

Public Document Pack



NOTICE OF MEETING

Meeting	Executive Member for Policy and Resources and Leader of the Council
Date and Time	Friday, 20th January, 2017 at 4.00 pm
Place	Chute Room, EII South
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

- a) Minutes of the Building, Land and Procurement Panel - 10 JANUARY 2017 (Pages 1 - 6)

To consider recommendations from the Buildings, Land and Procurement Panel at its meeting on 10 January 2017
- b) Corporate Procurement Contracting Activity and Approvals 2016/17 - LESS EXEMPT APPENDIX (Pages 7 - 16)

To consider a report of the Director of Culture Communities and Business Services regarding Corporate Procurement Contracting Activity and Approvals for 2016/17.
- c) Managing Hampshire's Built Estate (Pages 17 - 30)

To consider a report of the Director of Culture, Communities and Business Services outlining activity on the Hampshire's Built Estate.
- d) Major Programmes Report Update (Pages 31 - 40)

To consider a report of the Director of Culture, Communities and Business Services giving an update on the County Council's major programmes currently being progressed.

2. 2017/18 REVENUE BUDGET REPORT FROM POLICY AND RESOURCES (Pages 41 - 56)

To consider a report from Chief Officers setting out proposals for the 2017/18 Policy and Resources revenue budget.

3. CAPITAL PROGRAMME FOR 2017/18 TO 2019/20 (Pages 57 - 74)

To consider a report from Chief Officers seeking approval to proposed schemes from the Policy and Resources capital programme for 2017/18 to 2019/20 and also present the revised capital programme for 2016/17.

4. EVELYN MACE EDUCATIONAL TRUST SCHOLARSHIPS 2016/17 ACADEMIC YEAR (Pages 75 - 80)

To consider a report of the Director of Corporate Resources – Corporate Services seeking approval to awards being made from the Evelyn Mace Educational Trust.

5. INTERNATIONALISING SMALL AND MEDIUM SIZED ENTERPRISES (Pages 81 - 88)

To consider a report of the Chief Executive seeking approval for the County Council to participate in the Everywhere International Small and Medium-Sized Enterprises (SMEs) EIS partnership project as lead partner.

6. GRANTS TO VOLUNTARY ORGANISATIONS AND OTHER BODIES (Pages 89 - 94)

To consider a report of the Director of Transformation and Governance – Corporate Services regarding requests received for financial assistance from the Policy and Resources grants budget.

7. THE SINGLE USE CARRIER BAGS CHARGES (ENGLAND) ORDER 2015 - ABILITY TO ACT AS "ADMINISTRATOR" (Pages 95 - 100)

To consider a report of the Director of Culture, Communities and Business Services seeking approval for the County Council to act as an Administrator for carrier bag charges.

8. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

9. CORPORATE PROCUREMENT CONTRACTING ACTIVITY AND APPROVALS 2016/17 - EXEMPT APPENDIX (Pages 101 - 104)

To receive an exempt appendix to Item 1b on the agenda.

10. STRATEGY FOR THE OLDER PERSONS EXTRA-CARE HOUSING AND PROGRAMME UPDATE - EXEMPT (Pages 105 - 122)

To consider an exempt report of the Directors of Culture, Communities and Business Services and Adults' Health and Care on progress made to date and the options for a proposed revised delivery strategy for the County Council's Older Persons Extra-Care Housing Programme.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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AT A MEETING of the BUILDINGS, LAND AND PROCUREMENT PANEL held in
the Denning Room, Elizabeth II Court, Winchester, on
10 January 2017

Councillors:

p. Chairman: Councillor Mel Kendal
p. Vice-Chairman: Councillor Peter Edgar

a. Keith House
p. Frank Pearce
p. Andrew Joy

a. Martin Lyon
p. John Wall
p. Adrian Collett

149 BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

150 APOLOGIES

Apologies were received from Councillors House and Lyon. Councillor Collett was in attendance as the Liberal Democrat substitute member.

151 DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest and, having regard to Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal Interest in a matter being considered at the meeting they considered, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, considered whether it was appropriate to leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with the Code.

152 MINUTES

The Minutes of the meeting held on 11 October 2016 were confirmed by Members as a correct record and signed by the Chairman.

153 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that the County Council's Property Services had recently received a number of awards, commendations and short listings. These had included:

- The Westgate Lower School had received a Solent Design Award 2016 in the Quality Place Category which was one of only three Awards given. It was also the Society of Public Architecture, Construction, Engineering and Surveying (SPACES) Building of the Year 2016. This was jointly with Birmingham New Street Station Redevelopment which illustrated the significance of the competition.
- Portesbery Special School, which had been designed for Surrey County Council by Hampshire's Property Services, had received the Local Authority Building Control Best Inclusive Building Award 2016 and had been short listed for the Times Education Supplement Creative School of the Year Award.
- The Schools Scola Re-cladding Programme had been Highly Commended in the SPACES Engineering Innovation Category 2016.
- The HMS M33 Historic Building Project had received the SPACES Heritage Civic Building of the Year Award 2016.
- Park Community School had been named as the RICS Community Benefit Winner 2016.

152 DEPUTATIONS

There were no deputations on this occasion.

153 MAJOR PROGRAMMES REPORT

The Panel considered the report of the Director of Culture, Communities and Business Services which provided an update on major projects and issues currently being progressed within the department (Item 6 in the Minute Book.)

Members' attention was drawn to the close working between Property Services and Children's Services on the design and delivery programme for the provision of 18,275 new school places by 2019. This was a further increase to that noted in the report as a result of a further analysis of pupil numbers required. The Director confirmed that steady growth countywide, including new housing developments and demographic change, had contributed to the requirement for additional school places. The Panel heard of the work that Property Services was conducting with the Education Funding Agency (EFA) to design and deliver new Free Schools. It was noted that ongoing discussions were continuing with the EFA and the Department for

Education to secure the maximum possible funding for the Free Schools programme.

In response to Members' questions it was confirmed that all new schools were required by legislation to operate as academies. Furthermore, in response to Members' questions relating to section 2.9 of the report, it was confirmed that the completion date for the first of six new Children's Homes was expected in February 2017 and would be followed by the completion of the remaining five homes as part of a phased programme.

Discussion was held regarding the Workstyle Programme and how this enabled staff to work flexibly to support the requirements of their role. Further benefits of the Programme to staff were also discussed as were the significant savings that had been realised since the introduction of the programme around a decade ago.

RESOLVED:

That the Panel recommends to the Executive Member for Policy and Resources that:

- a) Progress of each of the programmes is noted.
- b) That approval is given to the Workstyle Office Transformation project proposals for Elizabeth II Court South, Ground and First floors at a total cost of £800,000.
- c) That procurement and spend approval for contracting activity associated with the projects as outlined in this report is granted.

154 MANAGING HAMPSHIRE'S BUILT ESTATE

The Panel considered the report of the Director of Culture, Communities and Business Services. (Item 7 in the Minute Book).

Members heard that the total planned investment for schools and corporate buildings totalled £52million and that this was funded through local resources, school contributions and government grants.

It was noted that the initial indication given for the Schools Condition Allocation (SCA) grant for 2017/18 was £17.7million and that this would be used to invest further in the schools estate. The confirmed SCA grant figure would be announced in March 2017. The Panel heard that the Schools Service Level Agreement (SLA), which enables Hampshire schools to pool their funds and for their maintenance programmes to be managed within Property Services, was due for renewal in April 2017. Members noted that excellent progress had so far been recorded with the majority of schools confirming renewal with the final deadline being the end of March 2017 for responses.

The Director highlighted the County Council's successful bid for SCOLA recladding in the Priority Schools Building Programme 2 for four Hampshire schools. These projects were planned to be delivered on behalf of the EFA at Wootey Junior School, Talavera Infant School, Overton Church of England Primary School and Oliver's Battery Primary School. This was noted as an excellent example of Hampshire County Council acting as delivery partner for the Government.

RESOLVED:

That the Panel recommends to the Executive Member for Policy and Resources that:

- a) The headline Policy and Resources Repair and Maintenance budgets for 2017/18 contained within this report are noted and that a more detailed report seeking approval will be brought to a future Policy and Resources Decision Day.
- b) The progress on the renewal on the Schools Service Level Agreements and the procurement of the Term Maintenance Contract and Minor Works Framework is noted.
- c) That advance design work to progress schools Condition Projects, External Decorations and Primary Schools Building Programme 2 progress, as set out in Appendix 2, is approved including subsequent letting of contracts as soon as possible after allocations are confirmed by the Department for Education.
- d) The procurement route for delivery of the revenue and capital repairs programmes (as either a suitable OJEU compliant framework arrangement or via traditional single stage competitive tender) is approved.

155 CORPORATE PROCUREMENT CONTRACTING ACTIVITY AND APPROVALS FOR 2016/17

The Panel considered the report of the Director of Culture, Communities and Business Services regarding procurement, amendments and extensions to contracts over £1million in value (Item 8 in the Minute Book).

An Appendix was attached to the report which detailed the projects which were seeking endorsement from the Panel.

RESOLVED:

That the Panel makes the following recommendation to the Executive Member for Policy and Resources:

- a) That procurement and spend approvals, as appropriate, be given for the framework agreements and contracts as detailed in Appendix 1.

156 EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

The public were excluded from the meeting during the following items of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would have been disclosure to them of exempt information within Paragraph 3 of Part I Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, for the reasons set out in the minute and report.

157 CORPORATE PROCUREMENT CONTRACTING ACTIVITY AND APPROVALS FOR 2016/17

The Panel considered the exempt appendix regarding Item 8 in the Minute Book and Minute Number 155.

The exempt appendix, relating to the supply of non domestic water and waste water services, was introduced and discussed by the Panel. The Panel agreed recommendations to the Executive Member for Policy and Resources.

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HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Member for Policy and Resources
Date:	20 January 2017
Title:	Corporate Procurement and County Supplies Contracting Activity and Approvals for 2016/17
Reference:	8010
Report From:	Director of Culture, Communities and Business Services

Contact name: David Cooke

Tel: 01962 667808

Email: david.j.cooke@hants.gov.uk

1. The decision (PROPOSED):

That the Executive Member for Policy and Resources approves the following:

- 1.1. That procurement and spend approvals be given for the framework agreements and contracts as detailed in Appendix 1 of the report.

2. Reason for the decision:

- 2.1 This required approval is in accordance with the County Council's Contract Standing Orders and Constitution.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: None

- 4.2. Conflicts of interest declared by other Executive Members consulted: None

5. Dispensation granted by the Conduct Advisory Panel: None.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

20 January 2017

**Executive Member for Policy and Resources
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	10 January 2017
Title:	Corporate Procurement and County Supplies Contracting Activity and Approvals for 2016/17
Reference:	7992
Report From:	Director of Culture, Communities and Business Services

Contact name: David Cooke

Tel: 01962 667808

Email: david.j.cooke@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this report is to present the relevant procurement approvals in relation to the framework agreements and contracts as listed in Appendix 1. This approval is in accordance with the County Council's Contract Standing Orders and Constitution.

2. Background

- 2.1. The County Council's Contract Standing Orders (CSO) requires that 'The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.' This report requests approval to procure for framework agreements and approval to procure and spend for contracts which require approval by the Executive Member as they have a value, or estimated value, in excess of £1 million.
- 2.2. Framework agreements are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement. Therefore, the framework agreement values are only estimates and expenditure will be determined by the actual commitments made by budget holders. Framework agreements therefore only require Approval to Procure and not Approval to Spend.

3. Overview of Contracting Activity for 2016/17

- 3.1. The programme of procurements contained within this submission includes arrangements for use by the County Council, Hampshire Constabulary and Hampshire Fire and Rescue Service, schools and other external partners and

customers, with a total estimated value over £1 million. Contracts with a total value of under £1 million are approved by the relevant budget holder under the scheme of delegation.

- 3.2. A number of the Corporate Procurement and County Supplies contracting arrangements described in this report refer to contracts let by Central Government Crown Commercial Services (CCS) in addition to local government buying consortia such as Eastern Shires Purchasing Organisation (ESPO). The aim of this joint purchasing activity is to secure further economies of scale through the aggregation of requirements and to reduce the burden of public sector tendering and contract administration on local authorities and suppliers. In such cases, the award of contracts is jointly agreed by the procurement staff of the participating authorities. All of these various types of collaborative arrangements are shown in Appendix 1 with the name of the lead public body or consortium.
- 3.3. Some of the approvals in this report are revisions to existing approvals because either the estimated value or the procurement approach has been amended. Such amendments are often due to new partners joining the framework agreements or contracts or a more appropriate procurement approach being developed as requirements and participation have been clarified.
- 3.4. Whilst all projects currently known are included in the report, further projects may arise during the coming year. These will be reported directly to the Executive Member for Policy and Resources for approval as and when required.

4. Recommendations

That the Buildings, Land and Procurement Panel make the following recommendations to the Executive Member for Policy and Resources:

- 4.1. That procurement and spend approvals, as appropriate, be given for the framework agreements and contracts as detailed in Appendix 1.

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

Hampshire safer and more secure for all:	No	
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:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
None		
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

Section 100 D - Local Government Act 1972 - background documents

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

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

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

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

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

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

1.2. Equalities Impact Assessment:

This report seeks approvals for procurement and spending on individual projects and therefore an Equalities Impact Assessment has not been considered necessary in the development of this report.

2. Impact on Crime and Disorder:

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

Positive impact on climate change will be considered at the time each of the projects is reported for approval. This report seeks solely procurement approvals and it is not appropriate to set out specific impacts on climate change for each individual item.

