

REPORT TO: Cabinet Member for Traffic and Transportation

FOR: 18 SEPTEMBER 2008

REPORT BY: Strategic Director & Section 151 Officer

WRITTEN BY: Mark Webb

MONITORING OF THE OUTTURN OF THE 2008/09 REVENUE CASH LIMITS & CAPITAL PROGRAMME

1. Purpose of Report

To inform the Cabinet Member of the actual outturn revenue expenditure against the cash limited budget and the actual capital expenditure against the capital programme for the Traffic & Transportation Portfolio as at 31st July 2008.

2. Recommendations

That the report be noted.

3. Cash Limit 2008/09

	£'000s
Net Requirement	13,949
(Less) - Capital Charges	(1,640)
Net Cash Limited Expenditure	12,309
Controllable Cash Limit 2008/09	12,229
Forecast Overspend Against Controllable Cash Limit	80

Appendices

An analysis of this portfolio's variations from the revenue cash limit is attached in Appendix A.

An analysis of the portfolio's capital expenditure for 2008/09 is attached in Appendix B together with appropriate comments.

4. Managers' Comments

(Please read in conjunction with the attached Appendix A)

4.1 Revenue Expenditure

The overall position for the Traffic & Transportation Portfolio against the cash limit shows a forecast overspend of £79,559. This overspend is due to a number of key reasons which are set out in the below variance analysis.

Budgets within the Cash Limit

4.1.1 Off-Street Parking overspend £180,659

This forecast overspend is as a result of a predicted shortfall in income. This is partly due to the previous T&T Executive member's decision not to increase the price of parking charges until at least April 2009 (the 2008/09 income target was increased in line with inflation). Another factor affecting the forecast shortfall is the Executive's decision not to implement all the income generation schemes that were agreed by full council and built into the budget for 2008/09 and beyond. On 7 July 2008 the Cabinet agreed that in the first instance the shortfall in 2008/09, arising from the decision not to implement all the income generation schemes included in the budget, would be funded from contingency, net of any savings in Travel Concessions. Savings on Travel Concessions (see 4.1.4 below) will therefore be used to fund this overspending.

4.1.2 Traffic Systems (Excl RTPI System) overspend £56,760

It is assumed that the Traffic Systems team will work on both capital and revenue schemes. The capital schemes work generates income for the service and this is built into the budget. It is forecast that the capital income target will not be met and will cause Traffic Systems to overspend. Indeed, the increased quantity of revenue based work, such as changes in management of events in the city, means that the traffic department has less time to spend on capital projects thus less ability to generate income from work undertaken on capital schemes. Budget pressure funding has been sought to ensure that in future years a realistic income target can be set.

4.1.3 Business Support underspend (£50,000), of which (£19,764) is attributable to the Traffic & Transposition Portfolio

The reduction of the provision of Business Support services to the Traffic & Transportation portfolio has resulted in a forecast underspend. The underspend represents the reduction in IT spend, a vacant post that is not being recruited into and income received from a staff secondment. As the business support team undertakes work on behalf of the Traffic & Transportation Portfolio, the PRED Portfolio and the Environment & Community Safety Portfolio, the underspend will be apportioned between these portfolios on a head count basis. Following a detailed review of the required services, it is anticipated that this saving will continue into 09/10 and has therefore been offered as a budget saving in the 2009/10 budget process.

4.1.4 Travel Concessions underspend £1,210,000

Claims from bus operators relating to the financial year 2006/07 have now been settled and the basis for reimbursement in 2007/08 and 2008/09 agreed. As a result, there is a forecast ongoing underspending of £1,210,000 per annum. Part of this underspending will be used to meet the shortfall in off street parking income in 2008/09 (as outlined in paragraph 4.1.1 above). The balance will revert to the corporate centre. In addition to the saving of £1,210,000 there is a one-off reduction in the provision for operators claims of £698,000 which will also revert to the corporate centre.

