

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	5 February 2018
Decision Maker:	County Council
Date:	22 February 2018
Title:	Capital programme 2018/19 to 2020/21
Report From:	Director of Corporate Resources – Corporate Services

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1. Recommendation(s)

The following decisions are sought, based on the recommendations of the Leader and Cabinet to the County Council, for the capital programme for 2018/19 to 2020/21 and the revised capital programme for 2017/18 that:

1.1. The following variations to the 2017/18 capital programme are approved:

- Three Children's Services schemes with a total value of £11.369 million be deferred to the 2018/19 programme to allow completion of pre-work including statutory approvals, design and programming of projects.
- Owing to the difficult site conditions at Kings Furlong Infant and Junior Schools, additional funding of £0.9 million (including fees) is added to this scheme from unallocated funding within the 2017/18 programme.
- Owing to the difficult ground conditions and structural and site issues at Oakwood Infant and Greenfield Junior schools, additional funding of £0.8 million (including fees) is added to this scheme from unallocated funding within the 2017/18 capital programme.
- £0.511million revenue contributions to the 2017/18 capital programme be transferred to the Children's Services revenue budget.
- £0.73 million is transferred from the Winchester Road Roundabout (Basingstoke) scheme to the adjacent Thornycroft Roundabout scheme, with the budget for the Winchester Road scheme reducing to £2.68 million and the budget for Thornycroft scheme increasing to £8.92 million.

1.2. It be a recommendation by Cabinet to Council that:

- a) the capital programme for 2018/19 and the provisional programmes for 2019/20 and 2020/21 as set out in Appendix 3 be approved.
- b) The new capital schemes detailed in Appendix 4 be approved.

1.3. Council is recommended to:

- a) approve the capital programme for 2018/19 and the provisional programmes for 2019/20 and 2020/21 as set out in Appendix 3.
- b) approve the new capital schemes contained in Appendix 4.

2. Executive Summary

2.1. This report sets out for approval the proposed capital programme for 2018/19 to 2020/21 of £540 million.

2.2. Overall, the proposals in this report are in line with the medium term financial strategy which ensures that we continue to invest wisely in our existing assets and deliver a programme of new ones in line with overall priorities and need.

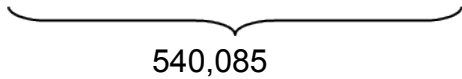
2.3. The report collates the service capital programmes prepared by Executive Members based on the existing cash limit guidelines for the locally resourced programme, together with schemes funded by Government grants and other external sources.

2.4. The programme delivers schemes totalling £540 million over the three years from 2018/19 to 2020/21. This follows a revised programme of £343 million for 2017/18, providing a total capital programme of £883 million over the four years. This is a very significant investment in the economy and infrastructure of Hampshire. It will provide:

- £146 million of investment in new and extended school buildings in Hampshire in the period 2018/19 to 2020/21 to ensure there is a school place for every child in Hampshire, providing a big boost for the local economy through jobs and construction materials
- £120 million for structural maintenance of roads and bridges in Hampshire over the next three years
- £133 million for integrated transport schemes including nine major infrastructure schemes, totalling £108.6 million, of which five are expected to start in 2018/19
- £11 million on flood risk and coastal defence
- £107 million for major improvement of school and other County Council buildings over the next three years.

- 2.5. The detailed capital programmes are included in Appendix 3. A summary of the programme is shown in the table below.

