

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment
Date:	29 June 2010
Title:	Environment Department Capital Programme 2009/10 - Final Position
Reference:	1670
Report From:	Director of Environment

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1. Executive Summary

1.1. The purpose of this paper is to provide a summary of the 2009/10 Environment Department Capital Programme. It will set out a financial outturn for each programme area and identify the carry forward. It will also highlight any issues that arose during the year and identify schemes that have slipped out of the 2009/10 starts programme.

2. Contextual information

2.1. This report covers the integrated transport programme, Major Schemes, Highways Maintenance, Bridges, Waste and Quality of Place.

3. Outturn Position

3.1. The final account shows a lower outturn compared with that reported in March 2010. The extended period of snow and ice during December and January impacted on all areas of the programme causing a far greater slow-down than originally estimated.

3.2. Apart from the travel difficulties during this time and the effect that had on staff and equipment availability, it was simply not possible, or safe, for on-site activities to continue. Compounding this was the need for sufficient resources to undertake essential winter-maintenance duties, and the resulting nationally reported pot-hole problem, to which the Environment Department responded with swift and effective action.

3.3. The resulting programme slippage is reflected in the £41.7 million carry forward across the programme.

3.4. The following table is an overview of the 2009/10 approvals and expenditure in 2009/10 across the budget headings:

	Approvals at start of 2009/10	Forecast Spend at March 2010	Spend at end March 2010	Balance to be carried forward to 2010/11
	£'000	£'000	£'000	£'000
Major Schemes	28,797	9,895	7,818	20,979
Integrated Transport	19,927	18,100	16,783	3,144
Roads Maintenance	29,899	27,300	22,879	7,020
Bridges	4,218	3,800	3,728	408
Quality of Place	2,715	437	599	2,116
Waste Management	8,115	1,202	86	8,029
	93,671	60,734	51,893	41,696

3.5. Total capital payments amounted to £51.9 million.

3.6. Of this figure, £5.5 million was funded by developer and other external contributions, together with £13.5 million from various Government grants. These include £5.2 million for BRT, £4.6 million for integrated transport from the LTP settlement, and £2.4 million of new growth point grant (via PUSH/TfSH).

3.7. The balance consists of supported borrowing from the LTP settlement of £17.8 million, additional borrowing approved for the South Winchester Park and Ride project of £5 million, and local resources, including prudential borrowing, of £12.2 million.

3.8. The capital programme cash limit for 2009/10, taking into account the net value of variations to the programme approved during the year was £83.2 million. Schemes to the value of £70.7 million were actually committed, leaving projects valued at £12.5 million to be carried forward to 2010/11. These will be reported to Cabinet in June.

4. Major Schemes

Bus Rapid Transit (BRT) - £25.2 million

- 4.1. Phase 1 progressed well at the start of 2009/10, with the submission of the planning application and issue of tenders for the main contract in early April. Planning permission was granted on 31 July and the main contract awarded in August, with immediate ecological works commencing on site. Following a Judicial Review of the planning decision in September 2009, an injunction stopping the main construction works was issued. The Judicial Review was heard in October and the planning decision upheld by judgement in November, enabling works to recommence. A successful claim to seek leave to appeal resulted in a further injunction in December 2009, with a substantive hearing arranged for March 2010. At the current time, we await the judgement of this hearing and remain unable to commence development.
- 4.2. In addition, two Town/Village Green Applications for areas within the proposed site and are currently being progressed through non-statutory public inquiry.
- 4.3. The earliest start date for construction is currently 5th July 2010, subject to a positive outcome to the above legal processes.
- 4.4. The approved budget, as agreed by Cabinet in July 2009, was £25.2 million. Total spend against this project (all funding sources) is now £7.057 million. The latest estimate stands at £24.4 million.

M27 Junction 5 - £8.8 million

- 4.5. Phase 1, at a budgeted £2.65 million, has been on-site since October 2009. Despite the snow, the scheme completed with minimal delays and within budget.
- 4.6. Phase 2, at a budgeted £3.25 million, has recently been deferred owing to delays in positive confirmation from the Regional Transport Board on the provision of £1 million. Depending on how long this takes, and linked with environmental factors, the start will be delayed by up to one year.
- 4.7. Phase 3, at a budgeted £2.9 million, is also on hold pending funding decisions.
- 4.8. Spend against the whole scheme now totals £2.9 million (£2.8 million at year-end), of which £1.7 million was spent during 2009/10. The revised estimate, phases 2 and 3 included, now stands at £8.950 million (previously £8.8 million).

