

		AGENDA ITEM 4
		PSEG/07/13
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	24 October 2013	
CALL IN OF DECISION FP/282/08/13 ON REVIEW OF LOCAL HIGHWAY PANELS BUDGET ALLOCATION		
Enquiries to:	Christine Sharland, Scrutiny Officer 01245 430450 Christine.sharland@essex.gov.uk	

On 15 October 2013 two call ins were received in respect of decision FP/282/08/13 entitled 'Review of LHP Budget Allocation': one signed by Councillor Chris Pond and the other signed by Councillor Stephen Robinson. Copies of the Notification of Call ins are attached at Appendix A to this report.

A copy of the Cabinet Member's decision is attached at Appendix B setting out background in this matter.

At the Committee meeting Councillor Rodney Bass, the Cabinet Member for Highways and Transportation, who took the decision will respond to the matters raised by the call ins.

The procedure at the meeting will be as follows:

- Each councillor responsible for the call in will be given the opportunity to make the case for calling in the decision.
- Any local member associated with the call in will then be invited to speak. (This does not apply in this instance as Committee Members have called in the decision rather than acting on behalf of others).
- Other interested parties will then provide evidence to the Committee.
- The Cabinet Member will then be given the opportunity to answer the case and seek to justify the decision taken.
- There will then be an opportunity for other members of the Committee to ask questions.

Action required by the Committee:


**To consider the two call ins now received in respect of decision
FP/282/08/13.**

Appendix A

Notification of Call-in

Decision title and reference number FP/282/08/13 Review of Local Highway Panel Budget Allocation	
Cabinet Member responsible Cllr Bass, Cabinet Member for Highways and Transportation	Date decision published 11 October 2013
Last day of call in period	Last day of 10-day period to resolve the call-in
Reasons for Making the Call in The Decision, prima facie, results in the funding for LHP schemes being greatly reduced. Looking at the detail of the Decision, however it seems that this is merely the diversion of LHP monies to turning consequent on the inability of Essex Highways to deliver schemes in a timely fashion. We need an explanation of why that has happened and assurances on the future funding of LHPs.	
Signed: Councillor C Pond	Dated: 15 October 2013
For completion by the Governance Officer	
Date call in Notice Received	Date of informal meeting
Does the call in relate to a Schools issue	If yes, date when Parent Governor Reps and Diocesan Reps invited to the meeting
Date of Executive Scrutiny Committee Meeting (if applicable)	Date call in withdrawn / resolved

Notification of Call-in

Decision title and reference number FP/282/08/13 Review of Local Highways Panel Budgets	
Cabinet Member responsible Councillor David Finch, Leader of the Council	Date decision published 11 October 2013
Last day of call in period 16 October 2013	Last day of 10-day period to resolve the call-in
The Liberal Democrat Group would like to call in the decision on Review of Local Highways Panel Budgets in order that the reprioritisation of the Budget can be reviewed. In particular, to consider using some of the underspent money on buying in additional design expertise in order that LHP schemes that have been approved can actually be carried out.	
Signed:  Cllr Stephen Robinson	Dated: 15 October 2013
For completion by the Governance Officer	
Date call in Notice Received	Date of informal meeting
Date of Audit and General Scrutiny Committee Meeting (if applicable)	Date call in withdrawn / resolved

Appendix B

Report to Cllr David Finch, Leader of the Council	Forward Plan reference number: FP/282/08/13
Date of report: 23 September 2013	County Divisions affected by the decision: All Divisions
Title of Report: Review of Local Highways Panel Budgets	
Report by Paul Bird – Director of Highways and Transportation	
Enquiries to Sean Perry	

1. Purpose of report

- 1.1. To review the existing budgets for Local Highway Panels and to set budgets for the remaining 2013/14 financial year.