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Temporary Agency Resources (excluding schools)</u> Interim call-off contract from the national MSTAR framework agreement for the provision of Temporary Agency Staff with an estimated value of up to £23 million (£22 million for the County Council) for a period of up to twelve months from October 2017. Re-tender exercise to replace the existing contract which is currently being used by Hampshire County Council, Hampshire Constabulary and the Isle of Wight Council. The new arrangement will also be extended to other partner Authorities e.g. Oxfordshire County Council.	1 year contract Commencing October 2017. 7 year contract Commencing October 2018	£22m £154m	£34m £238m	Approval to procure and approval to spend Approval to procure and approval to spend
<u>Temporary Agency Resources – Schools</u> Procurement required to replace the current framework. The following organisations will be included within the scope; <ul style="list-style-type: none"> • Hampshire County Council • Oxfordshire County Council 	7 year contract Commencing October 2018	£91m	£182m	Approval to procure and approval to spend

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Vehicle Spares and Consumables Framework</u> Collaborative Framework Contract will include Hampshire County Council, Hampshire Constabulary and Hampshire Fire & Rescue Service. This Framework Contract will replace two existing Frameworks.	4 year Framework Commencing June 2017	£2 million	£4 million	Approval to procure and approval to spend
<u>Backup and Recovery Software</u> The Council requires a replacement software solution to support the electronic data it produces and hosts in its data centre which must be protected so that, in the event of data loss, the data can be recovered and returned to the owner. Procurement route to market is a mini-competition from the Crown Commercial Services Technology Products framework.	5 year contract Commencing July 2017	£1.35m	n/a	Approval to procure and approval to spend

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Refresh of Corporate Wireless Solution</u> The current corporate wireless network agreement has come to an end. A new supplier wireless network agreement is required to continue the provision and support of the existing 'Hantsnet' and HSS (Schools Service) Wireless infrastructure through the HPSN2 framework. This project will refresh corporate Access Points (APs) and aims to provide third party management of the solution. It is proposed to call off from the existing framework.	5 years contract Commencing March 2017	Up to £1.6m	n/a	Approval to procure and approval to spend
<u>Structural Inspections & Design Services</u> Further to Executive Member for Policy and Resources approval on 20 July 2016 for a 5 year Term Contract (with a 5 year extension option) ; the intention is to now procure a <u>framework agreement</u> for a period of 4 years instead, to allow for the maximum flexibility in use and minimised financial exposure. The framework would be a single supplier arrangement to maximise economies of scale for the provider and optimise our management input. This will also include a wider partnership base, including the Isle of Wight Council and Reading Borough Council.	4 year framework Commencing April 2017	£2 million	£2.4 million i.e. 20% potential for IOW & Reading BC.	Authority to procure and spend.

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Motor Fuels and Heating Oil Framework</u> HCC Framework open to users within HCC boundaries and extending to neighbouring authorities, such as Dorset County Council. Current framework ended 31 October 2016 with all supply users placing purchase orders sufficient to allow them to draw down supplies until the end of March 2017. HCC is proposing putting a new framework in place commencing in April 2017. Scope to include 4 fuel types as currently used.	2 year framework plus an optional further 2 years Commencing April 2017	£20 - 27.5m	£35 – 40m	Approval to spend
<u>Supply of Non Domestic Water (Industry deregulation April 2017)</u> The market for the supply of non domestic water opens up on 1 April 2017. HCC requires approval to spend in the deregulated market for a 1 year contract period. Refer to confidential appendix 2 for detailed report.	1 year contracts Commencing April 2017	£2.1m over 1 year	£5.5m over 1 year	Approval to spend

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Member for Policy and Resources
Date:	20 January 2017
Title:	Managing Hampshire's Built Estate
Reference:	8009
Report From:	Director of Culture, Communities and Business Services

Contact name: Steve Clow

Tel: 01962 847858

Email: Steve.clow@hants.gov.uk

1. The decision (PROPOSED):

That the Executive Member for Policy and Resources notes the following:

- 1.1 The headline Policy and Resources Repair and Maintenance budgets for 2017/18 contained within this report are noted and that a more detailed report seeking approvals will be brought to a future Policy and Resources Decision Day.
- 1.2 The progress on the renewal on the Schools Service Level Agreements and the procurement of the Term Maintenance Contract and Minor Works Framework is noted.
- 1.3 That advance design work to progress schools Condition Projects, External Decorations and Primary Schools Building Programme 2 progress, as set out in Appendix 2, is approved including subsequent letting of contracts as soon as possible after allocations are confirmed by the Department for Education.
- 1.4 The procurement route for delivery of the revenue and capital repairs programmes (as either a suitable OJEU compliant framework arrangement or via traditional single stage competitive tender) is approved.

2. Reason(s) for the decision:

- 2.1. To ensure that design, planning and procurement of the Policy and Resources Repair and Maintenance programmes are undertaken in a timely and efficient manner.

3. Other options considered and rejected:

- 3.1. None

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker: None

4.2. Conflicts of interest declared by other Executive Members consulted: None

5. Dispensation granted by the Conduct Advisory Panel: None.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

20 January 2017

**Executive Member for Policy and Resources
Councillor Roy Perry**

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	10 January 2017
Title:	Managing Hampshire's Built Estate
Reference:	7994
Report From:	Director of Culture, Communities and Business Services

Contact names: Steve Clow

Tel: 01962 847858 **Email:** steve.clow@hants.gov.uk

1. Summary

1.1. Property Services would usually provide a detailed report annually to the March meeting of the Buildings, Land and Procurement Panel (BLAPP) on progress made against the strategic plan for Managing Hampshire's Built Estate. The annual report then goes to the following Executive Member for Policy and Resources Decision Day (EMPR) for approval, usually in April, which fits neatly between the confirmation of annual budgets and the necessary planning and delivery cycles for the associated programmes of work. Due to the cycle of meetings in 2017/18 the reporting timetable has been adjusted accordingly. This report lays the foundation for all approvals necessary to align with the timetable and ensure design and works proceed smoothly. Additional to the normal budget setting tasks necessary to inform a detailed report the schools Property Services Service Level Agreement (SLA) renewal is currently being progressed, the outcome of which is a key aspect of planning for 2017/18 and beyond. However to avoid any disruption to the 2017/18 programme of work this report has been prepared to:

- Set out the proposals for the reporting of progress against the strategic plan for Hampshire's built estate for 2017/18
- Summarise headline budgets known or anticipated for 2017/18
- Update the panel on the Property Services Schools SLA
- Update the panel on the procurement of the new Term Maintenance contracts and the Minor Works Frameworks which are key to delivery of services under the new schools SLA
- Set out proposals for some priority programmes of work to allow development of the design and procurement as first calls against known or anticipated 2017/18 budgets.

- 1.2 It is proposed that a detailed paper will then be prepared and be reported directly to EMPR in March 2017 to ensure there is no disruption to the delivery of the annual programmes of work.

2 Overall Context

- 2.1 This report notes around £52 million of capital and revenue investment is anticipated 2017/18 in the repair and maintenance of schools and corporate buildings in Hampshire. This is funded through a combination of local resources, school contributions and government grant. The work will be delivered and managed by Property Services through a series of effective and efficient mechanisms. This expenditure will continue to support the local construction economy and also ensure our estate is safe and well managed for building users, customers and visitors. This continues to be one of the largest Local Authority led building maintenance investments nationally.
- 2.2 The budgets and associated programmes of work separate expenditure on buildings between the Corporate Estate and Schools. All funding for the Corporate Estate (offices, care homes, libraries etc.) is from within County Council revenue and capital budgets. In the case of Schools funding comes from two sources:-
- Government grant for school condition improvement
 - Schools revenue funding given to the Council's Property Services to manage on their behalf

There is no County Council funding spent on school maintenance and repair. Property Services acts as the schools agent and in partnership designs, manages and delivers around £33.5m of schools own funds each year.

3 Corporate Estate- Headline Budgets for 2017/18

The table below sets out the anticipated budgets for 2017/18 for the Corporate Estate.

	Budget (£,000)
P&R Revenue Repairs and Maintenance ¹	7,565
P&R Capital Repairs ²	4,500
Total	12,065

Note:

The amounts are inclusive of fees but exclude proposed re-profiling from 2016/17 to 2017/18

¹ Includes both Corporate Risk Assessment and Other Allocations

² Total over 3 years of which £1.5m allocated in 2016/17

4 Education Estate- Headline Budgets for 2017/18

- 4.1 The table below sets out the anticipated budgets for 2017/18 for the Education Estate.

	Budget (£,000)
Schools and Academy Revenue Maintenance ¹	15,800
Schools Condition Allocation ²	17,700
Priority Schools Building Programme 2	9,800
Total	43,300

Note:

The amounts are inclusive of fees but exclude proposed re-profiling from 2016/17 to 2017/18

¹ Anticipated amount from schools buy back into the Property Services SLA and therefore subject to confirmation

² Anticipated amount but subject to confirmation by the Education Funding Agency

- 4.2 Property Services have worked closely with the Education Funding Agency to develop the final scheme of works and budget for the four SCOLA recladding projects under the Priority Schools Building Programme 2 (PSBP2). We have now received confirmation to proceed to detailed design and invitation to tender for local delivery by the County Council on behalf of the EFA. The current estimate for these works is £9.8m. This is an excellent example of Hampshire's in-house team taking responsibility to deliver projects directly on behalf of the Department for Education because of the capacity and skills available.

5 Renewal of the Schools SLA

- 5.1 The panel should note that 96% of the schools in Hampshire currently buy a comprehensive SLA service and pool their revenue funds to support the most efficient and economical delivery of a complete property management and maintenance arrangement. This includes a significant proportion of Academies who access the services of the Council through a Joint Working Arrangement. It is this arrangement between the Council and schools which maintains an estate in suitable condition with a reducing maintenance liability year on year – making best use of limited financial resources and ensuring that all funds are targeted at the right priorities through a public-public partnership. Schools represent 80% of the total County Council's portfolio of buildings.

Property Services SLA for Community and Aided Schools

- 5.2 Property Services have been offering an SLA to Schools since 1997 and the principle of the SLA, where all schools pay in a fair amount linked to their budget and receive a comprehensive Property Service in return, has remained throughout. The pool of funds is then used to ensure all liabilities amongst the schools buying into the SLA are managed on a fair basis.

The current SLA expires in April 2017 and the renewal process is being managed by Childrens Services along with the renewal of all other SLA's offered to schools. Generally there are only minimal changes to the Property Services SLA but as a summary of the changes made:-

- A reduction of the contributions schools make into the pool of funding of 10% overall.
- The SLA is 'open ended' rather for a fixed term. The SLA includes measures for varying the level of service to meet School needs and Schools can choose to leave the SLA by giving notice in accordance with the arrangements set out in the document
- There is a 'Digital Strategy' to reduce costs and increase transparency, in particular through the use of the online 'PAMS' portal
- A Simplification of the charging arrangements

- 5.3 As noted above the contributions made by schools are being reduced by 10% overall in recognition of the significant budget pressures that schools are currently facing. The saving is not however uniform across all schools and recognises that it is cheaper to deliver the service to larger schools than smaller ones. All Primary and Secondary schools will pay a reduced contribution with schools with an above average floor area getting an additional discount.

- 5.4 The SLA contributions are used for servicing, inspection and 'reactive' repairs as well as a 'planned' programme of repairs. Given the current pressure on school budgets it is appropriate that the property strategies reflect the current pressures and reduce the amount of planned work without undermining the excellent progress against the backlog liability over recent years.

6 Update on Procurement of the Term Maintenance Contract (TMC) and the Minor Works Framework (MWF)

- 6.1 The TMC and MWF are used by Property Services to procure servicing, statutory inspection, planned maintenance and reactive repair work on both the Corporate and Education estates as well as for the OPCC and HFRS partners. They are also available for other public sector bodies, including schools and Academies to use.
- 6.2 The current TMC contract ends in July 2017 and a replacement is currently out to tender with returns due at the end of January. The contracts have been redesigned to meet current needs and details of the proposals have been previously reported to this panel in April 2016.

- 6.3 The MWF is currently at invitation to tender stage (ITT) with a current planned return date in early February 2017. The MWF will provide a lot of opportunities for local SME companies to work for the County Council and again details have been previously reported to this panel.

7 Approval for Advance Design and Procurement

- 7.1 In the 30 June 2015 report to the panel it was agreed that, given the announcement by the Education Funding Agency (EFA) of the indicative level of Schools Condition Assessment (SCA) grants through to 2017/18, Property Services would commence detailed design and procurement for high priority and high value works to be programmed against the 2016 - 18 allocations. Support was given by the panel for advance design works to commence on the following schemes with procurement and spend approvals once funding was confirmed.

Connaught School	ROSLA Block roof and cladding and thermal upgrading
Test Valley School	ROSLA Block Cladding and thermal upgrading
Grange Junior School	Replacement of 2 storey block and recladding of the single storey elements.

- 7.2 Grange Junior School is one of two 2 storey timber frame school buildings constructed in the early 1960's and are both high condition priorities. Work to develop a solution at Grange is on going and is subject to an approach to the Education Funding Agency to hopefully secure funding to address these priority issues. The only alternative funding available to address the issues at these two sites is the annual SCA grant. Reliance on the SCA grant to deliver a solution at Grange and ultimately on the other similar site would mean disproportionate use of limited funds on only a few projects – to be avoided if possible.
- 7.3 It is also proposed to commence survey, specification and procurement of the proposed decorations programme for 2017/18. An early start to the specification and tendering of these works will enable the works to be undertaken as soon as the weather conditions permit in the spring. The final list of schools to be decorated will be subject to final confirmation at the March EMPR meeting when the take up of the Property Services SLA is fully known. Details of the schools it is expected will be decorated are contained within Appendix A.

Priority Schools Building Programme 2 (PSBP2)

- 7.3 As previously reported to the panel, HCC were “successful” with bids for SCOLA recladding in the PSBP2 programme for the following schools -
- Wootey Junior School
 - Talavera Infant School
 - Overton Church of England Primary School
 - Oliver's Battery Primary School

- 7.4 Approval is now in place from the EFA to proceed with local delivery to detailed design and invitation of tenders from contractors. The Panel is requested to support this next stage of these four schemes and subject to the final grant funding that contracts are let.

8 Recommendations

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Policy and Resources that:

- 8.1 The headline Policy and Resources Repair and Maintenance budgets for 2017/18 contained within this report are noted and that a more detailed report seeking approval will be brought to a future Policy and Resources Decision Day.
- 8.2 The progress on the renewal on the Schools Service Level Agreements and the procurement of the Term Maintenance Contract and Minor Works Framework is noted.
- 8.3 That advance design work to progress schools Condition Projects, External Decorations and Primary Schools Building Programme 2 progress, as set out in Appendix 2, is approved including subsequent letting of contracts as soon as possible after allocations are confirmed by the Department for Education.
- 8.4 The procurement route for delivery of the revenue and capital repairs programmes (as either a suitable OJEU compliant framework arrangement or via traditional single stage competitive tender) is approved.

9 Appendices

Appendix 1: Corporate and Legal Information

Appendix 2: Impact Assessments

Appendix A: Proposed External Decorations Programme

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

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

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 disproportionately low.

1.2. Equalities Impact Assessment:

An equalities impact assessment has not been considered in the development of this report as access requirements are always considered during the design stages of building maintenance projects and are often improved.