5. Integrated Transport Programme

- 5.1. Schemes committed in 2009/10 totalled £16.4 million, of which £12.3 million will be funded from the LTP resources, £3.1 million from external funding including developer contributions, and £1.0 million from local resources.
- 5.2. Expenditure across this programme amounted to £16.8 million, against a projected outturn figure in March of £18.1 million.
- 5.3. In general, delivery across this programme has improved for the second year, with 92% of the LTP spend being on that year's schemes, compared to 46% in 2008/09. The volume of projects being delivered also rose, primarily due to the inclusion of 15 new developer funded schemes, with only five projects being rescheduled during the year, or slipping at year-end, despite the weather.
- 5.4. There is one additional slipped scheme to report since March:
 - (i) A343 Penwood Crossroads. £65,000.

6. Highways Maintenance Programme

- 6.1. The overall highways maintenance programme for 2009/10 amounted to £62.9 million, including routine highways maintenance activities funded from the revenue budget and capital programme provision for structural maintenance of roads and bridges. The roads element of the capital maintenance budget totalled £29.2 million.
- 6.2. Much of the programme was completed despite the weather, but the inevitable delays, together with additional damage to the highway network and resource availability did result in additional slippage, particularly within the special maintenance programme. Although the majority of the funding for the works programmes was committed in the form of works orders, the delays caused by the winter weather reflects in the £7 million carry forward. The invoicing of works orders was also delayed as a result of the winter weather, as resources from the highway maintenance delivery teams were engaged on winter priorities. Resources are focused on clearing this backlog.
- 6.3. Expenditure amounted to £22.9 million against a projected outturn in March of £27.3 million, however commitment to works programmes decreases this gap.
- 6.4. Special Maintenance funding for some Quarter 4 schemes had to be diverted to address the winter pressures. This funding was redirected towards the end of the year to focus on the damage caused by the effects of the Winter. Project Restore commenced in the later part of the financial year to address the significant damage caused on the road network and will continue into 2010/11. Funding from Special Maintenance schemes diverted in quarter 4 will be carried forward to the 2010/11 financial year to fund part of the £12.5m Project Restore programme.

7. Bridges

- 7.1. The bridges programme, which is part of the overall £62.9 million identified in section 6.1 above, was £4.2 million.
- 7.2. Expenditure matched the projected outturn figure, at £3.8 million, leaving £0.408 million (after £0.25 million transfer to roads) to be carried forward.

8. Waste Management

- 8.1. Approvals remained unchanged throughout the year at, £8.115 million. This figure includes £4.86 million, being the capital infrastructure improvement grant, which is presently ring-fenced for LAA priorities including strategic landfill diversion investment, e.g. land and/or disposal technology, or major Climate Change related projects. The remaining £3.255 million relates to programmes for Household Waste Recycling Centre (HWRC) Improvements and Closed Landfill Maintenance works.
- 8.2. Expenditure against the £3.037 million HWRC Programme totalled £0.086 million. The projected £1.2 million spend has not been met as expectations for the redevelopment of the Marchwood former incinerator site have not progressed, after the decision was made to review plans to ensure they meet the operational requirements of the waste disposal service in this area.
- 8.3. In addition to this, a number of other improvements have progressed through feasibility stage, with the Gosport HWRC redevelopment moving into the democratic decision making progress with the aim of completion by the end of 2010/2011.
- 8.4. It will not be possible within remaining funds to bring the entire HWRC network up to meet the expectations of both Members and the public in line with those areas of the County where new sites have been delivered providing modern facilities and achieving high levels of recycling. To that end, it is necessary that future expenditure is supported by a very strong business case that links to the overdue review of the present HWRC service. In the increasingly difficult financial climate, some tough choices will need to be made with regard to the number and type of HWRCs that the County Council is able to support in the medium to long term. The review will be completed during 2010/2011 with recommendations being presented on how to take the service forward.
- 8.5. There was no expenditure against the closed landfill capital budget of £218,000. The Casbrook leachate treatment plant cessation trial continues to be successful, for this reason re-commissioning was not required but could be at any time in the foreseeable future. Works to rectify restoration problems at Bramshill are likely to be less extensive than anticipated and have been further deferred until next financial year. Predicted lease costs for Minley have yet to materialise, likewise any requirement to deliver gas control system improvements at Bramshill under the EA Habitats Regulations Review. Both these costs may arise in the next financial year, or at any time

in the future. A sum of £20,000 was received from the National Grid as compensation for damages at Bramshill as a result of their pylon maintenance programme.

9. Quality of Place Programme

- 9.1. The Quality of Place programme includes both the Environmental Improvements Programme and the Environmental Initiatives Programme.
- 9.2. Programmes were approved by the Executive Member for Environment on 30 April 2009 for 2009/10 in the sum of £387,000 funded from local resources, which has been apportioned across the areas of work.
- 9.3. In addition to the £387,000; £1,973,000 of prior year approvals was a planned carry forward into 2009/10 to support commitments to previously approved programmes which are still current and existing projects where external funding has been secured or committed.
- 9.4. There are no new resources available in 2010/11. Projects approved but without a capital allocation will be funded previous years' planned under spends, funds secured from district authority match funding and developer's contributions.

