

AGENDA MANAGEMENT SHEET

Name of Committee Council
Date of Committee 13 December 2005
Report Title 2005/06 Capital Programme –
Supplementary Bids

Summary This report outlines the additional £2 million of capital resources required in the current year to meet significant pressures on the Department's highways maintenance budget. The proposal was supported by Environment Overview and Scrutiny Committee on 8 November. This report will be considered by Cabinet on 8 December and their recommendations reported to Council on 13 December.

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Would the recommended decision be contrary to the Budget and Policy Framework?

Yes/No

Background papers 2005/2006 Highways Budget Working Papers

CONSULTATION ALREADY UNDERTAKEN when report submitted for Cabinet:

- Other Committees Environment Overview and Scrutiny Committee – 8th November 2005.
Cabinet – 17th November 2005.
- Local Member(s)
- Other Elected Members Councillor C K N Browne)
Councillor Mrs E M Goode) for information
Councillor Mrs J Lea)
- Cabinet Member Councillor M L M Heatley
- Chief Executive
- Legal I Marriott – comments incorporated and noted.

- Finance V Rennie – comments incorporated.
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION

YES

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Council – 13 December 2005

2005/06 Capital Programme – Supplementary Bids

**Report of the Director of Planning, Transport
and Economic Strategy**

Recommendations being considered by Cabinet on 8 December:

That Cabinet:

1. Recommends to Council that £2 million additional capital resources are approved and added to the 2005/06 Capital Programme for the Planning, Transport and Economic Strategy Department (PTES) to meet the budget pressures outlined in Section 2 of the report funded by additional borrowing.
2. Agrees that any interest costs incurred in 2005/06 are met from the underspend in Other Services reported to Cabinet as part of Quarter 2 Budget monitoring on 17th November 2005.
3. Recommends to Council that £180,000 to meet the on-going costs of financing the additional £2 million borrowing is included in the 2006/07 budget resolution.

1. Introduction

- 1.1 Without prejudice to the rest of the bidding process for the 2006/07 capital budget there are needs for additional capital resources for highways in the current year. Members may recall that the revenue budget monitoring report presented to Cabinet on 17th November identified a projected £3.0 million underspend on Other Services due to favourable movements in interest rates. This underspend presents an opportunity to fund any additional borrowing costs in the current financial year from a sizeable increase in the highways maintenance programme.

2. Highways Maintenance Budget Pressures 2005/06

- 2.1 **Street lighting column replacement** - There is an urgent need to replace defective street columns. In the last year six lighting columns have suddenly collapsed. Fortunately just one fell across a busy road and no injuries were sustained. In contrast other highway authorities have paid individual £1m-£3m compensation claims associated with random collapse of street columns. £250,000 would restore the capital programme to levels of recent years, but given growing evidence of deterioration in the stock of 47,000 lighting columns an allocation of £300,000 would be more appropriate.

- 2.2 **Town Centre Paving Replacement** - A bid is being progressed with Advantage West Midlands (AWM) to progress the Nuneaton and Bedworth Town Centre Master Plan, promoting the regeneration of the town centres including upgrading worn out paving. AWM are expecting a minimum contribution from the County Council to the street improvements in the order of £100,000 in order to trigger a sizeable offer of grant from them after Christmas. There is a forecast of significant underspend in AWM's Regeneration Zone budget in 2005/06, so there is an opportunity to draw down substantial grant provided that the County Council invests more of its own resource in the project as match-funding. If there are underspends elsewhere in AWM's budget then there may be the opportunity to secure funds for improvements to the streets in other towns and market towns across the County where AWM is already engaged. PTES propose that £400,000 made available for match-funding would facilitate this.
- 2.3 **Delegated budget to Area Committees** - Currently each of the Area Committees is delegated £40,000 from the Local Transport Plan to spend on highway improvements, which has proved popular. It is suggested that this be augmented as a pilot with £100,000 for each Area Committee for capital funded maintenance, which could include structural maintenance, drainage, footways or street lighting which are local priorities.
- 2.4 **C and D Road Carriageway Maintenance and Footways** - This would contribute to the improvement of road surfaces in rural areas, including rural C and D carriageway surfacing, surface dressing and footway works. Funds could be targeted on routes with a history of accident claims. This would contribute to improving our Best Value Performance Indicators for road condition in order to support the Comprehensive Performance Assessment (CPA), and also the Performance Indicator for footways. It is estimated that £800,000 of additional capital expenditure would significantly improve the condition of these minor roads.

3. Financial Considerations

- 3.1 The additional £2 million capital spending would be funded from additional borrowing. Cabinet is therefore asked to recommend to Council that £2 million be added to the PTES capital programme and that approval is given to £2 million additional borrowing.
- 3.2 The additional interest costs resulting from the additional borrowing can be met from the £3 million underspend on Other Services in the current year. However, for 2006/07 and beyond the on-going borrowing cost of the £2 million capital spend is £180,000 a year. No provision exists on an on-going basis to fund this. Therefore Cabinet is asked to recommend that when approving the £2 million additional borrowing, Council also approves that £180,000 be added to the Other Services budget to meet these on-going costs.

JOHN DEEGAN
Director of Planning, Transport and Economic Strategy
Shire Hall, Warwick
November 2005