

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	12 June 2012
Title:	2011/12 Quarter 4 Capital Programme
Reference:	3891
Report From:	Director of Economy, Transport and Environment

Contact name: Helen Ackerman

Tel: 01962 847683

Email: helen.ackerman@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this paper is to set out the end of financial year position in relation to the Economy, Environment and Transport Department's Capital Programme, and to summarise progress and delivery of the latest approved 2011/12 capital programmes.

2. Contextual information

- 2.1. This paper includes end of year financial positions for the following programmes:
- (i) structural maintenance and bridges;
 - (ii) integrated transport;
 - (iii) economic development;
 - (iv) quality of place; and
 - (v) waste management.
- 2.2. The adjusted 2011/12 programme amounted to some £59 million across these five areas. Expenditure, across all areas, was £56.6 million.
- 2.3. Unless otherwise stated, outturn costs are gross expenditure.

3. Overview

- 3.1. The Economy, Environment and Transport Capital Programme has been mostly funded through the Local Transport Plan (LTP) settlement, which for the first time, in 2011/12, was exclusively in the form of a Government

grant. In addition, substantial external funding (EF) is available from developers' contributions, district and parish councils and other bodies.

- 3.2. The switch from supported borrowing, which was never fully supported, and resulted in the non-take-up of the Council's full LTP allocation, was welcomed by the Department. It meant that the full level of approvals issued by Government could be utilised, worth some £5 million to the 2011–2016 programme.
- 3.3. Most of the rest of the programme is funded through local resources with limits set by Cabinet. In 2011/12 this included an additional allocation to highways maintenance, but no new resources for either Quality of Place (Environmental Improvements) or Waste; both of which continued to spend unused resources from previous years' allocations.
- 3.4. Economic Development was part of Chief Executive's Department and Policy and Resources capital budget prior to 2011/12. The budget was vired to Environment, mid-year, after the programme was approved in February 2011.

4. Resources

- 4.1. The Environment Department Capital Programme budget, spend and applied funding in 2011/12, is set out in table one.
- 4.2. During the year a number of additional resources were identified; most significantly, an additional £6 million Government Grant for winter damage repairs, which had to be fully committed in-year.

Table 1 – Environment Budget, Spend and Funding

	Structural Maint'nce £'000s	Int.Tr'sport £'000s	Waste M'gmt £'000s	Economic Dev £'000s	Total £'000s
Original Budget					
Local Resources	5,012	0	0	0	5,012
Prudential Borrowing	10,000	0	0	0	10,000
Local Transport Plan (LTP)	22,980	15,730	0	0	38,710
<i>(less external contributions)</i>	0	(8,576)		0	(8,576)
Budget Book Total	37,992	7154	0	0	45,146
In-Year Adjustments					
2010/11 carry-forwards	4,106	401	0	158	4,665
Virements	0	0	0	31	31
S31 Winter Grant	6,016	0	0	0	6,016
Share of 10/11 capital receipts	0	129	0	0	129
Unallocated inflation allowance	0	507	0	0	507
Casualty Reduction Programme	0	629	0	0	629
Highways Depot relocation	0	900	0	0	900
Additional LTP Grant	0	1,091	0	0	1,091
Total Adjusted Budget	48,114	10,811	0	189	59,114
Expenditure (gross)	39,205	16,870	613	0	56,688
	Structural Maint'nce £'000s	Int.Tr'sport (incl. WM) £'000s	Waste M'gmt £'000s	Economic Dev £'000s	Total £'000s
Funding Applied					
Local Resources	0	559	0	0	559
Rowner reserve	0	750	0	0	750
Pru.Borrowing/Efficiencies	10,000	0	0	0	10,000
S31 Winter Grant	6,016	0	0	0	6,016
WPEG	0	0	613	0	613
Other Grants	134	1,111	0	0	1,245
CIF (BRT)	0	3,765	0	0	3,765
LTP	22,570	5,051	0	0	27,621
OLA	0	125	0	0	125
Developer Contributions (DC)	484	5,510	0	0	5,994
Total	39,205	16,870	613	0	56,688

- 4.3. Gross expenditure of £56.688 million is inclusive of spend on all programmes and schemes, irrespective of starts year.
- 4.4. Of the £59.114 million starts programme, schemes and programmes to the value of £50.456 million actually started in-year (£43.880 million net of £6.576 million contributions). Carry forwards of £17.234 million will be reported to Cabinet in July 2012 (£15.234 million net of contributions).
- 4.5. The following table sets out approvals to be carried forward to 2012/13, by programme heading. Further detail is given in Appendix 1.