Table 1 - Proposed capital programme

	Revised				Total £'000
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	
Adult Social Care & Health	55,127	11,175	481	481	67,264
Children's Services	135,151	80,868	60,174	55,070	331,263
Environment & Transport	76,839	139,670	80,324	44,558	341,391
Policy & Resources	75,478	22,828	22,228	22,228	142,762
Total	342,595	254,541	163,207	122,337	882,680
					

- 2.6. The report shows that the projected payments arising from the capital programme can be financed within the resources available to the County Council including the planned use of prudential borrowing.
- 2.7. The proposals take account of the County Council's capital strategy and the Prudential Code for Capital Finance in Local Authorities including the capital financing position, the level of debt outstanding and the consequences for the revenue budget and council tax. The prudential indicators are included in Appendix 8 of the report on this Agenda on the Revenue Budget.
- 2.8. The capital programme is supported by Government grants for schools, highways and transport. The Secretary of State has previously announced details of individual local authority Basic Need allocations (to provide school places) for 2018/19 and 2019/20. In addition, Government funding for new Free schools is expected for 2018/19. However, the Secretary of State has not yet announced details of individual local authority Schools Condition Allocation (SCA) for 2018/19, 2019/20 and 2020/21. However, indications are that the 2018/19 Schools Condition Allocation (SCA) will be allocated to Local Authorities based on the same criteria as 2017/18. For planning purposes, a continuation of the 2017/18 allocation is being assumed. Devolved Formula Capital (DFC) has yet to be confirmed for 2018/19, but again, expectations are that it will be at a similar level to the 2017/18 allocation.
- 2.9. The Department for Transport (DfT) has confirmed the Integrated Transport Block (ITB) and Structural Maintenance allocations for 2018/19. The Government has recently announced that further pothole funding will be available nationally but it is not yet known how this will be allocated at a local level. Given this, the programme has been developed on the basis

that this value will remain consistent across the programme. In addition, the County Council has had a great deal of success in securing Highways England funding and Local Growth Funding (LGF) from both the EM3 and Solent Local Enterprise Partnerships (LEPs).

2.10. The other main technical points of this report are:

- the capital programmes proposed by Executive Members are in line with the guidelines for the locally resourced capital programme
- prudential borrowing will total £312 million by 2021/22. The repayment of the 'bridging loans' included in this total will depend in part on the continued recovery of the property market. The current assumptions are that the bridging loans will be fully repaid by 2022/23.
- the prudential borrowing agreed to date and now proposed is in accordance with the framework for the use of prudential borrowing under the Prudential Code for Capital Finance
- the capital receipts assumed for this report are primarily for the sale of sites already earmarked to rationalisation schemes or to repay previously approved prudential borrowing, although some receipts have been utilised to fund the new capital priorities outlined in Section 14.

2.11. A strategy for dealing with a range of new capital priorities is outlined in the Revenue Budget report, presented elsewhere on this Agenda, but the immediate additions to the programme arising from this are also summarised in this report.

3. Contextual information

3.1. The cash limit guidelines for the new capital programme for 2018/19 to 2020/21 have been set at the same level as the current capital programme.

3.2. Executive members have now prepared proposals for:

- a locally resourced capital programme for the three-year period from 2018/19 to 2020/21 within the guidelines set and other resources available to services
- a programme of schemes supported by Government capital grants.

3.3. 'Locally resourced' schemes are those financed from the County Council's own resources such as capital receipts, contributions from the revenue budget, prudential borrowing, reserves and other funds. They do not include schemes supported by capital grant from the Government.

3.4. In general, the programmes proposed by Executive Members have been developed in accordance with the priorities and timescales of the capital strategy as reviewed by the corporate infrastructure group.

4. Capital Financing

- 4.1. The size of the capital programme takes account of forecast financing resources and the forecast level of capital expenditure (or 'payment') flows to be financed each year.
- 4.2. The sources of finance to support the capital programme are:
 - Government capital grants – the Government has issued all of its support for local authorities' capital expenditure from 2011/12 onwards in the form of capital grants and not as borrowing allocations
 - prudential borrowing – loans that the County Council may decide to raise in the knowledge that it will have to meet the principal repayment and interest charges from its own resources without any additional support from the Government. The County Council would need to consider the impact of such loans on the revenue budget and prudential indicators
 - contributions from other bodies, which can include developers, the health service, other local authorities and the national lottery
 - capital receipts from the sale of land, buildings and other assets
 - contributions from the revenue budget including those held in the capital reserve and departmental reserves.
- 4.3. Appendix 2 includes details of the planned sources of funding to meet the forecast capital payments in each year. The forecasts are likely to change as schemes within the programme progress and the position will be reassessed at the next review of the capital programme.
- 4.4. Progress during the remainder of 2017/18 and throughout 2018/19 on all capital payments and resources will be closely monitored and reported to the Leader during the year. Executive members will also review progress on their capital programmes at regular intervals during the year.
- 4.5. Appendix 2 also includes details of the longer term implications of the proposed programmes for the revenue budget from any increased running costs and capital charges.

