

SHROPSHIRE COUNTY COUNCIL CAPITAL MONITORING REPORT – OUTTURN 2008/09 AND REVISED 2009/10 BUDGET

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1. Summary

- 1.1 This report informs Members of the full year capital expenditure, slippage and financing of the Shropshire County Council 2008/09 capital programme and the revised 2009/10 Shropshire Council capital budget taking into account slippage and budget increases for 2009/10 as a result of additional funding. Capital expenditure in 2008/09 was £60.3 million, representing 89% of the revised budget. 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 2008/09

Directorate	Budget £	Actual Spend 31 Mar 09 £	Variance £	Budget to Spent %
Community Services	6,238,877	4,843,059	1,395,818	78
Children and Young People's Services	27,926,665	23,023,219	4,903,446	82
Economy & Environment Services - Non LTP	10,651,514	9,467,218	1,184,296	89
Economy & Environment Services - LTP	21,715,612	21,683,413	32,199	100
Resources	1,515,699	1,292,522	223,177	85
Total	68,048,367	60,309,430	7,738,937	89

- 1.2 The total slippage from 2008/09 to 2009/10 is £7.7 million. This relates to schemes across all directorates, with the exception of the Economy & Environment LTP programme.
- 1.3 The Community Services slippage of £1.4 million predominately relates to three areas, £0.5 million from the Sport & Leisure Development budget, £0.3 million on Community Grants due to a delay in projects claiming their allocated grants and £0.4 million on Countryside Schemes mainly relating to the Ellesmere Destination project.

- 1.4 The Children and Young People's directorate scheme's slippage of £4.9 million is mainly due to the Schools Devolved Formula Capital and School Travel Plan allocations not being fully spent by schools this accounts for £2.5 million. Other significant slippage includes £1.4 million on Surestart schemes and £0.9 million on Harnessing Technology in schools.
- 1.5 The Economy and Environment Services Non-LTP slippage of £1.2 million relates mainly to Economic Regeneration schemes, of which £0.75 million relates to the Ellesmere Business Park which has been delayed pending confirmation of additional external funding for the scheme.
- 1.6 The effect of the £7.7 million slippage is to increase the 2009/10 budget from the £85.3 million approved by Council in February 2009 to £93 million, excluding additional budget increases. There are no scheme changes associated with this slippage.

Financing re-profiling

- 1.7 The financing of the 2008/09 Capital Budget has been re-profiled as part of Outturn to bring forward £2m in Prudential borrowing from 2010/11, which is part of the £5m approved 15/11/06. This is within the Treasury Management Strategy approved by Full Council and costs can be met from within existing treasury management budgets. The re-profiling is necessary due to a shortfall in capital receipts due to a delay in one significant sale and the decline in the property market as a result of the economic slowdown.

2009/10 Revised Capital Budget

- 1.8 Since Council approved the 2009/10 Capital budget in February the Council has secured successfully additional external resources for a number of schemes. The budget increases for 2009/10 total £1.4 million these are detailed within the main report. Increasing the budget to £94.4 m including slippage from 2008/09.
- 1.9 There has also been a budget increase of £0.9 million to the 2010/11 budget and £0.7 million to the 2011/12 budget, increasing the provision budgets to £99.5 million and £8.7 million respectively.
- 1.10 The revised 2009/10 to 2011/12 capital budgets detailing the changes are included in Appendix 3.

Slippage transferring from District schemes

- 1.11 The position reported in this report only relates to closure of the Shropshire County Council 2008/09 capital programme. An additional report will be brought forward detailing slippage from the five constituent District/Borough Authorities following closure of their 2008/09 capital programmes.

Recommendations

Members are asked to:

- A. Note the 2008/09 outturn capital expenditure of £60,309,430 which represents 89% of the total revised budgeted expenditure for 2008/09.
- B. Recommend to Full Council the slippage of £7,698,591 from the Shropshire County Council 2008/09 capital programme be carried forward to the 2009/10 Shropshire Council capital programme.
- C. Recommend to Full Council the approval of the net budget increase of £1,117,293 to the Shropshire County Council 2008/09 capital budget.
- D. Recommend to Full Council the approval of the budget increases of £1,369,688 for 2009/10, £855,100 for 2010/11 and £724,000 for 2011/12 to the capital programme for Shropshire Council.
- E. Recommend to Full Council the approval of the revised 2009/10 Shropshire Council capital budget of £94,377,473. (Appendix 3).
- F. Recommend to Full Council the approval of the revised 2010/11 Shropshire Council budget of £99,570,171 and 2011/12 budget of £8,744,000 (Appendix 3).
- G. Note a further report will be brought forward for approval detailing slippage from the five constituent District/Borough Authorities following closure of their 2008/09 capital programmes

REPORT

2. Revised 2008/09 Capital Budget

Appendix 2 gives a full breakdown of the revised capital budget of £68 million.

For information, budget changes since the 2008/09 budget book are summarised in the table below:

2008/09 Capital budget changes	£'000
Revised Budget 2008/09 – per budget book	64,875
2007/08 Outturn - new funding for 2008/09 budget (Council 20/06/08)	4,147
2007/08 Outturn – virements for 2008/09 budget (Council 20/06/08)	800
2007/08 Outturn - slippage from 2007/08 budget (Council 20/06/08)	10,834
2007/08 Outturn – approved revised 2008/09 budget (Council 20/06/08)	80,656
Quarter 1 2008/09 – new funding secured	1,875
Quarter 1 2008/09 – scheme reductions	(1,499)
Quarter 1 2008/09 – Re-profiled to 2009/10	(2,812)
Quarter 1 2008/09 – Revised 2008/09 budget	78,220
Quarter 2 2008/09 – new funding secured	4,749
Quarter 2 2008/09 – scheme reductions	(401)
Quarter 2 2008/09 – Re-profiled to 2009/10 & 2010/11	(4,214)
Quarter 2 2008/09 – Revised 2008/09 budget	78,354
Quarter 3 2008/09 – new funding secured	1,560

2008/09 Capital budget changes	£'000
Quarter 3 2008/09 – scheme reductions	(83)
Quarter 3 2008/09 – Re-profiled to 2009/10	(12,900)
Quarter 3 2008/09 – Revised 2008/09 budget	66,931
Outturn 2008/09 – new funding secured	1,236
Outturn 2008/09 – scheme reductions	(119)
Outturn 2008/09 – Revised 2008/09 budget	68,048

The table below shows a summary of the capital budget increases:

Budget Increases 2008/09 – Outturn	£
ERDF TAP Funding – Secret Hills, Acton Scott & Ellesmere Destination Improvements	187,024
Revenue Contributions – Oswestry Library/Ludlow Assembly Rooms/Acton Scott/Village Hall Grants	294,956
NSDC Contribution – Ellesmere Destination Improvements	7,500
Learning & Skills Council – ALC Grange/Sundorne	5,453
Development Trust – ALD Development Trust Houses	18,759
Other Contributions – Oswestry Library/FAME IT	23,744
DCSF Grant – Integrated Children's System Grant	15,880
Revenue Contribution – Various CYPS Youth Schemes	277,449
Other Contributions – Various school schemes	102,821
AWM Grant – Farley Oil Terminal/Access Road Oswestry/Weston Farm	43,433
OBC Contribution – Replacement Vehicles	65,339
Revenue Contribution – Replacement Vehicles	15,984
Network Rail Contribution – Bridgeguard Rolling Programme	41,414
Other Contributions – Various Integrated Transport Plan Schemes	38,957
Revenue Contribution – Structural Maintenance of Secondary Roads	47,853
Revenue Contribution – Accommodation Changes (Ptarmigan Building)	7,046
Unison Contribution – Accommodation Changes (Unison Building)	43,000
Total Capital Budget Increases	1,236,612

