

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	9 February 2021
Decision Maker:	County Council
Date:	25 February 2021
Title:	Capital Programme 2021/22 to 2023/24
Report From:	Deputy Chief Executive and Director of Corporate Resources

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Purpose

1. This report collates the service capital programmes prepared by Executive Members and presents for approval the proposed capital programme for the County Council for 2021/22 and the provisional programmes for the subsequent two financial years.

Recommendation(s)

2. The following decisions are sought, based on the recommendations of the Leader and Cabinet to the County Council, for the capital programme for 2021/22 to 2023/24 and the revised capital programme for 2020/21.
3. A recommendation by Cabinet to County Council that the capital programme for 2021/22 and the provisional programmes for 2022/23 and 2023/24 as set out in Appendix 1 be approved.
4. A recommendation by Cabinet to seek County Council approval for an increase in the value of the Stubbington Bypass scheme from £34.495 million to the value of £39.295 million, noting that the increase of £2 million associated with the impact of Covid-19 is to be funded from the allocation previously approved for that purpose by the County Council in July 2020, with the balance to be funded from a mix of Section 106 developer contributions and local resources.
5. A recommendation by Cabinet to seek County Council approval to add further decarbonisation schemes up to the value of £5.64 million to the CCBS capital programme for 2020/21 funded by grants from the Public Sector Decarbonisation Fund.

6. That, subject to County Council approval to add the decarbonisation schemes to the 2020/21 capital programme, Cabinet give approval to spend in line with the project appraisals in Appendix 2, totalling £2.812 million, for the transition from oil to gas schemes within the schools and corporate estates.
7. That authority is delegated to the Deputy Chief Executive and Director of Corporate Resources to allocate as appropriate the remaining balance of £1.49 million from the approved capital underwriting of up to £5 million to enable existing schemes to continue where there are increased costs resulting from Covid-19.
8. That, within the 2020/21 capital programme, an increased value of £757,250 is approved, for addition to the existing named scheme for Testbourne school in 2020/21, the additional cost relates to the impact of Covid-19 and is funded from the Schools Condition Allocation grant (scheme total now £3.26 million).

County Council is recommended to:

9. Approve the capital programme for 2021/22 and the provisional programmes for 2022/23 and 2023/24 as set out in Appendix 1.
10. Approve an increase in the value of the Stubbington Bypass scheme from £34.495 million to the value of £39.295 million, noting that the increase of £2 million associated with the impact of Covid-19 is to be funded from the allocation previously approved for that purpose by the County Council in July 2020, with the balance to be funded from a mix of Section 106 developer contributions and local resources.
11. Approve the addition of further decarbonisation schemes up to the value of £5.64 million to the CCBS capital programme for 2020/21 funded by grants from the Public Sector Decarbonisation Fund.

Executive Summary

12. This report sets out for approval the proposed capital programme for 2021/22 to 2023/24 of £418 million. It also includes the schemes for the current financial year giving a total programme of some £744 million, one of the largest anywhere in the country.
13. Overall, the proposals in this report are in line with the Medium Term Financial Strategy (MTFS) 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. The County Council's Capital and Investment Strategy is included as Appendix 9 of the revenue budget report and meets the requirements of statutory guidance, revised in 2017 by the Minister for Housing, Communities and Local Government (MHCLG) and the Chartered Institute of Public Finance and Accountancy (CIPFA).

14. This 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.
15. The programme delivers schemes totalling £418 million over the three years from 2021/22 to 2023/24. This follows a revised programme of £326 million for 2020/21, providing a total capital programme of £744 million over the four years, providing a big boost for the local economy through jobs and construction materials. This is a very significant investment in the infrastructure of Hampshire. The proposed programme includes:
- £68 million of investment in new and extended school buildings in Hampshire in the period 2021/22 to 2023/24 to ensure there is a school place for every child in Hampshire
 - £118 million for structural maintenance and improvement of roads and bridges in Hampshire over the next three years
 - £91 million for integrated transport schemes including over £18 million specifically focused on walking and cycling improvements
 - £141 million for major improvement of school and other County Council buildings and land holdings over the next three years
 - £33 million for decarbonisation schemes covering solar PV, single to double glazing window replacements, transition from oil to gas and the implementation of heating controls.
16. The detailed capital programmes are included in Appendix 1. A summary of the programme is shown in Table 1:

Table 1 - Proposed capital programme

	Revised				Total
	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000
Adults' Health & Care	25,376	15,588	481	481	41,926
Children's Services	67,733	39,048	17,417	53,071	177,269
Environment & Transport	127,476	69,368	94,970	45,021	333,629
Culture, Communities and Business Services	105,511	38,232	21,971	21,971	187,685
Total	326,096	162,236	134,839	120,544	743,715
		} 417,619			

17. 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.
18. The proposals take account of the County Council's Capital and Investment 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 the Capital and Investment Strategy, Appendix 9 of the report on this Agenda on the Revenue Budget.
19. The capital programme is supported by Government grants for schools, highways, transport and disabled facilities. The Secretary of State has yet to announce details of individual local authority basic need capital allocations for the years 2022/23 and 2023/24 and School Condition Allocation (SCA) for the year 2021/22. However, indications are that the 2021/22 SCA allocation will be equal to 2020/21. Devolved Formula Capital (DFC) has yet to be confirmed for 2021/22 but again, expectations are that it will be at a similar level to the 2020/21 allocation.
20. The Department for Transport (DfT) has yet to confirm future allocations for Integrated Transport, Structural Maintenance, Pothole Fund and Band 3 (highest band) recipients of its Incentive Fund. For planning purposes, it is assumed that these allocations will total £32.9 million for each of the next three years. The County Council has historically had a great deal of success in securing Local Growth Funding (LGF) from both the EM3 and Solent Local Enterprise Partnerships (LEPs). Due to the lack of additional Local Growth Funding being made available to the LEPs by central government, the total value of funding from this source has reduced from recent years to £0.7 million. However, £34.6 million has been awarded from the second tranche of the Transforming Cities Fund over the next two years and confirmation has recently been received of £3.28 million of DfT Tranche 2 Active Travel Fund.
21. The Disabled Facilities Grant (DFG) forms part of the Better Care Fund (BCF) – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board. The Secretary of State has not yet announced details of individual local authority capital allocations for 2021/22. For planning purposes, the 2021/22 programme assumes £12.56 million in line with the 2020/21 allocation.
22. 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 £318 million by 2024/25. The repayment of the 'bridging loans' (pending capital receipts) 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 2024/25.

- 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.

Contextual Information

23. The cash limit guidelines for the new capital programme for 2021/22 to 2023/24 have been set at the same level as the current capital programme.
24. Executive members have now prepared proposals for:
 - A locally resourced capital programme for the three-year period from 2021/22 to 2023/24 within the guidelines set and other resources available to services.
 - A programme of schemes supported by Government capital grants.
25. '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.
26. 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.

Guideline Cash Limits for the Capital Programme

27. The guidelines for the locally resourced programme were set by Cabinet in November 2020 based on existing levels with no uplift for inflation. The guidelines and use of reserves proposed by Executive Members and other adjustments are shown in Table 2.