5. Prudential borrowing

- 5.1. Prudential borrowing agreed to date and now proposed is in accordance with the framework for the use of prudential borrowing under the Prudential Code for Capital Finance.
- 5.2. The planned prudential borrowing will total £312 million, after deducting repayments to 31 March 2017. Of this, £198 million is being repaid from savings in the revenue budget, including the schemes from earlier years for the Enhance nursing care homes project, waste management infrastructure and the structural maintenance of highways, together with the prudential borrowing necessary to support the additions to the capital programme from 2012/13 onwards agreed in February 2012.

5.3. Further details of the current level of prudential borrowing are included in Appendix 2.

6. Capital programmes proposed by Executive Members

6.1. The following sections of the report deal with the proposals from Executive Members for the capital programme, in line with the guideline cash limits and allocations of capital grant announced by the Government.

7. Guideline cash limits for the capital programme

7.1. The guidelines for the locally resourced programme were set by Cabinet in December 2017 based on existing levels with no uplift for inflation. The guidelines and subsequent transfers to or from revenue proposed by Executive Members and other adjustments are shown in table 2.

Table 2 – Guidelines for locally resourced capital programmes

	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000
Adult Services original guideline	481	481	481	
Adult Services total	481	481	481	1,443
Children's Services original guideline	100	100	100	
Developers' and other contributions	7,235	31,462	24,807	
Carry forward to later years	-182	24,000	25,551	
Children's Services total	7,153	55,562	50,458	113,173
Environment and Transport	11,929	11,929	11,929	
Prudential borrowing subject to conditions previously agreed by Cabinet	8,500	6,000		
Developers' and other contributions	21,713	10,123	2,627	
Contribution from reserve	365			
Carry forward from previous years	4,449			
Environment and Transport total	46,956	28,052	14,556	89,564
Policy and Resources original guideline	4,692	4,692	4,692	
Contribution from business unit reserves	600			
Policy and Resources total	5,292	4,692	4,692	14,676
TOTAL	59,882	88,787	70,187	218,856

8. Government supported programme

- 8.1. The present Government has so far issued all its support for local authorities' capital expenditure in the form of capital grants and not as borrowing allocations. It is expected to continue that arrangement for 2018/19 onwards.
- 8.2. As mentioned earlier, the Government has announced details of individual local authority capital allocations for 2018/19 and 2019/20 for Basic Need. The Basic Need allocation for 2018/19 is £28.4 million and zero for 2019/20 reflecting the Government's assessment of the requirement and delivery of school places. There is the potential for a zero or low capital allocation in 2020/21 as the DfE assess the impact of the free school places they directly fund. At this stage, it is considered prudent to assume a zero allocation; further capital announcements by the Government are expected in March 2018. In addition, the 2018/19 proposed programme assumes £40.7 million Government funding for new Free schools.
- 8.3. Government funding for the School Condition Allocation (SCA) and for Devolved Formula Capital (DFC) for schools is expected to continue at the 2017/18 levels, £17.5 million and £3.35 million respectively. In addition, national funding of £215m has been announced by the DfE to support special educational needs and disability (SEND) projects at existing schools for which the County Council will receive £3.786m over the three financial years of this report.
- 8.4. The Department for Transport (DfT) has confirmed the Integrated Transport Block (ITB) and Structural Maintenance allocations for 2018/19 and for planning purposes, these grants are assumed to continue at a similar level in the two subsequent years of this programme. Together with the Pothole funding, Local Growth Funding (LGF) and the Highways England Housing and Growth Funding and Congestion Relief Funding, the proposed programme is based on £175 million Government grant for highways and transport over the three years.
- 8.5. From 2016/17, the Government has discontinued the Social Care capital grant and increased the Disabled Facilities Grant. This funding, £10.7 million for 2018/19, forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.

