

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Universal Services
<b>Date:</b>	15 January 2024
<b>Title:</b>	Universal Services Proposed Capital Programme 2024/25, 2025/26 and 2026/27
<b>Report From:</b>	Director of Universal Services

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### Purpose of this Report

1. The purpose of this report is to set out, subject to confirmation of funding, the proposals for the Universal Services Capital programme for 2024/25, 2025/26 and 2026/27 and to seek approval for their onward submission to Cabinet in February 2024. Appendix 5 is the approved format for the budget book. The report also includes the revised capital programme for 2023/24 and provides recommendations for changes to the programme in 2023/24 and beyond.

### Recommendations

2. That the Executive Lead Member for Universal Services recommends that the Cabinet and County Council approve the capital programme for 2024/25 and the provisional 2025/26 and 2026/27 capital programmes totalling £329.597 million, as set out in Appendix 5.
3. That the Executive Lead Member for Universal Services approves the carry forward of resources of £4.32 million from 2023/24 to 2024/25, 2025/26 and 2026/27 respectively as set out in Appendix 4.
4. That the Executive Lead Member for Universal Services recommends approval to the Leader and Cabinet of the revised capital programmes cash limit for 2023/24 totalling £207.075 million as set out in Appendix 1.
5. That the Executive Lead Member for Universal Services delegates authority to the Director of Universal Services, in consultation with the Executive Lead Member for Universal Services, to make minor amendments to the split of funding across sub-programmes within the Structural Maintenance programme as set out in Tables 7 and 8.
6. That the Executive Lead Member for Universal Services recommends to Cabinet and County Council to increase the capital programme value of the Bishopstoke Road scheme from £5.3 million to £8.1 million to be funded by

Section 106 contributions, DfT LTP Integrated Transport Block grant and Concessionary Fares budget.

7. That the Executive Lead Member for Universal Services approves the addition of the Southampton and South West Hampshire Transforming Cities Fund (TCF) Bluestar 2 Corridor Bus Improvements scheme into the 2023/24 capital programme at a value of £530,000 to be funded by reallocated TCF grant, subject to DfT approval of a change control.
8. That the Executive Lead Member for Universal Services approves the £948,000 increase in the capital programme value of the Southampton and South West Hampshire Transforming Cities Fund A27 Providence Hill cycle route from £3.076 million to £4.024 million with the increase to be funded by reallocated TCF grant, subject to DfT approval of a change control.
9. That the Executive Lead Member for Universal Services approves the £0.280 million increase to the value of, and expenditure approvals for, the Southampton and South West Hampshire Transforming Cities Fund Marchwood Bypass bus priority scheme from £2.382 million to £2.662 million, entered in the 2022/23 capital programme year, with the increase to be funded by additional TCF grant from Southampton City Council.
10. That the Executive Lead Member for Universal Services approves the £0.890 million decrease of the Portsmouth and South East Hampshire Transforming Cities Fund Bedhampton Hill Bus Roundabout signalisation scheme from £1.2 million to £0.310 million, entered in the 2021/22 capital programme year, to enable the TCF grant and CIL funding to be reallocated across the Portsmouth and South-East Hampshire TCF programme.
11. That the Executive Lead Member for Universal Services approves the £0.630 million increase to the value of, and the expenditure approvals for, the Portsmouth and South East Hampshire Transforming Cities Fund Delme to Downend bus and cycle improvements scheme, from £10.732 million to £11.362 million, entered in the 2022/23 capital programme year, with the increase to be funded by a mix of reallocation of TCF grant, Strategic Routes funding subject to award (underwritten by LTP ITB funding), Section 106 contributions and Intelligent Transport Systems budget.
12. That the Executive Lead Member for Universal Services approves the £0.650 million increase to the value of, and expenditure approvals for, the Portsmouth and South East Hampshire Transforming Cities Fund Gosport Bus Station scheme from £6.119 million to £6.769 million, entered in the 2021/22 capital programme year, with the increase to be funded by reallocation of TCF grant.
13. That the Executive Lead Member for Universal Services recommends to Cabinet and County Council to increase the value of the two following School Condition Allocation Schemes: Crookhorn College SCOLA recladding scheme to be increased by £1.3 million (total value now £3.3 million) and Henry Beaufort School SCOLA recladding scheme to be increased by £1.0 million (total value now £3.1 million) and approves the transfer of these projects into the 2023/24 capital programme. The increases will be funded by the reallocation of School Condition Allocation grant.

14. That the Executive Lead Member for Universal Services notes the £1.165 million decrease in the value of the School Condition Allocation grant funded patent glazing upgrade scheme at Springwood Junior, from £1.785 million to £0.620 million, which is entered in the 2023/24 capital programme.

### **Executive Summary**

15. This report sets out the proposals for the Universal Services Capital programme for 2024/25, 2025/26 and 2026/27, and seeks approval for their onward submission to Cabinet in February 2024.
16. The proposals set out in this report amount to over £329 million across the next three years.
17. The report sets out the proposed programmes by the four branch areas as follows: Highways and Transport (paragraphs 66 to 104), Property Services (paragraphs 105 to 117), Recreation (paragraphs 118 to 129) and Waste and Environmental Services (paragraphs 130 to 138).
18. Where required, it also provides recommendations for the Executive Lead Member for Universal Services for 2023/24 and previous programme years.

### **Contextual Information**

19. The Executive Lead Member for Universal Services can now prepare proposals for:
  - a locally resourced capital programme for the three-year period from 2024/25 to 2026/27 within the guidelines used for the current capital programme; and
  - a programme of capital schemes supported by Government Grants in 2024/25, 2025/26 and 2026/27.
20. The 2024/25, 2025/26 and 2026/27 programmes set out primarily new capital resources, with the latter two years based on indicative schemes and figures. The 2024/25 and 2025/26 programmes replace previously approved programmes, they do not add to them.
21. The Universal Services capital programme includes the following branches:
  - Highways, Engineering and Transport Services
  - Property, Business Development and Transformation Services
  - Recreation, Business and Information Services
  - Waste and Environmental Services
22. The proposed programmes have been prepared in consultation with the Executive Lead Member for Universal Services and have been reviewed by the Universal Services Select Committee. They are to be reported to the Leader and Cabinet on 6 February 2024 to make final recommendation to Council on 22 February 2024.

