Agenda item: 2

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	19 January 2017
Title:	ETE Capital Programme Monitoring
Reference:	8046
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

1.1. The Economy, Transport and Environment Department's (ETE) capital programme contains a range of projects including, but not limited to; highway maintenance, major congestion improvements, flood alleviation, bridge strengthening, town centre improvements and highway safety.

1.2. This paper provides a short narrative summary of progress and changes across the programme.

2. Expenditure and Finance

2.1. Gross spend to 30 November 2016 was £50.778million, of which £26.4million has been spent since the start of August 2016. At just over the half-way point of the year this continues to represent good progress and is slightly ahead of the usual curve. (See Appendix 1 for spend across the programmes.)

2.2. A review of planned expenditure was undertaken in the autumn which has revised the expected outturn from £90million to £93million.

2.3. At its meeting on 20 June Cabinet approved the carry forward of a £1.8million saving on the 2015/16 winter maintenance budget to the 2016/17 revenue highways maintenance budget in order to fund an additional programme of high priority highways maintenance activities. A number of these activities, including carriageway patching and structural repair to roads and footways, are capital in nature extending the life of the carriageway. The Executive Member is asked to approve the virement of £425,000 from the 2016/17 revenue highways maintenance budget to the 2016/17 structural maintenance programme to fund these activities.

2.4. At the same meeting, Cabinet also agreed to the extension of the £10million per annum allocation for Operation Resilience (from 2017/18 for 4-years) This has been included in the resources for the proposed 3-year capital programme.

2.5. The Economic Development capital programme receives £31,000 per year, an historic arrangement with an amount too small to undertake any meaningful capital works. The accumulated balance built up over time has recently been applied in full as a contribution towards a speculative industrial building on the Solent Enterprise Zone at Daedalus. Following this investment it is now thought more appropriate to reclassify this annual sum as revenue, and the Director has recently agreed to the virement of the 2016/17 budget to revenue.

2.6. ETE's share of 2015/16 capital receipts has now been allocated. The £0.145million will be used to reduce the liability of the County Council's ageing signals equipment, chiefly the replacement of two life-expired car park variable message signs in Basingstoke and some of the older vehicle actuated signs in support of our casualty reduction programmes. Funding has been added to the 2016/17 structural maintenance programme and will be fully spent this year.

2.7. Bourley Road, is a key link between Church Crookham and Aldershot, and provides a route that avoids the busy A323 Fleet Road and A325 Farnborough Road. It provides both residential access and a link to a business park. A previous project appraisal to adopt this road has already been approved by the Executive Member, but it has been identified that since this approval more works are necessary to bring the road to adoptable standard. Capital resources of £0.350million have already been approved, and there is a need for a further £0.650million to account for further deterioration since that original decision. It is proposed to vire this sum from planned savings in the 2016/17 Highways Traffic and Transport revenue budget. The Executive Member is asked to approve this virement.

2.8. Early in 2017 there will be another opportunity to bid for the Department for Transport's Challenge Fund for major maintenance schemes. In order to submit a bid with maximum chance of success, it is proposed that the existing £1.45million match funding already earmarked be increased to £2.4million with the additional £0.95million being vired from planned savings in the 2016/17 Highways Traffic and Transport revenue budget. The Executive Member is asked to approve this virement.

2.9. Taking into account all recommended adjustments in this paper, together with those approved under delegated authority and listed in Appendix 2, the amended 2016/17 capital programme, as set out in Appendix 3, is now £106.9million (a net increase of £1.12million from £105.78million). The Executive Member is asked to approve this new figure.

3. Delivery

3.1. On transport, since the last update four of the five planned major schemes of 2016 are on site, with the fifth due to start in January. The total cost of these five is £51.4million, of which £20.5million is due to be spent this financial year. The schemes are;

- Whitehill/Bordon Relief Road Phase II. £20.5million,
- A33 Binfields/Crockford Roundabout, Basingstoke. £10.63million.
- A27 Widening, Titchfield, Fareham. £10.265million.
- A27 Gudge Heath Lane/Station Roundabout, Fareham. £6.611million
- A340/A30 Winchester Road Roundabout, Basingstoke. £3.410million.

3.2. A significant amount of preliminary work has been ongoing in relation to future major schemes. Starting early next financial year is the £9.5million scheme at Newgate Lane South in Fareham, for which necessary arrangements in respect of land acquisition are being made. This is the third project in this locality (previously Newgate Lane North and Peel Common Roundabout) and completes £20million of investment in this corridor.

3.3. Including Newgate Lane South, there are seven major schemes in the 2017/18 and 18/19 programmes, with a total estimate of £85.2million. Major scheme investment on the network in the 4-year period 2015/16 - 2018/19 is estimated to be £157million (17 schemes).

3.4. A number of small amendments have been made to this year's integrated transport delivery programme. These are listed in the record of delegated approvals set out in Appendix 2.

3.5. The £45.million structural maintenance programme is progressing very well, with most elements being completed on time and on budget. Carriageway resurfacing and surface dressing programmes have already been completed in their entirety, whilst footways and structural drainage schemes are proceeding as planned, though they will not be complete until year end.

