

AGENDA MANAGEMENT SHEET

Name of Committee Environment Overview and Scrutiny Committee

Date of Committee 8th June 2006

Report Title Leamington Urban Mixed Priority (LUMP) Project Review

Summary The report describes the estimating process for the scheme and gives reasons for the cost increases. The report also describes what measures have been taken to mitigate the escalating costs and gives recommendations for future town centre contracts based on the experience gained.

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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers None

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees Cabinet 12th January 2006 meeting
Environment Overview and Scrutiny 17th January 2006.

Local Member(s)
(With brief comments, if appropriate)

Other Elected Members Councillor K Browne)
Councillor Mrs E Goode) for information
Councillor Mrs J Lea)

Cabinet Member Councillor M Heatley – for information
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

Chief Executive

- Legal Greta Needham, Sarah Duxbury, Ian Marriott – comments incorporated
- Finance Oliver Winters, Resources – comments incorporated
- Other Chief Officers Ken Powers, Internal Audit and Risk Management, Performance and Development – comments incorporated.
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** *(If 'No' complete Suggested Next Steps)*

SUGGESTED NEXT STEPS :

Details to be specified

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

**Environment Overview and Scrutiny Committee -
8th June 2006**

Leamington Urban Mixed Priority (LUMP) Project Review

**Joint Report of the Strategic Director for
Environment and Economy, Strategic Director of Resources
and the Strategic Director of Performance and Development**

Recommendation

That the action taken to mitigate the costs and delays on Phases 1 and 2 of the scheme be noted and in the light of the experience on this scheme, that the actions proposed for future schemes be endorsed.

1. Introduction

- 1.1 On 12th January 2006 Cabinet approved the outline Capital Programme for Transport for 2006/2007 and this included an increased allocation for Leamington Urban Mixed Priority (LUMP) scheme (see **Appendix A**). As there was a large increase in costs, £1.28m, Cabinet requested that Environment Overview and Scrutiny Committee comment on the funding issues relating to this scheme.
- 1.2 At its 17th January 2006 meeting, Environment Overview and Scrutiny Committee deferred discussion regarding this item to a future meeting to enable a joint report to be prepared by the Strategic Directors of Environment and Economy and Resources detailing how the costs of the scheme had been estimated, why they had increased dramatically, and what measures had been taken to mitigate the escalating costs in Phase 1.
- 1.3 The original contract period for completing the works was 26 weeks. However, as a result of the problems encountered and associated delays (see section 4), the works were suspended in October 2005. The works were then split into two phases, works to October 2005 are known as Phase 1 and extend from Clarendon Avenue junction down to Victoria Bridge. The remaining works, known as Phase 2, extend from Victoria Bridge down Bath Street to High Street and will be carried out this summer.
- 1.4 This report details how the costs of the scheme were estimated, why they have increased, and what measures were taken to mitigate the escalating costs in Phase 1. The report also identifies experience which should be utilised for future town centre construction projects.

2. Contract for Procuring the Works

- 2.1 A relatively new (to WCC) type of contract was used to procure the LUMP scheme. The contract is an EEC Option C - Target Price. This type of contract aims to give the contractor an incentive to do the work more efficiently by offering a share of the savings, but if unforeseen costs arise, the Client shares some of the costs with the contractor.
- 2.2 It is difficult to determine whether the form of contract used has contributed to the increased cost of the project or not. This is because the original Target Price is likely to be less than the equivalent Price for a conventional form of contract, to reflect the contractor's reduced risk liability. However, the potentially lower original Price associated with this form of contract has been eroded by the extra costs incurred. On balance, the form of contract used is likely to have contributed marginally to the increase costs.