23. The three-year capital programme provides details of the schemes expected to commence during 2024/25, 2025/26 and 2026/7. Circumstances outside the County Council's control such as the changing commercial outlook across the highways and civil engineering sectors and the potential need for broader environmental considerations, may cause some schemes to be delayed to later financial years.

### **Key Challenges**

24. Current reports are forecasting that construction inflation rates will continue to fall in 2024, in line with the national downward trend in inflation. However, the capital programme will not benefit from this improving economic position for some time and it should be noted that inflationary pressures are still very extant within current schemes. Inflation remains a positive number hence prices are continuing to rise year on year, even if not at the extremely high rates witnessed during 2022 and 2023. One of the main drivers for the increase in tender prices, is site labour rates which continue to rise faster than wage awards. The long-term forecast is showing around a 20% increase to tender prices in the five years to 2028.
25. Material cost inflation has calmed since the peak observed in 2022. This is helped by the increase in availability of the majority of construction materials, however, there still appears to be a premium in pricing and high demand for some items.
26. Market conditions will continue to be closely monitored and use of local knowledge and regional construction frameworks together with the early engagement of contractors will be vital in securing value for money, and capacity from the industry for the successful delivery of projects within this programme.
27. Some of the recent challenges to delivering the capital programme are showing signs of receding with inflationary impacts easing and suppliers having greater confidence and certainty in pricing projects, with a slight reduction in risk levels now being factored into bids. This also reflects the general position of the broader supply chain which, in turn, encourages competitive bidding from a wider range of suppliers.
28. The proposed capital programme has a reduced dependence upon 'capped' grant funding which eases the pressure on the County Council to fund any cost increase during the lifecycle of a project. However, the lasting impact of soaring inflation - 30-40% increases since 2019 across many parts of the construction sector - means that costs have increased resulting in external bids being higher in value than would otherwise have been the case, and this has resulted in match-funding being more difficult to find.
29. Key challenges that will impact the delivery of the capital programme going forward remain, such as wider economic uncertainty affecting future funding opportunities, the appetite from suppliers to bid competitively and continue working within Hampshire, and securing third-party consents and approvals, for example, Environment Agency, Network Rail, National Highways, which

can take extended periods of time to agree and secure and which, in most cases, are out of the control of the County Council.

30. Across the Corporate and Schools' built estate, a condition and risk-based approach is taken, prioritising and addressing maintenance requirements within the available funding, reflecting the different pressures and challenges. Capital work of this nature is prioritised alongside critical revenue work to maintain the built estate safely. Capital work is at times paused to ensure it remains appropriate and will meet the future requirement of the organisation as part its Strategic Asset Management Plan.
31. All areas of the Built Estate Repairs & Maintenance programmes are being impacted by cost and resource challenges being experienced across the construction industry.

### **REVISED 2023/24 CAPITAL PROGRAMME AND PROGRAMME CHANGES**

32. The revised capital programme for 2023/24 reflecting the adjustments made during the year, is shown in Appendix 1 and totals £207.075 million. This lists all the schemes in the current programme at the latest cost estimate, together with a reconciliation of resources.
33. It is therefore recommended that the Executive Lead Member for Universal Services recommends approval to the Leader and Cabinet of the revised capital programme cash limit for 2023/24 as set out in Appendix 1.
34. Previous updates have highlighted the key risks to the Transforming Cities Programme (TCF) across the Southampton and Portsmouth Cities Region. To mitigate these risks, budget allocations for individual schemes have been realigned due to various factors including modifications during scheme development and to fund emerging cost pressures. This approach has protected the successful delivery of the TCF programme as a whole, and allows the overall programme benefit cost ratio (BCR) reported within the original bid to be maintained. It should also be noted that the schemes are complementary to each other and as a combined package, realise benefits across the wider area supporting the objective of encouraging increased levels of walking, cycling and public transport use. The following paragraphs outline further amendments to the Southampton and South West Hampshire TCF programme.
35. The last capital programme update outlined the need to remove the Bishopstoke Road scheme from the Southampton and South West Hampshire Transforming Cities Fund (TCF) programme as the need to design and seek various external approvals for the required environmental mitigation requires more time to address than is allowed within the DfT TCF timeframe. As it is an important corridor enhancement, the intention is to refinance the scheme and deliver it to a new timeline.
36. Development of the scheme which proposes to implement bus priority measures along Bishopstoke Road, Fair Oak, has confirmed planning, environmental, and geotechnical issues that are essential to resolve, for scheme delivery. The proposed road widening for the bus lane impacts on the floodplain of the Itchen valley which is a Special Conservation Area and to

mitigate this, a flood compensation area is required, which involves reshaping part of the existing playing fields to contain flood water during given storm and flood scenarios. The impact on flooding and the compensation area requires approval by the Environment Agency. Due to the topography and position of adjacent sports pitches, the flood compensation area is proposed to be located remotely from the road, which is beyond the scope of permitted development rights for widening highways and will require planning permission. Being on the floodplain, the proposed road widening is on areas with poor ground conditions so additional engineering work is required to support the new road structures for the longer term. The additional engineering work and processes required to deliver the scheme have increased the programme and forecast costs by £2.8 million.

37. It is therefore proposed that the Executive Lead Member for Universal Services recommends to Cabinet and County Council to increase the capital programme value of the Bishopstoke Road scheme from £5.3 million to £8.1 million. As the scheme will no longer comply with the terms of TCF DfT grant, originally proposed, it will be funded by a mix of S106 contributions, DfT LTP Integrated Transport Block grant and a contribution from the Concessionary Fares budget.
38. With the removal of the Bishopstoke Road scheme from the TCF programme, as reported in the last capital programme update, there remains a need to deliver an alternative scheme along this corridor to meet the TCF programme objectives outlined in the original TCF bid. As a result, it is proposed to introduce the Bluestar2 Corridor Bus Improvements scheme into the TCF programme to deliver an alternative new package of bus priority measures serving this corridor. This new scheme, which will use technology to give buses priority at signal junctions, meets the TCF programme objectives and aims to give similar journey time savings for buses. Furthermore, it is deliverable within the funding timeline as it is relatively straightforward to design and deliver.
39. It is therefore recommended that the Executive Lead Member for Universal Services approves the addition of the Southampton and South West Hampshire Transforming Cities Fund Bluestar 2 Corridor Bus Improvements scheme into the 2023/24 capital programme at a value of £530,000 to be funded by reallocated TCF grant, subject to DfT approval of a change control.
40. As the delivery of capital projects continues to face ongoing financial challenges within the construction market, there is a need to increase the value of the A27 Providence Hill cycle route scheme as the cost estimate for the scheme is now higher than the approved budget. Whilst work has been undertaken to bring the costs in line with the budget by value engineering and removing elements of the design, the estimate is still £948,000 higher than originally anticipated. The scheme has also been further developed to ensure that it aligns with the latest design standards from Active Travel England. It remains assessed as offering reasonable value for money and delivers on key policy objectives of delivering improvements, seeking to encourage walking and cycling to provide more choice for commuters as part of the TCF corridor approach of improving sustainable transport links to Southampton.

