

**ADDENDUM TO COUNCIL
20 November 2019**

8.2 To adopt recommendations from the following:

8.2.3 Cabinet – 6 November 2019

8.2.3.1 Capital Programme Update 2019/20 to 2021/22

Consideration was given to a report of the Finance Portfolio Holder, which provided an update on the progress of the existing 2019/20 Capital Programme and included forecast changes to its timescale and total cost.

Proposals were also put forward for new capital schemes recommended to be added to the Capital Programme over the period 2019/20 to 2021/22.

The total cost of new projects recommended for inclusion in the Capital programme was £2.5M. After taking into account external funding, the net cost of these bids was £888,200. These bids would help to deliver the Council's key priorities and were recommended to be funded from Earmarked Reserves and the Capital Receipts Reserve.

Having considered the options and for the reasons set out in the report, Cabinet agreed to the following:

Recommended:

- 1. That the new capital schemes with a total cost of £2,493,800 as shown in Annex 1 to the report be added to the 2019/20 to 2021/22 Capital Programme.**
- 2. That the revised estimates and financing for the 2019/20 to 2021/22 Capital Programme as shown in Annex 2 to the report, be approved.**

8.2.3.2 Asset Management Plan Update

Consideration was given to a report of the Finance Portfolio Holder which provided an update on the approved 2019/20 Asset Management Plan (AMP) and recommended projects to be included in the 2020/21 budget. The report provided an update on the financing of AMP projects and included a forecast balance on the Asset Management Reserve at 31 March 2021.

Having considered the options and for the reasons set out in the report, Cabinet agreed to the following:

Recommended:

- 1. That the revised 2019/20 and original 2020/21 Asset Management Plan, as shown in annexes 1 and 2 to the report, be approved.**
- 2. That the Head of Finance, after consultation with the Finance Portfolio Holder and Head of Service responsible for any project, be authorised to amend the Asset Management Plan during the year, as discussed in paragraph 7.3 of the report.**

8.2.3.3 2019/20 Community Infrastructure Levy (CIL) Spending Protocol – Allocation of Funds

Consideration was given to a report of the Planning Portfolio Holder which set out a summary of the bids received during 2019 including an evaluation of each one and the funding recommendation made for each project.

Councillor Gwynne addressed Cabinet at the start of the item to express his support for the funding recommendation in relation to the Plaza Theatre Stage House Rebuild.

The CIL spending protocol and scoring methodology was adopted by Council on 8 November 2017. This was the second round of CIL bidding which ran between 1 April and 30 June 2019.

Having considered the options and for the reasons set out in the report, Cabinet agreed to the following:

Recommended:

That the following projects are approved for Community Infrastructure Levy funding:

- Plaza Theatre Stage House Rebuild – £200,000**
- Longparish Playground Redevelopment – £40,000**
- Access Improvements at Charlton Lakes – £100,355**
- Ampfield Recreation Ground – £66,432**
- Valley Park Community Centre – £79,525**
- Over Wallop War Memorial – £19,970**
- Braishfield Village Hall – £95,813**
- Hurstbourne Tarrant Flood Alleviation Scheme – £5,400**

8.2.3.4 Property Matters

Consideration was given to a confidential report of the Finance Portfolio Holder to consider an estates property matter.

Recommended:

- 1. To approve the Service Charge budget for the Chantry Centre for the calendar year 2020 as set out in the amended Annex 1 to the report.**
- 2. That subject to the provisions of the Constitution the Head of Property and Asset Management, in consultation with the Head of Finance and the Finance Portfolio Holder be authorised to approve the service charge budget for the Chantry Centre in future years.**

8.2.3.1 - Report to Cabinet – 6 November 2019

Capital Programme Update 2019/20 to 2021/22

Report of the Finance Portfolio Holder

Recommended:

- 1. That the new capital schemes with a total cost of £2,493,800 as shown in Annex 1, be added to the 2019/20 to 2021/22 Capital Programme.**
- 2. That the revised estimates and financing for the 2019/20 to 2021/22 Capital Programme as shown in Annex 2, be approved.**

Recommendation to Council

SUMMARY:

- This report provides an update on the progress of the existing 2019/20 Capital Programme and includes forecast changes to its timescale and total cost.
- It also puts forward proposals for new capital schemes recommended to be added to the Capital Programme over the period 2019/20 to 2021/22.
- The total cost of new projects recommended for inclusion in the Capital Programme is £2.5M. After taking into account external funding, the net cost of these bids is £888,200.
- The net cost of the capital bids is recommended to be funded from Earmarked Reserves and the Capital Receipts Reserve.

1 Introduction

- 1.1 The progress of the Capital Programme is reported to Councillors each year in May, November and February.
- 1.2 The last update was presented on 20 May 2019 and gave details of the overall expenditure and financing of the Capital Programme for 2018/19 to 2020/21.
- 1.3 This report provides an update on the Capital Programme approved at that meeting together with proposals for new projects to be added to the programme. It also examines how the costs of the proposed new programme will be financed.

2 New Capital Bids

- 2.1 All Services were invited to submit bids for new projects to be added to the Capital Programme. A summary of the new projects together with a brief explanation of the expected outcomes from each project is shown in Annex 1.

- 2.2 All new capital schemes are considered with regard to their relative merits in continuing the Council's priorities, legislative requirements, sustainability and a number of other factors including the level of financing available.
- 2.3 All projects that were submitted are recommended to be included in the Capital Programme.

3 Proposed Capital Programme 2019/20 to 2021/22

The 2019/20 to 2020/21 Capital Programme approved in May (18/19 outturn) had a total cost of £23M. There have been some changes since that time and these are summarised below.

	£'000
Approved Budget for 2019/20 to 2020/21	22,968.4
Changes to Asset Management Plan Requirement	2,200.2
Community Asset Fund – funding 2021/22	250.0
Fitness Trail - Romsey	(10.0)
Pocket Park/ Town Mill Enhancement	1,047.7
Chantry Centre Purchase	71.5
High St Units	(1.0)
Columbus Quarter development	(906.9)
Galahad Close property	(21.4)
Project Enterprise – Schemes to be identified to 2021/22	3,000.0
Disabled Facilities Grants/Loans	(100.0)
Renovations & Minor Works Grants	(50.0)
Sub-total – movements in the existing Capital Programme	5,480.1
Cost of new bids for inclusion in programme. See Annex 1	2,493.8
Updated Estimate for 2019/20 to 2021/22	30,942.3

- 3.1 An Asset Management Plan (AMP) update report is also on the agenda for this meeting. That report provides an update on the current year's programme and recommended projects for 2020/21. The capital element of the report's recommendations is built in to the figures above.

Community & Leisure Projects

- 3.2 The two play area projects at Picket Twenty (Ref 2 and 19 in Annex 2) have been amalgamated as the allocation of the budget is relevant to both projects.
- 3.3 Fitness Trail, Romsey – this project has been reduced following public consultation.

Property & Asset Management Service

- 3.4 Pocket Park/Town Mills Enhancement – two projects with a total value of £203.2k were added to the Capital programme in year 2016/17 and 2017/18 - both of these projects were related to the area but were put on hold until consultation for this larger project had been made. Funding had been sought for a more detailed regeneration which has now been agreed resulting in an increase of the project costs to £1.25M all of which will be funded by external contributions and a grant from Enterprise M3 LEP.
- 3.5 Chantry Centre costs for the arrangement of leases of the purchased units were received post year end,
- 3.6 High St, Retail Units – a saving of £1,000 has been made.
- 3.7 Chantry Centre Toilet Refurbishment – project added following the purchase of the Chantry Centre.(approved by Council 13 March 2019. Minute 293)
- 3.8 New Car Park Machines – new project agreed at Cabinet (12 June 2019. Minute 54) funded by New Homes Bonus (NHB).
- 3.9 Southampton Rd, Pedestrian & Cycle Route – new project agreed by the Community Infrastructure Levy (CIL) Board, (Cabinet 5 December 2018, Minute 215) funded by CIL.
- 3.10 Botley Rd, informal crossing point – new project agreed by the Community Infrastructure Levy (CIL) Board, (Cabinet 5 December 2018, Minute 215) funded by CIL.

Project Enterprise

- 3.11 Following the sale of the Columbus Quarter, the final reconciliation is still pending but costs are expected to be less, and sale proceeds more, than previously budgeted.
- 3.12 Galahad Close Property – Savings of £21,400 made on the purchase and refurbishment of this investment property.
- 3.13 Two additional properties were added to the 2019/20 programme at a cost of £186,000 and £195,600 - these were approved by member panel on the 5 April and 28 August 2019.

