

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	26 November 2015
Title:	ETE Capital Programme 2015/16 Quarter 2 Monitoring
Reference:	7104
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this paper is to update the Economy, Transport and Environment (ETE) Department's 2015/16 capital programme in light of amendments occurring in quarter 2. It also provides a brief overview of progress across the capital delivery headings and an estimate of the expected final spend.
- 1.2. Across the Department, expenditure to the second quarter reached £37.598M, an increase of £21.186M since quarter 1. Of this increase, £12.892M relates to the Structural Maintenance Programme and £5.688M to Integrated Transport and demonstrates continued good progress towards delivery and expenditure targets.

2. Contextual information

- 2.1. ETE's capital programme was approved by Cabinet in February 2015 at a value of £67.484M. Amendments in the first quarter, which included carry-forwards, increased that figure to £83.340M. Table 1 sets out amendments up to September and highlights a decrease in the overall programme value, to £80.285M.
- 2.2. Because many elements of the programme are in the form of 'Starts' allocations, actual expenditure will not be comparable to the budgets listed below. Expenditure will include spend from previous years' starts programme, whereas Table1 references only 'new' or carried forward approvals.

3. Resources

Q2	SM £000	ITP £000	ED £000	PRIP £000	F&CD £000	WASTE £000	R'NER £000	PT £000	Cap R'cpts £000	TOTAL £000
Budget Book	38,824	27,879	31	750	-	-	-	-	-	67,484
Carry-Fwds	4,485	477	323	-	-	-	750	-	57	6,092
Q1 Update	-	922	8,740	-	-	-	-	19	83	9,764
Q2 Update	- 2,000	- 995	-	-	80	-	-	-	- 140	- 3,055
Adjusted Budget	41,309	28,283	9,094	750	80	-	750	19	-	80,285

3.1. The Table below reconciles the budget book with the latest budget situation for each ETE area.

A glossary of headings can be found in Appendix 2

3.2. Capital receipts were approved for allocation to 2014/15 Leigh Road/Passfield Avenue Scheme in the last report. The amendment shown above reflects this decision, effectively removing the £0.140M from showing in the 2015/16 Starts Programme. Expenditure of this funding is profiled for 2015, however.

4. Structural Maintenance

4.1. Delivery of the programme continues at a pace with £23.625M of the £41.3M budget already spent or committed.

4.2. Particularly good progress has been achieved over the summer months, resulting in a £12.892M spend in this quarter alone. A few of the highlights are summarised below:

- Surface dressing programme has been completed (£7.3M)
- Carriageway resurfacing programme fully committed (£10.1M), of which £6.5M is already completed.
- Footway programme (£2.2M) expected to be fully complete by year end. Well over half the programme has already been completed, or is programmed to complete in Q3.
- Drainage improvement programme (£2.7M) is approximately 50% complete. The remainder is planned to complete by year end, but this programme can often be affected by winter weather, or where more complex schemes unearth problems once on site.

4.3. Local Depot maintenance programmes (£4.7M) are slightly ahead of their profiled expenditure, and therefore under pressure to keep within current allocations at year end. Contingencies are in place if the need arises. This pressure has arisen because of a categorisation of small permanent patches from revenue to capital.

4.4. Within the bridges programme, Bishopstoke retaining wall scheme is completed, and Haslar Bridge concrete repairs are on site and on target for

a December completion. The recently completed junction bridge works at Brockenhurst were rescheduled over the summer to accommodate local business requirements during this busy time, and in Buriton rail/road vehicle protection work has just started.

- 4.5. Preliminary work on Holmsley Bridge replacement is underway, although still at an early stage. Delivery will start in 2016/17, for which £2M of the 2015/16 budget is recommended to be carried forward.
- 4.6. Significant funding has been ring-fenced for one-off priorities this year, putting added pressure on the Bridges budget. The largest of these is a £0.4M (relating to 50% of cost) obligation to Network Rail at Winchester Station for structural repairs to the subway. Work is planned for January to March 2016.
- 4.7. In addition, recent emergency repairs to the A27 over the River Meon at Titchfield were required when a hole appeared. A deep excavation revealed old leaking pipes that had scoured out a large cavity below, eventually causing the pipes to drop taking the surface material with them. At four metres down significant safety precautions were required, and to add to the difficulties there were also a number of services, including a large gas main, that required supporting and protecting during the repairs. The cost of this emergency is expected to be in the region of £0.2M.
- 4.8. The next planned Major bridge improvement scheme will be Redbridge Viaduct. Currently at consultation and feasibility stage, it is expected that the full scheme could cost over £10M to complete. Proposals to carry forward funding from this year are being considered to enable some initial works to be undertaken next year. Clearly further funding is required and all opportunities for bidding will need to be explored.