3. Revised 2008/09 Capital Budget – Additions to Budget Outturn

Full details of the Outturn budget movements are given in Appendices 2 and 3 but, for ease of reference, a summary of the variations, by individual directorate, is set out below:

	2008/09 Quarter 3 Revised budget Total £'000	2008/09 Outturn Variation £'000	2008/09 Revised Budget Total £'000
Community Services	5,703	535	6,238
Children and Young People	27,531	396	27,927
Economy and Environment			
- Non LTP	10,527	125	10,652
- LTP	21,704	11	21,715
Resources, Legal & Democratic Services and Chief Executive	1,466	50	1,516
Total Budget Variations	66,931	1,117	68,048

4. £535,334 increase to the Community Services Budget

The budget changes are as set out below:

- Budget increase of £5,453 for ALC Grange/Sundorne funded from Learning & Skills Council grant.
- Budget increase of £18,759 for Development Trust Houses funded from a contribution from the Development Trust.
- Budget increase of £12,426 for Secret Hills Discovery Centre funded from additional ERDF grant.
- Budget increase of £163,442 for Acton Scott Historic Working Farm funded from Additional ERDF grant of £81,442 and revenue contribution of £82,000.
- Budget increase of £205,180 for Oswestry Library funded from a revenue contribution of £184,967 and an external contribution of £20,213.
- Budget increase of £23,887 for Ludlow Assembly Rooms funded from a £25,989 revenue contribution, offset by a £2,102 reduction in ERDF grant.
- Budget increase of £100,656 for Ellesmere Destination Improvements funded by an increase in ERDF funding of £93,156 and a contribution from NSDC of £7,500.
- Budget increase of £3,531 for FAME IT project funded by a contribution from South Staffordshire & Shropshire NHS Trust.
- Budget increase of £2,000 for Village Hall Grants funded from a revenue contribution to capital.

5. £395,933 increase to the Children & Young People’s Services budget

The budget changes are as set out below:

- Budget increase of £15,880 for Integrated Children’s System funded from a specific grant.
- Budget increase of £277,449 for various Youth schemes funded from revenue contributions to capital.
- Budget increase of £102,821 for various school schemes funded from various external contributions.
- Budget decrease of £217 in the ICT Mobile Technology grant.

6. £124,756 increase to the Economy & Environment – Non LTP budget

The budget changes are as set out below:

- Budget increase of £65,339 for replacement vehicles funded by a contribution from OBC.

- Budget increase of £15,984 for replacement vehicles funded by a revenue contribution.
- Budget increase of £43,433 for various project management schemes (Farley Oil Terminal/Access Road Oswestry/Weston Farm) funded from additional AWM grant.

7. **£11,224 increase to the Economy & Environment – LTP budget**

The budget changes are set out below:

- Budget increase £41,414 for the Bridgeguard Rolling Programme funded by a contribution from Network Rail.
- Budget increase of £47,853 for Structural Maintenance of Secondary Road funded from a revenue contribution.
- Budget increase of £38,957 for various Integrated Transport Plan schemes from external contributions.
- Budget decrease of £117,000 to Integrated Transport Plan schemes as a result of decrease in developers contributions.

8. **£50,046 increase to the Resources, Legal & Democratic Services and Chief Executive's Office budget**

The budget changes are as set out below:

- Budget increase of £43,000 for Accommodation Changes (Unison Building) funded by a contribution from the Unison Club.
- Budget increase of £7,046 for Accommodation Changes (Ptarmigan Building) funded by a revenue contribution to capital.

9. **Operating Lease Budgets**

Operating lease budgets for Economy & Environment Non-LTP replacement vehicles have been reduced by £1,084,515 following the surrender of leasing approvals no longer required.

10. **Future Years' Budgets**

The budgets for 2009/10, 2010/11, and 2011/12 have been changed to reflect the new budget allocations received in Quarter four. Slippage has been carried forward to 2009/10 of £7,698,591 and there has been a budget increases of £1,211,449 in 2009/10, £855,100 in 2010/11 and £724,000 in 2011/12. The total revised budget for 2009/10 is £94,377,473, for 2010/11 £99,570,171 and for 2011/12 £8,744,000. All capital budgets for 2009/10 onwards are detailed in Appendix 3; a breakdown of the budget increases is detailed below:

11. **Community Services**

The budget changes are set out below:

- Budget increase of £100,000 for the Adults budget to be used for improvements to Crowmoor House, funded from a revenue contribution.
- Budget increase of £20,000 for Secret Hills redevelopment funded from a revenue contribution.
- Budget increase of £11,975 for Llanymynech Lime Works Project funded from a Shropshire Access Partnership contribution.
- Budget increase of £436,000 in 2009/10, £576,000 in 2010/11 and £724,000 in 2011/12 for the Kick Start Local Delivery Plan funded by a grant from the Regional Housing Board.
- Budget increase of £40,000 for the Ellesmere Destination projected funded from capital receipts. The budget is required for the catering operation in the boathouse as a result of a variation in scheme with the catering facility now being operated internally.
- The budget for Cleobury Resource Centre has increased by £748,000 as a result of a virement from Economy and Environment Non-LTP budget. This is financed by a grant from AWM.
- The budget for Customer First Points – Ludlow (£46,880) has been transferred to Resources, Legal & Democratic Services & Chief Executive's as Customer Services now sits under that Directorate.
- Affordable Housing budget totalling £3,717,760 in 2009/10, £4,470,000 in 2010/11 and £2,000,000 in 2011/12 have been transferred to Development Services – Non LTP as affordable housing schemes will now be delivered by Development Services.

12. Children and Young People's Services

The budget changes are set out below:

- Budget increase of £20,000 for Grove School Science Lab refurbishment and £1,450 for Mary Webb/Pontesbury Youth funded from revenue contributions. Plus an additional £5,000 for Mary Webb/Pontesbury Youth vired from Disabilities Discrimination Act budget in Resources.
- Budget increase of £158,239 for Monkmoor Campus in 2009/10 funded by a grant from the Football Foundation.
- Budget increases of £300 in 2009/10 and 2010/11 to the Youth Capital Fund grant.
- New grant allocation of £26,130 for Information System for Parents and Providers.

- New grant allocations of £119,500 in 2009/10 and £278,800 in 2010/11 for Short Breaks.

13. Development Services – Non LTP

The budget changes are set out below:

- Budget increase of £367,836 for the Food Processing Centre funded from an increased grant allocation from AWM.
- Budget increase of £68,258 for Access Road Oswestry funded from an increased grant allocation from AWM.
- The budget for Cleobury Mortimer Resource Centre has been vired to Community Services where the scheme will be delivered alongside the library scheme. This is financed by a grant from AWM.
- Affordable Housing budget totalling £3,717,760 in 2009/10, £4,470,000 in 2010/11 and £2,000,000 in 2011/12 have been transferred from Community Services as affordable housing schemes will now be delivered by Development Services.

14. Resources, Legal & Democratic Services and Chief Executive’s Office

The budget changes are set out below:

- Budget transferred from Community Services of £46,880 for Customer Service Points.
- Budget transferred to CYPS of £5,000 from the Disabilities Discrimination Act budget.