HEH

- 3.14 There has been a reduction in the applications for Disabled Facilities Grants and Loans in the current year, therefore the budget has been reduced by £100,000.
- 3.15 There have also been fewer applications for Renovations and Minor Works Grants and this budget has also been reduced by 50% to £50,000.

Affordable Housing

- 3.16 Budget of £300,000 has been added to the Capital Programme for grants to registered providers as shown on Annex 1.

Slippage in the Existing Capital Programme

- 3.17 Picket Twenty play areas and pavilion/pitch changes should have been spent in this current year but have slipped due to the developers trigger points not being reached.
- 3.18 SANG, Sherfield English – Phase Two of this project has slipped as autumn/winter weather conditions will affect works to the boardwalks.

4 New Capital Projects

- 4.1 The total cost of new bids recommended to be added to the Capital Programme is £2.5M. After taking into account external funding the net cost of bids for consideration is £888.2k.
- 4.2 Annex 1 shows a summary of all capital projects together with an explanation of the project and its key deliverables.
- 4.3 Annex 2 shows a summary of capital projects by Service. The projects recommended to be added to the Capital Programme are included in this Annex.

5 Financing the Capital Programme

- 5.1 It is recommended that the new capital projects are financed from external funding, the Capital Receipts Reserve, and the New Homes Bonus Reserve.

Resource Implications

- 5.2 The level of capital spending is entirely dependent on the resources that are available to finance the programme. The ability to add new schemes to the programme is influenced by forecasts of future resources. However, once a scheme is in the programme it is assumed that it will be completed and financed irrespective of whether or not resource forecasts are entirely accurate.

- 5.3 The maximum use of grants and contributions from external bodies and other internal reserves has been taken into account in the proposed financing of the Capital Programme. The total of this funding over the life of the recommended Capital Programme is estimated at £19.4M, leaving a shortfall of £5.5M. The sale of an investment property has provided a capital receipt of £6M reducing the deficit of £5.5M to a surplus to £0.5M.
- 5.4 The level of capital resources as at outturn for the capital programme is compared to those for the current programme in the following table:-

	Outturn 2018/19	November 2019
Capital Programme	£'000	£'000
Balance Capital Receipts Reserve (CRR) as at 1 April 2019	6,021.9	6,021.9
Total Capital Expenditure 2019/20 – 2021/22	(22,968.4)	(30,942.3)
Total Capital Financing 2019/20 – 2021/22	13,690.7	19,445.4
Forecast Deficit on CRR at 31 March 2021	(3,255.8)	(5,475.0)
Capital Receipt for sale of properties	5,900.0	6,000.0
Capital Receipts Reserve Forecast as at 31 March 2021	2,644.2	525.0

- 5.5 The table shows that the forecast Capital Receipts Reserve is expected to move from a surplus of £2.6M to a surplus of £0.5M over the life of the existing programme.

6 Revenue Consequences of the Capital Programme

- 6.1 The ongoing revenue impact of the capital projects will be built into Service estimates for 2020/21 and will be included in the next budget update in January 2020.

7 Corporate Objectives and Priorities

- 7.1 The capital programme enables capital investment to support the Council's priorities and to maintain its assets so that services may continue uninterrupted in the future.

8 Risk Analysis

- 8.1 The schemes laid out in the proposed capital programme for the coming years are reliant on future capital receipts – the timing and extent of which are by no means certain. This risk is mitigated by cautious valuations of receipt values and through cash flow management to ensure schemes are not delayed for financial reasons.

- 8.2 Each individual project will have specific risks attached to it. These will be identified by the responsible officer at the start of each project.
- 8.3 The Capital Programme presented for approval takes into account all known future capital receipts.

9 Equality Issues

- 9.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination or negative impact has been identified, therefore a full EQIA has not been carried out.

10 Consultations

- 10.1 Ward members, Heads of Service and project managers were consulted in the update of the 2019/20 to 2021/22 Capital Programme.

11 Conclusion and reasons for recommendations

- 11.1 This report identifies new capital bids with a total cost of £2.493M (net cost of £888,200 allowing for funding from external sources). These bids will help to deliver the Council's key priorities and are recommended to be added to the Capital Programme.

The report also provides an update on the existing approved Capital Programme.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	6 November 2019

Summary of New Capital Projects November 2019

Project	Brief Description	Why Necessary & Business Case (if appropriate)	Total Cost £	Net Cost £
King's Somborne Community Building & Preschool	Provision of a prefabricated modular building designed not only for use as a preschool but for other community activities	All sections of the community of King's Somborne and other users of the Village Hall and Preschool that come from other areas will benefit from greater access to local community based activities. This will enhance their opportunities for networking, improve their education, health and well being and be entertained. Young children will benefit from a new purpose built preschool with more capacity and opportunities for out-of-term time activities. With the Village Hall offering more activities at greater frequency benefit will come to those suffering from rural isolation and in particular older people. CIL FUNDED	95,000	0
Land Protection bund	Earth bund and fencing to Smannell Road	Security measures to deter unauthorised incursion at Smannell Road Funded by Special Projects Reserve	41,500	41,500
Land Protection bund	Earth bund to Saxon Fields	Security measures to deter unauthorised incursion at Saxon Fields Funded by Special Projects Reserve	13,000	13,000
Ampfield Recreation Ground	Construction of new play space	Use of S106 contributions to provide play space as written in the Legal agreement. S106 FUNDING	55,600	0
Chantry Centre Toilet Refurbishment	Complete replace/refurbish Chantry Centre Public Toilets	Project added after purchase of Chantry Centre FUNDED BY CHANTRY CENTRE PLANNED MAINTENANCE RESERVE	173,000	173,000

ANNEX 1

New Car Park Ticket Machines	Replace cash only pay and display ticket machines in all car parks	Introduction of debit/credit card and contactless payment methods for the purchase of pay & display parking tickets. FUNDED BY NEW HOMES BONUS RESERVE	179,100	179,100
Southampton Rd, Romsey	Link between the existing shared pedestrian/cycle route opposite The Rapids and the crossing point to Lee Lane.	The aim of the scheme is to provide a safe and improved route for pedestrians and cyclists to access Lee Lane from Romsey. The proposed route is currently a footway and would be widened to enable shared use by pedestrians and cyclists. Lee Lane is a quieter road route which runs almost parallel to the A roads and M271 leading into Southampton. From Lee Lane it is possible to access employment areas on the west of Southampton, and cycle routes into the city centre and towards the new Forest. Currently Southampton Road in this location is quite narrow, busy with cars and lorries, and has a 50mph speed limit. Vehicles have been known to pass very close to cyclists on the main road. The proposed route would provide a good alternative route for cyclists away from traffic. CIL FUNDED	270,000	0
Botley Rd, Informal Crossing Point	The aim of the scheme is to provide a safe informal crossing point for pedestrians wishing to cross Botley Road in the vicinity of the new Co-op foodstore.	Currently the nearest crossing point to the east is 500m and up a hill. To the west it is approximately 160 m where the crossing point provides a link between sections of the footpath along the Tadburn stream. Although on a direct line for pedestrians on this path, the road here is relatively narrow so the island is not as wide as it should be for safe access for some users. Another crossing closer to the new foodstore where the island can be wider for more vulnerable users would provide an alternative safer access route into town as well as a more direct access to the foodstore, bus stops and open spaces on both sides of the road for all pedestrians. CIL FUNDED	35,000	0

ANNEX 1

Investment Property 15	Purchase of property to increase the investment property portfolio	To increase the investment income of TVBC	186,000	186,000
Investment Property 16	Purchase of property to increase the investment property portfolio	To increase the investment income of TVBC	195,600	195,600
Disabled Facilities Grants	Grants to provide essential housing modifications to enable people to remain in their homes.	This budget is necessary to ensure that the Council fulfils the legislative requirement to provide people with financial assistance for making necessary adaptations to their property. Government funding is confirmed to cover this.	750,000	0
Disabled Facilities Loans	Loans to provide essential housing modifications to enable people to remain in their homes.	This budget is necessary to ensure that the Council fulfils the legislative requirement to provide people with financial assistance for making necessary adaptations to their property. Government funding is confirmed to cover this.	100,000	0
Housing Renewal Grants	To provide targeted financial help, in the form of grant and loan assistance, to residents living in private sector housing.	This budget helps to ensure that the Council fulfils its commitments within the Housing Strategy by providing people with financial assistance for making necessary repairs, improvements and adaptations to their property. This budget is split between grants and loans.	100,000	100,000
Affordable Housing Grants	To provide affordable housing grants to Registered Partners to ensure delivery of affordable homes in Test Valley.	This budget helps to assist the delivery of 200 new affordable homes per year as reported in the Housing Strategy. Also to enhance provision of S106 sites, and provide affordable housing on non S106 sites. It also assists viability on Major Development Areas and other S106 schemes to prevent the reduction in the provision of affordable housing on site. S106 Funding	300,000	0

