

NOTICE OF MEETING

Meeting	Executive Member for Policy and Resources Decision Day
Date and Time	Friday, 17th January, 2020 at 2.00 pm
Place	Chute Room, Ell Court South, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. FACILITIES MANAGEMENT CONTRACT ARRANGEMENTS (Pages 5 - 14)

To consider a report of the Director of Culture, Communities and Business Services regarding proposed new contract arrangements for cleaning and security services.

2. ROBERT MAY'S SCHOOL, ODIHAM – ADDITIONAL LAND (Pages 15 - 26)

3. 2020/21 REVENUE BUDGET REPORT FOR POLICY AND RESOURCES (Pages 27 - 42)

To consider a report of Chief Officers setting out proposals for the 2020/21 budget for Policy and Resources in accordance with the Councils Medium Term Financial Strategy (MTFS).

4. 2020/21 – 2022/23 CAPITAL PROGRAMME REPORT FOR POLICY AND RESOURCES (Pages 43 - 60)

To consider a report of Chief Officers on the proposed capital programme for Policy and Resources for 2020/21 to 2022/23 and the revised capital programme for 2019/20.

5. INVESTING IN HAMPSHIRE (Pages 61 - 70)

To consider a report of the Director of Corporate Resources and Director of Culture, Communities and Business Services on an Investing in Hampshire bid.

6. GRANTS TO VOLUNTARY ORGANISATIONS AND OTHER BODIES (Pages 71 - 76)

To consider a report of the Director of Transformation and Governance – Corporate Services regarding a request received for financial assistance from the Policy and Resources grants budget.

7. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

8. CHILDREN'S HOME, CROSSWAYS, MILKINGPEN LANE, OLD BASING (Pages 77 - 88)

To consider an exempt report of the Director of Culture, Communities and Business Services regarding the Crossways Children's Home in Old Basing.

9. FARNBOROUGH INTERNATIONAL LIMITED - LOAN REPAYMENT TIMETABLE (Pages 89 - 98)

To consider an exempt report of the Director of Corporate Resources – Corporate Services giving an update on the Farnborough International Limited loan repayment

10. SCHEDULE OF ROUTINE TRANSACTIONS (Pages 99 - 106)

To consider an exempt report of the Director of Culture, Communities and Business Services regarding proposed routine transactions.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	Facilities Management Contract Arrangements
Report From:	Director of Culture, Communities and Business Services

Contact name: Rebecca Thompson

Tel: 01962 846328

Email: rebecca.thompson@hants.gov.uk

Purpose of the Report.

1. The purpose of this report is to seek approval to the expenditure under proposed new contract arrangements for provision of cleaning and security services within Hampshire County Council's (HCC's) built estate.

Recommendations

2. That the Executive Member for Policy and Resources approves expenditure of up to £10m under the proposed contract for cleaning services to HCC buildings.
3. That the Executive Member for Policy and Resources approves expenditure of up to £6.75m under the proposed new contract arrangement for security services to HCC buildings.

Executive Summary

4. This report:
 - sets out proposals for the re-procurement of cleaning and security services across HCC's built estate;
 - seeks approval from the Executive Member for Policy and Resources for the total expenditure over the duration of the contracts in accordance with the County Council's Contract Standing Orders for contracts in excess of £1,000,000;
 - highlights the performance improvements anticipated under the proposed contracts.

Contextual information

5. Property Services leads on the procurement and strategic contract management of a number of contracts that provide “soft” Facilities Management (FM) services to buildings within the County Council’s estate including waste collection, cleaning and security services. These contract arrangements may also provide services to schools, the Office of the Police and Crime Commissioner (OPCC), Hampshire Fire and Rescue Service (HFRS) and other external partners and customers.
6. For the County Council’s estate, budgets for soft FM services for each building are held within the relevant department and service delivery is managed at an operational level by the departments.
7. The category management strategy for soft FM services is to reduce the number of individual contract arrangements in order to deliver best value alongside improved contract management and supplier performance.

Cleaning and Window Cleaning Services

8. A Dynamic Purchasing System (DPS) was set up in late 2017 for the provision of cleaning services for the Office of the Police and Crime Commissioner (OPCC), Hampshire Fire and Rescue Service (HFRS) and HCC educational and non-educational sites. To date the OPCC and a number of educational sites have used the DPS to re-procure their cleaning services.
9. In accordance with the DPS guidelines, it is now proposed to procure a contract with a single supplier for cleaning services to all HCC non-education sites and HFRS sites that require contracted cleaning provision. The contract will exclude any HCC sites that deliver cleaning services through directly employed staff. The single supplier approach is in line with an overarching strategy to reduce the number of suppliers delivering FM services cross the HCC estate in order to improve the strategic contract and supplier management, improve performance and secure better management information to inform future contract strategy.
10. There are currently 11 suppliers appointed to the DPS. There was good attendance at a recent supplier engagement day and strong interest in tendering for the contract. Consultation has taken place with all internal departments and HFRS and requirements collated for all sites within the scope of the proposed contract.
11. Tender documents have been finalised and the proposed contract is currently in the procurement phase. The new contract is due to be operational from

April 2020 for an initial contract period of 3 years with the option to extend for up to a further 2 years. The current cleaning arrangements have been extended to cover the interim period.

Security Services

12. The County Council has a number of contract arrangements providing security services that now need to be re-procured. These contracts provide static and mobile guarding, key holding and buddying services and security for vacant buildings. The contracts cover both education and non-education sites. There are two main suppliers and a number of further suppliers providing specific services to individual sites.
13. It is now proposed to re-procure the security services under a new contract arrangement. The details of the arrangement are being developed with the corporate procurement team, but it is currently anticipated that the new contract will be a single supplier arrangement in line with the strategic approach for all corporate contracts for soft FM services.
14. A thorough review has informed a comprehensive understanding of security requirements across the HCC estate and the value of the proposed contract. A working group is being established to support the development of the detailed specification and this will also inform the structure of the contract. Currently a contract term of 5 years with the option to extend for up to a further 4 years is proposed.
15. The current proposed programme is to issue the tender by April 2020 with the new contract implemented in Autumn 2020.

Finance

16. The estimated annual spend under the proposed new cleaning contract is £1.8m per annum. To ensure that the arrangement provides sufficient flexibility to accommodate changes and variations to the estate over its duration, an approval to spend to a total contract value of £10m over a 5 year period is now requested.
17. The estimated value of the proposed security contract across both education and non-education sites is up to £750k per annum. The total spend over a proposed contract term of 5+2+2 years is therefore £6.75m and approval to spend is now sought for this amount.
18. The budgets for cleaning and security services at individual sites are held within the relevant departmental and partner revenue budgets.

Performance

19. By establishing single supplier arrangements for both cleaning and security services across HCC's estate, Property Services is seeking to reduce the number of individual contracts and suppliers and introduce more robust strategic contract and supplier management arrangements. This includes clearly defined performance management protocols and significant improvements in reporting and provision of management information by the suppliers.

Consultation and Equalities

20. Consultation has taken place with internal HCC departments and, where relevant, external organisations who will be party to the proposed contract arrangements in order to establish their service requirements and consult on the proposals for the new contract arrangements.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

**This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:
The County Council's constitution and contract standing orders require Executive member approval to contract expenditure in excess of £1,000,000.**

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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment – Please see Appendix A

Equality Impact Assessment



Procurement of Soft Facilities Management Service Contracts

Accountable officer: Rebecca Thompson

Email address: rebecca.thompson@hants.gov.uk

Department: Culture, Communities and Business Services

Date of assessment: 08/01/2020

Description of current service/policy

CCBS is responsible for the procurement and strategic contract management of a number of contracts for the provision of soft facilities management services to HCC corporate buildings including, but not limited to: waste collection, cleaning and security services. These contract arrangements may also be accessed by schools and other public sector organisations including Police and Fire. Contracts are procured in compliance with the County Council's contract standing orders and the Public Procurement Regulations.

Geographical impact: All Hampshire

Description of proposed change

New contracts are being procured as previous contract expire. Where appropriate, previous contract arrangements are being consolidated into single supplier arrangements for each type of facilities management service to deliver best value and enable improved contract management and supplier engagement.

Impacts of the proposed change

This impact assessment covers HCC Staff (and partners)

Engagement and consultation

Has engagement or consultation been carried out? Yes

Consultation on service requirements and proposed contract arrangements has been undertaken with internal HCC departments and partner organisations who will use the contract arrangements. Supplier engagement has or will be undertaken as part of the procurement process and soft market testing to confirm the suitability and viability of the proposed contract arrangements. As part of the procurement process, information relating to supplier employees who may be subject to TUPE is requested from incumbent suppliers so that it can be shared with tendering suppliers.

