

**HERTFORDSHIRE COUNTY COUNCIL**

**ENVIRONMENT  
SCRUTINY COMMITTEE**

**TUESDAY 21 JANUARY 2003 AT 10.30 A.M.**

Agenda Item No.

**2**

**ENVIRONMENT PROPOSED RESOURCE BUDGET 2003/04 – 2006/07**

*Report of the Director and Director Designate of Environment and Finance Director*

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Executive Member: Iris Tarry

**1. Purpose of the report**

- 1.1 To scrutinise the proposals on the revenue budget and capital programme made by Cabinet at its meeting on 19 December 2002 (attached at Appendix 1). These are for a revenue budget of £94.432 million for the Environment portfolio in 2003/04 as detailed at Appendices 2 (including annual provisions of £1.316 as detailed at Appendix 4), County funded Capital schemes of £3.836 million as detailed at Appendix 3, and proposals of £2.5 million for additional revenue spending as detailed in Appendix 1 (proposal 1(2)).
- 1.2 To make recommendations as appropriate. These will be considered by Cabinet on 27 January 2003, along with the latest information on resources and the outstanding uncertainties. The County Council will agree the budget and council tax level on 13 February 2003.

**2. Update**

- 2.1 At its meeting on 19 December 2002, the Cabinet proposed areas for growth for each of the service Scrutiny Committees. For Environment the proposals are:

Road and Footway Improvements	£1,700,000
Road Lighting Improvements	£800,000

- 2.2 These sums would support the continued improvement to the County's Highway Network and contribute to meeting several of the County Council's Best Value Performance Plan promises.

- 2.3 Improving the condition of our roads helps to make Hertfordshire a better place to live and work: maintaining an acceptable condition and quality of roads is a factor that reduces the pressure to develop in green fields: the independence of elderly and disabled people is particularly affected by the condition of our pavements, whilst enhanced safety and the reduction of crime through improved lighting benefits all residents.
- 2.4 This extra funding will particularly assist in improving the condition of local roads and footways and the state of the lighting stock and help meet the concerns of residents that were identified in a recent MORI poll and feedback from the local panels.
- 2.5 Schemes that could be progressed would include additional footway and carriageway refurbishments, drainage schemes and the replacement of street lights that are well beyond their intended design life.
- 2.6 At its meeting on 19 December 2002, the Cabinet also proposed:
- That the Environment Scrutiny Committee and Transport Panel analyse the LTP and that the Director of Environment includes a recommended allocation in his report to the March meeting of the cabinet on the Integrated Works Programme.*
- 2.7 The Transport panel will be looking at the possible allocation of the settlement across the various headings at their meeting on 14 January 2003. A copy of the report to the Panel is included at Appendix 5. The recommendations of the Panel will then be discussed at a 'Joint Member meeting' with the district councils on 16 January 2003.
- 2.8 The recommendations from the Panel and the outcome of the joint meeting will be reported verbally to this Committee on 21 January 2003.
- 2.9 The County Funded Capital Programme for 2002/3 included £735,000 to develop a new Household Waste Recycling Centre (HWRC) at the Waterdale Transfer Station. The new site was planned to reduce the pressure on the surrounding sites of Elstree, Hunton Bridge, Rickmansworth and Watford, which are all suffering to varying degrees from low recycling levels due to the restricted size of the sites, traffic congestion and the inability to cope with high levels of demand at peak times. However, the ground conditions at Waterdale and the extent of the necessary drainage following detailed surveys of the existing services has meant that the project cannot be completed within the available funds.
- 2.10 A review of HWRC provision in the South West of the County has identified the possible need to spend considerable sums in the near future on improvements at Hunton Bridge to meet increased environmental standards. Even if the improvements were made, the traffic problems at the site are likely to get worse and the restricted size of the site mean that it is unlikely that it will be able to meet the increased recycling and composting standards that the County Council is committed to (Hunton Bridge recovers around 18% of the waste it receives compared to a county average of over 33%).

2.11 Given these problems, a revised project has been identified of developing the new HWRC at Waterdale as a replacement for Hunton Bridge and using the proceeds from the disposal of the old site to help offset the increased costs. To ensure continuity of service the old site would remain open until the new site was operational.