3. Impact on Crime and Disorder:

3.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

4. Climate Change:

4.1. Re-cladding and re-roofing SCOLA buildings has major advantages, which includes improving thermal performance, reducing solar gain, improving ventilation, reducing glare and enhancing the teaching environment whilst using less energy.

External Decoration Programme 2017/18
Schemes up to £50,000
Balksbury Infant School
Barton Stacey CE (C) Primary School
Beaulieu Village Primary School
Belle Vue Infant School
Berrywood Primary School
Crofton Anne Dale Infant School
Crofton Anne Dale Junior School
Crofton Hammond Infant School
Crofton Hammond Junior School
Cupernham Infant School
Elson Infant School
Four Marks CE (C) Primary School
Grange Infant School Gosport
Great Binfields Primary School
Halterworth Community Primary School
Hatch Warren Infant School
Hollywater School
John Keble CE (A) Primary School
Kimpton Thruxton And Fyfield CE (A) Primary School
Long Sutton Ce (C) Primary School
Lydlynch Infant School
Maple Vue Children's Centre
Marnel Community Infant School
Marnel Community Junior School
New Milton Junior School
Newport Junior School
Northern Junior Community School

Oakwood Infant School& Little Saplings Childrens Centre
Old Basing Infant School
Padnell Infant School
Smannell And Enham CE (A) Primary School
St Bede CE (C) Primary School (Winchester)
St James CE (C) Primary School (Emsworth)
St Johns Ce (va) Primary School
St Josephs RC (VA) Primary School
St Marks CE (A) Primary School (Basingstoke)
St Martins East Woodhay CE (A) Primary School
St Mary Bourne Primary School
St Matthews CE (A) Primary School
St Peters RC (VA) Primary School (Waterlooville)
Waterloo School
Weyford Junior School
Wherwell Primary School
Woodlea Primary School (Bordon)
Schemes between £50,000 and £250,000
Applemore College
Clere School And Technology College
Court Moor School
Crestwood College For Business And Enterprise (Cherbourg)
Crestwood College For Business And Enterprise (Shakespeare)
Robert Mays School
Testbourne Community School
Westgate School
Schemes over £2,000,000 (Final values will be funded by EFA Grants for the following PSBP2 projects)
Wootey Junior School

Talavera Infant School
Overton Church of England Primary School
Oliver's Battery Primary School

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	10 January 2017
Title:	Major Programmes Update Report
Reference:	7932
Report From:	Director of Culture, Communities and Business Services

Contact name: Steve Clow

Tel: 01962 847858

Email: Steve.clow@hants.gov.uk

1. Executive Summary

1.1 The purpose of this paper is to provide an update on the major programmes and issues currently being progressed relating to:

- Children's Services Capital Programme Update
- Construction Industry Appraisal
- Construction Industry Frameworks Update
- Carbon Management Phase 2 Update
- Workstyle Office Transformation Programme

2. Children's Services Schools Capital Programme Update

2.1. Property Services are continuing to work closely with Children's Services colleagues on the design of new schools, school extensions, children's homes, modular classrooms and special schools. There is also ongoing work on the delivery of programmes of activity such as, inclusion, health & safety and access improvements across the schools estate. There have been 6,300 new school places delivered 2013-16, and further projects to deliver an additional 11,000 new primary and secondary school places are planned to be on site by 2019.

2.2. In all there will be 291 projects to the value of £50 million completed in recent years and up to the end of 2016 as part of the largest capital programme for decades; 11 major projects including 2 new primary school and a large secondary school extension, 41 replacement and improvement projects, 21 modular classrooms and the 200 kitchen improvements for free school meals.

- 2.3. There are currently a number of major extension and re-modelling projects being constructed on existing school sites. There are number now complete; these being Marnel Infant and Junior Schools (Basingstoke), Tower Hill Primary School (Farnborough), and Brookfield Community School (Sarisbury Green) with Oakwood Infant School and Greenfield Junior School (Hartley Wintney), Great Binfields Primary School (Basingstoke), Hook Infant and Junior schools currently on site.
- 2.4. Designs are progressing well for adding further new primary school places for September 2017 at a number of existing schools and these include, Kings Furlong Infant and Junior Schools (Basingstoke), Shakespeare Infant and Junior schools (Eastleigh), St James CE Primary School (West End), Tweseldown Infant School (Fleet), Leesland Church of England (Controlled) Junior School (Gosport), Park View Infant and Junior Schools (Basingstoke) and St Lawrence Church of England Primary School (Alton). There are secondary school places to be added at Robert May's School (Odiham) and planning permission has been obtained now for this project. There is also design work commenced on reinvestment projects from funding realised from the sale of land, to build additional teaching spaces and improved infrastructure at Kings School (Winchester), and the additional secondary school provision, including dance and music, at Swanmore College.
- 2.5. In relation to areas of new housing development school designs are underway for a number of new primary schools, which will be Academies, located within new developments; these include new two form entry primary schools with Academy sponsors at Barton Farm (Winchester), East Anton South (Andover), Wellesley (Aldershot), and Boorley Green (Eastleigh). A number of these have been submitted to central government as bids for funding from the Free Schools programme. This is an essential strategy to reduce exposure to the cost of places over and above developer contributions.
- 2.6. School design proposals are progressing with Wildern School for a new secondary and primary school in Horton Heath (Eastleigh), again these have also been submitted to central government as part of the Free School programme. Proposals are progressing for relocating Mill Chase Academy to a new school site within the new residential development at Whitehill Bordon. A new skills centre has also been designed to support employment opportunities and regeneration of the local area and is now in construction on site. This is the first phase of an 'Excellence Campus' vision being promoted by the County Council with capital investment through the local Growth Fund from the Enterprise M3 Local Enterprise Partnership.
- 2.7. Design proposals are starting to be progressed for additional primary school places for 2018 and more detailed feasibility work has been completed for the projects for 2019 and 2020 completions. There are designs for the relocation of Cornerstones Primary School (Whiteley) to a new school site with an increased capacity of three forms of entry in the proposed new housing development.
- 2.8. This year by comparison with the previous two years there is a relatively modest number of temporary classrooms required relating to the basic need

programme for school places. Six new modular classrooms are being deployed, six relocated and 3 classroom buildings demolished as no longer required and at the end of their useful lives.

- 2.9. Six new Childrens Homes are planned and five of these projects are now in construction on site. There have been a number of contractor and supply related issues which have been addressed but these have delayed the planned completions of the first of these projects on site. The delay is being mitigated as much as possible on site by the contractor with close project management to completion by Property Services. The later projects are running to programme and the sixth home has now been confirmed in Winchester and the design is progressing.
- 2.10. The Linden Education Centre is to be relocated from Farnborough to what was formerly Wellington Infant School site in Farnborough and this project is now in construction. It is progressing well on site and is still due to be complete and operational for September 2017.
- 2.11. As the capital programme continues to grow (particularly due to need for the delivery of new school places) there continues to be pressure on the limited funding from Government Basic Need grant, Free Schools funding and developers' contributions. This together with uncertainty, volatility and inflation in the construction market make the continued work on achieving quality at lower costs all the more important. There is innovative design work with our contractors to keep downward pressure on construction costs and work with our strategic partners to maintain our capacity to deliver. Projects are batched into programmes where possible to achieve economies of scale and a shared design approach (but not one size fits all) is being adopted.
- 2.12. For the primary school projects there are efficient building plans and reductions in the scope of external works without significant impact on space and flexibility. There have been common elements and specifications developed, common supply chains with sub-contractors and standard component buying strategies developed through contractor frameworks and direct engagement with manufacturers and suppliers. The design of the capital programme works continues to be coordinated with the investment in maintenance and repair of the schools built estate.
- 2.13. The designs for the secondary school extensions and new secondary schools are following this way of working. There continues to be robust negotiations with developers to maximise financial contributions. There are ongoing discussions with the Education Funding Agency and the Department for Education to secure the maximum possible funding with bids submitted to the Free Schools programme.
- 2.14. Value for money for the delivery of new school places continues to be scrutinised and it is evidenced with the benchmarking of construction costs for schools across the country. Despite recent inflation pressures being experienced in the construction market Hampshire schools costs remain close to the national average. The cost of school delivery in Hampshire has been driven down in real terms over the past five years. The exertion of this

downward direction on costs is necessary and will need to continue in the face of further reductions of funding in the public sector and the financial pressures on local authorities.

3. Construction Industry Appraisal

- 3.1. Previous reports to this Panel have identified the inflationary pressures and the market volatility being experienced in the construction market after the BREXIT vote.
- 3.2. Recent commentary from the Royal Institution of Chartered Surveyors (RICS) Building Cost Information Service (BCIS) notes that the uncertainty following the outcome of the BREXIT vote and a potential slow down with a period of uncertainty. The comment goes on to say that the extent of this slowdown will be dependent upon political discussions and outcomes as a result of the exit negotiations.
- 3.3. As a result of the uncertainty the BCIS has produced a look forward based upon a number of scenarios with maximum inflation rate of 1.5% for 2017 and a rise of 20% over the next four years. The pessimistic outlook points towards a more dramatic slowdown and some deflation.
- 3.4. In spite of this, local market conditions continue to prove challenging with contractors being selective about pursuing tender opportunities. The latest location study information from BCIS shows that both regional and Hampshire tender prices have risen at a greater rate than national averages by a factor of about 3% and follows the trend in London which has also seen similar price increases occurring. This is reflected in the supply chain resource capacity currently being experienced at local level. There is further evidence of local volatility and scarcity of capacity in key trades and with main contractors.
- 3.5. The National Association of Construction Framework (NACF) is currently conducting a survey amongst the framework contractor community to determine what input the BREXIT vote is having on the industry and any direct evidence of market changes as a result. The outcomes of this study and the next round of National Schools benchmarking also led by the County Council will be available early in the New Year, which will provide further intelligence of any movement in market in particular any changes in the local market conditions. This will be reported to a future meeting of the panel.

4. Construction Industry Frameworks Update

- 4.1. The Southern Construction Framework (SCF) and Intermediate Construction Framework are both approaching the midpoint framework terms. Over the coming months planning will start on the next generation of SCF framework which is scheduled for procurement in 2018. The existing arrangements continue to be a great success with the overall work load and the schools programme of around £200m being placed through the framework. The most notable projects let since the last report to this panel is the programme associated with the Adult with a Disability Housing Strategy placed to a value of £25m. Work is underway with this programme on 5 projects,

housing 100 residents. The first phase which is worth £14.5m will house over 60 residents and this programme is scheduled to be completed by January 2018.

- 4.2. The procurement of the Southern Modular Building Framework has been successfully concluded and early projects are being placed through the arrangement. Indications are that there is a high level of interest in the new framework, which will also be available to all Local Authorities in the South of England to deliver modular building projects. The anticipated value of the framework is £600m over its four year term.
- 4.3. The framework arrangements are a key component of Property Services business strategy and are important sources of new revenue income in support of the Property Services T19 transformation proposals contributing additional income to deliver reductions on reliance on cash limited revenue budgets.

5. Energy and Carbon Management Update

- 5.1 A number of energy initiatives were included in the October Report; an update of the various activities can be summarised as follows:

- 5.1.1. Corporate Estate - Energy Performance Programme Phase 3;

- The 2017/18 programme is being developed to follow on from the successful delivery of phases 1 and 2. Salix loan funding has been used successfully for a number of Energy Performance Programmes in the past and will be a major part of the funding for EPP3.

- 5.1.2. County Farms

- Two PV arrays are now completed and the remaining 10 will be procured in a programme over the coming months, subject to detailed technical feasibilities being undertaken on each site.

- 5.1.3. Electric vehicle charging points

- A Prior Information Notice (PIN) is being developed to seek engagement with the specialist industry in order to inform our options in terms of owning, operating and potential revenue income streams. The PIN will be issued early in the New Year. It is essential to get the widest possible responses from specialists to inform the procurement, design and deliver of a commercially viable offer.

- 5.1.4. Solar PV

- Property Services are currently reviewing the business case based on the new Feed in Tariffs and the latest cost information to establish if future programmes will be viable. Battery storage technology is also being investigated to establish the potential when applied to Hampshire's buildings and how this will impact on the solar PV business case.

5.1.5. Support to schools

The Schools Energy Performance Programme was launched in the autumn term and has already generated substantial interest from schools across the county.

- 5.1.6. Like the other EPP programmes this will also be funded through the Salix Loan scheme and the funds will also cover the professional fees for the design, delivery and programme management, all of which will be additional income to Property Services.

The type of work undertaken will be similar to that of the EPP projects in the corporate estate, but the less onerous payback parameters applied by Salix for schools is likely to increase the number of measures which are appropriate and viable. This is all part of Property Services broadening commercial offer to schools taking advantage of the significant improvements to building stock that are attractive to schools and the lower energy bills that result. Schools also use the energy software as a monitoring tool and it is invaluable for education purposes.

6. Workstyle Office Transformation Programme

Elizabeth II Court South Ground and First Floor Refurbishment

- 6.1. This section seeks approval to the project proposals for the improvement, refurbishment and maintenance focused on the ground and first floors at an estimated total cost of £800,000. This will complete the transformation of this core building to a Workstyle office in a similar manner to the already completed upper floors.
- 6.2. The Buildings, Land and Procurement Panel is asked to support the spend and procurement approval for contracting activity associated with the project.

Scope of Work

- 6.3. The proposal will include the removal of internal walls, the refurbishment of offices, including decorations and replacement of floor finishes, local wiring and data upgrade together with provision of modern, flexible furniture where necessary.
- 6.4. This refurbishment complements works being undertaken to improve the toilets and kitchenettes that has included a necessary and essential upgrade to the electrical distribution within the building.
- 6.5. Funding for the project has been previously approved by the Executive Lead Member for Policy & Resources and this section of the report outlines the available budget from which the project will be developed and delivered

Contextual Information

- 6.6. Elizabeth II Court South is a key building in the Winchester complex. The upper floors have already been refurbished in the manner that is proposed for this project and this enabled the accommodation of the Joint Finance and

HR teams for the County Council, Police and Fire as well as IT as part of the accommodation for the Corporate Resources Department.

- 6.7. A project to complete the final phase of the transformation of Elizabeth II Court South into an efficient, flexible office environment is included in the 2016/17 Policy and Resources Capital Programme.
- 6.8. The proposed works will provide around 100 additional workstations which will accommodate the current requirements of the Director of Transformation and Governance. This accommodation will now support between 125 – 150 extra staff in a more efficient and much improved working environment.
- 6.9. It is proposed that the works be procured through a traditional tender process.

