

**Resources and Transformation Overview and Scrutiny Panel – 22  
January 2026**

**Asset Maintenance and Replacement Programme and  
General Fund Capital Programme 2026/27**

Purpose	For Review
Classification	Public
Executive Summary	<p>This report provides the council’s proposed revenue funded Asset Maintenance and Replacement programme (AMR) and General Fund Capital programme for 2026/27 and outline budgets to 2027/28.</p> <p>This includes a £210,000 increase to the overall AMR budget, now totalling £3.1 million (£2.6 million General Fund investment after accounting for a £500,000 allocation to the Housing Revenue Account).</p> <p>The General Fund Capital programme for 2026/27 totals £14.646 million with approximately two thirds (£9.717 million) being financed from external third-party funding.</p>
Recommendation(s)	<p><b>It is recommended that Panel members give feedback on:</b></p> <p><b>1) the schedule of projects as included within the report and summarised via Appendix 1 and 2 for onward consideration by the Cabinet.</b></p> <p><b>2) the proposed Cabinet recommendations as follows:</b></p> <p><b>It is recommended that Cabinet:</b></p> <p><b>a) endorse the schedule of projects, as included within the report and summarised via Appendix 1 and Appendix 2, noting that final approval will come through Council consideration of the 2026/27 budget.</b></p> <p><b>b) notes that this programme commits the Council to expenditure beyond 2026/27 whereby a project commences in</b></p>

	<p><b>2026/27 and extends into future years.</b></p> <p><b>c) recommend to Council that the Vehicle and Plant replacement programme be approved for a 2-year period, covering purchases due in 2026/27 and 2027/28.</b></p>
Reasons for recommendation(s)	<p>To support the council setting an annual balanced budget and presenting how its financial resources are to be allocated and utilised.</p> <p>To ensure the council continues to invest in and maintain its assets in order to carry out its duties and minimise risk.</p>
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
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## **Introduction and background**

1. This report provides the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2026/27 and outline budgets to 2027/28.
2. The December 2025 Medium Term Financial Plan included a revenue budget allowance to cover the AMR programme for 2026/27 of £2.500 million for the General Fund and £390,000 for the HRA (total £2.890 million). The proposals contained in this report have increased the General Fund budget to £2.600 million and the HRA to £500,000 (total £3.100 million). Separately, there is a £610,000 budget relating to waste vehicles following the implementation of the new waste service. This enhances the level of investment previously provided in 2025/26 and there are currently no further planned or approved adjustments to the overall programme budget over the period covered by the current Medium Term Financial Plan.

3. Service Managers were asked to come up with their proposed projects for 2026/27, whilst being realistic in terms of timeframes and deliverability. The programme amounts now being proposed matches the funding allocated, following work by the Capital Board (CB) which prioritised projects to align to the budgets available, with priority given to statutory and health and safety items.
4. The proposed General Fund Capital Programme for 2026/27 totals £14.646 million. Projects are funded by a range of resources, including NFDC reserves (capital reserve and receipts received), various grants, funds and Developer Contributions including the Community Infrastructure Levy (CIL) and external borrowing as required. Full financing detail is covered in the Council's Capital Strategy.
5. The council's Strategic Asset Management Plan (SAMP) was approved in July 2025. The plan allows the Council to set out longer-term goals in respect of its property assets, thereby aligning property to key corporate priorities. The development of the plan also aligns with the recommendations of the Corporate Peer Challenge report (December 2024) and supports the preparedness for Local Government Reorganisation (LGR). Specific activity regarding the proposed £2 million improvements to Public Conveniences are included within this report.

### **Proposed Asset Maintenance and Replacement Programme 2026/27**

6. The summary programme covering 2026/27 – 2028/29 is included as Appendix 1. The budget is monitored at this overall summary level to allow for sufficient flexibility should more urgent projects come to light during the financial year.