Table 2 – Carry Forward to 2012/13

	£'000s
Structural Maintenance of Roads & Bridges	9,397
Integrated Transport	7,297
Waste Management	250
Economic Development	190
Quality of Place	1,000
	17,234

5. Programme Overview

Structural Maintenance and Bridges

Table 3 – Capital Maintenance Approvals

Original Budget £'000s	Adjustments £'000s	Final Budget £'000s	Outturn £'000s	Carry Forward £'000s
37,992	10,122	48,114	39,205	9,397

- 5.1. The Capital Maintenance budget includes both the Operation Resilience programme and the one-off Winter Damage Grant. The latter, afforded from underspends within the Department for Transport, was notified to the County Council in March 2011 with a requirement that the money be fully spent by September 2011. The grant was spent in line with the grant terms, but other planned work across the overall programme was re-profiled to accommodate this. As a result the proposed carry forward is higher than would otherwise have been the case with a significant programme of committed schemes re-scheduled to 2012/13.

- 5.2. The Capital Maintenance Programme comprises many individual projects and programmes and the overall proposed carry forward of £9.397 million covers re-profiling across a range of different activities. The following paragraphs highlight some key areas:
- (i) Drainage programme – The planned focus of 2011/12 was on investigations following which a programme of works has been developed to take place in 2012/13. Discussions with the Environment Agency about possible funding contributions and the need to factor in the impact of the County Council’s new responsibilities under the Flood and Water Management Act also contributed to a later start to the investigative work;
 - (ii) Contributions to wider schemes where for various reasons, often external to the County Council, the schemes were not able to progress in 2011/12. An example would be the Havant salt barn or the capital works at Bishops Waltham Depot;
 - (iii) Delaying programmed schemes in areas surrounding major external works to minimise disruption to road users – an example would be the Ashfield railway bridge works in the early part of the financial year where County Council works to surrounding roads were delayed until road closures and diversions associated with the Network Rail scheme were ended.

Integrated Transport

Table 4 – Integrated Transport Approvals

Original Budget £'000s	Adjustments £'000s	Final Budget £'000s	Outturn £'000s	Carry Forward £'000s
15,730	3,657	19,387	16,870	5,647

- 5.3. To maintain programme flexibility throughout the year, category headings, rather than named schemes were included in the budget book. This means that, although there has been some movement of projects within these headings, where one or more project started, the entirety of the category is deemed to have begun.
- 5.4. Schemes over £1 million, however were large enough to warrant a specific mention. In 2011/12 there was only one; Andover Bus Station, which, owing to legal difficulties outside the County Council’s control, has had to be slipped. The £2 million approval (developer contributions) is therefore required to be carried forward, and increased to meet the current £2.4 million estimate.

- 5.5. Carry forward calculation is based on the unstarted elements of the 2011/12 programme, whilst the outturn reflects total spend across all starts years. Further detail is given in Appendix 1.
- 5.6. Final outturn across all years' was £16.870 million, significantly lower than the £20 million forecast. The difference can be attributed to a few key schemes which, for various reasons, did not spend as much as expected. Noteworthy differences include:
- (i) BRT, which required a deferment of planned expenditure of £1.9 million during the year. Substantial completion of the contract for phase 1A was achieved, on-programme, by 29 March 2012 and the route officially opened, with buses running, on 22 April 2012. Final accounts are yet to be confirmed and this deferred expenditure, of which a significant proportion relates to compensation events subject to negotiation with the contractor, will take some months yet to resolve. An estimation of these costs has been included in the project forecasts and expected final outturn remains on-budget;
 - (ii) South Winchester Park and Ride, which required some £0.6 million deferred expenditure to 2012 owing to continued delays at the Highways Agency in respect of approval and installation of variable message signs on the M3.
 - (iii) Casualty Reduction, which required £0.4 million deferred expenditure to 2012 owing, primarily, to slower progress than expected on the A&B roads review and Child Casualties at Secondary Schools (StreetSense) projects, and Owslebury Crossroads Safety Improvement being affected by the appointed contractor going into receivership during March 2012;
 - (iv) Town Quay Wavebreak and Pontoon; delivered by ABP, the wavebreak replacement completed in February 2012. Construction of new ferry berth, to enhanced specification, now to be part-funded by Red Funnel, awaits inspection of sections of old wavebreak, thus delaying completion of new berth into 2012 and deferring £0.225 million planned expenditure into 2012/13.