Statutory considerations	Impact	Mitigation
Age: Neutral		
Disability: Neutral		
Sexual orientation: Neutral		
Race: Neutral		
Religion and belief: Neutral		
Gender reassignment: Neutral		

Gender: Neutral		
Marriage and civil partnership: Neutral		
Pregnancy and maternity: Neutral		
Other policy considerations	Impact	Mitigation
Poverty: Low	Many soft facilities management staff employed by contracted suppliers are likely to be employed at lower salary levels. The transition of existing contracts to new arrangements may impact on some staff employed by suppliers under the current contract arrangements. TUPE Regulations may apply where there is a change of supplier and TUPE information will be requested from incumbent suppliers and shared with tendering suppliers as part of the procurement process for the new contract arrangements.	
Rurality: Neutral		

Neutrality statement (if all considerations have a neutral impact)

Any other information

Contract arrangements will require suppliers to comply with all relevant legislation and this will be monitored and reviewed as part of the ongoing contract management arrangements. The new

contract arrangements may also increase the employment opportunities for lower paid and part time roles within the geographic area of Hampshire.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	Robert May's School, Odiham – Additional Land
Report From:	Director of Culture, Community and Business Services

Contact name: Stephen Harrison

Tel: 01962 846636

Email: stephen.harrison@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to consider the site requirements of the Robert May's School, Odiham, where additional land is required for playing field use, and to recommend the acquisition of land and the making of a compulsory purchase order.

Recommendations

2. That approval be given to acquire all third party interests and any necessary rights in an area of approximately 2.8 hectare (6.9 acres) of land shown on plan A/02/573, for playing field use for Robert May's School, Odiham (the Scheme), subject to potential amendment to the extent of land to be acquired as set out in the report, on detailed terms and conditions to be settled by the Director of Culture, Communities and Business Services (Assistant Director – Property and Facilities).
3. That, in order to ensure the delivery of the Scheme in a timely manner, authority be given to the making of a compulsory purchase order in respect of an area of approximately 2.02 hectare (5.0 acre) of land as shown on plan A/02/573, to run in parallel with negotiations to acquire all third-party interests in land and any necessary rights by agreement.
4. That delegated authority is given to the Director of Culture, Communities and Business Services (Assistant Director – Property and Facilities) to amend the scope of land required for the delivery of the Scheme, as shown on plan A/02/573, on the basis that it will not be extended but could be revised or minimised.

5. That authority be delegated to the Director of Children’s Services, the Director of Culture, Communities and Business Services and the head of Legal Service to progress any appropriate Orders, Notices and Statutory procedures and obtain any consents, rights or easements that are necessary for the Scheme.

Executive Summary

6. This report:
 - Explains the need for the scheme and the land acquisition requirements.
 - Sets out the consultation arrangements.
 - Explains the legal context and funding.
 - Recommends that the necessary land interests be acquired.
 - Recommends that a compulsory purchase order be made to ensure timely scheme delivery.

Contextual information

7. Robert May’s School is an academy, whose capacity has risen from 8 form entry (1,200 students) to 9 form entry (1,350 students) from the 2019 intake. The existing school playing field is currently undersized compared to Department for Education guidelines and there is a need to acquire additional land suitable for playing field use, to meet the needs of both the existing and the planned increase in school capacity.
8. To address the playing field shortfall, the Executive Member for Policy and Resources on 5 December 2017 approved a report recommending the acquisition of an area of approximately 2.8 hectare (6.9 acres) of land and the making of a related compulsory purchase order under Section 530 of the Education Act 1996. This report updates the proposals, gives further consideration to relevant statutory requirements and makes additional recommendations, to ensure the satisfactory delivery of the scheme.

Reasons for the Proposals and the Scheme

9. An option study has been produced in respect of the expansion of the school’s playing field capacity and concluded that the most suitable land to expand capacity comprises Bufton’s Field. This is an adjoining presently unmanaged area of open land on the eastern side of the school site, as shown on plan A/02/573, with an area of approximately 2.8 hectare (6.9 acres). The land includes an existing footpath / cycleway and emergency access route linking to the school. Persimmon Homes are the legal registered freehold owner of the land and the beneficial owner is a private Trust.
10. The land is currently designated in the adopted local Neighbourhood Development Plan for educational use and is also subject to countryside and local gap planning policies. The land is also linked with a planning

agreement for an earlier residential development to the north, which imposed the requirement to maintain the field as “open land”.

11. Should Bufton Field be acquired in the absence of a compulsory purchase order there would be a need to amend the existing planning obligation with Hart District Council, as it is desirable to physically enclose the main football / rugby pitch and smaller practice pitch to be provided on the land for the school. In addition, there is a need to level the land for playing field use and accommodate a degree of managed community use.
12. The County Council secured planning consent for school playing field use in January 2017 focused mainly on the requirement for a full-size football / rugby pitch. An updated planning application is being submitted additionally including the provision from the outset of the second smaller practice pitch.
13. Proposals have already been put forward to the landowner and Trust to secure acquisition of the required land by agreement. However, after early positive indications, these have stalled. In order to make progress with this acquisition it is recommended that a compulsory purchase order should now be made, given added emphasis by the current expansion of student numbers, which will increase yearly from the 2019 intake.
14. It may be advantageous to adjust the detailed extent of land to be acquired to assist in its timely acquisition, potentially still by agreement. The extent of land which may be included within a CPO must be restricted to the land reasonably necessary to meet the statutory educational need under the Education Acts. Accordingly, some peripheral land within Bufton Field which is not operationally required to extend the existing school site will be excluded from the CPO. Thus, the proposed CPO will concern the reduced area of approximately 2.02 hectare (5.0 acre) of land as shown on plan A/02/573. However, this authority could be requested to acquire the whole field as shown on the plan and, therefore, authority is sought to acquire up to the extent of the whole field as shown on the plan.

Legal Context

15. The County Council has the power to make compulsory purchase orders and in relation to this school site expansion scheme the enabling power is the Education Act 1996.
16. Guidance on compulsory purchase (Compulsory Purchase Process and the Critchel Down Rules – July 2019) required that there should be a compelling case in the public interest for a CPO to be made and confirmed. Other requirements include that:
 - a) the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected;
 - b) the acquiring authority has a clear idea of how it intends to use the land;

- c) the acquiring authority can show that the necessary resources, including funding for acquiring the land and implementing the scheme, are likely to be available to achieve that end within a reasonable time frame;
- d) the scheme is unlikely to be blocked by any physical or legal impediments to implementation, including the need for planning permission;
- e) the acquiring authority has sought to engage the landowners in genuine and meaningful negotiations.

17. It is considered that all the above requirements are satisfied. The playing field deficiency gives rise to a compelling case for expansion on to the land and such use is in accordance with the planning policy designations of the land. In the light of the pressing reason for acquisition and the fact that policy provides that the land has limited scope for alternative uses, any interference with the human rights of the owners is justified, in particular Article 1 of Protocol 1 which provides for the peaceful enjoyment of possessions. The acquiring authority has a clear idea of how it intends to use the land, as set out above. The necessary resources will be available as set out below. There are unlikely to be any impediments to implementation. In particular, one planning permission has already been obtained and it is considered that the necessary amendments to that to provide for what is precisely now proposed are in accordance with policy and there is no reason why they should not be granted permission. Finally, the acquiring authority has sought to negotiate acquisition from the owners and will continue to do so.

Finance

18. The Children's Services Capital Programme Update reported to the Executive Lead Member for Children's Services and Deputy Leader on 20 September 2017, reported that provision for the acquisition of additional land has been made within the capital programme. It is proposed that the Children's Services Capital Programme 2020/21 – 2022/23 Report on 10 January 2020 includes the necessary financial provision for the proposed land acquisition and implementation of the school playing field scheme.

Performance

19. It is considered that additional delay in acquiring Buffon's Field could result in increased costs of acquisition and playing field provision and reduce the external learning opportunities for students.

Consultation and Equalities

20. Public consultation has taken place in connection with the grant of planning consent for the playing field use of the land. The land has also been proposed and allocated for educational use within the local Odiham and North Warnborough Neighbourhood Development Plan.
21. The Local Member for Odiham and Hook, Councillor Jonathan Glen, has been consulted and is in support of the proposals.
22. The equality impact assessment considers the proposal to have positive impacts.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Executive Lead Member for Children’s Services Children’s Services Capital Programme Update</u>	<u>20 September 2017</u>
Executive Member for Policy and Resources	5 December 2017
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>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.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

An Equality Impact Assessment has been carried out in the development of this report and no adverse impact has been identified on groups with protected characteristics. The completed assessment form is below:

3. Impact on Crime and Disorder

No impact is anticipated.

Equality Impact Assessment



Hampshire
County Council

Robert May's School, Odiham

Accountable officer: Steve Clow

Email address: stephen.harrison@hants.gov.uk

Department: Culture, Communities and Business
Services

Date of
assessment: 21/11/2019

Description of current service/policy

Robert May's School, Odiham, serves a large rural catchment within Hart district including Hook and Odiham. The school currently has a playing field shortfall in the size of the present school site, in comparison to Department for Education guidelines, both to meet the previous needs of the school and its increase in capacity from 1,200 to 1,350 students from September 2019, to meet predicted growth within the catchment.

Geographical impact: Hart

Description of proposed change

It is proposed to acquire additional land for use by Robert May's School, to provide additional playing field capacity. This will provide additional external sport and learning opportunities for students.

The proposed land is presently open and available for public access, although its value to the public is limited because the land is unmanaged and overgrown with vegetation, limiting the extent of useful public access. The proposals are intended to incorporate managed community use of the school playing field.

Impacts of the proposed change

This impact assessment covers Service users

Engagement and consultation

Has engagement or consultation been carried out? Yes

Public consultation was undertaken in connection with the application and grant of planning consent for the use of the land as school playing field.