9. The programmes submitted

- 9.1. The total starts value of the three-year programme submitted by Executive Members is £540 million, as shown in Table 3. It includes £321 million of schemes supported by Government grants.

Table 3 - Starts programmes proposed 2018/19 to 2020/21

	Land	Works etc			Total
		Locally Resourced	Supported by Govt Allocations	Total	
	£'000	£'000	£'000	£'000	£'000
2018/19	646	59,236	194,659	253,895	254,541
2019/20	646	88,141	74,420	162,561	163,207
2020/21	646	69,541	52,150	121,691	122,337
Total	1,938	216,918	321,229	538,147	540,085

- 9.2. The proposed programmes are in line with the cash limit guidelines for the capital programme. A reconciliation between the guidelines and the proposed programme is included in Appendix 1.
- 9.3. The capital expenditure flows from these programmes and from the works currently in progress are summarised in Appendix 2, together with the resources available to finance those expenditure flows. The programmes themselves are set out in detail in Appendix 3.

10. Children's Services

- 10.1. The proposed three year programme provides sufficient school places to meet the forecast demand. During the period 2013 to 2017 the County Council will have delivered 8,088 new school places with projects contained within the 2018/19 to 2020/21 programme totalling a further 10,472 giving a total of 18,560 new school places by September 2021.
- 10.2. The current presumption (by the DfE) is that every new school will be an academy/free school. Hampshire's first free school, to meet the demand for additional school places, is scheduled to open in Botley in September 2019. Feasibility work is on-going for a further five to open by September 2021.
- 10.3. The proposed programme includes other improvement and modernisation projects relating to access to schools, special educational needs accommodation, relocation and replacement of children's homes, adaptations to properties of foster carers and disabled children and schools' devolved formula capital totalling £40 million over three years.

- 10.4. To manage the demand for schemes and the resources available, the Executive Lead Member for Children's Services proposes to carry forward resources between the years of the capital programme.
- 10.5. In contrast to the majority of local authorities across the country, the Children's Services capital programme has reached a balanced position between income and expenditure in recent years and this remains the case for the proposed three year programme. However, the ongoing primary pressure and secondary impact indicates a deficit of resources over a five year period beyond the scope of this report. This deficit was identified in the Medium Term Financial Strategy and Transformation report to Cabinet on 16 October 2017. Further work is being undertaken with potential funders, including the Government, Local Planning Authorities, Developers and Local Enterprise Partnerships (LEPs) to maximise contributions from sources other than the County Council.
- 10.6. A number of variations to the 2017/18 capital programme are proposed. This includes the deferral to 2018/19 three schemes totalling £11.369 million as it will not be possible to start the schemes during 2017/18. In many cases this is due to the need to obtain the necessary statutory approvals and sometimes as a result of changes in the scope, brief or programming of projects. The Executive Member proposes to use unallocated resources within the 2017/18 capital programme to increase the total value of schemes at Kings Furlong Infant and Junior Schools (£0.9 million including fees) and also at Oakwood Infant and Greenfield Junior Schools (£0.8 million including fees) owing to difficult ground conditions, structural and site issues. It is also proposed to transfer to the revenue budget £0.511 million revenue contributions originally intended for early years capital projects as these projects can instead be funded from contingency in the capital programme.

