

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	15 January 2019
Title:	ETE Capital Programme Monitoring
Report From:	Director of Economy, Transport and Environment

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1. Recommendations

- 1.1. That the Executive Member for Environment and Transport approves the addition of £11.891million of funding from the Department for Transport and notes that it is expected that this funding will be carried forward to 2019/20.
- 1.2. That the Executive Member for Environment and Transport recommends to Cabinet and the County Council the increase in value of the M27 J10 scheme (design and development phase) from £1.5million to £4million.
- 1.3. That the amended 2018/19 capital programme, which includes changes recommended in this report totalling £196.285million, be approved.

2. Executive Summary

- 2.1. The Economy, Transport and Environment Department's (ETE) capital programme contains a diverse array of projects, including but not limited to highways maintenance, transport improvements, flood alleviation, bridge strengthening, town centre improvements, and highway safety.
- 2.2. This paper provides a short narrative summary of progress and delivery within the capital programme. The two additional appendices to this report provide more detailed information and are referenced where relevant.
- 2.3. The paper also contains recommendations for the consideration of the Executive Member for Environment and Transport.

3. Expenditure and Finance

- 3.1. This section provides an update on the capital programme expenditure and finance since the beginning of 2018/19.
- 3.2. Gross spend across the capital programme from 1 April to 30 November 2018 is £52.769 million. Appendix 1 shows where expenditure is being made across ETE's programme.

- 3.3. A review of planned expenditure was undertaken in the autumn, which suggests that the anticipated outturn for 2018/19 remains at around £95 million.
- 3.4. The Executive Member for Environment and Transport approved the following Project Appraisals on 13 November 2018:
- Romsey Flood Alleviation Programme - £6.684 million of which £0.791million is County Council spend and the value added to the capital programme.
 - A340 Thornycroft Roundabout Improvement Scheme, Basingstoke - £9.445 million.
 - Eclipse Busway: Completion of Phase 1-Retention of Rowner Road Bridge element - £0.532 million.
- 3.5. Required adjustments to the schemes' Capital Programme entries have been made accordingly.
- 3.6. In November 2018 the Department for Transport confirmed that Hampshire County Council's allocation from the £420 million capital funding the Chancellor announced in the Budget 2018 for financial year 2018/19 is £11.891million. This funding, as announced in the Budget, is for highway authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe. It is expected that this funding will be carried forward to 2019/20. This additional funding, along with an additional Revenue Contribution to Capital Outlay of £0.850 million, brings the revised Structural Maintenance budget for 2018/19 to £80.665 million.
- 3.7. As detailed in the November 2018 Capital Programme monitoring report, in September 2018, the Government announced that both Portsmouth 'City Region' and Southampton 'City Region' have been shortlisted as two of ten (later increased to 12) successful city regions for the Transforming Cities Fund (TCF). These city regions cover County Council geography as well as that of the two unitary authorities. For both city regions, work is now underway to identify infrastructure proposals for early wins (Tranche 1) and feasibility study work packages, in preparation for Tranche 2. Tranche 1 bids will need to be submitted by the end of the year with a funding decision expected in February 2019 and capital spend to commence before the end of March 2019.
- 3.8. The precise value of the schemes and therefore scale of potential bids remains to be established. Whilst there is no certainty that any funding will be forthcoming, the 12 city regions are not in direct competition for the same funds. Provided good quality and deliverable schemes can be developed that represent good value for money, the TCF presents a very significant opportunity for both city regions to develop and deliver potentially game changing improvements to public transport and active travel as viable alternatives to car travel. This will also help to address environmental impacts such as air quality and achieving economic growth.
- 3.9. Joint governance arrangements for both city regions are being developed to oversee the development of infrastructure projects, together with parallel work streams for business case development, and other complementary measures such as ticketing and branding. In addition, for those projects within the county

area, the County Council will establish its own governance and assurance procedures, identify design resources and revenue funding.

- 3.10. The DfT has identified £50,000 for each city region to assist with co-development of the proposals. However, it is expected that it will be necessary for the County Council to identify additional revenue resources to support the development stage of this significant programme of work.

