

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member - Environment
<b>Date:</b>	9 March 2010
<b>Title:</b>	2009/10 Capital Monitoring
<b>Reference:</b>	1380
<b>Report From:</b>	Director of Environment

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### 1. Executive Summary

- 1.1. The purpose of this paper is to present a further update of the Environment capital budget monitoring position for 2009/10, including latest information on expenditure, forecasts and proposed changes to approvals compared to the 2009/10 monitoring report, which was approved in January.
- 1.2. The recent weather emergency has impacted on all aspects of the programme, as delays, particularly on-site, have been inevitable. Worst affected is the maintenance programme, where delivery had to be suspended to ensure sufficient resources were available for winter emergency duties. The programme slippage and level of damage caused is being assessed and a repair programme prepared with the contractor.
- 1.3. In general, the financial position for this stage remains broadly in line with estimated expenditure and is within current approvals of £96.163 million. Forecast outturn across the programme has reduced slightly. A carry forward of £35.428 million is now expected.

### 2. Contextual information

- 2.1. This report covers the Environment capital programme and includes: major schemes;

Integrated Transport; Maintenance; Bridges; Quality of Place and Waste Management.

2.2. Approvals across all headings is £69.163 million, with a forecast spend this year of £60.734 million.

### 3. Finance

3.1. The following table is an overview of the current approvals and expenditure forecast for 2009/10 across the budget headings:

	<b>Approvals at start of 2009/10</b>	<b>Forecast Spend</b>	<b>Spend at end January 2010</b>	<b>Balance to be carried forward to 2010/11</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Major Schemes	30,440	9,895	4,536	20,545
Integrated Transport	20,904	18,100	10,579	2,804
Roads Maintenance	29,400	27,300	20,307	2,100
Bridges	4,589	3,800	2,555	789
Quality of Place	2,715	437	361	2,278
Waste Management	8,115	1,202	58	6,912
	96,163	60,734	38,396	35,428

### 4. Major Schemes

#### Bus Rapid Transit (BRT) - £22.396 million

4.1. On 28 January, Hampshire County Council was successful, in the Court of Appeal, in significantly varying the terms of an injunction that had been in place since 2 December 2009. The County Council has now recommenced major preparatory works on the site, which puts the project back on track to be completed by 31 March 2010, thereby securing the £20 million funding awarded by the Government.

## **M27 Junction 5 - £8.8 million**

- 4.2. Phase 1, £2.65 million, is underway and progressing to time and within budget. Completion is expected March 2010.
- 4.3. The Regional Transport Board (RTB) has agreed, in principle, to the virement of £3.5 million for M27 Junction 5 from the overall £40 million allocation to improve access to strategic development in Southampton and South Hampshire. RTB officers have accepted the business case and a positive outcome is expected from the Department for Transport.
- 4.4. Phase 2, £3.25 million and Phase 3, £2.9 million, are now being procured together for a May 2010 start. The project appraisal for Phase 3 is being submitted to the Executive Member for Policy and Resources on 11 March.
- 4.5. The project will be completed by March 2011.

## **5. Integrated Transport Programme**

- 5.1. The latest starts programme, excluding rescheduled schemes set out in this section is set out in Appendix 1. The revised programme value is £16.771 million, compared to £17.149 million in January. The main difference being due to the rescheduled schemes identified below.
- 5.2. Spend at end January was £10.579 million (LTP and developer contributions) It is likely that £2.8 million of deferred spending against current approvals will need to be carried forward.
- 5.3. Delivery of this programme has been affected by the bad weather. Some project programmes have slipped and a full assessment is currently underway.

### **Rescheduled Schemes**

#### **Lyndhurst Primary School Footpath - £36,000 LTP**

- 5.4. Delays in agreeing the design with National Park has pushed the expected start date for delivery into 2010.

**Romsey Railway Station Access Improvements - £270,000 (£110,000 developer contributions, £135,000 DfT Access for All grant, £25,000 contribution from First Great Western - FGW)**

5.5. Design work has been underway during the year, however, additional requirements and specification introduced by rail industry partners at a late stage has meant that this stage of work has not been completed to the original programme. It is now proposed that FGW will procure and undertake the works themselves next year, with the County Council's financial commitment limited to the developer contributions available.

**Significant Amendments**

**South Winchester Park and Ride (SWP&R) - £6.707 million**

5.6. Savings in the region of £400,000 were reported in January and approvals for this project reduced in line with outturn estimates. While the estimates remain within the reduced budget figure, the contract costs have risen above 10% of the contract value and are therefore reported, in accordance with financial standing orders.

5.7. The SWP&R main contract was let in December 2008 at a value of £3,431,439 . The contract outturn is now estimated to be £3,937,438, an increase of approximately 15% on the tender value.