Table 2 Guidelines for locally resourced capital programme

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Adults' Health and Care				
Original guideline	481	481	481	1,443
Carry forward from previous years	855			855
Adults' Health and Care Total	1,336	481	481	2,298
Children's Services				
Original guideline	100	100	100	300
Developers' contributions	487	4,000	23,654	28,141
Capital receipts	665	2,110	0	2,775
Carry forward from previous years	1,350	1,250	6,750	9,350
Children's Services Total	2,602	7,460	30,504	40,566
Environment and Transport				
Original guideline	11,929	11,929	11,929	35,787
Developers' and other contributions	8,623	12,815	2,906	24,344
Carry forward from previous years			414	414
Environment and Transport Total	20,552	24,744	15,249	60,545
Culture, Communities and Business Services (CCBS)				
Original guideline	4,559	4,559	4,559	13,677
Contribution from revenue & reserves	1,003			1,003
Carry forward from previous years	4,519			4,519
CCBS Total	10,081	4,559	4,559	19,199
Overall Total	34,571	37,244	50,793	122,608

Government Supported Programme

28. The Government has 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 2021/22 onwards.
29. For schools, the Secretary of State has previously announced details of individual local authority Basic Need allocations for 2020/21 and 2021/22. Hampshire received a favourable Basic Need allocation for 2021/22 of £40.9 million. There is the potential for a zero or low capital allocation in

2022/23 and 2023/24 as the Department for Education (DfE) assess the impact of the free school places they directly fund. At this stage, it is considered prudent to assume a zero allocation for those two years.

30. Allocations to date for School Condition Allocation (SCA) and the formula allocation for Devolved Formula Capital (DFC) only cover 2020/21. For planning purposes, SCA is assumed to continue at the current level of £17.4 million and expectations are that DFC will be at a similar level to the 2020/21 allocation of £3.3 million.
31. The DfT has not yet confirmed the Integrated Transport and Structural Maintenance allocations for future years. For planning purposes, these grants are assumed to continue at a similar level to previous years: £5.296 million and £21.584 million per year. The DfT is yet to confirm that Band 3 (highest band) recipients of its Incentive Fund such as the County Council will be awarded £4.495 million (the maximum available) each year until 2021/22. It is assumed in this report that Hampshire County Council will retain its Band 3 status and that funding remains at this level through to 2023/24 inclusive.
32. Further, at the time of writing, the DfT has not confirmed the Pothole fund, but for planning purposes, it is assumed that £1.543 million will be received each year for the next three years.
33. The County Council has historically had a great deal of success in securing Local Growth Funding (LGF) from both the EM3 and Solent LEPs. Due to the lack of additional Local Growth Funding being made available to the LEPs by central government, the total value of funding from this source has reduced from recent years with only £0.07 million within the starts programme in the next three years. This represents a significant reduction from last year's three-year value of just under £10 million and the £27 million three-year value the year before.
34. To mitigate the reduced opportunity for LGF funding, the ETE department has worked hard to identify other sources and has been successful in securing significant competitive funding from DfT. This includes over £40 million in a forward package of works funded across the Tranche 2 Transforming Cities Fund and Tranche 2 Active Travel Fund (mix of capital and revenue). These schemes have entered the capital programme in 2020/21, 2021/22 and 2022/23.
35. From 2016/17, the Government has discontinued the Social Care capital grant and consolidated funding within the DFG. The anticipated funding for 2021/22 is £12.56m and is allocated as part of the BCF – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board. However, grant conditions prevent the use of this funding for anything other than awarding grants for changes to a person's home.

The Programmes Submitted

36. The total starts value of the three-year programme submitted by Executive Members is £418 million, as shown in Table 3. It includes £295 million of schemes supported by Government grants.

Table 3 - Starts programmes proposed 2021/22 to 2023/24

	Land	Works etc			Total
		Locally Resourced	Supported by Govt Allocations	Total	
	£'000	£'000	£'000	£'000	£'000
2021/22	646	33,925	127,665	161,590	162,236
2022/23	646	36,598	97,595	134,193	134,839
2023/24	646	50,147	69,751	119,898	120,544
Total	1,938	120,670	295,011	415,681	417,619

37. The proposed programmes are in line with the cash limit guidelines, as adjusted in table 2, for the capital programme. The programmes themselves are set out in detail in Appendix 1, with key themes outlined below.

Adult's Health and Care

38. The proposed capital programme for Adults' Health and Care focuses on health and safety, compliance, and operational priorities within the residential and nursing building portfolio. As the highest risk buildings in the corporate estate, and in line with the requirements of the Care Quality Commission (CQC) registration and corporate health and safety procedures, there is a rigorous regime of surveys, inspections, testing and monitoring in place to manage building related health and safety risks in these buildings. The proposed programme of essential health and safety works will progress while the wider review of bed-based provision is paused given the current financial constraints and uncertainty regarding the future operating model.
39. However, capital investment continues in respect of previously approved schemes to update and improve the estate supporting Adult Learning disability services and also the extra care housing programmes for older persons and younger adults.
40. The locally resourced capital programme is supported by Government funding for the Disabled Facilities Grant. The Secretary of State has not yet announced details of individual local authority capital allocations. For planning purposes, the 2021/22 programme assumes £14.252 million in line with the 2020/21 allocation. The funding is passed to Housing Authorities to award grants for changes to a person's home in accordance with the grant conditions.

Children's Services

41. The proposed three-year programme continues an exciting investment by the County Council for Hampshire children that will not only help raise educational standards, but also create many additional local employment opportunities within its delivery. During the period 2013 to 2020 the County Council will have delivered 13,693 new school places, with projects contained within the 2021/22 to 2023/24 programme totalling a further 4,620 places giving a total of 18,313 new school places by September 2024.
42. The current presumption (by the DfE) is that every new school will be an academy/free school. Barton Farm Primary Academy in Winchester and Stoneham Park Academy in Eastleigh both opened in September 2020. A further ten schools are on the planning horizon to September 2025, however, the pace of development will be largely dictated by completion of new housing developments.
43. The overall increase in pupil numbers also impacts on the need for SEND places with 3.4% of our school population having a SEND Education Health and Care Plan. This increase alongside advances in medical technology is giving rise to some schools having very specific accommodation needs to meet the specialist and often complex requirements of individual pupils. The forward capital programme includes a variety of special school projects, including proposed provision for 90 Social, Emotional and Mental Health (SEMH) places for pupils with SEMH needs and a significant refurbishment of a school for pupils with Severe Learning Difficulties (SLD) and complex needs.
44. As part of the Early Years Sufficiency Strategy, it is proposed to allocate £3 million of resources to create new places and improve the condition of existing provision. Part of this funding will support existing operators to operate more efficiently and therefore remain in the market. The funding will be spread over the financial years 2021/22 – 2023/24.
45. The focus of capital investment in recent years has been on Basic Need and Capital Maintenance. In addition, the County Council has allocated £5 million (including fees) of County Council resources for a programme of investment to ensure facilities are fit for purpose and continue to provide good quality learning environments. The first tranche of projects in 2019/20 focused on improving lighting and toilets. The second tranche of projects in 2020/21 focused on improving special school environments. For 2021/22, the third year of the programme has allocated £2.4 million towards projects that focus on improvements to science laboratories, food technology spaces, general teaching spaces and toilets.
46. The proposed programme includes other improvement and modernisation projects relating to access to schools, SEN improvements, health and safety, adaptations to properties of foster carers and disabled children and schools' devolved formula capital totalling £36 million over three years.
47. 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. In most cases the

need for school places is driven by the speed of housing delivery on certain major sites, something which is clearly outside of the County Councils control and therefore requires flexibility in the way that the capital programme is delivered.