Total of New Capital Bids:	<u>£ 2,493,800</u>
Financed by:	
Government Grants	£ 850,000
S106 funding	£ 355,600
CIL funding	£ 400,000
Earmarked Reserves	£ 406,600
Capital Receipts Reserve	£ 481,600
	<u>£ 2,493,800</u>

CAPITAL PROGRAMME AND FINANCING**Approved Projects**

	Outturn 2018/19				November 2019			
	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
CAPITAL EXPENDITURE								
Asset Management Projects	2,550.6	0.0	0.0	2,550.6	1,962.8	2,788.0	0.0	4,750.8
Community & Leisure	4,700.6	1,300.0	0.0	6,000.6	4,477.6	1,648.1	0.0	6,125.7
Property & Asset Management	2,693.5	125.0	0.0	2,818.5	4,268.8	395.0	0.0	4,663.8
Project Enterprise	2,169.4	0.0	0.0	2,169.4	1,622.7	0.0	0.0	1,622.7
Housing & Environmental Health	950.0	0.0	0.0	950.0	800.0	950.0	0.0	1,750.0
IT	9.3	0.0	0.0	9.3	9.3	0.0	0.0	9.3
Affordable Housing	1,110.0	1,110.0	0.0	2,220.0	1,110.0	1,110.0	300.0	2,520.0
Total	14,183.4	2,535.0	0.0	16,718.4	14,251.2	6,891.1	300.0	21,442.3
CAPITAL FINANCING								
Capital Grants	850.0	0.0	0.0	850.0	750.0	850.0	0.0	1,600.0
Capital Receipts	5,950.0	50.0	0.0	6,000.0	6,123.7	50.0	0.0	6,173.7
PWLB Loan	1,997.2	0.0	0.0	1,997.2	1,997.2	0.0	0.0	1,997.2
Capital Contributions	7,429.6	3,063.9	0.0	10,493.5	8,092.8	6,761.9	569.8	15,424.5
Total	16,226.8	3,113.9	0.0	19,340.7	16,963.7	7,661.9	569.8	25,195.4
Contribution (to) / from balances	(2,043.4)	(578.9)	0.0	(2,622.3)	(2,712.5)	(770.8)	(269.8)	(3,753.1)
Total Financing	14,183.4	2,535.0	0.0	16,718.4	14,251.2	6,891.1	300.0	21,442.3

CAPITAL PROGRAMME AND FINANCING**Schemes yet to be identified**

	Outturn 2018/19				November 2019			
	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
CAPITAL EXPENDITURE								
Community & Leisure		250.0		250.0		250.0	250.0	500.0
Project Enterprise	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0	3,000.0	9,000.0
Total	3,000.0	3,250.0	0.0	6,250.0	3,000.0	3,250.0	3,250.0	9,500.0
CAPITAL FINANCING								
Capital Contributions		250.0		250.0		250.0	250.0	500.0
Total	0.0	250.0	0.0	250.0	0.0	250.0	250.0	500.0
Contribution (to) / from balances	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0	3,000.0	9,000.0
Total Financing	3,000.0	3,250.0	0.0	6,250.0	3,000.0	3,250.0	3,250.0	9,500.0

ASSET MANAGEMENT PROJECTS
CAPITAL PROGRAMME

ANNEX 2

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
1	Land and Property Projects	1,221.8			1,221.8	617.5	1,420.0		2,037.5
2	Vehicle and Plant Projects	1,132.7			1,132.7	1,132.7	1,275.0		2,407.7
3	IT Equipment Projects	196.1			196.1	212.6	93.0		305.6
Total AMP Capital Programme		2,550.6	0.0	0.0	2,550.6	1,962.8	2,788.0	0.0	4,750.8

COMMUNITY & LEISURE
CAPITAL PROGRAMME

ANNEX 2

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
1	Community Asset Fund - New projects 2019/20	250.0			250.0	250.0			250.0
1A	Community Asset Fund - O/s projects	233.6			233.6	233.6			233.6
2	MUGA/Play Areas Picket Twenty	18.1			18.1				0.0
3	RSC Skate Park	172.5			172.5	172.5			172.5
4	Knightwood Skate Park	10.5			10.5	10.5			10.5
5	Andover War Memorial	19.3			19.3	19.3			19.3
6	East Anton Public Art	26.5			26.5	26.5			26.5
7	Charlton Lakes Footpath	2.0			2.0	2.0			2.0
8	Town Mill River Improvements	70.0			70.0				0.0
9	Upgrade War Memorial Park Play area	3.1			3.1	3.1			3.1
10	Leisure Contract	2,460.9			2,460.9	2,460.9			2,460.9
11	Fitness Equipment - Valley Park	20.0			20.0	20.0			20.0
12	Play Areas - Jubilee Park, Nursling	69.8			69.8	69.8			69.8
13	Fishlake Meadows	170.5			170.5	170.5			170.5
14	Public Art - Adanac Park	29.7			29.7	29.7			29.7
15	Ganger Farm - Sports & Recreation	635.5			635.5	635.5			635.5
16	Fitness Trail - Romsey	45.0			45.0	35.0			35.0
17	Boundary fencing & hedging - land purchase	53.6			53.6	53.6			53.6
18	Picket Twenty - Pavilion/pitch changes	100.0	1,300.0		1,400.0		1,400.0		1,400.0
19	Picket Twenty - Phase 4 play area	130.0			130.0		148.1		148.1
20	SANG - Sherfield English	180.0			180.0	80.0	100.0		180.0
21	King Somborne Community Building Contribution					95.0			95.0
23	Land Protection					54.5			54.5
24	Ampfield Recreation Ground					55.6			55.6
Total Approved Projects		4,700.6	1,300.0	0.0	6,000.6	4,477.6	1,648.1	0.0	6,125.7
Community Asset Fund Projects - yet to be identified			250.0		250.0		250.0	250.0	500.0
Total C&L Capital Programme		4,700.6	1,550.0	0.0	6,250.6	4,477.6	1,898.1	250.0	6,625.7

Test Valley Borough Council - Council - 20 November 2019

PROPERTY AND ASSET MANAGEMENT SERVICE
CAPITAL PROGRAMME

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
1	Hampshire Community Bank	125.0	125.0		250.0	125.0	125.0		250.0
2	Pocket Park, Town Mill Access & Environmental Enhancement	132.3			132.3	1,250.0			1,250.0
3	Romsey Flood Alleviation Scheme	235.0			235.0	235.0			235.0
4	Generator - Business Continuity	40.0			40.0	40.0			40.0
5	Footpath link - Smannell to Augusta	164.0			164.0	164.0			164.0
6	Strategic purchase	447.2			447.2	447.2			447.2
7	Purchase Chantry Centre					71.5			71.5
8	Chantry Centre Toilet Refurbishment					173.0			173.0
8	High St, Retail Units	1,550.0			1,550.0	1,549.0			1,549.0
9	New Car Park Ticket machines					179.1			179.1
10	Southampton Rd, Pedestrian & Cycle Route						270.0		270.0
11	Botley Rd, informal crossing point					35.0			35.0
Total Estates Capital Programme		2,693.5	125.0	0.0	2,818.5	4,268.8	395.0	0.0	4,663.8

PROJECT ENTERPRISE
CAPITAL PROGRAMME

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
1	Columbus Quarter	1,906.9			1,906.9	1,000.0			1,000.0
2	Solar Panels Ganger Farm Pavilion	60.0			60.0	60.0			60.0
3	Property 14 - Galahad Close	202.5			202.5	181.1			181.1
4	Investment Property 15					186.0			186.0
5	Investment Property 16					195.6			195.6
Total Approved Projects		2,169.4	0.0	0.0	2,169.4	1,622.7	0.0	0.0	1,622.7
	Purchase of Investment properties - yet to be identified	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0	3,000.0	9,000.0
Total Estates Capital Programme		5,169.4	3,000.0	0.0	8,169.4	4,622.7	3,000.0	3,000.0	10,622.7

HOUSING & ENVIRONMENTAL HEALTH SERVICE
CAPITAL PROGRAMME

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
1	Renovations and Minor Works Grants	100.0			100.0	50.0	100.0		150.0
2	Disabled Facilities Grants/Loans	850.0			850.0	750.0	850.0		1,600.0
Total H & EH Capital Programme		950.0	0.0	0.0	950.0	800.0	950.0	0.0	1,750.0

