park and ride scheme also releases £1m of the Growth Point grant funding in 2010/11 which will now be utilised to support the new livestock market scheme which is the remit of the Community Services Scrutiny. As part of the development of the new livestock market for Hereford, a number of minor highway improvements to improve road safety and support sustainable modes have been programmed, as key infrastructure to support the growth of the city; these measures will be supported by a contribution from Growth Point funding. This will enable the schemes to be implemented without impact on the overall countywide local transport programme.
- d. The grant reduction in relation to PRN Network Funding for bridges represents a small proportion of overall spend and will be met from minor adjustments within the overall programme.
- e. A net reduction of £45k which relates to the reduction of Road Safety grant funding of £70k as shown in the table in 4a. However there is an additional budget of £27k available in 2010/11 relating to unspent Road Safety Grant allocation for 2009/10.
- f. A reduction in Landfill schemes at Stretton Sugwas and Strangford of £20k. This relates to monitoring that is not expected to be carried out until 2011/12.
- g. An addition of £187k in relation to settlement of compensation payments in relation to the Rotherwas Access Road. This is funded through prudential borrowing.

- h. The additional of £1.5m in relation to the Yazor Brook Flood Alleviation Scheme costs for 2010/11. The total cost of the scheme is estimated at £4.2m and is fully funded by Advantage West Midlands as part of the Hereford Futures programme.
- i. An addition of £288k in relation to the purchase of three Gritters for the Winter Maintenance service. These are funded through prudential borrowing funded through revenue.

Financial Implications

- 6 These are contained in the body of the report. The forecast is based on the Capital Budget Monitoring to the end of July 2010.

Appendix

Appendix 1 – Summary Environment Capital Programme Budget 2010/11

Background Papers

- None identified.