48. The Children's Services capital programme has reached a balanced position between income and expenditure over the proposed three-year period of the 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. Some of the forecast financial challenges have reduced as a result of extensive negotiations to secure developer contributions and the work undertaken to reduce the cost of school building design while minimising the detrimental effect on the teaching spaces and environment. Alongside this, the strategy to pursue free schools has also helped reduce the forecast deficit.
49. The County Council has a local and national reputation for the quality of its school buildings and significant work continues to be undertaken to successfully deliver better value buildings. The County Council is continuing to lead the national study to benchmark the cost of schools across the country. This study is endorsed by the DfE and provides invaluable information on the 'true' cost of providing school places. This evidence is being used to benchmark value for money for Hampshire schools and to inform negotiations with Government, local planning authorities and developers to maximise funding for the provision of additional pupil places across Hampshire.

Environment and Transport

50. Proposals of the Executive Member for Economy, Transport and Environment amount to just over £209 million over the next three years. The programme includes £118.3 million of new investment in structural maintenance, £90.7 million in the Integrated Transport programme and £0.3 million in flood and coastal defence projects.
51. The Structural Maintenance budget is used to extend the life of an existing asset. It is split across all highway assets for example, carriageways, footways, drainage, structures, traffic signals, pedestrian crossings and cattle grids. The Bridges and Structures programme consists of works to County Council owned Highway structures, which includes road bridges, footbridges, culverts (1.5m span or more), subways and retaining walls, as well as works on pumps at subways and low spots in the carriageway. Budgets are allocated in line with the County Council's Asset Management principles and needs based budgeting and programmes are developed based on various factors including, condition, remaining life, lifecycle planning including whole life costs.
52. The proposed integrated transport programme (ITP) includes schemes that have now been successfully awarded funding from DfT's Tranche 2 Transforming Cities Fund. The package of measures for Portsmouth City Region consists of 8 schemes (£19.6million) and a further 12 schemes in the Southampton City Region (£18million). In addition, confirmation has

recently been received that £3.28 million has been awarded from the DfT Tranche 2 Active Travel Fund (capital and revenue mix). This will allow Hampshire County Council to provide a range of measures to create better spaces for people walking and cycling.

53. 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 over £18 million, an increase of £8 million from 2020/21. It is noted however that this is the value of schemes mainly focused on walking and cycling improvements, there are many other schemes in the programme that include walking and cycling elements, which are not included in this sub-programme
54. Future investment in the waste programme is being considered including upgrading the current infrastructure of the Materials Recycling Facility (MRF) as well as the associated Waste Transfer Station (WTS) network to meet the change in service driven by legislation and the need to improve performance. This includes a feasibility study of the options for the collection and sorting of different materials either at the kerbside or using the Waste Transfer Stations. Business case modelling continues including the identification of funding options and outputs from both the collections and infrastructure work will be presented at a waste summit on the preferred recycling system across Hampshire, Portsmouth and Southampton.
55. Several flood risk reduction schemes have been delivered across the County despite the delays and costs associated with high ground water levels and Covid-19 lockdown restrictions during the last financial year. The estimated value of the programme is £24 million. The County Council is projected to spend just over £14 million of local resources (including structural maintenance), 60% of the total with the remaining 40% anticipated to be drawn from other sources including Flood Defence Grant in Aid (FDGiA), Regional Flood and Coastal Committee (RFCC) Local Levy, other local authorities and the private sector.

Culture Communities and Business Services (CCBS)

56. The former Policy and Resources capital programme is now presented as the CCBS capital programme. This change recognises that the majority of the programme, both in value and number of schemes, is delivered by CCBS, however, from time to time, the programme may also need to include one-off proposals from Corporate Services / Corporate Resources. The proposed capital programme for CCBS totalling £82 million, is largely based on the priorities for capital investment established in previous years, relating to the County Council's built estate (including schools), vehicles, country sites and parks and county farms.
57. The annual School Condition Allocation from Government is included in the CCBS programme to allow the funding to be prioritised to ensure that school buildings are kept safe and in good working order. Officers from Children's Services and Property Services continue to work closely

together to identify the highest priority strategic building condition issues along with the need for modernisation improvements to improve the operational efficiency and quality of the learning environment in the schools estate.

58. Within the 2020/21 capital programme, there is a need to increase funding for the Schools Condition Allocation project at Testbourne School. This is a result of cost impacts directly linked to the Covid crisis including extended time to facilitate Covid-secure delivery as well as the associated cost in materials driven by manufacturing challenges. Cabinet are asked to approve the increase of £757,250 resulting in a revised total project cost of £3.26 million. The additional funding will be drawn from the Schools Condition Allocation grant.

County Council Revised Capital Programme 2020/21

59. During the current financial year, the capital programme has been revised to reflect additional funding sources, including grants and contributions, and also to reflect revised timescales for some schemes. As expected, the progress and cost of some capital schemes have been impacted by the pandemic. For some schemes, for example, school condition improvement projects, external grant funding has been used to offset the additional costs. However, there is a need to use part of the £5 million capital underwriting fund that was approved by the County Council in July as part of the medium term financial strategy to enable existing schemes to continue. Owing to additional cost for contractors to implement social distancing and extra hygiene measures, together with the impact of delayed tendering, the following allocations are required:

	£'000
Children's Services programme:	
Deer Park School	350
ETE programme:	
Stubbington Bypass	2,000
Redbridge causeway phase 2	180
Woodhouse Lane South	589
CCBS programme:	
Uplands Development Infrastructure	391
Total	3,510

60. If required, up to £1.49 million remains to be allocated to enable existing schemes to continue where there are increased costs resulting from Covid-

19. It is recommended that authority is delegated to the Deputy Chief Executive and Director of Corporate Resources to allocate this funding as appropriate.

Stubbington Bypass

61. The costs and designs of schemes on the scale of Stubbington Bypass are regularly reviewed to ensure the scheme remains resilient against external changes post initial approval. A recent review of this scheme has identified several adaptations and enhancements that will benefit the outcome of the scheme. These include additional ecological activities and remediations, additional ground stabilisation work, additional street lighting at the junction with Peak Lane and higher contractor costs. These changes, which could result in an increase of £2.8 million representing 8% from the original approved value, will be funded from a mix of S106 developer contributions and local resources. Considering the premium needed to cover the additional Covid-19 related costs as shown in the table above, the overall value of the scheme is now forecast at £39.295 million.

Decarbonisation Scheme

62. The Public Sector Decarbonisation Scheme (PSDS) announced at the end of September 2020 is a Government scheme offering grants for public sector bodies to fund energy efficiency and heat decarbonisation measures. The £1 billion scheme is part of the Chancellor's 'Plan for Jobs 2020' commitment, which aims to boost the UK's economic recovery from Covid-19 as well as the Government's net zero and clean growth goals, supporting skilled jobs in the low carbon and energy efficiency sectors.
63. Aligned to the County Council's declaration of a Climate Emergency in 2019, which reinforced its commitment to continuing to mitigate climate change through reducing carbon emissions, five grant applications totalling £33 million have been submitted, with schemes covering solar PV on the corporate and schools' estates; single to double glazing window replacements to increase energy efficiency; projects to transition corporate and school sites from oil to gas; and the implementation of heating controls in schools. The range and scale of these bids was possible as a result of forward planning and the use feasibility funding that was put into the programme to enable proposals to be developed and ready to gain maximum advantage of external funding as it becomes available.
64. Following a detailed technical appraisal, the first two grant applications for solar PV and windows upgrade schemes were confirmed as successful, resulting in a grant of £26.9 million. This was reported to the Executive Member for Commercial Strategy, Human Resources and Performance in January. Subsequently, two further grant applications for transitioning from oil to gas in the schools and corporate estates have been approved and the outcome of the remaining grant application for the implementation of heating controls in schools is expected imminently. It is recommended that these remaining schemes, with a value up to £5.64 million are added to the 2020/21 capital programme.