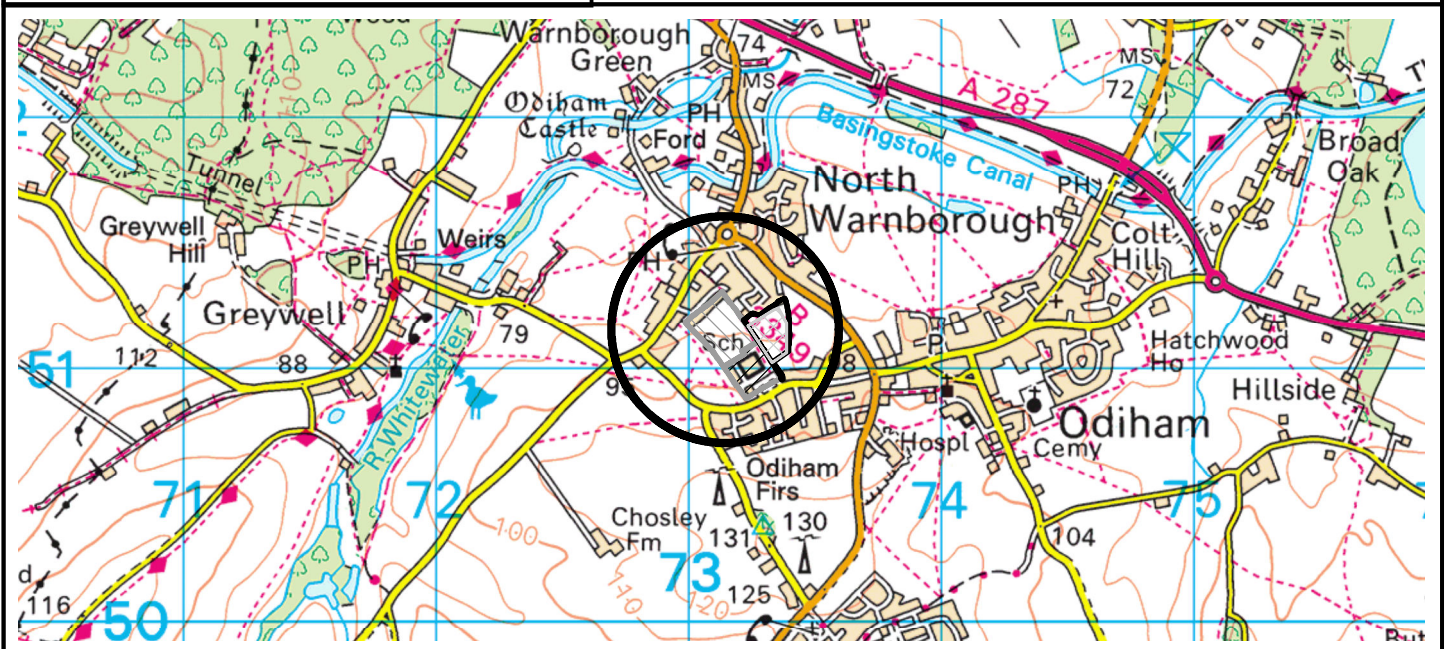
The land was proposed and allocated for educational use within the Odiham an North Warnborough Neighbourhood Local Plan.

Statutory considerations	Impact	Mitigation
Age: Positive	There is a positive impact on school facilities for young people and potential for managed community use of the facilities.	
Disability: Neutral		
Sexual orientation: Neutral		
Race: Neutral		
Religion and belief: Neutral		
Gender reassignment: Neutral		

Gender: Neutral		
Marriage and civil partnership: Neutral		
Pregnancy and maternity: Neutral		
Other policy considerations	Impact	Mitigation
Poverty: Neutral		
Rurality: Positive	The provision of additional school playing field capacity is expected to improve the range of external sports facilities available to this secondary school and for managed community use outside of school hours, within this rural catchment.	

Neutrality statement (if all considerations have a neutral impact)

Any other information



ROBERT MAY'S SCHOOL ODIHAM ADDITIONAL LAND

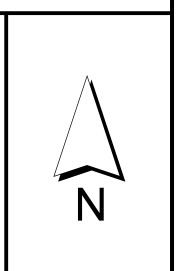
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DATE
25 November 2019

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	2020/21 Revenue Budget Report for Policy and Resources
Report From:	The Chief Executive, Deputy Chief Executive and Director of Corporate Resources, Director of Transformation and Governance, and Director of Culture, Communities and Business Services

Contact name: Rob Carr

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2020/21 budget for Policy and Resources in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in November 2019.

Section B: Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2019/20 as set out in Appendix 1.
3. The summary revenue budget for 2020/21 as set out in Appendix 1, subject to approval by Cabinet of the provisional cash limits.

Section C: Executive Summary

4. The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.
5. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget with maximum planning and minimum disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to

avoid the worst effects of funding reductions that have started to adversely affect other local authorities and enabled us to sustain some of the strongest public services in the country.

6. In line with this strategy there will be no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the Medium Term Financial Strategy (MTFS) in July 2018 and detailed savings proposals have been developed through the Transformation to 2021 (Tt2021) Programme which were agreed by Cabinet and County Council during October and November last year. Any early achievement of resources from proposals during 2020/21 as part of the Tt2021 Programme will be retained by departments to use for cost of change purposes.
7. Alongside this, delivery of the Transformation to 2019 (Tt2019) Programme continues. The anticipated delay to delivery of some elements of the programme has been factored into our financial planning and whilst sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period, the need to commence the successor programme does mean that there will be overlapping change programmes.
8. The report also provides an update on the financial position for the current year. Overall the outturn forecast for Policy and Resources cash limited budgets for 2019/20 is a balanced position that uses early achievement of savings to fund one-off investment to deliver the transformation programmes. For HC3S trading unit, the combination of cost rises and a reduction in demand for school meals will cause a deficit for the 2019/20 financial year. Actions are being put in place to mitigate the level of the eventual deficit, which can be covered by trading unit reserves and a more extensive plan is being put in place to ensure that the service returns to a break even position.
9. The proposed budget for 2020/21 analysed by service is shown in Appendix 1.
10. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2019/20 and detailed service budgets for 2020/21 for Policy and Resources. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 3 February 2020 to make final recommendations to County Council on 13 February 2020.

Section D: Contextual Information

11. The current financial strategy, which the County Council operates, works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR) and with any early delivery of resources retained by departments to use for cost of

change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.

12. The County Council's action in tackling its forecast budget deficit and providing funding in anticipation of further reductions, has placed it in a very strong position to produce a 'steady state' budget for 2020/21, giving itself the time and capacity to develop and implement the Transformation to 2021 (Tt2021) Programme to deliver the next phase of savings totalling £80m. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community. Consequently, there are no departmental savings targets built into the 2020/21 budget. However, other factors will still affect the budget, such as council tax decisions and inflation.
13. The Spending Round 2019 (SR2019) announcement took place on 4 September and the content of the proposed settlement and the issues it addressed were pleasing to see as they mirrored the key issues that we have been consistently raising for some time directly with the Government and through our local MPs.
14. In overall terms, there was a net resource gain to the County Council, albeit that is only for one year at this stage. However, the cost pressures we face, particularly in adults' and children's social care services are significantly outstripping the forecasts that were included in the original Tt2021 planning figures.
15. Without the additional injection of funding, the County Council would have faced a revised deficit position of nearly £106m by 2021/22, but the additional resources bring us back to a broadly neutral position. It is worth highlighting that the additional grant from the £1bn plus the 2% adult social care precept generates additional resources of around £29m for the County Council, but this must be measured against growth pressures and inflation across adults' and children's social care services which total nearly £57m for 2020/21 alone.
16. The Autumn Budget which was planned for 6 November was cancelled and it is now anticipated that there will be a Budget in Spring 2020. The provisional Local Government Finance Settlement was announced on 20 December 2019 and confirmed the grant figures and council tax thresholds for 2020/21 in line with the SR2019 and the clarification provided in the subsequent technical consultation. The final grant settlement for 2020/21 is not due out until this report has been dispatched, however it is not anticipated that there will be any major changes to the figures that were released in December 2019.
17. Policy and Resources departments have been developing service plans and budgets for 2020/21 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below

Section E: Departmental Challenges and Priorities

Corporate Resources

18. Corporate Resources includes the following services:
 - Finance and Pensions;
 - HR and Workforce Development;
 - Integrated Business Centre (IBC) - providing transactional services such as payroll, payments to suppliers, and resourcing services;
 - Hantsdirect – providing telephone, web and email contact services on behalf of the County Council;
 - Information Technology;
 - Internal Audit.
19. The forecast outturn for 2019/20 for Corporate Resources confirms the successful delivery of its Transformation to 2019 (Tt2019) Programme and the achievement of on-going savings of £6.534m. This places the Department in a strong position for next financial year to deliver good quality services to other departments within the County Council and to the many partner organisations who receive services from the County Council's Corporate Resources Department.
20. The Department is also in a good position to progress its Tt2021 programme. The target saving of £3.817m will be delivered through a range of proposals including changes to service operating models, expanded partnership working and further modernisation and rationalisation within IT. In addition, Corporate Resources teams will continue to provide critical support to other departments during the delivery of their own transformation programmes, the potential timeframes for which are expected to extend beyond April 2021 in places. It will be important for the Department to manage this further pressure to service delivery.