3. Estimated Costs

- 3.1 Prior to going out to tender the scheme estimate was developed as the project evolved during the long consultation process with the Stakeholders. Whilst estimating the cost of the known works is generally straightforward, it is very difficult to evaluate the 'risk element' part of the estimate. This is particularly difficult to assess for town centre schemes where we are dealing with an old infrastructure. To allow for the uncertainty of the risk elements, a contingency sum is included within the estimate prior to tender. For this project a figure of 10% was assumed.
- 3.2 The Council's estimate is, to some extent, validated on receipt of the contractor's tender which can then be compared to the estimate. This gives the Council some comfort that when the contractor's assessment of the cost of the works and the associated risk is similar to the Council's estimate, the estimate is in the right order.
- 3.3 The contractor's tender for carrying out the works is based on information given to him in the contract. For any changes to the works information, such as dealing with the shallow cellars, there is a re-evaluation of what is paid. The funding to cover these eventualities forms part of the contingency sum.
- 3.4 However, for LUMP, Mowlem, the contractor for the project, tendered a Target Price of £1.249 million. This was lower than the Council's estimate by about 36%. This therefore gave the project an increased contingency of approximately 36% over the allocated funding.
- 3.5 From recent experience gained from LUMP and other town centre projects a 10% contingency is now considered too low and should be increased for future schemes of this nature.

4. Reasons for Increase Costs

- 4.1 There were 3 main problems which delayed the works and resulted in the cost increases:-
- (i) Shallow Cellars – The existence of the cellars was known but the shallow depth of some of them was not.
 - (ii) Shallow Service Authority plant (electric cables etc.) and the large numbers of cables found, some of which were even unknown to the Service Authorities themselves.
 - (iii) Buried reinforced concrete obstructions were found throughout the Parade, which had a substantial effect on the excavation work because of the time and resources needed to cut through the obstructions.
- 4.2 A number of the cellars encountered were not only shallow but were also in a very poor state of repair and immediate work to make them safe was necessary before continuing.
- 4.3 Regardless of the problems encountered, the planned works were themselves inherently very difficult to undertake because of the necessary requirements and restrictions on working methods imposed on the contractor. These requirements and restrictions were developed in conjunction with the Town Centre Working Party and were aimed at minimising the effects of the construction works on the vitality of the town centre as much as possible. The town centre was, in effect, a very large building site which had to be kept open for business.
- 4.4 Most town centre development works are undertaken behind barriers so that the public, traffic and businesses are separated from the works and the workforce. This was not possible in the Parade. Consequently the contractor had to carry out extensive works in the middle of a public area **and** maintain access for businesses and residents. At the same time the contractor had to keep the public and his workforce safe whilst dealing with traffic and pedestrian flows within the site.
- 4.5 This was a very onerous task but deliverable without the added problems identified above. When the problems of the shallow cellars were uncovered the effect on the progress of the works was dramatic. The impact on the costs was also significant.

5. Pre Works Investigation – Cellars and Service Authority Plant

- 5.1 At the design stage of the scheme, service authorities were consulted on the location of their cables/plant and any diversion works required. This information was provided to the contractor but during construction was found to be inaccurate or incomplete, as many cables were found during the works which were unknown to the Service Authorities. This caused considerable delay and disruption during the works in establishing ownership of cables and establishing whether they were 'live' or 'abandoned' and then working around the cables to construct the works.

- 5.2 As the existence of the cellars was known, a consultation survey of owners/tenants was carried out to identify the location of cellars.
- 5.3 Of the 45 cellars identified by owners/tenants, 17 were outside the extent of the scheme, in the side streets. This left 28 cellars within the works area of which 17 were in Phase 1 works area and 11 in the Phase 2 works area. Six of the cellars identified in Phase 1 were found to be shallow, while 11 were deep enough not to be encountered within the excavation. However, a further 16 shallow cellars were encountered, which were not identified by owners in the consultation survey, making a total of 22 cellars which affected the works and therefore contributed to the cost increases and delays. Many of the cellars encountered were in a very poor state of repair and immediate work to make them safe was necessary before continuing.
- 5.4 As the depth of excavation required to replace the slabs was very shallow, at only 200mm (8 inches) deep, there was no expectation of encountering problems. Consequently it was considered that the disruption that would have been caused by the physical investigation of what lay below the immediate surface outweighed the benefits. Had physical investigation been undertaken into each cellar a large number of trial holes would have been necessary. These trial holes would not have identified the problems of unknown cellars, unknown and congested service cables or the substantial blocks of reinforced concrete obstructions found under the carriageway, which also affected the construction works. It was not possible to have identified all of the problems on the site prior to construction. To have done so would have required a large part of the Parade to be excavated before any works had commenced.
- 5.5 Carrying out investigative works, whilst it identifies problems and enables works to be planned and therefore avoids some disruption costs, does not eliminate the costs and delays in actually carrying out the work to overcome the problems. This still has to be undertaken during the works.