41. It is therefore recommended that the Executive Lead Member for Universal Services approves the £948,000 increase in the capital programme value of the Southampton and South West Hampshire Transforming Cities Fund A27 Providence Hill cycle route from £3.076 million to £4.024 million with the increase to be funded by reallocated TCF grant, subject to DfT approval of a change control.
42. In the event of the change control not being approved by the DfT, other options will be reviewed and recommendations will be brought to a future decision day.
43. Since construction commenced on the Marchwood Bypass bus priority scheme, it has become apparent that there are greater constraints on the traffic management arrangements to reduce the impact on motorists than previously estimated as well as additional drainage works. It is therefore prudent to increase the scheme value by £0.280 million to reflect the additional costs that will be incurred.
44. It is therefore recommended that the Executive Lead Member for Universal Services approves the £0.280 million increase to the value of, and expenditure approvals for, the Southampton and South West Hampshire Transforming Cities Fund Marchwood Bypass bus priority scheme from £2.382 million to £2.662 million, entered in the 2022/23 capital programme year, with the increase to be funded by additional TCF grant from Southampton City Council.
45. Further adjustments to the capital programme values of some of the schemes that are progressing through delivery within the Portsmouth and South East Hampshire TCF programme, are also required. These include:
  - Bedhampton Hill Bus Roundabout signalisation (-£0.890 million)
  - Delme to Downend bus and cycle improvements (+£0.630 million)
  - Gosport Bus Station (+£0.650 million)
46. Following the project appraisal, it was found that a number of utility diversions could be removed from the Bedhampton Hill Bus Roundabout scheme which therefore reduced the scope and budget required. The scheme has now been completed and the unspent budget allocation is to be used to support other schemes with funding pressures across the Portsmouth and South East Hampshire TCF programme.
47. It is therefore recommended that the Executive Lead Member for Universal Services approves the £0.890 million decrease of the Portsmouth and South East Hampshire Transforming Cities Fund Bedhampton Hill Bus Roundabout signalisation scheme from £1.2 million to £0.310 million, in the 2021/22 capital programme year, to enable the TCF grant and CIL funding to be reallocated across the Portsmouth and South East Hampshire TCF programme.
48. The Delme to Downend bus and cycle improvements scheme has seen a forecasted increase in costs of £0.630 million since the last Project Appraisal (PA) was approved in May 2022. This increase is due to several factors including changes to the scope of the drainage works to allow for climate

change impacts and potential future flooding events within proximity to the tidal river. The additional requirements to ensure no detrimental impact to the drainage within the area has meant an increase in drainage requirements. These improvements will not only benefit the scheme but also improve road conditions for cyclists using the National Cycle Network route along Cams Hill, which is currently subject to flooding and is impassable during high tide flooding events. Furthermore, these improvements will have a positive impact on the local wildlife and ecology, as filtration systems will be implemented to enhance the quality of water flowing back into the river, which holds several environmentally protected statuses. Therefore, delivery of these essential improvements as part of the core scheme are considered to be effective and cost-efficient.

49. Other factors affecting the rise in construction costs since the previous project appraisal include: material inflationary pressures being felt due to the drastic rise in the inflation rate; and further improvements being implemented at Cams Hill Estate to maximise traffic flows on the junction. To address the impact of inflationary increases, the County Council is exploring other aspects of the Cams Hill scheme that can be optimised in order to save money. This includes reducing the requirements for ducting and reassessing the necessity for full depth resurfacing. These measures will contribute to overall savings in the programme and associated costs. However, it is important that these measures do not compromise the TCF objectives.
50. Despite the cost increases, the scheme continues to provide good value for money, not only locally but also within the wider programme. The scheme will provide a range of benefits including improved public transport accessibility and modal choice, enhanced walking and cycling facilities and supporting businesses and growth by encouraging alternative transport options. The scheme aligns with the strategic objectives of the South East Hampshire Rapid Transit (SEHRT), which themselves also strongly align with the objectives of the TCF programme and Hampshire County Council's LTP4 plan.
51. It is therefore recommended that the Executive Lead Member for Universal Services approves the £0.630 million increase to the value of, and the expenditure approval for, the Portsmouth and South East Hampshire Transforming Cities Fund Delme to Downend bus and cycle improvements scheme, from £10.732 million to £11.362 million, entered in the 2022/23 capital programme year, with the increase to be funded by a mix of reallocation of TCF grant, Strategic Routes funding subject to award (underwritten by LTP ITB funding), S106 contributions and Intelligent Transport Systems budget.
52. Unforeseen issues have arisen with the Gosport Bus Station scheme since construction commenced which has led to an increase in the scheme value to £6.769 million from £6.119 million. Higher than previously anticipated costs for the new bus and taxi shelters, issues around underground utilities necessitating design changes, and the discovery of an area of contaminated land, have led to programme delays and increased costs. Opportunities are continually sought to identify potential cost savings through alternative

materials and construction methodologies whilst ensuring that the scheme is not compromised in terms of delivering TCF objectives and a high quality product.

53. Despite these cost increases, the scheme continues to provide good value for money, not only locally but also within the wider programme, and continues to be well supported by Gosport Borough Council and both County and local members. The scheme will provide a range of benefits including improved public transport accessibility and modal choice, improved air quality by facilitating the use of electric buses and supporting businesses and growth within the town centre through improved public transport penetration. The scheme aligns with the strategic objectives of the South East Hampshire Rapid Transit (SEHRT), which themselves also strongly align with the objectives of the TCF programme and Hampshire County Council's LTP4.
54. It is therefore recommended that the Executive Lead Member for Universal Services approves the £0.650 million increase to the value of, and expenditure approvals for, the Portsmouth and South East Hampshire Transforming Cities Fund Gosport Bus Station scheme from £6.119 million to £6.769 million, in the 2021/22 capital programme year, with the increase to be funded by reallocation of TCF grant.
55. Since the last update, additional funding requests totalling £1.65 million from the corporate capital inflation risk reserve have been approved under the approval delegated to the Deputy Chief Executive and Director of Corporate Operations. Alternative options, including the further application of developers' contributions and reducing the scope of the schemes, were explored thoroughly before the requests were made. Any unspent amounts upon completion of these schemes, will be returned to the corporate capital inflation risk reserve. The table below shows the revised capital programme values.

