

PUBLIC QUESTIONS TO CABINET – 31 January 2019

Question 1

Mrs Morawiecka, Breinton

To: cabinet member, infrastructure

The SWAP report on the Blueschool House fiasco made significant recommendations for capital projects to be adequately controlled and reported to councillors. The written answer to my supplementary question in Nov 2018 shows that the budget for the SWTP has not been updated in any detail these last 8 years. The executive is using a simple 2010 cost based budget with an “uplift” for inflation. There is no reporting of adverse expenditure to date versus budget. The decision report referred to in the answer relates only to the compulsory purchase of land.

Where is the decision report giving permission for the executive to spend in excess of £5million on professional fees vs a clear budgeted cost (uplifted) of £1million, for the SWTP project?

Response

There is an approved capital provision for the South Wye Transport Package (SWTP) of £35m as contained in both the medium term financial strategy and capital programme. The 2010 figure of £1m you refer to is not an approved budget. It forms part of a scheme cost breakdown within the Strategic Outline Business Case application for funding to the Marches Local Enterprise Partnership, which secured £27m funding for the project.

The decision to progress the scheme was taken by Cabinet on 13 November 2014. That decision authorised officers to prepare and submit a planning application for the SWTP and, subject to planning consent being obtained, to continue detailed design of the scheme and develop proposals for land acquisition. Further authority to spend, and information about how the scheme is being progressed, has been contained in decisions taken on:

- 26 August 2016
- 20 October 2016
- 16 November 2017
- 14 December 2017
- 28 February 2018
- 22 May 2018
- 9 October 2018
- 12 November 2018

All these decisions are published on the council’s website and available to view at:

<http://councillors.herefordshire.gov.uk/mgDelegatedDecisions.aspx?bcr=1>

The SWTP budget, spend and forecast is updated regularly. Monitoring of the capital programme takes place that demonstrates spend to date and forecast spend the whole programme of capital projects.

The council has been implementing improvements to the clarity of financial information provided in reports informing decisions and in overall performance reporting. It is now the case that each project decision report summarises project budget, spend to date and forecast spend so that the financial implication of each project decision is clear and auditable. The report informing the most recent decision (12 November 2018) for the SWTP contained a summary of this information for the scheme and set out the forecast spend for 2018/2019 (£1.75m) and how this will be funded, as well as spend to the end of 2017/2018 (£4,977,931.67).

Question2

Mrs Wegg-Prosser, Breinton

To: cabinet member, infrastructure

Reference the Capital Programme 2019/20 and Capital Strategy (paragraph 27: 'Revised Forecast' tabulation) could the Cabinet member for Infrastructure please explain his justification for the budget for the Active Travel Measures for the SWTP being £5M, when the same Cabinet member replied to members of the public submitting questions to him in Cabinet on 14 December 2017 that the budget for these ATMs was £8M. He assured everyone this budget of £8M would not be spent elsewhere; it would be spent on "the purpose for which it was there for" (Answer to Public Question No. 10) and "will be used for that purpose" (Answer to Public Question No. 12).

Response

I believe the responses you refer to were given at a meeting on 16 November 2017. In them I gave an assurance that the South Wye Transport Package (SWTP) active travel measures would be funded, and funding for this package would not be spent elsewhere. The figure of £8m for active travel measures I referenced was based on my understanding at that time of the estimated active travel measure costs. The active travel measures costs are set out in the Strategic Outline Business Case (SOBC) and are based on the detail known at that time.

I would also draw attention to a response I gave to another public question at the same meeting in November 2017 about cost/budget estimates relating to complex transport package schemes. That response stated: "I fully expect the final actual figures to differ from these estimates – that is normal and to be expected on a project of this scale being developed over a period of time and in accordance with relevant guidance. Any changes will be authorised and reported as they arise."

It is the SOBC costs which are referred to in paragraph 27 of the Capital Programme 2019/2020 onwards and capital strategy document and the South Wye Transport Package - southern link road land acquisitions cabinet member report dated 12 November 2018.

The full final business case due to be submitted later this year to Department for Transport will provide an updated estimated of both the Southern Link Road and active travel measures and will be published on the council's website at that time. It is entirely appropriate in a significant scheme of this scale developed over a period of years for cost estimates to be revised. My commitment to funding the entire package remains.

Question 3

Ms D Toynbee,

To: cabinet member, infrastructure

Appendix 2 (Capital Programme position Dec 2018/19) shows a prior-year spend of £4978k for the South Wye Transport Package and a further forecast spend of £2508k in this financial year. This total of £7486k is approximately 20% of the total SWTP budget. Please could you explain what this expenditure has delivered?

Response

The spend in 2018/2019 will deliver:

- Completion of the detailed design of the Southern Link Road
- Discharge of the pre-commencement planning conditions associated with the Southern Link Road consent including ecological licences
- Archaeological site works
- Making of Compulsory and Side Road orders for the Southern Link Road.
- Land and compensation costs
- Public Inquiry costs
- Procurement of a contractor for the Southern Link Road construction and mobilisation
- Completion of the full business case for the South Wye Transport Package for submission and sign off to Department for Transport
- Development of a programme for delivery of the active travel measures

Question 4

Mr R Palgrave,

To: cabinet member, infrastructure

The total capital budget for Economy and Place in 2018-19 shown in Appendix 3 is £98.2m. Of this only approximately £2m is related directly or indirectly to tackling climate change - Solar panels, Energy Efficiency and Warm Homes Fund. Renewable energy and energy efficiency investments can provide a good return and will also support Corporate Plan Objectives A and D. There is no specific provision for the Hereford Heat Network identified in the Carbon Management Plan 2017-21. However, other planned capital investments such as roads will worsen climate change. Why is Council budgeting to invest so little to protect the climate and the future security of residents?

Response

I cannot agree with the questioner's view that we are investing little to protect the climate and future security of Herefordshire residents. The council is committed to tackling climate change and has a strong track record of investing in renewable energy and energy efficiency measures across its estate, and is on course to deliver its 40% CO2 reduction target by 2020/21.

Our proposed capital programme in 2019/20 includes over £3.2m investment in energy efficiency, invest to save and renewable energy projects. These will continue our investment in solar and photovoltaic energy, improvements to public buildings energy efficiency, warm home grants available to low income households looking to install central heating for the first time, further investment in LED lighting, and a more fuel efficient vehicle fleet.

In addition to our own capital investment:

- the council is able to use this resource to draw down significant external funding. This includes access to up to 50% capital grants for energy efficiency and renewable energy projects, energy efficiency grants for businesses, and significant funding from the Energy Company Obligation (ECO) to support residents with home energy projects. This will not only increase the total available funding for these projects, but will also offer the council better payback periods and improved value for money.
- Our proposed budget includes planned revenue expenditure of almost £1m for energy efficiency, active travel and affordable warmth activity. This revenue investment includes utilising £150k of grant funding from the Department of Business, Energy and Industrial Strategy to undertake a detailed project development study for the Hereford Heat Network.

The significant investment in a bypass for Hereford will address a range of other issues facing the county that include improving air condition in certain city hotspots, improving traffic flow in the city and enabling necessary housing growth. All the bypass phases of delivery are supported by packages of active travel measures that we are investing significant amounts of money in. Indeed, we are currently consulting on proposals to support increased walking, cycling, and bus use with associated public space improvements as part of the Hereford Transport Package. Details of this consultation can be found at: <https://www.herefordshire.gov.uk/htp> and I would encourage all residents to participate in the consultation.