65. This is a significant success, made possible by the County Council's forward planning and early drafting of potential schemes and makes a positive contribution to the stated objective of the Council to be carbon neutral by 2050 and supports the Climate Emergency declared in 2019.
66. The timescale of the Government scheme requires projects to be progressed quickly with a final delivery deadline of 30 September 2021, thus detailed project planning is progressing at pace. Appendix 2 sets out the project appraisals for the two programmes to transition from oil to gas. It is recommended that Cabinet gives approval to spend for these programmes, subject to the formal approval of County Council to add them to the capital programme.

Capital Financing

67. 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.
68. The sources of finance to support the capital programme are:
- Government capital grants – since 2011/12, the Government has issued all its support for local authorities' capital expenditure 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.
69. The planned sources of funding to meet the forecast capital payments in each year are set out in the table below. 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.

Table 4 - Resources to fund capital expenditure

	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Prudential borrowing	40,994	34,775	19,233	11,386
less repayments from capital	-7,256	-4,531	-18,750	-1,144

Capital grants	139,699	174,565	85,117	75,331
Contributions from other bodies including developers	34,350	43,195	43,126	27,197
Capital receipts	92	4,128	14,319	0
Revenue contributions to capital	9,935	7,355	6,244	6,055
New resources in the year	217,814	259,487	149,288	118,825
Use of the capital reserve: added to the reserve (-) or taken from the reserve (+)	18,322	29,395	22,416	14,171
Total resources available	236,136	288,882	171,704	132,996
Forecast capital payments	236,136	288,882	171,704	132,996

70. Most of the capital receipts forecast in Table 4 are required to repay prudential borrowing for school and other rationalisation schemes started in advance of the site disposals.
71. Progress during the remainder of 2020/21 and throughout 2021/22 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.

Prudential borrowing

72. 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 and is set out in the Capital and Investment Strategy (Appendix 9 of the Revenue Budget report elsewhere on this Agenda).
73. The planned prudential borrowing will total £ 318 million, after deducting repayments to 31 March 2020. The schemes funded by these advances are summarised in Table 5.

Table 5 – Summary of outstanding and planned prudential borrowing advances **£000**

Financed from savings in the revenue budget	212,187
‘Bridging’ loans on specific projects to be repaid from capital receipts and developer contributions	61,787

Capital investment to be financed from future charges to services	44,477
Total	<u>318,451</u>

Capital reserve

74. The capital reserve shown in Table 6 holds the approved local resources until they are required to fund actual capital payments as schemes progress. The County Council's approach is to apply grants and other contributions before using its own resources.

Table 6 – Capital reserve

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Opening balance	112,357	94,035	64,640	42,224	28,053
Used in year	-18,322	-29,395	-22,416	-14,171	-13,078
Added in year					
Closing balance	<u>94,035</u>	<u>64,640</u>	<u>42,224</u>	<u>28,053</u>	<u>14,975</u>

Revenue implications

75. The revenue implications of the new programme are shown in the following Table.

Table 7 – Revenue effects

	Running costs £000	Capital charges £000	Total £000
2021/22 starts	417	5,371	5,788
2022/23 starts	776	5,883	6,659
2023/24 starts	77	3,659	3,736
Total	<u>1,270</u>	<u>14,913</u>	<u>16,183</u>

76. The capital charges represent depreciation over the estimated life of the asset for most schemes and provide an accounting estimate for the cost of using assets to deliver services. The capital charges do not impact the County Council's overall budget requirement as the charges to services will be counter-balanced by a corresponding credit to the centrally managed capital adjustment account.

77. However, the budget requirement is increased by the capital financing costs on the loans raised to finance the programme. The full year revenue impact of the additional prudential borrowing over the proposed three-year programme will be £1.9 million.

Conclusions

78. 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 November 2020 have been supplemented with contributions from reserves and developers and adjusted by transfers between programme years and supplemented by Government grants of £295 million, giving a total programme for the next three years of £418 million.
79. 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 2021/22 and the progress on obtaining the capital receipts necessary to finance the capital 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>	<u>Date</u>
Cabinet - Financial Update and Budget Setting	24 November 2020
Executive Member for Adult Social Care and Health capital programme report	11 January 2021
Executive Lead Member for Children's Services and Young People capital programme report	13 January 2021
Executive Member for Economy, Transport and Environment capital programme report	14 January 2021
Executive Member for Commercial Strategy, Human Resources and Performance capital programme report	19 January 2021
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.)

Document

Location

None

IMPACT ASSESSMENTS:

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.

Equalities Impact Assessment:

Equalities impact assessments will be considered when individual project appraisals are developed for the schemes included in the approved capital programme.

Climate Change:

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

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

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

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

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	975	161	200	1,336	-	43
2	Disabled Facilities Grant	-	-	14,252	14,252	-	-
Total Programme		975	161	14,452	15,588	-	43

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.	1
N/A	1	12	Grant paid to District Councils to fund adaptations to people's homes	2
+ Projects to be partly funded from external contributions.				

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2022/23 Schemes						
	Schemes Supported from Local Resources						
3	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	Total Programme	241	40	200	481	-	26

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.	3
			+ Projects to be partly funded from external contributions.	

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
	2023/24 Schemes	£'000	£'000	£'000	£'000	£'000	£'000
	Schemes Supported from Local Resources						
4	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	Total Programme	241	40	200	481	-	26

Capital Programme - 2023/24

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	<i>Qtr</i>	<i>Months</i>		
N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.	4
			+ Projects to be partly funded from external contributions.	

Children's Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2021/22 Schemes						
	Children's Social Care						
1	Foster Carers	86	14	-	100	-	0
2	Adaptation Equipment	-	-	250	250	-	25
3	Early Years/Childcare sufficiency	858	142	-	1,000	-	20
	Primary School Improvements						
4	Poulner Infant, Ringwood	418	69	-	487	-	10
5	South Farnborough Junior, Farnborough	193	32	-	225	-	5
6	Stanmore Primary, Winchester	429	71	-	500	-	10
	Secondary School Improvements						
7	Andover Secondary places	5,150	850	-	6,000	-	120
8	Swanmore College, Swanmore	142	23	-	165	-	3
9	Special School Improvements	858	142	-	1,000	-	20
10	Icknield School, Andover	2,146	354	-	2,500	-	50
	New Special School Provision						
11	Samuel Cody Specialist Sports College Farnborough	11,159	1,841	-	13,000	-	260
12	Other Improvement Projects	1,717	283	-	2,000	-	40
13	School Suitability Programme	2,575	425	-	3,000	-	60
14	Purchase of modular classrooms	1,852	148	-	2,000	-	67
15	Health and Safety	343	57	-	400	-	8
16	Schools Devolved Capital	3,317	-	-	3,317	-	66
17	Access Improvements in Schools #	429	71	-	500	-	10