5. Integrated Transport

- 5.1. Progress has been steady over this period and, although a few schemes are now not expected to start until after Christmas, expenditure this quarter was £5.688M, which is more than £2M up on the first quarter. Total spend reached £9.285M which demonstrates continued good progress, but it is very slightly behind the curve. It is still expected to reach the £31M outturn estimate.
- 5.2. There have been two very minor budget amendments approved in recent months via the Director's delegated authority. Together these amount to a £5,000 increase, which is reflected in Table 1, and identified in Appendix 1. At present, there is no further re-profiling recommended, no new-entries and no withdrawals to note.

Major Schemes

- 5.3. Forecast spend against all major schemes is now £25M, up from £23M last quarter, which, if achieved, will be 80% of the total Integrated Transport

spend. This figure includes the £12.165M expenditure target for Local Growth Fund (LGF) in 2015/16.

- 5.4. The £25M forecast includes expected spend of £6.7M against four major schemes from the 2014/15 programme. Hartford Bridge Flats Junction improvement completed in May 2015, on budget and to programme, but is still wrapping up the payments. Leigh Road/Passfield Avenue completed its advanced works on time, however the main contract, which was due to start in the Autumn has been reprogrammed to start after the Christmas period. Dunsbury Roundabout in Havant now has a scheduled December shut-down due to the close proximity to the nearby superstore which trades 24hours, and Queens Roundabout in Farnborough is delayed, mainly as a result of utility diversions. This scheme is now scheduled to complete in Spring 2016, and a review of budget implications is underway, to be reported at the next update.
- 5.5. There are five major schemes in the 2015/16 programme, valued at £20M. Progress had slowed a little in preparation for Tenders, but all are now underway.
- 5.6. The majority of these major schemes are supported by Local Growth Fund (LGF), which is time-limited to single year allocations. The 2015/16 allocation and spend target is £12.165M (£14.195M including EM3 Sustainable Transport LGF which are much smaller in value). Achieving this level of spend on only a few schemes is a major challenge and the continued lack of flexibility in the funding agreements with this money makes managing budgets and cash-flows very difficult.
- 5.7. The first LGF claims were submitted to both LEPs at the end of September. The claim total was £0.996M (£0.323M Solent LEP and £0.673M EM3). Figures for EM3 were broadly in-line with quarterly projections. Solent figures, however, were significantly lower. Estimates are now being reviewed, the impact of which may highlight a potential underspend against the LGF target. At the time of writing, the Solent LEP claim has not yet been paid.
- 5.8. Related to major schemes, in October the £1.0M of local resources for major scheme development was vired to revenue to enable further feasibility and preparation of bids for future funding opportunities. This transaction is reflected in Table 1 above.

Developer Contributions

- 5.9. S106 Developer Contributions (DC) received this year has increased to £6M. Across the transport programme a £12M DC spend is likely this year, of which over £9.5M is planned against major schemes.

6. Economic Development

- 6.1. The Solent Enterprise Zone (on-site) project continues to progress well. There are three phases, comprising 9 elements to be delivered over the next two years, costing £16.518M. Expenditure across all the elements this quarter was £1.819M, increasing the total spend this year to £3.134M.
- 6.2. Progress has been good this quarter, with works starting on the new spine road linking Broom Way to the site, and the contracts for Waterfront, drainage system across the entire site and power upgrades being let. A design and build contract for the new building was also tendered during the period, and works are planned to commence in January.

7. Public Realm Improvements

- 7.1. The Public Realm Improvements Programme comprises 8 projects, all of which are financial contributions to other parts of the capital programme, in order to encourage enhanced design and material specifications. In total, these schemes amount to around £9.3M (which are accounted for elsewhere in the programme). £1.5M is from the Public Realm Fund (£0.750M 2014/15 and £0.750M 2015/16)
- 7.2. After £0.131M spend in 2014/15 the balance (£0.619M) was added to the 2015/16 funding of £0.750M, giving a starting budget for the year of £1.369M. Expenditure this quarter was £16,303, increasing the total spend this year to £22,657. Anticipated expenditure has reduced slightly to £0.120M in 2015/16. The £1.249M balance is forecast to be spent in full next year.
- 7.3. A review of the now closed Quality Enhancements Programme has been completed. Of the £0.758M adjusted programme value, £0.281M has been spent in prior years, leaving a starting balance this year of £0.477M. A virement of £80,000 was made earlier this year for the Hambledon flood alleviation scheme (budget amended in section 8 accordingly), leaving an unspent balance of £0.397M which has been incorporated, along with any ongoing commitments, into the Integrated Transport Programme balances.

