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Public

## SHROPSHIRE COUNCIL CAPITAL MONITORING REPORT – OUTTURN 2009/10 AND REVISED 2010/11 BUDGET

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### 1. Summary

1.1 This report informs Members of the final outturn for the 2009/10 capital programme and the revised 2010/11 Shropshire Council capital budget. Actual capital expenditure in 2009/10 was £78.3 million against a budget of £94.6m, representing 83% of the revised budget. The 2009/10 capital budget increased by £570,000 as a result of additional grants and contributions received. Full details of scheme budgets and expenditure are provided in Appendix 2 but for ease of reference a summary of the outturn is provided in the table below:

#### Capital Outturn 2009/10

<b>Directorate</b>	<b>Revised Budget 2009/10 £</b>	<b>Actual Spend 31 Mar 10 £</b>	<b>Variance £</b>	<b>Spend to Budget %</b>
Community Services	16,542,953	11,348,747	5,194,206	69
Children and Young People's Services	38,463,850	34,343,515	4,120,335	89
Development Services - Non LTP	10,795,327	5,389,641	5,405,686	50
Development Services - LTP	19,825,485	19,220,496	604,989	97
Resources	8,952,322	7,967,675	928,030	90
<b>Total</b>	<b>94,579,937</b>	<b>78,270,074</b>	<b>16,309,863</b>	<b>83</b>

1.2 The total variance against 2009/10 budget is £16.3 million. Two main factors contributing to this variance were the severe winter weather which resulted in delays on a number of schemes and Frank Galliers Ltd going into administration. Galliers was the contractor for the major projects at Oswald Park Leisure Centre and Market Drayton Indoor Market. These schemes

have been delayed whilst contracts are re-tendered. The paragraphs below describe the reasons for the variances in each Directorate area.

- 1.3 The Community Services variance is £5.2 million, against a budget of £16.5 million. The slippage mainly relates to £2.1m on Leisure and recreation schemes as a result of delays on Oswald Park Leisure Centre and delays on the Playbuilder and other play facilities schemes following the severe winter weather. £700,000 on Private Sectors Housing schemes due to delays in grants being claimed by individuals. £900,000 on the Housing major repairs programme due to the late commencement of the programme of works for this year. Other significant areas of slippage include £500,000 on heritage services; £300,000 on Countryside Services schemes, which were again delayed by the weather and £300,000 on Village Hall/Community grants, which are all allocated and awaiting the grant to be claimed by the groups to whom it was allocated.
- 1.4 The slippage in Children and Young People's Services amounts to £4.1 million against a budget of £38.5 million. The severe winter weather again delayed a works on a number of schemes. Areas of significant under spend are: the Secondary Schools programme £1 million, the Early Years programme £1.6 million and 14-19 Special Education programme £500,000.
- 1.5 The Development Services Non-LTP slippage is £5.4 million against a budget of £10.8 million. The purchase of land for the Integrated Waste Management Facility in Bridgnorth, has been delayed until early 2010/11 and this is budgeted at £1.2 million. The Tern Valley economic development scheme (£1.2 million) which has been delayed by the severe weather. Other significant slippage includes £500,000 on Project Management schemes again as a result of the severe weather, £500,000 due to delays in Environment grants grants being claimed, £500,000 following delays in agreeing Affordable Housing Schemes and £600,000 million under the Growth Point Fund due to the delays caused by the economic downturn.
- 1.6 The Resources slippage of £1 million consisted of £600,000 for the Market Drayton Indoor Market and £300,000 capital contribution to the fit out costs of the Mount McKinley Building.
- 1.7 The effect of the £16.2 million slippage and net budget decreases of £300,000 is to increase the 2010/11 budget from the £124 million approved by Council in February 10 to £139.9 million. There are no scheme changes associated with this slippage.

### **2010/11 Revised Capital Budget**

- 1.8 Since Council approved the 2010/11 Capital budget in February the Council has secured additional external resources for a number of schemes. The budget increases for 2010/11 total £1.2 million. These are detailed within the main report, but included £500,000 from National Treatment Agency for purchase of supported living properties, £100,000 Arts Council grant for the Shrewsbury Music Hall and £75,000 from AWM for a transport study. There have also been budget decreases of £1.6 million following a review of the

capital programme to identify budgets where no commitments remain and re-profiling of £200,000. The revised capital budget for 2010/11 is £139.9 million including slippage from 2009/10.

- 1.9 The 2011/12 budget has decreased by £200,000 to £70.6 million as a result of re-profiling expenditure to earlier years and the 2012/13 budget is £53.1 million. These are included in Appendix 3 to this report.

### **Capital Receipts Set aside**

- 1.10 Shropshire Council set aside capital receipts of £27.3 million as at 1<sup>st</sup> April 2009 to generate Minimum Revenue Provision (MRP) savings in 2009/10. In 2009/10 Shropshire Council generated net capital receipts of £4.1 million and required £8.2 million in capital receipts / capital receipt set aside to finance capital expenditure. As a result the Council can retain the set aside capital receipt balance of £23.2 million as at 31<sup>st</sup> March 2010 to generate a further MRP saving of £0.92 million in 2010/11.

### **Recommendations**

Strategic Overview and Scrutiny are Audit Committee asked to:

- A. Note the 2009/10 outturn capital expenditure of £78,270,074 which represents 83% of the total revised budgeted expenditure for 2009/10.
- B. Note the slippage of £16,172,112 to be carried forward to the 2010/11 Shropshire Council capital programme.
- C. Note the carry forward of the operating leasing approval of £2,224,248 from 2009/10 to 2010/11.
- D. Note net budget increase of £573,170 to the Shropshire Council 2009/10 capital budget, funded from additional grants and contributions.
- E. Note the revised Shropshire Council capital budgets of £139,926,289 for 2010/11, £70,586,747 for 2011/12 and £53,104,281 for 2012/13 (appendix three).
- F. To note the balance of capital receipts set aside (£23.2 million) in 2009/10 will be retained as set aside as at 31<sup>st</sup> March 2010 to generate Minimum Revenue Provision savings of £0.92 million in 2010/11.

Council are asked to:

- A. Note the 2009/10 outturn capital expenditure of £78,270,074 which represents 83% of the total revised budgeted expenditure for 2009/10.
- B. Approve the slippage of £16,172,112 to be carried forward to the 2010/11 Shropshire Council capital programme.
- C. Approve the carry forward of the operating leasing approval of £2,224,248 from 2009/10 to 2010/11.

- D. Approve the net budget increase of £573,170 to the Shropshire Council 2009/10 capital budget, funded from additional grants and contributions.
- E. Approve revised Shropshire Council capital budgets of £139,926,289 for 2010/11, £70,586,747 for 2011/12 and £53,104,281 for 2012/13 (appendix three).
- F. Approve retaining the balance of capital receipts set aside (£23.2 million) as at 31<sup>st</sup> March 2010 to generate Minimum Revenue Provision savings of £0.92 million in 2010/11.

## REPORT

### 2. Revised 2009/10 Capital Budget

Following a net increase of £570,000 in quarter for the revised 2009/10 Capital Budget is £94.6 million. Appendix 2 gives a full breakdown of the revised capital budget for 2009/10 and Appendix 5 summarises all budget changes since the 2009/10 budget book and budget increases at outturn.

### 3. Operating Lease Budgets

The operating lease budgets in Development Services Non-LTP for replacement vehicles (£2m) and salt domes (£224,248) have not been applied in 2010/11. Orders have been placed against these budgets, but vehicles were not fully completed or delivered prior to the end of the financial year. As a result, the leasing approval budget is required to be carried forward to 2010/11 for a leasing drawdown that will take place in 2010/11.

### 4. Budget adjustments – previous Borough/District schemes

Following closure of the District / Borough capital programmes for 2008/09 budget allocations were slipped forward into the Shropshire Council Capital Budget for 2009/10. These budgets have been reviewed to assess any remaining commitments against these budgets, and a number of budget reductions have been identified where no commitments remain, a summary of these is provided in appendix 4 to this report. These budget reductions will reduce the Councils over commitment on capital receipts by £1.7 million.

### 5. Capital receipts set aside

Shropshire Council voluntarily set aside capital receipts of £27.3 million as at 1<sup>st</sup> April 2009 to reduce the Council's Capital Financing Requirement (CFR) and generate Minimum Revenue Provision (MRP) savings in 2009/10, as approved by Council in December 2009.

The 2010/11 MRP Statement approved by Council in February 2010 assumed that the reduction in the CFR from the set aside receipts as at 1<sup>st</sup> April, would be offset by the capital expenditure incurred in 2009/10. The 2010/11 MRP

Statement also proposed that in the event that the level of capital expenditure in 2009/10 financed from capital receipts set aside was below the level of capital receipts originally set aside, the Council will retain the balance in capital receipts as set aside in order to achieve a further MRP saving in 2010/11.

In 2009/10 Shropshire Council generated net capital receipts of £4.1 million and required £8.2 million in capital receipts and capital receipt set aside to finance capital expenditure. As a result the Council can retain the set aside capital receipt balance of £23.2 million as at 31<sup>st</sup> March 2010 to generate a further MRP saving of £0.92 million in 2010/11.

## Directorate Comments – Outturn 2009/10

### 6. Community Services

6.1 The table below sets out the overall financial position for Community Services:

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget
£	£	£	£	£	£	%
16,437,999	-	104,954	16,542,953	11,348,747	5,194,206	68.6

### 6.2 **£ 104,954 increase to the Community Services Budget**

This budget has increased as a result of:

- Budget increase of £90,336 funded by additional Department of Health Grant for the Common Assessment Framework (CAF) project. Further additional funding will be confirmed in 2010/11.
- Budget increases of £11,607 to the Minor Works budget and £9,772 to the Oswestry Library Budget, financed from external contributions and a revenue contribution respectively.
- Budget decrease of £6,761 to the Cleobury Resource Centre budget, due to an energy efficiency grant will no longer be claimed following changes to Feed-in-Tariffs legislation. This will have no effect on the delivery of the project and will result in ongoing revenue benefits from sale of electricity to the national grid.

### 7. **Adults General – spent £276,512 against budget of £344,178**

7.1 Crowmoor House has been a redeveloped this year so as to create a unit for adults with learning disabilities, this was delivered on budget. The shower room at Four Rivers was delayed as the contractor went into liquidation, the budget will be carried forward to 2010/11.

**8. Adults with Mental Health Problems – spent £1,461 against budget of £7,897**

8.1 Remedial works have been carried out to complete works at Oak Paddock during the year.

**9. Adults with Learning Difficulties – spent £538,332 against budget of £669,241**

9.1 Work on a second supported living home has commenced. The first property at Old Fort Road, Oswestry (total scheme budget £358,000) was opened in July 2009. The second property at Curriers Lane, Shifnal (total scheme budget £412,000) will open early in the new financial year. Both of these properties were mainly funded by grants from the Development Trust. Community Services colleagues are to be congratulated for their continuing success in attracting such support from the independent Development Trust.

**10. Adults Education – spent £30,124 against budget of £55,000**

10.1 A hair salon has been developed at the Talbot centre, Whitchurch, funded through the Department for Children Schools and Families 14-19 targeted diploma programme. A scheme is being developed to spend the remained of the remaining funding.

