

## West of England Partnership Board

16<sup>th</sup> April 2009

Agenda item no 6

### Update Report

#### **GBBN FINANCIAL UPDATE**

A bid submission for full approval of the GBBN project was made to DfT on 23<sup>rd</sup> March 2007. At the time of submission, it was anticipated that full approval would be granted to allow a construction start date of Autumn 2007, and the bid forecast financial profile reflected this start date. The expected completion date for the scheme was 2011/12.

In the event full approval was not received from DfT until the end of May 2008, nine months later than expected. As a result of this delay, the 2008/09 spend profile had to be significantly scaled back, and a revised profile was included in the 2008/09 Q2 monitoring form submitted to DfT.

The delay in receiving full approval from DfT reduced the 08/09 profiled spend to £7.3m. Latest forecast expenditure for 2008/09 is £5.8m. This is summarised in the table below.

#### **Projected Grant Expenditure at start of 2008/09**

|       | <b>Projected expenditure at submission</b> | <b>Revised 2008/09 spend profile advised to DfT in Q2 monitoring form</b> | <b>Latest estimate of outturn (Feb 2008)</b> |
|-------|--|---|--|
|       | <b>£(K)</b>                                | <b>£(K)</b>   | <b>£(K)</b>                                  |
| 07/08 | 1,817                                      | 845   | 845  |
| 08/09 | 13,569                                     | 7,301   | 5,800  |

There are two main reasons for the projected £1.5M underspend for 2008/09 compared with the Q2 advice to DfT. Firstly, the impact of delay in receiving full scheme approval from DfT has not only affected the programme as a whole but has had a specific knock on effect on 3 high spend elements of the scheme - MOD/Abbeywood roundabout, Aztec West and the M32 bus lane. The first two of these packages were affected by changes to the bus network between the original bid submission and approval and were also subject to cost pressures, it was, therefore, appropriate to review these schemes to ensure their continued value for money. Whilst this has been completed, much of the spend will now run in 2009/10. In respect of the M32, a very late response from the Highways Agency Contractor has delayed this particular project.

Secondly, the positive decision to the Cycle City project to Bristol and South Gloucestershire has meant that a number of GBBN scheme elements were reviewed to ensure co-ordinated delivery and enhanced value for money.

Overall the scheme will be completed to budget and will meet the forecast 2011/12 completion date, despite the delay in securing approval. Positive discussions with DfT have recently taken place and opportunities to accelerate the delivery programme are being explored. A full review of the delivery programme is being undertaken to take account of these changes.

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