Environmental Improvement Programme

- 9.5. The Environmental Improvement Programme comprises the Regeneration of Older Urban Areas Initiative (ROUAI), the Country Towns Initiative (CTI) and Hampshire Villages Initiative (HVI). Each initiative is unique in the way schemes are initiated, developed and delivered but all share the common aim of environmental enhancement, partnership working and sustainable development. There are 30 current schemes across the three initiatives. These schemes have attracted contributions and match funding totalling £4.5 million, of which £1.96 million has been secured from developers contributions, private sector investment and district and parish partners.
- 9.6. Twenty one of the schemes in the existing programmes have either achieved practical completion, are implemented on-site or are out to tender. The remaining nine schemes are well advanced and have secured financial contributions of £819,000 from project partners in the districts and parishes, and from the private sector. Feasibility, detailed design work and public consultation have been undertaken on all the schemes.

ROUA Progress

- 9.7. Of the twelve schemes remaining at the end of 2009/10, North Camp, Farnborough; Church End Green, Yateley; Old Totton; and The Hard, Warsash have been completed with some outstanding contractual and financial commitments to resolve. Implementation at Glebe Gardens, Basingstoke is substantially complete and final handover is planned for September 2010. Following successful public consultations in 2009, design work on West Street, Fareham and Phase 1 works for Cove, Farnborough have been completed. Construction is due to start on both schemes in June 2010. Project Appraisals for Leigh Park Centre, Havant, Forton Road, Gosport and Brookvale, Basingstoke will be submitted from June 2010 onwards with implementation work commencing in summer 2010. Preliminary proposals for environmental improvements in Aldershot Town Centre are in preparation to follow on from a first phase of enhancements funded from external funding. Early feasibility work for a community-led scheme is being reconsidered in light of plans for significant redevelopment for the North Town area of Aldershot.
- 9.8. Feasibility works have started on three schemes in the 2010/11 programme: Hedge End Village Centre; West Street, Havant and West Street Fareham.

CTI Progress

- 9.9. With the exception of Odiham Town Centre, where surfacing issues are expected to be resolved in summer 2010, and the deferred New Milton Landmark Project for which an Executive decision to proceed to implementation in 2010/11 will be sought, all projects from funding years prior to 2007/08 are complete. The two remaining schemes from 2007/08, Bordon Forest Centre and Whitchurch Town Centre, are complete and in defects period. There are four schemes in the 2008/09 programme. Four Marks is completed on-site and in defects period; North Baddesley is completed but with further opportunities under review. Grayshott Square is currently being implemented. Southampton Road, Ringwood is currently planned to start on site in 2010/11. Roundhill, Fordingbridge is pending a decision on funding by New Forest District Council. Work is being progressed on Abbey Water, Romsey as part of 2010/11 programme.

HVI Progress

- 9.10. At the start of 2009/10 the programme comprised four core projects and three minor projects from 2006/08, together with five major schemes and six minor schemes from 2008/09. All schemes have progressed well. Nine schemes have been completed and no further expenditure is expected on these. Seven schemes are complete on-site and currently in defects period.

- 9.11. Of the three 2009/10 schemes, Finchdean is complete on-site and in defects period and Buriton is expected to start on-site in 2010/11. Burley Village Centre sketch design has been submitted to the local community for consideration.

Environmental Initiatives Progress

- 9.12. The Land Management and Area of Outstanding Natural Beauty funding has continued to support core funding and partnership agreements entered into by Hampshire County Council. The Strategic Landscape Initiative has supported the review of the Hampshire Landscape Character Assessment and will support the development of a State of Hampshire's Landscape report. It will also support the development of locally generated environmental initiatives linked to Parish Planning. All aspects support the County Council's climate change priority.
- 9.13. The Schools Landscape Programme provides advice and expertise to enable schools across Hampshire to develop and benefit from their outdoor environment. Two good practice projects have been completed this year at Titchfield and Eling. Work continues across the county and supports a wide range of initiatives including the 'Building Schools for the Future' corporate initiative.

10. Outturn costs of completed capital schemes

- 10.1. In accordance with the County Council's financial procedures, the outturn cost of schemes completed between 1 April 2009 and 31 March 2010 are listed in Appendix 1. 'Completed' in this context means when the final payment has been made. Some of these may have been in operation prior to April 2009, but the final payment was only made during this year.
- 10.2. The overall position continues the trend for outturn costs to be lower than the last approval, at an average 4% under. The outturn is £0.270 million (4%) less than the latest approvals for those schemes. This variation in expenditure has already been taken into account in assessing resources available to support other schemes in the capital programme.
- 10.3. Significant variations (greater than £25,000 and +/-10%) are explained below:

Significant variations on completed schemes

- 10.3.1 Alton Town Centre Accessibility. Final cost £269,000 (-£60,000 -19%)

There were five specific elements to this project which were originally to be delivered separately. Savings were realised through procuring as a single contract.

