

**Report to the
Transport for South Hampshire Joint Committee**

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Subject: Transport for South Hampshire Budget Monitoring Report
2009/10

Purpose of the Report

The purpose of this report is to inform the Transport for South Hampshire (TfSH) Joint Committee of the current budget outturn for the year 2009/10.

Recommendations

- 1. That the Joint Committee notes the current forecast outturn for revenue and capital budgets for the 2009/10 financial year.**
- 2. That the Joint Committee agrees the revised revenue budget allocation after securing additional funding from the Department for Transport of £25,000 and confirms that the funding from the South East England Partnership Board is £170,000 in 2009/10 with a further £160,000 due in 2010/11, rather than the £350,000 identified at the last Joint Committee meeting on 30 September 2009.**

Introduction

1. This report summarises the latest budget monitoring position for the 2009/10 revenue and capital controlled budgets for TfSH. Figures shown reflect input from budget holders arising from the budget monitoring review carried out during December 2009.
2. The report also includes an overview of schemes that TfSH hold a strategic interest in but lie within the Lead Authority's capital programme.

Funding

3. Table 1 below shows TfSH funding for 2009/10. At the last Joint Committee in September it was reported that a contribution of £350,000 was being made by the South East England Partnership Board. Since then, the funding has been confirmed at £170,000 in 2009/10 with a further allocation of £160,000 expected in 2010/11. In addition to this TfSH has been successful in securing £25,000 from the Department for Transport to contribute towards developing the evidence base.

Table 1

Revenue Funding 2009/10	£'000
Core partner contributions	500
Balance b/f from previous year	134
PUSH New Growth Point	250
Highways Agency	50
South East England Partnership Board (SEEPB)	170
Department for Transport	25
Total Revenue Funding	1,129
Capital Funding 2009/10	
Balance b/f from previous year	700
PUSH New Growth Point	2,514
Total Capital Funding	3,214

Revenue Budget 2009/10

4. Table 2 below shows the proposed revised TfSH revenue budget, together with the spend as at December 2009 and estimated outturn for the year.

Table 2

Budget Heading	Sept 09 Budget £'000	Revised Budget £'000	Actual Spend £'000	Forecast Outturn £'000	Variation £'000
Wider Bus Rapid Transit studies	100	100	27	100	0
Eastern access to Southampton (note i)	100	60	0	60	0
Strategic Development Area (SDA) study – Hedge End (ii)	100	50	3	50	0
SDA study – Fareham (ii)	100	50	0	50	0
Strategy – Refresh (iii)	50	0	0	0	0
Strategy – Reduce (iv)	50	25	0	25	0
Strategy – Manage (iv)	50	25	0	25	0
Access to Gosport	50	50	34	50	0
Developing the Evidence Base (v)	223	248	25	248	0
Delivering a Sustainable Transport Study (DaSTS) (vi)	350	170	19	170	0
Dunsbury Hill Farm (vii)	0	50	0	50	0
Office Support/Finance/Audit etc	50	68	15	68	0
Contingency (viii)	61	233	0	233	0
Total	1,284	1,129	123	1,129	0

5. Since the last budget monitoring review in September 2009 there have been a number of funding and forecast variations against the budget that have resulted in an updated revised budget which is proposed by the TfSH Project Director. The main variations are:
- (i) Eastern Access to Southampton – the terms of reference for this package have been reduced, releasing £40,000 which has been added to the central contingency fund;
 - (ii) Hedge End/Fareham Strategic Development Areas (SDAs) – the combined budget requirement for the M27 corridor study is

£100,000, releasing £50,000 from each SDA to the central contingency;

- (iii) Strategy Refresh – the budget is no longer required as this piece of work is being incorporated within the Delivering a Sustainable Transport System (DaSTS) allocation;
- (iv) Strategy Reduce and Manage – work on these two elements is now unlikely to total more than £50,000 in the current financial year;
- (v) Developing the Evidence Base – TfSH has secured an additional contribution of £25,000 towards this work in 2009/10. Data collection has been undertaken during the autumn to inform the evidence base;
- (vi) DaSTS – as mentioned earlier in this report TfSH will now receive £170,000 in 2009/10 for stage 1. If and when progress is made to stage 2 of the study, then a further £160,000 will be made available (to be spent between April and November 2010);
- (vii) Dunsbury Hill Farm – Portsmouth City Council have been allocated £50,000 to start access studies for this potential employment site;
- (viii) Contingency – underspends on other revenue studies have significantly increased this budget. Over the coming months the Project Director, in consultation with the TfSH Senior Management Board, will be looking at the best use of the resources and will report back to the Joint Committee at its next meeting.

Capital Budget 2009/10

7. Table 3 below shows the TfSH capital budget for 2009/10 as agreed by the Joint Committee on 30 June 2009, together with the estimated outturn for the year.