INFORMATION TECHNOLOGY SERVICE
CAPITAL PROGRAMME

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
1	Sharepoint Server	9.3			9.3	9.3			9.3
Total IT Capital Programme		9.3	0.0	0.0	9.3	9.3	0.0	0.0	9.3

**AFFORDABLE HOUSING
CAPITAL PROGRAMME**

Ref	Scheme	Outturn 2018/19				November 2019			
		2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £000
	<u>Testway Covenant</u>								
1	Nightingale Lodge	810.0	810.0		1,620.0	810.0	810.0		1,620.0
2	Registered providers	300.0	300.0		600.0	300.0	300.0	300.0	900.0
Total Affordable Housing Capital Programme		1,110.0	1,110.0	0.0	2,220.0	1,110.0	1,110.0	300.0	2,520.0

Slippage 19/20	November 2019	Total
Community & Leisure		
Picket Twenty Play areas	148.1	148.1
Picket Twenty Pavilion/Pitch changes	100.0	100.0
SANG, Sherfield English	100.0	100.0
		348.1
Total Slippage		348.1

8.2.3.2 - Report to Cabinet – 6 November 2019

Asset Management Plan Update

Report of the Finance Portfolio Holder

Recommended:

- 1. That the revised 2019/20 and original 2020/21 Asset Management Plan, as shown in annexes 1 and 2, be approved.**
- 2. That the Head of Finance, after consultation with the Finance Portfolio holder and Head of Service responsible for any project, be authorised to amend the Asset Management Plan during the year, as discussed in paragraph 7.3.**

Recommendation to Council

SUMMARY:

- The report provides an update on the approved 2019/20 Asset Management Plan (AMP) and recommends the projects to be included in the 2020/21 budget.
- It provides an update on the financing of AMP projects, including a forecast of the balance on the Asset Management Reserve at 31 March 2021.

1 Introduction

- 1.1 The Council's Asset Management Strategy details the Council's approach to identifying the assets it is responsible for maintaining and the methods used in prioritising necessary works to ensure assets remain operationally effective.
- 1.2 Since the approval of the strategy, the Council's approach has been to review annually its asset management requirement for the forthcoming financial year and report on that as a part of the budget setting process.
- 1.3 This report provides an update on the current year's progress; explains reasons for variations from the approved plan and proposes an Asset Management Plan (AMP) for 2020/21.

2 Background

- 2.1 The Council's approach to Asset Management has developed with the experience gained over the past eight years since the approval of the Asset Management Strategy.
- 2.2 The Council is responsible for the ongoing maintenance and replacement of a wide range of operational assets with an estimated value of £96M. In order to make the AMP more manageable, it is split into three categories. The categories are:

- Land and Buildings
- Vehicles and Plant
- IT infrastructure

- 2.3 Condition surveys are carried out on all land and buildings on a rolling five year cycle. The results of the surveys are used to allocate each building into a priority category for works to be undertaken. This, combined with a review of how long the Council expects to retain individual properties, informs the development of the land and buildings' element of the AMP.
- 2.4 All vehicles and plant are regularly serviced by the Council's internal vehicle workshop. The effectiveness of all vehicles is monitored as part of the servicing programme. Among other things, this includes identifying where vehicles' workloads are different to that expected which may alter the timing of their replacement and identifying vehicles with higher / lower than expected servicing costs. Service users also keep the number of vehicles / items of plant required to deliver services under regular review.
- 2.5 The IT Service has a register of all hardware and major software systems used by the Council with profiles of their expected useful lives. From this it is possible to plan when IT infrastructure will need to be replaced. For hardware this tends to be between once every three to five years whereas software packages tend to last longer.

3 Corporate Objectives and Priorities

- 3.1 In order to deliver the key priorities identified in the Corporate Plan it is essential that the Council's underlying asset base is sufficiently maintained to be fit for purpose.
- 3.2 The Council has a significant land and property holding generating income that is a key part of the Council's revenue budget. Maintaining and improving this income stream will be a significant factor in the Council's financial strategy in the future and this has a clear link to the maintenance of the land and property assets themselves.

4 Consultations/Communications

- 4.1 Relevant Heads of Service have been consulted with regard to the investment required to maintain those assets for which they are responsible.

5 2019/20 AMP update

Land and Buildings

- 5.1 Expenditure to the end of October shows works to the value of £423k have been committed or completed against an original budget for the year of £2.525M.
- 5.2 Two projects at Portway Depot for external cladding and fire safety

improvements have been taken out of the programme as they have been superseded by a new project which has been included in the 2020 budget. A project at the Lights has also been removed. The total value of the three projects removed is £250,000. These are shown in Annex 1a.

- 5.3 Three projects at Beech Hurst will now not be undertaken in 2019/20 and carried forward to 2020/21. This is due to the need for further reviews and the requirement for a specialist resource. Works to the Guildhall are being carried forward as the tender was unsuccessful and will be repackaged and re-tendered in 2020/21. Stage 1 of the specialist works to the boundary wall at St Mary's Churchyard has been completed, but stage 2 is to be carried forward. The total value of items to be carried forward is £725,000 and is shown in Annex 1a and cross referenced in Annex 2a.
- 5.4 Taking into account these adjustments, the AMP requirement for the year is now expected to be £975,000 less than originally estimated at £1.55M as shown in Annex 1a.

Vehicles and Plant

- 5.5 The total requirement for 2019/20 was originally set at £1.315M against which actual spend and commitments at the end of October are £680,000.
- 5.6 Two additional vehicles for glass collection have been added to the budget during the year increasing the budget to £1.401M.
- 5.7 A breakdown of the costs related to the 2019/20 AMP are shown in Annex 1b.

IT Infrastructure

- 5.8 Completed and committed expenditure for the year to October is £184,000 against an original estimate of £335,000.
- 5.9 There have been some changes to the proposed project budgets during the year. The SAN upgrade and the Multi Functional Devices have both increased and the Sophos upgrade budget is no longer required.
- 5.10 Taking into account the changes above, the requirement for 2019/20 is now estimated to be £352,000.
- 5.11 A breakdown of the costs related to the 2019/20 AMP are shown in Annex 1c.

6 2020/21 AMP programme

Land and Buildings

- 6.1 The land and buildings' element of the AMP is managed across two Services; Property & Asset Management and Community & Leisure.
- 6.2 The recommended budget in 2020/21 is £2.428M (including £725,000 brought

forward from 2019/20).

- 6.3 It is recommended that the works for the Playgrounds at a total cost of £85,000 be funded from the New Homes Bonus as these are projects that will benefit the community.
- 6.4 A summary of the items included in the AMP for 2020/21 is shown in Annex 2a.

Vehicles and Plant

- 6.5 The recommended budget for replacement of vehicles and plant in 2020/21 is £1.418M. A summary of the items included in the AMP for 2020/21 is shown in Annex 2b.

IT Infrastructure

- 6.6 The IT AMP requirement 2020/21 is £226,000. A breakdown of the costs is shown in Annex 2c.

7 Options

- 7.1 There are many possible ways of prioritising the individual assets that require maintenance and the extent to which work is carried out.
- 7.2 The amounts included in the annexes and recommended for inclusion in the AMP are based on the professional advice of officers from the Services concerned in the operation and management of the Council's assets.
- 7.3 If, during the year, it becomes apparent that items need to be added to the AMP as a result of unexpected deterioration of an asset or for operational expediency it is recommended that the Head of Finance, after consultation with the Finance Portfolio Holder and the Head of Service responsible for the item, be authorised to procure such works as are necessary from the AMP reserve (see paragraph 9.5) to the extent that the reserve has funds available. It may also be the case that there are good reasons for approved projects to be temporarily deferred and Heads of Service should also have the capacity to postpone items where they consider it appropriate. Any such approvals will be agreed with the Finance Portfolio Holder and reported to Cabinet as part of the following AMP update.

8 Risk Management

- 8.1 A risk assessment has been completed in accordance with the Council's Risk management process and has identified the following significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.
- 8.2 There is a risk that the projects included in the AMP will not be delivered as scheduled leading to assets falling into disrepair. This will be monitored by

regular progress reviews of the AMP by responsible officers and update reports to Cabinet.

- 8.3 There is a risk that there will be insufficient funds available to meet AMP requirements. The current level of the AMP reserve is just sufficient to fund the programme included in this report; however, there continues to be the need to seek sustainable funding for the AMP.
- 8.4 There is a risk of claims resulting from loss or injury caused by / contributed to as a result of poorly maintained Council owned property. This will be monitored by regular progress reviews of the AMP by responsible officers and update reports to Cabinet.