8. Flood and Coastal Defence

- 8.1. The Flood and Coastal Defence programme provides local resources to cover liabilities which are the responsibility of the County Council, and to lever capital match funding for Environment Agency (EA) Grant in Aid (FDGiA) schemes and minor flood defence.
- 8.2. The programme is £8.391M funded from a mix of local resources and Grants from prior years' programmes. The new resources this quarter relate to a virement of £80,000 from the closed Quality Enhancements Programme towards commitments on Hambledon Phase 2.

- 8.3. Expenditure to the end of 2014 was £0.941M (erroneously reported as £0.789M previously) providing a starting balance of £7.370M for 2015/16. Spend this year is now £1.159M, an increase of £0.618M this quarter. Final spend is expected to be £2.791M this year.
- 8.4. The largest single project is at Hambledon. The first phase was substantially completed at the beginning of the year, which improved the network of drainage ditches to the south of the village. The second phase began at the end of June and will provide new floodwater culverts. Construction is due to continue until summer 2016.
- 8.5. The programme also includes support for the County Council's coastal assets, and work to refurbish the sea wall at Calshot has now been substantially completed.
- 8.6. Following a bid to Defra's Small Scheme Pathfinder in April the County Council has been successful in securing £77,500 (revenue) towards feasibility proposals for a small number of interventions, drawn from action plans along the Bourne Valley. The initiative is one of only 6 nationally to have been given the go ahead and will run until the end of March next year.

9. Waste Management

- 9.1. Historic resources carried forward to 2015/16 are £2.859M for the Household Waste Recycling Centres (HWRC) programme and £0.238M for closed landfill sites. There are no new resources in 2015/16, so Table 1 shows no related values.
- 9.2. The HWRC operation and service review has now been concluded. A public consultation will be undertaken after Christmas.
- 9.3. The new Eastleigh HWRC is progressing well. This Eastleigh Borough Council funded scheme is being delivered by the County Council and construction is expected to begin soon with opening planned for August 2016. The new site is expected to be a County Council asset upon completion.
- 9.4. £0.238M of the remaining funds is held by the Department for the most part as a contingency in case any action is required at its Closed Landfill Sites (currently 12 locations). Any required action would be as a result of, or in anticipation of action, from the Environment Agency as the regulator in relation to a pollution incident. Only limited works are planned for 2015/16 with an estimated spend of £30,000 to replace a sewer connection at the Newnham closed landfill site. Work is due to be completed by end of December.

10. Rowner Regeneration

10.1. The County Council is a partner in this urban renewal scheme in Gosport. Under a consortium Agreement of 2007, the County Council's current financial commitment in support of the project is two capital grants, each of £0.750M.

10.2. The first payment was made in 2011. Payment of the second grant is subject to various conditions which may not be met this financial year. A carry forward of this commitment may therefore be required.

11. Recommendations

11.1. That amendments to the Economy, Transport and Environment's 2015/16 Capital Programme be approved.

11.2. That £2M be carried forward from the Structural Maintenance Programme for the Holmsley Bridge scheme, starting in 2016.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

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

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

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

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

1.2. Equalities Impact Assessment:

This is a financial report to reflect the first quarter changes to budgets and report progress. Amendments to individual schemes within each programme will have been made following consultation and will have their own project appraisals (if over £50,000). The decisions in this report are financial, and for in-house management of accounts.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption? – no specific proposals