15. 2008/09 Outturn Expenditure against budget

Appendix 2 contains full details of capital expenditure to 31 March 2009 against the revised budgets for each directorate. A summary is set out below:

Directorate/service	Revised 2008/09 Budget Outturn £'000	Actual Spend Outturn 2008/09 £'000	Actual Spend as % of budget %	2008/09 Remaining Budget Outturn £'000
Community Services	6,239	4,843	78	1,396

Directorate/service	Revised 2008/09 Budget Outturn £'000	Actual Spend Outturn 2008/09 £'000	Actual Spend as % of budget %	2008/09 Remaining Budget Outturn £'000
Children & Young People's Services	17,094	15,614	91	1,480
Schools - Harnessing Technology	3,139	2,250	72	889
- Devolved Formula Capital	7,460	5,034	67	2,426
- School Travel Plans	233	125	54	108
	27,926	23,023	82	4,903
Economy and Environment Services				
- Waste Management	1,275	1,755	140	(480)
- Economic Regeneration	8,139	6,609	81	1,530
- ITU	95	95	100	0
- Depots	80	70	88	10
- Project Management	1,062	938	88	124
Total	10,651	9,467	89	1,184
Economy & Environment Services Local Transport Plan ("LTP") schemes	21,716	21,684	100	32
Resources, Legal & Democratic Services and Chief Executive's Office	1,516	1,292	85	224
Total	68,048	60,309	89	7,739

Directorate Comments – Outturn 2008/09

16. Community Services

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

Revised Budget Q3 2008/09 £	Outturn Budget Virements £	Outturn Budget Additions / (Reductions) £	Total Revised Budget Outturn 2008/09 £	Actual Expenditure to 31 March 09 £	Variance as at 31 March 09 £	Actual Spend as a % of Budget %
5,703,543	-	535,334	6,238,877	4,843,059	1,395,818	78

16.2 **£535,334 increase to the Community Services Budget**

This budget has increased as a result of:

- £5,453 for ALC Grange/Sundorne funded from Learning & Skills Council grant.
- £18,759 for Development Trust Houses funded from a contribution from the Development Trust.
- £12,426 for Secret Hills Discovery Centre funded from additional ERDF grant.
- £163,442 for Acton Scott Historic Working Farm funded from Additional ERDF grant of £81,442 and revenue contribution of £82,000.

- £205,180 for Oswestry Library funded from a revenue contribution of £184,967 and an external contribution of £20,213.
- £23,887 for Ludlow Assembly Rooms funded from a £25,989 revenue contribution, offset by a £2,102 reduction in ERDF grant.
- £100,656 for Ellesmere Destination Improvements funded by an increase in ERDF funding of £93,156 and a contribution from NSDC of £7,500.
- £3,531 for FAME IT project funded by a contribution from South Staffordshire & Shropshire NHS Trust.
- £2,000 for Village Hall Grants funded from a revenue contribution to capital.

17. Adults General – spent £131,001 against budget of £131,179 Variance £178

17.1 This year has seen various projects supported by this budget; projects include installation of automatic doors at Four Rivers nursing home, fire alarms at Crowmoor House, replacement bath at Bradbury Day Centre, contribution to bollards at Shrewsbury library and work at Kempfield.

18 Older people – spent £4,239 against budget of £4,239 Variance £0

18.1 The two improving care home grant claims which missed the purchase ledger cut off in 2007/08 were processed and the grant was fully claimed by the care homes awarded the grant.

19. Adult Education – spent £68,779 against budget of £68,779 Variance £0

19.1 The refurbishment of both the Victoria centre in Oswestry and the Ludlow training centre have been completed and the budget has been spent and all grant claims were successfully completed and funding was awarded.

20. Adults with Learning Difficulties – spent £18,944 against budget of £18,944 Variance £0

20.1 Work has started on the building of two properties funded by the Development Trust for new ALD clients. The increase in budget relates to funding for the project from the Development Trust.

21. Adults with Mental Health Problems – spent £137,410 against budget of £194,307 Variance £56,897

21.1 Oak paddock house was handed over in August 2008 and is operational now, this has been funded by the Mental Health Capital Grant and Shropshire PCT.

22. Heritage services – spent £1,417,296 against budget of £1,488,098 Variance £70,082

22.1 Budget increases relate to additional ERDF funding of £93,868 for Secret Hills Redevelopment and Acton Scott Historic working Farm, and £82,000 revenue contribution from property services for Acton Scott Historic working Farm. Secret Hills opened successfully at the start of 2008/09 with the exhibition being completed a couple of months later. Acton Scott working farm project has had a few set backs but the building work has now largely been completed.

23. **Library services – spent £778,448 against budget of £815,329 Variance £36,881**

23.1 Oswestry Library was opened after major redevelopment work in September 2008. We made a contribution to Oswestry Borough council during the year for re branding the customer first point at Castle view. The Visitor Information centre and Museum on the ground floor of the Ludlow Assembly Rooms were refurbished and have now reopened.

24. **Countryside services – spent £1,801,338 against budget of £2,217,333 Variance £415,995**

24.1 The majority of the work scheduled on the bridges on the rights of way network project was completed and only a small amount of budget has slipped into 2009/10.

24.2 The rights of way project has had a small amount of slippage which will be carried forward to 2009/10 and this is likely to be spent in the first quarter.

24.3 The Safety Works budget has been slipped to 2009/10 to fund various projects early in the new financial year.

24.4 The Ellesmere Destination Improvements project has seen some delays and will be largely completed with the newly refurbished boathouse opening in July 2009.

24.5 During the year extra funding was received which enabled additional disabled access work to be completed at the Llanymynech Lime works.

25. **Project Management – spent £12,746 against budget of £12,488 Variance (£258)**

25.1 Highley/Alverly Colliery Bridge is ongoing with monitoring of the bridge and final retentions will be paid in 2011/12.

26. **Grants – spent £268,123 against budget of £556,137 Variance £288,014**

26.1 All Village Halls submitted their grant claims and the budget has been fully spent.

26.2 The Community Grants were awarded quite late and the claims for the grants are still being received. We are only aware of one project which has not been able to start due to not receiving funding from other funders.

27. **Community Safety – spent £0 against budget of £3,022 Variance £3,022**

27.1 The CADDIE system has been completed and this budget is no longer required.

28. Support services – spent £204,734 against budget of £229,022 Variance £24,288

- 28.1 Minor Works budget is fully committed and the final invoices are expected in April 2009.
- 28.2 Health & Safety budget has overspent with budget slipped forward from 2009/10.
- 28.3 The Improving Information grant is an ongoing project funded by the Department of Health, the under spend will be slipped forward to 2009/10, to support projects.
- 28.4 The Fame project is completed with all future costs now revenue.

29. Sport & Leisure – spend £0 against budget of £500,000 Variance £500,000

- 29.1 The budget allocation of £500,000 for Sports and Leisure Development has not been spent in 2008/09 pending further work on the future facilities management strategy for leisure. Resultantly this budget has been slipped to 2009/10.

30. Children and Young People’s Services

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

Revised Budget Q3 2008/09 £	Outturn Budget Virements £	Outturn Budget Additions / (Reductions) £	Total Revised Budget Outturn 2008/09 £	Actual Expenditure to 31 March 09 £	Variance as at 31 March 09 £	Actual Spend as a % of Budget %
27,530,732	-	395,933	27,926,665	23,023,219	4,903,446	82

- 30.2 Expenditure on projects is as reflected in the Council’s ledger on 31 March 2009 and amounts to 82.44% of the revised budget for the year. The majority of the unspent balance relates to schools’ devolved grant expenditure, which can be rolled forward to subsequent financial years under grant regulations.

- 30.3 Budget variations, amounting to a net increase of £395,933, are being made to the 2008/09 programme. The specific variations are as follows:

- Ellesmere Primary School – Carbon Reduction – an additional grant of £10,596 has been received from Department for Business Enterprise & Regulatory Reform.
- Baschurch Primary – a contribution has been received of £67,500 from the Governors of Baschurch Primary towards this scheme.
- Monkmoor Campus – revenue financing of £60,000 has been applied to the scheme from previous years’ set-aside.

- Wakeman Specialist Arts College - additional external matched funding contributions of £5,530 have been secured by the school.
- Market Drayton Connexions – a contribution from the Connexions Legacy Reserve of £8,200 has been applied to cover the repairs and refurbishment of the Market Drayton Connexions Building.
- Market Drayton Youth – a contribution from the Connexions Legacy Reserve of £62,152 has been applied to cover improvement works.
- Whitchurch Youth – a contribution from the Connexions Legacy Reserve of £77,385 has been applied to cover improvement works.
- Integrated Children's System Grant – a 2008/09 Grant of £15,880 was notified to the Authority in February 09.

