

Environment and Infrastructure Quarter 3 2022/23 Financial Position

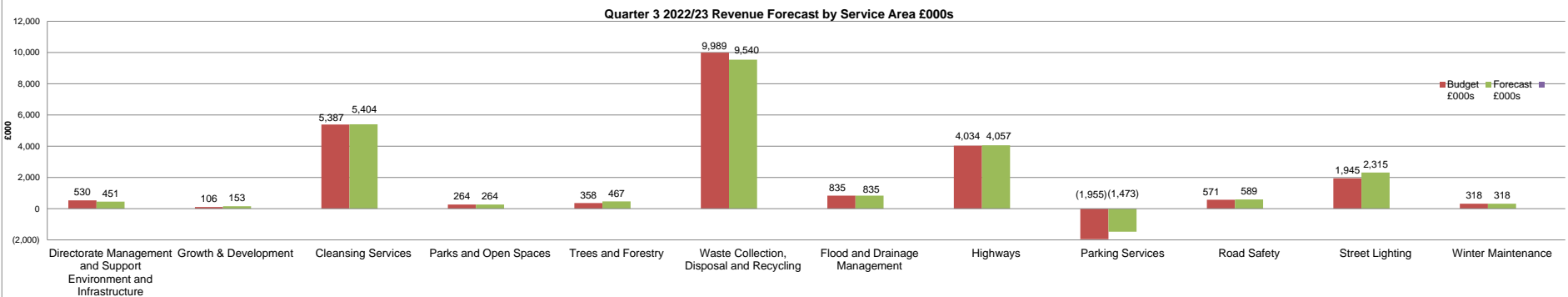
Decisions Recommended;

1. Note and endorse the financial position below

Economy and Infrastructure Directorate Position

The context of this Cabinet portfolio position is taken into account within the whole of the Economy and Infrastructure Directorate which is currently forecasting a balanced position after the use of £1.667million Covid Emergency Grant and £265,000 from the Economy and Infrastructure General Contingency reserve.

1. 2022/23 Revenue Position Current Forecast £538,000 Adverse Variance



2. Explanations for significant Revenue Variances

Service Area	Budget £000s	Forecast £000s	Total Forecast Variance £000s	Comments
Directorate Management and Support Environment and Infrastructure	530	451	(79)	Portion of Economy and Infrastructure Directorate Management Variance relating to this portfolio. Variance mainly due to forecast contribution required from E&I risks to balance net Covid impact costs.
Growth & Development	106	153	48	Mainly due to latest income forecasts being lower than originally budgeted for.
Cleansing Services	5,387	5,404	16	Due to Strategic Environment Contract fuel and staffing cost increases being higher than budgeted as a result of inflationary pressures on 2022-23 costs.
Parks and Open Spaces	264	264	0	Nil variance forecast.
Trees and Forestry	358	467	110	Due to initial targeted contract saving not being deliverable at this stage due to impact of Strategic Environment Contract fuel and staffing cost increases being higher than budgeted as a result of inflationary pressures on 2022-23 costs.
Waste Collection, Disposal and Recycling	9,989	9,540	(449)	Mainly due to lower forecast Dry Mixed Recycling costs than budgeted as a result of recent upturns seen in the materials commodity price markets, which are partly offset by Strategic Environment Contract fuel and staffing cost increases being higher than budgeted as a result of inflationary pressures on 2022-23 costs.
Flood and Drainage Management	835	835	0	Nil variance forecast.
Highways	4,034	4,057	23	Due to lower forecast Highways Licences income from Pavement Café licences as a result of temporary lower licence fee arrangements being in place and activity still being below pre-covid pandemic levels.
Parking Services	(1,955)	(1,473)	482	Consisting of lower forecast Car Parking income with activity still significantly below pre-Covid pandemic levels with forecast variance of +£368k (after taking into account of £1.625million of Emergency Covid grant funding), +£114k forecast pressures on Car Parks expenditure running costs consisting of increased electricity costs and contract pressures, increased insurance costs and some one-off remedial works required in-year.
Road Safety	571	589	18	Due to forecast electricity cost pressures on the Urban Traffic Control infrastructure as a result of increased prices.
Street Lighting	1,945	2,315	370	Due to forecast electricity cost pressures on the Street Lighting infrastructure as a result of increased prices.
Winter Maintenance	318	318	0	Nil variance forecast.
Total	22,383	22,921	538	