### **3. Conclusion**

The Scrutiny Committee is invited to:

- consider the proposed Resources Budget for the Environment portfolio for 2003/04 to 2006/07 and is asked to make comments to Cabinet on 27 January 2003.
- consider the recommended allocation of the LTP and advise the Director of Environment of their views.

## CABINET – 19 DECEMBER 2002

## COUNTY COUNCIL RESOURCE BUDGET 2003/04 TO 2006/07

Proposals

1. That:

- (1) The following budget is proposed in order to avoid cuts in services and to reinstate year on year cash reductions in Standards Fund grants for Schools and LTP resources:

	£m	% Council Tax Increase
*Base Budget 2003/04	942.857	12.9
Make good schools and LEA cash losses from Standards Fund changes	5.900	
Provide funding to cover reduced LTP allocation for roads maintenance	<u>2.650</u>	
	<u>951.407</u>	15.7

\*Standstill less efficiencies + Education FSS passporting.

to produce a proposed best value budget as set out below:

	<b>2003/04 Proposed Budget</b>	
	<b>£m</b>	
Adult Care Services		173.837
Children, Schools and Families		671.912
Community Information		19.639
Corporate Services		11.769
Environment		94.432
Protection		
Fire & Rescue	33.338	
Coroners	0.808	
Emergency Planning	0.276	
Registration	0.734	
Trading Standards	<u>2.458</u>	37.614
Central Items		44.225
Asset Management Revenue Account		<u>(102.021)</u>
		<u>951.407</u>

£m

- (2) In recognition of pressures for improvements in public services the following areas for growth are proposed which Executive Members will discuss in detail with Scrutiny Committees in January:

Adult Care Services

- |  |     |
|--|-----|
| (i) Intermediate, residential and nursery care to cut waiting lists and allow earlier discharge of patients from hospital        | 2.0 |
| (ii) Provision of practical housekeeping support for older people with lower dependency levels to enhance their quality of life. | 1.0 |

Resources

- |  |     |
|--|-----|
| (iii) Youth Crime Prevention                     |     |
| - Mobile Neighbourhood Warden Teams              | 0.4 |
| - Alcohol related violence programme             | 0.4 |
| - Countywide mobile support for victims of crime | 0.1 |

Children, Schools and Families

- |   |     |
|---|-----|
| (iv) Implementing CSF behavioural strategy        | 2.0 |
| (v) Support for families with vulnerable children | 0.5 |

Environment

- |                                  |     |
|----------------------------------|-----|
| (vi) Maintenance and Improvement |     |
| - Road and footway improvement   | 1.7 |
| - Road lighting improvements     | 0.8 |

Fire

- |                                   |     |
|-----------------------------------|-----|
| (vii) Hand held fireground radios | 0.1 |
|-----------------------------------|-----|

2. That the Environment Scrutiny Committee and Transport Panel analyse the LTP and that the Director of Environment includes a recommended allocation in his report to the March meeting of the Cabinet on the Integrated Works Programme.
3. That the Executive Member for Children, Schools and Families takes forward any implications arising in respect of the Education Capital settlement and raises them for consideration by the Children, Schools and Families Scrutiny Committee.
4. That the Capital Programme for 2003/04 – 2005/06 be approved as set out in the attached schedules (Appendix 2 attached), including the annual provisions set out in Appendix 10 of the report (Appendix 3 attached).

5. That the Finance Director be authorised to borrow on behalf of the County Council for the year ending 31 March 2004 such amounts as are required to meet approved capital expenditure within the limits of the basic and supplementary credit approvals received; the amounts to be borrowed for periods which will not result in the overall borrowing limit of £250 million being exceeded, and of which no more than £100 million shall be short term and 30% with variable interest rate terms.
6. That vehicles and equipment up to a value of £3.5 million be purchased by the County Council in the year ending 31 March 2003, the total cost of which to be financed by entering into operating lease agreements as defined by Regulation 20 of the Local Authorities (Capital Finance) Regulations 1997, with the County Council acting as lessee.