Scheme	Additional Corporate Capital Inflation Risk Reserve £000	Revised Capital Programme Scheme Value £000
Portsmouth and South East Hampshire TCF Delme to Downend bus and cycle improvements	800	10,732
Portsmouth and South East Hampshire TCF Gosport Bus Station	200	6,119
Southampton and South West Hampshire TCF Marchwood Bypass bus priority	400	2,382
Southampton and South West Hampshire TC Providence Hill cycle route	250	3,076

56. Two SCOLA recladding projects (Crookhorn College and Henry Beaufort School) have been moved from the 2024/25 programme to the 2023/24 programme because initial expenditure is expected in 2023/24 in advance of work starting on site in summer 2024. The impact of inflation since the schemes were first added to the programme, plus clarification of the scope of work to incorporate climate change adaption, has increased the value of both schemes.
57. It is therefore recommended that the Executive Lead Member for Universal Services recommends to Cabinet and County Council to increase the value of the Crookhorn scheme from £2.0 million to £3.3 million and the value of the Henry Beaufort scheme from £2.1 million to £3.1 million.

## PROPOSED CAPITAL PROGRAMME 2024/25 TO 2026/27

### Total Resources for Universal Services

58. The table below summarises the proposed new capital investment submitted for consideration for the next three years across the four branches. This table does not reflect actual expenditure in those years.

59. Table 1: Summary of Universal Services capital programmes by branch

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Highways and Transport	110,140	80,403	55,203	245,746
Property	22,208	27,180	29,264	78,652
Recreation	4,908			4,908
Flood & Coastal Defence	106			106
Unallocated budget	185			185
<b>Total programme</b>	<b>137,547</b>	<b>107,583</b>	<b>84,467</b>	<b>329,597</b>

60. The total capital resources that funds this programme is outlined in Appendix 2.

61. Local resources guidelines were agreed by Cabinet on 12 December 2023. Total local resources amount to £48.994 million over the next three years.

62. Table 2: Summary of Universal Services local resources

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Local resources	33,194	12,400	3,400	48,994
<b>Total</b>	<b>33,194</b>	<b>12,400</b>	<b>3,400</b>	<b>48,994</b>

63. Throughout the period of austerity, the County Council has maintained planned revenue contributions to capital as part of its revenue budget, recognising the need for continued capital expenditure in areas such as investment in highways. For Universal Services this has meant an annual contribution to its capital programme of £12.4 million.
64. From 2025/26, local resources will no longer be held in the Universal Services capital programme but will be held centrally, which will allow the County Council time to continue to consider the evolving Medium Term Financial Strategy position. This is a pragmatic approach that balances recognition of the importance of capital investment with the need to review and challenge all revenue based expenditure given the exceptional financial environment.
65. The following sections outline the proposals for the Universal Services Capital programme for 2024/25, 2025/26 and 2026/27 by branch.

### **Highways and Transport capital programme**

#### **Total Resources**

66. The table below is a breakdown of the capital resources in their respective start years for the Highways and Transport capital programme. This table does not reflect actual expenditure in those years.
67. Table 3: Summary of Highways & Transport capital programme

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Structural Maintenance	60,541	54,753	47,253	162,547
Integrated Transport	46,199	22,250	4,550	72,999
Hampshire Transport Management	3,400	3,400	3,400	10,200
<b>Total</b>	<b>110,140</b>	<b>80,403</b>	<b>55,203</b>	<b>245,746</b>

Table 4: Total capital resources for Highways and Transport capital programme

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Bridge Replacement	2,500			2,500
Developer contributions	18,239	6,350	2,850	27,439
DfT Active Travel Fund	13,090	-	-	13,090
DfT Highways Incentive Grant	3,721	3,721	3,721	11,163
DfT Levelling Up Fund	10,000	7,000	-	17,000
DfT LTP ITB grant	2,200	2,700	1,700	6,600
DfT LTP Maintenance Grant	14,886	14,886	14,886	44,658

DfT Network North Fund	4,225	<i>13,760</i>	<i>13,760</i>	31,745
DfT Pot Hole Grant	14,886	<i>14,886</i>	<i>14,886</i>	44,658
DfT Levelling Up Fund/ATF bid (future)	-	<i>2,700</i>	-	2,700
HCC Ringfenced Concessionary Fares	1,050	-	-	1,050
ITS Replacement	1,000	-	-	1,000
Local resources guideline	1,823	-	-	1,823
National Highways	-	<i>3,000</i>	-	3,000
Other Local Authority	420			420
Payments Reserve	7,500	7,500	-	15,000
Prudential borrowing requirement	3,400	3,400	3,400	10,200
Revenue Reserve	10,112	-	-	10,112
South Downs National Park Authority	1,088			1,088
WCC CIL		500		500
<b>Total</b>	<b>110,140</b>	<b>80,403</b>	<b>55,203</b>	<b>245,746</b>

Figures in italics are subject to DfT decisions and for planning purposes this level of funding is assumed.

### Local Resources

68. Local resources guidelines were agreed by Cabinet on 12 December 2023. Total local resources amount to £41.685 million over the next three years.

69. Table 5: Local resources for Highways & Transport capital programme.

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
HCC Ringfenced Concessionary Fares	1,050	-	-	1,050
Local resources guideline	1,823	-	-	1,823
Payments Reserve	7,500	7,500	-	15,000
Prudential borrowing requirement	6,900	3,400	3,400	13,700
Revenue Reserve	10,112	-	-	10,112
<b>Total</b>	<b>27,385</b>	<b>10,900</b>	<b>3,400</b>	<b>41,685</b>

### Government Formula Allocations

70. The DfT LTP allocations for Integrated Transport and Structural Maintenance for 2024/25, 2025/26 and 2026/7 are detailed in Table 4. It should be noted that 2024/25 is the final year of the confirmed three-year settlement which commenced in 2022/23 and at the time of writing, the DfT has made no

indication about future funding. Therefore, 2025/26 and 2026/27 figures are subject to DfT decisions and for planning purposes, it is assumed that funding will keep to current levels.

