

Record of officer decision

Decision title:	South Wye Transport Package (SWTP) and Hereford Transport Package (HTP) Budget Update
Date of decision:	26 November 2021
Decision maker:	Chief Finance Officer and S151 Officer
Authority for delegated decision:	<p>Council allocated the revenue budget for HTP on 2 February 2021: https://councillors.herefordshire.gov.uk/documents/s50086609/Hereford%20Transport%20Strategy.pdf</p> <p>As set out in the finance procedure rules budget movements of up to £100,000 can be moved within the directorate with the agreement of a finance manager.</p>
Ward:	All Wards
Consultation:	Consultation of this decision has taken place with the council's finance and legal services teams.
Decision made:	Confirm final project costs for SWTP at a value of £51k and authorise the reallocation of £1k from the underspend in the HTP revenue budget to manage the overspend against SWTP.
Reasons for decision:	<p>The Council's decision of 2 February 2021 approved cancelling the SWTP and HTP schemes and outlined costs associated with the de-capitalisation of the projects. This decision report can be viewed using the following link:</p> <p>http://councillors.herefordshire.gov.uk/documents/s50086609/Hereford%20Transport%20Strategy.pdf</p> <p>Included in the de-capitalisation costs were estimates of remaining project costs for both schemes based on knowledge at that time and an approved the revenue budget for these costs. The estimates comprised:</p> <p>SWTP - £50k Gain share contractual payment associated with works completed financial year 2018/19 £40k Outstanding compensation payments to landowners £10k</p> <p>HTP - £350k Gain share contractual payment associated with works completed during 2018/19 and 2019/20 prior to decision to pause scheme £200k Removal of boreholes £140k Final payment on Peer Assessment commission £10k</p> <p>SWTP The BBLP contractual payment and land compensation costs have come in under the estimated budget, which leaves £43,206.17 available for reallocation within the project. This will fund final contractual legal fees associated with land acquisition that were not included within the February report. These costs have totaled £44,060.13 which exceeds the remaining budget.</p> <p>Updated final SWTP project costs comprise: BBLP contractual payment for final costs associated with concluding contractual</p>

	<p>matters and final account £6,151.83</p> <p>Compensation payments which relate to landowner legal fees associated with the CPO £406.00</p> <p>Internal recharge for Property Services fees for managing compensation payments associated with land acquisition (CPO & SRO) £236.00</p> <p>Sharpe Pritchard legal fees for works associated with land acquisition (CPO & SRO) £37,512.40</p> <p>Associated interest and court fees following legal action instigated by Sharpe Pritchard in June 2021 £3,731.77</p> <p>Internal recharge of legal fees for support to concluding the Sharpe Pritchard contract £2,815.96</p> <p>The total value of these costs is £50,853.96 which exceeds the estimated revenue budget set out in the February council decision by £853.96.</p> <p>HTP</p> <p>The BBLP gainshare and the final peer assessment costs have come in under the estimated budgets. This leaves £49k available for reallocation which will fund a legal cost of £1k which was not included within the February report and the £1k SWTP overspend detailed above. The remaining underspend will be allocated to the borehole removal and any associated compensation budget element in the event that these costs exceed the estimate.</p> <p>Updated project costs comprise:</p> <p>BBLP gainshare contractual payment for works completed in previous financial years and final account £155,512.59</p> <p>Removal of boreholes and compensation payments £15,020.70</p> <p>Final payment of costs for works associated with the Peer Assessment £2,079.88</p> <p>Legal invoice £1,000.00</p> <p>These costs total £173,613.17 and have been paid from the project revenue budget approved within the February Council decision report.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p><i>Financial</i></p> <p>There is a risk that the remaining HTP budget for delivery of the final elements may be exceeded. Budget estimates will be developed for the remaining borehole removal works and managed within the available budget. Remaining will be monitored to ensure spend above approved budget does not occur.</p>
Details of any alternative options considered and rejected:	<p>None. This is an update on SWTP and HTP budget elements and contractual payments.</p>
Details of any declarations of interest made:	<p>None</p>

Signed

Andrew Lovegrove
Chief Finance Officer and Section 151 Officer

Date 26 November 2021