**PORTFOLIO: ENVIRONMENT**

**PROPOSED RESOURCE BUDGET 2003/04 – 2006/07**

**Chief Officer: Charlie Watson (01992 555200)**

**Chief Officer (designate): John Wood (01992 555203)**

**Contact for queries: Mike Collier (01992 556010)**

**APPENDIX 2 – CONTENTS**

- A Commentary
- B Revenue Budget 2003/04 – 2006/07 and Movement from Current Year's Budget
- C Pressures for Change
- D Savings

## COMMENTARY

- 1.1 This Appendix outlines details of the proposals for a revenue budget of £94.432 million (on a best value accounting basis).
- 1.2 The savings included in the proposals are summarised below with fuller details provided in the following appendices:

	<b>£'000</b>
<b><u>Full Year Effect of Previous Efficiencies</u></b>	
Single Status	11
<b><u>2003/04 Cashable Efficiency Savings</u></b>	
New Highways Contract	200
Household Waste Site Efficiencies	100
Replacement Waste Disposal Contract	50
Special Waste Services	30
<b>Sub-total for 2003/04</b>	<b>380</b>
<b>Total</b>	<b>391</b>

- 1.3 The efficiency savings shown above bring the total amount of cashable efficiencies found from the Environment budget over the last six years to more than £4.5 million, equivalent to over 6% of the current year's budget.
- 1.4 In addition to the cashable efficiencies, a further £2.0 million of non-cashable efficiency savings have been identified and these are shown in detail in appendix 1D. Taken together, the total new efficiencies next year come to £2.4 million or over 3%.

## **2.0 Local Transport Plan Settlement**

- 2.1 The County Council bids for Central Government support for highway maintenance and other capital schemes through the Local Transport Plan (LTP). The formal allocation of funds is made on an annual basis, with the announcement normally being made in mid December for the following financial year. The announcement for 2003/04 was received on 10 December.
- 2.2 The overall award, excluding major schemes, for Hertfordshire for 2003/04 is £22.109 million, a reduction of £1.427 million or 6% from the 2002/03 settlement. Within this sum the figure for Integrated Transport has increased by £1.22 million (9%) from £12.95 million to £14.17 million whilst the figure for maintenance has reduced by £2.65 million (25%) from £10.586 million to £7.939 million.
- 2.3 At its meeting on 19 December, Cabinet proposed increasing the budget for Environment by £2.65 million to make good this shortfall.

2.4 The Director of Environment will be submitting a report on the integrated highways works programme to Cabinet on 24 March 2003. The report will include schemes funded from revenue, general capital programme and the LTP. It would therefore be appropriate for the report to include a recommended allocation of the LTP settlement across schemes or programme areas after consideration of priorities, consultation with district councils and following advice from the Transport Panel.

**APPENDIX 2B**

**ENVIRONMENT REVENUE BUDGET 2003/04 – 2006/07  
AND MOVEMENT FROM CURRENT YEAR'S BUDGET**

	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2002/03 Original Budget</b>	<b>71,921</b>	<b>71,921</b>	<b>71,921</b>	<b>71,921</b>
Technical Adjustments 2002/03	18	18	18	18
<b>2002/03 Adjusted Budget</b>	<b>71,939</b>	<b>71,939</b>	<b>71,939</b>	<b>71,939</b>
Technical Adjustments 2003/04	474	474	474	474
Inflation	4,324	4,974	7,624	10,274
<b>Pressures for Change:</b>				
<i>Full Year Effect of Previous Efficiencies</i>				
1. Single Status	(11)	(18)	(18)	(18)
2. Household Waste Site Transport Costs	12	12	12	12
<i>Demographic Change</i>				
1. Domestic Waste Volumes	0	400	800	1,200
2. Bus Contracts	40	80	120	160
3. Road Length Increases	100	200	300	400
4. Dial-A-Ride – Increased Numbers	6	12	18	24
<i>Legislative Change</i>				
1. Selby Rail Inquiry – Risk Assessments	(86)	(86)	(86)	(86)
2. Government Inspection Requirements	80	80	80	80
3. Countryside & Rights of Way Act	174	274	274	274
4. Increased Publicity Regulations	50	50	50	50
5. Earlier Publication of BVPP	20			
<i>Other Pressures</i>				
1. Local Government Pension Scheme	103	103	103	103
2. Increments	123	123	123	123
3. Revenue Effects of Capital	34	34	34	34
4. Capital payback	193	193	193	193
5. Highway Tree Management Survey	21	(129)	(129)	(129)
6. Preparation for Transfer of Non-Core Trunk Roads	(29)	(79)	(129)	(129)
7. Home to School Transport Issues	112	155	155	155
8. Assimilation of Manual Workers Grades	2	3	3	3
9. Section 74 Income	125	125	125	125
10. Public Inquiries – Passenger Transport	(100)	(100)	(100)	(100)
11. Business Rates	6	13	13	13
12. LTP Shortfall	2,650			
<i>Cashable Efficiency Savings</i>				
1. New Highways Contract	(200)	(200)	(200)	(200)
2. Household Waste Site Efficiencies	(100)	(100)	(100)	(100)