### **Other Government Funding**

71. Given the modest annual LTP Integrated Transport Block funding (£5.338 million), the programme reflects the need of the County Council to obtain additional external funding, through competitive bidding processes, to maximise the potential for delivery and address funding gaps.
72. However, over the last 12 months there has been a deterioration in the central government funding environment with significant reductions to transport funding in the short term.
73. At the time of writing, the County Council is awaiting a decision on £2.5 million of Active Travel Fund bids and there is an expectation of a larger, multi-year settlement in the future. In addition, we are also expecting the third and final round of Levelling Up Fund to be announced which will be in the region of £1 billion, nationally.
74. The Government's Network North document sets out a plan for improving the country's transport. While most of the focus is on the North and Midlands, and there is limited new funding available through the plan, there is potential for a future round of funding for improvements to the Major Road Network where Hampshire could consider submitting a bid.

### **Developer Contributions and other External Funding**

75. The Department receives contributions from developers towards the cost of highway and transport infrastructure associated with mitigating the effects of developments.
76. This three-year programme includes an estimate of £27.439 million of developer contributions from Section 106. In addition, there are many more projects currently at feasibility or early development stages that may well come forward during the next three years for delivery which may utilise this source.

### **Revenue Investment**

77. The capital programme is initially developed through revenue investment in transport strategies, plans and schemes. The difficult financial situation all local authorities find themselves in, means revenue funding is scarce. Looking forward, this means the County Council will increasingly be unable to meet the requests of the public, members, and others to develop schemes and projects except where there is external funding to do so.
78. Whilst there is DfT funding for some revenue activity, it is mainly in the areas related to developing active travel schemes, electric vehicle infrastructure plans and bus service improvement plans. In terms of meeting community requests to tackle local transport problems, it is increasingly likely these will only be able to be met if associated with a supporting budget to do initial

investigation via mechanisms such as the community funded infrastructure programme or from development contributions.

### Structural Maintenance Programme

79. The Structural maintenance programme is a 'spend' based programme, and therefore the figures in Table 6 represent how much will be spent in that year.

Table 6: Total capital resources for Structural Maintenance programme

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Local resources guideline	1,823			1,823
Payments Reserve	7,500	7,500		15,000
Revenue Reserve	10,000			10,000
DfT Highways Incentive Grant	3,721	<i>3,721</i>	<i>3,721</i>	<i>11,163</i>
DfT Pothole Grant	14,886	<i>14,886</i>	<i>14,886</i>	<i>44,658</i>
DfT LTP Maintenance Grant	14,886	<i>14,886</i>	<i>14,886</i>	<i>44,658</i>
DfT Network North Fund	4,225	<i>13,760</i>	<i>13,760</i>	<i>31,745</i>
Bridge Replacement	2,500			2,500
ITS Replacement	1,000			1,000
<b>Total</b>	<b>60,541</b>	<b><i>54,753</i></b>	<b><i>47,253</i></b>	<b><i>162,547</i></b>

80. At the time of writing, the DfT has made no indication about funding beyond 2024/25. Therefore, 2025/26 and 2026/27 figures in italics are subject to DfT decisions and for planning purposes, it is assumed that funding will keep to current levels.

81. However, in November, the Government announced additional funding of a minimum of £132.297 million through the Network North fund for the 11-year period 2023/24 to 2033/34. Whilst £4.225 million has been confirmed for both 2023/24 and 2024/25, the remaining balance has been estimated at £13.760 million across the remaining 9 years for planning purposes.

82. Whilst this additional funding is welcome and much needed, it is anticipated that it will generate a high demand for sub-contract specialist resources, potentially leading to increased competition between highway authorities and service providers in order to secure them. Hampshire is in a more fortunate position as it has already committed to longer term pipelines of work, and secured the necessary resource, as a consequence of the 3-year Stronger Roads Today campaign that was launched in July 2023. There are also sector-wide shortages for technical resources with recruitment and retention continuing to be a challenge.

83. In addition, over the past few years there has been a notable increase in demand for road space and permits. School holiday periods, in particular, are

in high demand where all statutory undertakers try to plan to deliver their most traffic sensitive projects. This had led to many key roads being booked far in advance making it more difficult for other parties, including the County Council, to undertake planned work.

84. It should be noted that, within year, one-off government grant funding and other funding from successful bids can be allocated to this budget increasing the total available in year. As part of some programmes, the County Council seeks to build up sufficient allocations for larger more complex schemes over several years. In addition, some schemes hold funding to help support bidding opportunities.
85. Budgets are allocated in line with Hampshire County Council's Asset Management principles and needs based budgeting and programmes are developed based on various factors, including condition, remaining life and lifecycle planning including whole life costs.
86. To provide greater governance of the Structural Maintenance programme, it has previously been agreed that this report will include the initial split of allocation between the two sub-programmes that form the Structural Maintenance programme, with authority delegated to the Director of Universal Services to make minor amendments to the split of funding across sub-programmes.
87. It is therefore recommended that the Executive Lead Member for Universal Services delegates authority to the Director of Universal Services, in consultation with the Executive Lead Member for Universal Services, to make minor amendments to the split of funding across sub-programmes within the Structural Maintenance programme.
88. In 2024/25, the total Structural Maintenance spend will be split across the two programmes of work as shown in the tables below. The split of the total Structural Maintenance budget is confirmed on a rolling year basis and the initial split of allocations between the two sub-programmes that form the Structural Maintenance programme is shown in the tables below.

Table 7: Structural maintenance programme

	<b>2024/25 £000</b>
Planned Maintenance	29,781
Local Depots (incl. Countywide Services)	18,310
ITS	1,150
Highways Other	4,800
<b>Total programme</b>	<b>54,041</b>

Table 8: Bridges programme

	<b>2024/25 £000</b>
Bridges	6,500
<b>Total programme</b>	<b>6,500</b>

This split is based on the previous year and has been adjusted to reflect the additional funding for Stronger Roads Today' Highways reactive maintenance.

### Integrated Transport Programme

89. This programme is a 'starts' based programme, and therefore the figures in Table 9 do not represent how much will be spent but the full value of projects that are proposed to incur expenditure in that year.