**11. Heritage Services – spent £1,345,464 against budget of £1,877,290**

11.1 The joint development of Shropshire Hills Discovery Centre & Craven Arms Community Centre has been completed. The remaining budget has been slipped to 2010/11 for the payment of outstanding retentions.

11.2 The Music Hall project has now been split into 3 specific budgets relating to the main contract, project development and the conservation of the collection. The financing of this has been re-profiled and the some of the Heritage Lottery Fund grant has been re-profiled with capital receipts to reflect the grant claims submitted for eligible costs. Additional funding of £100,000 has been confirmed from the Arts Council and £125,000 has been allocated from the Growth Point Fund.

11.3 The Quantum Leap project has been handed over to Shropshire Council from the contractor, but work remains outstanding with the pathways yet to be completed.

11.4 The Acton Scott project continues with works to paths, car parking and the cider mill yet to be completed. The remaining budget has been slipped to 2010/11 to meet these costs and the payment of retentions.

11.5 The development at Hill Fort, Oswestry has been completed with no further costs a budget saving of £4,000.

**12. Library Service – spent £334,277 against budget of £442,958**

- 12.1 The Oswestry Library has completed. An additional budget of £9,772 has been funded from a revenue contribution to meet the cost of the remedial works to the front elevation.
- 12.2 The retention on Ludlow Assembly rooms is still outstanding and the budget has been slipped to 2010/11.
- 12.3 Cleobury Resource Centre is under construction with the completion of the building scheduled for May. This project is mainly finance through a grant from the Rural Development Programme. The budget has been reduced by £6,761 due to a low carbon grant not being claimed. It was decided not to claim the grant as the future revenue benefits from sales of energy to the national grid will be greater. This is a result of a change in Government policy in relation to Feed in Tariffs and the reduction in funding will have no effect on the delivery of the scheme.

**13. Countryside Services – spent £1,007,324 against budget of £1,294,739**

- 13.1 The majority of the work scheduled on the bridges on the rights of way network were completed. Some works were delayed due to the adverse weather and the remaining budget will be carried forward to 2010/11.
- 13.2 £15,324 of the safety works budget has been vired to other projects within the countryside service. The remaining budget will be carried forward to 2010/11.
- 13.3 The Llanymynech Lime works project has been fully completed with all retentions paid. A small remaining balance has been vired to the Ellesmere redevelopment project.
- 13.4 The Severn Valley Country Park Toilets project was completed in year with the small overspend being funded by a virement from the safety works budget.
- 13.5 Retentions and final payments are outstanding on the Ellesmere Destination Improvements project. These will be settled early in the new financial year.
- 13.6 Snailbeach Lead Mine Project is a new project due to start in 2010/11. A small amount of costs have been incurred in 2009/10 which have been funded by a virement from the safety works budget. External funding has been secured to meet the costs of this project.
- 13.7 A delay on the de-silting of Donnington Pool has resulted in a large underspend on this budget. Work is being planned and the project will complete early in 2010/11

**14. Project Management – spent £3,751 against budget of £7,000**

- 14.1 The monitoring of the new Highley/Alveley Bridge is ongoing, final retentions will be paid in 2011/12

**15. Grants – spent £632,284 against budget of £924,098**

- 15.1 The majority of the village hall grants were claimed in this financial year, with a small element of slippage to 2010/11. The community fund grant claim rules have changed with projects having 12 months from the date of award to claim, this has led to an under spend on the forecast, this balance will be carried forward to 2010/11 and claimed by the organisations awarded the grants in the new financial year.
- 15.2 The budgets which were transferred from Oswestry Borough Council and South Shropshire District Council for village hall and community grants have not been claimed in full by the organisations to which they were awarded. The remaining budgets have been slipped to 2010/11 so the Council can honour the commitments made by the previous Authorities.

**16. Support Services – spent £515,452 against budget of £459,406**

- 16.1 The support services budgets have overspent on the minor works and the Information Systems budgets. The minor works budget has been increased by £11,607 in the final quarter due to contributions from external organisations towards work carried out. The over spend will be slipped forward and off set against the 2010/11 budget. The Common Assessment Framework (CAF) project budget has increased because of additional funding received from the Department of Health.
- 16.2 A contribution towards a new server had been made from the Improving Information budget that was expected to be in the new financial year. This has caused the budget to overspend; but can be met from grant budget previously re-profiled into 2010/11.

**17. Leisure and Recreation – spent £2,868,480 against budget of £5,028,009**

- 17.1 The large underspend in this area is mainly due to two projects, the Oswald Park Leisure Centre and the Playbuilder grant programme. Frank Galliers Ltd, the contractor for the Oswald Park Leisure Centre went into liquidation in January 2010 and the project has been delayed whilst the contract is re-tendered. The site has been secured to protect the work that has been undertaken to date.
- 17.2 The 2009/10 allocation of Playbuilder grant was due to have been spent by 31<sup>st</sup> March 2010, but due to bad weather at the start of the year, an extension has been granted.
- 17.3 Wayland Road playground was completed and opened in year on time and within budget.
- 17.4 Other projects including provision of play areas in South Shropshire, Bridgnorth and Eastern Oswestry buffer zone are still underway. The remaining budget has been slipped to 2010/11 when the schemes will be completed.



- 17.5 The Oswestry Town Green and Birchmeadow Community spaces are two new projects. These projects were not expected to start until the new financial year. Both of these projects include a new play area which is being funded from the Playbuilder grant.
- 17.6 The remaining budget for Theatre Severn is for retentions which were accrued for by SABC. The Theatre has now completed its defects period, but the retention has not been paid until a small number of issues are resolved.
- 17.7 The Bridgnorth Leisure Centre seating has been completed and the balance of the budget remaining will be slipped to 2010/11 and be used against the Church Stretton Leisure centre project.
- 18. Private Sector Housing – spent £2,674,796 against budget of £3,419,688**
- 18.1 Expenditure on Disabled Facilities Grants (DFGs) was £2,070,307 against a budget of £2,175,000. The numbers and total value of grant applications received in 2009/10 was considerably lower than anticipated. Spend on DFGs is hugely dependent on the rate at which recommendations are made and work is completed. The new Home Improvement Agency contract and other procedures introduced during the year will increase the rate of throughput during 2010/2011. Approximately £1 million of commitment (Grants approved but not yet paid) is carried at any one time and it is anticipated that during 2010/2011 expenditure will rise significantly.
- 18.2 Expenditure on Private Sector Assistance (Regional Housing Pot) grants was £574,489 against a budget of £960,000. This is a rolling programme of work carrying ongoing commitments year to year with a significant uncertainty as to future levels of Regional Government funding. Progress on implementation of the Private Sector Assistance Policy was initially hampered by the incoming commitments from residual grant awards by former Districts and Boroughs. A number of these grants were not completed during 2009/2010. New initiatives on empty homes will increase demand on this budget during 2010/2011.
- 18.3 Expenditure on Kick Start Local Delivery grants was £30,000 against a budget of £280,000. This was new grant funding and progress with the Kick Start project was expected to be modest during the first year. In practice, operational deficiencies within the wider West Midlands partnership have hampered the speed with which a number of cases have moved forward. A major overhaul of the partnership and the provision of a new financial partner will accelerate progress during 2010/2011.
- 18.4 There was no expenditure against the Private Sector House condition surveys budget. Private Sector House condition surveys are carried out on a 4 to 5 year periodic cycle and it is anticipated that planning for the next survey will commence during 2010/11

**19. Housing Revenue Account (HRA) Major Repairs – spend £1,120,491 against budget of £2,013,449**

19.1 The programme of works for 2009/10 was established in late Autumn 2009 with schemes targeted towards addressing Affordable Warmth and the Decent Homes Standard identified in the 2009 Stock Condition Survey. Contracts have recently been awarded for Central Heating Installation to 300 homes and Thermal Insulation to 1,000 homes and these works have now commenced. In addition tender documents have been issued for the first Phase of door replacement programme for 1,100 doors and bids will be invited in April 2010. All schemes that slipped from 2008/09 from the former District Councils (BDC and OBC) have been completed.

19.2 The main reason for slippage at 31 March 2010 is due to staff vacancies in the Asset Management Team in the early months of 2009/10. The section is now structured to increase the scale of housing improvement works with proposals to embark on a further £5m programme in 2010/11

**20. Children and Young People’s Services**

20.1 The table below sets out the overall financial position for Children and Young People’s Services:

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget %
£	£	£	£	£	£	%
38,366,713	-	97,137	38,463,850	34,343,515	4,120,335	89

20.2 Expenditure on projects as at 31 March 2010 amounts to 89% of the revised budget for the year. The majority of the unspent balance relates to Early Years and Extended Schools programmes, which can be rolled forward to subsequent financial years under grant regulations.

20.3 Budget variations, amounting to a net increase of £97,137 are being made to the 2009/10 programme. The specific variations are as follows:

- Minsterley Primary Early Years Outdoor Eating Area – a revenue contribution of £1,000 has been received from the nursery provider on the school site towards the cost of this project.
- Baschurch Primary – final funding has been received for this project from the Governors of Baschurch Primary totalling £36,500. This is made up of £22,500 Locally Co-ordinated Voluntary Aided Programme (LCVAP) financing and £14,000 Devolved Formula Capital contribution.
- School Amalgamations – Holy Trinity Primary – a further contribution from Extended Schools Revenue Grant of £10,000 has been received

towards the cost of implementing the Multi-Agency Team Office which will be based on the school site.

- Targeted Capital for School Kitchens & Dining Facilities – Lakelands Redecoration of Dining Room – a school revenue contribution of £2,917 has been received into this scheme representing the school match funding requirement.
- Targeted Capital for School Kitchens & Dining Facilities – Meole Brace Outdoor Eating Area – the school contribution of £29,370 has been charged to their buyback property maintenance account and the budget reduced accordingly.
- Youth Capital Fund – an additional allocation of £6,000 in additional grant for the 2009/10 allocation.
- Corvedale Early Years Classroom Adaptation - the LCVAP contribution of £43,478 has been received into this scheme and represents the total contribution due.
- Brockton KS1/Early Years Extension – revenue contributions totalling £26,000 have been received. These represent school revenue funding of £17,000 and Extended Schools revenue grant funding of £9,000 and are a contribution towards the total cost of the project.

## **21. Primary School - spent £1,336,731 against budget of £1,732,227**

- 21.1 The Primary School capital programme has supported a large number of small projects in 2009/10, including several projects which were jointly funded with schools. A number of these projects which are managed by schools remain outstanding and will be completed in 2010/11, mainly in the second quarter during the summer holiday.

## **22. School Amalgamations - spent £1,112,912 against budget of £1,109,800**

- 22.1 Progress remains good on the seven school amalgamation projects which are supported by the Department for Children, Schools and Families (DCSF) Primary Capital Programme funding stream, other government grant and Shropshire Council resources. Following consultation with schools, contracts have been let for the development of the schools at Mount Pleasant (Shrewsbury), Oakmeadow (Bayston Hill) and Bishop Hooper (Ashford Carbonell). Works on site at these schools are expected to start in summer 2010, and to be complete for September 2011. Schemes for Grange Primary, Meole Brace Primary and Mereside Primary (Shrewsbury) and Holy Trinity (Oswestry) have been developed with the schools and will be tendered during the late Spring and Summer terms. The budgets were re-profiled during Quarter 3 and slipped into the 10/11 programme. Unexpected early works costs and professional fees have resulted in a small overspend against budget but this deficit will be recouped from the 10/11 programme.