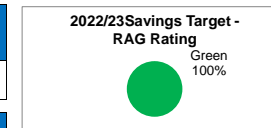
3. 2022/23 Capital Position

Schemes	On Site Status	Budget £000s	Forecast £000s	Variance £000s	Comments	Expected Completion
GROWTH PROGRAMMES MINOR SCHEMES	IN PROGRESS	81	75	(6)	Residual remaining funding to be allocated to other suitable projects.	On-going
KINGSHURST VILLAGE CENTRE CAPITAL	IN PROGRESS	2,955	3,767	812	This is a major project which is expected to span a number of years. The costs included here relate to the acquisition of land and buildings, and site assembly works. The current +£812,000 variance relates to the addition of the Pre-Construction Services Agreement (PCSA) works - which it has been agreed will be funded from reserves +£805,000; and expenditure originally forecast for 2023-24 being brought forward +£7,000, however this is subject to further change as the next steps for the project are determined. Furthermore the overall value of the project included in the programme is expected to increase as it progresses and approvals are obtained.	Current (Acquisitions) Phase 2022/23 Project Delivery 2026/27
UGC HS2 NEC LONGABOUT	IN PROGRESS	1,097	85	(1,012)	Works to provide additional capacity to the Longabout to allow for aspirations for development around the HS2 hub to be realised. This is a major project which is expected to span a number of years, unfortunately the timescales for the delivery of main construction works has slipped as a consequence of the increased costs of delivery as whilst the WMCA have agreed these can be funded from savings on the Roundabout over Trace (RoT) scheme (with the RoT funding having already been reduced to reflect this), this is conditional on the Multi Storey Car Park (MSCP) proceeding (which will not be confirmed until mid-2023). An update to the capital programme is pending which will rephase the current £1.012million variance to future years.	2024/25
UGC HS2 NEC ROUNDABOUT OVER TRACE	IN PROGRESS	8,597	1,895	(6,702)	Works to provide additional capacity to the roundabout to allow for aspirations for development around the HS2 hub to be realised. This is a major project which has spanned a number of years and is now nearing completion, however substantial funding is still being held as contingency. The current (£6.702million) variance is to be rephased to future years (an update to the capital programme is pending for this), however the expectation is that a significant proportion of the funding will not be required and will instead be released to fund other priorities around the HS2 development site in future years.	2023/24
BROWN BIN REPLACEMENT	IN PROGRESS	86	86	0	Reflecting projected 2022-23 costs of replacing defective brown bins.	
PLANTING FOR THE FUTURE & HEALING WOOD	IN PROGRESS	172	109	(63)	Consisting of; Planting for the Future Tree planting programme across the borough which is mainly funded from the Leaders Placemaking Fund with 2022-23 budget of £130,000 and the Healing Wood element with phase 1 in Shirley South Ward and funded from the Leaders Placemaking fund with £42,000 funding being carried forward from 2021-22. Costs committed and expected to be incurred in 2022-23 for both schemes are £109,000 with remaining funding to be carried forward into 2023-24.	On-going
SUB REGIONAL MATERIAL RECYCLING FACILITY	IN PROGRESS	4,314	4,314	0	Element of SMBC Contribution to set up costs of new Sub-regional MRF at Sherbourne which is scheduled to open later in 2023.	2023/24
SHIRLEY SKATE PARK	IN PROGRESS	86	86	0	New scheme part funded from S106 contributions to be spent on the supply and installation of new equipment at Shirley skate park.	2022/23
TUDOR GRANGE PARK LAYOUT	COMPLETE	50	50	0	Remaining balance on original scheme to be spent on the supply and installation of new skate park equipment	Complete
SEC AUTHORITY FINANCED VEHICLES AND EQUIPMENT	IN PROGRESS	10,483	10,414	(69)	Authority Financing element of new SEC contract vehicles and Equipment. Reflecting some net minor differences on some vehicles with some final costs being lower than original quotes due to them reflecting updated market prices. Forecast subject to final confirmation on some remaining vehicles to be invoiced.	2022/23
A45 BRIDGE	COMPLETE	233	0	(233)	Scheme complete - remaining funding for monitoring and legal fees including contingency for further Road Safety Audit follow up requirements.	Complete
BLYTHE VALLEY PARK CYCLE ROUTE	IN PROGRESS	750	300	(450)	Design and construction of the A34 Cycle Gateway and Cycle Link to Monkspath, and Cycle Link to Dorridge, through Blythe Valley. Although this scheme is progressing it will not be complete by the end of the financial year and so remaining funded is to be rephased into next financial year to fund its completion.	2023/24
BLYTHE VALLEY ROUNDABOUT MONKSPATH HALL RD	IN PROGRESS	380	0	(380)	Although the Monkspath Hall / Stratford Road Roundabout scheme was originally scheduled to commence in 2022/23 this scheme will now take place from 2023/24 with budgeting funding to be rephased into next financial year.	2023/24
BRIDGE ASSESSMENTS	IN PROGRESS	233	233	0	Other Bridges and Structures Programme for 2022/23 with Fillongley Road being a separate scheme. Bridge schemes within this have been delayed due to the focus on Fillongley Road Bridge with re-prioritisation in this financial year enabling for £574,000 to be made available to fund the additional pressures identified on the Fillongley Road Bridge project for 2022-23. Budget movement of (£574,000) approved at 4 October Cabinet Member meeting with budget updated to reflect projected costs.	2022/23
CAR PARKING DISPLACEMENT	IN PROGRESS	50	50	0	Funding for approved Car Parking Displacement programme in 2022/23.	2022/23
CARRIAGEWAY MAINTENANCE (INCLUDING CONTRACT MANAGEMENT/SUPERVISION FEE)	IN PROGRESS	3,106	3,106	0	Planned Highways Capital Maintenance Programme for 2021/22 including contract management and supervision fee.	2022/23
COMMUNITY LIVEABILITY	IN PROGRESS	276	276	0	Implementation of Community Liveability Schemes within the approved programme for 2022/23.	2022/23
DEFRA 2 FOOTPATH A45 TO NEC	IN PROGRESS	63	63	0	Construction of a footpath from A45 to NEC. Funded from DEFRA 2 grant.	2022/23
GREENING THE GREY HIGHWAYS	COMPLETE	125	125	0	Highways - ERDF, Government, WMCA funded multi year programme to create green corridors across the borough. Shared cycle routes element of programme. Scheme complete with remaining budget as contingency to fund requirements from Road Safety Audit and any other emerging post implementation items.	2022/23
GREENING THE GREY SMALL GRANTS	IN PROGRESS	691	872	181	GBSLEP (Greater Birmingham and Solihull Local Enterprise partnership) Habitats Grants Programme grants available to approved projects across the GBSLEP area to improve the habitat value of land and water for people and wildlife. ERDF (European Regional Development Fund) element of funding for the Small Habitats Grants projects. The Forecast variance reflects that the programme is to now complete at the end of 2022/23 rather than in early 2023/24 with funding originally profiled for 2023-24 to be brought forward.	By June 2023