6. Mitigation to Reduce Delays and Costs

- 6.1 As identified above there were a number of problems and issues that developed during the works. In order to reduce delays, the contractor changed his working methods, hours of working and changes were also made to the requirements within the contract.
- 6.2 With the co-operation of Warwick District Council Environmental Health Officer, the noise requirements of the contract were relaxed to allow work to continue for 24 hours a day, allowing additional evening and night working to be carried out. This substantially reduced many of the site problems relating to maintaining access for businesses and the associated safety issues. Consequently, the contractor's work rate and progress improved substantially. However, the night time working was short lived and only lasted a few days as the Environmental Health Officer, following complaints from local residents about night time noise, restricted working hours to between 7 am and 10.30 pm. This was a relaxation on the original requirements of the contract but meant the works still had to be carried out when access to businesses was required and pedestrians routes

maintained. Although there was a longer period in which works could be carried out, the contractor's progress was reduced when compared to 24 hour working.

- 6.3 Under the Contract, the contractor was required to work in a limited number of areas at any one time and complete these areas before moving on to open up a new area. This requirement was relaxed to allow more areas to be worked on at one time in a further attempt to reduce delays and hence costs.
- 6.4 However, as more problems were uncovered it became evident that the whole scheme would not be completed before the pre-Christmas shopping period. It was essential for the wellbeing of the town centre businesses that this prime shopping period was not disrupted. The decision was therefore made to suspend works South of the River Leam until summer 2006 to avoid the Christmas shopping period. In addition to leaving the Parade free of highway works over the Christmas period, the suspension of the works allowed time to re-appraise the situation and identify further mitigation of the problems.

7. Further Mitigation of Costs for Phase 2 Works – Summer 2006

- 7.1 A further consultation, with property owners and tenants, has been carried out to identify any additional cellars. Engineers have requested access to inspect the cellars, where possible, and a number have been found to be in a very poor state of repair. Some cellars cannot be inspected as they are either bricked up or have been filled in. The filled in cellars should not cause problems for Phase 2 but the condition of the bricked up cellars is still an unknown.
- 7.2 Even with a visual inspection it is difficult to determine how shallow the cellars are except for the occasional clue where the roadside kerb has been built into the cellar roof. These cellars, regardless of the intrusion of the kerbs, are still likely to be reasonably strong and as structurally as sound as any of the cellars **provided** they are not disturbed.
- 7.3 Additional, non-invasive, investigation of the cellars has been carried out using ground radar techniques to try and determine unknown cellars and their depth. This technique has also been used to identify other likely obstructions, including service cables. This is quite an expensive technique and we will be monitoring results to determine how effective this is in identifying buried problems.
- 7.4 The costs of Phase 1 works are still being established with the contractor, however, a study of those items of work where we have incurred high costs has been undertaken to see if we can change the specification for Phase 2 to reduce the risk of incurring similar additional costs. One of the changes proposed is to reduce the depth of excavation to limit the risk of exposing shallow cellars. It is proposed that the existing footway foundation will be retained as much as possible and only the removal and replacement of the slabs and sand bed will be undertaken.
- 7.5 As explained previously, Phase 2 of the scheme requires the contractor to undertake extensive works in the middle of a busy town centre whilst keeping access available for businesses and pedestrians and ensuring the safety for the many pedestrians, the workforce, and traffic. The Health and Safety Executive

have advised that these substantial risks should be addressed by introducing a full road closure for Bath Street (except for access) and a one-way system on Victoria Terrace (north bound traffic). This proposal will be implemented for 12 of the 13-week construction period. In addition to the safety benefits of the road closure this should also reduce costs and allow works to progress quicker.