2. Recommendations

- 2.1. Agree to reduce the 2013/14 Local Highways Panel capital budget by £4.550m.
- 2.2. Agree to the addition of £3.287m to other 2013/14 Highways and Transportation capital programmes as shown below. This is to be funded by the reduction in the Local Highways Panel capital scheme.
- (a) County Road Maintenance (highway infrastructure): Principal Road Maintenance: £1.000m.
 - (b) Footway Maintenance (highway infrastructure): Principal Roads Footways: £1.000m.
 - (c) Major Schemes Planning and Management (highway infrastructure): Advanced Scheme Design: £1.000m.
 - (d) Army and Navy Parkway Widening Scheme: £222,000 (replacing the previous allocation by the Leader on 24 July 2013 FP/225/06/13).
 - (e) Chelmer Valley Park and Ride Expansion: £65,000.
- 2.3. Agree to reduce the County Wide Improvements Programme (Highways Infrastructure) by £700,000 in 2013/14 to part fund the addition of Chelmer Valley Park and Ride expansion.
- 2.4. Agree a revenue supplementary estimate under Financial Regulation 4.3.4 of £500,000 for repainting white lines, to be financed by a withdrawal from the

Reserve for Future Capital Funding. The additional funding is required to improve safety and traffic management of the County's Priority 1 and 2 road networks.

- 2.5 Agree to the addition of a new capital scheme for Chelmer Valley Park and Ride Expansion totalling £765,000, to be profiled £65,000 in 2013/14 and £700,000 in 2014/15. This addition is to be funded by a reduction of the County Wide Improvements Programme (Highways Infrastructure) by £700,000 in 2013/14 (as per recommendation 2.3) and with the remaining £65,000 to be funded as per recommendation 2.2 (e).
- 2.6 Agree that the 2014/15, 2015/16 and 2016/17 capital budgets for Passenger Transport, Safer Roads Infrastructure, Public Rights of Way Improvements and Traffic Managements Improvements will be allocated to the Local Highways Panels capital scheme in these years.

3 Background and proposal

- 3.1 Historically the County Council has received annual capital budget allocations for integrated transport across four main programmes (Traffic Management Improvements, Safer Roads, Public Rights of Way, and Passenger Transport) totalling £3.000m.
- 3.2 From April 2012 these programmes were, for a two year period, combined, along with a £5.000m addition from the maintenance programme to form the budgets for the twelve Local Highways Panels (LHP's). A key decision was published to make these changes to the County's Capital Programme. The combined total budget for 2012/13 and 2013/14 was £16.000m, with £8.000m allocated for each year. The annual £8.000m budget was allocated between the twelve LHP's using a formula, which took into consideration the District / Borough / City's population, employment and road length statistics. The function of the LHP's is to make recommendations to the Cabinet Member about how the local highway budget should be spent.
- 3.3 The local highways panel budget was fully allocated in 2012-13 but by the end of 2012-13 only £732,000 had been spent, leaving £7.268m allocated spend to be re-profiled for 2013-14. In addition, schemes totalling £453,000 were committed against the 2013/14 allocation, equating to a total commitment of £7.721m.
- 3.4 A similar lead time will apply to the development of schemes during 2013-14, meaning that they are unlikely to be deliverable before 2014-15. It is proposed to reduce the LHP budget for 2013-14 to reflect the likely spend by each panel in this financial year. Schemes developed in 2013-14 will be delivered in 2014-15, subject to the approval of recommendation 2.6.
- 3.5 All twelve panels have now met at least once this financial year. It has been communicated to each panel that any schemes which are committed in 2013/14 will be delivered next financial year i.e. 2014/15. Delivery of

previously approved schemes and design of future schemes can proceed this year subject to Cabinet Member approval.

- 3.6 The capital budget allocation and forecast outturn for 2013/14 is shown in Table 1 below (as of 5 August 2013). This table shows the funding which will be spent this year on urgent work and minor schemes including VAS (Variable Message Signs), Passenger Transport shelters, Casualty Reduction schemes and Public Rights of Way. The table also demonstrates the forecast of design works until the end of the financial year.