**APPENDIX 2B (cont'd)**

3. Replacement Waste Disposal Contract	(50)	(50)	(50)	(50)
	2003/04	2004/05	2005/06	2006/07
	£'000	£'000	£'000	£'000
4. Special Waste Services	(30)	(30)	(30)	(30)
<b>2003/04 STANDSTILL BUDGET</b>	<b>79,982</b>	<b>78,452</b>	<b>81,598</b>	<b>84,794</b>
Capital Charges	14,450	14,450	14,450	14,450
<b>2003/04 BEST VALUE BUDGET</b>	<b>94,432</b>	<b>92,902</b>	<b>96,048</b>	<b>99,244</b>

**PRESSURES FOR CHANGE****Full Year Effect of Previous Efficiencies****1. Single Status**

Savings arising from the implementation of the single status package from 1 July 2000.	- £11,000	2003/04
	- £18,000	2004/05 onwards

**2. Household Waste Site Transport**

The current capital programme included the provision of a new household waste site at Waterdale which, when opened, would have resulted in a reduction in the amount of material that needed to be transported from surrounding household waste sites to Waterdale. The original plan was that the site would be opened in October 2002. However, the ground conditions and extent of the necessary drainage following detailed surveys of the existing services has meant that the project cannot be completed within currently available funds. A revised capital bid is being submitted for 2003/04.	+£12,000	2003/04 onwards
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**Demographic Changes****1. Domestic Waste Volumes**

The volumes of household waste that the County Council is obliged to dispose of each year continues to rise in common with all waste disposal authorities.	+ £400,000	2004/05
	+ £800,000	2005/06
	+ £1,200,000	2006/07

**2. Bus Contracts**

As the general population increases so does the demand on services that are supported by the County Council. This includes increases in school children who are subsidised by the Environment Budget using SaverCards.	+ £40,000	2003/04
	+ £80,000	2004/05
	+ £120,000	2005/06
	+ £160,000	2006/07

**3. Road length Increases**

With increases in residential developments, the length of roads that the County Council has a responsibility to maintain continues to grow each year. This item allows for a modest increase in the budget available to maintain these roads.	+ £100,000	2003/04
	+ £200,000	2004/05
	+ £300,000	2005/06
	+ £400,000	2006/07

**4. Dial-A-Ride – Increased Numbers**

With the increases in the number of elderly people in the population, comes an increase in the number of people entitled to use Dial-a-Ride.	+ £6,000	2003/04
	+ £12,000	2004/05
	+ £18,000	2005/06
	+ £24,000	2006/07

**Legislative Changes****1. Selby Rail Inquiry – Risk Assessments**

This item removes the one-off growth that was added to the budget in 2002/03.	- £86,000	2003/04 onwards
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## APPENDIX 2C (cont'd)

### 2. Government Inspection Requirements

The government has laid down revised specifications for the way in which road condition data measures are presented for the national compendium for condition indices. This government will use this information in determining annual funding arrangements.

	+ £80,000	2003/04 onwards
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### 3. Countryside & Rights of Way Act

Central Government planning provides for financing of new obligations under the CROW Act allocated to Highways Authorities via the SSA. In 2002/3 the rights of way service received £216,000 to help meet additional statutory responsibilities, largely associated with updating the Definitive Map. Subsequent regulations will come into force from 2003/4, including requirements to establish an Access Forum or Forums and publish an Improvement Plan. It is understood that the additional funding will again be made available to the County Council through the SSA.

	+ £174,000	2003/04
	+ £274,000	2004/05 onwards

### 4. Increased Publicity Regulations

The Traffic Commission, who regulates public transport provision, has introduced more stringent demands on operators' time keeping. As a result, individual operators are registering changes to services more regularly, which need to be reflected in HCC published travel guides to ensure that they are up to date and meet the standards set out in the recently adopted Intalink strategy.