4. Delivery

- 4.1. This section provides an update on significant points concerning the delivery of the elements of the capital programme since the beginning of 2018/19.
- 4.2. Major transport improvement schemes across the county, as detailed in the November 2018 Capital Programme Monitoring Report, continue to be progressing well.
- 4.3. As detailed in the November 2018 Capital Programme Monitoring Report, a review of the remaining 2018/19 capital programme has now taken place to determine which schemes programmed for delivery in 2018/19 require deferral to the 2019/20 programme. Local members have been consulted as part of the review, with the Director for Economy, Transport and Environment approving the deferrals in November 2018, as set out in Appendix 2.
- 4.4. Turning to the Structural Maintenance Programme, the Hampshire Highways Service Contract is midway through its second year and has benefited from a particularly dry, warm summer. At the end of quarter two, 60% of the schemes programmed for 2018/19 have been completed. Delivery of the remaining programme is currently on track. However, there are some issues with third-party statutory undertaker works, which is delaying the programming of work, whilst poorer winter weather will also have an effect on productivity over the coming months.
- 4.5. Within the Safety engineering programme, 37 of the 130 schemes programmed for 2018/19 had been completed by end of October 2018; 24 are with a contractor and 39 schemes are in the process of being progressed.
- 4.6. Highways Structures schemes are progressing well, with bridge design for Holmsley complete, repairs to the supports of Redbridge Viaduct and Redbridge Road Bridge planned to start in the summer of 2019, and option work for Langstone Bridge repair/refurbishment continuing. In addition, tenders are back for concrete repair and parapet replacement work for Eastrop Footbridge, Basingstoke, with work forecasted to commence in the new year, subject to tender checks. Further inspection of Avon Fordingbridge road bridge is underway, with results expected in Q4 2018/19.
- 4.7. With work continuing on Phase 1 of the Buckskin Flood Alleviation Scheme, and construction due to commence on the Romsey Flood Alleviation Programme in the spring, the County Council's Flood Risk and Coastal Defence programme has now entered a significant period of delivery and financial investment. The total value of the work to be implemented in Buckskin and Romsey during the next 18 months (including work undertaken by the Environment Agency and funded by other organisations) is estimated to be in the region of almost £13 million.

- 4.8. Phase 2 of the work at Buckskin, and further implementation at Lower Farringdon on the A32 is scheduled to take place in 2019/20, with a package of small scale works at a number of other locations also being brought forward for implementation this summer and autumn. Business cases for investment from national funding sources, including Flood Defence Grant in Aid, are being prepared for Farringdon, Outer Winchester, and sites in Farnborough, with the expectation that these will be submitted to the Environment Agency over the next few months.

5. Programme Changes

- 5.1. This section details the amendments and additions recommended for approval.
- 5.2. A list of amendments (approved under delegated authority) is included in Appendix 2.
- 5.3. The Project Appraisal for the M27 Junction 9 and Parkway South Roundabout scheme is being discussed elsewhere on this agenda. The report states a revised scheme value of £22.230 million. This increased value will be reflected in the 2018/19 capital programme.
- 5.4. As detailed in 3.6 above, the County Council has received information that its allocation from the £420 million capital funding the Chancellor announced in the Budget 2018 for financial year 2018/19 is £11.891million.
- 5.5. It is therefore recommended that the Executive Member for Environment and Transport approves the addition of £11.891 million from the Department for Transport and notes that it is expected that this further funding will be carried forward to 2019/20.
- 5.6. In July 2018 the initial phase of the M27 J10 scheme entered the capital programme at £1.5 million to enable design and development work to progress. The development of the scheme has progressed well since the award of the initial funding. However, it is anticipated that this sum will have been fully utilised by the end of January 2019 without all necessary activities to allow the development of a Full Business Case having been completed. Additional external funding of up to £2.5m is therefore being sought to allow scheme development to reach that point and, to minimise any delay to this work, it is exceptionally recommended that the scheme value be increased to £4m in anticipation of sufficient additional external funding being secured. The Department for Transport has recently confirmed an additional £150,000 of grant funding for this purpose. In the event that not enough additional external funding is forthcoming, it is recommended in the detailed paper on the M27 Junction 10 elsewhere on the agenda that delegated authority to suspend work once existing funding is fully spent is agreed.
- 5.7. Due to the original £1.5 million being funded through external sources, in accordance with Hampshire County Council Financial Regulations, the Director of Economy, Transport, and Environment approved the early stages of this scheme's entry into the Capital Programme. While the additional £2.5 million will also be externally funded, due to the sizeable increase in value of the scheme, the Executive Member for Environment and Transport is asked to recommend to Council that they approve the increase in value.

