ABSTRACT
This report updates members on the current position concerning expenditure to date and projected year end spend on winter maintenance.

1  RECOMMENDATIONS
1.1 It is recommended that the Council:

   (i) notes the content of this report;

   (ii) notes the Scottish Government additional funding provision of £15 million (£464,000 for Angus Council) and supports the COSLA bid for further Scottish Government funding to deal with the financial impact of the extreme weather; and

   (iii) notes that the projected overspend will be accommodated within the Infrastructure Services department overall budget, including renewal and repair fund resources (supplemented by the £464,000 Scottish Government funding) and under spends on corporate budget provisions within the 2010/11 Other Services revenue budget.

2  BACKGROUND

2.1 The extreme weather throughout the UK during late November and December of 2010 had a significant impact on public services across the county, with the biggest impacts being on roads and transport services.

2.2 The Council meeting on the 21 December received an update on expenditure which confirmed that the Council’s annual winter maintenance budget had already overspent by £600,000, but that other Council services were continuing to be delivered within budgets and that an updated position would be reported to this meeting of the Council. Whilst the weather in January has not been as extreme as December the weather has required regular action to treat roads.

2.3 The Scottish Government has recognised that it would not be possible for local authorities to carry the full financial burden and has allocated an additional £15M of funding to deal with winter maintenance and emergency pothole repairs. Angus Council’s share of this funding initially thought likely to be around £400,000 has since been confirmed as £464,000.

2.4 COSLA has considered the financial implications of the winter weather across the country and believes the impact will be far greater therefore it is pressing the government for additional funding.

2.5 Emergency pothole repairs are continuing in accordance with the Council’s agreed policies. Whilst it is not possible at present to assess the impact of the weather on the long term condition of the road network it is currently estimated that there will be an overspend of £100,000 on emergency patching / pothole repairs in addition to the projected overspend on winter maintenance activity itself.
3 | FINANCIAL IMPLICATIONS

3.1 | Previously Reported Projected Outturn (report 65/11 refers)
The Corporate Services Committee on 27 January 2011 considered a report on revenue monitoring/projected outturn statement for 2010/11, which estimated the overspend on winter maintenance as £1,895,000 based on spend to early January and assuming an average winter for the intervening period to 31 March 2011. After allowing for a contingency sum of £305,000 to cover any severe weather period, a total projected winter maintenance overspend of £2,200,000 was estimated. In this report it was assumed Angus Council would receive £400,000 from the extra £15 million provided by the Scottish Government. After allowing for compensating Roads budget adjustments and other divisional underspends from within Infrastructure Services, the projected departmental overspend is reduced to £371,000, which it was agreed should be funded from underspends on corporate provisions within the 2010/11 Other Services revenue budget.

3.2 | Updated Projected Outturn
The Roads division is now projecting a gross overspend of £1,967,000 on winter maintenance based on the estimated current position to end January and cost projections to the financial year end based on past trends. However, having regard to the severity of the recent winter weather and the prospect of more to come it is considered prudent to allow for a further £297,000 overspend risk which would result in a projected winter maintenance overspend of £2,264,000 for 2010/11.

3.3 | As has been the case in past years the situation has been proactively managed to identify a number of compensating funding options to offset this projected overspend on winter maintenance. These funding options set out below comprise:

1. £100,000 - due to additional capital fee income.
2. £100,000 - underspend on Lighting third party works costs.
3. £500,000 - the Roads 2010/11 capital plan is currently showing managed slippage of £250,000 on supplementary capital projects and £250,000 on carriageway & footway reconstruction projects. This £500,000 slippage can be used to fund £500,000 of 2010/11 Capital Financed From Current Revenue (CFCR) works which allows the release of £500,000 revenue budget resources.

Note: applying 2010/11 supplementary & capital slippage of £500,000 in 2010/11 will have a significant consequent impact onto the Roads capital programme in 2011/12 since these slipped works will now require to be funded from within the resources available to Roads in 2011/12.

4. £160,000 - retained winter maintenance contingency within the Roads and Transport Renewal and Repairs Fund.
5. £100,000 – utilise the de minimis balance with the Roads and Transport Renewal and Repairs Fund.
6. £100,000 - the release of a proportion of the accrued provision currently provided for A92 land assembly payments that is now not required.
7. £464,000 – confirmed allocation from the £15 million of Scottish Government additional resources in respect of winter maintenance costs and emergency pothole repairs.

3.4 | As detailed above, the Council has now received confirmation from the Scottish Government that our allocation of the additional £15 million will be £464,000 which is £64,000 higher than the £400,000 previously assumed (Report 65/11 refers). These additional monies could be used to reduce the current level of projected net overspend and the subsequent call on corporate budget provisions in Other Services underspends. However, in view of the ongoing
uncertainty with regard to the winter maintenance spend in the current financial year these resources (£64,000) have been included in the winter maintenance contingency provision.

3.5 The corrective action by the Roads division noted above will provide £1,524,000 of funding to address the projected winter maintenance underspend and thus results in no change to the previously reported net projected overspend on the Roads 2010/11 revenue budget of £740,000.

3.6 This projected net Roads overspend of £740,000 already accounts for £100,000 of additional emergency pothole repairs projected to be undertaken in the current year. However, greater instances of potholes are not likely to be the only impact on the roads network due to the severe weather and more significant infrastructure repairs will be necessary. The full impact and cost cannot be fully assessed until the end of the winter period.

3.7 Infrastructure Services Departmental Summary

The Special Infrastructure Service Committee meeting later today will consider a budget monitoring report, which details that after taking account of the net £740,000 projected overspend on the Roads division, overall the Infrastructure Services department is anticipated to be overspent by £313,000 in 2010/11 on their revenue budget. After accounting for approved 100% carry forward requests of £58,000 for Economic Development, the gross departmental overspend rises to £371,000.

3.8 Report 65/11 confirmed that this overspend will be met from projected underspends on corporate provisions within the 2010/11 Other Services revenue budget. Appendix 1 provides members with further information in respect of winter maintenance overspends and the options agreed to meet the additional cost.

4 HUMAN RIGHTS IMPLICATIONS

4.1 There are no Human Rights implications arising from this Report.

5 EQUALITIES IMPLICATIONS

5.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An equalities impact assessment is not required.

6 CONSULTATION

6.1 The Director of Infrastructure Services, Director of Corporate Services, Head of Finance and Head of Law & Administration have been consulted in the preparation of this report.

7 CONCLUSION

7.1 The projected gross winter maintenance outturn has increased by £64,000 reflecting the additional Scottish Government grant received. However, this has been fully utilised within the updated contingency provision and the other funding options approved in report 65/11 to Corporate Services Committee on 27 January 2010 remain unchanged.

DAVID SAWERS
CHIEF EXECUTIVE
NOTE:

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.