**23. Secondary School - spent £17,531,765 against budget of £18,513,469**

23.1 The secondary school main capital programme has concentrated on the refurbishment of specialist spaces such as science, CDT and sports facilities, often with the support of school Devolved Formula Capital Budgets. A number of schemes have been completed successfully in 2009/10, with one Design and Technology scheme, at Lacon Childe School, being delayed until after GCSE course work is completed. Two large schemes at secondary schools require special mention.

**23.2 William Brookes School Renewal**

The £26.73m replacement of the existing school building at William Brookes School in Much Wenlock is being financed through the DCSF's Building Schools for the Future (BSF) One School Pathfinder programme, Council and community fundraising (including a £1m grant for community swimming) and Shropshire Council resources. The project is progressing well through the construction stages and the new building is on target for occupation by students in September 2010. Some of the outdoor sports facilities are already in use and more will be complete in time for the 2010 Wenlock Olympian Games. The old building will be demolished in the second half of 2010 to make way for sports and play facilities. The project remains on budget and on the projected cash flow. Much of the DCSF grant has already been received ahead of cash flow projections.

**23.3 Church Stretton Sports and Leisure Facilities**

The project to create a new sports hall, fitness room and dance studio with ancillary accommodation at Church Stretton will have reached practical completion in time to be operational in the Summer term, although it is likely that some remedial works will be held over until the Summer holiday. A joint official opening and community fun day was held on April 17<sup>th</sup> 2010.

The project was jointly funded by Shropshire Council and funding previously received from South Shropshire District Council, with smaller elements coming from local fundraising, Sport England and other grants. The project was originally expected to complete late in 2009, but works to divert a main sewer affected both the timescale and the cost of the project. As a result the project is currently forecast to cost approximately £110,000 (4.2%) above its original budget. The budget gap has been closed by use of government grants for school buildings and extended schools activities.

**24. 14-19 Special Education - spent £976,343 against budget of £1,428,731**

24.1 Secondary schools and colleges have worked in local forums to develop plans for the introduction of 14-19 diplomas appropriate for each area of Shropshire. As the DCSF have approved the curriculum plans in a number of waves, this has complicated the capital planning element and schools have found it difficult to be clear about their requirements. Of the two major projects, the project to extend the engineering facilities at Walford College is progressing well, although the main expenditure will fall in 2010/11, while the project to

create off-site teaching facilities in Bridgnorth has been delayed by issues relating to the purchase of premises. However, it is expected that all of the grant will be spent by March 2011, which is the end of the funding period.

**25. Targeted Capital for School Kitchens & Dining Facilities - spent £350,950 against budget of £661,771**

25.1 These projects are being managed by schools, supported by Shire Services where appropriate. A number of projects are scheduled to progress during the school holidays in summer 2010. It is expected that the grant will be spent by March 2011 in accordance with grant regulations.

**26. Special Education - spent £1,467,556 against budget of £1,552,259**

26.1 2009/10 has seen the completion of the Oswestry Education Centre and the creation of a new SEN teaching facility at Lakelands School, both within budget.

**26.2 Schools Access Initiative**

This is a rolling programme and is responsive to the needs of pupils with Special Educational Needs (SEN) moving into mainstream Shropshire schools. A small contingency has been retained and carried forward to 2010/11.

**26.3 Monkmoor Campus**

Work is still on-going to complete the final account for the Monkmoor Campus. Additional funding was drawn earlier this year from government grants and the Special Educational Needs and 14-19 Diploma streams to meet the additional costs incurred to ensure that new Building Regulations had been met within the detailed design process.

**27. Secondary Specialist College - spent £154,808 against budget of £180,710**

27.1 Wakeman School and Bishops Castle Community College have both completed projects for the Specialist Schools programme during the financial year 2009/10. This means that all secondary schools have now had funding from this programme. When schools develop a second or subsequent specialism, they are not eligible for additional capital funding.

**28. Other - spent £733,965 against budget of £511,067**

28.1 A number of small projects were undertaken and completed in Youth Centres, mainly funded from unspent reserves.

28.2 Two major projects funded from the MyPlace funding stream are being developed for Oswestry (formerly Centre North West) and Shrewsbury (at the former Shrewsbury Chronicle building). Discussions with the MyPlace

national team and the Big Lottery are still continuing, although work has been done to secure both sites. Both centres are due to be complete in 2010/11.

**29. Big Lottery - spent £9,036 against budget of £9,036**

29.1 Retentions on the final scheme for Criftins Primary School were paid in 2009/10 and remaining grant applied.

**30. Extended Schools/Early Years and Childcare/Children's Centres Phase 3 Schemes - spent £2,672,141 against budget of £4,209,729**

30.1 The final SureStart Children's Centres have been agreed and substantially completed during 2009/10. The Extended Schools and Early Years and Childcare funding streams continue into 2010/11 and work is continuing on projects already identified and to identify new projects in these areas. It is expected that all will be completed during 2010/11. Confirmation has been received from the Department for Children, School's and Families that any unspent 2009/10 grant allocation can be carried forward to the 2010/11 financial year

**31. Social Care and Safeguards - spent £29,517 against budget of £46,398**

31.1 The two new children's homes are now operating successfully and it is expected that final accounts will be settled in early 2010/11

**32. Targeting Mental Health - spent £1,000 against budget of £2,868**

32.1 A pilot project is being undertaken to create nurture space to improve mental health of children, at Martin Wilson School. This small project is being supported by Target Mental Health Scheme funding with extra support from Extended Schools revenue and schools Devolved Formula Capital. The majority of this budget has been re-profiled to the 2010/11 programme.

**33. Harnessing Technology – spent £2,644,088 against budget of £2,853,121**

**33.1 Harnessing ICT**

Work continues on the E-Learning Platform programme for Shropshire Schools and will continue into the early part of 2010/11. This is funded via Standards Fund grant with allowable expenditure until 31 August 2010.

**33.2 Home Access to Targeted Groups**

DCSF funding is being used to improve access for certain vulnerable groups of children to IT facilities at home.

**34. Asset Management Plan – spent £1,646,713 against budget £1,586,901**

**34.1 AMP Condition Programme**

Work on AMP condition is ongoing throughout the year, there has been a small underspend that has been carried forward to 2010/11.

**34.2 Contingency**

There have been significant calls on the central contingency this year, mainly as a result of additional costs at Church Stretton and Monkmoor. The remaining balance was re-profiled to the 2010/11 programme resulting in a budget shortfall on the 2009/10 programme; this will be recouped during 2010/11. Additional funds have been added as part of the 2010/11 programme.

**35. Devolved Formula Capital – spent £3,515,818 against budget £3,883,528**

35.1 Expenditure from this programme is controlled by schools. In general schools use this funding for a variety of small and medium projects and procuring IT equipment. As with other programmes funded through standards fund grant, the expenditure is not immediately reflected in capital accounts, and unspent balances can be carried forward to subsequent financial years.

**36. School Travel Plans – spent £160,171 against budget £212,235**

36.1 This budget is allocated to schools based on approved expenditure plans, under a similar process to Devolved Formula Capital. The funding is used to support more sustainable home to school travel, for example by making pupils and families feel more safe and comfortable through the provision of shelters, safe cycle and walking routes and other safety accessories. As with DFC, unspent balances can be carried forward to subsequent financial years.

37. There has been a high level of activity within the CYPS capital programme in 2009/10. As a substantial part of this has been in preparation for expenditure on Primary Capital Programme and 14-19 Diploma projects, the expenditure of over £30m in the year understates the total activity. As in previous years, the majority of unspent resource results from the fact that school DFC balances reflect the total funding already allocated to schools, while schools continue to retain a portion of DFC against unforeseen costs and a further portion against plans which they have already made but which will not come to fruition until a later year.

**38. Development Services – Excluding the Local Transport Plan (Non - LTP)**

38.1 The table below sets out the overall financial position for Development Services, excluding the LTP:

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget %
£	£	£	£	£	£	%
10,749,429	-	45,898	10,795,327	5,389,641	5,405,686	50

38.2 The 2009/10 Capital budget for Development Services excluding the Local Transport Plan is £10,795,327. The budget increase in the fourth quarter of £45,898 is due to additional funding of £35,339 for the Vehicle replacement programme and £10,559 for Project Management schemes.

38.3 Expenditure in the year is £5,389,641 representing 50% of the budget spent in 2009/10. This leaves a balance of £5,405,687 of which £5,385,210 will be carried forward and added to the 2010/11 capital programme and £20,475 repaid to our grant funding partners or surrendered. The majority of the unspent balance relates to the acquisition of land for the new Integrated Waste Management facility in Bridgnorth and infrastructure works for Tern Valley Business Park both of which will be completed early in the 2010/11 financial year. Details of individual scheme progress are set out below.

38.4 The figures above include the follow sub-sections Local Environment and Economy, Strategic Planning and Transportation and Housing. Summaries of expenditure by each section are provided below.

39. **The table below sets out the overall financial position for the Local Environment and Economy Portfolio:**

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget %
£	£	£	£	£	£	%
4,909,286	-	-	4,909,286	1,861,683	3,047,603	38

39.1 Waste Management, Economic Development and Public Protection Services have a revised capital programme of £4,909,286 of which £1,861,683 has been spent in 2009/10 representing 38% of the budget spent.

40. **Waste Management – spend of £755,298 against budget of £2,231,305**

40.1 The Waste Management capital programme for 2009/10 is £2,231,305. Expenditure to 31 March 2009 is £755,298 representing just 34% of the budget spent in the year, however the under spend will be spent in the first quarter of the new financial year on the purchase of land for the new Waste Facility at Bridgnorth and the finalisation of the Oswestry Integrated Waste Management Facility (IWMF).