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	Various	Various	Improvements to foster carers' homes where necessary	1
N/A	Various	Various	Access improvement equipment for homes	2
N/A	Various	Various	Improvements to Early Years facilities	3
Owned	2	6	Site improvements.	4
Owned	2	6	Hall expansion.	5
Owned	2	6	Reception and site improvements.	6
Owned	2	12	1fe/2fe expansion	7
Owned	2	3	Site improvements.	8
Owned	Various	Various	Rebuild and refurbishment of special schools.	9
Owned	2	12	Major refurbishment.	10
Owned	2	15	New 90 place special school.	11
Owned	Various	Various	Various projects to meet identified needs.	12
Owned	Various	Various	Various projects to meet identified needs.	13
N/A	Various	Various	Various projects to be identified.	14
Owned	Various	Various	Improvements to address health and safety issues.	15
N/A	Various	Various	Allocations to schools through devolved formula capital.	16
N/A	Various	Various	Improvements to school's buildings to improve accessibility.	17

Children's Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Schemes (continued)							
18	Furniture and Equipment #	-	-	250	250	-	25
19	Contingency	1,720	284	-	2,004	-	40
Total Programme		33,392	4,806	500	38,698	-	839

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	Various	Various	Provision of furniture and equipment for capital schemes	18
N/A	Various	Various		19
			# controlled on an accrued expenditure basis	

Children's Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2022/23 Schemes							
Children's Social Care							
20	Foster Carers	86	14	-	100	-	-
21	Adaptation Equipment	0	-	250	250	-	25
22	Early Years/Childcare sufficiency	858	142	-	1,000	-	20
Primary School Improvements							
23	Bordon Infant & Junior, East Hants	3,433	567	-	4,000	-	80
24	Special School Improvements	858	142	-	1,000	-	20
25	Other Improvement Projects	1,717	283	-	2,000	-	40
26	Purchase of modular classrooms	1,852	148	-	2,000	-	67
27	Health and Safety	343	57	-	400	-	8
28	Schools Devolved Capital	3,317	-	-	3,317	-	66
29	Access Improvements in Schools #	429	71	-	500	-	10
30	Furniture and Equipment #	-	-	250	250	-	25
31	Contingency	2,232	368	-	2,600	-	52
Total Programme		15,125	1,792	500	17,417	-	413

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	Various	Various	Improvements to foster carers' homes where necessary	20
N/A	Various	Various	Access improvement equipment for homes	21
N/A	Various	Various	Improvements to Early Years facilities	22
Owned	2	12	Expansion to 3fe	23
Owned	Various	Various	Rebuild and refurbishment of special schools	24
Owned	Various	Various	Various improvements to meet identified needs	25
N/A	Various	Various	Various projects to be identified	26
Owned	Various	Various	Improvements to address health and safety issues	27
N/A	Various	Various	Allocations to schools through devolved formula capital	28
N/A	Various	Various	Improvements to school buildings to improve accessibility	29
N/A	Various	Various	Provision of furniture and equipment for capital schemes	30
N/A	Various	Various		31
# controlled on an accrued expenditure basis				

Children's Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Schemes							
Children's Social Care							
32	Foster Carers	86	14	-	100	-	0
33	Adaptation Equipment	-	-	250	250	-	25
34	Early Years/Childcare sufficiency	858	142	-	1,000	-	20
Primary School Improvements							
35	Overton CE Primary, Basingstoke	1,888	312	-	2,200	-	44
36	Whitchurch CE Primary, Basingstoke	1,888	312	-	2,200	-	44
New Primary School Provision							
37	Berewood Primary, Havant	6,524	1,076	-	7,600	-	-
38	Hartland Village, Fleet	7,442	1,228	-	8,670	-	-
39	Hounsme Fields, Basingstoke	4,893	807	-	5,700	-	-
40	Special School Improvements	858	142	-	1,000	-	20
New Special School Provision							
41	New SEMH/SLD Provision	12,017	1,983	-	14,000	-	280
42	Other Improvement Projects	1,717	283	-	2,000	-	40
43	Purchase of modular classrooms	1,852	148	-	2,000	-	67
44	Health and Safety	343	57	-	400	-	8
45	Schools Devolved Capital	3,317	-	-	3,317	-	66
46	Access Improvements in Schools #	429	71	-	500	-	10

Capital Programme - 2023/24

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	Various	Various	Improvements to foster carers' homes where necessary	32
N/A	Various	Various	Access improvement equipment for homes	33
N/A	Various	Various	Improvements to Early Years facilities	34
Owned	2	6	Expansion to 2.5fe	35
Owned	2	6	Expansion to 2.5fe	36
Owned	2	12	New 1.5fe primary school to meet housing demand.	37
Owned	2	12	New 2fe primary school to meet housing demand.	38
Owned	2	12	New 1fe primary school to meet housing demand.	39
Owned	Various	Various	Rebuild and refurbishment of special schools.	40
Owned	2	15	New 90-125 place special school.	41
Owned	Various	Various	Various projects to meet identified needs.	42
N/A	Various	Various	Various projects to be identified.	43
Owned	Various	Various	Improvements to address health and safety issues.	44
N/A	Various	Various	Allocations to schools through devolved formula capital.	45
N/A	Various	Various	Improvements to school's buildings to improve accessibility.	46

Children's Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2023/24 Schemes (continued)						
47	Furniture and Equipment #	-	-	250	250	-	25
48	Contingency	1,617	267	-	1,884	-	38
	Total Programme	45,729	6,842	500	53,071	-	687

Capital Programme - 2023/24

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	Various	Various	Provision of furniture and equipment for capital schemes	47
N/A	Various	Various		48
			# controlled on an accrued expenditure basis	

Economy, Transport and Environment

Ref	Project	Construction Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Schemes							
Schemes Supported from Local Resources							
1	Structural Maintenance of Non Principal Roads #	10,641	1,182	-	11,823	-	591
2	Flood and Coastal Defence Management	88	18	-	106	-	2
Total Programme Supported by Local Resources		10,729	1,200	-	11,929	-	593
Schemes Supported by the Government and Other External Bodies							
3	Manydown Cycle Routes, Basingstoke*	900	300	-	1,200	-	60
4	Whitehill Bordon GGGI - Station Road Crossroads*	975	325	-	1,300	-	65
5	SCR - Redbridge Viaduct+	757	252	-	1,009	-	50
6	SCR - Eling to Holbury Cycle Route*	2,581	860	-	3,441	-	172
7	SCR - Rushington Roundabout*	1,832	611	-	2,443	-	122
8	PCR - Local Transport Hub - Havant Park Road South*	787	263	-	1,050	-	53
9	PCR - Enhanced MM Corridor - Ladybridge R/A VE Bus Priority and Pedestrian/Cycling Enhancements*	1,017	339	-	1,356	-	68
10	PCR - Gosport Bus Station, taxi rank and Cross Street improvements*	4,425	1,475	-	5,900	-	295
11	PCR - Enhanced MM Corridor - Rusty Cutter Bedhampton *	2,194	731	-	2,925	-	146
12	North Test Valley LCWIP, Andover*	525	175	-	700	-	35
13	Whitehill Bordon GGGI - Route towards Lindford*	431	144	-	575	-	29
14	Andover - B3400 Andover Down Pedestrian Improvements*	487	163	-	650	-	33
15	West End High Street - Access Improvements*	187	63	-	250	-	13
16	Trade Street, East Woodhey - Accessibility*	255	85	-	340	-	17
17	SCR - Eastleigh Mobility Hub*	239	80	-	319	-	16
18	SCR - Totton Junction Road*	565	189	-	754	-	38