#### **Further Information Relating to Projects**

##### Health & Leisure Centres Annual Maintenance Programme £750,000

7. In 2019, the Council commissioned a comprehensive condition survey of its five Leisure Centres, undertaken by an independent specialist. The resulting report set out a 15-year programme of works to maintain the centres at their current standard. This programme is reviewed annually to ensure it remains relevant and informs the required maintenance activities. For 2026/2027 and beyond, the prioritised works schedule will continue to focus on lifecycle replacements and upgrades, including the phased replacement of end-of-life plant with modern, energy-efficient alternatives. All proposed works will be agreed in consultation with

the Strategic Director for Corporate Resources to ensure alignment with corporate priorities and sustainability objectives.

Offices and Commercial Premises £265,000

8. £175,000 is required to replace the roof at Salisbury Road Arcade supporting our tenants and in turn our associated income streams.
9. £50,000 has been provided to repair the Appletree Court East Wing second floor roof and a further £25,000 has been allocated regarding the East Wing Tower Access.
10. £15,000 has been included to allow for an air conditioning upgrade to the server room at Lymington Town Hall to reduce the risk of systems overheating leading to unplanned shutdowns.

ICT Equipment Replacement Programme £190,000

11. The Council has a cyclical replacement programme in place to ensure IT equipment remains fit for purpose. An annual budget of £190,000 is in place throughout the period covered by this Medium Term Financial Plan.

Vehicles & Plant Replacement Programme £1,790,000

12. Members will note that the replacement of Vehicles & Plant (V&P) occurs on both the revenue AMR programme and the Capital Programme. The Council's policy is to capitalise individual items with a value greater than £10,000 and then depreciate these over their estimated useful life. The capital programme therefore includes the cash amount required to purchase the V&P, and the revenue programme includes the depreciation charge. The depreciation charge to revenue then makes a direct contribution towards the capital cost through a charge known as the Minimum Revenue Provision (MRP). The significant capital outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.
13. The 2026/27 programme includes cyclical replacement of 'standard' fleet vehicles and plant. The £1.790 million budget here does not relate to the additional vehicles, or the capitalisation of the containers associated with the roll out of the waste strategy which is shown separately and totals £610,000.

Other

14. £48,000 is proposed to support work across NFDC managed cemeteries to ensure all memorials are safe.

15. In addition to a £15,000 base revenue budget, this AMR budget proposes a £12,500 top-up to the budget for works at Hythe Promenade. This enables the continuation of maintenance works following the conclusion of critical safety work during Phase 1 and will lead to further improvements of the decking to keep it a safe space.
16. The overall AMR programme includes a £45,000 contingency to help managing any unforeseen changes to the items proposed or any urgent emerging items.
17. The programme as outlined above totals £3.100 million. Of this total, approximately £500,000 is rechargeable to the HRA leaving £2.600 million to be funded via the General Fund, in keeping with the amount currently provided for in the MTFP. The recharge to the HRA will be accommodated within the detailed budget planning for 2026/27.

Projects that didn't make it through to the final prioritised AMR programme were as follows:

18. ATC South Wing Toilet Refurbishment deprioritised, but to be potentially funded from Appletree Court works budget contingency, should resources allow following the completion of other schemes.
19. Lymington Town Hall drainage run (£15,000) to be funded from existing revenue maintenance budgets.
20. Salisbury Road Office refurbishments (£70,000) to be funded from the Commercial Property Sinking Fund.

### **Other One-Off Funded Programmes**

21. The Community Grants programme has a maximum budget of £100,000 for one-off capital grant applications for 2026/27. The Panel are aware this is a financial ceiling, and not a target. In 2026/27 the recommendation from the Task and Finish group to the Housing and Communities Overview and Scrutiny Panel was to award grants totalling £97,950.
22. This one-off item will require financial resources, funded by the revenue budget or reserves and will be included on the Medium Term Financial Planning Reports through Cabinet.

### **General Fund Capital Programme 2026/27**

23. The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants,

funds and Developer Contributions including the Community Infrastructure Levy (CIL).