- 40.2 The Oswestry Integrated Waste Management Facility was opened as a depot and transfer station on 8 September 2009 and opened to the public on 21 September 2009. The budget in 2009/10 for the completion of the scheme is £796,210 of which £754,570 has been spent. The remaining budget, which represents 2% of the total payment due to the contractor, will be due on receipt of completion certificates and insurance and is expected to be paid early in the next financial year. The scheme will be approximately £15,000 overspent due to inflation factors being slightly above those estimated when the budget was agreed. This will be financed from a revenue contribution to the capital programme.
- 40.3 The provision of an Integrated Waste Management Facility in Bridgnorth is part of the waste management contract with Veolia. The Council's capital budget is intended to cover the purchase of a suitable site (one that is likely to attract planning permission for an IWMF). The contract with Veolia covers the cost of development of the site. Following the identification of a suitable site in Bridgnorth, the total cost for the Bridgnorth IWMF scheme was increased in the quarter two monitoring report by £507,000 to £1,435,000. This will be funded either from an under spend on development costs or from the waste management reserve. The Council is currently in the final stages of agreeing the purchase of the site and it is anticipated that this will be completed early in 2010/11.
- 40.4 The purchase of a suitable site for the development of an In Vessel Composting (IVC) facility has been identified and negotiations to purchase the site are currently taking place. The budget for the IVC was re-profiled to be spent in 2010/11 during quarter two
41. **Economic Development – spend of £945,439 against budget of £2,496,784**
- 41.1 The Economic Development capital programme for 2009/10 is £2,496,784. Expenditure in the year is £945,439 which is approximately 38% of the budget spent. Slippage of £1,531,767 will be carried forward to 2010/11 to meet commitments for the purchase of land and infrastructure costs and the balance of £19,578 will be surrendered as is no longer required.
- 41.2 Works have continued on the infrastructure works at Phase II of the Tern Valley Business Park, Market Drayton. The contractors Fitzgerald's started on site in early November, however work was delayed due to severe weather in January. The work is likely to be completed by the end of May 2010. It is estimated that approximately £2,650,000 will be generated in capital receipts from the sale of plots at Tern Valley. The capital receipt is lower than that originally anticipated of £3,500,000 owing to the change in the property market. This reduced receipt is included in the capital receipts projection that underpins the Council's capital programme.
- 41.3 At Shrewsbury Business Park work, is ongoing on Phases 1 and 2 works to secure the adoption of highways, utilities and drainage and should be completed by the end of the first quarter of 2010/11.

- 41.4 The Council took practical completion of the Food Enterprise Centre at the end of March 2009. The Council withheld payments for retentions during the defects liability period and due to non completion of the BREEAM issues. The twelve months defects period ends in April and Davis Langdon, the Council's project managers, are negotiating with Allenbuild to secure the necessary repairs and warranties. Allenbuild, the contractor, secured BREEAM 'Very Good' certification for the centre in March and this will now trigger the release of the final payment.
- 41.5 Heart of England Fine Foods (HEFF) won the management contract and moved into the Centre in February. HEFF appointed a centre manager and has secured funding for a Demonstrator Kitchen. The Council has funded the fit out of the management centre and also provided a contribution towards the demonstrator kitchen. The Council is currently negotiating with four companies to move into the centre and a further eight have expressed interest.
- 41.6 Scottish Power has been commissioned to undertake a feasibility study on the provision of new electricity supply for the future expansion of Whitchurch and also to meet the short term needs for Whitchurch Business Park.
- 41.7 Mouchel has been asked to provide road infrastructure costings for opening up the remaining part of the Whitchurch Business Park; however it is unlikely that the Council will be in a position to fund all development costs and delivery. Scottish Power has indicated that a new primary substation is likely to be required with developers paying for connections to it. The Council has made £2 million available for further development of Whitchurch Business Park from the Council's five year Capital Programme and will submit a bid to Advantage West Midlands Regional Infrastructure Fund for up to £1.4million of grant funding shortly in support of the scheme.
- 41.8 Mouchel are also undertaking an assessment of the works required to seek adoption of a number of business parks in Shrewsbury the largest of which is Battlefield Enterprise Park. It is intended the work will be expanded to cover the remaining business parks in the rest of the county. The five year Capital Programme has made funds available to facilitate the completion of these works.
- 41.9 The Serviced employment land scheme, inherited from the former Oswestry Borough Council has been re-profiled to 201/11. No work or spend has been committed as the outcome is dependant upon determination of four proposed supermarket planning applications which may release employment land.
42. **Public Protection - spend of £160,946 against budget of £181,197**
- 42.1 The Public Protection capital programme for 2009/10 is £181,197. Expenditure to 31 March 2009 is £160,946 representing 89% of the budget spent in the year.

- 42.2 There are five contaminated land projects fully funded from DEFRA grant in the current programme and a further air quality investigation also funded from DEFRA grant.
- 42.3 The first project relates to a contaminated land remediation scheme at Pontesbury which was formerly being delivered as part of the SABC capital programme. There has been £16,062 spent in total this year of which £9,744 was the final retention payment accrued forward by SABC. The project has been fully completed against the original specification but following an extensive review of waste disposal methods with the Environment Agency, the contamination removed was reclassified allowing alternate disposal to that originally envisaged. This has resulted in significant cost saving and following final account; the remaining grant will be repaid to DEFRA.
- 42.4 The second project is a contaminated land investigation at Burford which commenced in quarter two. The project was completed in the final quarter of the financial year. Payments of £26,222 were made in 2009/10 with the remaining balance of £7,858 to be paid in the first quarter of 2010/11 which will fully utilise the full grant awarded by DEFRA.
- 42.5 The third project is a contaminated land investigation at the former Gasworks site in Ludlow, and which was completed in fourth quarter. This project began in quarter three with payments of £47,647 ensuring the entire grant from DEFRA was spent.
- 42.6 The fourth scheme is a contaminated land investigation project at Llanymynech for which DEFRA funding was secured late in the year. At the end of the financial year payments of £59,159 have been made, out of a grant totalling £69,751. The remaining balance, minus a small contingency is expected to be spent by the end of April 2010, in line with the conditions of the grant.
- 42.7 The fifth project in this programme is an investigation of potential gas migration from a former landfill at Radbrook. The project commenced in quarter three and payments to date amount to £21,600 from a grant of £23,400. The project is on schedule for completion, within budget, by the end of March 2010.
- 42.8 The air quality project relates to investigation of the Air Quality Management Area in Shrewsbury. This project commenced late in quarter four, and with work now completed at a cost of £27,609 which is due for payment in 2010/11.

43. **The table below sets out the overall financial position for Strategic Planning and Transportation (Non Local Transport Plan):**

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget
£	£	£	£	£	£	%
3,270,145	-	45,898	3,316,043	2,061,474	1,254,569	62

43.1 The Strategic Planning and Transportation capital programme increased by £45,898 in the fourth quarter to give a revised budget for 2009/10 of £3,316,043. The revised budget follows an increase in funding of £35,339 for the vehicle replacement programme and £10,559 for the Project Management Capital programme. Detail of individual scheme progress is set out below.

44. **Highways Depots and ITU – spend of £121,773 against budget of £121,773**

44.1 Expenditure in the year is £121,773 against a revised capital budget of £121,773 which has seen the 2009/10 budget fully spent.

44.2 The vehicle replacement programme increased by £35,339 in the final quarter of the year following an increase in revenue contributions for the purchase of additional vehicles. The programme has seen the acquisition of three vehicles for pest control services, snow blowers and ploughs for the winter maintenance fleet and the purchase of two 17 seater minibuses on behalf of Priory and Meole Brace Schools.

44.3 The 2009/10 capital budget for the redevelopment of the Councils' Highways Depots was re-profiled to 2010/11 in the previous quarter. Currently a rationalisation of operational depots is being undertaken to look at the options available and an implementation plan is being drawn up. It is intended this will include the disposal of Alexandra Road Depot in Oswestry and redevelopment of the Highways Depot at Park Hall, Whittington. The disposal of the Hearne Lane Highways Depot in Hodnet and relocation to a new site in North Shropshire. The disposal of the Coder Road Depot in Ludlow and extension or redevelopment of the Highways Depot in Craven Arms.

44.4 Approval has been given as part of the Councils five year capital strategy to proceed with the redevelopment of the North West Depot in 2010/11 at a cost of £1,500,000.

45. **Project Management – spend of £1,090,893 against budget of £1,609,684**

45.1 The capital budget for the Project Management programme has increased by £10,559 in the fourth quarter of the financial year following an increase in funding to cover the costs of consultant's fees for the monitoring of Farley Oil Terminal. Expenditure is £1,090,893 representing approximately 68% of the budget spent leaving a balance of £517,894 to be carried forward to 2010/11.

- The small balance remaining of £897 is external grant funding and will be returned to AWM as unused grant following the decision not to proceed at this time with the scheme at Western Farm.
- 45.2 Agreement was reached with the landowner, who exercised his option to purchase the tanks at Farley Oil Terminal, on 1 February 2010 and the agreed payment of £100 has been received by the Legal section. Following the sale Shropshire Council has no ongoing liabilities for the site.
- 45.3 The scheme at Oswestry (Railway land) to provide a new access road has been completed. The final account has now been agreed and the project is overspent by £90,000. Additional financing has been transferred from other schemes within the Project Management capital programme to meet the funding shortfall. AWM have confirmed they will not provide any further funding for this scheme.
- 45.4 The scheme at Chartwell Park, which the Council is delivering on behalf of AWM, has been delayed by over 4 weeks due to poor weather over the winter period. Completion is now expected by the end of March or early in the new financial year. The scheme is entirely funded by AWM who have been attending fortnightly progress meetings and are satisfied with the outcome achieved. AWM will be in a position to start marketing the development plots immediately after Easter.
- 45.5 Shropshire Council has been negotiating with Network Rail to purchase the former coal yard at Gobowen. The area of the site would allow the Cambrian Railway Trust to construct a new platform for the heritage steam railway, the construction of a car park and the sale of part of the land to a developer for affordable housing. A purchase price has now been agreed with Network Rail and our solicitors have been instructed to proceed with the purchase.
- 45.6 Public consultation for the Market Drayton Inner Relief Road originally planned for November/December 2009 was deferred pending further discussions with landowners to establish the scope of the project. The ownership of an unregistered parcel of land has now been determined and negotiations with owners are continuing. It is anticipated that these discussions will lead to the acquisition of land for the project through agreement thus avoiding a contested Compulsory Purchase Order. This should shorten the overall project programme. The consultation is now programmed for late summer with the subsequent planning application programmed for late 2010/early 2011.
- 45.7 A follow up meeting involving the Bridgnorth members determined that Whitburn Street & Northgate Entrance scheme should not be signed as a pedestrian zone. The street will now be reconstructed with full height kerbs (rather than being flush straight across). Blue bricks will be used along the footways since Whitburn Street lies within the Conservation Area. Much of the existing kerbing will be taken up, cleaned and relayed. The project is now programmed to be tendered through April with a planned start date on site early August. The construction period is 16 weeks and completion is therefore anticipated around mid November.

- 45.8 The West End enhancement scheme in Shrewsbury has been put on hold as a result on concerns raised by English Heritage and other interested parties. The Economic Development Team has now commissioned a consultant to develop a vision for Shrewsbury and this may affect these proposals.
- 45.9 Work is continuing to progress the scheme at Wem Town Square. Plans for the centre of Wem have been prepared which may be ambitious and unlikely to be realised in the short to medium term, we are currently waiting to see what funding may become available to the town from the Market Towns funding package. A further meeting to discuss the way forward is planned with in April 2010.
46. **Environmental Maintenance – spend of £590,790 against budget £860,790**
- 46.1 Expenditure in the year is £590,790 against a capital budget of £860,790 representing 69% of the budget spent in the year.
- 46.2 The scheme to provide CCTV in Whitchurch has not yet commenced. The invite to tender for the contract to upgrade the system has been sent out but there is still a significant amount of work to be undertaken to complete this project. The scheme will now be delivered in 2010/11 and the budget will be carried forward.
- 46.3 Although South Shropshire District Council approved the tender for Cleobury Mortimer CCTV the project is still not completed. There remains a few legal requirements to secure permission for cameras to be mounted at locations and civil works.
- 46.4 Planning permission and the design for the new toilet facility at Cleobury Mortimer is in place. However commencement of the project, which is being managed on behalf of Environmental Maintenance by Property Services, will be delayed following confirmation from Legal Services that a re-tendering exercise needs to be carried out for the award of the works contract.
- 46.5 The financial implications of the delay and costs of additional design work will need to be established before works can commence and it may be the project will be unaffordable against the current budget provision. It will however provide the opportunity to design the toilets from scratch and may possibly allow a reduced specification which could be within the scheme budget.
- 46.6 Funding of £590,790 for the provision and relocation of public conveniences in Shrewsbury Town has been paid to the Town Council who are delivering this scheme.
47. **Environment - spend £258,018 against budget £723,796**
- 47.1 Expenditure in the year is £258,018 against a capital budget of £723,796 representing 36% of the budget spent in the year leaving a balance of £465,778 to be added to the 2010/11 Environment Capital Programme.