3.6. Carriageway haunching started much later than originally expected due to commercial resourcing issues, but the programme has now started in earnest.

3.7. The structures team (Bridges) are responsible for the inspection and maintenance of approximately 1,850 road bridges, footbridges and retaining walls across Hampshire. Delivery of this year's capital bridges programme is going well, with many of the schemes now underway. Noteworthy projects so far include Flaxfield Road retaining wall in Basingstoke which required an innovative solution of anchors under properties and Hale Bridge in the New Forest; an old brick arch that required significant repairs involving various ties to strengthen the whole structure from underneath and prevent further deterioration. The work was completed without issue and compliments in relation to the work and the contractor have been received.

3.8. As mentioned in the last update, financial planning for Holmsley Bridge (£3-4million) is well in hand, with the County Council setting aside limited funding over a number of years. £2million has been earmarked to date, and subject to future allocations, there may be a start next year. Redbridge Viaduct is now part of a wider Redbridge Causeway Challenge Fund bid, and will cost in excess of £20million. £1.45million has been earmarked to date and this report proposes in paragraph 2.8, to supplement this sum by a further £0.95million. For delivery to progress within the next few years external funding will still be essential.

3.9. An emerging maintenance problem on Hythe Pier in the New Forest has been identified recently which may call for some future involvement from the County Council. This privately owned pier provides the New Forest terminal of the Hythe-Southampton passenger ferry service, an important link in the accessibility of the waterfront area.

3.10. The Flood Risk and Coastal Defence main programme is taking shape with 17 projects in the draft programme. Estimates are still very much a work in progress, suggesting a total cost of £17million. Hampshire's match funding commitment would be somewhere in the region of £6.3million. County Council funding at the start of this year (taking into account pre 2016/17 spend of £3.4million) was £6.34million, however there are still commitments of around £3.6million on this, leaving £2.74million. Adding in the £0.106million per annum new allocations proposed in the forward programme, there is therefore currently a shortfall of match funding of £3.241million based on these very early figures.

3.11. It should be noted that these schemes are not currently confirmed with DEFRA/Environment Agency, although they are all in their indicative programme. The next step towards confirmation is to submit a full business case for each project as soon as possible. Priority will be given to approved schemes, such as Buckskin (£6million), Romsey (£3million) and Winchester (£1million).

3.12. Within the Public Realm Improvements Programme, the last monitoring report made mention of the extensive public engagement and alternative proposals for the third phase of Romsey Town Centre Improvements at Market Square. A second round of consultation took place in November and a preferred option has now been agreed and is being designed in more detail. Construction is now unlikely to be before April 2018 and the scheme forms part of the Integrated Transport Programme proposals for 2018/19 (subject to funding). This final phase is estimated to cost around £1.145million and will conclude an overall £2.4million investment in the town centre over the last few years.

3.13. The new Household Waste Recycling Centre (HWRC) in Eastleigh opened its gates on 8 December 2016. The original site at Woodside Avenue has been decommissioned and cleaned and will be handed over to Eastleigh Borough Council as agreed.

3.14. In Daedalus East, the new speculative industrial building has been named "Station 5". Working with Fareham Borough Council, activities to drive business interest into the wider Enterprise Zone are being implemented. Daedalus Drive, the new waterfront access road designed and delivered by the County Council, is now complete. The power and surface water drainage were completed in December with the foul drainage upgrade planned for later in January.

4. Programme changes

4.1. The following amendments and additions are recommended for approval. A list of other amendments (approved under delegated authority) is included in Appendix 2.

4.2. 2016/17 A30 A30/A340 Winchester Road Roundabout – Following the award of tender, and after discussion with the EM3 LEP who are part-funding this project, an agreement has been made to lower the budget on this project in-line with latest estimates. The balance between the old and new budget is to be reinvested in an adjacent scheme within the agreed corridor.

4.3. It is recommended that the Executive Member approves the reduction in budget from £4.0million to £3.410million in order that the capital programme remains consistent with the expected outturn, and corresponds with quarterly monitoring reports required by the EM3 LEP.

5. Consultation and Equalities

5.1. This is primarily a progress report, looking back at the delivery of agreed projects. Amendments to individual schemes within each programme will have been made following appropriate consultation and will have their own project appraisals (if over £50,000) and associated equalities impact assessments. The decisions in this report are financial and for in-house management of the capital programme accounts.

6. Future Programme

6.1. The proposed 3-year capital programme for 2017/18 (£52,546million), 2018/19 (£118.818million) and 2019/20 (£38,086million) have been prepared, and is presented elsewhere on this agenda.

6.2. This compares well with the past 3-years, 2014/15 (£89,852million), 2015/16 (£76,385million) and 2016/17 (£106.9million), especially since there is only a minimal transport programme identified in the indicative 2019/20 figures.

7. Recommendations

7.1. That £0.425million be vired from the 2016/17 revenue highways maintenance budget to the 2016/17 structural maintenance capital programme, as set out in paragraph 2.3 of the main report.