Outturn Costs of Completed Schemes

- 5.7. In accordance with the County Council procedures, the final outturn costs of schemes completed between 1 April 2011 and 21 March 2012 are listed in Appendix 2. 'Completed' in this context means when the final payment has been made. Some of these may have been in operation prior to April 2011, but the final payment was only made during this year.
- 5.8. The overall position continues the trend for outturn costs to be lower than the last approval. Any variations will have already been taken in to account

in assessing resources available to support other schemes in the programme.

Economic Development

Table 5 – Economic Development Approvals

Original Budget £'000s	Adjustments £'000s	Final Budget £'000s	Outturn £'000s	Carry Forward £'000s
0	190	190	0	190

- 5.9. Budgets were vired from Policy and Resources during the year when Economic Development became part of the Environment Department in 2011.
- 5.10. Although no spend has been recorded during 2011/12, additional capital of £0.1 million was approved by Cabinet in February 2012, for the development of a 2012/13 programme facilitating micro business start ups and to fill gaps in the commercial property market. The £0.190 million carry forward will be utilised by this programme.

Quality of Place

Table 6 – Quality of Place Approvals

Original Budget £'000s	Adjustments £'000s	Final Budget £'000s	Outturn £'000s	Carry Forward £'000s
1,000*	0	1000	248*	1,000

*Original budget is for the QEP, final outturn refers to QOP.

- 5.11. The Quality of Place programme consists a 'Quality Enhancements Programme'(QEP), funded by £1 million of LTP, and an ongoing programme of public realm and environmental improvements (QOP), funded by existing approvals.
- 5.12. The ongoing 'Quality of Place' (QOP) programme received no new resources for 2011/12. This ongoing programme utilises unspent / residual approvals from previous years, the balance of which was £0.899 million at the start of the year.
- 5.13. Good progress has been made completing this ongoing programme. The final spend is £0.248 million. Due to late starts, delayed because of constraints on resources or coordination with other initiatives, this is less than anticipated.
- 5.14. Taking into account the outturn figure, residual approvals of £0.651 will be available in 2012/13 to continue delivering these QOP commitments.

- 5.15. The £1 million Quality Enhancement programme (QEP) runs from 2011 to 2015 and is set out in Appendix 3. While further development is required to confirm deliverability of individual schemes, the proposed programme provides a range of initiatives and funding sources across the county, that support Operation Resilience, the Integrated Transport programme and the 'Open for Business' agenda.
- 5.16. No projects started in this first year, and therefore the full £1m approval will be carried forward to 2012/13, when a significant programme and spend is expected.

Waste Management

Table 7 – Waste Management Approvals

Original Budget £'000s	Adjustments £'000s	Final Budget £'000s	Outturn £'000s	Carry Forward £'000s
0	250*	250*	613*	250

* Budget reflects 11/12 resources, outturn reflects spend against residual approvals.

- 5.17. No new resources were identified at the start of the year, however residual approvals totalling some £6.09 million were available for HWRC redevelopment and relocation projects.
- 5.18. Though there were no new starts, significant completions in-year include both Casbrook and Gosport HWRC redevelopments, at a combined cost of just over £0.580 million
- 5.19. During the year, carried forward resources from 2010/11 were identified, from which the Waste Management Programme was allocated £0.250 million. This is subsequently to be carried forward again, to 2012/13 when associated schemes are expected to start.
- 5.20. Taking into account the outturn figure in the table, £5.727 million of residual approvals and carry forwards will be available to this programme in 2012/13.

6. Conclusion

- 6.1. Good progress has been made across the programme during 2011/12. Consequential amendments to the 2012/13 Capital Programme, as a result of decisions made on the outturn of 2011/12 Capital Programme, will be reported in July 2012 as part of the Quarter 1 Update.

7. Recommendations

- 7.1. That the final financial position for the Economy, Environment and Transport Department's capital programme be noted.
- 7.2. That the necessary action required to carry forward approvals identified in Table 2 be taken.
- 7.3. That the outturn costs for financially completed schemes in 2011/12 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):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Cabinet - Capital Programme Report 2012-2015	3587	3/2/12
Cabinet – Capital Programme Report 2011-2014	2550	11/2/11
Cabinet – 2010/11 End of year financial report	3016	4/7/11
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific proposals.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific proposals affecting adaptation to climate change.

Analysis of Carry Forwards, as per Table 2.