Transformation and Governance

21. Transformation and Governance comprises Law and Governance, Transformation Practice and Strategic Procurement. The Tt2019 target of £950,000 has been realised through operational improvements and income generation.
22. Legal Services continue to look to broaden its offer and seek to support a wider range of external customers. This will enable the net cost of the service to be steadily and sensibly reduced, whilst we retain the highest quality capacity and capability to meet the varied needs of the County Council. Positively, the Strategic Procurement function is also beginning to attract and secure external business opportunities meaning it too will steadily reduce its net service cost whilst maintaining and adding to the quality of professional capacity available to perform for the County Council.

23. A centralised structure of Corporate and Department Teams, under a single Head of Profession has worked well for Strategic Procurement and was also developed for Health & Safety during 2019/20. Following a review to consider permanent structure proposals which will further strengthen the Health & Safety function going forward, Cabinet agreed additional resources at a cost of £210,000 per annum, and this has been incorporated into the budget for 2020/21.
24. With the continuing need for the Council to further transform to achieve efficiency and effectiveness in the delivery of modern services, the organisation continues to require strong programme leadership and robust project management input. In order to support the organisation through its Tt2021 Programme, the County Council has previously agreed to develop its internal capacity in its Transformation Practice by supplementing the base budget with up to £1.2m per annum for the next three years.

Customer Engagement Service

25. The Customer Engagement Service comprises Marketing and Advertising, Corporate Communications and Insight and Engagement (including public consultation and engagement, behaviour change research, corporate performance, and a range of strategic partnerships and policy agendas - such as the Armed Forces, the Voluntary Sector, community safety and equalities). These support services sit alongside the Chief Executive's and Leader's offices and together provide a range of core support functions to departments and Councillors, as well as several external public facing services.
26. A departmental restructuring has secured savings of £333,000 as required by Tt2019. The Department is now progressing its Tt2021 Programme to achieve further savings of £121,000 through further operating model changes and generating additional income by charging for services and increasing external trading in the areas of consultation, engagement, insight and social marketing.

Non-Departmental Budgets

27. The Policy and Resources portfolio includes provision for a range of grants to the voluntary and community sector. This includes Members' devolved budgets which for 2017/18 were reduced by £234,000 (£5,000 per Member from £8,000) in line with the approved Transformation to 2017 (Tt2017) Programme savings. However, given the importance of the grants and the wider services that they support across many communities, it was subsequently agreed that they be retained at the £8,000 level until the end of 2020/21, which also means that any future change to the level of the budget will coincide with the new Council term from 2021/22 onwards. The additional annual cost of £234,000 is funded from Policy and Resources reserves.
28. Policy and Resources also includes the revenue budget for repair and maintenance of the County Council's estate and is managed by the Director of Culture, Communities and Business Services.

Culture Communities and Business Services (CCBS)

29. The Culture Communities and Business Services (CCBS) Department delivers a wide range of services with gross expenditure in the region of £88.7m a year and income streams of around £55.1m, leaving a cash limit of £33.6m. In addition, the Department is responsible for:
- Business units with a combined turnover of £60m.
 - Managing the repairs and maintenance of the corporate estate (£8.6m).
 - Service level agreements with 469 schools and Academies (£14m).
 - HM Coroner Service in Hampshire (£2m).
 - The relationship with various Trusts including Hilliers, Energise Me and the Hampshire Cultural Trust (HCT); only HCT receives a significant grant (£2.4m).
30. CCBS already relies on income and recharges to fund 62% of the cost of service delivery and maintaining and developing new external sources of funding remains a high but challenging priority for the department.
31. A significant contribution was made to Tt2019 savings from growing income to replace cash limit funding across a range of services including Countryside, Outdoor Centres and the Great Hall and the Tt2021 savings programme includes further targets for growth in this area. It therefore remains important for many CCBS services that current income levels are both sustained and grown.
32. Achieving significant additional net income continues to be challenging:
- Key public sector markets are experiencing ongoing financial pressures.
 - 'Choose to use' services such as the Outdoor Centres and Country Parks are effectively competing with a wide range of alternative visitor attractions in Hampshire and need to ensure their offer continues to meet public expectations.
 - The potential economic impacts of Brexit could lead to reduced consumer confidence and reduced capacity for spending. The latter may impact on income to attractions such as the Country Parks and it is anticipated that further capital investment, building on the success of investment to date, may be required to sustain and grow income in future.
33. There is a potential risk to future European Union grant funding streams of up to £350,000 currently received by the Countryside Service and used for the management of Countryside land in a good environmental and agricultural condition.

Section F: 2019/20 Revenue Budget

34. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.
35. Overall, for Policy and Resources cash limited budgets, the expected financial position at the end of 2019/20 is a balanced budget.
36. This net position results from a combination of factors including:
 - Early achievement of Tt2021 savings.
 - One-off savings in 2019/20 including staff vacancies.
 - Off set by one off expenditure relating to the transformation programmes which will be funded from cost of change or other reserves at the end of the year.
37. CCBS also includes a range of Trading Units which rely on income to fully recover the costs that they incur. HC3S is one of these trading units, providing catering services to HCC establishments, in particular the provision of school meals. Since June 2019 there has been a significant downturn in the take up of school meals, coupled with increasing food and staffing costs. Current predictions are that a deficit of around £1 million could be expected by the end of the financial year. Actions are being put in place to mitigate the level of the eventual deficit, which can be covered by trading unit reserves and a more extensive plan is being put in place to ensure that the service returns to a break even position.
38. The budget for Policy and Resources has been updated throughout the year and the revised budget is shown in Appendix 1.
39. The increase of £11.7m from the original approved budget comprises:
 - Inflation.
 - Budget transfers between departments reflecting changes in management responsibility.
 - Corporately funded allocations previously agreed by Cabinet.
 - Use of departmental cost of change reserves.

Section G: 2020/21 Revenue Budget Pressures and Initiatives

40. Over this prolonged period of austerity, all departments have been required to deal with increasing work pressures at a time that staffing resources and other budgets are reducing significantly. Furthermore, as savings become harder

and more complex to deliver (linked for example to changes in digital technologies) the cost and timeframes to deliver savings get higher and longer, placing additional strain on the resources available to deliver business as usual activity.

41. Whilst in relative terms, Policy and Resources departments are in quite a strong financial position it is clear that pressure is increasing in these areas. Policy and Resources departments have also been using their cost of change reserves to fund additional capacity in their transformation teams and the corporate Transformation Practice. The longer timeframes for delivering the County Council's Tt2019 Programme together with planning for the next Tt2021 Programme, will also mean that these teams will be in place for longer, placing further pressure on available resources.

Section H: Revenue Savings Proposals

42. In line with the current financial strategy, there are no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the MTFS by the County Council in July 2018. Savings proposals to meet these targets have been developed through the Tt2021 Programme and were approved by Executive Members, Cabinet and County Council in October and November last year.
43. The 2021/22 savings target for Policy and Resources is £7.950m (£4.568m for Corporate Services, and £3.382m for CCBS). Some savings will be implemented prior to April 2021 and any early achievement of savings in 2020/21 can be retained by departments to meet cost of change priorities. It is anticipated that £3.2m of savings will be achieved in 2020/21 and this is reflected within the detailed estimates contained in Appendix 1.
44. The work already completed to develop the savings proposals has demonstrated that they are complex in nature and challenging to deliver - in some areas, more than two years will be required to fully develop plans and implement the necessary service changes. In addition, it is recognised that many of the support services will be required to continue to provide support to other departments across the County Council (for example by Corporate Services to support the delivery of broader Tt2021 savings) whilst progressing the delivery of their own savings. This consideration is expected to further influence the timing for when some of these proposals will be fully implemented. However, Corporate Services and CCBS Departments expect to be able to support the cash flow and cost of their transformation through cost of change reserves generated from early planning and delivery of savings, including over achievement of Tt2019 savings. As such, the risk of not delivering is considered to be relatively low.

Section I: 2020/21 Revenue Budget Other Expenditure

45. The budget includes some items which are not counted against the cash limit. This includes business units whose costs are covered by customer income and

also the Coroner's service which is budgeted for outside of the Policy and Resources cash limit, as the County Council has no direct control over service levels required and costs incurred.