7.2. That £0.650million be vired from planned savings from the 2016/17 revenue Highways, Traffic and Transport budget in order to bring Bourley Road, near Fleet, up to an acceptable standard for adoption, as set out in paragraph 2.7.

7.3. That £0.950million be vired from planned savings from the 2016/17 revenue Highways, Traffic and Transport budget as additional match funding for the £20million improvement scheme at Redbridge Causeway, as set out in paragraph 2.8.

7.4. That the A30/A340 Winchester Road Roundabout budget be reduced from £4.0million to £3.410million in order to reflect the latest estimated outturn, and to correspond with quarterly monitoring reports required by the EM3 LEP.

7.5. That the amended 2016/17 capital programme, totalling £106.9million be approved.

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):	

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date
Medium Term Financial Strategy to 2020=	7482	20 June 2016
Direct links to specific legislation or Government Directives		
Title		Date

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:

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 disproportionally low.

1.2. **Equalities Impact Assessment:**

This is a financial report amending or proposing budgets for programmes and individual schemes. Changes or proposals for individual schemes will have been made following consultation and will have undertaken their own specific consideration of equalities issues. The decisions in this report are financial, and mainly relate to in-house management of accounts.

2. Impact on Crime and Disorder:

2.1. The decision in this report has no direct impact on crime and disorder. Projects within the programmes being agreed here may have some positive effect on the fear of crime. Where this is the case, individual project appraisals will reference the impact.

3. Climate Change:

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

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

The Operation Resilience programme is primarily for improving the health of our road network so that it will survive changing weather patterns. Similarly, the Flood and Coastal Defence programme is about dealing with known flooding issues, and making low-maintenance sustainable improvements that are able to cope with high rainfall for years to come.

TABLE OF EXPENDITURE ACROSS ETE CAPITAL PROGRAMME IN 2016/17.

Gross Expenditure	**01 April To 30 November 2016**
	Periods 1-8
	£
Structural Maintenance	24,064,826
Flood & Coastal Defence Management	1,824,809
Public Realm Improvements	275,357
Solent Enterprise Zone	4,717,985
Integrated Transport Programme	19,892,311
HWRCs	(102.52)
Community Transport	3,309
TOTAL	**50,778,495**

The following is a list of delegated decisions that have been made since the last update;

- Allocation of 2015/16 Capital receipts - £145,000 to the Structural Maintenance Programme.
- Virement of £118,000 from planned savings in the 2016/17 Highways Traffic and Transport revenue budget for works to the Highways Laboratory building and equipment upgrades.
- Virement of £31,000 locally resources capital to the revenue programme relating to Economic Development.
- Access to Aldershot Station– Deferral to 2017/18. £98,000
- Romsey, Bell Street – increase the developer contributions fund from £323,000 (approved in the EMET Project Appraisal in September) to £375k
- Hartley Wintney Pedestrian Crossing – Late Entry to the 2016/17 programme at £75,000
- Green Lane Traffic Calming, Clanfield – Slight budget increase from £322k to £332k.
- Wells in the Field Footway Improvement – Deferral to 2017/18. £67,000
- Fleet Station Accessibility – Moved scheme from main programme to minor works sub-programme. £75,000 (now less than £50,000)
- Totton World Stores – Deferral to 2017/18. £189,000 (now £100,000)
- Ringwood Road, Totton Peds & Cycle Link Improvements, phase II – Deferral to 2017/18. £160,000 (now £240,000)
- Long Lane Footway, Marchwood, phase II – Deferral to 2017/18. £65,000
- Romsey, Abbotswood Local Transport Improvements – re-entry to 2016/17 programme. £203,000
- Romsey Rail Station Improvements – Deferral to 2017/18. £150,000
- Westgate/Western Gate Campus Improvements, Winchester –budget increase from £237,000 to £243,000. 2016/17
- A27 Bridge Road/Allotment Road School Crossing upgrade – Minor budget decrease from £104,000 to £98,000. Delegated Project Appraisal.
- Stubbington Southern Cycle Improvements – Minor budget increase from £118,000 to £126,000. Delegated Project Appraisal.
- Swanwick Lane Traffic Calming – Minor budget increase from £170,000 to £180,000. Delegated Project Appraisal.

History of amendments for the 2016/17 Capital programme

	Budget Book	C/Fwds	Amendments			LATEST
			Q1	Q2	Q3	
	£000	£000	£000	£000	£000	£000
Structural Maintenance Programme	38,591	4,952	976	0	2,231	**46,750**
Integrated Transport Programme	57,605	511	264	1,782	(966)	**59,196**
Economic Development Programme	31	4	0	0	(31)	**4**
Public Realm Improvements Programme	0	0	0	0	0	**0**
Flood Risk & Coastal Defence Programme	106	844	0	0	0	**950**
Waste Management Programme	0	0	0	0	0	**0**
Rowner Regeneration Project	750	0	(750)	0	0	**0**
Passenger Transport	0	0	0	0	0	**0**
Capital Receipts	0	0	145	0	(145)	**0**
Total	**97,083**	**6,311**	**635**	**1,782**	**1,089**	**106,900**