Finance

6.10. Capital Expenditure:

The Capital Expenditure of £800,000 has already been approved as part of the P&R Capital Programme in February 2016. The following outlines the breakdown of costs across the project:

Capital Expenditure	Current Estimate
	£'000
Buildings	460
FF&E	264
Fees	76
Total	800

6.11. Furniture, Fittings & Equipment (FF&E):

The FF&E will include modern space efficient furniture to maximise use as well as equipment for meeting rooms and installation of full WiFi coverage throughout.

6.11. Revenue Implications:

Overview of Revenue Implications:

Facilities Management (FM) Costs:

It is anticipated that there will be an increase in FM costs following intensified use of the space. Discussion with the occupying departments will be undertaken to ensure any additional costs are covered from appropriate revenue budgets.

Risk & Impact Issues

- 6.12. Please see Appendix B for a summary of the risk and impact issues considered in relation to the design of this project.

Planning

- 6.13. The necessary Listed Building approval for the planned removal of some internal walls has already been secured.

7. Recommendations:

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Policy and Resources that:

- a) Progress of each of the programmes is noted.
- b) That approval is given to the Workstyle Office Transformation project proposals for Elizabeth II Court South, Ground and First floors at a total cost of £800,000.
- c) That procurement and spend approval for contracting activity associated with the projects as outlined in this report is granted.

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

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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 disproportionately low.

1.2. Equalities Impact Assessment:

This report provides an update on major programmes being progressed within the department.

2. Impact on Crime and Disorder:

2.1. This update report has no impact upon crime and disorder.

3. Climate Change:

3.1. This is an update report which has no impact upon climate change.

HAMPSHIRE COUNTY COUNCIL

Decision report

Decision Maker:	Executive Member for Policy and Resources
Date of Decision:	20 January 2017
Decision Title:	2017/18 Revenue Budget Report for Policy and Resources
Decision Reference:	8007
Report From:	Chief Executive, Director of Culture, Communities and Business Services, Director of Transformation, Director of Public Health and Director of Corporate Resources – Corporate Services

Contact name: Rob Carr

Tel: 01962 847508

Email: rob.carr@hants.gov.uk

Executive Summary

- 1.1. The purpose of this report is to set out proposals for the 2017/18 budget for Policy and Resources in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in July 2016.
- 1.2. The deliberate strategy that the County Council has followed to date for dealing with grant reductions during the prolonged period of austerity, which involves planning ahead of time, making savings in advance of need and using those savings to help fund transformational change to generate the next round of savings, is well documented.
- 1.3. In line with this financial strategy, there were no new savings proposals presented as part of the 2016/17 budget setting process and the budget was balanced through the use of the Grant Equalisation Reserve (GER). Savings targets for 2017/18 were approved as part of the 2015/16 budget setting process and detailed savings proposals were developed through the Transformation to 2017 (Tt2017) Programme and approved by Executive Members, Cabinet and County Council in September and October 2015. These are now included in this proposed budget for 2017/18.
- 1.4. The report also provides an update on the financial position for the current year and overall Policy and Resources Departments are expected to achieve an underspend of £7.8m.
- 1.5. The proposed budget for 2017/18 analysed by service is shown in Appendix 1 and the workforce implications of the budget proposals are set out in Appendix 2.
- 1.6. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2016/17 and detailed service budgets for 2017/18 for Policy and Resources. The report has been prepared in consultation

with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 3 February 2017 to make final recommendations to County Council on 16 February 2017.

2. Context and Priorities

- 2.1. The current financial strategy that the County Council operates, works on the basis of a two-year cycle of delivering Departmental savings to close the anticipated budget gap. This provides the time and capacity to properly deliver major savings programmes every two years, with deficits in the intervening years being met from the Grant Equalisation Reserve (GER) and early achievement of savings proposals retained by Departments to use for cost of change purposes or to offset service pressures.
- 2.2. The County Council's early action in tackling its forecast budget deficit over the prolonged period of austerity and providing funding in anticipation of the tougher times to come, placed it in a very strong position to produce a 'steady state' budget for 2016/17, giving itself the time and capacity to develop and implement the Transformation to 2017 (Tt2017) Programme to deliver the next phase of £98m of savings by 2017/18.
- 2.3. The budget setting process for 2017/18 will therefore be different in that the majority of the decisions in respect of major changes to the budget were taken early. However other factors will still affect the budget, such as council tax decisions and pressures as outlined later in this report, but these will not be as significant as the savings programme that has already been put in place.
- 2.4. Last year the Final Local Government Finance Settlement was announced on 8 February 2016, and provided definitive figures for 2016/17 and provisional figures for local authorities for the following three financial years to aid financial planning.
- 2.5. The figures for 2017/18, 2018/19 and 2019/20 set out in the settlement resulted in an increase in the County Council's revenue gap to be bridged in each of these years. In 2017/18 the bottom line impact was that a further £15m was required, on top of the £98m of savings to be delivered from Tt2017 Programme to produce a balanced budget.
- 2.6. The July 2016 Medium Term Financial Strategy (MTFS) updated the overall position in respect of the 2017/18 budget gap and the allocation of transitional funding as a result of the final settlement announcement of £9.4m in 2016/17 and £9.3m in 2017/18 enabled the gap in 2017/18 to be closed; managed through the GER.
- 2.7. This position is underpinned by the delivery of Tt2017 savings and regular updates on the Programme have been provided to Cabinet during 2016. Whilst there are acknowledged timing issues, the current assessment remains that the shortfall can be made up from departmental cost of change reserves on a one-off basis as savings come on line throughout 2017/18, leading to full implementation of the programme by 2018/19.

- 2.8. Other assumptions included in the MTFS that have been built into the 2017/18 budget proposals are:
- A 3.99% council tax increase, 2% for social care costs on top of the referendum limit of 1.99%
 - Total inflation and growth of £24.7m across all departments, which includes the impact of the 2 year pay award for 2016/17 and 2017/18
 - 'Passporting' of any further losses of specific grant to the relevant services.
- 2.9. Departments within Policy and Resources have been developing their service plans and budgets for 2017/18 and future years in keeping with the 'Shaping Hampshire' priorities and the key issues, challenges and priorities for the Departments are set out below.

3. Departmental Challenges and Priorities

Corporate Resources

- 3.1. After a period of rapid expansion of the Shared Services Partnership, Corporate Resources is now in a period of review and enhancement of the operating model. Considerable work has already taken place to improve the service people receive when they need to contact someone about payment, finance and payroll services provided by the Integrated Business Centre (IBC). Now, as part of our ongoing commitment to delivering great customer service, we are undertaking a comprehensive programme of work to build on and shape the systems and processes used by the Customer Interaction Centre (CIC) within the IBC.
- 3.2. This work is just one element of the County Council's Digital Programme that was endorsed by Cabinet in September 2015 to support transformation across the whole organisation. The Digital Implementation Project began in April 2016 and the first phase releases have already taken place including:
- A smaller, more intuitive Hantsweb, with a fresh look and feel together with improved web search capabilities, and information about services which is more accessible from mobile devices (e.g. laptop, tablet, smart phone).
 - A new IT system in our contact centre, Hantsdirect, to improve and modernise the way we interact with our 'customers' i.e. residents and other members of the public.
- 3.3. The new platform aims to improve customer service, lower costs and improve efficiency, while providing customers with integrated web and customer contact capabilities. This modern technology platform will also allow the County Council to grow additional digital services in future, particularly as it looks to 2019/20 and the need to deliver a further £140 million of anticipated savings under Transformation to 2019. Further releases within the Digital programme are underway to support the organisation in 2017 and beyond.

- 3.4. A significant challenge alongside the Digital and transformation programme generally, is the need to encourage and enable the business to achieve the cultural change required to drive out efficiencies and work in new ways. Key to achieving this is the support offered by finance and HR business partners together with the re-focused management development offer including the extended transformative leadership programme and Firefly programme for all managers across the organisation.

Transformation and Governance

- 3.5. With the on-going period of austerity and the need for further transformation of services in order to achieve efficiency and effectiveness in the delivery of modern services, the organisation continues to require strong programme leadership and robust project management input. Having benefited from specialist contributions from our Private Sector Partner, the County Council has, in the past year, built internal capacity in its transformation practice. This capacity will develop further during 2017/18 in order to support the organisation through its next transformation programme to 2019.
- 3.6. Robust support around governance of the County Council remains a key priority. Opportunities to streamline processes and modernise systems are being implemented across the various aspects of governance, including a new democratic system ahead of the County Council elections in 2017.
- 3.7. Legal Services will continue to look to broaden its offer and seek to support a wider range of external customers. This will enable the net cost of the service to be steadily and sensibly reduced, whilst we retain the highest quality capacity and capability to meet the varied needs of the County Council.

Customer Engagement Services

- 3.8. The Customer Engagement Service (CES) supports: the County Council's website – Hantsweb; Customer Contact Centre – Hantsdirect; insight and engagement activities including public consultations; marketing and advertising of a range of Council services and Corporate Communications.
- 3.9. Demand for support from the CES continues to grow, driven in part by transformation agendas within the County Council and also by external customers. In order to meet this demand, additional opportunities are being identified to further streamline and modernise the operating model for customer engagement services. Looking to the future, the department will also be seeking opportunities for increased advertising income.
- 3.10. CES continues to provide significant input to the Digital programme, including the early releases outlined above that have modernised the County Council's website and improved the customer service provided by the contact centre.

Non-departmental budgets

- 3.11. The Policy and Resources portfolio includes provision for a range of grants to the voluntary and community sector. This includes Members' devolved budgets which for 2017/18 were reduced to £5,000 per Member (from £8,000) subject to a review of their use.
- 3.12. A report was presented to the Policy and Resources Select Committee on 20 January 2017 which outlined how the grants were used and stated that on the evidence in the report, the Leader was recommended to increase the grant to £6,000.
- 3.13. The budget for Member's devolved grants has still been reduced by the full amount of £234,000 in line with the approved Transformation to 2017 Programme savings and therefore the increase in the grant will be met from reserves in the short term and then re-considered as part of the Transformation to 2019 Programme currently being developed.
- 3.14. Policy and Resources also includes the revenue budget for repair and maintenance of the County Council's estate and is managed by the Director of Culture, Communities and Business Services.

Culture, Communities and Business Services (CCBS)

- 3.15. The Department delivers a wide range of different services with gross expenditure in the region of £87m a year and income streams of around £55m, leaving a net cash limit of £32m.
- 3.16. Many of the services including Libraries, Outdoor Centres, the Hillier Gardens and Countryside are implementing major transformation programmes. For many of the smaller services the target is for them to become cash limit neutral by 2019/20. In order to achieve this the focus will remain on cost reduction through increased self-service, income generation and use of volunteers.
- 3.17. The new Library Strategy was approved by the Executive Member for Culture, Recreation and Countryside on 18 April 2016. The Mobile Library Service ceased on 1 June 2016. Mobile Library customers, who are unable to reach their nearest library, now receive books from Home Library Service volunteers. The Service has met its saving target of £636,000 and is now developing Transformation to 2019 opportunity plans.
- 3.18. The Country Parks Transformation (CPT) Programme is proceeding well although lack of senior management capacity requires to be addressed. The external funding targets have been exceeded by £3.4m. The application to Heritage Lottery Fund (HLF) for Staunton Country Park was successful and work to create a new visitor centre at Lepe has received planning permission. The Service has very challenging income targets to meet which will be supported by the current investments at the Country Parks and the introduction of automatic number plate recognition systems in car parks.

- 3.19. Sport Hampshire and Isle of Wight Partnership (SHIOW), now known as Energise Me, transferred to a Charitable Incorporated Organisation on 1 October 2016. The new organisation will continue to receive a tapering grant from the County Council for a further three years. Funding for the Hampshire Talented Athlete Scheme will be administered by Energise Me as a separate grant.
- 3.20. In all these services community engagement and volunteering are strong themes.
- 3.21. The Department has recently been successful in receiving a further £400,000 funding from the Government Property Unit to support the delivery of the One Public Estate Wider Hampshire Partnership. This will support the on-going work to reduce and share public sector assets in partnership with a wide range of other public property owners.
- 3.22. The Department is also responsible for five Business Units with a turnover of over £57m. The Business Units' surpluses, estimated to be over £4m at the end of the current financial year, are held primarily for reinvestment within the Businesses, but in recent years have supported corporate programmes around the development of Trading, Community hubs and to support the Council's overall savings programme. Together these will have amounted to £3.6m by the end of 2016/17.

4. 2016/17 Budget

- 4.1. The cash limited budget for 2016/17 included the early achievement of savings of £9.4m during the year. These and any further savings achieved during the year can be transferred to cost of change reserves and used to fund any future costs of change.
- 4.2. Enhanced financial resilience monitoring, which looks not only at the regular financial reporting carried out in previous years but also at potential pressures in the system and the early achievement of savings being delivered through transformation, has continued through monthly reports to the Corporate Management Team (CMT) and periodic reports to Cabinet.
- 4.3. The expected outturn forecast for 2016/17 is an under spend of £7.8m.
- 4.4. During 2016/17, early achievement of savings required to meet the 2017/18 cash limited budget have in part been used to fund additional capacity in the medium term in order to support transformation activity across the County Council. The early release of budget savings has also enabled some one-off investment in services, including IT, to facilitate transformation and in some areas, generation of additional income.
- 4.5. The budget for the Department has been updated throughout the year and the revised budget is shown in Appendix 1.

5. 2017/18 Revenue Budget Pressures and Initiatives

- 5.1. Historically across the County Council most revenue pressures have been experienced in the areas of social care and other demand led services such as waste disposal and highways maintenance.
- 5.2. However, over the last 8 years or so, all Departments have been required to deal with increasing work pressures at a time that staffing resources and other budgets are reducing significantly. Furthermore, as savings become harder and more complex to deliver (linked for example to IT system changes) the cost and timeframes to deliver savings get higher and longer, placing additional strain on the resources available to deliver business as usual activity.
- 5.3. Policy and Resources Departments have also been using their cost of change reserves to fund additional capacity in their transformation teams and the corporate Transformation Practice team and recent monitoring reports have suggested that some of these reserves may be required to support Children's Services and Adults' Health and Care in the short term. The potential longer timeframes for delivering Transformation to 2019 Programme will also mean that these teams will be in place for longer placing an additional burden on available resources.
- 5.4. Whilst in relative terms therefore Policy and Resources Departments are in quite a strong financial position it is clear that pressure is beginning to build in these areas, especially following the further reduction in the budget for 2017/18.