4.1.5 Summary

Assuming that the overspending on Off Street Parking is funded from Travel Concessions, and taking into account the forecast £19,764 Business Support savings attributable to Traffic and Transportation (as outlined in paragraph 4.1.3), the Portfolio is forecast to be overspent by £79,559.

	£
Variance as shown in Appendix A	(949,782)
Travel Concessions windfall balance to corporate centre (see paragraph 4.1.4)	1,210,000
(Less) funding of the Off Street Parking overspend from Travel Concessions (see paragraph 4.1.1)	(180,659)
Forecast Overspend Against Controllable Cash Limit	79,559

Remedial actions are being considered to reduce the forecast overspend and a fully costed action plan will be reported to the next meeting.

Other Budgets

4.1.6 On-Street Parking contribution to reserve underspend (£817,428) (Outside of Cash Limit)

The forecast surplus represents that income generated by on-street parking which is forecast to exceed the running costs of the on-street parking service. Currently this surplus is £142,857 higher than was forecast at the start of the year because of stronger than anticipated parking income. As required by the Traffic Management Act 2004 (which superseded the Road Traffic Act 1991), the surplus will be taken to the off-street parking reserve.

4.2 Capital Expenditure

The 2008/09 Traffic & Transportation portfolio capital programme is summarised in Appendix B. The overall position is a forecast £17,390 underspend, attributable to the Isambard Brunel Multistorey Car Park Refurbishment Scheme. As the scheme was financed from the off-street parking reserve, the underspend will go back into the reserve.

Independent consultants are currently reviewing the Farlington Roundabout project, the outcome of which could affect the final cost of the scheme. If the final scheme cost exceeds the current budget an element is likely to be paid for by the Highways Agency. The remainder would need to be financed from the local transport plan.

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STRATEGIC DIRECTOR & SECTION 151 OFFICER

Background List of documents –

Section 100D of the Local Government Act 1972

The following documents disclose facts or matters which have been relied upon to a material extent by the author in preparing this report –

<i>Title of document</i>	<i>Location</i>
Monitoring files	Financial Services

The recommendations set out above were approved/approved as amended/ deferred/ rejected by the Cabinet Member for Traffic & Transportation on 18 September 2008

Signed: -----

TRAFFIC & TRANSPORTATION PORTFOLIO

APPENDIX A: REVENUE STATEMENT

BUDGET HEADING	Budget 2008/09 £	Actual Expenditure to 31/07/2008 £	Forecast Expenditure to 31/03/2009 £	Forecast Variance (Fav)/Adv £	Forecast Variance (Fav)/Adv %
WITHIN CONTROLLABLE CASH LIMIT					
1 Off-Street Parking	(1,779,433)	(669,309)	(1,598,774)	180,659	(10.15)%
2 On-Street Parking	(22,168)	(253,123)	(817,428)	(795,260)	3587.42%
3 DVLA Untaxed Vehicles	22,168	(5,409)	18,738	(3,430)	(15.47)%
4 Traffic Management Group	111,879	33,863	111,879	0	0.00%
5 Road Safety	526,130	6,902	526,130	0	0.00%
6 Traffic Management	323,659	140,736	340,513	16,854	5.21%
7 Traffic Systems (Excl RTPI System)	427,425	125,885	484,185	56,760	13.28%
8 RTPI Systems	468,522	187,900	468,522	0	0.00%
9 Highways Infrastructure	2,965,114	988,239	2,965,114	0	0.00%
10 Highways-Routine	3,780,638	1,096,260	3,780,638	0	0.00%
11 Highways Design	(99,709)	(48,077)	(99,709)	0	0.00%
12 Service Roads & Paved Areas	60,343	16,749	60,343	0	0.00%
13 Trees In Street	169,002	46,778	169,002	0	0.00%
14 Travel Concessions	4,083,658	1,657,982	2,873,658	(1,210,000)	(29.63)%
15 Passenger Transport	322,241	(166,991)	336,776	14,535	4.51%
16 School Crossing Patrol	351,700	110,310	351,700	0	0.00%
17 Home To School Transport	119,967	35,529	123,967	4,000	3.33%
18 Transport Policy	99,304	25,602	92,478	(6,826)	(6.87)%
19 Business Support	0	74,328	(19,764)	(19,764)	n/a
20 GISS	181,811	48,760	195,811	14,000	7.70%
21 Feasibility Studies	47,592	20,448	47,592	0	0.00%
22 T & T Management	0	56,945	0	0	0.00%
23 Tri-Sail Maintenance	68,919	2,144	68,919	0	0.00%
	12,228,762	3,532,451	10,480,290	(1,748,472)	
Less Items Outside of Cash Limit					
24 On-Street Parking	(22,168)	(253,123)	(817,428)	(795,260)	3587.42%
25 DVLA Untaxed Vehicles	22,168	(5,409)	18,738	(3,430)	(15.47)%
	0	(258,532)	(798,690)	(798,690)	
NET EXPENDITURE - CASH LIMIT	12,228,762	3,790,983	11,278,980	(949,782)	