9 Resource Implications

- 9.1 The projected costs of the AMP in 2019/20 and 2020/21 are discussed in sections five and six above and are shown in more detail in annexes 1 and 2. All these costs will be met from a specific reserve created to fund asset management costs.

Financing the AMP

- 9.2 It is not practical to build a base budget for AMP costs against individual services due to the highly changeable requirement from year to year. The Council's approach to funding the AMP is to hold an earmarked reserve that is allocated each year to budgets where expenditure is to be incurred.
- 9.3 The AMP is mainly funded in two ways.
- An annual contribution from the revenue budget. This contribution is currently £1.217M per annum.
 - Where the Council has a revenue variance at the end of the year an element of this can be used to top-up the reserve. However, this option cannot be relied upon as a sustainable source of funding.
- 9.4 There is additional pressure on the AMP reserve in 2020/21, and the Medium Term Financial Strategy 2020/21 – 2022/23 (reported to Cabinet elsewhere on this agenda) recommends an additional contribution to the reserve of £1M in the year.
- 9.5 At 31 March 2019 the Council's AMP reserve balance stood at £2.954M. The forecast movement in the reserve up to 31 March 2021 is shown in the table below.

	£'000
Asset Management Reserves at 31 March 2019	2,954
Transfer from revenue budget – 2019/20	2,117

Transfer from revenue budget – 2020/21	2,217
Contribution from New Homes Bonus	400
Sale of vehicles replaced as part of 2018/19 & 2019/20 AMP	81
Land and Buildings Requirement 2019/20 – annex 1a	(1,550)
Vehicle and Plant Requirement 2019/20 – annex 1b	(1,401)
IT Infrastructure Requirement 2019/20 – annex 1c	(352)
Land and Buildings Requirement 2020/21 – annex 2a	(2,428)
Vehicle and Plant Requirement 2020/21 – annex 2b	(1,418)
IT Infrastructure Requirement 2020/21 – annex 2c	(226)
Asset Management Reserves at 31 March 2021	394

- 9.6 The proposed AMP items comprise both revenue and capital expenditure. Expenditure is classified as capital when the total cost is over £10,000 and it is for the purchase of a new asset, materially lengthens the useful life of an existing asset or adds value to the asset being modified. All other expenditure on the routine maintenance and repair of assets will be treated as revenue expenditure. Once approved, the costs of the AMP will be kept in the Asset Management Reserve and drawn down as and when required.

10 Legal Implications

- 10.1 Those tenants occupying Council owned properties for which the Council is responsible for maintenance could, in the event of their property falling into disrepair, take action against the Council as their landlord. This is covered in the risk assessment (paragraph 8.4).

11 Climate Change Implications

- 11.1 The Council is in the process of setting up a number of Climate Change Work Streams in response to the Council Motion on 4 September 2019, “That the Council declares a ‘Climate Emergency’ and commits to investigating clear and effective options to become a carbon-neutral organisation.”

Three of these Work Streams are relevant to the Asset Management Plan:

- Premises and Asset Management – to review the management of the Council’s premises and assets to identify areas where we can reduce energy demand, improve energy efficiency and convert to renewable, low or zero carbon technologies for energy and heat needs;
- Transport, Fleet and Plant – to bring forward measures to improve the fuel efficiency and move towards lower emission fuel sources;

- c) Digital and smart working – to investigate how the Council can make best use of available technology and how this could help change the way the Council does business.

11.2 The Property & Asset Management Service do and will continue to explore all options when upgrading or replacing property assets. Part of this exploration will always include a review of alternative technologies and solutions.

11.3 A regular assessment of alternative technologies is always undertaken in relation to the procurement of replacement vehicles and plant. Environmental Service has deployed a number of electric vans in recent years and other technologies are emerging, particularly around grounds maintenance functions, where electrically powered plant and hand held equipment is gradually coming onto the market. For larger vehicles the alternative technology is not in place. However, all new vehicles meet the required low emissions standards at the time of purchase.

12 Equality Issues

12.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination or negative impact has been identified, therefore a full EQIA has not been carried out.

13 Other Issues

13.1 There are no other issues.

14 Conclusion and reasons for recommendation

14.1 All Council land, vehicle and IT assets have been reviewed to ensure that those included on the draft programme are the most appropriate at this time.

14.2 For this reason it is recommended that the items shown in annex 1 are included in the revised AMP for 2019/20 and the items shown in annex 2 are included in the AMP for 2020/21.

14.3 Asset management needs to have flexibility due to the difficulty of knowing exactly when an item will need repair or replacement. In order to ensure that operational efficiency is not impaired it is recommended that controlled safeguards are built in to the financing of the AMP to ensure that unforeseen works can be undertaken without undue delay.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>
None
<u>Confidentiality</u>
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	6 November 2019

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2019/20

<u>Property Name</u>	<u>2019/20 Budget</u>	<u>Budget Changes</u>	<u>Actual Spend to Date</u>	<u>Carry Forward to 2020/21</u>	<u>Budget Remaining</u>
£	£		£		£
<u>Property & Asset Management</u>					
18 Market Place	25,000		13,741		11,259
Andover Bus Station	1,306		1,296		10
Beech Hurst	669,625	(795)	39,797	(530,000)	99,033
Broadwater Road	8,739	7,360	17,089		(990)
Crosfield Hall	4,210		1,001		3,209
Former Magistrates Court, Romsey	1,000	795	1,795		0
Guildhall	215,993		4,500	(116,393)	95,100
The Lights	72,649	(30,000)	7,410		35,239
Portway Depot	163,376	(70,000)	8,972		84,404
Romsey Heritage Centre and Tourist Info Cen	60,000		41,656		18,344
St Mary's Churchyard	59,937		26,241	(33,696)	0
Various sites - surveys	98,803		0	(45,000)	53,803
Walworth Enterprise Centre	43,783	(7,360)	9,704		26,719
Total Property & Asset Management	1,424,421	(100,000)	173,202	(725,089)	426,130
<u>Community & Leisure</u>					
Cemeteries / Memorials	13,118		510		12,608
Green Spaces	298,307		35,312		262,995
The Lights	20,000		6,427		13,573
Playgrounds	315,028		85,446		229,582
Sports Facilities	153,089		86,618		66,471
Total Community & Leisure	799,542	0	214,313	0	585,229
<u>Scheduling to be agreed:</u>					
<u>Property & Asset Management</u>					
Hunts Farm	10,000		10,398		(398)
Portway Depot	150,000	(150,000)	0		0
Total Property & Asset Management	160,000	(150,000)	10,398	0	(398)
<u>Community & Leisure</u>					
Cemeteries / Memorials	20,000		0		20,000
Green Spaces	82,000		25,000		57,000
Sports Facilities	38,800		0		38,800
Total Community & Leisure	140,800	0	25,000	0	115,800
Total Land & Buildings Requirement for 2019/20	2,524,763	(250,000)	422,913	(725,089)	1,126,761

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2019/20

<u>Unit</u>	<u>Type of Asset</u>	<u>2019/20 Budget</u>	<u>Budget Changes</u>	<u>Actual Spend to Date</u>	<u>On Order</u>	<u>Budget Remaining</u>
		£	£	£	£	£
Grounds Maintenance	Chipper	10,000				10,000
Grounds Maintenance	Tractor	13,500				13,500
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Pest Control	Van	13,000				13,000
Pest Control	Van	13,000				13,000
Grounds Maintenance	Van	23,000				23,000
Grounds Maintenance	Van	23,000				23,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Tipper	27,000				27,000
Grounds Maintenance	Specialist Equipment	2,500				2,500
Street Cleansing	Sweeper	131,000	1,525		132,663	(138)
Grounds Maintenance	Rotary Mower	5,000				5,000
Grounds Maintenance	Rotary Mower	5,000				5,000
Grounds Maintenance	Excavator	19,000				19,000
Grounds Maintenance	Cylinder Mower	3,600				3,600
Vehicle Workshop	Van	13,000				13,000
Street Cleansing	Van	13,500				13,500
Grounds Maintenance	Rotary Mower	5,900				5,900
Grounds Maintenance	Rotary Mower	5,900				5,900
Grounds Maintenance	Rotary Mower	5,900				5,900
Grounds Maintenance	Rotary Mower	16,000				16,000
Waste Collection	Truck	67,000				67,000
Waste Collection	Van	38,000				38,000
Waste Collection	Glass Collection Vehicle	0	52,700	52,700		0
Waste Collection	Glass Collection Vehicle	0	33,695	33,695		0
Portway Depot	Specialist Equipment	10,000				10,000
Grounds Maintenance	Specialist Equipment	3,500				3,500
Street Cleansing	Trailer	6,364				6,364
Grounds Maintenance	Trailer	3,500				3,500
Street Cleansing	Trailer	2,500				2,500
Grounds Maintenance	Trailer	3,200				3,200
Grounds Maintenance	Trailer	3,500				3,500
Building Maintenance	Washer	15,000				15,000
Grounds Maintenance	Rotary Mower	4,700				4,700
Vehicle Workshop	Specialist Equipment	5,003				5,003
Vehicle Workshop	Specialist Equipment	50,000				50,000
Grounds Maintenance	Tipper	30,510		30,510		0
Grounds Maintenance	Tipper	30,510		30,510		0
Street Cleansing	Tipper	27,180	(306)	26,874		0
Street Cleansing	Tipper	27,179	(305)	26,874		0