6. 2017/18 Revenue Savings Proposals

- 6.1. Policy and Resources was given a savings target for 2017/18 of £11.7m which was approved as part of the 2015/16 budget setting process and detailed savings proposals were developed through the Tt2017 Programme and approved by Executive Members, Cabinet and County Council in September and October 2015.
- 6.2. During the last year, the Department has been progressing the implementation of these savings, which have been subject to regular reporting to Cabinet and CMT.
- 6.3. It is now anticipated that full year savings of £12.2m will be achieved in 2017/18. The surplus will be used partly to offset some of the pressures highlighted in section 5 and partly to contribute to Departments' cost of change reserves.
- 6.4. The main reason for the over achievement relates to a number of savings targets within Corporate Services being stretched to support other areas of transformation and within CCBS additional savings achieved by the Library restructuring and efficiencies and additional income in the Outdoor Service.
- 6.5. Rigorous monitoring of the delivery of the programme will continue during 2017/18, to ensure that the Department is able to stay within its cash limited budget as set out in this report.

- 6.6. This early action in developing and implementing the savings programme for 2017/18 means that the County Council is in a strong position for setting a balanced budget in 2017/18 and that no new savings proposals will be considered as part of the budget setting process for 2017/18.

7. 2017/18 Revenue Budget Other Expenditure

- 7.1. The budget includes some items which are not counted against the cash limit. This includes business units whose costs are covered by customer income and also the Coroner's service which is budgeted for outside of the Policy and Resources cash limit, as the County Council has no direct control over service levels provided and costs incurred.

8. Budget Summary 2017/18

- 8.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Policy and Resources in that report was £87.6m which was a £6.8m decrease on the previous year. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Policy and Resources for 2017/18 and shows that these are within the cash limit set out above.
- 8.2. Public Health, previously included within Policy and Resources, is now incorporated within Adults' Health and Care.
- 8.3. Historically the School Library Service has operated as a trading unit and as such was not counted against the cash limit however from 2017/18 this has been brought within the Library Services' cash limited budget.
- 8.4. In addition to these cash limited items there are further budgets which fall under the responsibility of Policy and Resources, which are shown in the table below:

	2017/18 £'000	2017/18 £'000
Cash Limited Expenditure	201,797	
Less Income (Other than Government Grants)	(114,233)	
Net Cash Limited Expenditure		87,564
Trading Units Net (Surplus)		(585)
Coroners		1,650
Less Government Grants:		
• Local Reform and Community Voices	(552)	
• Inshore Fisheries and Conservation	(204)	
Total Government Grants		(756)
Total Net Expenditure		87,873

9. Workforce implications

- 9.1. The workforce implications of the proposed budget for 2017/18 are set out in Appendix 2. At the end of 2017/18 the planned workforce for Policy and Resources is 4,018 full time equivalent (FTE) staff. This compares with the estimate at the end of 2016/17 of 4,004 FTEs, which is an increase of 27 FTEs as summarised below:

	FTEs
Estimate as at 31 March 2017	4,004
Changes relating to savings targets	-3
Transfers and other changes	17
Estimate as at 31 March 2018	4,018

- 9.2. The staffing impact of savings targets is already accounted for in the March 2017 estimate due to early achievement of savings. The main reasons for the net increase are as follows:
- Increased capacity across Corporate Services to support the County Council's transformation agenda towards 2019 and also to fully implement 2017 savings.
 - A transfer of posts from Adult Services to Customer Engagement Service together with some additional posts relating to the Corporate Contact Centre.
 - Also whilst all within Policy and Resources the Strategic Procurement team has transferred from CCBS to Corporate Services.

10. Recommendations

To approve for submission to the Leader and Cabinet:

- 10.1. The revised budget for 2016/17 as set out in Appendix 1.
- 10.2. The summary budget for 2017/18 as set out in Appendix 1.
- 10.3. The workforce implications of the proposed budget for 2017/18 as set out in Appendix 2.
- 10.4. The recommendation that the Members' devolved budgets is increased to £6,000.

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

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

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

Section 100 D - Local Government Act 1972 - background documents

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

<u>Document</u>	<u>Location</u>
Medium Term Financial Strategy Update and Transformation to 2017 Savings Proposals	Cabinet – 5 October 2015
Medium Term Financial Strategy to 2020	Cabinet – 20 June 2016
Budget setting and provisional cash limits 2017/18	Cabinet – 12 December 2016

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:

The budget setting process for 2017/19 does not contain any new proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2017 Programme were considered in detail as part of the approval process carried out in September and October 2015 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 3 to 6 in the October Cabinet report linked below:

http://www.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=6920&tab=2&co=&confidential

2. Impact on Crime and Disorder:

Some of the proposals may have an indirect impact on crime and disorder and where this is the case it will be taken into account as part of the business case.

3. implementation of the proposal. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? No impact identified
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? No impact identified.

Budget Summary 2017/18 – Policy and Resources

Service Activity	Original Budget	Revised Budget	Proposed Budget
	2016/17 £'000	2016/17 £'000	2017/18 £'000
Legal Services	2,399	2,557	2,267
Transformation	480	874	893
Governance	2,469	2,500	2,449
Total Transformation and Governance	5,348	5,931	5,609
Finance	3,707	3,963	3,645
HR	3,624	3,940	4,106
IT	17,183	18,720	18,777
Audit	709	724	660
Customer Business Services	4,030	4,001	3,512
Corporate Resources Management	2,365	2,381	904
Total Corporate Resources	31,618	33,729	31,604
Communication	1,320	758	459
Marketing and Advertising	0	69	76
Corporate Customer Services & Web Team	3,115	3,064	2,766
Insight & Engagement	663	790	651
Chief Executive's Office	594	722	728
Leadership Support	0	131	64
Total Customer Engagement Service	5,692	5,534	4,744
Total Corporate Services	42,658	45,194	41,957
Corporate management Democratic Representation	66	66	66
Grants to Voluntary Organisations (Leaders Grants)	218	218	222
Grants to Local Organisations	907	787	787
Southern Sea Fisheries	301	301	307
Members Devolved Budgets	624	624	390
Rural Affairs	200	0	200
Other Miscellaneous	312	492	221
Total Policy and Resources Non Departmental Budgets (Direct)	2,628	2,488	2,193
Members Support Costs	1,726	1,712	1,721
Corporate Contribution to Trading Units	576	175	105
Repairs & Maintenance	10,166	13,226	7,565
Strategic Asset Management	1	1,502	1,501
Other Central Support Services	265	320	323
Total Policy and Resources Non Departmental Budgets (Central)	12,734	16,935	11,215
Total Other Policy and Resources	15,362	19,423	13,408

Appendix 1

Transformation	337	368	57
Rural Broadband	97	240	243
Total Transformation and Business Management	434	608	300
Regulatory Services	1,345	1,410	1,432
Community Grants & Policy Fund	1,226	799	977
Sport	214	582	179
Community	228	158	160
Library Service	11,695	11,727	11,886
Business Support	741	873	774
Hampshire Talented Athletes	0	0	0
Scientific Services	(13)	(11)	8
Asbestos	(12)	(50)	(1)
Total Community and Regulatory Services	15,424	15,488	15,415
Countryside	2,682	2,829	2,821
Outdoors Centres	332	372	234
Arts & Museums	2,967	2,958	2,960
Archives	799	786	802
Risk, Health & Safety	190	191	193
Sir Harold Hillier Gardens	412	412	312
Total Culture & Heritage	7,382	7,548	7,322
Corporate Estate	(148)	(156)	(189)
County Farms	(502)	(503)	(501)
Development Account	(391)	(411)	(417)
Sites for Gypsies and Travellers	34	48	54
Property Services	2,144	1,498	1,691
Office Accommodation/Workstyle	5,560	5,535	5,139
Facilities Management	2,824	3,116	3,037
Print Sign Workshop	0	9	9
Total Property Services and Facilities	9,521	9,136	8,823
CCBS Planned contribution to Cost of Change	3,740	3,656	339
Total CCBS	36,501	36,436	32,199
Total Policy and Resources cash limit	94,521	101,053	87,564
Coroners	1,367	1,650	1,650
Trading Units:			
School Library Service	(121)	(121)	0
River Hamble	(51)	8	(25)
Infrastructure & Partnership Procurement	0	0	(235)
Segensworth Unit Factories	(12)	(12)	(12)
Hampshire Printing Services	0	0	0
County Supplies	(288)	(288)	(295)
HC3S	(219)	(70)	(9)

Appendix 1

Hampshire Transport Management	(22)	(22)	(9)
Total Trading Units	(713)	(505)	(585)
Government grants:			
Local reform and Community Voice	(540)	(552)	(552)
Inshore Fisheries and Conservation	(204)	(204)	(204)
Digital	0	(1,278)	0
Total Government Grants	(744)	(2,034)	(756)
Total net expenditure and Policy and resources	94,431	100,164	87,873

Workforce Implications Full Time Equivalent (FTE) – Policy and Resources

	Estimate 31/03/2017	Impact of Savings Proposals	Transfers & Other Changes	Estimate 31/03/2018
	FTE	FTE	FTE	FTE
Corporate Services:				
Transformation and Governance	145	0	30	175
Corporate Resources	1,138	0	(4)	1,134
Customer Engagement Service	154	0	16	170
Total Corporate Services	1,437	0	42	1,479
Total Other Policy and Resources	0	0	0	0
Culture, Communities and Business Services				
Transformation and Business Management	10	0	3	13
Community and Regulatory Services	553	(3)	45	595
Culture and Heritage	248	0	0	248
Property Services and Facilities	528	0	19	547
CCBS Trading Units	1,186	0	(91) (*)	1,095
Total CCBS department	2,525	(3)	(24)	2,498
Other				
Coroner	11	0	(1)	10
Sir Harold Hillier Gardens	31	0	0	31
Total Other	42	0	(1)	41
Total	4,004	(3)	17	4,018

(*) A reduction in the CCBS trading unit figures is primarily due to an amendment in the calculation of the FTE numbers and does not represent an actual reduction in FTE. There has also been a reduction in posts relating to the Library Services Trading Unit for posts that will form part of the cash limited service for 2017/18

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	20 January 2017
Title:	Capital programme for 2017/18 to 2019/20
Reference:	7881
Report From:	Chief Executive, Director of Culture, Communities and Business Services and Director of Corporate Resources – Corporate Services

Contact name: Rob Carr and Anne Hibbert

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1. Executive Summary

- 1.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for Policy and Resources for 2017/18 to 2019/20.
- 1.2. The report has been prepared in consultation with the Executive Member and will be reviewed by the Policy and Resources Select Committee. It will be reported to the Leader and Cabinet on 3 February 2017 to make final recommendations to County Council on 16 February 2017.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2017/18, 2018/19 and 2019/20 and also presents the revised programme for 2016/17.
- 1.4. The proposals contained in this report are derived from the departmental service plans which have been developed to support the priorities of the Corporate Strategy.

2. Background

- 2.1. Executive Members have been asked to prepare proposals for:
 - a locally-resourced capital programme for the three-year period from 2017/18 to 2019/20 within the guidelines used for the current capital programme including the third year, 2019/20, at a similar level to 2018/19
 - a programme of capital schemes in 2017/18 to 2019/20 supported by Government grants as announced by the Government.

- 2.2. The medium term financial and efficiency strategy is closely linked to the Corporate Strategy and the Corporate Business Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

3. Locally resourced capital programme

- 3.1. The cash limit guidelines for the locally resourced capital programme for the Policy and Resources portfolio service set by Cabinet are as follows:

	£'000
2017/18	3,852
2018/19	3,852
2019/20	3,852

- 3.2. Executive Members may vary the guidelines between years provided their total three-year guideline is not exceeded and bunching of payments in any one year or front-loading is avoided.
- 3.3. Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, as amended by Cabinet in February 2006. From 2009/10, Hampshire Transport Management (HTM) has used prudential borrowing to fund the purchase of vehicles instead of leasing them to generate savings. The allocation for this scheme is included within the guidelines above.
- 3.4. Further details of the 2017/18 capital programme are provided in section 4.

4. Proposed capital programme 2017/18 to 2019/20 – locally resourced schemes

- 4.1. The programme proposed for 2017/18 to 2019/20 is largely based upon the allocation of resources between priorities in the current 2016/17 to 2018/19 capital programme. The programme is detailed in Appendix 1.
- 4.2. Capital investment by business units is also included in the capital programme. This includes an annual allocation of £2 million for vehicle purchases by Hampshire Transport Management (HTM). The cost of these purchases is recovered through business unit charges to customers.
- 4.3. The 2017/18 capital programme includes a provision of £250k to progress upgrades in IT infrastructure and equipment. This is being funded by transfers from earmarked IT reserves, which have been built up for this purpose. At this stage no provision has been made in the capital programme for major improvements. Approval will be sought to add this to the capital programme during 2017/18 as part of the ongoing IT strategy.

4.4. These movements are summarised in the table below:

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Guideline set by Cabinet	3,852	3,852	3,852
Revenue contributions to capital – IT Services	250	-	-
Proposed locally resources programme	4,102	3,852	3,852

5. Revised 2016/17 capital programme

5.1. The revised 2016/17 capital programme for Policy and Resources is shown in Appendix 2 and totals £48.8 million. The changes since the capital programme was approved in February 2016 are summarised below:

	2016/17
	£'000
Approved Programme	26,734
Under spends and schemes carried forward from previous years	17,429
Share of capital receipts	55
Strategic Land Acquisitions	2,592
Increase in School Condition Assessment funding	3
Transfer of School Condition Assessment funding to Children's Services Programme	-3,100
Reinstatement of strategic infrastructure investment	4,500
Contribution from Police and Crime Commissioner	145
Revenue contributions to capital	611
Technical adjustments - transfer to revenue	-332
Technical adjustments – prior year starts	1,199
Schemes to be deferred to 2017/18	-1,040
Revised capital programme total	48,796

- 5.2. The schemes carried forward from previous years totalling £17.429m were agreed by Cabinet on 20 June 2016.
- 5.3. The strategic land acquisitions relate to schemes which are currently subject to negotiations. These have been reported separately and confidentially to the Executive Member for Policy and resources in June 2016.
- 5.4. The reinstatement of the strategic infrastructure reserve was agreed by Cabinet on 5 February 2016. This was a reinstatement of the original budget following the allocation of these funds to grant a loan to Farnborough International Limited for the building of new conference facilities.
- 5.5. The block allocation for office accommodation included in the approved capital programme has been assigned to projects including a scheme for Hatch House. The total value of this scheme is £337,406 and a project proposal is included in Appendix 3. Approval for this project is sought from the Executive Member Policy and Resources.
- 5.6. The block allocation for additional Corporate Buildings works has been assigned to projects, including schemes at Hazeley Farm and Marlfield Nursing Care Unit. The estimated value of these schemes total £603,470 and project outlines are included in Appendix 3. Approval for these projects is sought from the Executive Member Policy and Resources.
- 5.7. Alongside the County Council's transformation programme and joint working partnership, the Workstyle programme continues to take a flexible approach in order to maximise efficiencies and subsequent revenue savings. Schemes totalling £1.040m originally planned for 2016/17 are being reviewed alongside other priorities and opportunities. It is proposed that this sum is carried forward into 2017/18.