31. Primary School spend £1,902,612 against budget of £1,568,012

- 31.1 Most primary school projects have proceeded on budget and in the expected timescale. Two projects, however, need further explanation.
- 31.2 The Wem St Peter's Basic Need scheme, which will add a classroom to the school's accommodation to meet rising pupil numbers in the town, is running behind schedule and is showing an under spend of £125,253 as a result. This is expected to be expended in the new financial year.
- 31.3 The scheme to add additional sports and leisure facilities to Albrighton Primary School is being re-financed as a result of a change in the contract methodology and funding. Resources have been identified, but as talks are continuing the project is temporarily showing an overspend of £574,896 pending negotiation of the final figure to be added to the budget. An exception and variance report has been produced and in an attempt to quantify the total project overspend on an approximate basis the following key deviations have been identified as the fundamental contributors. Deficient estimate (£250,000), loss of Sport England funding (£200,000), procurement deviation for non competitive design and build (£95,000) and inclement weather and overrun (£35,000). This is coupled with the additional works over and above the original budget allowance (asbestos removal, additional car parking, CCTV) equating to approximately £35,000.

32. Secondary School spend £5,096,844 against budget of £5,647,047

- 32.1 As with primary, there are some secondary projects which require further explanation.
- 32.2 The Master Planning budget is under spent by £88,056 because of the late announcement of the BSF programme by the Department for Children Schools and Families. The timing of Shropshire's inclusion in the programme is not yet clear, but this budget is intended to provide initial funding for preparatory consultancy works when the invitation is issued to the Council.

- 32.3 The design contingency of £78,344 in the Refurbishment of Secondary Specialist Accommodation was not used this year and so will be rolled into the 2009/11 programme of £1.25m.
- 32.4 The final account for the Lacon Childe changing room's project has been delayed by disputes with the contractor. These are close to a resolution, but mean that the project currently shows an under spend of £76,984.
- 32.5 The discovery of sealed and buried ducts containing asbestos has caused a delay in the Church Stretton Sports Hall Project, meaning that the 2008/9 budget was under spent by £136,004. However, it is not expected that this discovery will affect the overall completion date of February 2010.
- 32.6 The project to improve Priory's CDT facilities was re-scoped, resulting in the need to find additional finance. This funding has now been found from funds which the Department for Children Schools and Families have allowed Shropshire to anticipate in 2009/10 from 2010/11 allocations. However, the initial funding has not yet been spent and now shows as an under spend of £181,700.
33. **Special Education spend £5,195,106 against budget of £4,210,608**
- 33.1 Schools Access Initiative
- This is a rolling programme and is responsive to the needs of pupils with SEN moving into mainstream Shropshire schools. A small contingency has been retained and carried forward to 09/10.
- 33.2 Oswestry Walford & North Shropshire College Education Centre
- Costs incurred during the 2008/09 financial year will be allocated against a new SEN Targeted Capital grant allocation from the Department for Children, Schools and Families, available from 2009/10.
- 33.3 Monkmoor Campus
- Additional costs and commitments in excess of the profiled budget for 2008/09 are currently being managed through the completion of this project, and will be allocated against a new SEN Targeted Capital grant allocation from the Department for Children, Schools and Families, available from 2009/10. Approval is requested a part of appendix 3 for the virement of £850,000 of 14-19 Targeted Capital funding to this project. Additional funding has been secured in 2009/10 via a bid to the Football Foundation of £158,239; this has now been approved and will be built into the capital budget for 2009/10 to offset the scheme deficit.
34. **Secondary Specialist Colleges spend £186,421 against budget of £228,772**
- 34.1 Two schemes, Wakeman Specialist Arts College and Bishops Castle Specialist Humanities College, are awaiting final completion which will be in early 09/10.
35. **Other spend £270,692 against budget of £318,917**
- 35.1 It is expected that these funds will be spent up in 2008/09.

36. The Big Lottery spend £19,839 against budget of £55,339

36.1 Final accounts and final grant claims are being agreed with the Big Lottery Fund on this scheme.

37. Sure Start spend £1,135,152 against budget of £2,512,193

37.1 Children's Centres Phase 2 schemes are now complete.

37.2 Extended Schools/Early Years and Childcare/Children's Centres Phase 3 Schemes

All three of these programmes require some lead time as facilities are agreed and then designed. This process is underway and it is expected that all will be completed during 2009/10. Confirmation has been received from the Department for Children, School's and Families that the 2008/09 grant allocation can be carried forward to the 2009/10 financial year.

38. Social Care and Safeguards spend £456,563 against budget of £473,220

38.1 Chelmaren Children's Home is now in operation and has been well received by users and visitors alike.

38.2 Havenbrook Cottage Children's Home, work progressed well and was completed during quarter three. The home is now operational.

39. Harnessing Technology spend £2,249,782 against budget of £3,139,450

39.1 Harnessing ICT

Work continues on the E-Learning Platform programme for Shropshire Schools and will continue into the early part of 09/10. This is funded via Standards Fund grant with allowable expenditure until 31 August 09.

39.2 Home Access to Targeted Groups

This new Standards Fund grant was notified to the local authority in December 2008. This is to support children being educated at home. Expenditure can occur until 31 August 2009.

40. Asset Management Plan spend £1,350,506 against budget of £2,079,611

40.1 AMP Condition Programme

Work on AMP condition is ongoing throughout the year. A contingency is carried forward for obvious reasons for works not yet programmed.

40.2 Contingency

There have been limited calls on the central contingency this year. However, it is prudent to maintain the existing level in 2009/10.

41. Devolved Formula Capital spend £5,034,610 against budget of £7,460,307

41.1 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 unexpended balances can be carried forward to subsequent financial years.

42. School Travel Plans (STP) spend £125,090 against budget of £233,189

42.1 This budget is allocated to schools based on approved expenditure plans, under a similar process as Devolved Formula Capital (DFC). 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, schools are allowed to retain STP resources in balances.

43. Conclusion

43.1 The Children and Young People’s Services programme is £4,903,446 under spent in 2008/09. However, of this, £2,533,796 is schools related devolved grant allocations, which can be rolled forward under grant regulations. £889,668 is related to Standards Fund ICT budgets, expenditure from which will be capitalised in full by the end of August 2009. When these figures are excluded, the actual level of under spend against profiled budget is £ 1,479,982 or 5.3%.

44. Economy and Environment Services – Excluding the Local Transport Plan (Non - LTP)

44.1 The table below sets out the overall financial position for Economy and Environment Services, excluding the LTP:

Revised Budget Outturn 2008/09 £	Outturn Budget Virements £	Outturn Budget Additions / (Reductions) £	Total Revised Budget Outturn 2008/09 £	Actual Expenditure to 31 March 09 £	Variance as at 31 March 09 £	Actual Spend as a % of Budget %
10,526,758	-	124,756	10,651,514	9,467,218	1,184,296	89

44.2 The 2008/09 Capital budget for Economy and Environment Services excluding the Local Transport Plan is £10,651,514. The budget increase in the fourth quarter of £124,756 is additional funding of £81,323 for the Vehicle replacement programme and £43,433 for Project Management schemes.

44.3 Expenditure in the year is £9,467,218 representing 88.9% of the budget spent in 2008/09. This leaves a balance of £1,184,296 which will be carried forward and added to the 2009/10 capital programme.

