

Item 23

DEVOLVED LTP, LOCAL ALLOCATION 2007/08 OUTTURN & 2008/09 PROGRAMME

SURREY COUNTY COUNCIL'S LOCAL COMMITTEE IN SURREY HEATH

10th July 2008

KEY ISSUE:

To advise members of the 2007/08 Capital Outturn and agree changes to the 2008/09 programme.

SUMMARY:

Whilst the outturn for 2007/08 has reported an under spend for Surrey Heath the position does not reflect the costs still to be applied for the two schemes that were incomplete at the end of the financial year. Had these two schemes been completed then the outturn would have reported an over spend for the year. It was highlighted in June 2007 that there would be a budget pressure given the number of schemes to be constructed in the year and additional costs on schemes throughout the year have increased this margin.

The 2008/09 devolved LTP allocation is £160,000, a reduction from the £230,000 reported in March. Given the reduced allocation it is necessary to adjust the 2008/09 programme and the report sets out our position following the 2007/08 outturn.

OFFICER RECOMMENDATIONS:

That the Local Committee in Surrey Heath:

- i) note the 2007/08 outturn position as reported, and
- ii) agree the scheme priority amendment for 2008/09.

INTRODUCTION AND BACKGROUND

1. The Local Committee received a report in March 2008, which approved the 2008/09 devolved LTP and local allocation programmes.
2. The budget for 2008/09 was reported in March as likely to be £230,000. This was based on the information available at the time when indications were that the devolved LTP budget was likely to be half the previous years figure. The actual sum had since been confirmed and the actual allocation for 2008/06 is £160,000.

3. The 2007/08 budget outturn has recently been confirmed and the combined figure for Surrey Heath's Devolved LTP and Local Allocation budgets is £727,590 giving an under spend of £63,010. This includes:
 - a) expenditure on the devolved LTP allocation of £573,174 against a budget of £629,200 and represents a £56,026 under spend.
 - b) expenditure on the locally determined capital allocation of £154,416 against a budget of £161,400 and represents a £6,984 under spend.

ANALYSIS AND COMMENTARY

4. The Executive has agreed that last years under spends can be carried forward. This impacts on our subsequent years budget, this being added to the 2008/09 allocations. As a result the 2007/08 devolved allocation is £216,026 and the Local Allocation budget is £106,984.

Devolved LTP Programme

5. Whilst the devolved LTP outturn for 2007/08 has reported an under spend for Surrey Heath the position does not reflect the costs still to be applied for the two schemes that were incomplete at the end of the financial year. These were the schemes for an improved footway, cycle route and Pegasus crossing at Guildford Road, Bisley and the zebra crossing at Bagshot High Street. The costs still to come on these two schemes are anticipated to be in the region of £167,000. Had these two schemes been completed then the outturn would have reported an over spend for the year.
6. It was reported in June 2007 that there would be a budget pressure given the number of schemes to be constructed in the year. Additional costs on schemes throughout the year have increased this margin although some of these costs are currently disputed with our constructor partner Ringway and payment is being withheld. The 2007/08 outturn includes for the payment of these costs on an accrual basis and if it is agreed that payment of the disputed sums is justified, then the sums will be released. If additional payments are not agreed then the sum, or sums, would be available to help reduce the overspend. The total value of disputes is approximately £46,500.
7. Taking into account the carry-forward, Surrey Heath's £56,026 under spend means that in 2008/09 we would be overspent by £111,000 if all planned works proceed this year. However, the over spend can be further reduced by the application of income of £12,000, which is previous years income that has not previously been applied. A further £5,000 of income is also due to be received this year which is made up of two contributions toward the crossing at Bagshot High Street. Applying these two payments reduces the potential over spend to £94,000.
8. As indicated in paragraph 2 the 2008/09 allocation is £160,000, a reduction from the £230,000 reported in March. Given the reduced allocation it is necessary to adjust the 2008/09 programme. In March the Local Committee approved two schemes to take forward for construction in 2008/09. These were:

- a. Yorktown Traffic Management - £160,000
- b. Tomlinscote to Camberley Cycle Route - £ 70,000

Neither scheme could be constructed within the available budget given the predicted level of the over spend referred to in paragraph 7. However, because it is unclear at this stage the actual level of this over spend it is suggested that the scheme at Yorktown be progressed and budget availability can be looked at again prior to

committing to construction, particularly as scheme costs may vary from initial estimates. The scheme at Yorktown is more favourable to progress as it has already been postponed previously and of the two schemes it is also more advanced, having had initial consultation with residents. The informal view of members recently also indicated a preference that the scheme at Yorktown should proceed. Therefore, subject to approval, scheme preparation and design will continue for the Yorktown scheme.

9. At the time of writing this report, the Executive has also indicated that additional capital may be available this financial year. At present full details have not been made available with regard to how this will be distributed but it is likely that this will need to cover any projected over spends in the first instance.
10. Scheme estimates and actual costs will be updated throughout the remainder of the year and adjustments to the programme can be made later if considered appropriate.

2008/09 Local Allocation Programme

12. As reported in paragraph 3 the 2007/08 local allocation outturn position is expenditure of £154,416 against a budget of £161,400, resulting in an under spend of £6,984. The 2008/09 budget available is therefore £106,984 (base figure of £100,000 plus underspend). A programme for £100,000 was approved at the March Committee meeting, leaving £6,984 to be allocated. However, some replacement works have already been undertaken in Gibbet Lane following incidences of vandalism. The expenditure for this has been agreed with the Chairman, which will be funded from the local allocation budget. The cost of this work is likely to be in the region of £6,500 and so as a result no further adjustment is required to this budget.

CONSULTATION

13. The management of the devolved LTP and local allocation budgets are delegated to the Local Highways Manager and consultation is undertaken with the Chairman on issues affecting budget. The members meeting in April discussed budget pressures and the likely impact on scheme priorities.

FINANCIAL IMPLICATIONS

14. There may be the need to further adjust budgets within the financial year. The Local Committee at its meeting in March delegated the management of the devolve LTP and local allocation budgets to the Local Highways Manager in consultation with the Chairman of the Committee.

SUSTAINABLE DEVELOPMENT IMPLICATIONS

15. There are no direct sustainable development implications.

EQUALITIES IMPLICATIONS

16. There are no direct equalities implications but each project will consider any implications in line with the relevant policies at the time.

CONCLUSION & REASONS FOR RECOMMENDATIONS

21. The programme reflects the priorities for 2008/09 whilst considering the funding constraints for the coming financial year.

WHAT HAPPENS NEXT

22. The programme will be progressed within the available budgets and resources.

LEAD OFFICER: Ian Haller, Local Highways Manager
TELEPHONE NUMBER: 08456 009 009
E-MAIL: wah@surreycc.gov.uk
CONTACT OFFICER: Ian Haller, Local Highways Manager
TELEPHONE NUMBER: 08456 009 009
E-MAIL: wah@surreycc.gov.uk
BACKGROUND PAPERS: None