8. Long Term Issues of Cellars

- 8.1 During Phase 1 works some cellars were found to be in an unsafe condition and were either made safe or filled in with the owner's permission. However, the responsibility for the cellars, and hence their maintenance, continues to lie with the building owner and not the Highway Authority. In Phase 1, it was necessary for the safety work to the cellars to be carried out by the County. It can take many months to serve notice on the owner to undertake the safety work and we could not delay the scheme further waiting for the owner to carry out the work. There is therefore the question of future maintenance and liability of the County Council should the cellars subsequently collapse or need further safety work.
- 8.2 It seems clear from the Highways Act 1980, that liability for keeping the cellars in good condition and repair is with the owner or occupier. However, if it is necessary for the Highway Authority to carry out repairs to cellars, as in Phase 1, the Authority's liability is restricted to making the cellars safe for pedestrians using the pavement. This liability does not extend to carrying out repairs to cellars sufficient to withstand the weight of a lorry. The Authority therefore does not assume liability for the cellars once it has undertaken the repairs.

9. Proposals for Future Schemes

- 9.1 The County Council should review, through the partnership with Arups, its pre-contract techniques of risk assessment and risk management on high-risk sites like town centres, to ensure the most appropriate investigation is carried out and that robust levels of contingencies are adopted.
- 9.2 The effectiveness of utilising the ground radar investigation to identify below ground problems will be evaluated for future use.
- 9.3 The merits of employing the Target Price form of contract (see Para 1.3), for future high risk schemes, should be evaluated against other forms of contract to determine the most appropriate form of contract to use.

JOHN DEEGAN
Strategic Director for Environment and Economy
Shire Hall
Warwick

DAVID CLARKE
Strategic Director of Resources

DAVID CARTER
Strategic Director of Performance and Development

22nd May 2006

Appendix A of Agenda No

Environment Overview and Scrutiny Committee 8th June 2006

Leamington Urban Mixed Priority (LUMP) Project Review

AGENDA MANAGEMENT SHEET

Name of Committee	Cabinet
Date of Committee	12th January 2006
Report Title	Local Transport Plan Settlement for 2006-07 and Outline Capital Programme for Transport 2006-07 to 2008-09
Summary	<p>The report summarises the content of the settlement letter from the Government and makes outline recommendations for allocation of resources for the Transport Capital Programme for 2006-07 to 2008-09.</p> <p>The report also includes an update on the Leamington Spa Urban Mixed Priority scheme (LUMP) with a bid for additional funding to complete the scheme in 2006-07.</p>
For further information please contact	Roger Newham Head of Transport Planning Unit Tel. 01926 735663 rogernewham@warwickshire.gov.uk
Would the recommended decision be contrary to the Budget and Policy Framework?	Yes. As a result of the Government LTP announcement additional resources are being made available which exceed existing budgetary provision. An approved programme for 2006-07 is due to be considered by the Cabinet/County Council in January and February 2006.
Background Papers	Settlement letter from Government dated 14th December 2005

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees Warwick Area Committee 26th July 2005
- Local Member(s) Councillor Mrs S E Boad - Strongly supports the second phase of the LUMP Scheme.
(With brief comments, if appropriate) Councillor C C L Davis
Councillor Mrs E M Goode
Councillor T W M Naylor
Councillor M Singh
- Other Elected Members Councillor C K N Browne)
Councillor Mrs J Lea) for information
- Cabinet Member Councillor M L M Heatley
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive
- Legal I Marriott – comments incorporated
- Finance C Holden – comments incorporated
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** (If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council A Capital Programme for 2006-07 and draft programmes for 2007-08 and 2008-09 for the Authority are due to be approved in February 2006.
- To Cabinet A report setting Capital Programmes for 2006-07 to 2008-09 is due to be considered by Cabinet in January 2006.

To an O & S Committee

To an Area Committee Capital Programme for Transport seminars will be held with all Area Committees during January and February 2006.

Further Consultation

Cabinet – 12th January 2006

**Local Transport Plan Settlement for 2006-07 and Outline
Capital Programme for Transport 2006-07 to 2008-09**

**Report of the Strategic Director of Environment and
Economy**

Recommendation

That:-

1. The capital allocations for Maintenance in Table 1 be approved.
2. The draft capital allocations for Integrated Transport in Table 2 be approved.
3. A detailed programme based on the allocations in Table 2 be prepared and that Area Committees be consulted to obtain their comments on the programme prior to seeking approval of the detailed capital programme from Cabinet.
4. Council be asked to approve the capital programmes for 2006-07 to 2008-09 outlined in this report.
5. The 26th July 2005 Warwick Area Committee resolutions (i), (ii) (iii) regarding Leamington Mixed Priority scheme be noted.