Scheme	Fund to c/f	Prog	£000	Notes
Structural Maintenance of Roads & Bridges	LTP	M	9,397	Re-profiling across a range of different activities.
Minor Traffic Management	LTP	Int.T	40	
Casualty Reduction	LTP	Int.T	390	
Andover Bus Station Major Scheme.	DC	Int.T	2,000*	Legal issues prevented start. Scheme entirely DC funded.
Newgate Lane Major Scheme	LTP LR	Int.T	1,091 629	c/f of the Additional LTP. Scheme starting Q4 2013.
Quality Enhancements (QoP)	LTP	QOP	1,000	Programme will start in 2012 and complete in 2014.
20mph Pilot Project	LR	Int.T	200	Programme will start in 2012/13.
Brockhurst Roundabout Bus Priority	LR	Int.T	186	BBAF grant awarded March 12 for 2013 start. Full project cost £1,100. c/f of the LR required.
Unused CRP approval	LTP	Int.T	628	
Unused Minor Improvements approval	LTP	Int.T	333	
Waste Management	LR	WM	250	Planned spend in 12/13.
Economic Development	LR	ED	159	Programme starting in 12/13.
Economic Development	LR	ED	31	Programme starting in 12/13.
Highways Co-Location	LR	Int.T	900	
Total			17,234†	

* Andover Bus Station c/f is £zero, net of £2.0m contributions.

† Total carry forward reported is net of Andover Bus Station contributions to tie in with figures quoted in corporate finance end of year report.

Fund Key= Local Transport Plan (LTP). Developer Contributions (DC). Local Resources (LR)
Prog Key = Maintenance (M). Integrated Transport (IntT). Quality of Place (QOP). Waste Management (WM). Economic Development (ED)

Appendix 2

Final costs of capital schemes completed in 2011/12

Scheme	Final Cost £'000s	Approval Year	Funded from external contributions £'000s	Net cost chargeable to capital cash limit £'000s	Total Budget £'000s	Variation £'000s
A340 Aldermaston Road - Improvements	4,519	2007/08	3,219	1,300	4,457	62
Witherbed Lane Link Road & Segensworth Roundabout	3,214	2007/08	2,089	1,125	3,351	(137)
Romsey Railway Station Access Improvements	379	2010/11	379	0	382	(3)
Yew Tree Drive, Whiteley	279	2007/08	26	252	359	(80)
Viables Roundabout Subway	337	2009/10	337	0	258	79
Block allocations and schemes under £250,000	1,234		1,001	233	1,310	(76)
Total	9,961		7,051	2,910	10,116	(155)
<u>Block allocations and schemes under £250,000</u>						
Whiteley to Swanwick Station Pedestrian & Cycle Accessibility	222	2010/11	222	0	241	(19)
ITS - Basingstoke & Countywide	180	2007/08	180	0	180	0
Denmead to Waterlooville Cycle Route	158	2009/10	158	(0)	170	(12)
Hamble Lane Cycleway	140	2009/10	140	0	155	(15)
Botley Road Toucan Crossing, Hedge End	128	2009/10	128	0	155	(27)
B3272 Eversley - Glaston Hill Road Section	125	2008/09	12	114	119	6
Tollbar Way Toucan Crossing, Hedge End, Eastleigh	105	2010/11	105	0	104	1
Northern New Forest HGV Restrictions	87	2007/08	0	87	100	(13)
Pond Cottage, Stockbridge Road, Winchester	56	2010/11	56	0	53	4
Beeches Hill, Bishops Waltham	32	2009/10	0	32	33	(1)
	1,234		1,001	233	1,310	(76)

Quality Enhancements Programme 2011 – 2015 programme

Schemes	District	Indicative allocation £'000s
Market Place, Basingstoke	Basingstoke	50
Basingstoke - Wayfinding	Basingstoke	25
Alton Town Centre	East Hants	100
Lavant Street, Petersfield	East Hants	25
Eastleigh Railway Station	Eastleigh	25
Marine Parade, Lee-on-the-Solent	Gosport	25
Reading Road South, Fleet	Hart	7
PC3 Hitches Lane to Fleet Town Centre Cycle Route Gateway	Hart	25
Leigh Park Centre - Phase 2	Havant	50
Hayling Billy Line, Hayling Island	Havant	25
Totton Town Centre - World Stores Roundabout	New Forest	25
Hythe Passenger Transport Interchange	New Forest	50
Lymington Rail Trail	New Forest	6
Farnborough Town Centre - Wayfinding	Rushmoor	50
Market Place, Romsey	Test Valley	100
Chantry Street, High Street, Newbury Street, Andover	Test Valley	75
Bishops Waltham Village Centre	Winchester	75
Operation Resilience, 'StreetSense' and Partnership Match Funded projects	Various	243
Total		1,006