- 47.2 The Environment capital programme is broken down to three distinct areas across the county, the purpose and conditions of the individual grant streams and offers approved are reported below.
- 47.3 This Partnership Scheme in Conservation areas in the North of the County is a joint partnership between English Heritage and Shropshire Council and is currently in its second year of three.
- 47.4 To date this year the scheme has seen roof and parapet repairs to a grade II listed building on High Street, Market Drayton. This has enabled the proposed reuse of the upper floors which have been unused due to a leaking roof and unsound parapet at eaves. The ground floor shop has remained in use, which was at risk due to the state of building, this has meant the retention of one full time and two part time jobs.
- 47.5 Work has commenced on another two properties in High Street, also grade II listed, which have been grant aided to replace the unacceptable shop fronts and carry out repairs to the roof and structural work required. Both of these properties are currently empty on ground and upper floors and have been for the past 12-24 months. A tenant for the commercial ground floor of one of the buildings has already been found on the basis that the buildings are being repaired. After completion the upper floors will resume their residential use providing three residential units.
- 47.6 Other buildings being offered grants will result in the identified areas/buildings in the town being brought back into use or at least be able to retain their current tenants due to improved conditions/buildings which complement their businesses.
- 47.7 The amount of work carried out has been hampered by the very bad weather over the winter months and has also led to the slow up take in grants until the last months.
- 47.8 The Building at Risk scheme has seen repairs to the grade II listed British Waterway's workshop building roof, general conservation and repair works completed. British Waterways plan to open the site as a visitor centre and agreement has been made to ensure that the site will be open for at least six times a year to the public and that Shropshire Council and North Shropshire & Walford College can use it for training/exhibitions.
- 47.9 The Historic Buildings Grant Scheme budget is for twenty six projects which include repairs and the improvement/repairs to shop fronts to both listed and unlisted properties in Conservation Areas. Seventeen of these projects have already been completed.
- 47.10 There are funds for four different schemes in the Central Area, Heritage & Economic Regeneration, Buildings at Risk, Historic Buildings and Conservation Enhancement.
- 47.11 To date grants have been offered in respect of sixty one projects to assist the repair and enhancement of both residential and commercial properties.

Twenty of these projects have now been completed and works are underway on a further twelve. The delay on the remaining projects is mainly due to funding and technical issues relating to the works.

- 47.12 The demand for funds under Historic Building Grant scheme has been considerable and there have been insufficient funds to cater for all the applications received. As this scheme was only set up in this financial year the assessment of applications did not start until November. However all the applications have been considered and offers have been made in respect of thirty seven properties of which the work on ten has been completed. There are also three projects where work is currently underway and a further four due to start in April. The offers have been made towards the cost of repairs to listed buildings on both residential and commercial properties and include, re-roofing, repairs to roofs, floors, stone and brickwork, cast iron work and plastering all using traditional materials and techniques. Unfortunately, due to the demand we have been unable to offer any assistance towards the cost of enhancement works to either listed buildings or properties in Conservation Areas.
- 47.13 The Low Town Regeneration Scheme in the Southern Area is an ongoing area-based Partnership Scheme in conjunction with English Heritage, which is now in its second year.
- 47.14 The scheme seeks to improve the appearance of historic properties in the Low Town area of Bridgnorth so stimulating investor confidence. The Budget for each year is £60,000 with Shropshire Council paying 50% and English Heritage paying 50%. Funding offers are based on 60% of the eligible works to the exterior of buildings within the defined area.
- 47.15 Two new applications for funding have been received but have not been processed as yet and four grants have been offered this year. Applications for funding have been slow due to having to re-advertise the grant scheme in the area. Consequently the local population had been unsure as to the continuation of the scheme and have not therefore been applying for the funding.
- 47.16 It is anticipated that the scheme will be re-launched in April 2010 with a more active engagement with the local owners. One of the main target sites in the scheme area is to be re-visited in April as it is on the English Heritage Buildings at Risk list. It is hoped that the owner can be persuaded to apply for a substantial grant to assist with repairs to the building that is currently being supported by scaffolding, however previous attempts on at least three occasions have not been successful.



48. **The table below sets out the overall financial position for Affordable Housing:**

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget
£	£	£	£	£	£	%
2,569,998	-	-	2,569,998	1,466,484	1,103,514	57.1

48.1 The Housing capital programme for 2009/10 is £2,569,998. To date £1,466,484 has been spent leaving balances of £502,917 and £600,597 to be added respectively to Affordable Housing and Growth Points 2010/11 Capital Programmes.

49. **Affordable housing Schemes – spend £1,024,083 against budget £1,527,000**

49.1 The Affordable Housing capital programme for 2009/10 is £1,527,000. To date £1,024,083 has been spent representing 67% of the budget spent by the end of the financial year.

49.2 There are a number of projects highlighted within the capital programme which rely on Housing Association and Homes and Communities Agency (HCA) funding in order to progress. The current difficult economic and housing market conditions and the diversion of remaining HCA funding towards rural only schemes has had an effect on the financial viability of a number of such schemes, resulting in potential delays both short term and long term in their implementation and our ability to target council resources. Despite these uncertainties a number of schemes are underway.

49.3 Of the schemes that are now completed or underway, Shropshire Council spent in the year

- £164,540 on the Moston Rd, Shrewsbury, regeneration & redevelopment.
- £400,000 on the purchase of land at Adderley Rd., Market Drayton as a site for the Council’s proposed Extra Care Housing PFI scheme.
- £70,000 on an affordable housing scheme in Ditton Priors.
- £389,543 on completion of final accounts, liability periods, and fees for Featherbed lane and Derfald House and planned improvements on 2 further affordable homes.

49.4 There are a number of schemes that have been committed to where there has been no spend during this financial year, but it is anticipated will begin early in the new financial year. This is due to the continuing difficulties in the housing development market, causing sites to stall or to be developed at a reduced rate. One of these schemes is funding for 2 homes via the Bishops Castle Community land trust, Shropshire Council has secured £50,000 of funding from the HCA and has also committed £30,000 funding from Council funds for this pilot scheme which will be the first in the West Midlands. Others schemes

due to begin include £170,000 on the acquisition or part acquisition of 6 apartments on a development at Gobowen Rd, Oswestry, £120,000 for potential North Shropshire schemes and £76,000 to develop and appraise small schemes.

- 49.5 There are a number of schemes underway within the county which will utilise pockets of land previously within the ownership of the former Borough and District councils. The councils approved funding to progress to the planning stage designs on 13 small pockets of land. These sites are currently going through an appraisal process to assess viability. Also approved were land transfers at nil or District Valuers valuation on other sites, to enable small affordable housing schemes to progress via Housing Associations. The land is now in the ownership of Shropshire Council and work is underway to progress the transfers.
- 49.6 During this fourth quarter of the financial year two pieces of Council land at Highley and Ditton Priors have been acquired by Housing Associations to enable affordable homes to be built.
50. **Growth Point – spend £442,401 against budget £1,042,998**
- 50.1 Expenditure in the year is £442,401 against a capital budget of £1,042,998 representing 42% of the budget spent in the year and leaving a balance of £600,597 to be added to the 2010/11 Growth Points Capital Programme.
- 50.2 2009/10 has been a difficult year due to the economic downturn. As such there has been very little development in industry activity. This, together with a reduction in New Growth Point funding has meant that projects have not progressed as quickly as we would have originally anticipated.
- 50.3 However the downturn has enabled other planning work to be undertaken to bring sites forward and deliver outputs, in 2009/10 this includes:-
- Procurement of Fielden Clegg and Bradley Architects to undertake the design of the Flax Mill project to planning application stage.
  - Agreement reached with Arriva for the relocation of their depot from Spring Gardens to Harlescott.
  - Procurement of potential developer for the Flax Mill project.
  - 134 Affordable housing units being developed onsite, including 34 units at Moston Road which has received direct NGP funds.
  - Northern Corridor Delivery Plan Produced
  - Northern Corridor Environmental Improvement Plan produced
  - Flood Risk Assessments undertaken for Arlington Way and the Timber Yard site.
  - Shrewsbury Vision Regeneration Framework commissioned
  - Geotechnical investigation of Underdale Road commissioned
- 50.4 The Growth Point Delivery Plan 2009-2013 has been produced identifying re-profiled spend against projects to 2013. Any unspent grant monies can be carried forward and used in subsequent years as the funding is not time ring fenced. Communities and Local Government have confirmed we can re-profile

spend beyond 2011 and the Growth Point Budget Profile & Governance and Northern Corridor Delivery report to Cabinet on 2 December 2009 together with the Growth Point Delivery Plan 2009-13 sets out the Councils priorities and funding.

**51. Transport Operations Group (leasing facility) – spend £0 against budget of £2,000,000**

51.1 This programme is a leasing facility for the initial purchase of vehicles before leasing and is not reflected in the above table. Any unused leasing facility is normally surrendered at the end of the financial year but will need to be, this year, retained and carried forward to 2010/11 to support the large number of Road sweepers the Council urgently require.

51.2 During 2009/10 a review of the Councils future vehicle requirements was undertaken by the Transport Operations group in conjunction with client's request to ensure the appropriate number and type of vehicles were acquired.

51.3 As a result of this consultation a number of vehicles have not been ordered quite as quickly as would have been hoped and consequently they are now programmed to be ordered in the 2010/11 financial year.

51.4 Two significant groups of specialist vehicles requiring funding through leasing were ordered during the year but unfortunately encountered delays in supplies of chassis's ahead of conversion and some technical issues associated with the conversion tenders.

51.5 Six Gritter Chassis were received but due to delays in delivery they will now be paid for in the first quarter of 2010/11. The conversion element of these vehicles is underway with deliveries expected late June 2010.

51.6 Following a lengthy major review of the county road sweeper fleet and its operation, a tender was placed for sweeper conversions for an estimated value of approximately £1,500,000. A number of chassis's have been received prior to the end of the financial year however the conversion process is not yet complete and again final deliveries are expected throughout the summer.

51.7 As these vehicles were not fully completed or delivered prior to the end of the financial year it was not possible to lease the vehicles in 2009/10 and they will now be part of the leasing drawdown which will take place in 2010/11.