44.4 The figures above are reported as Waste and Economy and Environment and Sustainability.

44.5 **The table below sets out the overall financial position for Waste and Economy Portfolio:**

Revised Budget Outturn 2008/09	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2008/09	Actual Expenditure to 31 March 09	Variance as at 31 March 09	Actual Spend as a % of Budget %
£	£	£	£	£	£	%
9,414,348	-	-	9,414,348	8,364,417	1,049,931	89

45. **Waste Management – spend of £1,755,590 against budget of £1,275,000**

45.1 The Waste Management capital programme for 2008/09 is £1,275,000. Expenditure to 31 March 2008 is £1,755,590 representing a 37.7% spend over budget.

45.2 The significant over spend of £480,590 relates almost entirely to the development of the Waste Management facility at Oswestry. Work started on site 13 October 2008 for the construction of the Integrated Waste Management Facility and is programmed to be finished and operational by July 2009.

45.3 Monthly milestone payments at the beginning of each month through to the end of the financial year have ensured the 2008/09 budget is fully spent. Due to the speed at which the scheme has progressed, expenditure has been incurred earlier than profiled.

45.4 A site for the new In Vessel Composting facility is being progressed and officers are currently working to acquire land. Any further developments will be subject to securing satisfactory planning permission prior to the purchase of any land. This scheme has been profiled to proceed in 2009/10 at the earliest.

45.5 A small spend of £1,800 has been incurred for scheme proposals costs for the proposed new Integrated Waste Management Facility at Bridgnorth. Officers are currently in negotiations with landowners for the acquisition of land for the provision of a waste facility to service the Bridgnorth area.

46. **Economic Regeneration – spend of £6,608,827 against budget of £8,139,348**

46.1 The Economic Development capital programme for 2008/09 is £8,139,348. Expenditure in the year is £6,608,827 which is approximately 81% of the budget spent in the financial year. Slippage of £1,530,521 will be carried forward to 2009/10 and is required to meet commitments for the purchase of land and infrastructure costs.

- 46.2 The Economic Regeneration programme has seen three major schemes significantly progressed in 2008/09, Tern Valley Business Park, Shrewsbury Business Park phase 2 and Shropshire Food Enterprise Centre.
- 46.3 Land at Tern Valley Business Park Phase 2 has been acquired and with the Ellesmere Business Park Phase II is being undertaken as a joint project to provide employment land in North Shropshire. Both sites are being funded in partnership with North Shropshire District Council and Advantage West Midlands with approval given to proceed with the development at Tern Valley at a cost of £3,695,000. The cost of developing Ellesmere in conjunction with Tern Valley has increased scheme costs to £7,258,000.
- 46.4 An application was submitted to AWM in October 2008 to secure external funding of £2,500,000 towards the additional costs and approval was obtained from the Implementation Executive to award £750,000 of capital receipts from NSDC resources and £313,000 from SCC.
- 46.5 In the light of the current economic situation and increased public borrowing levels AWM has imposed a moratorium on capital spending until a review of commitments has been undertaken. The outcome of this will not be known until mid April. Expressions of interest have been sought for the infrastructure works to Tern Valley Phase II and tenders have been appraised. The award of the tender to the successful contractor however cannot be awarded until AWM funding has been approved.
- 46.6 At Ellesmere terms have been agreed with the landowner's agent for the purchase of land, it was hoped the purchase of the land would be completed before the end of the financial year. However, due to the review being undertaken by AWM it has not been possible to secure funding and this will now be completed in 2009/10.
- 46.7 Should funding not be forthcoming the Council will be able to undertake the infrastructure works at Tern Valley but not acquire land to undertake infrastructure at Ellesmere. If both sites are progressed it is estimated they will generate approximately £5,100,000 in capital receipts from the sale of developed land.
- 46.8 The infrastructure works at Shrewsbury Business Park Phase 2 are nearing completion. Surface dressing has been completed and the provision of the additional power supply required for phase 2 has been installed. The highways and utilities are currently in the process of being offered for adoption.
- 46.9 The construction of the Food Enterprise Centre is almost complete with the Council taking practical completion at the end of March 2009. The project was programmed to be complete in September 2008 but delays in resolving legal documentation for the procurement of electricity supply and failure of the contractor to meet the BREEAM 'Very Good' standard meant practical completion of the building could not be accepted by the Council until the end of the financial year.
- 46.10 As part of the agreement on the grant of practical completion the Council will withhold funds and release them as the contractor demonstrates progress to

meeting the BREEAM requirements. Funding will also be retained from the contractor should it fail to meet the Very Good standards.

- 46.11 The appointment of an external management company to run the centre is currently being discussed between AWM and the Council. A management agreement and lease is being drawn up with the Heart of England Fine Foods. They will move their headquarters to the site and both manage and promote the centre. Property management and maintenance functions will be undertaken by the Council's Property Services.
- 46.12 The contract for the provision of additional power substations at Battlefield has been awarded and the first interim payment has been made. Works should be completed in the 2009/10 financial year when the final payment will be released.
- 46.13 An application for external funding has been made to AWM for the construction of a multi use building at Cleobury Mortimer. The scheme, which is to be delivered by Community Services in 2009/10, will not proceed until confirmation all funding has been secured.
- 46.14 Further work has been undertaken at Battlefield and Oxon to assess works and funds required to secure the adoption of highways sewers and street lighting. A project appraisal for additional funding will need to be submitted in order to undertake this work and to continue to secure adoption of the remaining employment sites in the County.
- 46.15 Capital receipts of £849,927 from the sale of plots at Shrewsbury Business Park, Bishops Castle, Craven Arms, Ludlow and Oxon Business Park have been received in the 2008/09 financial year.
47. **The table below sets out the overall financial position for Environment & Sustainability (Non Local Transport Plan):**

Revised Budget Outturn 2008/09	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2008/09	Actual Expenditure to 31 March 09	Variance as at 31 March 09	Actual Spend as a % of Budget %
£	£	£	£	£	£	
1,112,410	-	124,756	1,237,166	1,102,800	134,366	89

48. **Highways Depots – spend of £70,379 against budget of £80,483**

- 48.1 Expenditure in the year is £70,379 against a capital budget of £80,483 representing 87% of the budget spent. This leaves a balance of £10,104 to be carried forward to 2009/10.
- 48.2 Works at Whittington, Oswestry and Longden Road, Shrewsbury have been undertaken and completed. These works included the refurbishment of portable offices at Longden Road, and extension and modernisation of existing office

accommodation at Whittington. New furniture, carpets and health and safety issues relating to improvements to fire doors have also been addressed.

48.3 The scheme to provide an access road at Longden Road depot has also been completed.

48.4 Officers continue to explore the options available for the proposed new depot for the north of the county. At present investigations and discussions are still ongoing with Highways Development Control as to the suitability of potential sites. A revised project appraisal will be submitted identifying the full costs of the proposed scheme following the outcome of these discussions.

49. **ITU – spend of £94,450 against budget of £94,451**

49.1 The Integrated Transport Unit capital programme for 2008/09 is £94,451 following an increase in grant funding of £81,323 in the fourth quarter of the financial year. This additional funding from Oswestry Borough Council and revenue contributions is to fund the acquisition of a new vehicle for the Oswestry area following unitary reorganisation and a new van for Trading Standards Services. The third and final payment has also been made for the purchase of a Fleet Operations system.

50. **Project Management – spend of £937,971 against budget £1,062,232**

50.1 The Project Management budget for 2008/09 is £1,062,232 following confirmation of additional funding from Advantage West Midlands for two projects in quarter four. Expenditure in the year is £937,971 leaving a balance of £124,261 to be carried forward to 2009/10. This funding is specific grant and is ring fenced to these projects as it is entirely funded from Advantage West Midlands grant.

50.2 The project management programme increased by £43,433 in the final quarter of the financial year to £1,062,232. Further funding has been secured from Advantage West Midlands to cover the final costs incurred at Weston Farm, Oswestry £27,040 and £15,304 for the construction of an access road on the former railway land at Oswestry. A further £1,089 has been added to the programme to cover the costs of consultant's fees for the monitoring of Farley Oil Terminal.

