

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

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|------------------------|--|
| Decision Maker: | Director of Economy, Transport and Environment |
| Title: | Transport Capital Programme Delegated Amendments |
| Date: | May 2022 |

Contact name:

Tel: 0370 779 0492

Email: maria.golley@hants.gov.uk

1. The decision:

1.1. That the Director approves the recommended delegated decisions set out in Appendix 1.

2. Reason for the decision:

- 2.1. To formally amend the capital programme and record delegated decision on projects that require;
- (a) entry into the programme up to £500,000 in value, or fully externally funded (no upper limit). (Fin.Regs 2.27a)
 - (b) additional capital resources on existing schemes up to £500,000 (increase value), or fully externally funded (no upper limit) (Fin.Regs 2.27a)
 - (c) approval to spend, procure, or to enter necessary contracts on schemes below £500,000 in value. (Fin. Regs 2.27b)
 - (d) approval to spend up to an additional £500,000 capital on schemes. (Fin. Regs 2.27c & 2.29)
 - (e) deletion from the programme up to £500,000 in value (Fin.Regs 2.28)

3. Other options considered and rejected:

3.1 Options on each individual project change are identified in the Appendix.

4. Conflicts of interest:

4.1. Conflicts of interest declared by an Executive Member who is consulted by the officer which relates to the decision: None

5. Dispensation granted by the Head of Paid Service:

5.1. None

6. Supporting Information:

6.1. None

Approved by:



Date:

24/05/2022

Stuart Jarvis

Director of Economy, Transport and Environment

HAMPSHIRE COUNTY COUNCIL

Decision Report

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1. Executive Summary

- 1.1. The purpose of this paper is to obtain delegated approval to make a range of minor adjustments to the Economy, Transport and Environment (ETE) capital programme.
- 1.2. Appendix 1 includes amendments across the ETE capital Programme, resulting in a net increase in capital approvals totalling £62,000.
- 1.3. The schemes included are at different stages of development and delivery. Some may now be complete and will relate to older programmes, some are part of the current year, others will relate to the provisional forward programme.

2. Context

- 2.1. Capital financial regulations set out where delegated decisions can be made on a programme-wide basis.
- 2.2. The “last programme values” are the latest formally reported approval value. For older schemes this is most likely a project appraisal figure. For the current year, most will be project appraisal figures, for future years this is most likely the last EMETE capital update or Project Appraisal figure.
- 2.3. Appendix 1 does not include changes to the programme already approved as a result of a delegated PA, as this change is inherent in the approval.

3. Background

- 3.1. This report is aimed at improving transparency of the various minor amendments that are made to the published capital programmes.
- 3.2. It is intended that all delegated capital decisions for ETE (not Project Appraisals) can be made through this simple report, however it does not restrict separate decision reports being prepared where deemed necessary.

3.3. A summary of the decisions made should be included in an appendix to the quarterly Executive Member capital programme updates.

4. Finance

4.1. The 1 recommendation: 1 amendment, as detailed in Appendix 1, result in a net increase in capital approvals totalling £62,000.

4.2. Where necessary, funding has already been identified to cover increases to the approvals. In cases of decreasing capital allocations, where it has been reallocated this has been identified

4.3. An adjustment to the maintenance and revenue implications of any cost increases has not been undertaken. For schemes that are yet to have a PA, the maintenance costs and revenue implications will be calculated then, as usual.

5. Recommendation

5.1. That the Director approves the recommendation set out in Appendix 1.

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

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

Other Significant Links

| | |
|---|----------------------------|
| Links to previous Member decisions: | |
| ETE Proposed Capital Programme 2022/23, 2023/24 and 2024/25-2022-01-27-ELMETE Decision Day (hants.gov.uk) | <u>Date</u> 27/Jan/2022 |
| 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.)

DocumentLocation

Impact Assessments

1. Equalities Impact Assessment:

- 1.1. The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The website contains a summary assessment of the impacts on developing Hampshire's highway network and transport systems.
- 1.2. Statutory considerations:

| Impact | |
|------------------------------------|------------------|
| Age | None |
| Disability | None |
| Sexual Orientation | None |
| Race | None |
| Religion and belief | None |
| Gender Reassignment | None |
| Sex | None |
| Marriage and civil partnership | None |
| Pregnancy and maternity | None |
| Other policy considerations | |
| Poverty | None |
| Rurality | None |
| Other factors | None |
| Geographical impact | All of Hampshire |

2. Impact on Crime and Disorder:

3. Climate Change:

How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer-term impacts? Climate change impacts are considered at time of Project Appraisals for schemes.