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2019/20

<u>Unit</u>	<u>Type of Asset</u>	<u>2019/20 Budget</u>	<u>Budget Changes</u>	<u>Actual Spend to Date</u>	<u>On Order</u>	<u>Budget Remaining</u>
		£	£	£	£	£
Street Cleansing	Tipper	27,179	(305)	26,874		0
Grounds Maintenance	Tipper	30,510		30,510		0
Grounds Maintenance	Tipper	30,510		30,510		0
Building Maintenance	Van	25,295	(305)	24,990		0
Building Maintenance	Van	30,539		30,539		0
Building Maintenance	Van	19,638	(305)	19,333		0
Building Maintenance	Van	23,878		23,878		0
Grounds Maintenance	Flail Mower	16,250		16,250		0
Grounds Maintenance	Flail Mower	16,450		16,450		0
Grounds Maintenance	Trailer	12,000		12,000		0
Grounds Maintenance	Tipper	28,960		28,960		0
Grounds Maintenance	Mower	16,450		16,450		0
Grounds Maintenance	Trailer	1,450		1,450		0
Grounds Maintenance	Trailer	2,695		2,695		0
Grounds Maintenance	Mower	4,450		4,450		0
Grounds Maintenance	Trailer	1,775		1,775		0
Grounds Maintenance	Mower	16,650		16,650		0
Grounds Maintenance	Trailer	12,000		12,000		0
Vehicle Workshop	Specialist Equipment	5,500				5,500
Vehicle Workshop	Vehicle Maintenance	100,000		30,000		70,000
Total Vehicles & Plant Requirement 2019/20		1,314,625	86,395	546,928	132,663	721,429

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2019/20

<u>Description</u>	<u>2019/20 Budget</u>	<u>Budget Changes</u>	<u>Actual Spend to Date</u>	<u>Budget Remaining</u>
	£			
Laptops, PC, Wyse ,etc...	100,000		6,421	93,579
SAN Upgrade	90,000	10,437	100,437	0
Cabling / Networking	6,000			6,000
Sophos Upgrade	15,000	(15,000)		0
IDOX Upgrade	15,000		10,260	4,740
Other migrations	15,000			15,000
C Series Bottomline Upgrade	15,000		5,000	10,000
CCTV	8,000			8,000
Operating Software	10,000			10,000
Backup Hardware/Technology	15,000			15,000
Citrix upgrade	5,126			5,126
Multi Functional Devices	41,000	21,076	62,076	0
Total IT Infrastructure requirement 2019/20	335,126	16,513	184,194	167,445

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2020/21

<u>Property Name</u>	<u>Estimated Cost</u> £	<u>Brought Forward from 19/20</u> £	<u>2020/21 Budget</u> £
<u>Property & Asset Management</u>			
Bus Shelters	5,000		5,000
Beech Hurst	345,000	530,000	875,000
Botley Road	17,000		17,000
Charlton Sports Centre	10,000		10,000
Churchill Road Bungalow	5,000		5,000
Crosfield Hall	20,000		20,000
Guildhall	15,000	116,393	131,393
London Road Sports Pavilion	1,000		1,000
Portway Depot	215,000		215,000
St Mary's Churchyard	6,304	33,696	40,000
Union Street	5,000		5,000
Various car parks	19,000		19,000
Various - Management Information System	5,000		5,000
Various sites - surveys		45,000	45,000
Walworth Enterprise Centre	40,000		40,000
Youth in Romsey	5,000		5,000
Total Property & Asset Management	713,304	725,089	1,438,393
<u>Community & Leisure</u>			
Cemeteries / Memorials	7,000		7,000
Green Spaces	539,500		539,500
The Lights	37,500		37,500
Playgrounds	85,000		85,000
Sports Facilities	321,000		321,000
Total Community & Leisure	990,000	0	990,000
Total Land & Buildings Requirement for 2020/21	1,703,304	725,089	2,428,393

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2020/21

<u>Unit</u>	<u>Type of Asset</u>	<u>2020/21</u> <u>Budget</u>
		£
Grounds Maintenance	Rotary Mower	7,800
Grounds Maintenance	Cylinder Mower	4,000
Grounds Maintenance	Rotary Mower	18,500
Grounds Maintenance	Rotary Mower	18,500
Grounds Maintenance	Rotary Mower	18,500
Grounds Maintenance	Cylinder Mower	32,000
Grounds Maintenance	Cylinder Mower	32,000
Grounds Maintenance	Specialist Equipment	1,900
Grounds Maintenance	Rotary Mower	26,000
Grounds Maintenance	Specialist Equipment	2,500
Grounds Maintenance	Tipper	30,000
Grounds Maintenance	Tipper	30,000
Grounds Maintenance	Tipper	30,000
Grounds Maintenance	Tipper	30,000
Grounds Maintenance	Tipper	30,000
Street Cleansing	Tipper	36,000
Street Cleansing	Tipper	36,000
Street Cleansing	Tipper	36,000
Waste Collection	Tipper	40,000
Waste Collection	Tipper	40,000
Grounds Maintenance	Trailer	1,500
Grounds Maintenance	Trailer	3,200
Grounds Maintenance	Trailer	3,200
Grounds Maintenance	Chipper	15,000
Grounds Maintenance	Van	18,500
Grounds Maintenance	Van	19,000
Street Cleansing	Tipper	32,000
Street Cleansing	Tipper	32,000
Street Cleansing	Tipper	32,000
Street Cleansing	Tipper	32,000
Street Cleansing	Tipper	32,000
Street Cleansing	Tipper	32,000
Vehicle Workshop	Van	28,000
Waste Collection	Refuse Vehicle	163,000
Waste Collection	Refuse Vehicle	163,000
Waste Collection	Refuse Vehicle	163,000
Grounds Maintenance	Specialist Equipment	6,700
Grounds Maintenance	Specialist Equipment	6,700
Vehicle Workshop	Specialist Equipment	5,500
Vehicle Workshop	Specialist Equipment	10,000
Vehicle Workshop	Fleet Management System	20,000
Vehicle Workshop	Vehicle Maintenance	100,000
Total Vehicles & Plant Requirement 2020/21		1,418,000

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2020/21

<u>Description</u>	<u>2020/21</u> <u>Budget</u>
	£
Laptops, PC, Wyse ,etc...	70,000
Network Refresh Project	75,000
Citrix upgrade	10,000
IDOX Upgrade	10,000
Capita upgrade	20,000
WUG project	18,000
Apps migrations projects	15,000
CCTV	8,000
Total IT Infrastructure requirement 2020/21	226,000

8.2.3.3 - Report to Cabinet – 6 November 2019

Community Infrastructure Levy (CIL) – Allocation of CIL funds

Report of the Planning Portfolio Holder

Recommended:

1. That the following projects are approved for CIL funding:

- **Plaza Theatre Stage House Rebuild – £200,000**
- **Longparish Playground Redevelopment – £40,000**
- **Access Improvements at Charlton Lakes – £100,355**
- **Ampfield Recreation Ground – £66,432**
- **Valley Park Community Centre – £79,525**
- **Over Wallop War Memorial – £19,970**
- **Braishfield Village Hall – £95,813**
- **Hurstbourne Tarrant Flood Alleviation Scheme – £5,400**

Recommendation to Council

SUMMARY:

- The report sets out a summary of the bids received during 2019, an evaluation of each project, and
- Funding recommendations made for each project

1 Introduction

- 1.1 The report outlines all 9 projects that were submitted during the second round of the CIL bidding process and the resultant funding recommendations
- 1.2 The report includes a brief description of each project, a percentage score against the Spending Protocol scoring criteria and a funding recommendation.
- 1.3 There is currently £1,191,705 in the main infrastructure pot.