51.8 It will therefore be necessary to carry forward the leasing approval of £2 million in 2009/10 to 2010/11 and added to the 2010/11 budget to provide a leasing drawdown this year that will be at a level to make a lease attractive to bidders.

**52. Development Services – Local Transport Plan**

52.1 The table below sets out the overall financial position for Development Services LTP:

<b>Revised Budget Qtr 3 2009/10</b>	<b>Outturn Budget Virements</b>	<b>Outturn Budget Additions / (Reductions)</b>	<b>Total Revised Budget Outturn 2009/10</b>	<b>Actual Expenditure to 31 March 10</b>	<b>Variance as at 31 March 10</b>	<b>Actual Spend as a % of Budget</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
19,556,921	-	268,564	19,825,485	19,220,496	604,989	96.9

## The LTP Programme

- 52.2 The LTP is primarily funded by supported capital expenditure and grant from the Department for Transport for the delivery of projects.
- 52.3 A detailed LTP Capital programme was reported to Implementation Executive on 19 March 2009 which set out the programme of schemes to be delivered in 2009/10.
- 52.4 The 2009/10 Capital budget for Development Services Local Transport Plan is £19,825,485. This follows a net budget increase in the fourth quarter of £268,564.
- 52.5 Budget adjustments in the final quarter of the financial year are an increase in revenue contributions of £111,190 for the capitalisation of structural maintenance of secondary roads and £11,251 for Safer Routes to School, an increase in external funding of £46,532 for cycling and £90,000 for the provision of a Transport Study and a contribution from other Local Authorities towards the Bridgeguard Programme.
- 52.6 Expenditure against the Local Transport Plan has again been very high during the year, a particular achievement given the considerable size of the programme and the severe wintry conditions experienced during January and February. Expenditure in the year is £19,220,496 against a revised budget of £19,825,485 leaving a balance of £604,989 to be added to the 2010/11 Local Transport Capital Programme. Of this £584,000 is a Developers contribution for improvements to Harlescott Crossroads.
- 52.7 The unapplied grant of £17,971 from the Department of Transport is ring fenced to Maestermyn Canal Bridge. This will be carried forward as a variance against the 2009/10 budget and added to the capital programme for 2010/11, any unused grant will have to be repaid.
- 52.8 A programme of expenditure has been identified throughout the financial year to ensure the Local Transport Plan programme is delivered and the budget fully spent.
- 52.9 The Local Transport Plan is broken down into four main areas Major Schemes, Structural Maintenance of Bridges, Structural Maintenance of Roads and Integrated Transport.

**53. Major Schemes - spend £923,203 against budget of £1,050,000**

53.1 The Major schemes programme includes land compensation issues associated with the construction of Hodnet Bypass and the development and consultation for the Shrewsbury North West Relief Road.

53.2 Against a capital budget of £1,050,000 expenditure in the year is £923,203 reflecting 88% of the budget allocation utilised. The under spend of £126,797 has been used to offset the additional expenditure incurred on the Structural Maintenance of Bridges and schemes delivered as part of the Integrated Transport programmes.

53.3 Landscaping works have been completed at Hodnet and the final contract payment has been made. Final payments on outstanding land acquisition and compensation issues are being agreed by Estates and Legal Services.

53.4 The NWRR scheme was included in the West Midlands Regional Assembly priority schemes submitted to the Department for Transport (DfT) in February 2009. In July 2009, the DfT responded supporting the regions priorities and inviting scheme promoters to submit a Major Scheme Business Case for their projects to the department. Cabinet considered a report on Shrewsbury North West Relief Road in November and agreed that the scheme should proceed through to a review before submission of the Major Scheme Business Case. Public consultation has taken place in April 2010. Cabinet will receive a further report in August 2010 setting out the key elements of the business case, the results of the consultations and the latest position on future funding. Subject to Cabinet approval the business case will be submitted in August 2010.

53.5 The project is to be delivered through a design and build contract which is split into three phases broadly covering preparation of the planning application, statutory processes and detailed design and construction. The appointment of the contractor team is programmed for October 2010. Tender documents were issued in March and are due for return in July. A further report will be made to Cabinet in October prior to appointment of the contractor.

53.6 The scheme is programmed for construction in 2014.

**54. Structural Maintenance of Bridges - spend £2,624,459 against budget of £2,568,973**

54.1 An increase of £9,591 in the fourth quarter, following the receipt of external contributions from Worcestershire County Council for works at Monks Bridge, provided a final bridgeguard programme budget for 2009/10 of £2,568,973.

54.2 Actual Expenditure of £2,624,459 was achieved in 2009/10 meaning expenditure exceeded the budget available by 2%. The additional £55,486 will be financed by the under spend already described for Major Schemes.

- 54.3 All of the schemes programmed to be undertaken in 2009/10 were either completed or are currently in progress.
- 54.4 At Minsterley Bridge the BT diversion works have been completed in advance of the proposed strengthening of Minsterley Bridge which has now started and will continue until August 2010.
- 54.5 The design for the bridge replacement scheme to construct Winterburn Bridge is complete, tenders received, and work started in the final quarter of the financial year.
- 54.6 The design for the bridge replacement scheme for Sheinton Bridge is now complete, tenders received and the contract for the reconstruction works awarded. The scheme is due to start on site early in May 2010.
- 54.7 The Culvert replacement works at Ashford Carbonell Bridge have been completed and the bridge strengthening work at Coachman's Canal Bridge was finished in the final quarter of the financial year.
- 54.8 The Culvert replacement work at Shorthill, the construction works at Rectory Road retaining wall, major maintenance scheme at Old Roman Footbridge and flood repair work at Malehurst No 3 Culvert are also complete.
- 54.9 The flood repair work at Cantern Brook Bridge started and is now substantially complete as is the reconstruction of the collapsed length of retaining wall at Ludford House.
- 54.10 All underwater inspections were completed along with all minor repairs required.
- 54.11 The 2009/10 Principal Bridge Inspections work has been delivered in accordance with the programme of inspections planned and have been substantially completed.
- 54.12 In addition to the above, works were carried out to repair bridges damaged by the severe flooding experienced in September 2008.
55. **Structural Maintenance of Roads - spend £12,075,190 against budget of £12,075,190**
- 55.1 The Structural Maintenance of Principal and Secondary Roads programme budget rose by £111,190 in the fourth quarter to £12,075,190. This follows an increase of £111,190 in the total revenue expenditure that was capitalised and funded from revenue contributions.
- 55.2 The delivery of the roads programme was greatly affected by the severe frost and snow experienced in January and February. The programme of works has been successfully managed to ensure all schemes remained on target and delivered in the year.

- 55.3 In conjunction with our term contractor, Enterprise, and Bardon Aggregates, trials were carried out in April 2009 using a surfacing material that is produced at a significantly lower temperature than traditional asphalt. The trials which were undertaken at Hinstock and Norton in Hales have so far proved successful and the use of the new surfacing is being introduced more widely. There is the potential of making significant reductions in CO2 emissions.
- 55.4 A section of the A495 Station Road Whittington was patched and resurfaced and work was also carried out to resurface the section of the A41 Whitchurch Bypass south of the Wrexham Road Roundabout. In addition resurfacing works were completed on the B4398 Station Road Llanymynech.
- 55.5 The surface dressing programme progressed well despite the period of poor weather experienced throughout the summer. Fortunately there were sufficient periods of dry weather to enable the works to be completed.
- 55.6 Over the autumn period works were carried out to resurface a section of the A442 south of the junction with the minor road to Hampton Loade. The works included improvements to the drainage system and kerbing and the ride quality has been significantly improved. Work has already commenced on the design of the next section northwards towards Quatt. It is anticipated that work will start on site early in the new financial year.
- 55.7 The A525 Catteralls Lane to Foxes Lane scheme east of Whitchurch was completed. This section of carriageway was in very poor condition and required extensive structural patching, kerbing and drainage improvements.
- 55.8 Following the unexpected large rock slips at the A458 Harley Bank rock face, investigations were carried out to determine the cause. The recommended work required a specialist contractor to install steel netting and dowel rods to pin the rock layers together. As the site is a Site of Special Scientific Interest consultations took place with English Nature. The works were agreed to be undertaken in the autumn and were completed on 20 December 2009.
- 55.9 In response to the serious flooding issues on the A442 at Norton, a drainage improvement scheme was carried out. The scheme undertaken in conjunction with the Apley Estates involved the installation of a new drainage outfall and the upgrading of the culvert crossing the A442. The scheme cost £30,000 and should reduce the possibility of future flooding.
- 55.10 In February 2010 work commenced on the widening and resurfacing scheme West of Bluebell Crossroads on the A489 near Churchstoke. The narrow section of carriageway was in poor condition and required extensive patching and repairs to the drainage system. As the road crosses the site of a Roman Fort and is very close to the Offas Dyke Ancient Monument, scheduled monument consent was required to enable the works to be carried out. The Council's Archaeology Team were employed to monitor the works and record any remains that were discovered.

**56. Integrated Transport Plan - spend £3,597,644 against budget of £4,131,322**

56.1 The outturn budget for Integrated Transport was £4,131,322. The budget increased by £147,783 in the fourth quarter of the year across the Integrated Transport programme. Additional external funding of £46,532 was secured from Sustrans to support the delivery of the Cycling programme and £90,000 from Advantage West Midlands to undertake a Sustainable Transport Study. A further £11,251 was also added to the School Travel programme from revenue contributions.

56.2 Schemes delivered as part of the Integrated Transport programme are detailed below.

**57. Passenger Transport - spend £189,100 against budget of £184,000**

57.1 In rural areas Shropshire Council has worked with Dorrington Parish Council to install a new bus shelter in the village. The shelter, of timber construction to reflect the rural location, has been welcomed by local bus users, a similar shelter has also been built at Cleeton St Mary. A further shelter has also been installed in Kinlet at the request of the Parish Council. In Cross Houses the local parish council have received a grant towards the construction of a bus shelter.

57.2 A capital grant of £55,000 has been paid to local bus operator Bryn Melyn to assist them in implementing a second low floor bus on to local bus service 501 which operates between Shrewsbury and Ellesmere.

57.3 Two new fully accessible vehicles have also been purchased for the Church Stretton Area Ring and Ride at a total cost of £50,000. These buses will replace two vehicles previously purchased by Shropshire Council using funding from the Rural Bus Challenge scheme. The vehicles will be used to provide essential journeys for those who have difficulty in accessing local bus services either through rurality or mobility.

57.4 Work on bus stop improvements at a number of locations in Shifnal to improve access to bus services for those who are elderly or less mobile will be undertaken in the early part of the next financial year. In Bridgnorth the opening of the new by-pass and the proposed adoption of the new traffic arrangements has led to a number of changes to bus stop infrastructure in the town.

57.5 In Shrewsbury a preliminary meeting has been held to discuss the installation of public toilets at Oxon Park & Ride site. This will include a review of the initial scoping work which identified a number of issues with services at the site. Further work will be undertaken to rectify these issues. This work has not been completed and the scheme will now be delivered in 2010/11.