	+ £50,000	2003/04 onwards
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### 5. Earlier Publication of the Best Value performance Plan

The requirement to publish the Best Value Performance Plan earlier in future will result in additional pressures falling on the Environment Department to ensure that data is gathered and checked to a much tighter time-scale. Efforts are currently underway to minimise the extra costs that will fall upon the County Council. However, obtaining the necessary information for at least one of the indicators will result in considerable extra work and additional costs of £20,000 will be incurred in 2003/04.

	+ £20,000	2003/04
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## Other Pressures

### 1. Local Government Pension Scheme

Estimated cost of the increase in employer's contribution to the local government pension scheme.

	+£103,000	2003/04 onwards
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### 2. Increments

This relates to the incremental progression of staff.

	+ £123,000	2003/04 onwards
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## APPENDIX 2C (cont'd)

### 3. Revenue Effects of Capital

These are the revenue consequences of undertaking capital works within the agreed capital programme. +£34,000 2003/04 onwards

### 4. Capital Payback

Payback associated with the general capital programme. +£193,000 2003/04 onwards

### 5. Highway Tree Management Survey

This is the second year of this activity made necessary by the County Council implementing its duty of care in respect of highway trees. More and more prominence is being given in insurance and other trade press to claims being made elsewhere as a result of damage caused by tree roots and falling branches. In order to refute a claim we would be expected to give details of when a tree was last inspected and this funding will allow us to complete the full review programme. The implementation of necessary remedial works identified by the survey may have budget implications in future years. +£21,000 2003/04  
- £129,000 2004/05 onwards

### 6. Preparation for Transfer of Non-Core Trunk Roads

This item removes the growth that was allowed in the budget in the current year to cover the transitional costs required to negotiate the transfer of newly de-trunked roads and other costs involved in managing the new network (such as data input, contract adjustments, dealing with ongoing public queries). - £29,000 2003/04  
- £79,000 2004/05  
- £129,000 2005/06 onwards

### 7. Home to School Transport Issues

Development pressures at Bishop's Stortford and Cheshunt, and the impact of parental choice in Buntingford, Royston, Potters Bar and South West Hertfordshire, require the County Council to arrange for additional school buses to be provided to ensure that pupils get to school. This item represents the net additional costs that fall upon the Environment Department. + £112,000 2003/04  
+ £155,000 2004/05 onwards

### 8. Assimilation of Manual Workers Grades

Costs arising from the assimilation of former manual workers onto the existing HCC grading scheme as part of the national single status agreement. + £2,000 2003/04  
+ £3,000 2004/05 onwards

### 9. Section 74 Income

As part of the budget last year a potential saving was identified from charges made to statutory undertakers who overstay their estimated duration for work carried out on the network under. It was reported that the measures were controversial and that they were likely to be challenged. Consequently it was extremely difficult to make an accurate prediction of the likely income levels. Whilst the County Council will continue to press for the charges to be paid where they are due, experience shows that we may have difficulty sustaining the currently budgeted level. +£125,000 2003/04 onwards

**APPENDIX 2C (cont'd)**

**10. Public Inquiries – Passenger Transport**

This item removes a temporary increase for the two years previously agreed. - £100,000 2003/04 onwards

**11. Business Rates**

Estimated additional costs arising from the 2000 revaluation of property for rating purposes. +£6,000 2003/04  
+£13,000 2004/05 onwards

**12. LTP Shortfall**

The LTP award for maintenance for 2003/04 was £2.65million below the level for 2002/3. At its meeting on 19<sup>th</sup> December 2002 Cabinet proposed that this sum be reinstated from County Resources +£2,650,000 2003/04

## SAVINGS

**Cashable Efficiency Savings****1. New Highways Contract**

A key priority in establishing Hertfordshire Highways (the new Highways Strategic Alliance) has been ensuring that year on year efficiency savings will be deliverable in the future. This has meant that the opportunities for such savings in 2003/04 have been reduced. However, even within these constraints it has still been possible to identify potential efficiency savings of £200,000 from 2003/04. This will be achieved by introducing a number of new working practices designed specifically to enhance performance, in particular those related to street lighting will make for more effective use of resource.