11. Environment and Transport

- 11.1. Proposals of the Executive Member for Environment and Transport amount to just over £264 million over the next three years. The programme includes £120 million of new investment in structural maintenance, £133 million in the Integrated Transport programme and £11 million in flood and coastal defence projects.
- 11.2. Government grants make up the bulk of the funding, with formula settlements and project specific grants, e.g. Local Growth Funding (LGF) through the Local Enterprise Partnerships (LEPs) (£175.1 million). The remainder is funded from a mix of local resources, (£55.1million), developer contributions (£33.1million), and other local authority contributions (£1.25million).
- 11.3. The Flood Risk and Coastal Defence programme includes two major infrastructure schemes that are scheduled to start construction in 2018/19. These are Buckskin in Basingstoke and Romsey Flood Alleviation Schemes. Detailed design and business cases prepared for both schemes have unlocked significant amounts of funding from Flood Defence Grant in

Aid and Local Levy. It is planned that further schemes from the Flood Risk and Coastal Defence programme will be brought forward for delivery in 2019/20 and 20/21 as business cases are approved.

- 11.4. The 2017/18 programme includes the £11.6million Basingstoke A30 Corridor schemes: Winchester Road Roundabout and Thornycroft Roundabout. Following agreement with the Enterprise M3 LEP and as notified in the January 2017 Capital Programme Monitoring report, £0.59million identified as no longer being required for the Winchester Road scheme will be reinvested in the adjacent Thornycroft Roundabout scheme. In addition, since January 2017, further savings have been made on the Winchester Road scheme, and it is proposed that a virement of £0.73million be made from the Winchester Road scheme to the Thornycroft scheme. This will result in revised scheme values of £2.68m (Winchester Road) and £8.92million (Thornycroft).

12. Policy and Resources

- 12.1. The proposed capital programme for Policy and Resources totalling £67.3 million, is largely based on the priorities for capital investment established in previous years, relating to the County Council's built estate, IT infrastructure and community buildings and village halls.
- 12.2. As agreed by Cabinet in December 2015, a number of maintenance programmes have been moved to the Policy and Resources revenue budget, as much of the work carried out does not meet the accounting definition of capital expenditure. The original source of funding for these schemes is revenue and so they can be combined with the revenue repairs and maintenance budgets.
- 12.3. The School Condition Allocation (formerly Capital Maintenance) was previously split between the Children's Services and Policy and Resources programmes to reflect a split between suitability and condition work. From 2016/17, the full grant is included in the Policy and Resources programme to allow the funding to be managed flexibly between condition and suitability works. Officers from Children's Services and Property Services will continue to work closely together to identify the highest priority strategic building condition issues along with the need for modernisation improvements.
- 12.4. The Executive Member for Policy and Resources proposes to supplement the 2018/19 locally resourced guideline set by Cabinet to incorporate investment of £0.6 million to refurbish vehicle workshops run by Hampshire Transport Management (HTM). This will be funded by transfers from earmarked HTM reserves which have been built up for this purpose.

13. Adult services

- 13.1. Following investment of £45 million in Extra-Care Housing as part of the capital review in 2014, the proposed programme for Adults Services now returns to a level of £0.481 million per year. This will be used for priority

works on residential and nursing care premises to meet the needs of residents and service users and satisfy the requirements of regulators including the Care Quality Commission, The Fire Service and the Health and Safety Executive.

- 13.2. In addition, projects within the revised capital programme for 2017/18 will continue to support the transformation of the Adult Learning Disability Service and also the housing programme for Adults with a disability which aims to transition around 600 service users with a learning and/or physical disability from an existing care home setting to a shared house or individual groups of flats.
- 13.3. From 2016/17, the Government has discontinued the Social Care capital grant and increased the Disabled Facilities Grant. This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.
- 13.4. Disabled facilities grant (DFG) of £10.694 million is capital money made available to local authorities as part of their allocations to award grants for changes to a person's home. There is a statutory duty for local housing authorities to provide grants to those who qualify. This part of the fund will be governed by the disabilities facilities grant conditions of grant usage as made by the Department for Communities and Local Government (DCLG) under section 31 of the Local Government Act 2003. Therefore, although officially part of the fund, the money cannot be used for other things and will be paid back out of the fund to the relevant district councils.