5.8. The main cost increases have arisen only recently, as a direct result of the damage caused by the severe cold. The damage can be repaired, but this has caused programme delays and associated cost increases that would otherwise not have been incurred.

**6. Maintenance**

6.1. The overall highways maintenance programme for 2009/10 amounts 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 totals £28.973 million.

6.2. Delivery of the programme had to be suspended temporarily during the recent severe weather in

order to release sufficient resources for winter emergency duties. Further changes to the programme may be required in due course. This would include adjustments to re-allocate funding towards weather related repairs, as well as any provisions that may be required resulting from claims that have been submitted by the term highways contractor for additional payments for compensation events and other contract specification issues. Adjustments between capital and revenue cash limits may be required at year-end to address these claims.

### **Major Maintenance Schemes**

- 6.3. Delivery of the first phase of the A3023 Hayling Island major maintenance has had to be deferred as a result of the changes necessary and slippage elsewhere in the programme. The scheme is now planned to start late 2010/11, avoiding the summer season.
- 6.4. Delivery of the £3 million A326, and High Street Winchester £2.2 million major maintenance schemes are progressing to programme.

### **7. Bridges**

- 7.1. The bridges programme, which is part of the overall £62.9 million identified in section 6.1 above, is £4.589 million (inclusive of £0.3 million carried over from 2008/09 for completion of programmed works).
- 7.2. Spend to end January was £2.555 million, with a predicted total spend this year of £3.8 million, giving a predicted carry forward of £0.789 million.
- 7.3. It is proposed that £0.250 million of the carry forward be re-allocated to the Roads Maintenance programme to support the repair of carriageways damaged by the recent severe weather.
- 7.4. Within this programme, the severe weather delayed two Bridge schemes on site, although both are still expected to complete this year.

### **8. Quality of Place**

- 8.1. Total approvals for this programme at the start of 2009/10 amounted to £2.715 million, of which £377,000 was the 2009/10 new allocation.
- 8.2. Spend to the end of January was £361,055 and forecasts now indicate a total spend from this programme of £437,040, with £2.278 million carry forward in relation to continuing spend profiles.
- 8.3. Appendix 2 shows schemes which are now completed. The underspend of £121,270 from these projects within start years 2003/04 to 2008/09 will be reallocated to support currently unfunded schemes within the 2009-2012 programme which have executive approval.
- 8.4. Three schemes within the Regeneration of Older Urban Areas (ROUA) and one scheme in the Country Towns Initiative (CTI) sub programmes are currently on hold pending confirmation of budget allocations.
- 8.5. Delivery is progressing well across the rest of the programme with 28 of the 39 smaller value improvements already completed.

## **9. Waste Management**

- 9.1. Current approvals at the start of 2009/10 totalled £8.115 million. This figure includes £4.86 million, being 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.
- 9.2. Expenditure against the £3.037 million HWRC Programme is expected to total some £1.2 million in the current financial year. The bulk of this expenditure relates to the County Council's contribution towards the reparation of ground conditions (at the former Marchwood incinerator site) in advance of the development of a new transfer station by Veolia Environmental Services, later this year, as part of its contractual obligations. The agreed remediation costs are significantly

inside the £1.6 million scheme approval which was granted in late 2008 following submission of original tenders. A second tendering process was undertaken in 2009, partly as a response to the changing financial climate, and lower scheme costs resulted.

- 9.3. In addition to the Marchwood project, certain feasibility studies relating to other sites requiring improvement have been progressed. Demands on the HWRC redevelopment and relocation programme are significant. A number of sites are less than suitable for the demands placed on them and six sites are of a single level design and would ideally be redeveloped into split level sites to improve both customer satisfaction and recycling performance.
- 9.4. It will not be possible within existing remaining funds to bring the entire HWRC network up to the level demanded and, to that end, it is necessary that future expenditure is supported by a very strong business case that links to an 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.
- 9.5. The £188,000 closed landfill maintenance programme is forecast to spend around £25,000 this year on the gas system refurbishment works at Hook Lane. These works were delivered at a significantly lower cost than was estimated, due to the extent of the maintenance works required being considerably less than expected and the use of cost-effective well installation techniques. Restoration works required at Bramshill are likely to be less extensive than initially anticipated and have been deferred until next financial year.

## **10. Recommendation**

- 10.1 That the amendments to the 2009/10 capital programme outlined in this report be approved.

2309Rpt/1380/HA

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

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Capital Monitoring Report Q3 <a href="http://www.hants.gov.uk/decisions/decisions-docs/100112-execmb-R0105133228.html">http://www.hants.gov.uk/decisions/decisions-docs/100112-execmb-R0105133228.html</a>	1182	12 January 2010

**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.)

<u>Document</u>	<u>Location</u>
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 stages.

### **3. Climate Change:**

- 3.1. 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.