DELEGATED DECISIONS REQUIRED

| 2021/22 | HBC: NCN22 Petersfield Road cycle route, Havant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------|------------------------|--------------|------------------|--------------|-------------------|------------------------|--------------|------------|-----|----|-----------------|-----|------------|----|---|-----|----|-------------|----|---|--|--|--------------|-----|----|--|--|------|---|---|--|--|-------|------------|------------|-------|------------|
| Requirement for change | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CMS 3624 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The Project Appraisal for this scheme was approved at January 2022 Decision Day at a value of £679,000. Due to global supply issues and increases to labour, material and energy prices, the tender return prices have come back higher than the pre-tender estimate. Therefore, the value of the scheme has now increased by £62,000 to £741,000. The increase will be funded by LTP.</p> <p>Value engineering the scheme was considered as an alternative approach, however as it small in scale any further reduction in scope would render the scheme un-deliverable as it would lose connectivity for cyclists etc. Also, the minor changes would not bring the cost down significantly enough. The scheme funding was originally provided by Sustrans and the scale of emerging inflationary pressures, due to surging oil prices and the war in Ukraine, was not known when the measures were designed and costed at the end of last year. In addition, only two contractors bid for the work which further exacerbated the tender prices due to lack of competition.</p> <p>There is concern that if this scheme is not delivered, this will impact the Portsmouth TCF scheme at Elmleigh Road as these two schemes will link for connectivity and onward journeys. If one or the other is not delivered, there will be a missing link between the two routes.</p> <p>Tender returns exceeding pre-tender estimates is an emerging trend that will likely impact other schemes.</p> <p>The amended finance breakdown of the scheme is shown below:</p> <table border="1"> <thead> <tr> <th><u>Estimates</u></th> <th><u>£'000</u></th> <th><u>% of total</u></th> <th><u>Funds Available</u></th> <th><u>£'000</u></th> </tr> </thead> <tbody> <tr> <td>Design Fee</td> <td>141</td> <td>19</td> <td>DfT LCWIP Grant</td> <td>679</td> </tr> <tr> <td>Client Fee</td> <td>23</td> <td>3</td> <td>LTP</td> <td>62</td> </tr> <tr> <td>Supervision</td> <td>21</td> <td>3</td> <td></td> <td></td> </tr> <tr> <td>Construction</td> <td>556</td> <td>75</td> <td></td> <td></td> </tr> <tr> <td>Land</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td><u>741</u></td> <td><u>100</u></td> <td>Total</td> <td><u>741</u></td> </tr> </tbody> </table> | | | | | <u>Estimates</u> | <u>£'000</u> | <u>% of total</u> | <u>Funds Available</u> | <u>£'000</u> | Design Fee | 141 | 19 | DfT LCWIP Grant | 679 | Client Fee | 23 | 3 | LTP | 62 | Supervision | 21 | 3 | | | Construction | 556 | 75 | | | Land | 0 | 0 | | | Total | <u>741</u> | <u>100</u> | Total | <u>741</u> |
| <u>Estimates</u> | <u>£'000</u> | <u>% of total</u> | <u>Funds Available</u> | <u>£'000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design Fee | 141 | 19 | DfT LCWIP Grant | 679 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Client Fee | 23 | 3 | LTP | 62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Supervision | 21 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction | 556 | 75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>741</u> | <u>100</u> | Total | <u>741</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other options considered and rejected | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>To not increase the value of the scheme but this would negatively impact the Portsmouth TCF scheme at Elmleigh Road as there would be a missing link and would not allow the provision of walking and cycling benefits intended.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Last programme value | Change required | New programme value |
|---|------------------------|----------------------------|
| £679,000 | +£62,000 | £741,000 |
| Recommendation 1 | | |
| To increase the capital value and spend approval value to £741,000. | | |