24. The proposed programme for 2026/27 totalling £14.646 million including the outline financing is included as Appendix 2.
25. The project proposals for a 3-year period have been included for overall context. Where a project commences in (or continues into) 2026/27 and spans several financial years, a commitment to start in 2026/27 is a commitment to approve the funding required to complete over the period of the programme. Where a sum is included in future years, it is not requiring approval now but is included for completeness and overall programme context; approval for these items will come at the appropriate point in the budget setting cycle for the year in question. Due to the lead in time of the Vehicles and Plant Acquisition programme, the programme sums for 2026/27 and 2027/28 will be approved now to enable necessary work to commence in the year prior to when the new vehicle and plant will actually be delivered.

### **Further Information Relating to NFDC Funded Projects**

Sustainability and Climate Action (2026/27 £50,000; 2027/28 £50,000; 2028/29 £50,000)

25. This £50,000 allocation is in addition to a £75,000 revenue budget in place to support the Council's sustainability team and maintains its commitment to support the Climate Strategy and action plan throughout the Medium Term Financial Plan.

Strategic Asset Management Plan (SAMP) – Public Conveniences (2026/27 £1,000,000; 2027/28 £1,000,000)

26. Public conveniences form an essential part of the Council's estate, supporting health, accessibility, and visitor experience across the district. Condition surveys undertaken in 2025 revealed a range of significant structural and operational issues across the 23 sites.
27. Four priority locations at Calshot East, Totton Central, Bransgore, and Lymington New Street require full refurbishment due to their critical condition and strategic importance. Targeted improvements will also be delivered across the remaining blocks to ensure compliance with health and safety legislation, building regulations, and the Equality Act 2010.
28. Consequently, the significant investment proposed will bring all sites to a good standard of building integrity and accessibility, while incorporating sustainability enhancements such as LED lighting,

water-saving fixtures, improved insulation, and maintenance of existing solar PV installations where feasible.

29. Works will be phased through 2026/27 and 2027/28.
30. The programme will deliver full statutory compliance, improved accessibility, and enhanced visitor experience, alongside positive environmental impacts and reduced lifecycle costs such as maintenance. These works will create a lasting legacy of resilient, future-proofed facilities for our residents and visitors.

Vehicles & Plant (2026/27 £2.947 million; 2027/28 £1.012 million; 2028/29 £3,458,000)

31. The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

Eling Tide Mill - Major Works (2026/27 £250,000; 2027/28 £500,000)

32. A phased investment of £750,000 is planned to deliver essential improvements to Eling Tide Mill, following consultant feasibility work completed in 2024 and 2025. While previous interventions have addressed mechanical elements such as sluice gates, the undercroft beams and the wheel mechanism, this programme will focus on the building fabric, including repairs to roofing, windows, and flooring to ensure structural integrity and protect the historic asset. These works are critical to prevent further deterioration, maintain safety, and preserve the mill's heritage value. In addition, the Council will consult with Totton and Eling Town Council to identify any additional priorities at the site that fall outside the initial scope but are deemed vital for overall site preservation and community benefit.

Marsh Lane Depot improvements including Electrical Supply (2026/27 £500,000)

33. The 2026/27 Capital Programme includes £500,000 for targeted improvements at Marsh Lane Depot. The focus will be on delivering high-impact, cost-effective interventions to enhance welfare facilities and overall accommodation standards for staff. Alongside upgrades to communal and hygiene areas, the project will review the capacity of existing office accommodation to determine whether certain buildings can be refurbished to provide modern, functional workspace. This approach supports better utilisation of assets and improved working conditions. In addition, a comprehensive storage audit across the site is planned to identify opportunities for rationalisation and efficiency gains. A significant priority will be the

installation of a new 1500kVA substation at Marsh Lane Depot, Lymington. This investment was informed by and recommended as part of consultant-led feasibility works completed in 2025, which confirmed that the existing electrical infrastructure is operating at full capacity and poses compliance and safety risks. The upgrade will provide essential capacity relief, improve resilience, and ensure statutory compliance, while supporting future operational growth and sustainability objectives.

Dibden Golf Centre (2026/27 £100,000)

34. This investment is to undertake landlord responsibilities and improve the clubhouse, particularly the entrance. Full details will need to be determined and the resultant activity scheduled in collaboration with our partners.