District	Original LHP 2013/14 Budget	Schemes to be delivered 2013/14	LHP Budget for Scheme Design 2013/14	Total forecast spend for 2013/14 (Proposed Revised Budget for 2013/14)
Basildon	£1,000,000	£39,800	£130,000	£169,800
Braintree	£815,578	£96,530	£150,000	£246,530
Brentwood	£449,876	£159,200	£80,000	£239,200
Castle Point	£457,351	£28,130	£80,000	£108,130
Chelmsford	£1,000,000	£166,700	£234,000	£400,700
Colchester	£1,000,000	£150,000	£140,000	£290,000
Epping Forest	£699,550	£83,400	£90,000	£173,400
Harlow	£487,315	£120,000	£80,000	£200,000
Maldon	£400,000	£218,650	£65,000	£283,650
Rochford	£427,808	£59,900	£80,000	£139,900
Tendring	£790,481	£36,230	£130,000	£166,230
Uttlesford	£472,041	£148,500	£80,000	£228,500
TOTAL	£8,000,000	£1,307,040	£1,339,000	£2,646,040

Table 1: 2013/14 budget and forecast outturn (as of 5 August 2013)

- 3.7 The total spend for the LHPs in 2013/14 would then equate to the following:

- £7.721m (commitments from 2012/13)
- £2.646m (forecast for 2013/14)
- £351,000 (contingency for schemes being delivered from 2012/13)

- 3.8 This would mean that the total predicted outturn for 2013/14 is therefore £10.718m. The total budget for 2013/14 is £15.268m. This equates to a reduction of £4.550m.

- 3.9 It is proposed to reallocate £3.287m as follows:

- Add £1.000m for capital maintenance of principal roads. This is justified by issues raised by the annual survey of highway condition.
- Add £1.000m for capital maintenance of footway maintenance. This is justified for the same reason as noted above.
- Add £1.000m for design work for major schemes. There is an increasing trend for funding to be prioritised for schemes which are available for commencement quickly. This allocation will allow schemes to be

developed to take advantage of funding opportunities as and when they become available.

(d) Add £222,000 towards the Council's contribution for the Army and Navy Parkway Widening Scheme. The Council has been given funding from the Department for Transport 'Pinch Point' scheme subject to ECC match funding. This contribution will allow the scheme to proceed. It was originally agreed that the match funded element would be found from the Major Schemes Planning and Management Programme but due to other calls on this fund there is no longer sufficient funding available and therefore £222,000 is required.

(e) Add £65,000 for Chelmer Valley Park and Ride Expansion. This sum will enable expansion of the current site to take place. It should be noted that this does not reflect the total funding requirement. The remaining funding (£700,000) will be found from the County Wide Improvements Programme

3.10 This will leave a residual amount of £1.263m, and it is proposed to reduce the size of the overall highways capital programme by this amount.

3.11 It is proposed to spend an additional £500,000 on repainting white lines. This is revenue expenditure and it is therefore requested that a supplementary estimate of £500,000 is approved under Financial Regulation 4.3.4 to fund this.

3.12 The allocation of the budget to district areas has led to a greater involvement in highways at a local level and it is recommended that the current temporary budget allocations be extended, for a further three years, up to and including 2016-17.

4 Policy context

4.1 This decision links strongly with the County Council's newly published Corporate Plan 2013-2017, specifically supporting the outcome of 'develop and maintain the infrastructure that enables our residents to travel and our businesses to grow'.

5 Financial Implications

5.1 The total 2013/14 current year capital budget for Local Highways Panels (including 2012/13 re-profiled budget) is £15.268m. The indicative funding source for the current year is predominantly non-ring-fenced grants. No additional funding is required.