1. Introduction

- 1.1 In July 2005 Warwickshire County Council submitted its Annual Progress Report and Provisional Local Transport Plan 2005 to the Government. On 14th December 2005 the Government wrote to the County Council giving its response to these documents and detailing the Local Transport Capital Expenditure settlement for 2006-07.
- 1.2 This Cabinet report summarises the Government's settlement letter and proposes a strategy for establishing and implementing a detailed transport capital programme for 2006-07 and outline transport capital programme for 2007-08 and 2008-09.

2. Summary of the Settlement Letter

- 2.1 The settlement letter states that, in 2004-05, DfT assessed that we made 'fair' progress towards implementing our first Local Transport Plan. A score of 81% was achieved.
- 2.2 This score was based on an assessment of our progress towards achieving core and local targets, and effective delivery of schemes and spending programme.
- (i) Progress towards core and local targets – an assessment of 59 out of 70 was awarded for this category. We are on track to achieve our targets for casualty reduction, bus journeys and accessibility, but the ambitious cycling target was not met and Government now accept that such targets for the UK are unrealistic. In common with most Council's across the UK the assessment made particular note of the 40% increase in bus usage on Quality Bus Corridor routes. Also noted were the increases in 'cycling into main towns' and 'children cycling or walking to school', despite year on year targets not being met in these areas.
 - (ii) Effective delivery of schemes and spending programme – an assessment of 22 out of 30 was awarded for this category. Our delivery is generally considered good but the assessment noted some specific divergences between planned and actual spend and delivery for bus priority, cycling, walking and bridge strengthening schemes. Delays and cost increases for the major schemes (those over £5,000,000) were also noted.
- 2.3 The 'fair' assessment has triggered a 5% reduction in the Authority's integrated transport block allocation for 2006-07. This is equivalent to £200,000 less than was expected based on the planning guidelines provided by the Government earlier this year. It is worth recording that an assessment score of 82% would have yielded a 'good' assessment and a 5% increase for the integrated transport block allocation for next year.
- 2.4 Our Provisional Local Transport Plan 2005 has been assessed as 'promising'. It is commended as being of good quality and generally consistent with national, regional and local policies. Government were happy that the Plan takes account of the LGA/Government Shared Priorities for Transport, namely improving accessibility, reducing congestion, improving air quality and making roads safer. The settlement letter highlights further areas where the Plan is strong, and other areas which require improvement. These issues will be addressed, where possible, in the Final LTP2 submission in March 2006.
- 2.5 The block allocation for Maintenance and Integrated Transport for 2006-07 is £13.445m. This is slightly higher than the 2005-06 settlement of £12.557m. The Government has indicated a split of £4.365m to integrated transport, and £9.080m to road and bridge maintenance.
- 2.6 No new decisions were given regarding major scheme funding. Barford By-pass has been allocated £2.271m for 2006-07, which is part of the £9.05m previously approved. The settlement letter states that decisions regarding the other major schemes will be made after regional advice has been obtained early in 2006.

This affects Coleshill Parkway, Rugby Western Relief Road and the SPARK public transport scheme in Warwick/Leamington Spa.

- 2.7 The Government is still considering the Authority's bid for additional funds for Phase 3 of the Nuneaton Development Project. A decision, which has now been outstanding for some time, is promised in due course.

3. Revenue Implications

- 3.1 The main revenue implication for 2006-07 is the cost of servicing debt charges arising from transport borrowing but there are other revenue implications such as the cost of maintaining new infrastructure. The full year debt charge arising from the settlement is approximately £1.2m per annum. However, Planning, Transport and Economic Strategy Department (PTES) is allowed the revenue benefit from repayment of principal in earlier years. The expected full year budget pressure from the settlement is therefore less at approximately £0.9m per annum. The revenue impact of the LTP allocation is taken into account by Government when assessing the amount of revenue support grant and business rates which will be paid to the Authority. In aggregate 28% of the County Council's non school spending (which includes debt charges) is covered by grant and business rates following the introduction of the Dedicated Schools Grant. These debt charges are not part of the Medium Term Financial Planning Framework and any budget pressure arising from borrowing and running costs not already built into the 2006-07 budget will need to be dealt with as part of the revenue budget process for 2006-07.

