

# OUTLINE CAPITAL FUNDING PRESSURE

Directorate	Economy, Communities & Corporate Directorate		
Scheme Name	Investment in the Condition of Structures to Ensure Access for Communities		
Budget Holder	Clive Hall	Contact No	07792881489

<p><b>Scheme description, timescale and demonstration of links to corporate priorities and savings plans</b></p>	<p>As detailed in the appended business case, which was produced as a result of the Council's Cabinet's consideration of options for investment in the highway asset to support safety, growth and efficiency. This at their away day on 27 April 2017. At that away day Cabinet asked that 3 business cases be worked up. The 3 Business Cases asked for were:</p> <ul style="list-style-type: none"> <li>• Investment in the Condition of the Strategic Network to Support the Local Economy, Secure Safety and Resilience</li> <li>• <b>Further Investment in the Condition of Structures to Ensure Access for Communities</b></li> <li>• Enhanced and Sustained Revenue Investment Drainage Clearance to Secure the return on the Investment made and alleviate flooding</li> </ul> <p>This document supports this decision to invest in the <u>Condition of Structures to Ensure Access for Communities</u> which will be delivered through the Forward Programme and Annual Plan in accord with the Public Realm Services Contract.</p>
--	---

<p><b>Risks of not going ahead with the scheme – specifically how the investment will reduce risks identified on the corporate risk register</b></p>	<b>Risk</b>	<b>Mitigation</b>
	Customers and Stakeholders expect this significant investment to address all bridge defects throughout the county, which it will not. The risk is that expectations will be raised to unrealistic levels which will never be met, leading to a reduction in overall customer satisfaction with the condition of roads.	Address as a key message in the Communications Strategy.
	Despite investment a bridge(s) has to be closed as the overall condition of the bridge asset is not elevated to a level that removes all risk, and deterioration accelerates ahead of that anticipated in the case of certain assets. As a consequence, the scale of benefits anticipated to be realised by residents and businesses will not be realised resulting in sustained or	Ensure an optimal approach to asset management is taken to maximise performance.

	<p>increased cost to residents and businesses in Herefordshire. There would also be consequential reduction in the overall satisfaction.</p>	
	<p>The impairment in the highway asset, as a consequence of the severe weather throughout the lifecycle of the asset and the resulting damage to the asset, is not fully addressed through damage repair works (as funded through Bellwin etc.). The risk is that the actual overall condition of the bridge asset will be impaired and this will reduce the scale of the anticipated benefits.</p>	<p>Develop and refine 'bellwin' claim/delivery processes and record the best practice approach, so this approach can be 'rolled out' following severe weather in an efficient and effective way that maximises the amount of damage that is addressed following each severe weather event.</p>
<p><b>Other funding opportunities identified (eg capital receipts, capital grants, revenue savings)</b></p>	<p>As for the business case for the business case for investment in the Condition of the Strategic Network:</p> <p>The opportunities to reduce the sums needed from the council's capital programme are:</p> <ul style="list-style-type: none"> <li>• Through further bids to the Local Highway Maintenance Challenge Fund (Tranche 2B or Tranche 3. The details for both are yet to be announced);</li> <li>• The utilisation of sums made available to the highway service following the resolution of disputes with the Council's former provider Amey;</li> <li>• The utilisation of existing commitments made in the Council's Capital Programme.</li> </ul> <p>These opportunities will only be available for one or the other case. As such, to avoid double counting, it is assumed that they will be available to support the case for investment in the condition of the Strategic Network and not this case.</p>	
<p><b>Review from finance comments - price reliability, scheme deliverability, future years budget implications</b></p>		

<b>Capital cost of project</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Future Years</b>	<b>Total</b>
<b>Programme of work to bring the overall condition of its bridges up to an acceptable level and as such reduce the whole life cost of maintaining the highway asset. This investment will ensure access for communities.</b>	<b>£500</b>	<b>£1,000</b>	<b>£1,500</b>	<b>£2,000</b>	<b>£5,000</b>
<b>TOTAL</b>	<b>£500</b>	<b>£1,00</b>	<b>£1,500</b>	<b>£2,000</b>	<b>£5,000</b>

<b>Funding streams</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Future Years</b>	<b>Total</b>
<b>TOTAL</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>

<b>Revenue budget implications</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Future Years</b>	<b>Total</b>
<b>Revenue demand will be curtailed</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>note any impact on revenue budget, good or bad</i>					
<b>TOTAL</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>