5.2 This decision contains a number of amendments to the capital programme. A summary is set out overleaf:

Scheme	2013/14 £000	2014/15 £000	Total £000
Local Highways Panels	4,550		4,550
Countywide Improvements	700		700
Reductions	5,250	0	5,250
County Road Maintenance	1,000		1,000
Footway Maintenance	1,000		1,000
Major Schemes Planning & Management	1,000		1,000
Army & Navy Parkway Widening	222		222
Chelmer Valley Park & Ride expansion	65	700	765
Additions	3,287	700	3,987
Net reduction			1,263

- 5.3 The reduction in the capital programme could be used to fund other capital investment requirements, or will deliver a saving to the revenue budget for borrowing costs.
- 5.4 There is a risk associated with the £1m allocated to Major Schemes Planning and Management for additional design work. If the infrastructure does not come to fruition, then this expenditure will need to be transferred to the Highways revenue account.
- 5.5 The addition of the Chelmer Valley Park & Ride expansion scheme will have revenue implications. Increasing capacity at the site will increase revenue generation thereby reducing subsidy dependency. The reduction of the park and ride subsidies has been identified as a 'Transformation 2 – cost reduction' (S1 P&R subsidy) target.
- 5.6 Up to 72% of the total increased revenue predicted is expected to be derived from the expansion of both Chelmer Valley and Sandon park and ride sites. If the site is not expanded within the timescales outlined within the Transformation 2 'Outcomes Board' business case, this will affect the ability of achieving the Transformation 2 saving targets set.
- 5.7 In 2012/13, allocations for Passenger Transport, Safer Roads Infrastructure, Public Rights of Way Improvements and Traffic Managements Improvements were realigned along with additional funding to create the Local Highways Panels capital programme. This was for an initial period of 2 years. As the Local Highways Panels will continue, the decision requests the permanent transfer of these allocations to Local Highways Panels capital scheme.
- 5.8 The revenue supplementary estimate of £500,000 will be utilised to improve the safety and traffic management of the PR1 and 2 road networks by white lining. This work is considered to be a priority need. The supplementary estimate will be funded by the Reserve for Future Capital Funding.

6 Legal Implications

- 6.1 Local Highways Panels were informally constituted in April 2012. They do not have decision making powers. Their role is restricted to recommending how the designated budget for their district area should be prioritised. Formal decisions on the use of the budget must be taken by the Cabinet Member in accordance with the Constitution.
- 6.2 Any decision to vire or issue a supplementary estimate must be taken by the Leader in accordance with Financial Regulations.

7 Staffing and other resource implications





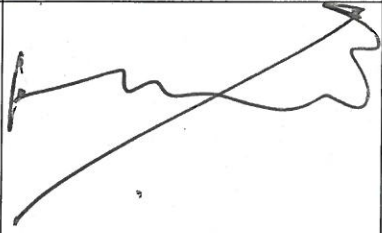
- 7.1 Delivery of schemes for 2013/14 is resourced through Essex Highways. If additional staffing levels are required Essex Highways have the ability to 'reach back' into their parent organisations (Ringways and Jacobs) to seek additional resource.

8 Equality and Diversity implications

- 8.1 In making this decision ECC must have regard to the public sector equality duty (PSED) under s.149 of the Equalities Act 2010, ie have due regard to the need to: A. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. B. Advance equality of opportunity between people who share a protected characteristic and those who do not. C. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.3 The PSED is a relevant factor in making this decision but does not impose a duty to achieve the outcomes in s.149, is only one factor that needs to be considered, and may be balanced against other relevant factors.
- 8.4 An initial consideration resulted in a finding that this decision will not have any significant adverse impact on any particular equality group.

9 Background papers

- 9.1 No additional background papers

Designation	Signature	Date
Paul Bird Director for Highways and Transportation		2/10/13
Robert Overall Deputy Chief Executive		3/10/13
Terry Osborne Director for Corporate Law and Assurance		4.10.13
Margaret Lee Executive Director for Finance Corporate Services		9/10/13
Councillor R Bass Cabinet Member for Highways and Transportation		Received 9/10/13 Approved 9/10/13
Councillor D Finch Leader of the Council and Cabinet Member for Finance	