Section J: Budget Summary 2020/21

46. The budget update report presented to Cabinet in early January included provisional cash limit guidelines for each department. The cash limit for Policy and Resources in that report was £97.714m which was a £9.55m increase on the previous year. This increase includes an allocation for inflation on non-pay budgets and an allowance for step progression within pay grades. At this stage the cash limit does not include an allowance for a pay award as this is in the early stages of negotiation and the outcome is uncertain. An amount will be retained centrally in contingencies until any awards are agreed.
47. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Policy and Resources for 2020/21 and show that these are within the cash limit set out above.
48. In addition to these cash limited items there are further budgets which fall under the responsibility of Policy and Resources, which are shown in the table below:

	2020/21	
	£'000	£'000
Cash Limited Expenditure	214,598	
Less Income (Other than Government Grants)	(116,884)	
Net Cash Limited Expenditure		97,714
Trading Units Net (Surplus)		(107)
Coroners		1,998
Less Government Grants:		
• Local reform and community Voice	(569)	
• Vulnerable Persons Relocation Scheme	(378)	
Total Government Grants		(947)
Total Net Expenditure		98,658

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes / No
People in Hampshire live safe, healthy and independent lives:	Yes / No
People in Hampshire enjoy a rich and diverse environment:	Yes / No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes / No

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2021 – Revenue Savings Proposals (Executive Member for Policy and Resources) Transformation to 2021 savings proposals	24 September 2019
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals MTFS	Cabinet – 15 October 2019 County Council – 7 November 2019
Budget Setting and Provisional Cash Limits 2020/21 (Cabinet) http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf	6 January 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>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.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

The budget setting process for 2020/21 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2021 Programme were considered in detail as part of the approval process carried out in October and November 2019 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 5 to 8 in the October Cabinet report linked below:

[Policy and Resources Equality Impact Assessments for Tt2021](#)

Budget Summary 2020/21 – Policy and Resources

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Transformation and Governance			
Legal Services	2,683	2,781	3,019
Transformation Practice	557	2,811	1,788
Strategic Procurement	607	1,478	1,742
Governance	2,760	2,872	3,097
Total Transformation and Governance	6,607	9,942	9,646
Corporate Resources			
Finance	3,448	3,360	3,694
HR	2,589	3,056	2,905
IT	20,460	23,495	24,316
Audit	633	633	713
Customer Business Services	6,948	5,878	6,044
Corporate Resources Transformation	1,022	1,024	1,157
Corporate Resources Other	21	(361)	(13)
Total Corporate Resources	35,121	37,085	38,816
Customer Engagement Services			
Communication, Marketing & Advertising	634	871	648
Insight & Engagement	640	700	746
Chief Executive's Office & Leadership Support	575	573	569
Total Customer Engagement Services	1,849	2,144	1,963
Total Corporate Services	43,577	49,171	50,425

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Policy and Resources Non-Departmental Budgets (Direct)			
Corporate & Democratic Representation	66	66	66
Grants to Voluntary Organisations	232	232	237
Grants & Contributions to Voluntary Bodies	823	749	765
Southern Sea Fisheries ¹	307	-	-
Members Devolved Budgets	390	624	390
Rural Affairs ²	200	-	-
Other Miscellaneous	441	476	378
	2,459	2,147	1,836
Policy & Resources Non- Departmental Budgets (Central)			
Members Support Costs	1,584	1,587	1,621
Repairs & Maintenance	8,375	8,355	8,635
Strategic Asset Management	1,259	4,637	1,264
Other Miscellaneous	311	311	318
	11,529	14,890	11,838
Total Other Policy and Resources	13,988	17,037	13,674

¹ Moved to Central Corporate Levies budget

² Moved to CCBS Countryside & Rural Affairs Services

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Culture Communities and Business Services (CCBS)			
Transformation & Business Management			
Transformation	558	753	577
Business Development Team	532	749	610
Rural Broadband	262	262	307
CCBS IT Budget	78	78	80
Total Transformation and Business Management	1,430	1,842	1,574
Community and Regulatory Services			
Regulatory Services	1,163	897	924
Business Support	553	430	454
Scientific Services	25	75	123
Asbestos	(8)	(11)	25
Total Community & Regulatory Services	1,733	1,391	1,526
Culture and Heritage			
Risk, Health & Safety	27	27	27
Sir Harold Hillier Gardens	64	64	64
Total Culture & Heritage	91	91	91
Property Services and Facilities			
Corporate Estate	(206)	(206)	(205)
County Farms	(497)	(497)	(495)
Development Account	(348)	(348)	(346)
Sites for Gypsies and Travellers	11	41	29
Property Services	2,787	3,027	3,579
Office Accommodation/Workstyle	3,439	4,672	3,990
Facilities Management	3,318	3,032	3,312
Hampshire Printing Services	(80)	(92)	(50)

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Segensworth Unit Factories	(12)	-	-
Print Sign Workshop	10	-	-
Total Property Services and Facilities	8,422	9,629	9,814
CCBS Planned Contribution to Cost of Change	296	(9)	617
Total CCBS P&R Services	11,972	12,944	13,622
CCBS Recreation and Heritage Sites	17,480	19,244	18,623
CCBS Countryside & Rural Affairs Services	1,146	1,368	1,370
Total CCBS	30,598	33,556	33,615
Total Policy and Resources	88,163	99,764	97,714
Coroners	1,821	1,860	1,998
Trading Units			
River Hamble	55	58	8
County Supplies	(439)	(320)	(460)
HC3S	(114)	1,292	374
Hampshire Transport Management	(51)	(51)	(29)
Total Trading Units	(549)	979	(107)

Service Activity	Original Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Proposed Budget 2020/21 £'000
Government Grants			
Local reform and Community Voice	(569)	(569)	(569)
Inshore Fisheries and Conservation ³	(204)	-	-
Vulnerable Persons Relocation Scheme	(350)	(479)	(378)
Total Government Grants	(1,123)	(1,048)	(947)
Total Net Expenditure Policy and Resources	88,312	101,555	98,658

³ Moved to Central Corporate Levies budget

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	2020/21 to 2022/23 Capital Programme Report for Policy and Resources
Report From:	Chief Executive, Deputy Chief Executive and Director of Corporate Resources and Director of Culture, Communities and Business Services

Contact name: Rob Carr

Tel: 01962 847508

Email: rob.carr@hants.gov.uk

Purpose of the Report

1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for Policy and Resources for 2020/21 to 2022/23 and the revised capital programme for 2019/20.

Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The capital programme for 2020/21 to 2022/23 as set out in Appendix 1.
3. The revised capital programme for 2019/20 as set out in Appendix 2.
4. The deferral of resources from 2019/20 to 2020/21 relating to schemes of £1.937 million as set out in paragraph 32.

Executive Summary

5. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for Policy and Resources for 2020/21 to 2022/23.
6. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 3 February 2020 to make final recommendations to County Council on 13 February 2020.
7. In accordance with the provisional capital guidelines approved by Cabinet in January 2020, the report considers the schemes which it is proposed to include in the capital programmes for 2020/21, 2021/22 and 2022/23. The report also presents the revised programme for 2019/20.
8. The proposals contained within this report are derived from the departmental service plans which have been developed to support the 'Serving Hampshire - Strategic Plan 2017 – 2021'.

Contextual information

9. Executive Members have been asked to prepare proposals for:
 - a locally resourced capital programme for the three-year period from 2020/21 to 2022/23 within the guidelines used for the current capital programme including the third year, 2022/23, at a similar level to 2021/22
 - a programme of capital schemes in 2020/21 to 2022/23 supported by Government grants as announced by the Government.
10. The capital guidelines are determined by the medium-term financial strategy which is closely linked to the 'Serving Hampshire - Strategic Plan 2017 – 2021' and departmental Service plans to ensure that priorities are affordable and provide value for money and that resources follow priorities.

Locally resourced capital programme

11. The cash limit guidelines for the locally resourced capital programme for the Policy and Resources portfolio service set by Cabinet are as follows:

	£'000
2020/21	4,159
2021/22	4,159
2022/23	4,159

12. Executive Members may vary the guidelines between years provided their total three-year guideline is not exceeded and bunching of payments in any one year or front-loading is avoided.
13. Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, as amended by Cabinet in February 2006. From 2009/10, Hampshire Transport Management (HTM) has used prudential borrowing to fund the purchase of vehicles instead of leasing them to generate savings. The allocation for this scheme is included within the guidelines above.

Proposed capital programme 2020/21 to 2022/23 – locally resourced schemes

14. The programme proposed for 2020/21 to 2022/23 is detailed in Appendix 1.
15. The largest allocation is £3 million per annum for vehicle purchases by Hampshire Transport Management (HTM). An increase of £1m per annum from 2017/18 was approved by Cabinet in October 2017 to enable HTM to respond to growing business especially with schools and colleges looking for an environmentally friendly fleet alongside an upsurge in customers reviewing their fleets again considering environmental credentials alongside potential efficiencies. The cost of these purchases is recovered through business unit charges to customers.

16. The 2020/21 cash limit guideline is supplemented by contributions from departmental revenue budgets and cost of change reserves and business unit reserves to fund three specific schemes.
17. The 2020/21 capital programme also includes the proposal to carry forward funding from the 2019/20 programme in respect of schemes that for a variety of reasons as set out in paragraphs 33 and 34 will not start in the current financial year. The total funding proposed to be carried forward is £1.937m. The augmented locally resourced programme totals are shown in the table below:

	2020/21	2021/22	2022/23
	£'000	£'000	£'000
Guideline set by Cabinet	4,159	4,159	4,159
Departmental revenue and reserve contributions to capital	895		
Business unit reserve contribution	500		
Carry forward from 2019/20	1,937		
Proposed locally resources programme	7,491	4,159	4,159

Proposed capital programme 2020/21 to 2022/23 supported by Government allocations

18. The Government has allocated all its support for the capital programme in the form of capital grants, and not as borrowing allocations.
19. The Secretary of State has not yet announced details of individual local authority capital allocations for 2020/21, 2021/22 and 2022/23. However, for planning purposes, a continuation of 2019/20 allocations is assumed.
20. In 2019/20, the Government announced a Schools Condition Allocation (SCA) grant of £17,425,528 for local authority schools and Sure Start early years centres. This is similar to the allocation for 2018/19 and is indicative of allocations that can be assumed for future years, although these will be adjusted for any changes in the size of the Hampshire school estate.
21. The full grant is added to the Policy and Resources cash limit to allow the funding to be prioritised to ensure that school buildings are kept safe and in good working order. Priorities are jointly agreed with Children's Services.
22. The cash limit guidelines for this part of the capital programme are as follows:

	Capital grant
	£'000
2020/21 (Assumed)	17,426
2021/22 (Assumed)	17,426
2022/23 (Assumed)	17,426

23. Close working between Property Services and Children's Services staff ensures maximum impact is achieved from the Schools Condition Allocation funding. A detailed programme of work will be developed to ensure targeted risk-based investment alongside the revenue funded maintenance strategies.