10.3.2 Hardley – Hythe Cycle Route. Final cost £324,000 (-£40,000 -11%)

Final contract costs were lower than expected, plus contingency set aside for Safety Audit remedial measures was not required.

10.3.3 Basingstoke Cycle Network Missing Links. Final cost £296,000 (-54,000 - 15%)

A higher than usual contingency was included in the original budget estimate, owing to the nature of the project – lots of individual sites with low works values.

10.3.4 Rookes Lane & Ridgeway Lane, Lymington. Final cost £245,000 (+£35,000 +16%)

This project was completed in 2004/05 and was thought to be financially complete in 2007 and its closure was reported at a lower final cost at that time. The additional costs relate to a late TMC invoice in 2009 but do not exceed the original approval value.

11. Recommendations

- 11.1. That the 2009/10 financial outturn be noted.
- 11.2. That the outturn costs of completed schemes in 2009/10 be noted, as required by the County Council's financial procedures.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The proposals in this report are derived from the departmental service plans and LTP objectives, and are in accordance with the budget strategy and the County Council's financial management policy. An impact assessment of the departmental service plans and the financial management policy has been carried out and the proposals in this report are not considered to be discriminatory.
- 1.2. Furthermore, all named schemes within the Integrated Transport programme are subject to an independent peer review process as part of the department's Gateway system of project control. This review requires evidence that customers and equalities have been considered and are being considered at all stages of the scheme's development.

2. Impact on Crime and Disorder:

- 2.1. This is a monitoring report and has no direct impact on crime and disorder, however some of the schemes within the capital programme may contribute to a reduction in the fear of crime that may have been identified by local communities during consultation or development stage

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As this is a general report covering the monitoring of the budget and delivery of the programmes, it cannot set out detailed climate change implications. However, climate change implications of specific departmental issues would be reflected in individual project appraisal reports where appropriate.

Final Cost of Completed Schemes	Start Year	Final Cost	Funded from EF	Net cost chargeable to capital cash limit	Latest approved cost	Variation and %
		£000	£000	£000	£000	£000
Fleet Town Centre	2005/06	2,932	2,532	400	3,018	-86 (3%)
Alton Town Centre Accessibility	2006/07	269	143	126	329	-60 (19%)
Hardley to Hythe Cycle Route	2007/08	324	310	14	364	-40 (11%)
Basingstoke Cycle Network Missing Links	2007/08	296	296	-	350	-54 (15%)
Dunleys Hill, North Warnborough	2007/08	250	250	-	268	-18 (7%)
Broadmarsh Cycles, Havant	2007/08	267	6	261	245	-22 (9%)
Fareham-Gosport QBP Passenger Information	2007/08	260	-	260	245	+15 (6%)
Fareham-Gosport QBP Bus Priority	2007/08	247	103	144	247	-

Total		4,845	3,640	1,205	5,126	-281 (5%)
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Block allocations and schemes under £250,000

Eastleigh Controlled Parking Zone	2004/05	173	173	-	175	-2 (1%)
Rookes Lane & Ridgeway Lane, Lymington	2005/06	245	-	245	210	+35 (16%)
Station Road South, New Milton	2007/08	118	68	50	121	-3 (2%)
Stubbington Accessibility	2007/08	125	110	15	131	-6 (5%)
Hedge End Railway Station Improvements	2007/08	95	95	-	90	+5 (6%)
Ship Lane/Rectory Road, Farnborough	2007/08	39	39	-	40	-1 (3%)
North Lane, Aldershot	2007/08	207	207	-	196	+11 (6%)
Winchester Parking Variable Message Signs Monxton Road - John Hanson School, Andover	2007/08	128	128	-	125	-3 (2%)
	2007/08	120	104	16	120	-
Perins School, Alresford	2008/09	61	61	-	59	+2 (3%)
Lyndhurst Bus Priority	2008/09	19	-	19	20	-1 (5%)
Reading Road South, Fleet	2008/09	68	47	21	69	-1 (1%)

Final Cost of Completed Schemes	Start Year	Final Cost	Funded from EF	Net cost chargeable to capital cash limit	Latest approved cost	Variation and %
		£000	£000	£000	£000	£000
High Street, Fareham	2008/09	52	52	-	55	-3 (5%)
Gudge Heath Lane, Fareham	2008/09	55	55	-	63	-8 (13%)
Overton Pedestrian Improvements	2008/09	70	70	-	90	-20 (22%)
Community Transport Vehicles	2009/10	200	-	200	200	-
		1,775	1,209	566	1,764	-11 (0.6%)
TOTAL		6,620	4,849	1,771	6,890	-270 (4%)