Notes

- 19 The gross Business Support budget totals £424,580. Business Support costs are recharged to individual service areas at year end, which brings the net budget to zero. £174,000 of the Business Support budget is already shown in the cash limits above.
The remaining amount is contained in budgets within the PRED portfolio and within the Environment & Community Safety portfolio.
- 22 The gross T&T Management budget totals £178,205. T&T Management costs are recharged to individual service areas at year end, which brings the net budget to zero. £120,000 of the T&T Management budget is already shown in the cash limits above.
The remaining amount is contained in budgets within the PRED portfolio and within the Environment & Community Safety portfolio.

TRAFFIC & TRANSPORTATION PORTFOLIO

APPENDIX B: CAPITAL STATEMENT

<u>APPROVED SCHEMES/PROJECTS</u>		Budget holder
1	Milton Road / Velder Avenue	Mike Arthur
2	Isambard Brunel Multistorey Car Park	Ken Ellcombe
3	Pay and Display - Chip and Pin	Ken Ellcombe
4	Copnor Bridge	Charlie Stunell
5	Tipner Regeneration	Charlie Stunell
6	Integrated Transport Measures	Charlie Stunell
7	Farlington Roundabout (A2030 / A27 Eastern Road)	Charlie Stunell
8	Highways Maintenance & Bridges	Andy Finch
9	Road Safety Capital	Simon Moon
TOTAL		

TOTAL SCHEME FORECAST					
Total Scheme Budget £	Cumulative Expenditure to 31/03/2008 £	2008/09 Expenditure to 31st July 2008 £	Total Scheme Cost to Date £	Forecast Final Scheme Cost £	Variance Overspending/ (Savings) £
98,500	98,500	0	98,500	98,500	0
736,000	626,600	92,010	718,610	718,610	(17,390)
120,000	0	0	0	120,000	0
8,951,000	7,316,700	2,911	7,319,611	8,951,000	0
1,930,000	784,700	387,536	1,172,236	1,930,000	0
4,465,000	1,565,690	342,500	1,908,189	4,465,000	0
2,598,100	2,598,100	324,077	2,922,177	2,598,100	0
4,730,000	3,689,000	346,869	4,035,869	4,730,000	0
72,000	0	0	0	72,000	0
23,700,600	16,679,290	1,495,903	18,175,192	23,683,210	(17,390)

FINANCING FOR TOTAL CAPITAL PROGRAMME

Supported Borrowing
Unsupported Borrowing (Prudential Borrowing)
Capital Grants
Capital Contributions
Capital Receipts
Revenue Reserve for Capital
In Year Revenue Contributions to Capital
Other
Total Financing

Variance Between Total Scheme Final Cost & Total Financing

TOTAL FINANCING
11,076,400
0
9,806,000
1,605,100
1,213,100
23,700,600
(17,390)