Capital programme summary

24. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2022/23 are:

	Schemes within locally resourced guidelines	Schemes supported by Government allocations	Total
	£'000	£'000	£'000
2020/21	7,491	17,426	24,917
2021/22	4,159	17,426	21,585
2022/23	4,159	17,426	21,585

Revenue implications

25. The on-going service and maintenance implications of the proposed capital programme are funded from within the revenue budget. Some schemes are of an invest to save nature and thus have a positive impact on the revenue budget.
26. In line with proper accounting practice, the asset value resulting from capital expenditure is depreciated over the expected life of the asset with a corresponding charge to the income and expenditure account. However, this accounting adjustment does not directly impact the cash limited budget of services. The estimated depreciation arising from the proposed capital programme is as follows:

	Full year cost
	£'000
2020/21	725
2021/22	659
2022/23	659
Total	2,043

Revised 2019/20 capital programme

27. The revised 2019/20 capital programme for Policy and Resources is shown in Appendix 2 and totals £74.0 million. The changes since the capital programme was approved in February 2019 are summarised below:

	2019/20
	£'000
Approved programme	22,656
Underspend and schemes carried forward from previous years	30,170
Additional approved prudential borrowing	10,000
Draw down of approved corporate funding	1,110
Salix interest free loan funding	500
Adjustment to Government grant	162
Share of 2018/19 capital receipts	681
Developers contributions	914
Carry forward to 2020/21	-1,937
Net transfers between capital and revenue and other technical adjustments to meet accounting requirements	-254
Purchase of Investment – Pooled Property Fund	10,000
	<hr/> 74,002 <hr/>

28. The schemes carried forward from previous years of £30.17m were agreed by Cabinet on 17 June 2019. Significant additions to the programme include the approval for prudential borrowing up to £10m. In November 2019, the County Council approved delegated authority for the Deputy Chief Executive and Director of Corporate Resources, in consultation with the Chief Executive and the Leader to pursue and complete opportunistic land or farm purchases where this is considered to be in the best financial interests of the County Council. It is anticipated that the resulting borrowing costs will be met from income derived from the land or farm.

29. A further addition of £10m relates to the increase in 2019/20 of pooled property fund investments in line with the approved Treasury Management Strategy. This type of investment is regarded as capital expenditure under the Capital Finance Regulations (SI 2010 No 454). When the asset is sold it will

generate a capital receipt which will result in a capital gain or loss at the time of the sale.

30. The draw-down of approved corporate funding of £1.11m relates to the remaining funds previously approved by Cabinet for the energy performance programme. In November 2019, the Executive Member for Policy and Resources approved use of this funding for further electric vehicle infrastructure and battery storage for buildings with Photo Voltaic (PV) installations. Cabinet agreed in January 2020 to supplement the funding with a Salix interest free loan to create a revolving fund for solar PV, building fabric and heating improvements across the non-school estate. Energy savings will be returned to the fund for further investment in the energy performance programme.
31. The revenue funded allocation for office accommodation has been transferred to the revenue budget to fund minor works and office moves as determined by the Corporate Office Accommodation Board in line with strategy for office accommodation. Capital receipts from previous rationalisation of the office accommodation portfolio have been amalgamated and retained in the capital programme. The office accommodation strategy is currently being reviewed to prioritise known condition and suitability issues to ensure a more consistent level of office accommodation for HCC staff across Hampshire and ensure that utilisation of space can be maximised. In addition, following the roll out of the modern technology programme (EPP) a further aim is to address adaptations to the current workspaces to ensure that these provide an appropriately flexible and productive working environment in line with new ways of working. The total funding of £1.040m will be allocated once priorities are determined by the Corporate Office Accommodation Board.

Resources and projects proposed to be carried forward to 2020/21

32. The following table outlines the projects and resources that for reasons set out below, it is proposed to defer and carry forward to 2020/21:

Project	Cost of Projects & Resources carried forward £'000
Country Parks Transformation (Phase 2) – Royal Victoria Country Park	1,400
County Farms improvement projects	450
County Farms minor works	87
Total	1,937

33. The Country Parks Transformation Programme (CPTP) has been in operation for some time and seeks to improve visitor experiences whilst at the same time generating income to make the parks self-financing. Capital funding of £800,000 is included within the current capital programme to improve the catering offer at Royal Victoria Country Park which is key to further income generation. In addition, the Executive Member for Policy and Resources agreed in November 2019 to allocate £600,000 from the Investing in Hampshire Fund to address other backlog liabilities including refurbishing the Empire Rooms and the external toilets to ensure they are of a similar standard to the other new facilities that are already planned. The combined funding of £1.4m will be carried forward into the 2020/21 programme.
34. In accordance with the strategy for the County Farms estate, capital receipts from the sale of farm land and buildings are accrued and earmarked for future investment in County Farms. Overall priorities across the County Farm estate are currently being reviewed, however three improvement projects to the value of £450,000 are planned for 2020/21 and it is proposed to carry forward this funding together with an unrestricted allocation of £87,000 for minor capital works.

Conclusions

35. The proposed capital programme for Policy and Resources as summarised in paragraph 26 is in line with the guidelines set by Cabinet. In addition, it plans to use the allocated Government grants in full. The main priority of the programme continues to be structural maintenance and improvement of the County's built and rural estate, and cultural facilities and the purchase of vehicles to support service delivery across the County Council. The programme supports the delivery of services countywide and contributes to the strategic aims:
 - Hampshire maintains strong and sustainable economic growth and prosperity
 - People in Hampshire live safe, healthy and independent lives
 - People in Hampshire enjoy a rich and diverse environment
 - People in Hampshire enjoy being part of strong, inclusive communities.

REQUIRED CORPORATE AND 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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals (County Council) http://democracy.hants.gov.uk/documents/s40039/MTFS%20-%20Council%20Report.pdf	7 November 2019
Budget Setting and Provisional Cash Limits 2020/21 (Cabinet) http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf	6 January 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

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.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

Equalities impact assessments will be considered when individual project appraisals are developed.

2.1. Impact on Crime and Disorder:

Crime prevention issues will be considered when individual project appraisals are developed.

Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

All relevant developments within the capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Where appropriate capital schemes are planned with adaptation to climate change in mind, such as the inclusion of passive cooling, solar shading, sustainable urban drainage and rainwater harvesting systems in building projects where technically feasible and deliverable within budget constraint

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2020/21 Schemes							
Schemes Supported from Local Resources							
Culture, Communities and Business Services							
1	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
2	County Supplies Warehouse, Winchester	644	106	-	750	-	15
3	West End Arts Centre, Aldershot	253	42	-	295	-	6
4	CCBS Capital	328	-	-	328	-	7
5	Country Parks Transformation (Phase 2) - Royal Victoria Country Park	1,202	198	-	1,400	-	28
6	Robert Mays School, Odiham - Safer Walking Route to School	300	50	-	350	-	7
7	County Farms - Improvement Projects	386	64	-	450	-	9
8	County Farms - Provision for Minor Improvements	75	12	-	87	-	2
Corporate Services							
9	Contingency	185	-	-	185	-	3
Total Programme Supported by Local Resources		3,373	472	3,000	6,845	-	377

Capital Programme - 2020/21

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	1
N/A	2	3	Roof upgrade at Bar End County Supplies warehouse	2
N/A	2	2	Roof upgrade at West End Arts Centre, Aldershot	3
N/A	1	12	Provision of minor works across the department including Library and Countryside services	4
N/A	2	6	To support a range of planned works at Royal Victoria Country Park, including improvements to and extension of restaurant and catering facilities, refurbishment of Empire Rooms and external toilets	5
N/A	2	6	Countryside element of safer walking route to Robert Mays School	6
N/A	1	12	Planned improvements across the County Farms estate	7
N/A	1	12	Provision for minor improvement works across the County Farms estate	8
N/A	-	-		9
# controlled on an accrued expenditure basis				

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2020/21 Schemes (continued)						
	Schemes Supported by the Government						
	Schools Condition Allocation (SCA)						
10	Cove School, Farnborough	399	66		465	-	9
11	Crestwood School, Eastleigh	1,502	248		1,750	-	35
12	Marchwood Junior School, Southampton	451	74		525	-	11
13	Marnel Junior School, Basingstoke	1,202	198		1,400	-	28
14	Petersfield Infant School, Petersfield	253	42		295	-	6
15	Swanmore School, Swanmore	275	45		320	-	6
16	Wavell School, Aldershot	1,974	326		2,300	-	46
17	Schools Condition Allocation (costing less than £250,000)	8,902	1,469	-	10,371	-	207
	Total Schemes Supported by the Government	14,958	2,468	-	17,426	-	348
	Total Excluding Land				24,271	-	725
	Advance and Advantageous Land Purchases				646	-	-
	Total Programme				24,917	-	725

