

Coast to Capital Board meeting No. 32 17 November 2016	Ref No. 32.14
Report Title: Growth Deal Surrey Schemes Decision Paper	
Report by: Hayley Shepherd	
Presented by: Anthony Middleton	
Recommendations: <ol style="list-style-type: none"> 1. The Board approve the permanent virement request between Epsom Plan E and the A24 Resilience. 2. The Board approve the virement between year requests for Epsom Plan E to Wider Network Benefits and Redhill STP. 	

Surrey County Council Transport Scheme Virements

Surrey County Council are proposing a number of virements across their scheme programme to enable the management of Local Growth Fund (LGF) underspend on Epsom Plan E. The reason for this underspend for the 16/17 financial year is both because of difficulties and delays in obtaining agreements for the final designs with key stakeholders and because of delays to construction due to Christmas road works embargo. This means that the scheme is likely to spend £1,360,000 less in 16/17 than profiled.

The virements are a proactive measure to ensure that overall Surrey's 2016/17 draw down will remain broadly in line with their overall forecast whilst ensuring all of the Growth Deal projects and outputs remain on track to deliver as per their funding agreements.

In recognition of the funding flexibilities available to them, Surrey County Council are requesting to make the following virements which are a combination of between year and permanent virements.

- To vire £530,000 of LGF from Epsom Plan E to Greater Redhill in 16/17 increasing the spend on this project in this year to
- To vire £75,000 of LGF from Epsom Plan E to Wider Network Benefits in 16/17
- To permanently vire £600,000 from Epsom Plan E to A24 Resilience in 16/17. This additional £600,000 on A24 would replace their local contribution and similarly for Epsom the £600,000 reduction of LGF would be met by an increase in their local contribution.

Any changes to the funding profiles for this year would also then have an impact on the profiles for next year. An overview of these changes is provided overleaf.

If agreed, this request will reduce the slippage for this financial year on Epsom Plan E by £1,205,000 still leaving £155,000 of underspend. If nearer to the end of the financial year it does in fact look like this underspend has materialised,

Surrey County Council will look to utilise the flexibility protocol and apply it to their wider capital programme, subject to agreement from the Pillar Board and Accountable Body.

Scheme		2015/16 £	2016/17 £	2017/18 £	Total £
Epsom Plan E	Original LGF Drawdown	300,000	1,860,000	540,000	2,700,000
	Revised LGF Drawdown	300,000 (of which £100k paid flexibly)	500,000 (£600k spend required)	1,300,000	2,100,000
Variance		0	-1,360,000	+760,000	-600,000
Wider Network Benefits	Original LGF Drawdown	1,200,000	1,350,000	450,000	3,000,000
	Revised LGF Drawdown	1,200,000 (of which £1,070k pd flexibly)	1,425,000 (£2,495k spend required)	375,000	3,000,000
Variance		0	+75,000	-75,000	0
Greater Redhill STP	Original LGF Drawdown	570,000	750,000	2,355,000	3,675,000
	Revised LGF Drawdown	570,000	1,280,000	1,825,000	3,675,000
Variance		0	+530,000	-530,000	0
A24 Resilience	Original LGF Drawdown	3,210,000	700,000	0	3,910,000
	Revised LGF Drawdown	3,210,000 (of which £1,675k pd flexibly)	1,300,000 (£2,975k spend required)	0	4,510,000
Variance		0	+600,000	0	+600,000
Total	Total original LGF Drawdown	5,280,000	4,660,000	3,345,000	13,285,000
	Total revised LGF Drawdown	5,280,000	4,505,000	3,500,000	13,285,000
Total Variance		0	-155,000	+155,000	0

Points to consider

- Collectively across both Epsom Plan E and the A24 the local contribution from Surrey County Council towards both schemes remains the same it does in effect result in a 61% local contribution for Epsom Plan E and a 2% local contribution for the A24. The Local Transport Body (LTB) had approved these schemes on the basis of a 25% contribution to Epsom Plan E and 14% on the A24. As per the Governance paper and if agreed, the LTB will soon dissolve meaning that it will be for the Board to decide on this permanent virement.
- Both schemes will deliver the same outputs as signed up to within the funding agreements
- The LGF spend on both schemes will still be for capital expenditure
- That the required spend in 16/17 for Epsom Plan E, Wider Network Benefits and the A24 is in fact higher than the profiled drawdown because they are reporting on expenditure in which funding was applied flexibly in 15/16 (shown in the brackets in the table above).

This request has been agreed by the Accountable Body, who have also confirmed that a deed of variation to the funding agreement for both Epsom Plan E and the A24 Resilience will be required.

Recommendation

2. The Board agree to fund the A23 Resilience ahead of the new call for bids.
3. The Board approve the permanent virement request between Epsom Plan E and the A24 Resilience.
4. The Board approve the virement between year requests for Epsom Plan E to Wider Network Benefits and Redhill STP.

Anthony Middleton
November 2016