

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	27 July 2011
Title:	2010/11 Integrated Transport Programme – End of Year Review
Reference:	3104
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

1.1. This report provides a summary of the progress and delivery during 2010/11 in relation to the integrated transport programme. It includes a look at the changes to reporting and delegation made at the start of the year which have, overall, proved very effective. It also summarises some pertinent points on developer contributions.

2. Transport Programme

2.1. When the programme was determined in January 2010 it consisted of 23 named schemes (above £50,000 each) plus over 150 minor schemes (in sub-programmes). The total starts value, across all funding sources, was £16.3 million.

2.2 Mid-year, following in-year cuts to Government grants, a major programme review was required in order to adjust budgets in line with reduced resources. Capital maintenance was protected in order to meet Operation Resilience objectives, which meant £5.4 million reductions needed to be met elsewhere. This figure was achieved by a variety of measures, only £1.680 million of which eventually needing to be found from the integrated transport programme.

2.3 During the year there were some new entries and rescheduled schemes. By March 2011 the programme consisted of 30 named schemes, plus the sub-programmes, at a total starts value of £16.7 million.

2.4 Expenditure (irrespective of programme year) was £22.167 million, (Local Transport Plan (LTP) contributions and scheme specific grant) against a target

which was slightly higher. LTP was primarily targeted to sub-programmes, such as casualty reduction and minor schemes, 37% and 30% respectively, which demonstrates the department's commitment to safety and low-cost/high impact schemes. Excluding spend on major schemes (BRT and M27 Junction 5), only 6% of the LTP was spent on named schemes; a significantly lower percentage than in earlier years, and reflecting the increased use of developer contributions.

Outturn costs of completed schemes

- 2.5 In accordance with the County Council procedures, the final outturn costs of schemes completed between 1 April 2010 and 21 March 2011 are listed in the appendix. 'Completed' in this context means when the final payment has been made. Some of these may have been in operation prior to April 2010 but the final payment was only made during this year.
- 2.6 The overall position continues the trend for outturn costs to be lower than the last approval, at an average 8% under. The outturn is £0.441 million (5.9%) 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.

Minor Improvements Programme

- 2.7 The number of named schemes has been reducing in recent years. This is partly due to the steadily reducing Government funding but is also, and this year more likely, attributable to the changes made to the Minor Works programme delegation levels. Increased in 2010, to under £50,000 (previously £25,000), schemes between these figures which would have been individually identified are now included in this sub-programme.
- 2.8 The Minor Works programme is an excellent example of how the changes in delegation levels have increased programme flexibility. These are small value, high impact improvements which are relatively simple to deliver through fast-track processes. In 2010 the Minor Works programme value (starts) was £1.417 million (8% of the total programme).
- 2.9 The increasing allocations from developer contributions to small schemes has also had a significant effect on the size of this programme. There were 80 schemes in the 2010 programme, plus ongoing delivery of around 20 from the previous year.
- 2.10 In light of the increased size of the programme, it is intended to review the way this programme is managed in order to maximise delivery and co-ordination with other highway works (such as Operation Resilience) in order to seek further efficiencies.

Fee Levels

- 2.11 A focus on fee levels on transport projects has been a priority this year. Historical data has proven difficult to assess with any degree of confidence, but there is broad opinion that 'fees are too high'. Fees to total cost was therefore targeted for reduction, initially to 25% average for 2010.
- 2.12 A range of measures were implemented to achieve this target which, monitoring suggests, came very close to being reached. The average fee to total cost has been calculated at 26% in 2010. Encouragingly, forecast average for 2011 is slightly below 24%, which suggests levels are still reducing in line with targets.
- 2.13 Looking ahead, more sophisticated systems, such as PPRM, together with the Department's drive to improve time recording, will enable a greater degree of detailed reporting on fee charges. It is unclear how the changes in time recording will affect these figures, and so monitoring will continue throughout 2011/12.

Delegated Decisions and Gateways

- 2.14 The move to delegated approvals for new entries (under £250,000) seems to be working well. The improvements made to business case documentation (Gateways) makes the process simple and relatively quick and, though there were one or two schemes 'called-in' for discussion prior to approval, the process works.
- 2.15 With delegated authority for programme entry and project appraisals under £250,000, together with improvements to the business case documentation which avoids duplication of information, these arrangements have helped in the decision making process. It is now possible for the Integrated Transport Programme to be able to respond quickly and be more agile in its response to Members' priorities. Quality of business case detail at all gateway stages is also improving.

3. Developer Contributions

- 3.1 Receipts for the year were £12.1 million; a 50% increase on the previous year, and almost double that received in 2008/09.
- 3.2 Two significant contributions were:
 - £2 million Andover Airfield; and
 - £2 million Farnborough Business Park.
- 3.3 Contributions transferred from Districts under the District Councils Agency Agreement amounted to £2.25 million in the year (169 individual contributions). This is significantly higher than in previous years owing to a change in the Agency Agreement whereby monies are paid direct or transferred within 14 days.