- £200,000 2003/04  
onwards

**2. Household Waste Site Efficiencies**

A combination of an adjustment to the current incentive scheme and tighter contract specification should produce efficiency savings of £100,000 per year and higher levels of recycling. This will be achieved by a combination of greater control over what is taken into the County Council's Household Waste Sites and a higher level of separation of recyclable wastes within the sites.

- £100,000 2003/04  
onwards

**3. Replacement Waste Disposal Contract**

The current contract for landfill disposal at Ugley in Essex terminates at the end of December 2002. In seeking a replacement, the opportunity has been taken to review the disposal arrangements for the north east of the County. In addition to securing a further five-year contract at Ugley, an additional contract has been taken for landfill at Milton, near Cambridge, at a lower gate price.

- £50,000 2003/04  
onwards

**4. Special Waste Services**

The County Council provides a service for the collection and disposal of small quantities of asbestos from households under the provisions of the Special Waste Regulations 1996. Waste arising from works of construction and demolition is 'industrial' and not 'household'. The County Council has no obligation to collect it and, therefore, measures have been put in place to restrict collection to only small quantities of asbestos. However, this saving could lead to an increase in fly-tipping.

- £30,000 2003/04  
onwards

## APPENDIX 2D (cont'd)

### Non-cashable Efficiency Savings

#### 1. Adshel Agreement

The County Council and eight of the district councils have signed a contract with Adshel that makes provision to provide and maintain bus shelters. Following a downturn in the advertising market the rate at which the shelters are being installed has been slower than originally anticipated. Consequently the non-cashable efficiency saving originally included in the 2002/03 budget is now unlikely to be achieved. However, latest estimates from Adshel are that more installations should be achieved in 2003/04 and beyond. It is estimated that the County Council would have needed to find £1,700,000 if the anticipated provision to be implemented in the coming year was provided directly.

- £1,700,000 2003/04

#### 2. Fridge Disposal

Since January 2002, the County Council has had a responsibility to ensure that household fridges are disposed of in an 'environmentally friendly' manner and that ozone depleting gases are captured and removed safely. In order to obtain the best long-term price for this service, it was decided to enter into a temporary short-term agreement with our then current contractor to allow the market a little time to mature. As a result, the County Council is now paying over £400,000 per year less than many other authorities for a similar service. £115,000 of the saving was identified as part of a review of the 2002/03 efficiency savings, with a further £300,000 anticipated in 2003/04 and beyond.

- £300,000 2003/04  
onwards

**PROPOSED CAPITAL PROGRAMME 2003/04 – 2005/06  
ENVIRONMENT**

<b>Scheme</b>	<b>Total Scheme Cost £'000</b>	<b>2003/04 £'000</b>	<b>2004/05 £'000</b>	<b>2005/06 £'000</b>	<b>Subsequent Years £'000</b>
<b><u>General Programme Schemes</u></b>					
Baldock Bypass <sup>1</sup>	750				750
Digitising the Highway Boundary	95	31	32	32	
ICT Set Up Costs of New Highways Offices	175	175			
Provision of Disabled Crossing Point Facilities	150	150			
Household Waste Recycling Centres/South West Herts <sup>2</sup>	1,600	185			
Rights of Way – Maintaining Statutory Duty	961	200	121	100	540
Aldenham Dam	220	220			
Structural Maintenance – Non Principal Roads	3,700	2,400	550	250	500
Aldenham Country Park – Health & Safety & DDA Improvements	75	75			
Harpenden Household Waste Site	650	300	350		
Securing Major LTP Funding	600	100	100	100	300
<b><u>Externally Funded Schemes</u></b>					
See note <sup>3</sup> below					
<b>Total General Programme</b>	<b>8,976</b>	<b>3,836</b>	<b>1,153</b>	<b>482</b>	<b>2,090</b>

**Notes**

- <sup>1</sup> The total scheme cost for the By Pass is in excess of £40 million – This sum is the possible County Council contribution.
- <sup>2</sup> This scheme was previously agreed at £735,000. However, the lack of suitable drainage facilities in the area surrounding the site, and poorer than envisaged ground conditions mean that this sum is no longer sufficient. The sum previously approved could be carried forward (subject to member approval) to add to the amount now being bid for to meet the total revised estimated cost.
- <sup>3</sup> The 2003/04 Local Transport Capital Expenditure Settlement was not received until 10 December and as a consequence has not been included in this report. As there will be insufficient time to review the settlement and consult with district councils before Cabinet on 27 January 2003, it is suggested that the Environment Scrutiny Committee and Transport Panel analyse the LTP and that the Director of Environment includes a recommended allocation in his report to the March meeting of the Cabinet on the Integrated Works Programme.