35. **Further Information Relating to Part or Non-NFDC Funded Projects**

Disabled Facilities Grants (2026/27 £1.500 million; 2027/28 £1.500 million; 2028/29 £1.500 million)

36. The Council facilitates the delivery of Disabled Facility Adaptations each year, using central government 'Better Care Fund' to pay for said adaptations. The Council's contribution is in the staffing resource to deliver the adaptations. NFDC Capital Contribution: £nil.

South-East Strategic Coastal Monitoring (2026/27 £2.731 million; 2027/28 £3.431 million; 2028/29 £3.211 million)

37. This project is the continuation of the regional coastal monitoring programme, with the MTFP covering the conclusion of Phase III 2025-2027 of the national monitoring programme and the initial stages of Phase IV 2027-2033. The figures above are for the full approval for the SE region as managed and co-ordinated by NFDC. NFDC Capital Contribution: £nil.

Hurst Spit Shingle Source Study (2026/27 £61,000; 2027/28 £61,000)

38. The existing Hurst Spit Beach Management Plan (BMP) has been in existence since 1996. The plan requires updating to consider additional data, past performance of the spit and future management operations. This study, funded by the Environment Agency, will enable this work to be undertaken, enabling the BMP to be updated in line with current practices. NFDC Capital Contribution: £nil.

Milford-On-Sea Beach and Cliff Study (2026/27 £100,000; 2027/28 £123,000)

39. This project will enable an updated condition survey, assessment and plan to be formulated to protect the aging coastal defences. The commencement and delivery of this project will be subject to the outcomes of the Christchurch Bay Strategy Study. NFDC Capital Contribution: £nil.

Hurst Spit Beach Management Plan (BMP) (2026/27 £105,000)

40. The proposed works, funded by the Environment Agency, align with the current approved BMP for undertaking Hurst Spit maintenance operations and is also in sync with the preferred ongoing “hold the form – maintain” strategy. NFDC Capital Contribution: £nil.

Developer Contributions / CIL (2026/27 £5.100 million; 2027/28 £9.650 million; 2028/29 £7.300 million)

41. A separate report in early Summer 2026 will confirm the proposed projects, with the Capital Programme at this stage setting aside an indicative gross overall budget to be set for drawdown for individual project delivery. NFDC Capital Contribution: £nil.

Applemore Leisure Centre Public Sector Decarbonisation Scheme (PSDS) (2026/27 £202,000; 2027/28 £1,211,000; 2028/29 £731,000)

42. The scheme will enable upgrades to the Leisure Centre in turn reducing carbon emissions. These include replacing existing heating systems and improving insulation. NFDC Capital Contribution: 2026/27 £82,000; 2027/28 £130,000, 2028/29 £131,000.

### **Corporate plan priorities**

43. The investments laid out in the body of the report are widespread and crosscutting, positively impacting many of the council’s corporate priorities including caring for our facilities, neighbourhoods and open spaces in a modern and responsive way, maximising the benefits of inclusive economic growth and investment, and being financially responsible.

### **Options appraisal**

44. As detailed in the body of the report the Capital Board considered a number of potential requests for funding prioritising those of a statutory and health and safety nature first.

### **Consultation undertaken**

45. Internal consultation between finance officers, service managers and budget holders has determined the forecast data presented in the report.

### **Financial and resource implications**

46. This is a financial report with budget implications already detailed and considered in the main body of the report. The new Project Management Office (PMO) will help provide oversight and delivery of the AMR and capital programme, to include consideration of resourcing requirements to deliver the enhanced programmes.

### **Legal implications**

47. Many of the maintenance projects ensure the Council is satisfying its health and safety, statutory and contractual obligations associated with its assets.

### **Risk assessment**

48. None undertaken.

### **Environmental / Climate and nature implications**

49. Whilst constrained to the funding available a number of the schemes included in the council's AMR and Capital Programme, such as replacing old less efficient fleet vehicles and coastal protection work, make positive contributions to the environment.
50. £50,000 is specifically allocated to support work undertaken by the Council's sustainability team.