- 5.8. It is therefore proposed that the Executive Member for Environment and Transport recommends to Cabinet and the County Council the increase in value of the M27 J10 scheme (design and development phase) from £1.5 million to £4 million.
- 5.9. A paper elsewhere on this agenda provides further details of progress on this scheme.
- 5.10. A review of the Capital Programme three-year forward plan has been undertaken, resulting in amendments to the planned 2019/20 and 2020/21 programme, as well as the creation of the 2021/22 capital programme. The later two years in particular will continue to evolve, with more schemes likely added during 2019/20. This new three-year forward programme includes additional schemes, as well as a re-programming of scheme start dates, including a number of deferrals from the 2018/19 programme. This is mainly due to re-prioritisation of the current capital programme in response to new schemes entering over the course of the year, as well as resources focusing on the development of transport strategies across the county.
- 5.11. It is therefore recommended that the amended 2018/19 capital programme, totalling £196.285 million, is approved.

6. Future Programme

- 6.1. The proposed 3-year ETE capital programme for 2019/20 (£97.593million), 2020/21 (£51.765million) and 2021/22 (£44.917million) has been prepared, and is presented elsewhere on this agenda. This equates to a total 3-year capital programme value of £194.275 million across Economy, Transport, and Environment budgets.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This is a financial report amending or proposing budgets for programmes and individual schemes. Changes or proposals for individual schemes will have been made following consultation, and will have undertaken their own specific consideration of equalities issues. The decisions in this report are financial, and mainly relate to in-house management of accounts.

2. Impact on Crime and Disorder:

2.1 No specific proposals.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer-term impacts?

No specific proposals.

TABLE OF EXPENDITURE ACROSS ETE CAPITAL PROGRAMME IN
2018/19

Gross Expenditure	To 31 August 2018	To 30 November 2018
	Periods 1-5	Periods 1-8
	£	£
Structural Maintenance	17,249,038	29,729,569
Integrated Transport Programme	9,732,562	15,012,978
Flood & Coastal Defence Management	276,904	683,169
Solent Enterprise Zone	18,885	27,546
Community Transport	24,272	31,271
Waste	7,269,485	7,268,235
PRIP (residual)	15,919	15,919
TOTAL	34,587,065	52,768,687

The following is a list of delegated decisions that have been made since the last update

Decisions made via Director Delegated Decision Capital Programme report:

- Access improvements to Kings School, Winchester – defer to 2019/20 programme
- Over Wallop Traffic Improvements – defer to 2019/20 programme
- Test Lane / Andes Road – defer to 2019/20 programme
- Andover Railway/Environmental Improvement – defer to 2019/20 programme
- Romsey Road, Winchester - Clifton Terrace Crossing – defer to 2019/20 programme
- Andover - Roman Way/Viking Way/Smannell Rd Traffic Calming – defer to 2019/20 programme
- Scratchface Lane (West), Ped and Cycle Imps, Bedhampton – defer this scheme to 2019/20 programme and reduce budget
- A3090 Winchester Road / Halterworth Lane Junction Imp – defer to 2019/20 programme
- Horndean Access Improvements – defer to 2020/21 programme
- Pedestrian, Cycle and Accessibility Improvements in Clanfield – defer to 2019/20 programme
- Anstey Road /Lane Jun Imp Alton – defer to 2020/21 programme
- Oakhanger Traffic Calming – defer to 2019/20 programme
- Access to Town Mills car park from the A3057 – defer to 2019/20 programme and reduce budget
- Nursling – A3057/Redbridge Lane Rbt (Bakers Drove) – defer to 2019/20 programme
- Long Lane Footway, Marchwood, Phase II – defer to 2019/20 programme
- Whitchurch Access & Traffic Management – defer to 2019/20 programme
- Jermyns Lane Footway to Braishfield, Romsey – defer to 2019/20 programme
- TVBC Andover: Viking Way Signalised Crossing - To vire £46,000 of funding from the Structural Maintenance programme and increase the value of the scheme accordingly.

Decisions made via individual Project Appraisal Director Delegated Decision reports:

- Abbey Road/Shakespeare Road Improvements, Popley
- Hartley Wintney - Vicarage Hill Traffic Management
- Hiltingbury Infant and Junior School, Chandlers Ford