## Capital Programme: Annual Provisions

Service Priority Band	Scheme Description and Location	Individual Projects over £50,000?	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000	Subsequent Years £'000
<b>ENVIRONMENT</b>							
	Sustainable Transport Policies	No (See note 1)	1,117	1,117	1,117	1,117	1,117
	Waste Management - Household Waste Site Improvements	No (See note 2)	125	125	125	125	125
	Environmental Management	No	74	74	74	74	74
<b>Service Total</b>			<b>1,316</b>	<b>1,316</b>	<b>1,316</b>	<b>1,316</b>	<b>1,316</b>

Notes:

1. This budget is used to contribute towards larger schemes that are part financed through the Local Transport Plan. Whilst individual projects are often over the £50,000 'limit', contributions from this budget to each scheme are not.
2. This budget is usually used to fund minor improvements of less than £50,000 each at the County Council's 19 Household Waste Sites. However, it is occasionally used to contribute towards more significant developments as and when opportunities arise.



**ALLOCATION OF 2003/04 LTP SETTLEMENT  
Report to Transport Panel 14 January 2003**

Author: Trevor Mason 01992 556193

**1. Purpose of Report**

The purpose of this report is to consider how the 2003/04 Local Transport Plan block allocations should be allocated to the individual programmes.

**2. Background**

The Local Transport Plan (LTP) funding is based on a five year financial programme, but the actual settlement is announced on an annual basis. The Department for Transport (DfT) provide block allocations for “Integrated Transport” and “Maintenance”, and it is up to the County Council to decide how these should be allocated to the 12 Integrated Transport and 2 Maintenance programmes.

The County Council’s indicative programme for the remaining three years of the LTP are set out in the LTP Annual Progress Report published in July 2002.

The settlement for 2003/04 was announced by DfT on 10 December 2002, and details were presented to the Transport Panel on 19 December 2002.

**3. The 2003/04 Settlement**

The 2003/04 settlement for Integrated Transport is £14.17 million. This is £1.22 million more than the 2002/03 settlement, and £2.07 million more than expected for 2003/04.

The 2003/04 settlement for Maintenance is £7.939 million, which is the minimum level previously guaranteed by DfT. However, this is £2.647 million less than the settlement for 2002/03.

The County Council is technically free to transfer funds between the two block allocations. However, taking funds from the Integrated Transport allocation may have an adverse effect on future settlements. The County Council has previously transferred money to the Maintenance block to deal with the effects of flood damage, and the latest settlement letter urges the County Council “to ensure that the shortfall is made up from other sources in future years”. This paper therefore assumes that the ring-fencing of the two block allocations will be maintained.

#### 4. Integrated Transport

The proposed 2003/04 – 2005/06 programme for Integrated Transport is set out in the Annual Progress Report and is reproduced below:

Table 1 Allocation to Integrated Transport Programmes as at July 2002

Programme	Allocation (£'000)		
	2003/04	2004/05	2005/06
South West Hertfordshire	1200	700	700
Lea Valley	1635	1370	1295
Mid Hertfordshire	1205	1205	1525
Northern Hertfordshire	500	1700	1150
Eastern Hertfordshire	500	500	480
West Hertfordshire	390	550	685
Safety	1555	1540	1705
LEARN	580	575	640
Rural	915	900	900
Cycling	750	905	750
Passenger Transport Infrastructure	1560	1505	1915
Urban Plans	1310	900	855
<b>TOTAL</b>	<b>12100</b>	<b>12350</b>	<b>12600</b>

The variations in funding for the Area Plans reflect the fact that South West Hertfordshire and Lea Valley are beginning to reach completion, whilst Mid Hertfordshire and Northern Hertfordshire are currently being developed. The additional funding for Northern Hertfordshire in 2004/05 provides for two large projects to provide pedestrian and cycle crossing improvements to Hitchin and Royston railway stations.

The 2003/04 settlement provides £14.17 million compared to the £12.100 million shown above, and therefore there is an additional £2.07 million to be allocated. It has to be assumed at this stage that the future settlements for 2004/05 and 2005/06 will be as shown above.