2 Background

- 2.1 The CIL Spending Protocol and scoring methodology was adopted by Council on the 8 November 2017.
- 2.2 This second round of CIL bidding ran between 1 April and 30 June 2019.

- 2.3 The following paragraphs outline each project and provide a recommendation for funding based on the approved scoring methodology.
- 2.4 The approved Bid Assessment document is attached at Annex 1 of the report. This is made up of 10 questions with a maximum score of 120 points. An average percentage score is presented below alongside a funding recommendation.
- 2.5 All bids are assessed against the same criteria meaning that a scheme with a total cost of £15,000 will be scored in the same way as a scheme with a total cost of £15,000,000.
- 2.6 Smaller schemes are likely to score lower as the level of detail required for the project is not as significant as a large scheme. This means that the threshold for recommendation reduces along with total project cost.

3 Funding Recommendations

3.1 Project 1 – Plaza Theatre Stage House Rebuild

Lead Organisation – Romsey Amateur Operatic and Dramatic Society

Description – Extension of the stage house upwards to reach the same height as the majority of the building to allow the installation of a lighting grid, rewiring and equipment upgrade.

Evaluation of project – A robust project that scored well across all questions and provides an enhanced facility to the people of Romsey and surrounding areas. Detailed risk analysis has been carried out and a large proportion of funding has already been secured.

Average Score – 60%

Recommendation – That Cabinet approve the release of £200,000 towards the Plaza Theatre Stage House Rebuild project.

3.2 Project 2 – Longparish Playground Redevelopment

Lead Organisation – Longparish Parish Council

Description – A complete redesign of the playground to provide up to date equipment and a safe play environment for under 12's in the village.

Evaluation of project – Evidence of need was detailed and to a high standard. Consultation was detailed and showed great support from the local community. The project will have a large impact on intended users and addresses evidenced safety issues caused by outdated play equipment.

Average Score – 55%

Recommendation – That Cabinet approve the release of £40,000 towards the Longparish Playground Redevelopment project.

3.3 **Project 3 – Access Improvements at Charlton Lakes**

Lead Organisation – Test Valley Borough Council

Description – Improvements to pedestrian and cycle links to Charlton Lakes. Specifically delivering a new bridge access across the River Anton located off Foxcotte Road and a 230 metre paved foot/cycleway to the site.

Evaluation of project – The project provides enhanced pedestrian and cycle links to a key area of open space. Detailed consultation showed overwhelming community support and that all communities would benefit from the improved accessibility of the site.

Average Score – 54%

Recommendation – That Cabinet approve the release of £100,355 towards access improvements at Charlton Lakes.

3.4 **Project 4 – Ampfield Recreation Ground**

Lead Organisation – Ampfield Parish Council

Description – Demolition of disused changing room facility and the provision of car parking at Ampfield Recreation Ground. Relocation of play area and provision of new equipment for improved health and safety.

Evaluation of project – The project enables all areas of the local community to benefit from a key area of open space. A wide range of funding sources have been utilised to ensure a reduced reliance on CIL and provide greater certainty of delivery. A number of evidenced accessibility and health and safety issues have been addressed by the project.

Average Score – 53%

Recommendation – That Cabinet approve the release of £66,432 towards the Ampfield Recreation Ground project.

3.5 **Project 5 – Valley Park Community Centre**

Lead Organisation – Valley Park Community Association

Description – Revised layout and modernisation of Valley Park Community Centre. Including accessibility improvements and the creation of a second large hall space.

Evaluation of project – A high level of consultation was conducted and shows largescale community support. The wider project will bring a number of benefits to the local community by providing an improved flexible multi-use facility. All areas of the community will benefit as evidenced by the variety of groups that use the existing facility. Many more have expressed an interest in using the increased capacity that the project will bring.

Average Score – 52%

Recommendation – That Cabinet approve the release of £79,525 towards the Valley Park Community Centre project.

3.6 **Project 6 – Over Wallop War Memorial**

Lead Organisation – Over Wallop Parish Council

Description – Works to provide protection for Over Wallop War Memorial including carriage blocks and improved hardstanding.

Evaluation of project – A strong evidence of need was provided for this project. The protection of this heritage asset was wholeheartedly supported by the local community in the consultation documents. The project is minimally reliant on CIL funding with a wide variety of other funding sources utilised including the Community Asset Fund and Over Wallop Parish Council themselves.

Average Score – 51%

Recommendation – That Cabinet approve the release of £19,970 towards the Over Wallop War Memorial project.

3.7 **Project 7 – Braishfield Village Hall**

Lead Organisation – Braishfield Parish Council

Description – Phase 4 and 5 of the programme of works being conducted at Braishfield Village Hall including a new store room and upgraded kitchen for the Braishfield Pantry.

Evaluation of project – Strong evidence of need with a large amount of community support. A wide variety of community benefits that will enhance this asset.

Average Score – 50%

Recommendation – That Cabinet approve the release of £95,813 towards the Braishfield Village Hall project.

3.8 **Project 8 – Additional allocation to previously approved bid – Hurstbourne Tarrant Flood Alleviation Scheme**

Lead Organisation – Hurstbourne Tarrant Parish Council

Additional Amount – £5,400

Reason for allocation – Quotations received after the 2018 submission deadline accounting for works included in the original bid added £5,400 to the total cost of the scheme. These works were approved by Cabinet in December 2018. Officers considered the quotes and have supported the additional funding required to deliver the full scheme of works approved in 2018.

Recommendation – That Cabinet approve the release of £5,400 towards the previously approved Hurstbourne Tarrant Flood Alleviation Scheme.

3.9 **Project 9 – Accessibility and Local Rights of Way in Hurstbourne Tarrant**

Lead Organisation – Hurstbourne Tarrant Parish Council

Description – To improve accessibility to local rights of way and encourage responsible and active use by local people.

Evaluation of project – A lack of supporting documentation restricted the score that the project could receive. No risk analysis or exploration of other funding sources also reduced scores.

Average Score – 38%

Recommendation – Refuse the request for £12,718 for improvements to accessibility and rights of way in Hurstbourne Tarrant. Feedback will be provided to the Parish along with other potential funding sources for this project.

4 **Objectives and Priorities**

- 4.1 This report covers all Corporate Priorities set out in the Corporate Plan 2019 – 2023 as shown below.
- 4.2 Town Centres – The Plaza Theatre is located near Romsey Town Centre. The enhancement of this asset will improve the arts offer within Romsey and help ensure it is an attractive, vibrant and prosperous Town.
- 4.3 Communities – A number of projects are being delivered by Parish Councils and Community Associations. High standard Community and Village Halls ensure that communities are connected and able to build upon their strengths. The Braishfield Pantry is a good example of this.
- 4.4 People – The improved community facilities and green spaces resulting from this funding will help people to live well in Test Valley and fulfil their aspirations.
- 4.5 The Local Environment – The CIL Spending Protocol affords local communities financial support to get their projects off the ground. Community action plans can be moved forward to deal with flooding, improving the green credentials of their area and looking out for those who are most vulnerable as seen in bid.

5 **Consultations/Communications**

- 5.1 There has been no external consultation because the report reflects the outcomes of an approved methodology. Projects listed have gone through various forms of consultation prior to bids being submitted as is required by the assessment criteria.

6 Options

6.1 **Option 1** – Support the recommendations and approve the release of £607,495

6.2 **Option 2** – To refuse/approve projects against the recommendations

7 Option Appraisal

Option 1

7.1 The recommendations are transparent and fair using the criteria approved by Cabinet on the 18 October 2017.

Option 2

6.3 Projects may be approved or refused against the recommendations. Feedback will be given to applicants where a project is refused funding.

8 Risk Management

8.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors.

9 Resource Implications

9.1 The funding for these projects will come from the Council's CIL receipts. No other resources will be used.

10 Legal Implications (Note: Of the chosen option)

9.1 No legal implications for Option 1

11 Equality Issues

11.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

12 Other Issues

12.1 Wards/Communities Affected – The projects listed affect the following communities: Romsey Town, Romsey Extra, Andover Town, Longparish, Charlton, Ampfield, Braishfield, Valley Park and Over Wallop.