6. Capital programme supported by Government allocations

- 6.1. The Government has allocated all of its support for the capital programme in the form of capital grants, and not as borrowing allocations.
- 6.2. The Secretary of State has not yet announced details of individual local authority capital allocations for 2017/18, 2018/19 and 2019/20. For planning purposes 2016/17 allocations are being assumed.
- 6.3. In 2016/17, the Government announced a Schools Condition Assessment grant of £17,811,962 for local authority schools and Sure Start early years centres. This is similar to the allocation for 2015/16 and is indicative of future years allocations, although these will be adjusted for any changes in the size of the Hampshire school estate.
- 6.4. The full grant is added to the Policy and Resources cash limit to allow the funding to be managed flexibly between condition and suitability works. Priorities are jointly agreed with Children's services.
- 6.5. Following the submission for funding to the Education Funding Agency (EFA) under the Priority Schools Building Programme (PSBP2) initiative, four Hampshire LA schools and Mill Chase Academy have been advised that they have been successful for significant maintenance investment by the EFA. The

four LA schools are, Overton CE Primary, Talavera Infant, Wootey Junior and Olivers Battery Primary School.

- 6.6. The total awarded to the four Hampshire schools is £9.8m plus £0.5m for feasibility. This funding will be added to the Executive Member for Policy and Resources capital programme. Feasibility work is currently being undertaken by the Director of Culture Community & Business Services with the individual schools in conjunction with the EFA. Further details of these projects will be reported to a future Decision Day.
- 6.7. The cash limit guidelines for this part of the capital programme are as follows:

	Capital grant	PSBP2	Total
	£'000	£'000	£'000
2017/18 (Assumed)	17,812	10,358	28,170
2018/19 (Assumed)	17,812		17,812
2019/20 (Assumed)	17,812		17,812

- 6.8. Close working between Property Services and Children's Services staff ensures maximum impact is achieved from the Schools Condition Assessment funding. The detailed programme of work will continue to be reported to the Building, Land and Procurement Panel with any major schemes being reported to the Executive Member Policy & Resources for approval.

7. Capital programme summary

- 7.1. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2019/20 are:

	Schemes within locally resourced guidelines	Schemes supported by Government allocations	Carried forward resources to 2017/18	Total
	£'000	£'000	£'000	£'000
2017/18	4,102	28,170	1,040	33,312
2018/19	3,852	17,812	0	21,664
2019/20	3,852	17,812	0	21,664

Note : The above figures are net of developers' contributions and exclude the costs of land for programme schemes which are dealt with outside the guidelines.

8. Revenue Implications

- 8.1. The revenue implications of the proposed capital programme are as follows:

	Full Year Cost
	Capital Charges
	£'000
2017/18	836
2018/19	577
2019/20	577
Total	1,990

- 8.2. The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.5% over the 2016/17 original budget of Policy and Resources, but these do not impact directly on cash limits.

9. Conclusions

- 9.1. The proposed capital programme for Policy and Resources as summarised in section 7 is in line with the guidelines set by Cabinet. In addition, it plans to use the allocated Government grants in full. The main priority of the programme continues to be structural maintenance and improvement of the County's built and rural estate, cultural facilities together with planned investment in IT infrastructure. The programme supports the delivery of services countywide and contributes to the corporate aims:

- Hampshire safer and more secure for all
- Maximising wellbeing
- Enhancing our quality of place.

10. Recommendations

- 10.1. To approve submission to the Leader and Cabinet the capital programme for 2017/18 to 2019/20 as set out in Appendix 1 and the revised capital programme for 2016/17 as set out in Appendix 2.
- 10.2. To approve the project proposals for Hatch House, Hazeley Farm and Marlfield Older Persons Home and Nursing Care Unit, set out in Appendix 3.

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

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

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Cabinet Budget Setting and Provisional cash limits 2017/18	7886	12 December 2016
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
Section 100 D - Local Government Act 1972 - background documents		
The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)		
<u>Document</u>	<u>Location</u>	
None		

IMPACT ASSESSMENTS:

1. Equality Duty

- 1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

1.2. Equalities Impact Assessment:

- a) Equalities impact assessments will be considered when individual project appraisals are developed.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1988 to consider the impact of all decisions it makes on the prevention of crime. Crime prevention issues will be considered when individual project appraisals are developed.

3. Climate Change:

- d) How what does 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.

- e) 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 constraints.

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
	2017/18 Schemes	£'000	£'000	£'000	£'000	£'000	£'000
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
1	Office Accommodation Schemes	350	58	-	408	-	8
2	Facilities Management Schemes	137	23	-	160	-	3
3	Vehicles for Hampshire Transport Management #	-	-	2,000	2,000	-	200
4	Community Buildings and Village Halls	-	-	125	125	-	-
5	CCBS Minor Works	328	-	-	328	-	7
	Corporate Services						
6	IT - replacement of equipment	-	-	250	250	-	50
7	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	1,000	81	2,375	3,456	-	271

Capital Programme - 2017/18

Appendix 1

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Various schemes throughout the County, linking to the Corporate Priority of maximising wellbeing.	1
N/A	-	-	Various schemes throughout the County.	2
N/A	-	-	Continuing programme of replacing vehicles linking to the Corporate Priority of making Hampshire safer and more secure for all.	3
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	4
N/A	1	12	Provision of minor works across the department including Library and Countryside services	5
N/A	-	-	Programme of replacing IT equipment.	6
N/A	-	-		7
			# 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
	2017/18 Schemes (continued)						
	Schemes Supported by the Government						
	Schools Condition Funding						
8	Rowner Infant, Gosport	1,100	182		1,282	-	26
9	Warblington School, Havant	1,700	281		1,981	-	40
10	North Baddesley Infant	250	41		291	-	6
11	North Waltham Primary, Basingstoke	200	33		233	-	5
12	Red Barn Primary, Portchester	250	41		291	-	6
13	Southwood Infant, Cove	400	66		466	-	9
14	Connaught School, Aldershot	800	132		932	-	19
15	Test Valley School, Stockbridge	800	132		932	-	19
16	Schools Condition Funding (costing less than £250,000)	9,789	1,615	-	11,404	-	228
	Priority Schools Building Programme						
17	Olivers Battery Primary, Winchester	1,823	340	-	2,163	-	43
18	Overton CofE Primary	2,702	488	-	3,190	-	64
19	Talavera Infant School, Aldershot	2,204	411	-	2,615	-	52
20	Wootey Junior School, Alton	2,018	372	-	2,390	-	48
	Total Schemes Supported by the Government	24,036	4,134	-	28,170	-	565
	Total Excluding Land				31,626	-	836
	Advance and Advantageous Land Purchases				646	-	-
	Total Programme				32,272	-	836

Capital Programme - 2017/18

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
Owned	1	12	Timber frame reclad & thermal upgrade	8
Owned	1	12	Phase 1 reclad and upgrading of external building fabric	9
Owned	1	12	Crosswall recladding and thermal upgrading	10
Owned	1	12	Pitched roof insulation upgrade and recovering	11
Owned	1	12	Pitched roof insulation upgrade and recovering	12
Owned	1	12	Pitched roof insulation upgrade and recovering	13
Owned	1	12	ROSLA block thermal upgrading, roof recovering and recladding	14
Owned	1	12	ROSLA block thermal upgrading, roof recovering and recladding	15
Owned	-	-	Major improvements, linking to the Corporate Priority of making Hampshire safer and more secure for all.	16
Owned	1	12		17
Owned	1	12	Major improvements, linking to the Corporate Priority of making Hampshire safer and more secure for all.	18
Owned	1	12		19
Owned	1	12		20

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
	2018/19 Schemes	£'000	£'000	£'000	£'000	£'000	£'000
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
21	Office Accommodation Schemes	350	58	-	408	-	8
22	Facilities Management Schemes	137	23	-	160	-	3
23	Vehicles for Hampshire Transport Management #	-	-	2,000	2,000	-	200
24	Community Buildings and Village Halls	-	-	125	125	-	-
25	CCBS Minor Works	328	-	-	328	-	7
26	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	1,000	81	2,125	3,206	-	221
	Schemes Supported by the Government						
27	Schools Condition Funding	15,289	2,523	-	17,812	-	356
	Total Schemes Supported by the Government	15,289	2,523	-	17,812	-	356
	Total Excluding Land				21,018		577
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,664		577

Capital Programme - 2018/19

Appendix 1

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Various schemes throughout the County, linking to the Corporate Priority of maximising wellbeing.	21
N/A	-	-	Various schemes throughout the County.	22
N/A	-	-	Continuing programme of replacing vehicles linking to the Corporate Priority of making Hampshire safer and more secure for all.	23
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	24
N/A	1	12	Provision of minor works across the department including Library and Countryside services	25
N/A	-	-		26
Owned	-	-	Major repairs and improvements, linking to the Corporate Priority of making Hampshire safer and more secure for all.	27
			# 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
	2019/20 Schemes						
	Schemes Supported from Local Resources						
	Culture, Communities and Business Services						
28	Office Accommodation Schemes	350	58	-	408	-	8
29	Facilities Management Schemes	137	23	-	160	-	3
30	Vehicles for Hampshire Transport Management #	-	-	2,000	2,000	-	200
31	Community Buildings and Village Halls	-	-	125	125	-	-
32	CCBS Minor Works	328	-	-	328	-	7
33	Contingency	185	-	-	185	-	3
	Total Programme Supported by Local Resources	1,000	81	2,125	3,206	-	221
	Schemes Supported by the Government						
34	Schools Condition Funding	15,289	2,523	-	17,812	-	356
	Total Schemes Supported by the Government	15,289	2,523	-	17,812	-	356
	Total Excluding Land				21,018		577
	Advance and Advantageous Land Purchases				646		
	Total Programme				21,664		577

Capital Programme - 2019/20

Appendix 1

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	-	-	Various schemes throughout the County, linking to the Corporate Priority of maximising wellbeing.	28
N/A	-	-	Various schemes throughout the County.	29
N/A	-	-	Continuing programme of replacing vehicles linking to the Corporate Priority of making Hampshire safer and more secure for all.	30
Owned	1	12	Grants and contributions towards the development of community buildings and village halls.	31
N/A	1	12	Provision of minor works across the department including Library and Countryside services	32
N/A	-	-		33
Owned	-	-	Major repairs and improvements, linking to the Corporate Priority of making Hampshire safer and more secure for all.	34
			# controlled on an accrued expenditure basis	

Policy and Resources 2016/17 capital programme

1. Latest programme limit:	£'000
Total programme as per budget book	26,734
Carry forward schemes from 2015/16	17,429
Share of capital receipts agreed by Cabinet 20/06/16	55
Adjustment to School Condition Assessment funding	3
Transfer of School Condition Assessment funding to Children's Services schemes	-3,100
Technical Adjustment – prior year starts	1,199
Reinstatement of strategic infrastructure budget	4,500
Strategic Land Acquisitions	2,592
External funding - contribution from Police and Crime Commissioner	145
Revenue contributions to capital	-
- Scientific Services – Modular building	39
- SAP HANA	308
- Scientific Services – Toxicology Equipment	60
- Community Buildings	204
Technical movements to revenue:	-
- Disposal of sites fees	-210
- FM & Office Accommodation	-122
Schemes to be deferred to 2017/18	-1,040
	<hr/>
	48,796
	<hr/>

2. Analysis of 2016/17 programme including carry forwards from 2015/16:

	£'000
Capital repairs - Schools Condition Assessment works (including £9m carry forward from 2015/16)	23,864
Vehicles for Hampshire Transport Management (HTM)	2,000
Havant Day Services access road – carried forward from 2011/12	55
Schemes controlled on an expenditure basis:	25,919
Office accommodation	209
Hatch House remodelling	337
Facilities Management schemes	45
Elizabeth II Court, Winchester – remodelling works on ground and first floors	800
Elizabeth II Court, Winchester – major infrastructure upgrade	950
Farnborough Hub remodelling	257
Strategic Land Acquisitions	2,592
Strategic Infrastructure Investment	4,500
Additional Corporate Building works - Carried forward from 2015/16	647
Hazeley Farm – Phase 3 investment works	312
Marlfield Nursing Care Unit – window replacement	291
Investment in Hampshire	3,000
Strategic Land Promotion, Development and Disposal – Carried forward from 2013/14	3,000
Advance and Advantageous Land	38
IT Services: Major replacement projects	382
IT Services: Replacement of Equipment	389

	£'000
IT Services: SAP HANA	308
Countryside Storm Damage repair programme	282
Community Buildings and Village Halls investment	989
ICT Developments - Carried forward from 2015/16	120
Customer Access Improvements - Carried forward from 2015/16	120
CCBS Minor Works	328
Scientific Services – Modular building	39
Scientific Services – Toxicology Equipment	60
Arts Centres – Carried forward from 2015/16	30
Rights of Way/Byways - Carried forward from 2015/16	300
Footway Improvements - Carried forward from 2015/16	15
Unallocated 25% of Capital receipts	1,701
Schemes controlled on a starts basis:	22,041
Unallocated – including 2015/16 carry forward	836
Policy and Resources Capital Programme 2016/17	48,796

Project Proposals in the 2016/17 revised capital programme

Hatch House

Hatch House is a former family centre in Alton, built in the late 1960's and is now vacant. The building provides 420 sqm of office accommodation with approximately 24 car parking spaces. The proposal will refurbish the building to deliver office space, stores, interview rooms, locker rooms, ancillary accommodation and cycle storage. It is proposed to lease the building to our partner, the Police and Crime Commissioner.