14. Capital Investment Priorities

- 14.1. In past years it has been possible to add significant additional schemes to the Capital Programme using surplus revenue funding generated by the early achievement of savings. As the financial strategy has evolved and savings have been required to meet successive budget deficits, there is less ability to do this above and beyond the use of specific capital resources that come from the government or developers.
- 14.2. Whilst this has limited the ability to add significant numbers of new schemes to the Capital Programme, it has not diminished the need for new investment across a range of services within the County Council.
- 14.3. The Corporate Infrastructure Group (CIG) is chaired by the Director of Economy, Transport and Environment and includes representatives from his Department, together with officers from Children's, Adults' and Property Services. The aim of the group is to ensure a co-ordinated approach to capital investment and major developments across the County Council.
- 14.4. During 2017 the CIG was tasked with collating capital investment priorities across Departments, albeit that no specific additional funding had been identified at this stage. It was considered important that there was a good corporate understanding of the key capital investment priorities to aid future planning in this area.

- 14.5. Following submissions from Departments, a paper was considered by the Corporate Management Team around a strategy for dealing with the priorities that had been identified and this is explained in more detail in the Revenue Budget report presented elsewhere on this Agenda.
- 14.6. The immediate capital priorities that are recommended to be added to the capital programme are outlined in Appendix 4 and total £21.580 million. Existing funding of £5.8 million is already contained within the approved capital programme leaving a balance of £15.780 million which can be met as follows :

	£m
Historic unearmarked grants	7.000
Historic unearmarked capital receipts	3.654
Current unearmarked capital receipts	5.126
	<u>15.780</u>

- 14.7. The schemes outlined in Appendix 4 have not yet been added to the detailed capital programmes contained in Appendix 3 pending approval by County Council but will be incorporated should they be approved.

15. Conclusions

- 15.1. Executive Members have proposed capital programmes for the next three years in line with the Corporate Strategy and County Council priorities. The locally resourced guidelines set by Cabinet in December 2017 have been adjusted by transfers to revenue, transfers between portfolios and between programme years and supplemented by Government grants of £321 million, giving a total programme for the next three years of £540 million.
- 15.2. Regular monitoring will take place during the year on the implementation of the programme, including the progress of major projects, the level of capital expenditure and resources in 2018/19 and the progress on obtaining the capital receipts necessary to finance the capital programme.
- 15.3. The exercise to identify capital investment priorities across Departments has led to the development of a broader strategy in respect of those priorities and has also led to the addition of a number of smaller high priority capital schemes to the programme.

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

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

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> http://democracy.hants.gov.uk/documents/s9665/Budget%20Report.pdf	<u>Date</u> 11 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

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	

IMPACT ASSESSMENTS:

1. Equality Duty

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

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

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

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

1.2. Equalities Impact Assessment:

Equalities impact will be assessed as part of each project design as they are developed.

2. Impact on Crime and Disorder:

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

3. Climate Change:

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

When the County Council invests in new build, replacement or refurbishment works, an assessment of reductions in energy consumption (carbon use) is made in the design. In all new buildings and in the majority of refurbishment type investments, the latest technologies and materials are specified in order to maximise the impact on reducing carbon consumption. Many projects are also able to employ passive design approaches including natural ventilation

and improved insulation to actively reduce consumption in summer and winter conditions.

Capital projects will be planned and delivered in accordance with the County Council's Energy Strategy which aims to achieve carbon neutrality by 2050.

The Council's climate change programme is delivered through working in partnership and building relationships between the public, private and voluntary sectors.

- 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. Any new build or extensions will meet current building regulations standards for thermal performance. Where possible, appropriate sustainable materials will be employed together with the inclusion of passive cooling through building design, rain water and grey water harvesting, drought resistant planting etc to reduce the environmental impact of the proposals.