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Structural maintenance to improve road conditions.	1
N/A	-	-	Provision for works and strategies for coastal sites and flood defence including match funding for joint funded schemes with external bodies	2
N/A	4	12	Cycle improvements.	3
N/A	4	4	Pedestrian and cycle improvements	4
N/A	2	6	Parapet improvements	5
N/A	3	6	New cycle route and cycle improvements	6
N/A	4	7	Bus priority measures	7
N/A	2	8	Capacity enhancements	8
N/A	1	5	Bus corridor improvements	9
N/A	4	13	Bus station improvements	10
N/A	2	13	Full roundabout signalisation	11
N/A	4	7	Sustainable accessibility improvements	12
N/A	2	12	Pedestrian and cycle improvements	13
N/A	4	6	Pedestrian improvements	14
N/A	3	4	Accessibility Improvements	15
N/A	4	10	Safety and pedestrian improvements	16
N/A	4	3	Mobility hub	17
N/A	4	2	Bus priority measures	18

Economy, Transport and Environment

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2021/22 Schemes (continued)							
19	PCR - Local Access Zones - Havant - Secondary*	740	247	-	987	-	49
20	PCR - Local Transport Hub - A27 Enhanced Safety Scheme, Portchester+	651	217	-	868	-	43
21	Schemes Costing Less than £250,000+	1,125	375	-	1,500	-	75
22	Safety Schemes #	1,125	375	-	1,500	-	75
23	Minor Improvements (part #) +	563	187	-	750	-	38
24	Structural Maintenance of Roads and Bridges #	24,860	2,762	-	27,622	-	1,381
Total Programme Supported by the Government and other bodies		47,223	10,216	-	57,439	417	2,873
Total Programme					69,368	417	3,466

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	9	Walking and cycling enhancements	19
N/A	3	9	A27/Castle Street Roundabout	20
N/A	1	12	Local Improvements Sub-programme	21
N/A	1	12	Casualty reduction programme.	22
N/A	1	12	Improvement schemes costing less than £70,000 each.	23
N/A	1	12	Structural maintenance to improve road conditions and structural maintenance and strengthening of bridges.	24

Projects controlled on an accrued expenditure basis
+ Projects partly funded from external contributions
* Projects externally funded

Economy, Transport and Environment

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2022/23 Schemes							
Schemes Supported from Local Resources							
25	Structural Maintenance of Non Principal Roads #	10,641	1,182	-	11,823	-	591
26	Flood and Coastal Defence Management	88	18	-	106	-	2
Total Programme Supported by Local Resources		10,729	1,200	-	11,929	-	593
Schemes Supported by the Government and Other External Bodies							
27	A323 High St/Ash Rd, Aldershot - Cycleway/Footway*	750	250	-	1,000	-	50
28	SCR - Marchwood Bypass+	981	327	-	1,308	-	65
29	SCR - Bishopstoke Road, Eastleigh*	3,112	1,037	-	4,149	-	207
30	SCR - Providence Hill Cycle Route*	1,716	572	-	2,288	-	114
31	Fleet Station Roundabout*	5,625	1,875	-	7,500	-	375
32	Hamble Lane Improvements*	11,250	3,750	-	15,000	-	750
33	Lynchford Road, Farnborough, Phase 2 *	4,950	1,650	-	6,600	-	330
34	PCR - Enhanced MM Corridor - Delme to Downend Bus and Cycle Scheme*	6,772	2,258	-	9,030	-	452
35	Andover Railway Station Improvements*	244	81	-	325	-	16
36	Andover - Walworth RAB/A3093/A3057*	637	213	-	850	-	43
37	A339/B3349 Junction Improvements, Alton*	727	243	-	970	-	49
38	Whitehill & Bordon GGGL – Hogmoor Road Cycle & Associated Traffic Measures*	300	100	-	400	-	20
39	SCR - Airport Parkway Travel Hub*	335	112	-	447	-	22
40	A27 Barnes Lane, Fareham - Junction Improvements+	600	200	-	800	-	40
41	North Baddesley: Firgrove Rd to Castle Lane Cycleway+	388	129	-	517	-	26
42	Schemes Costing Less than £250,000+	1,489	496	-	1,985	-	100

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Structural maintenance to improve road conditions.	25
N/A	-	-	Provision for works and strategies for coastal sites and flood defence including match funding for joint funded schemes with external bodies	26
N/A	4	8	Pedestrian and cycle improvements	27
N/A	1	6	Bus priority measures	28
N/A	1	7	Bus priority measures	29
N/A	2	6	New cycle route	30
N/A	3	20	Roundabout improvements	31
N/A	4	18	Carriageway widening and junction improvements	32
N/A	4	18	Capacity improvements & accessibility for pedestrians and	32
N/A	1	14	Bus and cycle improvements	34
N/A	4	6	Access improvements and environmental enhancements	35
N/A	4	9	Roundabout signalisation, pedestrian and cycle improvements	36
N/A	3	16	Junction improvements	37
N/A	1	12	Traffic and cycle improvements	38
N/A	3	3	Travel hub	39
N/A	4	10	Junction improvements	40
N/A	4	5	Provision of missing cycle link	41
N/A	1	12	Local Improvements Sub-programme	42

Economy, Transport and Environment

Ref	Project	Construction Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2022/23 Schemes (continued)							
43	Safety Schemes #	1,125	375	-	1,500	-	75
44	Minor Improvements (part #) +	563	187	-	750	-	38
45	Structural Maintenance of Roads and Bridges #	24,860	2,762	-	27,622	-	1,381
Total Programme Supported by the Government and other bodies		66,425	16,616	-	83,041	776	4,153
Total Programme					94,970	776	4,746

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Casualty reduction programme.	43
N/A	1	12	Improvement schemes costing less than £70,000 each.	44
N/A	1	12	Structural maintenance to improve road conditions and structural maintenance and strengthening of bridges.	45
# Projects controlled on an accrued expenditure basis + Projects partly funded from external contributions * Projects externally funded				

Economy, Transport and Environment

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Schemes							
Schemes Supported from Local Resources							
46	Structural Maintenance of Non Principal Roads #	10,641	1,182	-	11,823	-	591
47	Flood and Coastal Defence Management	88	18	-	106	-	2
Total Programme Supported by Local Resources		10,729	1,200	-	11,929	-	593
Schemes Supported by the Government and Other External Bodies							
48	Whitehill Bordon - Sleaford Lights Junction - A325/B3004*	750	250	-	1,000	-	50
49	Andover - London Street/Eastern Avenue*	229	77	-	306	-	15
50	Botley Bypass - Village Enhancements	310	104	-	414	-	21
51	Safety Schemes #	1,125	375	-	1,500	-	75
52	Minor Improvements (part #) +	563	187	-	750	-	38
53	Schemes Costing Less than £250,000+	1,125	375	-	1,500	-	75
54	Structural Maintenance of Roads and Bridges (part #)	24,860	2,762	-	27,622	-	1,381
Total Programme Supported by the Government and other bodies		28,963	4,129	-	33,092	77	1,655
Total Programme					45,021	77	2,248