### **Equalities implications**

51. There are no equality implications arising directly from this report.

### **Crime and disorder implications**

52. There are no crime and disorder implications arising directly from this report.

### **Data protection / Information governance / ICT implications**

53. There are no data protection, information governance or ICT implications arising directly from this report.

**Appendices:**

Appendix 1 – Asset Maintenance  
and Replacement Programme  
2026/27 – 2028/29

Appendix 2 – Capital Programme  
2026/27 – 2028/29

**Background Papers:**

None

## MEDIUM TERM FINANCIAL PLAN 2026-2029

## APPENDIX 1

## GENERAL FUND ASSET MAINTENANCE AND REPLACEMENT (AMR) PROGRAMME

	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
Health & Leisure Centres	750	750	750	750
Office, Depots and Outlying Buildings	270	265	-	-
Cemeteries	-	48	-	-
Hythe Prom	-	12	-	-
Programme Contingency	30	45	370	370
	-	-	-	-
	-	-	-	-
	<b>1,050</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>
ICT Replacement Programme	190	190	190	190
Vehicle and Plant (Depreciation/MRP)	1,650	1,790	1,790	1,790
	<b>1,840</b>	<b>1,980</b>	<b>1,980</b>	<b>1,980</b>
Less: Proportion allocated to the HRA	-390	-500	-500	-500
<b>TOTAL GENERAL FUND AMR PROGRAMME</b>	<b>2,500</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>

	Portfolio	PROJECT REQUIREMENTS £			ORIGINAL 2026/27 PROJECT FINANCING £			
		2026/27	2027/28	2028/29	NFDC Resources / Loan	Better Care Fund	Grant / Income	Developer contributions / CIL
Disabled Facilities Grants	HOU (GF)	1,500,000	1,500,000	1,500,000	-	1,500,000	-	-
Sustainability Fund - Unallocated	ENV & SUSTAIN	50,000	50,000	50,000	50,000	-	-	-
Strategic Regional Coastal Monitoring (2025-2027)	ENV & SUSTAIN	2,731,000	147,000	-	-	-	2,731,000	-
Strategic Regional Coastal Monitoring (2027-2033)	ENV & SUSTAIN	-	3,284,000	3,211,000	-	-	-	-
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	61,000	61,000	-	-	-	61,000	-
Milford Beach and Cliff Study	ENV & SUSTAIN	100,000	123,000	-	-	-	100,000	-
Hurst Spit BMP	ENV & SUSTAIN	105,000	-	-	-	-	105,000	-
Public Conveniences	ENV & SUSTAIN	1,000,000	1,000,000	-	1,000,000	-	-	-
Vehicle & Plant; Replacement Programme	FIN & CORP	2,947,000	1,012,000	3,458,000	2,947,000	-	-	-
Eling Tide Mill Major Works	FIN & CORP	250,000	500,000	-	250,000	-	-	-
Marsh Lane Depot (Including Electrical Supply)	FIN & CORP	500,000	-	-	500,000	-	-	-
Mitigation Schemes	PLAN & ECON	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000
Infrastructure Projects	PLAN & ECON	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000
Strategic Infrastructure Projects	PLAN & ECON	2,950,000	7,500,000	5,150,000	-	-	-	2,950,000
Arts & Culture Projects	PLAN & ECON	150,000	150,000	150,000	-	-	-	150,000
Dibden Golf Centre	CSWELL	100,000	-	-	100,000	-	-	-
Applemore PSDS	CSWELL	202,000	1,211,000	731,000	82,000	-	120,000	-
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>		<b>14,646,000</b>	<b>18,538,000</b>	<b>16,250,000</b>	<b>4,929,000</b>	<b>1,500,000</b>	<b>3,117,000</b>	<b>5,100,000</b>
								<b>14,646,000</b>
<b>LOAN FINANCED</b>				<b>Vehicle &amp; Plant</b>	<b>-2,947,000</b>			
<b>RESIDUAL NFDC RESOURCES</b>					<b>1,982,000</b>			