The proposed allocation of the additional £2.07 million is set out in the table overleaf. Information on how these figures have been arrived at are shown in Appendix 1.

Table 2 Proposed Allocation of Additional 2003/04 Settlement

Programme	(£'000)	
	Proposed change from 2002 APR	Proposed 2003/04 allocation
South West Hertfordshire	+65	1265
Lea Valley	+126	1761
Mid Hertfordshire	+196	1401
Northern Hertfordshire	+260	760
Eastern Hertfordshire	+145	645
West Hertfordshire	+205	595
Safety	+70	1625
LEARN	+30	610
Rural	+35	950
Cycling	+80	830
Passenger Transport Infrastructure	+335	1895
Urban Plans	0	1310
Croxley Rail Link	+523	523
<b>TOTAL</b>	<b>+2070</b>	<b>14170</b>

## 5. Maintenance

The recommended allocation of the Maintenance block to the carriageway and bridge programmes will not be made until after Environment Scrutiny Committee have considered implications of the funding shortfall.

## 6. Issues for the Panel to Consider

The Panel are asked to agree the proposed allocation to the Integrated Transport programmes as set out in Section 4.

## 7. Decision Making Process

The recommendations of the Panel will be reported to Environment Scrutiny Committee on 21 January 2003 as part of their considerations of the overall Environment budget. The final budget decisions will be made by Cabinet.

## Appendix 1

Table A1 Comparison of Five Year Funding

	<b>2001 APR</b>	<b>2002 APR</b>	<b>Change</b>
South West Hertfordshire	5660	5595	-65
Lea Valley	7990	7375	-615
Mid Hertfordshire	6255	5395	-860
Northern Hertfordshire	3520	3965	+445
Eastern Hertfordshire	2400	2260	-140
West Hertfordshire	2670	2465	-205
Safety	8655	8655	n/c
LEARN	3065	3065	n/c
Rural	3400	3365	-35
Cycling	4345	3775	-570
Passenger Transport Infrastructure	8675	8340	-335
Urban Plans	4915	4625	-290
<b>TOTAL</b>	<b>61550</b>	<b>58880</b>	<b>-2670</b>

Change between programme set out in 2001 Annual Progress Report and that shown in 2002 reflects:

- (a) £2.5 million of Integrated Transport allocation transferred to Maintenance in 2001/02 to address flood damage;
- (b) Additional £0.95 million awarded to Integrated Transport in 2002/03 settlement;
- (c) Funding provided to Croxley Rail Link in 2001/02 and 2002/03.

Table A2 Proposed Allocation of Additional 2003/04 Settlement

	<b>Change</b>	<b>Suggested Additional 2003/04 funding</b>	<b>Comments</b>
South West Hertfordshire	-65	+65	Restores 5 year funding level.
Lea Valley	-615	+126	Begins to restore 5 year funding level, but current reserve list for 2003/04 delivery cannot meet all of the shortfall.
Mid Hertfordshire	-860	+196	Area Plan development not due to be completed until end of 2003 and therefore it is not geared up to significant extra scheme delivery. However reserve schemes of £196,000 could be delivered.
Northern Hertfordshire	+445	+260	Enables Stevenage Safer Routes To School project to be delivered. This will be the only 2003/04 Integrated Transport project in Stevenage.
Eastern Hertfordshire	-140	+145	Enables implementation of advanced measures associated with Wadesmill Bypass and development of East Herts parking strategy.
West Hertfordshire	-205	+205	Enables decriminalised parking enforcement to be implemented in Dacorum, and Berkhamsted schemes to be delivered.
Safety	n/c	+70	Brings 2003/04 funding up to 2002/03 level.
LEARN	n/c	+30	Brings 2003/04 funding up to 2002/03 level.
Rural	-35	+35	Restores 5 year funding level and enables St Paul's Walden SRTS to be delivered.
Cycling	-570	+80	Brings 2003/04 funding up to 2002/03 level.
Passenger Transport Infrastructure	-335	+335	Restores 5 year funding level.
Urban Plans	-290	0	Borehamwood and Radlett plans need refreshing. Substantial S106 funding available for Borehamwood.
Croxley Rail Link		+523	To fund preparatory work in advance of a decision of Major scheme funding.
<b>TOTAL</b>	<b>-2670</b>	<b>+2070</b>	