50.3 The scheme at Weston Farm to provide preliminary information to determine whether a much larger scheme to construct a new access road and bridge together with a modification to the existing junction on the A483 Trunk Road has been completed. Land acquisition issues which Advantage West Midlands are finding difficult to progress suggest any further developments are unlikely to proceed early in the new financial year. If a solution can be found to allow this project to proceed, all further works will have to be fully funded by Advantage West Midlands.

50.4 The scheme at Oswestry (Railway land) to provide a new access road has been completed. This will facilitate the construction of a new medical centre by the Primary Care Trust. The project is currently estimated to be overspent by approximately £200,000, and discussions are taking place with AWM to meet the funding shortfall.

- 50.5 The funding agreement for £1,073,909 between Advantage West Midlands and Shropshire Council for the development at Chartwell Business Park has been signed and the design is well advanced. The scheme will redevelop an old concrete product factory on the A458 Stourbridge Road into light industrial units and the Councils role will be to provide the carriageway infrastructure and services to the site. Works were due to begin on site early in January, however, progress has been delayed following Environment Agency concerns over contamination of land and surface water drainage issues. EA are reluctant to allow sustainable drainage and works are not expected to start until September 2009.
- 50.6 The provision of public facilities for the Bridgnorth area has been completed, and payment for works carried out will be made on receipt of the appropriate invoice.
- 50.7 There is currently no funding provision for Farley Oil Terminal scheme and costs incurred have to be found from the directorate's own resources. Further investigations to sample and monitor the water ingress are likely to continue into 2009/10 and costs are expected to rise further. In the longer term Shropshire Council will incur significant expenditure to restore the tanks to meet Environment Agency requirements and additional funding will be required to address these issues.
51. **Leasing - Transport Operations Group - spend £770,485 against budget £1,855,000**
- 51.1 Further expenditure of £197,188 in the final quarter of the 2008/09 financial year for the Transport Operations Group capital programme realised final vehicle replacements costs for the year of £770,485. From a leasing facility of £1,855,000 this represents 41% of the budget spent with the remaining budget of £1,084,515 surrendered.
- 51.2 There have been delays in replacing a number of vehicles due to specification requirements and service evaluations that has resulted in some delayed vehicle procurement. In addition a decision was taken not to lease the Shropshire Link Vehicles which has resulted in a lower capital spend from this budget.

52. **Economy and Environment Services – Local Transport Plan**

- 52.1 The table below sets out the overall financial position for Economy and Environment Services LTP:

Revised Budget Outturn 2008/09	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2008/09	Actual Expenditure to 31 March 09	Variance as at 31 March 09	Actual Spend as a % of Budget %
£	£	£	£	£	£	
21,704,388	-	11,224	21,715,612	21,683,413	32,199	100

The LTP Programme

- 52.2 The 2008/09 Capital budget for Economy and Environment Services Local Transport Plan is £21,715,612. This follows a net budget increase in the fourth quarter of £11,224.
- 52.3 Budget adjustments in the final quarter of the financial year are an increase in revenue contributions of £47,853 for the capitalisation of structural maintenance of secondary roads, a net increase in external funding of £67,840 and budget reductions of £102,467 for developer's contributions and £2,002 insurance claim which are now expected to be received in 2009/10.
- 52.4 Expenditure against the Local Transport Plan has again been very high during the year, a particular achievement given the considerable size of the programme. Expenditure in the year is £21,683,413 against a revised budget of £21,715,612 meaning the programme shows an under spent of £32,199. However, after taking into account unapplied scheme specific grants of £53,199 the Local Transport Plan is actually overspent by £21,000.
- 52.5 The unapplied grant of £53,199 from the Department of Transport is ring fenced to Maestermyn Canal Bridge, Bridgeguard Rolling Programme and Shrewsbury Cycling Towns Project which will be carried forward as a variance against the 2008/09 budget and added to the capital programme for 2009/10.
- 52.6 The £21,000 overspend relates to expenditure on schemes in 2008/09 to be financed from Developers contributions which will not be received until 2009/10.
- 52.7 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.
- 52.8 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 £547,523 against budget of £662,000**
- 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 revised capital budget of £662,000 expenditure in the year is £547,523 reflecting 83% of the budget allocation utilised. The under spend has been used to offset the additional expenditure incurred on both the Structural Maintenance of Roads and Integrated Transport programmes.
- 53.3 Expenditure for the A53 Hodnet Bypass is £314,091 and includes the completion of minor outstanding remedial works and the release of the main works contract retention. Final landscaping maintenance and replacements will be completed during the spring. Negotiations on outstanding land acquisition and compensation payments to landowners continue to be addressed.

- 53.4 The NWRR project has been included in the priority schemes put forward by West Midlands Regional Assembly for funding. A response from the Department for Transport is expected in the summer. Further work is being carried out to determine whether the scheme can be effectively combined with a River Severn flood risk management scheme under consideration by the Environment Agency.
54. **Structural Maintenance of Bridges spend £3,444,223 against budget of £3,956,414**
- 54.1 An increase of £41,414 in the fourth quarter, following the receipt of external contributions from Network Rail for the bridge assessments, provided a final bridgeguard programme budget for 2008/09 of £3,956,414.
- 54.2 Actual expenditure of £3,444,223 was achieved in 2008/09 representing approximately 87% of the budget spent. The under spend has been utilised to offset the additional expenditure incurred on both the Structural Maintenance of Roads and Integrated Transport programmes. The 2009/10 programme will be adjusted to reflect the additional funding provided to these programmes to ensure a balanced Local Transport Plan budget allocation over the five year period is achieved.
- 54.3 The delivery of the bridgeguard programme for 2008/09 was affected following the floods of September 2008. Funding had to be redirected to finance the emergency works that resulted from the floods.
- 54.4 Substantial structural repairs to three bridges which were damaged by the flooding experienced in September 2008 have been undertaken. The temporary bridge erected at Sheinton Bridge during the previous quarter also continues to be in use. The building of a new Sheinton Bridge is programmed for 2010.
- 54.5 During 2008/09 the strengthening work at Maestermyn Canal Bridge was completed. It is estimated that this scheme will involve a further spend of approximately £6,000 in 2009/10.
- 54.6 18 principal bridge inspections have also been completed which have been funded from the 2008/09 Bridgeguard budget.
- 54.7 A significant start on the building of a new retaining wall alongside the highway at Upper Ludstone has been made. The costs associated with this work will be funded from the 2009/10 Bridgeguard budget.
- 54.8 The 2008/09 Bridgeguard programme also saw the replacement of Burway Bridge in Ludlow which was re-opened to traffic on 12 September; a combined bridge, highway maintenance and transportation scheme on Telford Way in Shrewsbury and a major maintenance scheme at Gatten Bridge completed. Three further major maintenance bridge schemes were also completed and a temporary structure at Winterburn Bridge, lost in last summer's extreme flooding, has been constructed, which will enable the road over it to be re-opened until work to build a new bridge can start next spring.

55. Structural Maintenance of Roads spend £11,944,580 against budget of £11,450,411

55.1 The Structural Maintenance of Principal and Secondary Roads programme budget rose by £47,853 in the fourth quarter to £11,450,411. This follows an increase of £47,853 in the total revenue expenditure that was capitalised and funded from revenue contributions.

55.2 Expenditure in the year is £11,944,580 meaning expenditure exceeded the budget available by 4.3%. The overspend will be financed by the underspends already described for Major Schemes and Structural Maintenance of Bridges. The delivery of the roads programme was severely affected by the floods in September 2008 and resulted in severe damage to roads and structures. In addition the works programme was also affected by the severe frost and snow experienced in January and February. Emergency works meant funding had to be reallocated from programmed schemes to address the fallout of the issues. A bid for financial assistance is being made to the Department of Communities and Local Government as part of the Bellwin claim, but any element which does not attract additional funding will impact on the 2009/10 maintenance programme.