57.6 The launch of the new Arriva bus network in Shrewsbury included the implementation of new routes and has also required an additional 70 bus stops and timetable cases to be installed across the town.



57.7 On the Park & Ride services, initial discussions were undertaken with Arriva to install a bus to base radio system to help improve the efficiency of the service and give the drivers the ability to report any incidents. This service is currently being re-tendered and it is likely that the vehicles currently operating on the Park & Ride will be replaced. At the Meole Brace and Oxon Park & Ride sites new entrance barriers to the car parks have been fitted.

**58. Cycling - spend £1,060,074 against budget of £1,178,245**

58.1 The main scheme in the rural areas cycling budget is the Route 45 Bridgnorth to Ironbridge disused railway cycle path. Following signing of a permissive access agreement with Apley Estate, works started in September 2009 and were substantially complete and open for use at the end of November 2009. Works on the remaining section of disused railway are expected to take place in 2010/11 pending the completion of negotiations with the landowner. A further phase is also required to create a direct link to Bridgnorth low town. This would avoid the need for cyclists to use busy main roads or public footpaths.

58.2 Eastern Oswestry cycle and pedestrian improvements is the main scheme to be delivered from the market towns cycle budget. The scheme was completed during the summer and has been officially opened.

58.3 In Shrewsbury there are a number of major cycling projects, funded either by the Local Transport Plan, part of Connect2 Sustrans/Big Lottery funding scheme or Cycle Shrewsbury funded by the Department for Transport.

58.4 Phases 1 and 2 of the Whitchurch Road to Cartmel Drive path were completed in November. Minor fencing changes are being negotiated with an adjacent landowner, for implementation in 2010/11.

58.5 The London Road cycle route preliminary design drawings have been received and further design and consultation will be undertaken during 2010/11.

58.6 Harlescott Lane cycle routes were delayed and will now be undertaken as part of the Harlescott crossroads work improvements early in 2010/11.

58.7 Royal Shrewsbury Hospital links were delayed pending the outcome of a planning application on an adjacent site. Planning permission was given in December 2009 and design work has now commenced, with possible construction of the Mytton Oak Road Toucan crossing in 2010/11.

58.8 As part of the Connect2 cycle programme Greenfields cycle and pedestrian paths were completed in July 2009.

58.9 The detailed design and consultation for the Welsh Bridge crossing improvements was completed in December 2009. Following a major gas explosion and extensive damage to traffic signals in January 2010, the main scheme was brought forward. Works started in Frankwell Quay in January and on Bridge Street/ Smithfield Road in February. The scheme will be

substantially complete by the end of March, with some surfacing work scheduled for May.

58.10 Schemes delivered through Cycle Shrewsbury include sign designs completed for Herongates/ Greenfield's. Signs were also installed on Kenwood Road and Crowmeole Drive in time to promote other cycling facilities around the Royal Shrewsbury Hospital in March 2010.

58.11 Crossing improvements have been designed for Heathgates, Roman Road, Old Potts Way, Radbrook Road and Monkmoor Road, although reprogramming of projects following the Connect2 works have meant that most will be installed in 2010/11.

58.12 Cycle parking provision is being improved through investment at schools and workplaces.

58.13 In addition to the LTP monitoring budget, cycle monitoring is being extended through installation of automatic cycle counters, new quarterly manual counts and cycle parking surveys.

58.14 Design works are continuing for smaller schemes including Oteley Road cycle route, English Bridge cycle lanes and cycle contraflow lanes.

58.15 A minor improvements budget is being used to add value to other maintenance and traffic schemes and to support access improvements.

58.16 Overall spend on Cycle Shrewsbury was weighted heavily to the final quarter. The LTP capital budget is complimented by additional capital funding allocated by the Department for Transport, which has enabled crossing improvements to be progressed more quickly as well as assisting with the cycle monitoring and minor improvements works.

## 59. **Traffic Management - spend £484,987 against budget of £300,000**

59.1 Of the 2008/09 Village Speed Limit programme all 18 schemes were completed in 2009 as part of the 2009/10 programme.

59.2 There were 56 Village Speed Limits in the 2009/10 programme, of which seventeen were not supported by the relevant parish council and have been withdrawn. Seven are at the final design stage, twelve are with the contractor for construction and twenty have now been installed on site. A number of schemes have been delayed due to the consultation with Parish Councils and statutory consultees, however these will be completed as quickly as possible in 2010/11.

59.3 Over the course of the three year programme the village speed limits programme has increased with the number of schemes to be completed from 114 to 138.

**60. Pedestrian and Mobility - spend £367,751 against budget of £525,000**

- 60.1 Henley Road Zebra crossing and other alterations as part of the scheme included the installation of a new mini roundabout at the junction of New Road / Gravel Hill and Henley Road providing further pedestrian improvements were completed in 2009/10 as was the Kennedy Road, Shrewsbury footway.
- 60.2 A feasibility report has been completed in March 2010 to assess several options for the Meole Brace roundabout pedestrian/cycle improvement scheme. Local Members are currently being consulted with regards to the preferred option which includes Toucan facilities on several approaches to the roundabout and upgrading the signal equipment to optimise the traffic flow. Detailed design is to be progressed in 2010/2011 with possible construction to be undertaken in 2011/2012 subject to any budget constraints.
- 60.3 Our term consultants have completed the Feasibility report for the Weeping Cross, Ludlow scheme. The scheme consists of kerb line alterations with an uncontrolled facility for pedestrians. A preferred option agreed with the Local Members has progressed to detailed design stage with construction preliminarily programmed in for 2010/2011.
- 60.4 York Road plateaus are currently programmed in for construction at the end of March 2010. The Kynaston field footway link is anticipated to be completed on site by early April 2010.

**61. Safety and Speed Management - spend £442,774 against budget of £730,000**

- 61.1 The works at Berwick Road/Coton Hill/Ellesmere Road for the installation of traffic lights has started at the end of February and were completed by the end of March 2010. Works were coordinated in conjunction with National Grid Gas in order to ensure the minimum of disruption to residents and traffic. Works included widening the footway at the corner of Coton Hill and Berwick Road, providing permanent traffic lights, with signal-controlled pedestrian crossings, resurfacing Ellesmere Road and re-locating the bus stop as well as providing a new bus stop for buses out of town.
- 61.2 The traffic signals are currently working to interim phasing while the traffic gets accustomed to them. The final phase will be switched on in late April 2010.
- 61.3 The road works to be undertaken at Harlescott crossroads are to modify the road layout at the junction, install a new traffic signal system to improve safety for all users, and resurface some of the roads in and around the junction and along Harlescott Lane.
- 61.4 The contract has been awarded to Tarmac National Contracting with works due to commence on site on 12th April which will last for approximately 20 weeks. Letters have been delivered to residents directly affected by the works, and plans are displayed in the Lidl and Tesco stores.

- 61.5 On the A528 Ellesmere Road route study a proposed 30mph limit extension was consulted on during November/December. The scheme will be implemented during early 2010.
- 61.6 A public exhibition on the proposed 20mph zone for High Street/Aston Street, Wem prior to formal advertisement is being arranged for early 2010/11.
62. **Environmental Quality and Regeneration - spend £58,033 against budget of £293,000**
- 62.1 Speed reduction measures on the A458 within Much Wenlock were completed on site in February 2010. The scheme consisted of a Pedestrian refuge, traffic islands with central hatching to reduce the carriageway width.
- 62.2 The preliminary design for Pontesbury main road vehicle strike alleviation scheme has been completed. The ground survey and land acquisition required for the preferred option has been delayed due to the necessary sensitivities of working within the church grounds.
63. **Parking and Congestion - spend £196,541 against budget of £209,000**
- 63.1 The new electronic Traffic Regulation Orders (TRO) records and mapping system together with the consolidation of the existing 35 Car Parking Enforcement (CPE) TRO packages into one standard County wide Order was completed and the system has been operational since 25 November 2009. The final invoices for this work are currently being processed. There is potential to further develop the system to provide controlled access to other areas including the Customer Service Centre and other Development Services teams. There is also a need to develop this system to provide additional background information for Shropshire Parking Services.
- 63.2 A review of the restrictions within the 35 package areas across the County to assess appropriateness and address particular on street parking issues is being undertaken. A total of £34,800 has been committed to this work during the first three quarters of the year and actual payments of £31,500 have been made. The review has been completed in Bridgnorth, Church Stretton and new orders implemented at Mile Oak Industrial Estate Oswestry. Initial assessments have now been completed and informal consultation is now nearing completion in all of the Shrewsbury, Oswestry, Whitchurch, Wem, Much Wenlock, Craven Arms, Ludlow and Market Drayton packages.
- 63.3 The informal consultation requirements for parking restrictions are delaying progress and this may result in an under spend of around £5,000.
- 63.4 The consolidation of the existing five former District Council off street car parks Orders into one standard Shropshire Council Order is being undertaken with a total of £2,500 being committed to this work during this financial year. This work is now nearing completion.

**64. School Travel - spend £335,545 against budget of £298,251**

- 64.1 A number of small scale measures under the rural areas programme were delivered in 2009/10 and included improvements at Prees, St Mary's Westbury and St Thomas and St Annes in Hanwood.
- 64.2 The works at Ludlow Infants and Juniors school has been completed. The Safer Routes to School scheme at Our Lady and St Oswalds School in Oswestry was also completed and formally opened in December 2009.
- 64.3 The school travel programme for Shrewsbury included works at Greenacres School which were completed in the last quarter of the financial year. In addition the phase one works at Oxon primary school were completed with the second phase ongoing. Some Safer Routes to School projects are being part-funded from Cycle Shrewsbury, and subject to consultation, new links and crossings are proposed for early in 2010, at Oakmeadow Primary School, Bayston Hill and Greenacres Primary School, Harlescott (York Road scheme).
- 64.4 Other works delivered under this programme were mainly design works prior to implementation in 2010/11.

**65. Shrewsbury Integrated Transport Study/Strategy**

- 65.1 Shropshire Council has agreed to lead on Delivering a Sustainable Transport System (DaSTS) study with Herefordshire Council and Telford & Wrekin Council and other partners in the region and has successfully secured additional funding of £90,000. The study is being funded in the main by DfT with AWM coordinating the release of the grant.
- 65.2 The study is a fixed price commission with the three authorities each having to put in £5,000 each. This study will combine with other regional studies to form an agreed regional programme of DaSTS work. The study is ongoing with work going through to the next financial year.
- 65.3 Due to the nature of the LTP programme it is expected that there will be significant variations on specific scheme budgets as the programme is managed on the overall budget allocation. However, budget adjustments made in-year are returned in subsequent capital programmes to ensure the Local Transport plans are delivered.