Table 9: Total capital resources for Integrated Transport programme

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Developer contributions	18,239	6,350	2,850	27,439
DfT Active Travel Fund	13,090			13,090
DfT Levelling Up Fund	10,000	7,000		17,000
Future DfT Levelling Up Fund/Active Travel Fund		2,700		2,700
HCC Ringfenced Concessionary Fares	1,050			1,050
DfT LTP Grant	2,200	2,700	1,700	6,600
National Highways		3,000		3,000
WCC CIL		500		500
Other Local Authority	420			420
Revenue reserve	112			112
South Downs National Park Authority	1,088			1,088
	<b>46,199</b>	<b>22,250</b>	<b>4,550</b>	<b>72,999</b>

90. The County Council is developing additional schemes, which are expected to be added to 2026/27 capital programme year once further developed. This explains why the value is so much higher in year 2025/26. Appendix 5 provides detail on the schemes to be included in this programme.

91. As this is a 'starts-based' programme, the capital resources outlined above in Table 9, do not include the value of schemes currently in delivery which commenced prior to 2024/25. Therefore, schemes such as, A326 Fawley Waterside, M27 Junction 10 and TCF totalling over £150 million, will continue to require significant on-going resources from across the department in 2024/25. It should also be noted that any cost over-runs on previous starts may need to be funded from the current three-year programme.

92. The 2024/25 main programme provides details of the schemes expected to commence during that financial year. As previously mentioned, circumstances outside the organisation's control can intervene, causing some schemes to be delayed to later financial years. The main 2025/26 and 2026/27 programmes are at this stage provisional and programmed based upon the more limited information available for schemes at a much earlier stage of development. This includes schemes that will be submitted as part of future rounds for Active Travel funding (£13 million) and Levelling Up fund (£17 million) that currently do not have funding secured.
93. In compiling the three-year outlook, these provisional allocations are reviewed, and schemes are adjusted or in some cases removed from the future years programmes. The report will now outline key amendments to the capital programme in future years.
94. The 2024/25 capital programme no longer includes a provision for two active travel schemes; Stockbridge Road corridor, Winchester (£2.5 million) and NCN22 Petersfield Road, Havant (£3 million). Both schemes were developed prior to new design guidance being released by the Government and due to these changing design standards, it is considered that neither of the above schemes are likely to be funded via the Active Travel Fund. Therefore, they have been removed from the 2024/25 capital programme.
95. The 2025/26 capital programme no longer includes the provision of several schemes which were intended to utilise funding as set out within our original Bus Service Improvement Plan (BSIP) submission to DfT in October 2021 (a competitive bidding process). These schemes include Basingstoke Bus Priority Measures (£7.8 million), Farnborough Gold 1 Corridor Bus Priority measures (£2 million), Tap on Tap off card readers on bus (£1.2 million) and Upgrade of RTI at bus stops (£1.2 million). The County Council was unsuccessful in receiving capital funding through the 2022-2025 BSIP allocation, but did receive revenue funding through BSIP+.
96. The BSIP+ funding is to be used for a range of revenue initiatives over 2023/24 and 2024/25 including bus stop infrastructure audit surveys and refurbishments, uplifts to service frequencies, bus user satisfaction surveys and feasibility studies to develop designs for potential bus priority measures on flagship bus corridors including The Star corridor, the Basingstoke area and the Gold 1 corridor between Aldershot and Farnborough. These studies may result in future schemes within the capital programme if new funding opportunities arise and bid are successful. The Countywide programmes of improvements are being taken forward with smaller schemes using available funding so no longer warrant a dedicated entry in the capital programme.
97. The Twyford Road scheme has been deferred due to having insufficient funding and there is little prospect of additional funding being found for the scheme to be fully developed to enable construction to commence within 2024/25 as originally anticipated. However, the scheme is still being partially progressed to spend specific Section 106 contributions on design and early deliverables until full funding is identified, and this is reflected by the reduction of the scheme value to £1 million.

98. In light of changes to national funding, the Hamble Lane improvements originally envisaged are unlikely to be funded by Government. The current County Council's position on the problems of traffic congestion along the Hamble Lane corridor leading to the Windover Roundabout (and M27 J8) were reported to Executive Member for Environment and Transport, in March 2019 and set out in the [Decision](#) (and supporting report). At the time approval was given to further develop a preferred scheme for Hamble Lane, combining online widening, junction signalisation and revised access arrangements, mainly in the northern section of Hamble Lane.
99. It was originally expected that a bid for funding could be made to the Government's Pinch Point Fund. However, that fund was cancelled and replaced with the Levelling Up Fund which never presented an opportunity. In light of this changed funding regime, it is considered highly unlikely that the totality of the preferred scheme can be delivered and as a result it is prudent to review the scale of scheme to something much smaller than the historic ambition. As a result, the scheme has been reduced in value to £2.5 million and will be based upon what is deliverable within the available S106 and will require alternative solutions to be considered. These solutions will emerge from the review to be carried out, that will now form part of the emerging Eastleigh Transport Strategy and will include interventions that have a positive impact on traffic congestion.
100. In addition, National Highways has been progressing an improvement scheme for Windover Roundabout and M27 J8, although a recent application for compulsory purchase of land for environmental mitigation was rejected. National Highways are now considering how to move forward with the project. Given that the full benefits of a highway capacity-based scheme for Hamble Lane could not be realised without the Windover and M27 J8 scheme, it should also be considered whether progressing with the original highway capacity-based Hamble Lane scheme in isolation would make sense at this stage.
101. The three-year capital programme has a range of scheme types, including a sub-programme of schemes which are mainly concerned with walking and/or cycling improvements. The current value of this sub-programme is almost £45 million, which represents a decrease of £13 million from 2023/24 reflecting the deterioration in central government funding and uncertainty over future opportunities for active travel funding, as outlined in paragraph 72. However, it still comprises 61% of the Integrated Transport programme, which demonstrates the County Council's continuing investment in walking and cycling infrastructure and the capital programme's shift in emphasis to sustainable transport measures to contribute to de-carbonisation and climate change ambitions. To maintain this, the County Council is working hard to identify any potential funding streams, particularly with Active Travel England.
102. It is noted however that this is the value of schemes mainly focused on walking and cycling improvements and there are many other schemes in the programme that include walking and cycling elements, which are not included in this sub-programme.