55.3 All major works on the Principal and Secondary road networks were completed before the end of 2008. Several sections of the B4386 between Knox and Yockleton have been resurfaced and Turners Lane Condover has been overlaid. In addition New Street, Wem has had the existing failed surface removed and replaced with a new base and surface course.

55.4 A major scheme was undertaken and completed in respect of stabilisation works to the rock face at Harley Bank, near Much Wenlock. The existing weathered rock face which was close to the edge of the road, was a continuous source of minor rock falls. During a six week road closure the weathered rock was removed and the opportunity taken to improve the highway drainage and to widen and resurface the carriageway.

55.5 The final works and land compensation payments for the road improvement to A525 Redbrook Bridge to Whitchurch Bypass were also delivered in 2008/09.

56. Integrated Transport Plan spend £5,747,087 against budget of £5,646,787

56.1 The outturn budget for Integrated Transport was £5,646,787. The budget decreased by £78,043 in the fourth quarter of the year following the delay in receipt of additional contributions across the Integrated Transport programme. Private Developer's contributions of £102,467 which had been earmarked to supplement the 2008/09 LTP will not be received until the new financial year, subject to the completion of negotiation with developers. These were partially offset by contributions from other Local Authorities £20,173 and revenue contributions £4,251 which provided budgetary increases for Cycling and School Travel respectively.

56.2 Expenditure to the 31 March 2008 is £5,747,087 resulting in an over spend against the budget of £5,646,787 of £100,300. This overspend will be financed

from the under spend on Major Schemes and the Bridgeguard Rolling Programme.

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

57. **Passenger Transport**

57.1 In the rural areas of Shropshire improvements have been made to the roadside infrastructure on local bus service 70 (Shrewsbury to Oswestry) and service 2/2a (Oswestry to Wrexham). This has included the formalisation of a number of bus stops with the addition of roadside passenger information. Shropshire Council has worked with Oswestry Rural Parish Council and Great Hanwood Parish Council to grant fund the installation of new bus shelters in Morda and Great Hanwood respectively. With the implementation of the Rural Transport Strategy we have continued to work with Minsterley Motors to improve the branding on service 435 (Shrewsbury to Ludlow) following an increase in service frequency along this route.

57.2 Shropshire Council has worked with Whitchurch Town Council and the Local Joint Committee to install a new bus shelter on Brownlow Street adjacent to a busy retail area. Other bus stops within the town have also been improved and additional passenger information has been displayed.

57.3 Within Shrewsbury, Shropshire Council are working with Arriva Trains and Network Rail to help fund improvements to facilities at Shrewsbury Station, especially access enhancements to platform 3 including the installation of a passenger lift.

58. **Cycling**

58.1 The cycling programme funded further design work for the following projects in Shrewsbury, Cartmel Drive to Whitchurch Road path, links to Royal Shrewsbury Hospital and Greenfields 'Greenways'. Design work continued and additional consultation took place for new walking and cycling routes in Eastern Oswestry. A new signal controller was provided in Ludlow to enable cyclists to use new advanced stop lines safely.

58.2 The extension of National Cycle Network Route 45 (Bridgnorth to Ironbridge via disused railway) was delayed again, awaiting finalisation of permissive access agreements.

58.3 Cycle Shrewsbury capital funding (Department for Transport/ Cycling England) enabled the installation of a new cycle track and Toucan crossing on Telford Way and for works to start in the Greenfields area. Minor works were also completed including improved surfacing and widening on Roman Road cycle track and the Corinthian Drive to Robertson Way cycle track. Contributions were also made towards the new zebra crossing on Sutton Road. Design and feasibility work started for cycling improvements on Oteley Road and Bayston Hill and various crossings. In addition 13 new automatic cycle counters were installed, 10 schools

received new cycle shelters and/or cycle stands and at Sundorne Secondary School, improved access to the cycle store was provided.

- 58.4 Cycle Shrewsbury supported the Cycle Shrewsbury project management team and further work on marketing, development of a website and hosting a quarterly meeting of cycling towns (northern cluster) took place.
- 58.5 The Connect2 funding (Big Lottery/ Sustrans) was used to continue the feasibility and modelling work on making Shrewsbury town centre junctions more pedestrian and cycle friendly. Proposals for the Welsh Bridge junction are currently out to consultation in association with the West End proposals.

59. **Village Speed Limits**

- 59.1 There were thirty-seven new village speed limits to be progressed this financial year, this was increased to thirty-nine as on two occasions two village schemes had been combined within the programme. The majority of the village speed limit schemes were completed on site by 31st March and the remainder are currently being prepared for construction.
- 59.2 Following statutory consultation, although no objections were received, 3 Parish Councils asked for amendments to be considered to their respective village speed limits which have been investigated and 2 of these will require re-advertisement following the Unitary Authority elections. There are 3 of the 39 village speed limits that require a decision report due to objections and these will be prepared for approval at the forthcoming Regulatory Committee meetings.

60. **Pedestrian and Mobility**

- 60.1 The two largest schemes, Castle Gates to Wyle Cop enhancements and Oteley Road footway widening, included in the Local Transport Plan for this financial year have been completed.
- 60.2 A consultation exercise was undertaken regarding a new pedestrian crossing on Sutton Road and although a crossing at this location was supported, the proposal of a Toucan or signalised crossing did not gain sufficient support. A raised Zebra crossing will be constructed in April 2009.
- 60.3 The only remaining larger scheme in 2008/09 is the B5068 Trimpey Street, Ellesmere. Work commenced on 26th January and completed on 6th March 2009. This has provided a footpath through a very narrow and section of the street and introduced a formal priority system.
- 60.4 The Middleton Road/Salop Road signalisation in Oswestry is similarly being progressed and works were programmed to begin in February 2009, this scheme is now on hold as several planning applications for large multi use developments have been submitted for Oswestry town centre and until the impact of these applications is properly assessed we can not be sure that the currently proposed traffic signals for this location will be sufficient.

60.5 Corvedale Road, Craven Arms work is now completed on widening the carriageway after the improvement scheme had met some opposition, parking bays on the North side are now deeper and the carriage effectively widened to 6.5m.

61. **Safety and Speed Management**

61.1 Apart from the village speed limits reported above, there are a number of small schemes detailed in the Local Transport Plan for this year.

61.2 The Ellesmere Road Shrewsbury crossing has been the subject of a public consultation to confirm the preferred location. Construction onsite is due to begin in April 2009.

61.3 A speed limit reduction, on a section of the A5112, has been implemented as part of the cycle track/crossing improvements and bridge maintenance on Telford Way.

61.4 The A4169 Much Wenlock to Buildwas Scheme has been to informal consultation however this scheme is not currently in the capital programme for 2009/10 therefore the informal consultation comments have not yet been incorporated.

61.5 Consultations were undertaken on traffic and pedestrian improvements for Church Stretton and Much Wenlock in October and November, as was a consultation on the upgrading of informal paths in the Greenfields area to designated cycle tracks.

61.6 An annual review of the design and safety audit of all installed speed reduction measures is undertaken to identify any remedial works necessary.

62. **Environmental Quality and Regeneration**

62.1 The contract for the Cleobury Mortimer Town Centre Enhancement scheme started on 11 August 2008 and was completed by the end of November. The official opening of the town centre enhancement project, including installation of a new pedestrian crossing was held on 6 December 2008.

62.2 The scheme to improve the protection of Broadgate Arch, Ludlow went on site in the middle of March, works were successfully completed 10 days ahead of schedule and reopened to traffic and pedestrians on Monday 30th March.