Capital Programme - 2023/24

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Structural maintenance to improve road conditions.	46
N/A	-	-	Provision for works and strategies for coastal sites and flood defence including match funding for joint funded schemes with external bodies	47
N/A	4	12	Junction improvements	48
N/A	4	4	Junction improvements & bus priority measures	49
N/A	4	12	Footway widening, crossing improvements, cycle improvements	50
N/A	1	12	Casualty reduction programme.	51
N/A	1	12	Improvement schemes costing less than £70,000 each.	52
N/A	1	12	Local Improvements Sub-programme	53
N/A	1	12	Structural maintenance to improve road conditions and structural maintenance and strengthening of bridges.	54

Projects controlled on an accrued expenditure basis
+ Projects partly funded from external contributions
* Projects externally funded

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2021/22 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
1	Vehicles for Hampshire Transport Management #	-	-	3,400	3,400	-	340
2	Winchester Discovery Centre	429	71	-	500	-	10
3	County Farms - Lyde Green Farm	381	63	-	444	-	9
4	County Farms - Hollam Hill Farm	564	93	-	657	-	13
5	Country Farms Improvement Projects	1,063	175	-	1,238	-	25
6	Corporate Estate	861	142	-	1,003	-	20
7	Office Accommodation	1,588	262	-	1,850	-	37
8	Rights of Way	283	47	-	330	-	7
	Corporate Services						
9	Contingency	13	-	-	13	-	-
	Total Programme Supported by Local Resources	5,182	853	3,400	9,435	-	460

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	1
N/A	1	12	Planned Improvements at Winchester Discovery Centre	2
N/A	1	12	Planned Building Upgrade at Lyde Green Farm	3
N/A	1	12	Planned Building Upgrade at Hollam Hill Farm	4
N/A	1	12	Planned improvements across the County Farms Estate	5
N/A	1	12	Planned improvements across the Corporate Estate	6
N/A	1	12	Planned improvements to Office Accommodation	7
N/A	1	12	Planned improvements to Rights of Way	8
N/A	-	-		9

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2021/22 Schemes (continued)						
	Schemes Supported by the Government						
	Schools Condition Allocation (SCA)						
10	Hart Plain Junior School, Waterlooville	750	124	-	874	-	17
11	Nightingale Primary, Eastleigh	1,300	215	-	1,515	-	30
12	Crookhorn College, Waterlooville	1,200	198	-	1,398	-	28
13	St John the Baptist, Waltham Chase	250	41	-	291	-	6
14	Henry Beaufort, Winchester	1,250	206	-	1,456	-	29
15	Cranborne School, Basingstoke	1,550	256	-	1,806	-	36
16	Hiltingbury Junior School, Eastleigh	1,327	219	-	1,546	-	31
17	Warblington School, Havant	1,570	259	-	1,829	-	37
18	Horndean College, Horndean	250	41	-	291	-	6
19	Swanmore College, Swanmore	330	54	-	384	-	8
20	Redbarn Primary, Fareham	601	99	-	700	-	14
21	Wavell School, Farnborough	250	41	-	291	-	6
22	Vyne Community School, Basingstoke	225	37	-	262	-	5
23	Portchester Community School, Portchester	225	37	-	262	-	5
24	Marnel Junior School, Basingstoke	1,202	198	-	1,400	-	28
25	Wavell School, Farnborough	2,275	375	-	2,650	-	53
26	Samuel Cody Sports College, Farnborough	250	41	-	291	-	6

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
Owned	-	-	- SCOLA Recladding	10
Owned	-	-	- SCOLA Recladding	11
Owned	-	-	- SCOLA Recladding	12
Owned	-	-	- Window Upgrade	13
Owned	-	-	- SCOLA Recladding	14
Owned	-	-	- SCOLA Recladding	15
Owned	-	-	- SCOLA Recladding	16
Owned	-	-	- Recladding	17
Owned	-	-	- Boiler Upgrade	18
Owned	-	-	- External Works	19
Owned	-	-	- Upgrade Roof	20
Owned	-	-	- Boiler Upgrade	21
Owned	-	-	- Boiler Upgrade	22
Owned	-	-	- Boiler Upgrade	23
Owned	-	-	- SCOLA recladding	24
Owned	-	-	- SCOLA recladding	25
Owned	-	-	- Roof Upgrade	26

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
27	2021/22 Schemes (continued)						
	Schools Condition Allocation (costing less than £250,000)	9,361	1,544	-	10,905	-	218
	Total Schemes Supported by the Government	24,164	3,987	-	28,151	-	563
	Total Excluding Land				37,586		1,023
	Advance and Advantageous Land Purchases				646		
	Total Programme				38,232		1,023

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
Owned	-	-	Major improvements to school buildings	27

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2022/23 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
28	Vehicles for Hampshire Transport Management #	-	-	3,400	3,400	-	340
29	CCBS Capital	328	-	-	328	-	7
30	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	513	-	3,400	3,913	-	350
	Schemes Supported by the Government						
31	Schools Condition Allocation	14,946	2,466	-	17,412	-	348
	Total Schemes Supported by the Government	14,946	2,466	-	17,412	-	348
	Total Excluding Land				21,325		698
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,971		698

Capital Programme - 2022/23

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	28
N/A	1	12	Provision of minor works across the department including Library and Countryside services	29
N/A	-	-		30
Owned	-	-	Major improvements to school buildings	31
			# controlled on an accrued expenditure basis	

Policy and Resources

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2023/24 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
32	Vehicles for Hampshire Transport Management #	-	-	3,400	3,400	-	340
33	CCBS Capital	328	-	-	328	-	7
34	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	513	-	3,400	3,913	-	350
	Schemes Supported by the Government						
35	Schools Condition Allocation	14,946	2,466	-	17,412	-	348
	Total Schemes Supported by the Government	14,946	2,466	-	17,412	-	348
	Total Excluding Land				21,325		698
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,971		698

Capital Programme - 2023/24

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Continuing programme of replacing vehicles	32
N/A	1	12	Provision of minor works across the department including Library and Countryside services	33
N/A	-	-		34
Owned	-	-	Major improvements to school buildings	35
			# controlled on an accrued expenditure basis	

HAMPSHIRE COUNTY COUNCIL

Project Appraisal

Decision Maker / Committee / Panel:	Cabinet
Date:	9 February 2021
Title:	HCC Estate Oil to Gas Conversion
Report From:	Director of Culture, Communities and Business Services

Contact name: James Williams

Tel: 07900 908367

Email: James.williams@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek spend approval for a HCC Estate Oil to Gas Conversion programme across the Schools and Corporate Estate funded through the Public Sector Decarbonisation Scheme Grant.

Recommendations

2. That Cabinet grants spend approval to the proposal for a HCC Estate Oil to Gas Conversion programme at the total cost of £2.045m.