### Hampshire Transport management programme

103. £3.4 million per annum for vehicle purchases by Hampshire Transport Management (HTM) has been allocated to the 2024/25 to 2026/27 programme to enable HTM to respond to growing business for electric vehicles. The cost of these purchases is recovered through business unit charges to customers.
104. From 2009/10, Hampshire Transport Management (HTM) has used prudential borrowing to fund the purchase of vehicles instead of leasing them to generate savings.

### Property Services capital programme

#### **Total Resources**

105. The table below is a breakdown of the capital resources in their respective start years for the Property Services capital programme. This table does not reflect actual expenditure in those years.

Table 10 – Total capital resources for the Property Services programme

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Priorities funding (County Council 29/9/22) (deferred)		1,500		1,500
Capital Receipts - reserved for Office Accommodation (carry forward)	176			176
Children's Services (CS) Developer Contributions	600			600
Invest to save reserve (carry forward)	261			261
Local resources (carry forward)	283			283
<i>Schools Condition Allocation Grant</i>	<i>20,388</i>	<i>25,680</i>	<i>29,264</i>	<i>75,332</i>
Schools Condition Allocation Grant (carry forward)	500			500
<b>Total programme</b>	<b>22,208</b>	<b>27,180</b>	<b>29,264</b>	<b>78,652</b>

#### **Local Resources**

106. The programme proposed for 2024/25 to 2026/27 is detailed in Appendix 5.
107. £1.5 million of Capital Priorities funding was added to the 2024/25 capital programme for investment in the Corporate Estate and the programme of building fabric and mechanical and electrical building services lifecycle replacement. To ensure its use remains aligned with the possible further asset rationalisation under the Strategic Asset Management Plan (SAMP), timing of spend has been deferred to 2025/26.

108. An additional £0.459 million from capital receipts and local resources has been carried forward to 2024/25 to fund planned improvements to office accommodation and facilities management.
109. £0.261 million Invest to Save funding has also been carried forward to continue support of the Energy Performance Programme and fund investment in electric vehicle infrastructure.
110. £0.6 million funding from Childrens Services' Developers Contributions has been transferred to the School Condition Programme to part fund the £1.4 million SCOLA recladding project at The Butts Primary School.

### **Government Allocations**

111. The Secretary of State has not yet announced details of individual local authority School Condition Allocation grant allocations for 2024/25, 2025/26 and 2026/27. A continuation of the £23.164 million 2023/24 allocation is assumed in the 2024/25 to 2026/27 programmes.
112. The School Condition Allocation grant is used to address the condition of the schools estate on a priority basis, incorporating measures that reduce energy consumption and achieve carbon emission reductions wherever possible.
113. The Decarbonisation programme for schools is funded by a combination of Public Sector Decarbonisation Scheme and Schools Condition Allocation grants and three Ground Source Heat Pump pilot schemes totalling £1.8 million (at Heatherside Junior, Hiltingbury Junior and Nightingale Primary) were added to the 2023/24 programme in November 2023.
114. £0.5 million of School Condition Allocation grant was allocated in the 2023/24 programme to the establishment of a "revolving fund" for use by schools for energy efficiency projects such as LED lighting replacement. Managed in the same way as the previous scheme delivered via Salix, the costs of viable projects funded from the revolving fund would be returned in full by the schools over maximum term of eight years, replenishing the fund to support future projects. In 2023/24 schools have received a grant directly from Government for similar works, so the £0.5 million will be deferred to 2024/25. A further £0.5 million of School Condition Allocation grant will be added to the scheme, bringing the 2024/25 total allocation to £1 million.

### Schools Condition Programme

115. Two SCOLA recladding projects (Crookhorn College and Henry Beaufort School) have been moved from the 2024/25 programme to the 2023/24 programme because initial expenditure is expected in 2023/24 in advance of work starting on site in summer 2024. The impact of inflation since the schemes were first added to the programme, plus clarification of the scope of the work to incorporate climate change adaption, has increase the value of both schemes. Crookhorn has increased from £2.0 million to £3.3 million and Henry Beaufort from £2.1 million to 3.1 million.

116. The patent glazing upgrade scheme at Springwood Junior School has been delivered for £0.620 million, which is £1.165 million less than the scheme's £1.785 million approved value in the 2023/24 capital programme. Following further investigations, detailed design, and discussions with the Planning Officers, it was possible to reduce the scope of works to leave more of the original structure and roof coverings in place, which is best practice on this listed building. The released funding will be reallocated within the School Condition Programme.
117. Details of the named School Condition Allocation schemes in the revised 2023/24 programme and the future years programmes are provided in Appendices 1 and 5.

### **Recreation capital programme**

#### **Total Resources**

118. The table below is a breakdown of the capital resources in their respective start years for the Recreation capital programme. This table does not reflect actual expenditure in those years.

Table 11 – Total capital resources for the Recreation capital programme

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Priorities funding (County Council 29/9/22)	1,480			1,480
Capital Receipts - reserved for Outdoor Centres (carry forward)	190			190
CCBS Cost of Change (carry forward)	2,800			2,800
External contribution - Portal Trust (carry forward)	110			110
Local resources	328			328
<b>Total programme</b>	<b>4,908</b>			<b>4,908</b>

#### **Local Resources**

119. The programme proposed for 2024/25 to 2026/27 is detailed in Appendix 5.
120. The 2024/25 programme includes investment in planned works to address the condition of Countryside Bridges and Rights of Way, which is funded by £0.580 million capital priorities funding and a further £0.328 million from local resources.
121. This funding is for the management of the rights of way network primarily associated with the management of Health and Safety (H&S) requirements of the Bridges on the network, but also includes the maintenance of the surface of paths (including Byways) and other infrastructure requirements. This

enables the highest priority schemes only to be delivered that assist in meeting the County Council statutory responsibilities.

122. From 2025/26, local resources will no longer be held in the capital programme but will be held centrally, which will allow the County Council time to continue to consider the evolving Medium Term Financial Strategy position.
123. £0.5 million capital priorities funding is allocated to planned improvements to residential and farm buildings across the County Farms estate to ensure compliance with tenancy and agricultural regulations including energy efficiency measures.
124. £0.4 million capital priorities funding is also allocated to the Basingstoke Canal programme for the continued management of assets including bank stabilisation, weirs and sluices and towpaths.
125. £2.8 million Cost of Change funding has been carried forward to 2024/25. This includes £1.0 million for the Calshot Futures interim works and £1.8 million for the Hampshire Outdoor Centres Transformation programme.
126. Carried forward capital receipts of £0.19 million are also funding the Hampshire Outdoor Centres Transformation programme.