Table 3

Budget Heading	Lead Authority	Budget	Actual Spend £000	Forecast Outturn £'000	Variation £'000
M27 Junction 5 Improvement (Phase 1)	Hampshire County Council	1,914	270	1,914	0
Access to Strategic Sites	Hampshire County Council	700	164	700	0
Tipner – Design and Construction of M275 Slip Road	Portsmouth City Council	600	600	600	0
Total		3,214	1,034	3,214	0

8. Spend on TfSH capital schemes is expected to be on budget for 2009/10:
- (i) work on the M27 Junction 5 Phase 1 is on course to be completed by March 2010. TfSH have made a bid to Partnership for Urban South Hampshire (PUSH) for additional funding of £1,915,000 for Phase 2 and £2,900,000 for Phase 3 in 2010/11, which would allow this scheme to be completed by the end of March 2011;
 - (ii) studies associated with Access to Strategic sites are ongoing during the autumn and winter months, Procurement of the evidence is currently underway to provide the means to model access options for strategic sites. This budget is expected to be fully spent by March 2010;
 - (iii) Portsmouth City Council have claimed their £600,000 grant allocation towards the cost of the design and construction of the M275 slip road at Tipner. A further request has been made to PUSH for additional New Growth Point funding of £500,000 in 2009/10 and a further £3,400,000 in 2010/11.
9. PUSH will be considering the bids for M27 junction 5, Tipner and Dunsbury Hill Farm at its Joint Committee on 26 January 2010. In addition economic development schemes are to be considered at Southampton Central Station, Eastleigh Riverside and Daedalus, each of which has a transport element to them.

Related Scheme overview

10. TfSH holds a strategic interest in a number of other schemes which are managed by lead authorities. The table below gives an overview of the main schemes.

	Scheme		
	Tipner – Design and Construction of M275 Slip Road	Bus Rapid Transit phase 1 - Gosport to Fareham	M27 Junction 5 – Improvement Scheme
Lead Authority	Portsmouth City Council	Hampshire County Council	Hampshire County Council
Total Scheme approved cost	£29.466 million	£23.163 million	£8.325 million
Anticipated scheme over-run/underspend	£Nil	£Nil	£Nil
2009/10 capital budget	£2.01 million	£8.598 million	£1.914 million
Actual spend to date	£1.75 million	£4.650 million	£1.252 million
Forecast spend 2009/10	£2.34 million	£8.598 million	£1.914 million
Date work began	Feasibility 2004, Construction 2012	2008/09	2008/09
Expected completion	April 2012 (subject to funding)	March 2011	2011/12 (subject to funding)
Funding Sources	Local Transport Plan (LTP), Partnership for Urban South Hampshire (PUSH) New Growth Point, Regional Transport Board, SEEDA	Community Infrastructure Fund (£20 million), External Funding (£543,000), New Growth Point Grant (£500,000), TfSH revenue contribution (£767,000), LTP resources (£1,353,000)	New Growth Point. Regional Transport Board

M27 Junction 5

11. The Secretary of State for Transport has signed a Section 6 Agreement to allow works on Highways Agency land for Phases 1 and 2. Work on the first phase started onsite 5 October 2009 and will last six months.

Hampshire County Council has appointed Mildren Construction to undertake the Phase 1 main works and Phase 2 advanced site clearance. These works on the ground will be completed by the end of March 2010.

12. A project appraisal has been drafted for phase 2 and phase 3 which would allow this to be completed during 2010/11 should funding become available.

BRT

13. Planning Permission was granted on 31 July 2009, enabling the project to proceed. Whilst this Consent relates to the construction of the busway on the disused railway corridor from Redlands Lane in Fareham, south to Military Road in Gosport, it is only intended to construct as far as Tichborne Way at this time.
14. Main contractor BAM Nuttall started ground works in early August 2009, comprising environmental mitigation works, ongoing general site clearance and track removal. Following a judicial review which temporarily halted work on the scheme for about one month, the High Court found in favour of the County Council and work on the ground recommenced in mid November. Since then the objectors have appealed and a further injunction has been imposed, thereby halting work on this important scheme. The County Council is vigorously contesting this decision.

Tipner – Design and Construction of M275 slip road

15. Applications for planning and a Special Roads Scheme were submitted in early December 2009. These were the first two milestones towards agreements and ultimately funding that will unlock the construction process.
16. The Major Scheme Business Case (Programme Entry Stage) will be submitted to the DfT before the end of December 2009.

Future key programme dates are:

January 2010	Start of Procurement Process
April 2010	Consideration of Planning Application
June 2010	Consideration of MSBC (PE Stage) – subject to elections
July 2010	Contract Award

September 2010	Submission of MSBC (CA and FA)
October 2010	Consideration of MSBC (CA and FA Stage)
November 2010	Earliest start of construction of junction
March 2012	Completion of junction

Conclusion

17. The budget monitoring review forecast both revenue and capital budgets to be on target.
18. Additional funding streams have been identified since the last budget monitoring review and budgets have been revised accordingly.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE
None

LOCATION