**APPENDIX 1**

**Integrated Transport Capital Programmes**

Proposed Approvals			
LTP	EF	Other	Total

**2009/10 PROGRAMME**

N	Aldershot Town Centre 1 (Birchett Road)	0	580	0	580
N	A30 Greywell Rd, Old Basing Lighting	0	100	0	100
N	Overton Village Traffic & Environs	0	200	7	207
N	Viables Subway, Basingstoke	0	235	0	235
N	Hawley Pedestrian Access, Hart	0	103	20	123
N	A30/Huish Lane Junction Imps	0	100	0	100
N	A343 Penwood, Ped Refuge	0	45	0	45
N	Fernhill Road Safety and Cycles	0	75	0	75
N	Solarton Bus and Ped Improvements	0	60	0	60
N	Central Farnborough Bus Infrastructure	0	40	0	40
N	A31 Northbrook Lane	0	0	183	183
		<b>0</b>	<b>1538</b>	<b>210</b>	<b>1748</b>

E	South Winchester P&R	6557	150	0	6707
E	Winchester Bus Priority Measures	0	193	0	193
E	Beeches Hill, Bishops Waltham	30	0	3	33
E	Pulens Lane to Town Centre cycles	0	59	0	59
E	Chilbolton Ave Puffin, Winchester	0	80	0	80
E	Grange Road, St. Cross, Winchester	0	70	30	100
		<b>6587</b>	<b>552</b>	<b>33</b>	<b>7172</b>

increased from 179k

S	Hamble Lane cycleway	0	131	14	145
S	Purbrook Way Toucan	0	150	0	150
S	Denmead to Waterlooville cycles	0	170	0	170
S	Satchell Lane, Refuge, Footway, Cyc	0	39	31	70
S	Botley Road Toucan, Hedge End	0	155	0	155
		<b>0</b>	<b>645</b>	<b>45</b>	<b>690</b>

increased from 150

W	A337 Puffin (w of Old Milton Green)	80	0	0	80
W	Lyndhurst LVD	20	0	0	20
W	A343 Portway, Andover Accessibility	0	39	0	39
W	A326 Safety improvements	0	79	450	529
		<b>100</b>	<b>118</b>	<b>450</b>	<b>668</b>

CW	Safer Routes to School	1000	200	0	1200
CW	Minor Traffic Management	520	0	0	520
CW	Minor Works	333	174	23	530
CW	Quality Bus Partnerships	100	0	0	100
CW	Community Transport	200	0	0	200
CW	PTI	200	0	0	200
CW	Access to Countryside	86	57	0	143
		<b>2439</b>	<b>431</b>	<b>23</b>	<b>2893</b>

CRP	Casualty Reduction Programme	<b>3000</b>	<b>0</b>	<b>0</b>	<b>3000</b>
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Maj	Major Scheme Preparatory costs	<b>600</b>	<b>0</b>	<b>0</b>	<b>600</b>
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<b>TOTAL 2009/10 PROGRAMME</b>	<b>12726</b>	<b>3284</b>	<b>761</b>	<b>16771</b>
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**APPENDIX 2**

**Environmental Improvement (Quality of Place) Programmes:- Completed Schemes.**

<b>Start Year</b>	<b>Programme</b>	<b>Scheme</b>	<b>Original Budget</b>	<b>Final Spend</b>	<b>Balance</b>
2007/08	ROUA	Church End Green, Yateley	624712	609238	15474
2007/08	ROUA	The Square, Hamble	385257	388987	-3730
2007/08	ROUA	Stoke Road, Gosport	158816	158826	-10
2007/08	ROUA	North Camp, Farnborough	196690	181567	15114
2005/06	CTI	Andover, High Street	50000	44684	5316
2003/04	CTI	Romsey, Church Place	373000	332984	40016
2003/04	CTI	Fordingbridge	3500	3500	0
2006/07	CTI	Titchfield Square	50000	18749	31251
2005/06	CTI	Hythe Promenade	286000	285851	149
2005/06	HVI	Ibsley/Moyles Court	5000	2477	2523
2008/09	HVI	Hook	22500	8424	14076
2006/08	HVI	Upper Wield	2603	2603	0
2006/08	HVI	Lindford	500	324	176
2008/09	HVI	Littleton Pond	10000	10000	0
2008/09	HVI	Chineham	500	500	0
2008/09	HVI	Kingsclere	500	500	0
2008/09	HVI	North Waltham	1200	1200	0
2008/09	HVI	Upper Wield	1200	785	415
2008/09	HVI	Penton Mewsey	2500	2500	0
2004/05	Strategic Landscape Initiatives		23500	23000	500
2006/07	Schools Environmental Improvements and School Landscape Programme projects		35000	35000	0
				<b>Total</b>	<b>121270</b>