4. Capital Programme for Maintenance

- 4.1 The proposed allocations for maintenance are set out in Table 1. The 2006-07 maintenance settlement includes £500,000 for the Portobello Bridge Maintenance scheme. This scheme is proposed for implementation in 2007-08. Therefore it is recommended that the £500,000 is re-directed to integrated transport to ease the severe pressures on that budget in 2006-07.
- 4.2 The proposed allocation to Road Maintenance is £5.749m which is £344,000 higher than in 2005-06 and in line with Government's suggested allocation for 2006-07. The allocations for road maintenance in 2007-08 and 2008-09 are as the indicative guidelines issued by the Government.
- 4.3 The proposed 2006-07 allocation to Bridge Maintenance is £2.831m. This is £631,000 higher than in 2005-06. The allocations for bridge maintenance in 2006-07 and 2007-08 are as the indicative guidelines issued by the Government.

Table 1 – Outline Programme for Structural Maintenance of Roads and Bridges			
Expenditure	2006-07	2007-08	2008-09
Structural Maintenance of Bridges	£2.831m	£3.638m	£3.033m
Structural Maintenance of Roads	£5.749m	£5.114m	£6.157m
Total Maintenance Expenditure	£8.580m	£8.752m	£9.190m
Income			
2006-07 Local Transport Plan Settlement	£9.080m		
Portobello Bridge Maintenance funds re-directed to Integrated Transport	- £0.500m		
2007-08 Local Transport Plan Settlement (provisional allocation)		£8.752m	
2008-09 Local Transport Plan Settlement (provisional allocation)			£9.190m
Total Maintenance Income	£8.580m	£8.752m	£9.190m

5. Capital Programme for Integrated Transport

- 5.1 The proposed allocation to Integrated Transport is £4.365m which is £35,000 lower than in 2005-06. This allocation will be supplemented by the £500,000 re-directed from bridge maintenance as described in Paragraph 4.1. The allocations to integrated transport for 2007-08 and 2008-09 reflect the planning guidelines given in the settlement letter.
- 5.2 The proposed outline programme for integrated transport for 2006-07 is set out in Table 2. Subject to approval by Cabinet it is proposed that a detailed list of schemes be prepared for consultation with area committees. After consultation a report will be brought back to Cabinet in April for approval of the detailed programme.
- 5.3 The programme follows the strategy laid out in the Authority's Provisional Local Transport Plan 2005. The Government takes into account progress towards achievement of our LTP targets when deciding the level of future capital settlements for the Authority. Therefore, funds are focused on areas that will contribute to the overall success of the Local Transport Plan.
- 5.4 Notwithstanding the imperative to target resources it is proposed that, once again, £200,000 be delegated to Area Committees for 2006-07. £40,000 will be allocated to each Area Committee to be spent on transport projects costing in excess of £6,000 according to local priorities.
- 5.5 The 2006-07 settlement is valid for one year. There may be unforeseen slippage of some schemes so it is proposed that during 2006-07 preparatory work be carried out for some schemes planned for 2007-08. In the event that there is slippage in the 2006-07 programme, schemes in the 2007-08 programme will then be brought forward. This is similar to the over

programming which has operated in previous years. Details of these schemes will be given at the Area Committee seminars.