Approval was granted at Executive Member Policy and Resources Decision Day on 20 July 2016 for a 10 year lease. The lease will bring an income to the Council contribution to the Transformation to 2017 and thereby cost reductions elsewhere in the budget. This includes an option to break at year 5. A rent free period of 3 months was granted to cover the time required for refurbishment works.

The building will be refurbished at a total cost of £337,406. Hampshire County Council (as landlord) will meet part of the costs and the Police and Crime Commissioner agreeing to contribute £145,000 (including fees) towards the cost of works specifically attributable to their occupation.

Approval is sought from the Executive Member Policy and Resources for funding of £192,406 (including fees) from the Policy and Resources Capital Programme.

Hazeley Farm

Hazeley Farm is part of the Hampshire County Council's County Farm Estate covering an area of 61.5 hectares (152 acres) in Hart District situated between Hazeley and Mattingley. The farm is part of the larger Mattingley Farm Estate, totalling approximately 150 hectares. The farm is let on an Agricultural business lease.

The proposal is phase 3 of the development of the farm and intended, and required, to update the existing operations to meet current farming and environmental standards and to sustain the economic viability of the business.

Approval is sought from the Executive Member Policy and Resources for funding of £312,220 (including fees) from the Additional Corporate Buildings Works programme.

Marlfield Older Persons Home and Nursing Care Unit

Marlfield is an Older Persons Home and Nursing Care unit located in Alton, built in the 1960s accommodating 74 bed spaces. The property is owned by Hampshire County Council and the services operated and delivered by the Director of Adult Care and Health.

The proposal is to replace the original single glazed windows with aluminium sealed double glazed units, improving thermal efficiency, reducing maintenance and increasing security.

Approval is sought from the Executive Member Policy and Resources for funding of £291,250 (including fees) from the Additional Corporate Building Works programme.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date of Decision:	20 January 2017
Decision Title:	Evelyn Mace Educational Trust Scholarships – 2016/17 academic year
Decision Reference:	8045
Report From:	Director of Corporate Resources – Corporate Services

Contact name: Rob Carr – Head of Finance

Tel: 01962 847508

Email: Rob.Carr@hants.gov.uk

1. Executive Summary

- 1.1 The purpose of this paper is to set out options for consideration by the Executive Member for Policy and Resources, due to the likely oversubscription of Evelyn Mace Educational Trust scholarships in future years.
- 1.2 Details have also been provided of proposed new scholarship awards for nine applicants amounting to £3,600 for the 2016/17 academic year.
- 1.3 The background and terms of the Trust are set out in section 2.

2. Contextual information

- 2.1 In 1999 the Evelyn Mace Educational Trust was established following a bequest received by the County Council from Mrs Evelyn Mace, a former head teacher and Winchester School Governor. The net yearly income of the trust is to be applied by the County Council for the advancement of education through the award of scholarships, bursaries or similar financial assistance to students under the age of 25 years resident in Hampshire.
- 2.2 At that time, it was agreed by the County Council's former Charities Panel and the Community and Conservation Committee that the most efficient way of using the Trust would be to establish two types of annual scholarship:
 - Evelyn Mace Drama Scholarships for students due to start a drama or poetry course of Higher Education
 - Evelyn Mace Scholarships to be made to students formerly in the care of Hampshire County Council in order for them to pursue a course of Higher Education.

3. Awards for 2016/17

- 3.1 The Trust's annual income is estimated at £4,000 for 2016/17. This annual income along with any surplus income from previous years will fund scholarship awards for both continuing students, agreed in previous years, as well as new awards approved.
- 3.2 Successful applicants who were formerly in the care of the County Council, are currently awarded £400 per year. For 2016/17, nine scholarship applications have been received, compared with only one award in 2015/16 (total annual value £400).
- 3.3 There have been no applications received this year for drama and poetry courses.
- 3.4 Below is a list of the proposed students requesting funding for 2016/17.

Evelyn Mace Scholarships - £400 per student

(For further details, please refer to Appendix 1)

- Student A – 2 years
- Student B – 2 Years
- Student C – 2 Years
- Student D – 1 Year
- Student E – 3 Years
- Student F – 1 Year
- Student G – 1 Year
- Student H – 3 Years
- Student I – 3 Years

In view of the eligibility criteria for these awards, the students are not identified.

- 3.5 In addition to these proposals a further £4,200 will be provided in relation to continuing students who were awarded a scholarship in previous years. This will result in a total award of £7,800 being made during 2016/17. The total awards proposed (£7,800) in this paper, however exceeds the annual income received (£4,000).
- 3.6 This shortfall can be met from the cash surplus of £4,384 that has been accumulated to date and therefore it is recommended that all of the requests for 2016/17 are approved.

4. Future Awards

- 4.1 In previous years, all requests for awards have been agreed utilising the available funding plus any required top up from the Leader's grant budget.
- 4.2 If the recommendations for the 2016/17 awards are approved, the cumulative surplus at the end of 2016/17 will be reduced to £584. This

would make any new scholarships unaffordable for 2017/18 as it results in a commitment of £4,350 for existing awards against available funds of £4,584.

- 4.3 Given the history of the fund, there has never been any need to assess applicants other than to check their eligibility to receive an award and no limit has ever been placed on the number of applications each year. Given the financial situation going forward, there are 3 options that could be considered:
- Limit the number of awards given each year and introduce criteria for assessing the applicants.
 - Reduce the value of the awards to a lesser amount (although this still could result in oversubscription)
 - Commit to funding any shortfalls from the Leader's grant budget in the short term.
- 4.4 Given the nature of the awards and the relatively few applications that have been traditionally received it would not seem appropriate to either limit the number or value of the awards. Introducing an assessment process would also add significant administration to the scheme.
- 4.5 In the longer term this trust is one of the funds that may be considered for transfer to the Hampshire and Isle of Wight Community Foundation as outlined in a previous report to EMPR and therefore in the interim period the Executive Member is recommended to continue to support the awards through use of the Leader's grant budget.

5. Recommendations

The Executive Member for Policy and Resources is recommended to :

- 5.1 Approve all of the 9 awards outlined in this report
- 5.2 Agree to support the cost of existing and new awards in 2017/18 and beyond from the Leader's grant budget.

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

Hampshire safer and more secure for all:	No
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Evelyn Mace Educational Trust Scholarship	6249	12.12.14
Evelyn Mace Educational Trust Scholarship	5297	12.12.13
Evelyn Mace Educational Trust Scholarship	4370	13.12.12
Evelyn Mace Educational Trust Scholarship	3308	27.10.11
Evelyn Mace Educational Trust Scholarship	2093	28.10.10
Evelyn Mace Educational Trust Scholarship	941	19.10.09
Evelyn Mace Educational Trust Scholarship	338	16.10.08
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

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

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

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

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

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

- 1.2. The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- 1.3. Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 1.4. 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.

1.5. Equalities Impact Assessment:

See guidance at <http://intranet.hants.gov.uk/equality/equality-assessments.htm>
Inset in full your *Equality Statement* which will either state

- (a) *why you consider that the project/proposal will have a low or no impact on groups with protected characteristics*

Equality objectives are not considered to be adversely affected by the proposals of this report.

2. Impact on Crime and Disorder:

- 2.1 Crime and disorder objectives are not considered to be adversely affected by the proposals of this report.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? No impact
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?
 - No impact

Evelyn Mace Educational Trust and Scholarship

Recommended Applicants who were formerly in the care of the County Council.

Name	Age	University	Course	Course Length	Start Date	Amount
Student A*	22	University of Chichester	BSc Sport and Exercise Science	2 Years	Sep- 15**	£400
Student B*	21	Southampton Solent University	Business Management	2 Years	Sep- 15**	£400
Student C*	19	Sparsholt College	BSc Equine Studies	2 Years	Sep- 15**	£400
Student D*	19	Loughborough University	Graphic Communication	1 Year	Oct- 16	£400
Student E*	20	University of Hull	Youth Work and Community Development	3 Years	Sep- 16	£400
Student F*	22	University of Brighton	Aeronautical Engineering	1 Year	Sep- 13	£400
Student G*	21	Performance Preparation Academy	Professional Diploma in Musical Theatre	1 Year	Sep- 14***	£400
Student H*	19	Southampton Solent University	BA (Hons) Popular Music Journalism	3 Years	Sep- 16	£400
Student I*	21	University of Portsmouth	BA (Hons) Illustration	3 Years	Sep- 15**	£400

* NB: in view of the eligibility criteria for these awards, the students are not identified, details are available on request.

** Application submitted on the second year of student's study.

***Application submitted on the third year of student's study.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	20 January 2017
Title:	Internationalising Small and Medium Sized Enterprises
Reference:	8044
Report From:	John Coughlan, Chief Executive

Contact name: Philippa Mellish, Head of Insight and Engagement

Tel: 01962 847482

Email: Philippa.mellish@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to seek approval for the County Council to participate in the *Everywhere International Small and Medium-sized Enterprises (SMEs) (EIS)* partnership project as 'lead partner'. The project will explore ways to enable SMEs to internationalise, thereby supporting Hampshire's economy.

2. Contextual information

Interreg Europe

2.1. Interreg is a European Union (EU) funding stream which seeks to bring together partners from across Europe to share knowledge and exchange good practice. A key focus of Interreg Europe is supporting SMEs in order to strengthen sustainable economic growth.

SMEs account for 99% of businesses and two thirds of all private sector jobs in the European Union¹. The global economy offers EU-based SMEs significant potential if they are able to grow their business internationally. An estimated 90% of global growth originates outside of the EU and developing and emerging markets are expected to account for 60% of world GDP by 2030. SMEs are more likely to survive in this globally competitive business climate if they internationalise.

The EIS project

2.2. The EIS project proposal was developed by nine partners across 7 EU states², including Hampshire County Council, with a view to encouraging more SMEs to internationalise. The partners will develop a collaborative tool and methodology

¹ <http://www.interregeurope.eu/policylearning/sme-competitiveness/>

² Denmark - Central Denmark Region, Central Denmark EU Office; Hungary – Kóbrivnicki Poduzetnik; Ireland – Donegal County Council; Italy – Emilia Romagna Region; Poland – Pomerania Development Agency; Portugal – Regional Development Agency of Alentejo; UK – HCC, Wsx Enterprise.

to inform robust action plans for supporting regional SMEs to internationalise. Learning and knowledge generated throughout the project will be shared across all EU regions through the Interreg programme and relevant policy platforms.

- 2.3. EIS was one of 66 projects approved in October as part of the second Interreg call for proposals. It is one of 33 projects focused on SME competitiveness approved to date. The four year project, which is due to commence by March 2017, has two phases. The first two years will focus on knowledge exchange and the development of local action plans. During the final two years, participating regions will convene a stakeholder group of relevant organisations to work through the Local Action Plans developed during phase one.

3. Hampshire County Council's involvement

- 3.1. SMEs account for over 99% of the 69,000 businesses in Hampshire. Collectively, they contribute approximately 50% to Hampshire's £48 billion economy. These businesses provide the majority of the 780,000 jobs in the county. Providing the right type of support to SMEs, particularly those with the potential to grow, is critical to the future vitality and competitiveness of the Hampshire economy. In this context, the County Council has a strong interest in supporting the competitiveness of SMEs in Hampshire through its economic development function and in collaboration with key partners.
- 3.2. In November 2014, the County Council was approached by [Southern England Local Partners](#) (SELP) to act on SELP's behalf as the 'lead partner' for the project bid. The County Council is the 'host' organisation for SELP – a partnership focused on enhancing understanding, opportunity and engagement in EU affairs across Southern England. Following two successful bid submissions, the proposal was approved by the Interreg Europe Managing Authority in November 2016. The funding agreement is currently awaiting sign-off by the County Council as lead partner.

4. Finances

- 4.1. The total project budget is €1,670,623. Of this, €1,420,028.70 (85%) is to be reimbursed retrospectively through the EU funding stream (approximately 6-8 months after expenditure is incurred). The total budget breaks down as follows across the nine partners:

Partner region	Total budget	ERDF funding	Partner contribution
1. Hampshire County Council, UK (Lead partner) – including SELP	€329,555	€280,121.75	€49,433.25
2. WSX Enterprise, UK	€171,100	€145,435.00	€25,665.00
3. Central Denmark EU office, Denmark	€163,273	€138,781.20	€24,490.80
4. Central Denmark Region, Denmark	€216,804	€184,283.40	€32,520.60
5. Donegal County Council, Ireland	€234,444	€199,277.40	€35,166.60
6. Emilia Romagna Region, Italy	€172,264	€146,424.40	€25,839.60
7. Pomerania Devt. Agency, Poland	€150,264	€127,724.40	€22,539.60

8. Regional Devt. Agency Alentejo, Portugal	€140,600	€119,510.00	€21,090
9. Kobrivnicki Poduzetnik, Hungary	€92,319	€78,471.15	€13,847.85
Totals:	€ 1,670,623	€ 1,420,029	€ 250,593

4.2. The €280,121.75 funding to be made available to the County Council and SELP over the four year period is allocated as follows:

Partner	Funding for preparation costs	Funding for staff costs	Funding for admin costs	Funding for travel	Funding for external expertise	Total funding
Hampshire County Council & SELP	€15,000	€173,136.75 (Of which the County Council element is €64,898)	€33,385	€28,800	€29,800	€280,121.75

4.3. In addition, the County Council and SELP will collectively contribute €49,433.25 to the project through officer time. Alongside the €280,121.75 funding allocation, this provides a total budget for SELP and the County Council of €329,555.

5. Risks and mitigations

5.1. As the lead partner, the County Council will be legally responsible to the programme authorities (Interreg Europe, joint secretariat, certifying authority and/or audit authority) for the successful delivery of the project, both in respect of the County Council and that of the other project partners. There are three main areas of risk as follows:

A. Financial and legal liability

Risk – If the County Council, and/ or any of the eight funding partners, is in default, breach, failure or non-compliance of the provisions of the subsidy agreement, the County Council will be liable to repay the funder (Interreg Europe) the total value of the subsidy received within one month. The total value of the subsidy could be up to €1.4 million; however, project costs will be reimbursed by Interreg Europe retrospectively, approximately every six to eight months. The County Council would have to seek recovery retrospectively from the relevant partner(s).