FILLONGLEY RD BRIDGE	COMPLETE	3,123	3,123	0	Scheme to refurbish the Fillongley Road Bridge, funded from a combination of Local Highways Maintenance Challenge Fund grant and LTP/CRSTS (Local Transport Plan/City Region Sustainable Transport Settlement). Budget movement of +£574,000 (from Bridge Assessments budget) approved at 4 October Cabinet Member meeting with budget updated to reflect projected costs.	2022/23
FLOOD MITIGATION SCHEMES AND RISK MODELLING	IN PROGRESS	1,880	826	(1,054)	Scheme for the delivery of measures to reduce the risk of future flooding at locations in Dorridge and Hockley Heath. Plus schemes in New Road and Park Avenue carried forward from 2021/22. Variance is reflecting updated forecast activity and costs position of £826,000 for 2022-23 with remainder of budgeting funding (£1.054million) to be re-phased into 2023-24 which will be year 2 of the overall 2 year programme for the agreed Flood mitigation schemes.	2022/23
HIGHWAY DRAINAGE CAPITAL	IN PROGRESS	166	166	0	Planned Capital Drainage works programme in 2022-23.	2022/23
HIGHWAYS MANAGEMENT	IN PROGRESS	573	474	(99)	Includes various Highways Management minor schemes such as Traffic Regulation Orders, Speed Limit Review, School Streets Project, Digital Speed Camera, Shirley Iceland Car Park and other Traffic Calming Management projects. Forecast variance due to majority of Shirley Iceland Car Park works to be rescheduled to 2023/24 with funding to be realigned to reflect this.	2022/23
IMPROVED STREET LIGHTING	IN PROGRESS	504	504	0	Planned capital improvements to Street Lighting during 2022-23.	2022/23
UTC DEVELOPMENT	IN PROGRESS	334	334	0	Planned upgrade of traffic management systems during 2022-23.	2022/23
WALKING AND CYCLING EATF TRANCHE2	IN PROGRESS	648	648	0	Programme of Cycling and Walking Measures funded from the Active Travel Fund grant and a match funding contribution.	2022/23
STRATEGIC LAND FUND AND DICKENS HEATH INFRASTRUCTURE	IN PROGRESS	258	198	(60)	Strategic Land funding and funding for Dickens Heath Infrastructure (in relation to road adoptions). Forecast variance as a result of funding rephased into 2023-24 to support match funding for emerging funding bids.	On-going
SMBC SMALL HABITATS GRANTS PROJECTS (BEES AND TREES, NEWTS AND SHOOTS, FROGS AND LOGS, HEDGES AND SEDGES, ALDERBROOK)	IN PROGRESS	897	897	(0)	The SMBC funded elements as part of the ERDF Small Habitats Grant nature improvements. Budgets have been updated to reflect available funding for the Small Habitats Grants projects.	On-going
Total		42,210	33,074	(9,136)		

4. 3 Year Savings Targets £000s

Description of Target	2022/23 £000s	2023/24 £000s	2024/25 £000s	Comments
Review of back office functions across the Directorate	(18)			Currently on track to deliver savings target.
Total	(18)	0	0	



5. Reserves

	Balance as at 31st March 2022	Planned / Forecast (contribution)/use			Forecast Balance as at the end of 2024/25	Forecast / Planned (contribution) /use beyond 2025/26	Proposed as part of 2025/26 MTFS	Forecast Remaining Balance
		2022/23	2023/24	2024/25				
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Reserve balance	(7,158)	1,293	1,389	939	(3,537)	3,537	19	0