13 Conclusion

13.1 Approval is sought to release CIL funds to the following projects:

- Plaza Theatre Stage House Rebuild – £200,000

- Longparish Playground Redevelopment – £40,000
- Access Improvements at Charlton Lakes – £100,355
- Ampfield Recreation Ground – £66,432
- Valley Park Community Centre – £79,525
- Over Wallop War Memorial – £19,970
- Braishfield Village Hall – £95,813
- Hurstbourne Tarrant Flood Alleviation Scheme – £5,400

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Reference the Cabinet report from the 18 October 2017.			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Planning) Councillor N Adams-King			
Officer:	Oliver McCarthy	Ext:	8176
Report to:	Cabinet	Date:	6 November 2019

Community Infrastructure Levy

CIL Bid Assessment

Annex 2



CIL Bid Assessment

Project name:	Applicant :	Project cost:	Band:	Total score: /120
			1: £10 - £50K	Percentage:
			2: £50 - £100K	
			3: £100K+	

This forms purpose is to assess bids for CIL funds and follows on from the CIL Bid Form. The CIL Bid Form obtains initial information, such as whether planning permission is required, about the scheme to progress to the assessment of the CIL bids using the assessment criteria contained within this form.

The purpose of the assessment criteria below is to determine how well the proposed scheme delivers benefits to the residents and businesses of Test Valley.

Question 1 and 2 are designed to reflect the purpose of CIL which is to mitigate and enable development. The score for the first 2 questions are weighted more heavily that the remainder of the questions in the assessment, being scored out of 20. From question 3, each question is scored out of 10. The higher the score the better the proposal has performed against the criteria. Scoring guidance has been provided to assist with scoring each bid against each of the criteria below.

Applicants are asked to address each question under a separate heading to assist with scoring. The more information that is provided in addressing each criteria, the more likely it is that a higher score will be achieved.

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Question 2 Enabling development		How does the proposal demonstrate that it helps bring forward development?								
0	2	4	6	8	10	12	14	16	18	20
Scoring guidance		<p>0 – The project doesn't enable development</p> <p>10 – Evidence that the proposal would attract development. Some evidence that this would have secondary effects such as increasing foot fall to local shops or shortens journey times for pedestrians & cyclists to key destinations</p> <p>20 –Project unlocks sites to enable development or is a catalyst for further development by attracting more people and businesses. May be that the project is required to enable another project to come forward.</p>								

Question 3 Evidence gathering - Engagement with communities and stakeholders		How well does the proposal show that it has captured the ambitions of local and interested communities or organisations about the details of the project through a variety of engagement techniques?								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Limited consultation. No direct contact with stakeholders or end users seeking engagement or feedback (possibly 0 score). Consultation limited to informing local communities of proposal.</p> <p>5 – Some attempt to engage more meaningfully with local communities such as surveys or questionnaires and meetings capturing quantitative data. Analysis of feedback may include minor amendments of a proposal to address consultation responses from local communities (e.g. Parish Plan)</p> <p>10 – Range of consultation techniques used to engage local residents such as workshops, exhibitions, questionnaires. These techniques should be targeted to capture a wide range of stakeholders at different times over a period of time. The scheme should demonstrate how engagement attempted to build consensus amongst interested groups and local communities to meet the identified need and address the issue/deficit</p>								

Question 4 Benefits		What are the direct benefits and are there any potential indirect benefits?								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Limited to a small number of direct benefits (<u>e.g. road crossing – enables pedestrians to cross more safely</u>).</p> <p>5 – Greater number of direct benefits intended to address the issue/deficit identified (e.g. safer crossing, reduces vehicle speeds)</p> <p>10 – Multitude of direct and indirect benefits that fully addresses the issue/deficit that has been identified (e.g. increase the perception of safety, reduce risk of pedestrian injury, encourage walking, reduce obesity)</p>								

Question 5 Breadth of Impact		How many different communities is the proposal likely to benefit? What proportion of those communities will benefit (e.g. all ages or under 12's)? (Communities can be defined by geography or by a common issue/interest).								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		1 – Specific user group. The project generally serves only a specific community or a limited proportion of the community								
		5 – Multiple user groups. Serves a number of communities equally. May only serve a small or limited proportion of these communities.								
		10 – Serves all or a significant number of communities. May extend well beyond communities in the local vicinity (e.g. other villages or towns) and serve a high proportion of each of those communities								

Question 6 Impact of benefits		How do the benefits of the proposal impact upon the intended users? (To address this criteria, see Annex 1 - CIL Bid Form 2 regarding equalities impact assessment.)								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Benefits with limited impact. E.g. the benefits of the proposal would provide an experience that users would enjoy or find desirable but are probably not essential to meet their needs. The proposal may have a negative impact on certain ‘protected’ groups that has not been minimised or eliminated. Users may be able to have their needs met elsewhere should the proposal not be provided</p> <p>5 – Benefits would have a positive effect on users lives. An attempt has been made to address any negative impact the proposal has on users with ‘protected’ characteristics. The needs of all users can be met through alternative means but the proposal is the preferred option to maximise opportunities to improve the quality of their lives.</p> <p>10 – The proposal would have a profound positive effect on users or particular groups of users. Their level of need may be high and the provision of the project may be crucial to better their quality of life. Negative impacts on all users, particularly those with protected characteristics have been full assessed and minimised or eliminated. Users needs cannot be met through an alternative scheme or elsewhere. If the proposal wasn’t provided it may have a negative impact on their lives. Community may not function well without this piece of infrastructure</p>								

Question 7 Negative impacts and mitigation measures		Have any permanent/long term negative impacts of the proposal been considered and how are they proposed to be mitigated? (e.g. cycle link proposed but some loss of hedgerow, new crossing point but loss of a parking space).								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Impacts not considered (0 score). Minimal consideration of impacts but no mitigation proposed.</p> <p>5 – Impacts identified and assessed. Mitigation measures proposed but limited information about how and when they will be delivered.</p> <p>10 – All potential impacts identified and assessed. Full package of mitigation measures proposed which have been costed as part of the scheme. Advice from relevant expertise, where necessary, sought on impacts and mitigation. Programme of works provided setting out how and when mitigation will be integrated and delivered as part of proposed scheme.</p>								

Section 2: Financial viability

Question 8 Funding		What are the options for funding the proposal?								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Proposal is wholly reliant on CIL and no other funding options (e.g. CAF) have been explored (0 score). Securing other funding is reliant on CIL funding being granted (Possible score of 1 or more).</p> <p>5 – Proposal is partly reliant on CIL. Other funding options have been explored. Other funding may have been secured</p> <p>10 – Proposal is partly reliant on CIL and other funding has been secured. Greater weight can be given to well-prepared large scale projects that seek funding but where the amount of CIL reserves available is insufficient. Bid is accompanied by a project plan evidencing how much is needed and why CIL funds are required to be set aside over successive years.</p>								

Question 9 Delivery risks		What measures have been explored to minimise the risk of the project not being delivered?								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>1 – Limited assessment of various risks undertaken. None or few measures to demonstrate that project will be carefully managed, the contractor/supplier is adequately insured, capable of undertaking the project, or able to provide guarantees.</p> <p>5 – Budget management measures explored. Contractor/supplier has delivered a project of this scale and type before and can demonstrate capability. Minimal guarantees offered.</p> <p>10 – Multiple budget management measures secured (e.g. fixed price contract tenders). All approvals and permissions have been secured. Contractor/supplier can provide guarantees and all insurances are in place. All risks against going over budget fully assessed and mitigated.</p>								

Question 10 Sustainability-		How have any ongoing costs been covered?								
0	1	2	3	4	5	6	7	8	9	10
Scoring guidance		<p>0 – Future costs not considered</p> <p>5 – Some future costs covered or may be covered for a limited time (e.g. through guarantees/warranty/certification)</p> <p>10 – No ongoing costs. Ongoing costs covered by another organisation or project may be self-funding</p>								

Question	score	
1	/20	
2	/20	
3	/10	
4	/10	
5	/10	
6	/10	
7	/10	
8	/10	
9	/10	
10	/10	
Total	/120	%

ANNEX

Planning and Building Service

Council Offices
Beech Hurst
Weyhill Road
Andover
Hampshire
SP10 3AJ

Email: planning@testvalley.gov.uk

www.testvalley.gov.uk



TestValleyBC



@TestValleyBC

Exclusion of the Public

Please note that this relates to the confidential report and annex for 8.2.3.4

Recommended:

That, pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the consideration of the following report on the following matters on the grounds that they involve the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, indicated below. The public interest in maintaining the exemption outweighs the public interest in disclosing the information for the reason given below:

Property Matters

Paragraph 3

It is considered that this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of the Council and third parties who are necessarily identified, which information is commercially sensitive and which by its disclosure would have an adverse effect upon the interests of those third parties and the Council as they seek to settle agreed terms of business.