Capital Programme - 2020/21

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
Owned	2	6	Upgrade front elevation of curtain wall to three storey block	10
Owned	3	9	Roof upgrade to atrium	11
Owned	2	3	Roof upgrade	12
Owned	2	10	SCOLA recladding	13
Owned	2	2	Window upgrade	14
Owned	2	6	Window upgrade	15
Owned	2	10	SCOLA recladding	16
Owned	-	-	Major improvements to school buildings	17

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2021/22 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
18	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
19	CCBS Capital	328	-	-	328	-	7
20	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	513	-	3,000	3,513	-	310
	Schemes Supported by the Government						
21	Schools Condition Allocation	14,958	2,468	-	17,426	-	349
	Total Schemes Supported by the Government	14,958	2,468	-	17,426	-	349
	Total Excluding Land				20,939		659
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,585		659

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	18
N/A	1	12	Provision of minor works across the department including Library and Countryside services	19
N/A	-	-		20
Owned	-	-	Major improvements to school buildings	21
			# controlled on an accrued expenditure basis	

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2022/23 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
22	Vehicles for Hampshire Transport Management #	-	-	3,000	3,000	-	300
23	CCBS Capital	328	-	-	328	-	7
24	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	513	-	3,000	3,513	-	310
	Schemes Supported by the Government						
25	Schools Condition Allocation	14,958	2,468	-	17,426	-	349
	Total Schemes Supported by the Government	14,958	2,468	-	17,426	-	349
	Total Excluding Land				20,939		659
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,585		659

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	22
N/A	1	12	Provision of minor works across the department including Library and Countryside services	23
N/A	-	-		24
Owned	-	-	Major improvements to school buildings	25
			# controlled on an accrued expenditure basis	

Policy and Resources 2019/20 capital programme

1. Latest programme limit:	£'000
Total programme as per budget book	22,656
Carry forward schemes from 2018/19	30,170
Approved prudential borrowing	10,000
Additional approved capital allocations	1,110
Salix interest free loan funding	500
School Condition Allocation funding change	162
Share of capital receipts	681
Developers contributions	914
Carry forward to 2020/21	-1,937
Net transfers between capital and revenue and other technical adjustments to meet accounting requirements	-254
Technical adjustment – Pooled Property Fund	10,000
	<hr/>
	74,002
	<hr/>

2. Analysis of 2019/20 programme including carry forwards from 2018/19:

	£'000
Vehicles for Hampshire Transport Management (HTM)	3,000
Havant Day Services access road	<u>55</u>
Schemes controlled on an expenditure basis:	<u>3,055</u>
Capital repairs - Schools Condition Allocation (SCA):	
- Bishops Waltham Junior School – SCOLA recladding	1,600
- St Michael’s Junior School (Aldershot) – Roof upgrade	410
- Other SCA works	12,916
Testbourne Community School - SCOLA recladding (part funded by SCA grant allocation)	3,150
Corporate Estate Capital projects:	
- EII South Fire precaution works	590
- 2019/20 projects individually under £250k	728
Office Accommodation	1,040
Facilities Management schemes	205
Hampshire Transport Management (HTM) – Vehicle Workshop Refurbishment	600
Investment in Hampshire	1,386
Strategic land purchase	10,000
Advance and Advantageous Land	1,938
Botley (Uplands Development) – Infrastructure and Utility Works (provisional allocation)	16,883

	£'000
Energy Performance Programme:	
- EPP5 - Battery Storage Technology	700
- EPP6 – Solar PV, building fabric and heating improvements	1,000
- EPP6 – Electric Vehicle infrastructure	410
- EPP6 – battery storage for buildings with Photo Voltaic (PV) installations, bulk storage of grid electricity	200
Winchester Leisure Centre	1,000
CCBS - ICT Developments	120
Customer Access Improvements	80
CCBS Capital	428
Country Parks Transformation (Phase 2):	
- Manor Farm	550
- Queen Elizabeth Country Park	300
- Staunton Country Park	450
Other Countryside projects	264
Basingstoke Canal:	
- Crookham Deeps Embankment lining	230
- Swan Cutting	335
Footway Improvements	15
Investment - Pooled Property Fund	10,000
Capital receipts – restricted for County Farms	1,729
Unallocated 25% of Capital receipts	<u>369</u>
Schemes controlled on a starts basis:	<u>69,626</u>
Unallocated	<u>1,321</u>
Policy and Resources Capital Programme 2019/20	<u>74,002</u>

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	Investing in Hampshire
Report From:	Director of Corporate Resources and Director of Culture, Communities and Business Services

Contact name: Rob Carr

Tel: 01962 847508

Email: Rob.carr@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to consider a £100,000 bid against the Investing in Hampshire Fund in respect of the Bursledon Brickworks Museum.
2. Bursledon Brickworks is located in Swanwick and is the only surviving industrial scale Victorian brick works left in the country. Opened in 1897 using machinery powered by steam and employing a new method of drying bricks, patented by its original Quaker owners the Ashby family.
3. Part of the site includes brick drying sheds were innovative at the time they were built and were integral to the brick drying method patented by the Ashbys. Two of these ground-breaking sheds are currently derelict and at risk and without intervention it is clear that the sheds will deteriorate further, eventually collapse and a significant part of both Hampshire's and the nation's industrial heritage will then be lost for ever.
4. A £1.7m scheme has been developed that aims to ensure that these sheds are saved, restored, and given new uses that will help start-up businesses create jobs and generate income, ensuring their long-term survival and financial sustainability. A request has been made for £100,000 towards the cost of the scheme.

Recommendation

The Executive Member for Policy and Resources is recommended to :

5. Approves an award of £100,000 towards the scheme at Bursledon Brickworks.

Bursledon Brickworks

6. The Brickworks are managed by the Bursledon Brickworks Museum Trust, who are a registered charity. Under normal circumstances an Investing in Hampshire application form is produced to support bids against the Fund, but in this instance, the Trust have produced a paper that addresses all of the issues contained in the application form.
7. This paper is presented at Appendix 1 in support of the bid and in particular outlines the intention to create 14 new small business units and co-working spaces for rental.
8. This will create an economic benefit for Hampshire whilst also providing new and regular income for the museum which will help to enable the site to become self-sustaining and ultimately preserve all of the museum's historic buildings and its collections long term.
9. The application therefore meets several of the criteria for Investing in Hampshire bids as it not only supports the maintenance of a historically important site that is part of the nation's industrial heritage, but it also offers opportunity for employment and economic growth in the area.
10. The Executive Member for Policy and Resources is therefore recommended to approve the award of £100,000 towards the project as part of the fundraising required for the larger bid to the National Lottery Heritage Fund.

REQUIRED CORPORATE AND 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/no
People in Hampshire enjoy a rich and diverse environment:	yes/⌘
People in Hampshire enjoy being part of strong, inclusive communities:	yes/⌘
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:	

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>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.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. *Equalities Impact Assessment:*

The scheme does not have any detrimental impact on people with protected characteristics and provides opportunities that support a thriving and diverse voluntary and community sector and body of volunteers.

FUNDING CRITERIA FOR INVESTING IN HAMPSHIRE

The following criteria should be taken into account when considering a request for funding.

1. Assistance will be considered only in response to direct applications from properly constituted organisations seeking assistance for one-off funding only. The application must show that the organisation is properly and legally organised and has its own bank account. Funding would only be awarded if the proposal was to support activity within agreed County Council priorities.
2. Applications will be considered for the items listed below, where these are within agreed priorities and generally only where other substantial funding exists:
 - Specific capital projects for the improvement or maintenance of significant assets or facilities within Hampshire
 - Projects that will support economic development and business growth within Hampshire.
3. Other applications will be considered at the absolute discretion of the Leader where he considers that the award will make a contribution for the wider benefit of Hampshire and its residents.
4. The wider economic and other benefits to the residents of Hampshire should be considered together with any complementary benefits for Hampshire County Council.
5. Awards will not usually be made in respect of applications from the following:-
 - Government Institutions
 - Schools
 - Overseas and out of County organisations which have no direct Hampshire involvement
 - Bodies requesting funds for onward distribution to other charities e.g. mayoral appeals, carnivals, fetes, or for their own fundraising events.
6. Apart from exceptional circumstances, the requesting body would be expected to provide their own funding towards the project.
7. As a general rule, grants in excess of £250,000 will not be awarded unless significant benefits and funding are available. In exceptional cases, where the benefits are significant and directly relate to services and functions close to the County Council's key objectives, then an award greater than the level above would be considered.

8. Given the longer term nature of capital projects, requests can be considered well in advance, but funding will only be released once evidence of capital expenditure has been provided to the County Council or other arrangements made, consistent with the agreement of the Director of Corporate Resources.

The New Foundations Project - Saving Hampshire's past by building a new future, brick by brick.

Summary:

Bursledon Brickworks located in Swanwick, is the only surviving industrial scale Victorian brick works left in the country. Opened in 1897 using machinery powered by steam and employing a new method of drying bricks, patented by its original Quaker owners the Ashby family, Bursledon Brickworks revolutionised English brick making. Bricks made at Bursledon helped build flourishing cities and have become a lasting component of our national built heritage.

The works which are Grade II* listed, finally closed in 1974, still using the same steam powered machinery and manufacturing methods. Saved from demolition and with the original steam driven machinery still intact, the site is now an independent working museum. With its very large collection of brick and brickmaking artefacts, it has become a guardian and practitioner of the endangered craft of hand brick making.