### **Other Funding**

127. An external contribution of £0.110 million, from the Portal Trust, is the final element of carried forward funding for the Hampshire Outdoor Centres Transformation programme.

### **Hampshire Outdoor Centres programme**

128. An extension feasibility assessment has been conducted on the Hampshire Outdoor Centres Transformation Programme to ensure the scheme of works taken forward is affordable within the cost envelope. The lead time for projects now mean works will be picked up in 2024/25 and some works, with dependencies on elements like planning permission, will likely take place in 2025/26. The total funding of £2.1 million is therefore carried forward from 2023/24 to 2024/25.
129. £1 million funding for the Calshot Futures scheme is also carried forward to 2024/25, to address non-lifecycle maintenance issues and make minor improvements. Further survey work is required to prioritise the order of works before final approval is sought, and the lead time and planning requirements mean that work is unlikely to start until 2024/25.

### **Waste and Environmental Services capital programme**

### **Total Resources**

130. The table below is a breakdown of the capital resources in their respective start years for the Waste and Environmental Services capital programme. This table does not reflect actual expenditure in those years.

Table 12 – Total capital resources for the Waste and Environmental capital programme

	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Flood and Coastal Defence	106	0	0	106
	<b>106</b>	<b>0</b>	<b>0</b>	<b>106</b>

### Waste Programme

131. In late October 2023 the Government released their ‘Simpler Recycling’ response, formerly known as Consistency in Recycling, which contained a universal exemption to allow authorities to choose to undertake fully comingled dry mixed recycling collections representing a significant change from the position set out in the Environment Act 2021 that has a clear indication of a preference for source segregated collections. As a result of this exemption, there is expected to be a review of the existing plans for recycling systems by the waste collection authorities which in turn means that the current plans for infrastructure, based on a twin stream system, need to be paused until that review is completed.
132. The County Council, working with Portsmouth and Southampton Cities will review the proposals for recycling infrastructure once the system review is complete and an update on the implications for the proposed spend under the capital programme will be provided in the next update.
133. It is worth noting that, in addition to the legislative uncertainty, there is no detailed information from Government about the funding streams that form part of Simpler Recycling and Extended Producer Responsibility. Also, the Government timeframes for implementation of 1 April 2026 mean that many Local Authorities will be seeking to procure infrastructure and equipment at the same time, leading to potential supply chain issues or increased prices that are also considered to be a significant risk to programme timelines.

### Flood Risk and Coastal Defence programme

134. The County Council’s Flood Risk and Coastal Defence Programme is an important part of its response to the challenge of climate change, in particular the impacts of intense rainfall events, surface water flooding and increased storminess. By drawing in local, regional, and national investment funding the programme supports the development and delivery of schemes to reduce the risk from all sources of flooding and increase the resilience of communities.
135. Over the next 3 years, new capital funding for the programme is £0.106million.
136. As this is a start-based programme, these figures do not include the value of schemes currently in design and delivery which commenced prior to 2024/25. The estimated value of the total programme is £24.9 million, funded by Flood Defence Grant in Aid (FDGiA), Regional Flood and Coastal

Committee (RFCC) Local Levy, other local authorities, local resources and developers contributions. Of this, £22 million is allocated to specific schemes prior to 2024/25 and at the time of writing, a programme of £1.5 million is forecast from 2024/25 to 2026/27 to be funded by new local resources and carry-forward from previous years.

137. Like the other areas within the Capital Programme, the development and delivery of schemes within the Flood Risk and Coastal Defence Programme is experiencing inflationary pressures. Accessing national Flood Defence Grant in Aid, and Local Levy from the Regional Flood and Coastal Committees, continues to be a challenge with the potential level of support from these sources diminishing where national funding criteria and local priorities and choices do not always align. Flooding almost always involves multiple stakeholders so partnership working and alignment of multiple priorities and resources will be a key driver for effective delivery.
138. The changes being experienced in terms of flood risk and the ever-increasing storms require a degree of flexibility in the programme. Future schemes will be identified as areas at highest risk of flooding become more apparent based on the Catchment Plans and Action Plans in accordance with our Flood and Water Management Strategy [Catchment Approach to Flood Risk Management | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/catchment-approach-to-flood-risk-management). These plans are in development and will set the programme for upcoming schemes prioritised on a risk based approach as detailed in the Catchment Plans and will be funded by the unallocated balance of £1.3 million. In addition, other sources of funding will be identified and bid for as applicable as and when new funding programmes are publicised.

## Revenue Implications

139. On the basis of the position outlined in this report, Table 13 summarises the Revenue Implications of the proposed capital investment.

Table 13: Revenue implications

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Running costs	350	350	350	1,050
Capital charges	5,102	3,964	2,997	12,063
<b>Revenue implications</b>	<b>5,452</b>	<b>4,314</b>	<b>3,347</b>	<b>13,113</b>

140. 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.
141. 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.

### **Consultation and Equalities**

142. This is a financial report amending or proposing budgets for programmes and individual schemes, and therefore does not require a consultation.
143. Service changes or proposals for individual schemes will undertake their own specific consideration of equalities issues. This report has no direct effect on service users, so has a neutral impact on groups with protected characteristics.

### **Climate Change Impact Assessments**

144. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
145. The tools employed by the County Council to assess impacts on climate change adaptation and mitigation were utilised and found not to be applicable on grounds that the decision relates to a strategic programme rather than specific interventions. The tools will be applied to specific schemes and more detailed proposals in the future to assess any impacts and ensure they are reported.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Section 100 D - Local Government Act 1972 - background documents**

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

Document

Location

None

## **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 characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic 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 which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

This is a financial report amending or proposing budgets for programmes and individual schemes. Changes or proposals for individual schemes will undertake their own specific consideration of equalities issues. The decisions in this report are financial, and mainly relate to in-house management of accounts, and therefore have a neutral impact on groups with protected characteristics.

The schemes for which spend approval is sought in this report, have previously been assessed in association with earlier Executive Member decision reports, and the revised approach in each case is not anticipated to have any additional or different impacts on people with protected characteristics.