- 5.6 During 2005-06 the cost of Leamington Mixed Priority Project (LUMP) has risen significantly. The estimated cost for completing the scheme is now £3.445m, an increase of £1.280m since the scheme was last reported to Cabinet. This increase is mainly due to construction problems caused by the shallow cellars and Service Authority cables together with other concrete obstructions. As well as the impact on cost these problems have also delayed the scheme. The delay to Phase 1 works, from Clarendon Avenue to the River Leam, has resulted in the works south of the River Leam (Phase 2) being suspended to avoid disruption caused by construction works affecting the businesses in the town centre during the pre-Christmas shopping period.
- 5.7 The delay to Phase 1 of the works and suspension of Phase 2 were reported to Warwick Area Committee on 26th July 2005 (see **Appendix A**). The Warwick Area Committee resolutions to be reported to Cabinet are:-
- (i) That because of the impact the mixed priorities demonstration safety project works would have on Christmas trade, Warwick Area Committee agrees the proposal that construction works be completed from Clarendon Avenue to north of the River Leam Bridge by 21st October and informs Cabinet of the planned action;
 - (ii) That Warwick Area Committee urges Cabinet to agree that the remaining works be restarted in May 2006 and completed over the summer of 2006;
 - (iii) That Cabinet be informed of the financial position when it was known and be asked to allocate funding for the remaining works in 2006-2007.
- 5.8 The increase in the cost of LUMP in 2005-06 has been met from the Integrated Transport programme. The effect of this is that it has been necessary to delay the start of some 2005-06 schemes until April 2006, when the funding for the next financial year becomes available. This has had a knock-on effect on the 2006-07 programme, reducing the number of new schemes which can be introduced.
- 5.9 The estimated cost for Phase 2 of LUMP is £0.705M. Funding of Phase 2 from the Integrated Transport budget in 2005-06 would severely affect the 2006-07 Integrated Transport programme which has already been curtailed by the carry forward of schemes from 2005-06. Therefore, a bid has been made for corporate capital funding for Phase 2 of LUMP as part of the budget process for 2006/07. The Department for Transport (DfT) has been asked to increase the £1.0m grant for the LUMP project following the additional expenditure incurred and any additional funds received from DfT will be used to reduce the amount of corporate funding used.

Table 2 – Outline Programme for Integrated Transport (including commitments from 2005-2006)			
Expenditure	2006-07	2007-08	2008-09
Stratford Park and Ride	£25,000		
Decriminalisation of Parking	£1,055,000		
LUMP Phase 2	£705,000		
Casualty Reduction Schemes	£700,000		
Crossing Facilities (including dropped kerbs)	£510,000		
Public and Community Transport	£1,465,000 ³		
Traffic Management	£529,000		
Safer Routes to School	£875,000 ¹		
Village Speed Limit Reviews	£320,000		
Walking and Cycling	£920,000 ²		
Delegated budgets to area committees	£200,000		
LTP Monitoring	£40,000		
2007-2008 Integrated Transport		£4,711,000	
2008-2009 Integrated Transport			£5,194,000
Total Expenditure	£7,344,000	£4,711,000	£5,194,000
Income			
2006-2007 Local Transport Plan Settlement	£4,365,000		
Portobello Bridge Maintenance funds re-directed to Integrated Transport	£500,000		
Developer Contributions/Grants	£719,000		
Virtual Bank funding for Decriminalisation of Parking	£1,055,000		
Corporate Capital funding for LUMP Phase 2	£705,000		
2007-08 Local Transport Plan Settlement (anticipated)		£4,711,000	
2008-09 Local Transport Plan Settlement (anticipated)			£5,194,000
Total Income	£7,344,000	£4,711,000	£5,194,000

1 The allocation to Safer Routes to School includes £360,000 worth of schemes which had to be carried forward from last year due to a re-allocation of funding during 2005-06.

2 The allocation to Walking and Cycling includes £240,000 worth of schemes which had to be carried forward from last year due to a re-allocation of funding during 2005-06.

3 The allocation to public transport is high due to the need to purchase buses to the value of £1,200,000. These buses will serve North Warwickshire and Coleshill Parkway station. The buses will need to begin operation when the station opens which should be towards the end of financial year 2006-07.

6. Major Schemes

- 6.1 No new information regarding major schemes was given in the settlement letter. In the letter the Government indicated that decisions regarding Coleshill Parkway, Rugby Western Relief Road and the SPARK public transport scheme will be made after regional advice has been obtained early in 2006. Therefore it is proposed to report on the major schemes in April or the earliest subsequent Cabinet after the Government announcement on major schemes.

JOHN DEEGAN
Strategic Director of Environment and Economy
Shire Hall
Warwick

23rd December 2005