The County Council's responsibility under the Interreg Europe agreement is very wide and includes:

- Compliance with audit obligations both during the project term and up to seven years post project completion to the total value of €1.4 million;
- Ensuring expenditure has been verified;

- Compliance with laws and regulations under European Law and national laws (including state aid rules and procurement regulations).

As the lead partner, the County Council will execute the Interreg Europe agreement. Upon doing so, the County Council will be bound to the terms without having a back to back agreement in place with the other partners.

Mitigation – Given that the project timetable does not allow sufficient time to secure binding legal agreements with partners before signing the Interreg agreement, it is intended to pursue this retrospectively. Whilst this would not remove the County Council's obligations as lead partner, it would ensure partners were aware of, and had formally accepted, the requirement to comply with funding conditions.

Using the template partner agreement provided by Interreg Europe, the County Council will draft individual partner agreements which shall be negotiated and agreed with each of the partners to mitigate the County Council's risk exposure and liability. It is, however, unknown how amenable the partners will be to negotiating specific terms.

B. Resource effort

Risk - The amount of funding allocated to the County Council may not prove adequate to fund the range of support work required to make the project a success. Whilst it is too early to quantify the amount of additional resources required, it is likely to include the need to fund additional finance and audit support, specialist legal advice, and banking charges for foreign currency transactions, including exchange rate fluctuations.

Mitigation – The County Council intends to meet any additional costs from within the total €280,121.25 funding allocation. This means that SELP will receive less funding income than anticipated. However, as SELP intends to support delivery of this project from within its existing resource, this reduction in income should not present any financial risk to the partnership. Moreover, the two officers that work for SELP are employees of the County Council and the County Council is the only SELP partner involved in delivery of the EIS project. It is, therefore, not believed that this mitigation will impact adversely on other SELP members.

C. British exit from the EU (Brexit)

Risk - The project runs until 2021, by which point the UK could have left the EU, which could impact on the UK's ability to honour the existing funding agreement.

Mitigation - The Government has stated that it will honour payments to Structural Investment Fund projects, such as EIS, where a contract is in place before Brexit, and where the project fits with UK priorities and is shown to be value for money (see <https://www.gov.uk/government/news/further-certainty-on-eu-funding-for-hundreds-of-british-projects>).

5.2. These risks and mitigations need to be considered in view of the reputational risks to the County Council of discontinuing with the project at this late stage, and the potential opportunities and benefits that would be missed. These include: access to additional funding, access to specialist knowledge and expertise, and support for SMEs to enhance Hampshire's continued economic growth and prosperity.

6. Recommendation

6.1. It is recommended that the County Council:

- a. Accepts and proactively manages the risks and mitigations set out in section 5.1 (A) to (C),
- b. Approves the County Council's participation in the EIS project as lead partner, and
- c. Delegates authority to the Chief Executive to approve the documentation necessary to implement the project.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	No
Maximising well-being:	No
Enhancing our quality of place:	Yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
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:

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:

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

2. Equalities Impact Assessment:

2.1. This project will have no impact on groups with protected characteristics as it focuses on supporting all SMEs in Hampshire who wish to develop their business internationally.

3. Impact on Crime and Disorder:

3.1. There will be no impact on Crime and Disorder.

4. Climate Change:

4.1. The project could have an impact on the carbon footprint of some of the participating SMEs. This is because if SMEs successfully internationalise, this could lead them to trade or provide services in foreign countries. Depending on the nature of the business, this could involve the physical transportation of goods, thereby potentially increasing the SME's carbon footprint. However, it is not possible at this early stage to know what type of businesses will benefit from the project, or what type of industry they will be providing.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date of Decision:	20 January 2017
Decision Title:	Grants to Voluntary Organisations and Other Bodies
Decision Reference:	8043
Report From:	Director of Transformation and Governance - Corporate Services

Contact name: Louise Pickford

Tel: 01962 847355 Email: louise.pickford@hants.gov.uk

1. Executive Summary

- 1.1 This report gives details of 2 grant requests seeking financial assistance from the Policy and Resources grants budget. Further details can be found in Appendix 2 of the report.

2. Budget Position

- 2.1 Following commitments made at previous meetings, the Policy and Resources grants budget available at the meeting on 20 January 2017 is £87,528.

3. Grants Criteria

- 3.1 A copy of the criteria used for considering grants from the Policy and Resources grants budget is attached as Appendix 1 to this report.

4. Legal Implications

- 4.1 Subject to certain restrictions, the County Council has the power under Section 1 of the Localism Act 2011 to do anything that individuals generally may do including the power to give grants.

5. RECOMMENDATION:

- 5.1 That grants totalling £10,000 be awarded to those organisations listed within Appendix 2 of this report.

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

Hampshire safer and more secure for all:	Yes
Maximising well-being:	Yes
Enhancing our quality of place:	Yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
None		
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
None		

Section 100 D - Local Government Act 1972 - background documents

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

<u>Document</u>	<u>Location</u>
Application form and correspondence received from charity	Director of Transformation and Governance - Corporate Services

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:

The application procedure includes equalities monitoring information as agreed as part of the corporate review of grants programmes and procedures. Further information may be found on individual requests.

2. Impact on Crime and Disorder:

The proposal in this report aim to improve the wellbeing of Hampshire residents and reduce the risk of crime occurring.

3. Climate Change:

There is no significant link to Climate Change as a result of this decision.

FUNDING CRITERIA FOR THE POLICY AND RESOURCES GRANTS

The following criteria should be taken into consideration when preparing a submission for funding. They are intended as guidelines and not prescriptive rules:

1. Assistance will be considered only in response to direct applications from properly constituted organisations seeking assistance. You must show in your application that your organisation is properly and legally organised and has its own bank account.
2. Where appropriate, applications will be referred to the relevant service department (e.g. Adult Services, Culture, Communities and Business Services, Children's Services, etc.) for consideration.
3. Preference will be given to applications for specific projects or activities rather than general running costs of organisations. These grants are not intended to replace shortfalls in service delivery budgets or replace funding for other support you may be able to obtain, or that you have obtained from us in the past.
4. Grants will not usually be made in respect of applications from the following:-
 - District or Parish Councils
 - Government Institutions
 - Schools
 - Overseas and out of County organisations which have no direct Hampshire involvement
 - Branches or organisations assisted centrally with a sum from the County Council
 - Bodies requesting funds for onward distribution to other charities e.g. mayoral appeals, carnivals, fetes, or for their own fundraising events.
5. Applications will not be accepted from political parties or groups affiliated with a political party or from lobbying/campaigning organisations.
6. Applications will only be considered from faith groups who can demonstrate their facilities are open and used by the local community other than for church related activities and then only for works in relation to the Disability Discrimination Act.
7. Requests may be considered from County wide groups (e.g. Guides, Scouts, Hampshire County Youth Orchestra) for specific trips, e.g. for an international jamboree or cultural tour. Individual requests will not usually be considered.
8. Where possible self-help within organisations should be encouraged and to this end, grants are normally a percentage of the sum required to complete the project.
9. As a general rule, grants in excess of £5,000 will not be awarded.
10. In general, grants will only be awarded to projects which are taking place in the same year as application for funds.

THE MUSEUM OF ARMY FLYING, MIDDLE WALLOP

The Museum of Army Flying in Middle Wallop is seeking a grant of £5,000 from the County Council towards placing a memorial within its grounds to honour the 5,000 soldiers who died in service during WWI and WWII. **Total cost: £300,000.**

The Museum is hoping to raise the necessary monies to have the memorial in place by September 2017, which incidentally ties in with its 60th anniversary of the Army Air Corps.

There are currently 3 phases to its fundraising campaign, Phase 1 being the memorial and Phases 2 & 3 which are to modernise and expand the museum at a further cost of £600,000.

Total Expenditure: £300,000 – cost of memorial

Total Income: £60,000 (own funds)

Shortfall: £240,000

APPLICATION ADDRESSED TO:

Leader of the Council

AMOUNT OF REQUEST

£5,000

GRANTS PREVIOUSLY AWARDED BY OTHER EXECUTIVE MEMBERS AND CONSIDERATION GIVEN BY OTHER LOCAL MEMBERS

This budget:

Nil

COMMENTS OF LOCAL MEMBER

Comments have been sought from the local member, Councillor Gibson.

GENERAL COMMENTS

Director of Transformation and Governance: This memorial will be similar in design to that of the Armed Forces one at the National Memorial Arboretum in Staffordshire and will be a fitting tribute to those soldiers from within Hampshire. A grant is recommended on this occasion.

RECOMMENDATION

£5,000

**FALKLANDS 35TH COMMEMORATION EVENT – GOSPORT BOROUGH COUNCIL
(CG00013313)**

A grant is sought to help fund a Falklands 35th Commemoration Event, which is being held in Gosport on Sunday 21 May 2017 and includes a Parade through the town.

This event is in the early planning stages but financial support from the County Council would help contribute towards the overall cost of delivering this event, including barriers, traffic management, first aid; all of which will ensure the safety of all those attending.

Total Expenditure: £16,650

Total Income: £10,000 (Gosport Borough Council)

Shortfall: £6,650

APPLICATION ADDRESSED TO:

Leader of the Council

AMOUNT OF REQUEST

£5,000

**GRANTS PREVIOUSLY AWARDED BY OTHER EXECUTIVE MEMBERS AND
CONSIDERATION GIVEN BY OTHER LOCAL MEMBERS**

This budget:

2012 - £5,000 - Falklands 30th Commemoration Event

COMMENTS OF LOCAL MEMBER

Comments from the local members from within Gosport have been sought.

GENERAL COMMENTS

Director of Transformation and Governance: Grants are not usually awarded to other local authorities as they have the ability to precept funds.

However in view of the significant and important role the armed forces played in the Falklands conflict, many of whom would have embarked from locations within the County, a grant may be appropriate on this occasion.

RECOMMENDATION

£5,000

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	20 January 2017
Title:	The Single Use Carrier Bags Charges (England) Order 2015 - Ability to act as 'Administrator'
Reference:	8008
Report From:	Karen Murray – Director of Culture, Communities and Business Services

Contact name: Julie Chambers – Trading Standards Manager

Tel: 01962 833683

Email: julie.chambers@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to clarify the arrangements for Hampshire County Council in respect of its role as an 'administrator' for the purposes of the Single Use Carrier Bags Charges (England) Order 2015, herein after referred to as 'the Order'.

1.2. This paper seeks to

- Briefly set out the requirements of the County Council as an 'administrator' under the legislation
- Explain the rationale for the decisions which are sought.

2. Contextual information

2.1. The Order, which came fully into effect on 5 October 2015, aims to reduce the number of single use plastic carrier bags, and the litter associated with them, by encouraging the reuse of bags.

2.2. In 2014 over 7.6 billion single use plastic bags were provided to consumers within the UK by the major supermarkets. Such bags take longer to degrade than others and can be harmful to wildlife.

2.3. The legislation places both obligations on the County Council as a potential 'seller' of single use plastic bags and, as the enforcing agency or 'administrator'.

2.4. The focus of the legislation is therefore, one of environmental damage limitation. It is made under both the Climate Change Act 2008 and the Regulatory Enforcement and Sanctions Act 2008

- 2.5. The legislation contains a 'sunset clause' and will cease to have effect on 5 October 2022.

3. Finance

- 3.1. There would be minimal additional cost involved in the delivery of the role of 'administrator' as this would be absorbed within the existing cash limit, and working practices, of the Trading Standards Service.
- 3.2. There would be an additional cost to the authority for recovery of any monetary penalty that was not paid. Non payment of any monetary penalty issued is a civil debt.

4. Performance

- 4.1. As an 'administrator' for the purpose of the Order, the County Council must undertake the following:
- Publish guidance on the enforcement action it may take in respect of any breach by a seller of the duties imposed upon them by the legislation. The content of such guidance and the manner in which it is to be published are prescribed in the Order.
 - Publish a report, as specified intervals, on the enforcement action it has taken. The content of said report, and the manner in which is to be published, are prescribed in the Order.
- 4.2. The obligations placed upon the County Council as 'administrator' will be performed by officers within the Trading Standards Service.
- 4.3. The Trading Standards Service already performs many enforcement duties placed upon the County Council, as prescribed in statute and other pieces of subordinate legislation.
- 4.4. The Trading Standards Service already publishes an enforcement policy and guidance to business, in respect of the legislation it enforces on the County Council website.

5. Consultation and Equalities

- 5.1. No consultation has been undertaken in respect of this report. Consultation in respect of guidance which is subsequently provided however must be undertaken with both the Secretary of State for the Environment, Food and Rural Affairs as well as the British Retail Consortium.
- 5.2. No equality impacts have been identified.

6. Other Key Issues

- 6.1. None.

7. Future direction

- 7.1. The Single Use Carrier Bag Charges (England) Order 2015 contains a 'sunset clause' and, will cease to have effect on 5 October 2022.

8. Recommendation(s)

- 8.1. That the County Council role of 'administrator' for the purposes of the Single Use Carrier Bags Charges (England) Order 2015 be delegated to the Director of Culture, Communities and Business Services and, any officer she so authorises within the Trading Standards Service.
- 8.2. That the County Council obligation to publish guidance on the enforcement of the Order, be delegated to the Director of Culture, Communities and Business Services and, any officer she so authorises within the Trading Standards Service.
- 8.3. That the County Council obligation to report its enforcement actions, in the manner stated within the Single Use Carrier Bags Charges (England) Order 2015, are delegated to the Director of Culture, Communities and Business Services and, any officer she so authorises within the Trading Standards Service.

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

Hampshire safer and more secure for all:	yes
Maximising well-being:	no
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u> The Single Use Carrier Bags Charges (England) Order 2015		<u>Date</u> March 2015

Section 100 D - Local Government Act 1972 - background documents

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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:

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- 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:

- The recommendations contained within this report will have no impact in respect of the protected characteristics.
- The recommendations seek to clarify the arrangements by which the County Council will discharge its enforcement duties under the legislation.

2. Impact on Crime and Disorder:

2.1. The County Council, as administrator may issue a fixed monetary penalty in respect of a breach of the legislation by a seller.

3. Climate Change:

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

The proposed recommendations clarify how the County Council will fulfil its role as an 'administrator' of climate change legislation aimed at reducing the harm to the environment

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

The legislation contains a 'sunset clause' and will no longer have effect on 5 October 2022. The legislation will therefore apply for a period of 5 years, during which it is anticipated that consumers' habits will have changed to that of bag reuse. Such a change in behaviour will have long term beneficial impact on the environment.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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