**66. Resources, Legal & Democratic Services and Chief Executive's Office**

66.1 The table below sets out the overall financial position for Resources, Legal & Democratic Services and the Chief Executive's Office:

Revised Budget Qtr 3 2009/10	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2009/10	Actual Expenditure to 31 March 10	Variance as at 31 March 10	Actual Spend as a % of Budget
£	£	£	£	£	£	%
8,895,705	-	56,617	8,952,322	7,967,675	984,647	89

## **Budget adjustments**

- 66.2 A budget increase of £56,617 to meet the legal and additional stamp costs for the purchase of the Ptarmigan and Mount McKinley Building. This has been funded from a revenue contribution to capital.
- 66.3 For 2010/11 a budget increase of £500,000 has been included for the purchase and fit out of four supported living properties. This is fully financed by a grant from the National Treatment Agency.
- 67. Property services – spend of £7,497,474 against budget of £7,973,675**
- 67.1 The Disabilities Discrimination Act works (spend of £85,910 against budget £182,326) programme of works for 2009/10 included completion and final retention payments for schemes undertaken in 2008/09 together with works for the Customer First upgrades. Works required are identified as building access surveys are undertaken. Additional budget has been provided as part of the budget strategy to ensure compliance with Disabilities Discrimination Act across all operational Council buildings.
- 67.2 The Energy Conservation Measures programme (budget £26,873) relates to final account payments for schemes from 2008/09, which have all been paid in 2009/10. For future years significant resources have been put into this area as part of the Council's Carbon Management Plan, with a number of schemes planned for 2010/11.
- 67.3 The Property Works budget (spend of £166,398 against budget of £258,899) represents slippage from the SABC 2008/09 capital programme. This relates to a number of schemes within SABC's 'Small Schemes Capital Programme' and 'Council Assets Repairs & Maintenance'. Schemes within these budgets have been reviewed to assess the remaining commitments and a £242,000 (across (2009/10 and 2010/11) has been removed, reducing the over commitment on capital receipts.
- 67.4 The Accommodation changes budget of £522,960 included £500,000 for accommodation changes and new furniture at Shirehall and the District Headquarters, which has been fully spent in 2009/10. The balance related to the retention on the Unison building against which there has been a small element of slippage into 2010/11.
- 67.5 The purchases of the Ptarmigan Building and the Mount McKinley Building were completed in January 2010. An additional revenue contribution has been provided in quarter four to cover the associated Legal costs and increase in stamp duty from the increase in VAT. As the Ptarmigan Building was already occupied by the Council there were no fit out works required. The Mount McKinley Building requires installation of IT/telecoms infrastructure and furniture and fit out. Orders for these works have been placed, but no costs incurred for this and as a result the budget (£280,000) for this element has slipped to 2010/11.

**68. Shropshire Partnership – spend of £106,767 against budget of £106,767**

68.1 The Shropshire Partnership budget relates to the Safer Stronger Community Fund grant of £106,767, which is included as part of the Area Based Grant. The budget for 2009/10 has been fully spent on meeting priorities in relation to anti-social behaviour and criminal damage, multi-agency tasking, serious acquisitive crime, reducing the rate of youth offending and improving community cohesion. Expenditure included grants to organisations including West Mercia Police and Parish/Town Councils and the purchase of CCTV equipment.

68.2 In 2010/11 an additional budget of £500,000 has been added to the capital programme for the purchase and fit out of four supported living properties. This is fully funded by a grant from the National Treatment Agency as approved by Cabinet in February 2010. The purchase has been delayed until early 2010/11 whilst issues identified during the survey of the properties are resolved.

**69. Customer Services – spend of £73,690 against a budget of £156,880**

69.1 The Customer Services budget (£46,880) relates to works required for Customer Services Points works at Bishops Castle and Whitchurch which have been delayed until 2010/11. The budget for Whitchurch Heritage Centre (£110,000) is for building works required at the site which will be a location for a Customer Services Point. This was a scheme transferred from NSDC as approved by the IE December 2008, financed from their LSVT capital receipt. The contract for this scheme was let by Whitchurch Town Council and the majority of the work is now complete with a small element of slippage to 2010/11 (£36,310).

**70. Markets – spend of £102,144 against a budget of £715,00**

70.1 The scheme for refurbishment of Market Drayton Market Hall (£715,000) was a NSDC scheme which was approved by the IE December 2008. This was financed from their LSVT capital receipts with additional resources added by Shropshire Council in 2010/11. The contract for the scheme was let to Frank Galliers Ltd and work commenced in November. Following Frank Galliers Ltd going into administration in early 2010 work on this scheme has halted whilst the contract is re-tendered. This has resulted in slippage of £612,856 to 2010/11.

**71. IT – spend of £187,600 against a budget of £0**

71.1 The new Capital Programme agreed by Council in February 2010 included £2.5 million for the Virtual Desktop Infrastructure scheme. Expenditure was originally profiled for future years, however new servers were required this year and as a result expenditure has been brought forward to 2009/10. This has been financed from Prudential Borrowing.

## 72. Capital Financing

72.1 The Council can finance its capital expenditure from a number of sources, each of which has its own particular advantages and limitations.

The main sources used are:

- Borrowing - usually supported by revenue grant to cover the debt charges but occasionally unsupported, in which case the Council meets the costs of the debt charges entirely;
- Prudential Borrowing – borrowing meeting certain funding tests. The cost of borrowing is met from the Council’s revenue;
- Capital grants – either from the Government or other sources;
- Capital Receipts; and
- Revenue Contributions

A brief explanation of each method of financing is set out in Appendix 1.

## 73. Financing of the revised 2009/10 and 2010/11 budgets

73.1 Appendix 2 and Appendix 3 gives full details of the financing for the 2009/10 and 2010/11 to 2012/13 capital budgets. Movements for the fourth quarter financing of the 2009/10 and 2010/11 budgets are summarised below:

### 73.2 2009/10 Capital Budget - Financing

Source of financing for the capital budget	Quarter 3 Financing 2009/10 £	Outturn Financing Movement £	Outturn Financing Re-profiling £	Revised Financing 2009/10 £
Borrowing	21,386,970	-	-	21,386,970
Prudential Borrowing	7,453,779	-	-	7,453,779
Government Grants	37,362,754	(819,372)	-	36,543,382
Other Grants	3,858,336	447,087	-	4,305,423
Contributions - Other Authorities	381,999	35,721	-	417,720
Other Contributions	1,546,080	167,815	-	1,713,895
Revenue Contributions to Capital	5,206,673	(85,572)	-	5,121,101
Major Repairs Allowance	-	827,491	-	827,491
Capital Receipts	16,810,176	-	-	16,810,176
<b>Total Funding</b>	<b>94,006,767</b>	<b>573,170</b>	<b>-</b>	<b>94,579,937</b>

### 73.3 2010/11 Capital Budget – Financing

Source of financing for the capital budget	Capital Budget Budget Book 2010/11 £	Slippage from 2009/10 £	Budget Inc/(Dec) /movement 2010/11 £	Revised Financing 2010/11 £
Borrowing	19,704,370	-	-	19,704,370
Prudential Borrowing	21,183,000	591,635	187,600	21,962,235
Government Grants	43,437,286	3,026,179	(4,155,234)	42,308,231
Other Grants	3,455,828	1,768,025	748,987	5,972,840
Other Contributions	1,148,425	860,171	97,628	2,106,224
Revenue Contributions to Capital	2,811,513	662,303	161,273	3,635,089
Major Repairs Allowance	-	727,717	4,300,676	5,028,393
Capital Receipts	32,307,737	8,536,082	(1,634,912)	39,208,907
<b>Total Funding</b>	<b>124,048,159</b>	<b>16,172,112</b>	<b>(293,982)</b>	<b>139,926,289</b>



**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Shropshire Council Capital Programme 2009/10 to 2011/12 – Council 27 Feb 2009  
Capital Monitoring Report – Quarter 1 2009/10 – Cabinet 23<sup>rd</sup> September 2009  
Capital Monitoring Report – Quarter 2 2009/10 – Cabinet 21<sup>st</sup> October 2009  
Revised Minimum Revenue Provision Statement 2009/10 – Council 10<sup>th</sup> December 2009  
Capital Monitoring Report – Quarter 3 2009/10 – Cabinet 6<sup>th</sup> January 2010  
Treasury Strategy 2010/11 – Council 25<sup>th</sup> February 2010  
Shropshire Council Capital Programme 2010/11 to 2014/15 – Council 25<sup>th</sup> February 2010

**Human Rights Act Appraisal**

No conflicts with the Human Rights Act have been identified.

**Risk Assessment**

Risk assessments are undertaken as part of the evaluation of all capital bids.

**Environmental Appraisal**

Environmental appraisals are carried out for individual schemes as appropriate.

**Community / Consultations Appraisal**

Community consultations are carried out for individual schemes as appropriate.

**Cabinet Member**

Keith Barrow, Leader of the County Council.  
Portfolio holders

**Local Member**

All

**Appendices**

1. Sources of Capital Finance Definitions
2. Capital Budget and Expenditure 2009/10
3. Revised Capital Budget 2010/11 to 2012/13
4. Review of previous District Scheme Commitments
5. Summary of budget changes

## **Capital Financing**

## **Appendix 1**

The Council can finance its capital expenditure from several sources. The main source to date has been by supported borrowing. The cost of this borrowing is to a large extent recognised in the Revenue Support Grant (RSG) the Authority receives. The majority of supported capital expenditure is made in respect of the Local Transport Plan and Education schemes.

From the 1 April 2004, under the Prudential Code, The Authority has also been able to extend borrowing for capital expenditure beyond that for which the government provides revenue support for the borrowing. Any such additional capital expenditure has additional revenue costs which have to be borne by increases in council tax or by budget reductions as there is no additional grant to pay for the debt charges.

Capital expenditure can also be financed by grants and capital receipts. Capital grants may range from particular transport grants to Lottery grants or European funding. The availability of capital receipts can vary significantly from year to year depending on the policy of the authority on sale of assets and the economic development portfolio.

### **Capital Finance Terminology**

**Capital grants** - these are bid for against individual projects and usually awarded with conditions attached. Examples include funding that can only be used to fund particular parts of a project, or it must be used in a particular timeframe, and it is usually limited to a maximum percentage of the project, and is usually a finite total based on estimated costs even if actual costs exceed those estimates.

**Capital receipts** – the funds received by selling the Council's surplus assets such as land or buildings (e.g. the smallholdings estate) and green or brownfield sites developed for economic development purposes. These funds can only be used to finance capital projects.

**Devolved formula capital (DFC)** - these are allocations made by the Government direct to schools using a national formula.

**Lottery & other contributions** - these may be percentage or lump sum contributions to specific projects and usually come with the same sort of conditions as grants.

**Operational leasing** - the council acquires all its vehicles and some equipment by this method. The lease is for a fixed period e.g. five years and the service has to fund the annual leasing charges from its revenue budget. As the Council does not own the asset there is a loss of flexibility if the need for the vehicle ends before the expiry of the lease.

**Major Repairs Allowances (MRA)** – allocation of funding for improvements to Council housing stock allocated through the Housing Subsidy System.

**Prudential borrowing** – borrowing that the council can undertake to fund its capital programme. The council uses indicators to determine how much borrowing is prudent. The council has to fund the cost of its Prudential Borrowing from its revenue resources.

**Supported Capital Expenditure (Revenue)** – is the grant approved by government through FSS to support the debt charges incurred on borrowing.

**Supported Capital Expenditure (Capital)** – the cash grant paid through specific funding streams by DCFS.

**Unsupported borrowing** – borrowing undertaken by the council with no grant support from government, hence the full cost of debt charges would fall to be borne by the council tax.