Bursledon's brick drying sheds were innovative at the time they were built and were integral to the brick drying method patented by the Ashbys, but two of these ground breaking sheds are currently derelict and at risk. Without intervention it is clear that the sheds will deteriorate further, eventually collapse and a significant part of both Hampshire's and the nation's industrial heritage will then be lost for ever.

The New Foundations Project is an **entrepreneurial new £1.7m capital project** that aims to ensure that these sheds are saved, restored, and given new uses that will help start-up businesses create jobs and generate income, ensuring their long term survival and financial sustainability.



Bursledon Brickworks Museum Trust (Registered Charity 1170043)

Bursledon Brickworks Museum is operated by Bursledon Brickworks Museum Trust (BBMT), an independent registered charity formed by The Hampshire Buildings Preservation Trust in 2016. The Trust's vision is for the museum to become **The National Museum of Brick and Brick Making**.

BBMT is governed by a board of 12 trustees and the museum is run by a team of c70 volunteers - who cover a wide range of tasks from front of house to operating the machinery and taking care of the steam engines, to helping with activities and school and education visits. The volunteers are

supported by a small self-employed team of 4, who undertake the roles of Museum Director/Project Manager, Collections and Volunteer Manager, Education Officer and Café Manager. The museum, which was awarded accredited museum status by the Arts Council in 2018, is open to the public three days a week from April to October and for volunteering three days a week all year round.

The New Foundations Project

The New Foundations Project aims to ensure that the drying sheds are saved, restored, and given new uses which provide for their future, so that they are no longer at risk. The sheds' original surviving walls will be preserved and their unique historic character conserved within a glass roofed atrium style space for exhibitions and **14 new small business units and co-working spaces for rental**. These rental spaces, will not only help new start-up businesses create new jobs they will also provide new and regular income for the museum; helping to enable the site to become self-sustaining and ultimately helping to preserve all the museum's historic buildings and its collections long term.

The project has been developed with the help of a Project Viability Grant from the Architectural Heritage Fund (AHF) which informed and enabled the submission of a successful Round 1 application to the National Lottery Heritage Fund for Heritage Enterprise development funding of £108,000. A further grant of £20,500 has also been awarded by the AHF for project development. This funding has enabled the Trust to engage a multi- disciplined team including an architect, chartered surveyor and other property professionals, who have identified a significant local need for new business start-up units and co-working spaces. Comparable facilities locally include '49' in the New Forest (with whom the Trust has been in contact to understand best practice) and Cams Hall.

(Below: Architects impression of the restored drying sheds showing the atrium and new business and co-worker spaces)



In considering options for use, the Trust has also been mindful of local plans, including Hampshire County Council's Serving Hampshire – Strategic Plan for 2017 – 2021, which the project supports in three outcome areas:

Outcome 1: Hampshire maintains strong and sustainable economic growth and prosperity

- Attracting increased inward investment
- Supporting businesses to start and grow, helping to create more jobs
- Delivering appropriate development and infrastructure

Outcome 3: People in Hampshire enjoy a rich and diverse environment

- Enhancing and protecting Hampshire's heritage and culture
- Protecting and improving Hampshire's environment and quality of life
- Maintaining the unique character of the County

Outcome 4: People in Hampshire enjoy being part of strong inclusive communities

- Supporting a thriving and diverse voluntary and community sector and body of volunteers.

Timing:

Such is the current state of dilapidation of the sheds that in order to avoid the risk of further serious deterioration, building conservation and other essential enabling capital works, should begin on site at the earliest possible opportunity. Subject to raising the additional funding needed, it is anticipated that these works could begin on site in late 2020.

If the project does not go ahead as planned, then the sheds will continue to deteriorate to the point of collapse and the opportunities identified to help support new start-up businesses create new jobs and deliver economic benefit for the local area will all be lost.

Project Funding:

In order for the project to proceed as planned and to secure a further inward investment of £780,000 from the National Lottery Heritage Fund, BBMT needs to raise an additional £400,000 in match funding or funding pledges, by June 2020. The charity has therefore embarked upon a fundraising campaign, focused on securing funding from grant making bodies and trusts and foundations with an interest in economic development, heritage, culture and community. Initial informal conversations with two national grant making foundations have been encouraging, but the project urgently needs to secure a significant lead gift to encourage these private funders to come on board.

The Trustees are appealing for support to achieve this initial campaign milestone therefore, directly to Hampshire County Council to pledge funding of £100,000 to the project. A pledge of this nature from the County Council at this crucial juncture would represent a substantial and high profile endorsement of the quality and ambition of the New Foundations Project and the benefits it will help BBMT to deliver for Hampshire residents.

Thank you

Bursledon Brickworks Museum Trust, Coal Park Lane, Swanwick, Southampton, SO31 7GW

Email: admin@bursledonbrickworks.org.uk Tel. No. 01489 576248

www. <https://www.bursledonbrickworks.org.uk/home>

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	17 January 2020
Title:	Grants to Voluntary Organisations and Other Bodies
Report From:	Director of Transformation and Governance – Corporate Services

Contact name: Louise Pickford

Tel: 01962 847355

Email: louise.pickford@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to consider a grant request received from the Friends of Hampshire County Youth Orchestra towards its summer tour to France and Spain.

Recommendation

2. That a grant of £5,000 be awarded to the Friends of Hampshire County Youth Orchestra towards its tour to France and Spain this summer.

Executive Summary

3. The Policy and Resources one-off grants budget exists to give financial help to organisations which, for a variety of reasons, may not qualify for assistance from other County Council grants streams available.
4. This report provides details of a grant request received from the Friends of Hampshire County Youth Orchestra towards its tour to France and Spain this summer. Details of this request are outlined in Appendix 2 to this report.
5. The grants budget available at the meeting on 17 January 2020 is £118,014.

Grants Criteria

6. A copy of the criteria used for considering grants from the Policy and Resources grants budget is attached as Appendix 1 to this report.

Legal Implications

7. Subject to certain restrictions, the County Council has the power under Section 1 of the Localism Act 2011 to do anything that individuals generally may do including the power to give grants.

REQUIRED CORPORATE AND 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.)

<u>Document</u>	<u>Location</u>
Application forms and correspondence received from organisations	Director of Transformation and Governance

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

The application procedure includes equalities monitoring information as agreed as part of the corporate review of grants programmes and procedures. Further information can be found on individual requests.

FUNDING CRITERIA FOR THE POLICY AND RESOURCES GRANTS

The following criteria should be taken into consideration when preparing a submission for funding. They are intended as guidelines and not prescriptive rules

1. Assistance will be considered only in response to direct applications from properly constituted organisations seeking assistance. You must show in your application that your organisation is properly and legally organised and has its own bank account.
2. Where appropriate, applications will be referred to the relevant service department (e.g. Adult Services, Culture, Communities and Business Services, Children's Services, etc.) for consideration.
3. Preference will be given to applications for specific projects or activities rather than general running costs of organisations. These grants are not intended to replace shortfalls in service delivery budgets or replace funding for other support you may be able to obtain, or that you have obtained from us in the past.
4. Grants will not usually be made in respect of applications from the following:-
 - District or Parish Councils
 - Government Institutions
 - Schools
 - Overseas and out of County organisations which have no direct Hampshire involvement
 - Branches or organisations assisted centrally with a sum from the County Council
 - Bodies requesting funds for onward distribution to other charities e.g. mayoral appeals, carnivals, fetes, or for their own fundraising events.
5. Applications will not be accepted from political parties or groups affiliated with a political party or from lobbying/campaigning organisations.
6. Applications will only be considered from faith groups who can demonstrate their facilities are open and used by the local community other than for church related activities and are for small one-off projects.
7. Requests may be considered from County wide groups (e.g. Guides, Scouts, Hampshire County Youth Orchestra) for specific trips, e.g. for an international jamboree or cultural tour. Individual requests will not usually be considered.
8. Where possible self-help within organisations should be encouraged and to this end, grants are normally a percentage of the sum required to complete the project.
9. As a general rule, grants in excess of £5,000 will not be awarded.
10. In general, grants will only be awarded to projects which are taking place in the same year as application for funds.

FRIENDS OF HAMPSHIRE COUNTY YOUTH ORCHESTRA (CG00020178)

The Friends of Hampshire County Youth Orchestra is seeking to raise a £20,000 subsidy to provide financial help to members for its summer tour to France and Spain. The subsidy will help to reduce parental contributions.

Total cost: £20,000 subsidy

Total income: £2,500 (own funds). Funding requests have also been submitted to other bodies

Shortfall: £17,500, this is further reduced to £12,500 with contributions from Members' budgets included (details shown below)

APPLICATION ADDRESSED TO:

Director of Transformation and Governance – Corporate Services

AMOUNT OF REQUEST

£5,000

GRANTS PREVIOUSLY AWARDED BY OTHER EXECUTIVE MEMBERS AND CONSIDERATION GIVEN BY OTHER LOCAL MEMBERS**This budget:**

Grants of £5,000 have been awarded towards each of the Orchestra's tours in 2016 and 2018.

Members grants approved for 2020 tour:

12 Members have contributed a total of £4,999 from their devolved grant budgets.

COMMENTS OF LOCAL MEMBER

The is a countywide organisation.

GENERAL COMMENTS

Director of Transformation and Governance: This is a worthwhile activity which will provide an opportunity for the best of the County's musicians to perform to a wider audience.

RECOMMENDATION

£5,000

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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