- 3.4 Expenditure increased by 43% on 2009/10 levels. At £6.5 million this shows progress in the right direction but, owing to the exceptional level of income, there is a net increase on the account.
- 3.5 Progress on developing schemes into the programme has been steady and shows a marked improvement on previous years. 64% of the developer funding balance is now programmed whilst 11% is tied to specific projects under review. The remaining 25% is in development and will come forward in due course.
- 3.6 In November 2010 the High Court ruled in favour of the County Council in a long-running developer contributions case. The decision meant that the County Council was found to have spent monies appropriately, reasonably and in accordance with legal requirements. It also meant that a significant repayment did not have to be made from the public purse.
- 3.7 Control mechanisms, risk management and monitoring practices were audited again this year by the County Treasurer. The final report highlighted only two minor issues relating to the chasing-up of unpaid contributions, and the monitoring of development build rates. Both of which are being addressed.

4. Future direction

- 4.1. The programme of improvements implemented over the past year is starting to pay dividends. Outcomes and targets are, in the main, being achieved in line with expectations.
- 4.2. Delivery within the Minor Works programme has not improved in line with the rest of the programme. As a significant part of the programme this needs more coordination and, to a degree, better controls if it is to meet Members' expectations as a 'quick-win' delivery mechanism for schemes. Proposals are being developed to take this forward.
- 4.3. Developer contribution receipts were received faster than they could be spent. If income continues at these exceptional levels, additional resources may be required to develop appropriate schemes for spending them. However, it is expected they will drop as the new Community Infrastructure Levy approaches, and will reduce significantly after 2014.

5. Recommendations

- 5.1. That the 2010/11 final position for the integrated transport programme be noted.
- 5.2. That the outturn costs of completed schemes in 2010/11 be noted, as required by the County Council's financial procedures.

Rpt/3104/HA

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 costs of capital schemes completed in 2010/11

Scheme	Starts Year	Final Cost	Funded from external contributions	Net cost Chargeable to Capital cash limit	Latest approved cost	Variation	Percentage Variation
		£000	£000	£000	£000	£000	
Lyndhurst to Ashurst Cycles	2006/07	567	-	567	490	77	15.7%
Town Quay Pontoon, Southampton	2006/07	416	-	416	400	16	4%
Emsworth Town Centre Accessibility	2006/07	274	3	271	276	- 2	-
Timberlake Road Subway, Basingstoke	2007/08	363	363	-	340	23	-6.76%
Andover Town Centre Accessibility	2008/09	656	606	50	680	- 24	-3.5%
Salisbury Road / Water Lane, Totton	2008/09	533	533	-	628	- 95	-15%
A35 Colbury Pedestrian Crossing	2008/09	249	-	249	300	- 51	-17%
Total		3,058	1,505	1,553	3,114	- 56	-5.9%

Block allocations and schemes under
£250,000

Farnborough Route 6 Bus Infrastructure (2)	2005/06	76	63	13	150	- 74	-49%
Glebe Gardens Cycleway, Basingstoke	2007/08	65	65	-	69	- 4	-5.7%
Broom Way, Fareham - Accessibility	2008/09	104	102	2	106	- 2	-1.8%
Hawley Pedestrian Access	2009/10	115	104	11	123	- 8	-6.5%

Appendix

A337 West of Old Milton Road, New Milton	2009/10	74	-	74	80	-	6	-7.5%
Lyndhurst Long Vehicle Detection	2009/10	22	-	22	20		2	10.0%
A343 Portway, Andover	2009/10	42	42	-	39		3	7.6%
Pulens Lane to Petersfield Town Centre	2009/10	47	47	-	49	-	2	-4%
Ramshill to Tor Way Cycles, Petersfield	2008/09	96	96	-	140	-	44	-31.4%
Chilbolton Avenue, Winchester	2009/10	59	59	-	80	-	21	-26%
Grange Road, St Cross, Winchester	2009/10	74	70	4	70		4	5.7%
Overton Village Traffic & Environmental Imps	2009/10	199	199	-	200	-	1	-
A30 / Huish Lane, Basingstoke	2009/10	94	94	-	100	-	6	-6%
Leigh Road, Eastleigh	2009/10	166	166	-	200	-	34	-17%
Purbrook Way, Havant	2009/10	115	115	-	150	-	35	-23%
Satchell Lane, Hamble	2009/10	49	49	-	39		10	-25%
Minor Works 2008/09	2008/09	742	527	215	911	-	169	-18%
Safe & Secure Communities - Phases 2 & 3	2008/09	1,692	-	1,692	1,692		-	-
Quality Bus Partnerships 2009/10	2009/10	102	-	102	100		2	2.0%
		3,933	1,798	2,135	4,318	-	385	-8.9%
		6,991	3,303	3,688	7,432	-	441	-5.9%