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? – no specific proposals

TRANSPORT PROGRAMME AMENDMENTS

DISTRICT	TITLE	OPENING ITP PROG	Adjusted Q1 Budget	Deferral / Reprofiling	New Additions	Variation +/-to existing allocation	Adjusted Q2 Budget
		£000	£000	£000	£000	£000	£000
TVBC	Romsey Rail Station Improvements	147	149				149
FBC	Hoeford Road Toucan Crossing, Fareham	114	114				114
GBC	B3333 South Street / Dock Road Junction Improvement, Gosport	243	242				242
GBC	Privett Road / Anns Hill Road Junction Improvement, Gosport	250	250				250
TVBC	A338 Salisbury Road/Watery Lane, Junction Improvement, Shipton Bellinger	322	322				322
BDBC	A340 Park Prewett Dualling: The Lodge Junction, Basingstoke	4,013	4,000				4,000
BDBC	A33 Corridor: A339/A33 Ringway and A33/Popley Way Junctions, Basingstoke	1,800	1,950				1,950
EHDC	Whitehill & Bordon Relief Road - Phase I. Louisburg section.	5,450	5,450				5,450
FBC	B3385/B3354 Peel Common Roundabout, Fareham	3,250	3,250				3,250
FBC	St. Margarets Roundabout, Fareham	4,600	4,600				4,600
CW	Minor Traffic Management	480	495				495
CW	Local Highways & Transport Programme (MinorWorks)	1,280	1,485				1,485
CW	Major Scheme Bid Preparation, Development and Delivery	1,000	1,000			-1,000	-
CW	Casualty Reduction Programme	1,290	1,752				1,752
BDBC	Burchlere Pedestrian Improvements, Basingstoke	95	95			6	101
HBC	Hermitage Stream Footpath, Havant	167	167			-1	166
TVBC	Grateley Footway Improvements, Andover	62	62				62
BDBC	EM3STF-Popley to Chineham District Centre Ped & Cycle Imps, Basingstoke	350	350				350
BDBC	EM3STF-Merton School Accessibility, Popley, Basingstoke	350	350				350
BDBC	EM3STF-Ringway North / Rooksdown Accessibility Improvements, Basingstoke	200	200				200
BDBC	EM3STF-Western Way Pedestrian Crossing Upgrade, Basingstoke	200	200				200
C/W	EM3STF-Passenger Transport Improvements	723	723				723
HDC	EM3STF-Fleet Station Accessibility and Toucan Crossing (FTAP) (PC16)	185	185				185
WCC	EM3STF-Westgate/Western Gate Campus Improvements, Winchester	205	205				205
HDC	Church Crookham Gateways and Speed Management	135	135				135
EBC	Hound Road Toucan Crossing, Netley	0	91				91
HBC	Warblington School Cycle Path	0	245				245
BDBC	Highclere Footway	0	101				101
HBC	Emsworth Cycling and Crossing Imps (Ph 3 Emsworth package)	0	260				260
EHDC	Whitehill & Bordon Eco-town Cycling Accessibility	0	230				230
FBC	Solent Enterprise Zone (Daedalus) - offsite Signage	0	250				250
EHDC	White Dirt Lane, Catherington, Clanfield	0	100				100
EHDC	Alton Town Centre - 20mph Extension	0	210				210
CW	SWT Cycle Rail Projects	0	61				61
TVBC	Abbotswood: Highwood Ln/Halterworth Ln Junction Imp & Traffic Calming, Romsey	70	-				-
BDBC	Popley Area Improvements - Abbey Road/Shakespear Road Improvements, Basingstoke	300	-				-
NFDC	Avenue Rd/Manor Rd/Station Rd Junction Improvement, New Milton	154	-				-
EHDC	Green Lane, Clanfield Traffic Calming	260	-				-
TVBC	Over Wallop Village Traffic Management	185	-				-
Total		27,879	29,278	-	-	995	28,283

Glossary of terms

TABLE 1 – PROGRAMME HEADINGS

SM	Structural Maintenance Programme, including Bridges
ITP	Integrated Transport Programme, including minor works, minor traffic management, casualty reduction, members highway fund,
F&CDM	Flood and Coastal Defence Management
PRIP	Public Realm Improvement Programme, including Quality Enhancements and (as for Table 2) Quality of Place schemes. All have a similar 'environmental' feel to them.
W	Waste Management programme, including Household Waste Recycling Centre improvements and the closed landfill site management programme.
ED	Economic Development programme
R'ner	Rowner regeneration project
PT	Passenger Transport

TABLE 2 – MISCELLANEOUS

Local Resources	HCC source of funds; can include prudential borrowing, capital receipts, New Homes Bonus, Capital reserves, revenue contributions to capital.
LEP	Local Economic Partnerships.
LGD and LGF	Funding relating to Local Growth Deals. Grants awarded competitively by the LEP.
LTP	Local Transport Plan ring-fenced grant from DfT. Formula based/needs assessment. Also called Transport Block or Maintenance Block funding. Annual allocation.
LSTF Grants	Local Sustainable Transport Fund. Area-based grant funding over 3-years. A) South Hampshire, roughly Solent Transport area. B) North Hampshire (5 towns) and C) Two National Parks. Funding window now completed.
EA Grants	Environment Agency grants, including Flood Grant in Aid, Local Levy and Groundwater Alleviation grant.
Dev. Contrib's and DC	Developer Contributions for transport arising from Section 106 Agreements.
CIL	Community Infrastructure Levy
PFI	Street Lighting Private Finance Initiative. An ongoing long-term project of replacement and maintenance for all street lighting in Hampshire.
Daedalus	On-site Solent Enterprise Zone. HCA funded projects. Expenditure relates to phases 1, 2 & 3. Hampshire County Council acting as delivery agent for the HCA.