63. **Parking and Congestion**

63.1 The second stage of consultations for the Mountfields Residents' Parking failed to obtain sufficient support from residents. The policy for residents parking has been reviewed in the light of this pilot scheme and proposed amendments will be reported to a future cabinet meeting.

63.2 Minor amendments to the Ludlow Town Centre parking arrangements are currently being advertised, and we have received the necessary approval from the Department for Transport to proceed.

63.3 In relation to Decriminalised Parking and the associated enforcement, a considerable amount of work has been carried out to ensure that restrictions with the County are enforceable and appropriate, and this has continued through the Civil Parking Enforcement meetings.

64. School Travel

64.1 In Shrewsbury the final payments were made towards the completed pedestrian improvements at Oxon Primary School. Work also started on a new Puffin crossing on Ellesmere Road (near Greenfields Primary School).

64.2 Works in Market towns included design work for traffic calming and pedestrian improvements near Ludlow Infants and Junior Schools, Broseley Primary School and Our Lady and St Oswald Primary School, Oswestry. A new zebra crossing and 20mph zone has also been completed at Morda Primary School.

64.3 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 an overall budget allocation. However, all budget adjustments made in-year are returned in subsequent capital programmes to ensure the 10 year Local Transport plans are delivered.

65. Corporate Schemes - Resources, Legal & Democratic Services and Chief Executive's Office

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

Revised Budget Outturn 2008/09	Outturn Budget Virements	Outturn Budget Additions / (Reductions)	Total Revised Budget Outturn 2008/09	Actual Expenditure to 31 March 09	Variance as at 31 March 09	Actual Spend as a % of Budget %
£	£	£	£	£	£	
1,465,653	-	50,046	1,515,699	1,292,522	223,177	85

Budget adjustments

65.2 There has been a budget increase of £50,046 for Accommodation changes budget. £43,000 relates to the Unison Building funded from a contribution from the Unison Club and £7,046 relates to the Ptarmigan Building funded from a revenue contribution to capital. In addition £1,205 has been vired from the DDA budget to the Accommodation changes budget funded from capital receipts.

66. Property services – spend of £1,054,953 against budget of £1,242,112

66.1 The Disabilities Discrimination Act works (budget £270,786) programme of works for 2008/09 includes the following major schemes:

- Kempsfield lift upgrade
- Much Wenlock Joint Use Facility platform lift
- Shirehall - none slip flooring and highlighting of treads etc. to stairwells

- Acton Scott – purchase of mobility equipment
- Shirehall – ground floor toilet
- Libraries/Registrars Offices – Customer First upgrades

The remaining budget of £157,326 has been slipped to 2009/10 where it is committed to ongoing schemes.

- 66.2 The main works under the Energy Conservation Measures programme (budget £53,072) were undertaken in the summer and Christmas periods. This included measures to ensure the better use of energy and water resources, reducing costs and CO2 emissions. Schemes involved improvements to heating controls for radiators and storage heaters, building energy management systems, improved wall and ceiling insulation, lighting and flush controls, augmenting boiler replacement schemes and renewable energy systems. There is a small under spend against this budget (£6,873) which has been slipped to 2009/10.
- 66.3 The Accommodation Changes budget consists of schemes for the Unison Building and to cover cooling system works and fit out costs in relation to the Ptarmigan building. In the fourth quarter there have been increases of £7,046 to cover additional furniture costs at the Ptarmigan Building funded from a revenue contribution, £43,000 for the Unison Building funded from a contribution from the Unison Club and a virement of £1,205 from the DDA budget for the Unison building project. Both schemes were completed earlier in the year. Final retention payment in relation to the Unison building scheme is still outstanding and hence budget of £22,960 has been slipped to 2009/10.
- 66.4 The Property Client budget (£120,000) has been fully spent during 2008/09.
67. **Gypsy sites – spend of £3,800 against budget of £3,800**
- 67.1 This scheme was completed in the year, with final site works undertaken in April.
68. **IT Developments – spend of £41,787 against a budget of £41,787**
- 68.1 Work on this scheme to provide an IT training facility at the Lantern is complete and the facility is operational.
69. **Shire Services Equipment – spend of £191,982 against a budget of £228,000**
- 69.1 This budget was for the cashless payment system (£128,000) and heavy equipment in primary schools (£100,000), funded from capital receipts. Final expenditure on these two schemes was £127,767 and £64,215 respectively. The remaining budget of £36,018 is no longer required.
70. **Future years budget changes**
- 70.1 In addition to the slippage figures referred to above the Resources, Legal & Democratic Services and Chief Executive's Offices budget have increased by £46,880 vired from Community Services for Ludlow - Customer Service Points. In the new structure this is under Chief Executive's Office and as there has been an under spend on the Ludlow scheme approval is requested to reallocate this budget to meet capital needs in other locations.

£5,000 has also been vired from the Disabilities Discrimination Act to Children & Young Peoples services.

71. Capital Financing

71.1 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 County Council meets the costs of the debt charges entirely;
- Prudential Borrowing – borrowing meeting certain funding tests. The cost of borrowing is met from the County 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.

72. Financing of the revised 2008/09 and 2009/10 budgets

72.1 Appendix 2 and Appendix 3 gives full details of the financing for the 2008/09 and 2009/10 to 2011/12 capital budgets. Movements for the fourth quarter financing of the 2008/09 and 2009/10 budgets are summarised for convenience below:

72.2 2008/09 Capital Budget - Financing

Source of financing for the capital budget	Q3 Financing 2008/09 £	Outturn Financing Movement £	Outturn Financing Re-profiling £	Revised Financing 2008/09 £
Borrowing	20,339,826	-		20,339,826
Prudential Borrowing	-	-	2,000,000	2,000,000
Government Grants	27,216,989	15,663		27,232,652
Other Grants	7,414,338	322,718		7,737,056
Contributions - Other Authorities	2,052,500	93,012		2,145,512
Other Contributions	911,148	38,361		949,509
Revenue Contributions to Capital	2,008,061	647,539		2,655,600
Capital Receipts	6,988,212	-	(2,000,000)	4,988,212
Total Funding	66,931,074	1,117,293	-	68,048,367

72.3 2009/10 Capital Budget – Financing

Source of financing for the capital budget	Capital Budget Budget Book 2009/10 £	Slippage from 2008/09 £	Budget increases 2009/10 £	Revised Financing 2009/10 £
Borrowing	21,386,970	-	-	21,386,970
Prudential Borrowing	-	-	-	-
Government Grants	35,367,046	4,158,453	581,930	40,107,429
Other Grants	1,992,541	637,321	436,094	3,065,956
Contributions - Other Authorities	270,000	1,070,004	-	1,340,004
Other Contributions	1,342,913	117,204	170,214	1,630,331
Revenue Contributions to Capital	7,336,405	14,443	141,450	7,492,298
Capital Receipts	17,613,319	1,701,116	-	19,314,485
Total Funding	85,309,194	7,698,591	1,369,688	94,377,473

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

Capital Programme 2007/08 to 2010/11 – Cabinet 24 January 2007
Capital Budget Report 2008/09 – Council 22 February 2008
Capital Monitor – Revised outturn 2007/08 and 2008/09 revised budget – Council 20 June 2008
Capital Monitoring Report – Quarter 1 2008/09 – Cabinet 15 July 2008
Capital Monitoring Report – Quarter 2 2008/09 – Cabinet 19 Nov 2008
Shropshire Council Provisional Capital Programme 2009/10 to 2011/12 – IE 17 Dec 2008
Capital Monitoring Report – Quarter 3 2008/09 – Cabinet 28 Jan 2009
Shropshire Council Capital Programme 2009/10 to 2011/12 – Council 27 Feb 2009

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 2008/09
3. Revised Capital Budget 2009/10 to 2010/11

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.

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 DfES.

Transport Supplementary Grant (TSG) – allocated by central government at 50% of the estimated cost of a specific major project e.g. Hodnet bypass.

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.