Executive Summary

3. In September, The Government announced a new £1 billion Public Sector Decarbonisation Scheme (PSDS) providing grant funding for De-Carbonisation of buildings. This is a scheme offering 100% funded grants for public sector organisations to fund energy efficiency and heat decarbonisation projects across their estates. The scheme is part of the Chancellor's 'Plan for Jobs 2020' commitment, which aims to boost the UK's economic recovery from Covid-19, as well as the Government's net zero and clean growth goals, aimed at supporting skilled jobs in the low carbon and energy efficiency sectors.
4. Hampshire County Council (HCC) has always been proactive in managing the energy use and Carbon reduction across its estate buildings and supporting its partners by delivering solutions and installing low-cost measures that have allowed the authority to gradually reduce its energy and Carbon consumption. However, without investing in significant energy efficiency measures across all the County Council's estate, it is unlikely to meet targets to be carbon neutral by 2050.

5. The County Council's recent declaration of a Climate Emergency on 7 June 2019 has reinforced its commitment to continuing to mitigate climate change through reducing carbon emissions and reflects the work undertaken through the Hampshire 2050 commission.
6. Hampshire County Council's corporate and school's estate carries a significant energy bill. With the expectation of fuel prices' continuing to increase consistently in the future, the emphasis on efficiency and savings is increasing.
7. A PSDS grant application had been submitted for Oil to Gas Conversions and is expected to be successful. The grant will allow for heating systems to be converted from Oil to Natural Gas fuelled and the associated installations of new high efficiency boiler plant.
8. This programme looks at converting existing oil fired heating boilers to gas fired and includes upgrading the gas infrastructure on site and installing gas safety equipment within the plant room. Gas is a cleaner fuel and therefore means lower carbon emissions and a decrease in our greenhouse gas (GHG) emissions. We also anticipate that the replacement of the boilers will improve efficiency and decrease the energy use by 20%.
9. Heating controls incorporating optimiser and compensation and intelligent building management systems (BMS) shall be incorporated with the boiler replacement works.
10. Conversion works to be completed to 6 HCC Schools and 9 Corporate Sites with an overall programme value of £2.045m.
11. This proposal creates an opportunity to realise energy savings and reduce carbon. It also looks to further improve carbon credentials in conjunction with the works already carried out and future carbon reduction projects.
12. Site locations have been identified based on those currently with oil fired boilers with high fuel consumption and gas mains in the locality.
13. It is anticipated the works will commence in March 2021 and complete by 30 September 2021.
14. Once completed, this programme is expected to save 286 tonnes of carbon per year and reduce the Councils overall fuel costs.
15. The anticipated costs and funding for this scheme are as follows:

Funding	Buildings £	Fees £	Total Cost £
Public Sector Decarbonisation Scheme	1,755,365.00	289,635.00	2,045,000.00
Total	1,755,365.00	289,635.00	2,045,000.00

16. The sites included in the programme are as follows:

- Fernhill School
- Foxhills Infant School
- Glenwood School
- Chandlers Ford Infant School
- Court Moor School
- Swanmore College
- Bar End Warehouse Store
- Hampshire Museum
- Waterlooville Library
- Hayling Island Library
- Andover Day Services
- Green Meadows
- Petersfield HTM
- The Mead
- The Aviary CS

HAMPSHIRE COUNTY COUNCIL

Project Appraisal

Decision Maker / Committee / Panel:	Cabinet
Date:	9 February 2021
Title:	Calshot Activity Centre Oil to Gas Conversion
Report From:	Director of Culture, Communities and Business Services

Contact name: James Williams

Tel: 07900 908367

Email: James.williams@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek spend approval for an Oil to Gas Conversion at Calshot Activity Centre funded through the Public Sector Decarbonisation Scheme Grant.

Recommendations

2. That Cabinet grants spend approval to the proposal to complete an Oil to Gas Conversion at Calshot Activity Centre at the total cost of £766,636.

Executive Summary

3. In September, The Government announced a new £1 billion Public Sector Decarbonisation Scheme (PSDS) providing grant funding for De-Carbonisation of buildings. This is a scheme offering 100% funded grants for public sector organisations to fund energy efficiency and heat decarbonisation projects across their estates. The scheme is part of the Chancellor's 'Plan for Jobs 2020' commitment, which aims to boost the UK's economic recovery from Covid-19, as well as the Government's net zero and clean growth goals, aimed at supporting skilled jobs in the low carbon and energy efficiency sectors.
4. Hampshire County Council (HCC) has always been proactive in managing the energy use and Carbon reduction across its estate buildings and supporting its partners by delivering solutions and installing low-cost measures that have allowed the authority to gradually reduce its energy and Carbon consumption. However, without investing in significant energy efficiency measures across all the County Council's estate, it is unlikely to meet targets to be carbon neutral by 2050.
5. The County Council's recent declaration of a Climate Emergency on 7 June 2019 has reinforced its commitment to continuing to mitigate climate

change through reducing carbon emissions and reflects the work undertaken through the Hampshire 2050 commission.

6. Hampshire County Council's corporate and school's estate carries a significant energy bill. With the expectation of fuel prices' continuing to increase consistently in the future, the emphasis on efficiency and savings is increasing.
7. A PSDS grant has been confirmed for the Oil to Gas Conversion at Calshot Activity Centre. The grant will allow for the heating systems at Calshot Activity Centre to be converted from Oil to Natural Gas fuelled and the associated installations of new high efficiency boiler plant. Conversion works to be completed to an overall value of £766,636.

Background

8. Calshot Activity Centre is Hampshire County Council's biggest oil user by a considerable margin. Sitting on Calshot Spit, the conversion of oil to gas will have a huge benefit on the environment and mitigate risk due to the sea level rise and flooding.
9. This will be a complex project. Gas infrastructure will be required down the spit from the gas supply in Calshot village. Recent works here routed a drainage pipe along the spit and the gas mains can run adjacent to this.
10. This project looks at converting the existing oil fired heating boilers to gas fired and includes upgrading the gas infrastructure on site and installing gas safety equipment within the plant room. Gas is a cleaner fuel and therefore means lower carbon emissions and a decrease in our greenhouse gas (GHG) emissions. We also anticipate that the replacement of the boilers will improve efficiency and decrease the energy use by 20%.
11. There are a wide range of benefits with oil to gas conversions which will not only benefit the council but our site users as well. For example:
 - No fuel shortages
 - Lower energy bills
 - Convenient – no access issues or the need for deliveries
 - Better for the environment.
12. The project will include installing a new 180mm Gas main from the existing medium pressure gas supply in the Calshot Village. Distance of this is approximately 1000m. This site sits on the Calshot spit so there will also be environmental benefits in converting from oil to gas and to also mitigate the risk of flooding and the sea level rise.
13. Condensing boilers rigs with offsite construction where possible shall be used to streamline the installation process and costs. Heating controls incorporating optimiser and compensation and intelligent building management systems (BMS) shall be incorporated with the boiler replacement works. Gas pipework shall be moled where possible to ensure minimum site disruption and accelerated programme of works.

14. This proposal creates an opportunity to realise energy savings and reduce carbon. It also looks to further improve carbon credentials in conjunction with the works already carried out and future carbon reduction projects.
15. The Site location has been identified due to it being the largest consumer of fuel oil in the HCC Estate.
16. It is anticipated the works will commence in March 2021 and complete by 30 September 2021.
17. Once completed, this programme is expected to save 110 tonnes of carbon per year and reduce the Councils overall fuel costs.

Finance

18. The anticipated costs and funding for this scheme are as follows:

Funding	Buildings £	Fees £	Total Cost £
Public Sector Decarbonisation Scheme	658,057	108,579	766,636
Total	658,057	108,579	766,636