

**COUNCIL MEETING
SUMMONS**

Members of Fareham Borough Council are hereby summoned to attend a meeting of the Council to be held in the Council Chamber, Civic Offices, Fareham, on **FRIDAY, 19 FEBRUARY 2016**, commencing at **5.00 pm**.

The Mayor: Councillor Michael Ford, JP

The Deputy Mayor: Councillor Connie Hockley

Councillor Brian Bayford
Councillor Susan Bayford
Councillor Susan Bell
Councillor John Bryant
Councillor Pamela Bryant
Councillor Trevor Cartwright, MBE
Councillor Peter Davies
Councillor Marian Ellerton
Councillor Jack Englefield
Councillor Keith Evans
Councillor Geoff Fazackarley
Councillor Nick Gregory
Councillor Tiffany Harper
Councillor Trevor Howard
Councillor Leslie Keeble

Councillor Tim Knight
Councillor Arthur Mandry
Councillor Kay Mandry
Councillor David Norris
Councillor Sarah Pankhurst
Councillor Roger Price, JP
Councillor Dennis Steadman
Councillor David Swanbrow
Councillor Katrina Trott
Councillor Nick Walker
Councillor David Whittingham
Councillor Paul Whittle
Councillor Christopher Wood
Councillor Seán Woodward



1. Prayers

The meeting will commence with a short service of prayers.

2. Apologies for Absence

3. Minutes (Pages 1 - 16)

To confirm as a correct record the minutes of the Council Meeting held on 17 December 2015.

4. Mayor's Announcements

5. Executive Leader's Announcements

6. Executive Members' Announcements

7. Declarations of Interest

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

Members are reminded that the Monitoring Officer has granted a dispensation to all Members to enable discussion and a decision to be taken at item 15 - Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17.

8. Presentation of Petitions

To receive any petitions presented by a member of the Council.

Note: any petition so presented will be dealt with in accordance with the Council's petition scheme.

9. Deputations

To receive any deputations of which notice has been given.

10. Reports of the Executive

To receive, consider and answer questions on reports and recommendations of the Executive. Minutes of the meetings of the Executive and a schedule of individual Executive member decisions are appended.

(1) Minutes of meeting Monday, 11 January 2016 of Executive (Pages 17 - 20)

(2) Minutes of meeting Monday, 8 February 2016 of Executive (Pages 21 - 28)

Note:- the following recommendations are to be determined:

- Minute 11(1) – Housing Revenue Account Budget and Capital Plans 2016/17. This will be considered at item 15(4).
- Minute 11(2) – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17. This will be considered at item 15.

- Minute 11(6) – Treasury Management Strategy and Prudential Indicators 2016/17. This will be considered at item 15.

- (3) Schedule of Individual Executive Member and Officer Delegated Decisions (Pages 29 - 30)

11. Report of the Scrutiny Board

To receive, consider and answer questions on reports and recommendations of the meeting of the Scrutiny Board held on 14 January 2016.

- (1) Minutes of meeting Thursday, 14 January 2016 of Scrutiny Board (Pages 31 - 34)

12. Reports of Other Committees

To receive the minutes of the following Committees and to consider and answer questions on any reports and recommendations made.

- (1) Minutes of meeting Wednesday, 16 December 2015 of Planning Committee (Pages 35 - 44)
- (2) Minutes of meeting Wednesday, 27 January 2016 of Planning Committee (Pages 45 - 60)

13. Questions under Standing Order 17.2

To answer questions pursuant to Standing Order 17.2 for this meeting.

14. Motions under Standing Order 15

Members will be informed, prior to the meeting, of any motion duly notified in accordance with Standing Order 15 but received after print and dispatch of the agenda.

15. Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17

- (1) Suspension of Standing Order 19.4 and 19.5

To consider suspending the provisions of Standing Order 19.4 to allow the Executive Leader of the Council to speak on the matters referred to in items 15(2) and 15(3) for longer than five minutes and the spokesman for the Opposition Group to speak for not more than ten minutes; and to consider suspending the provisions of Standing Order 19.5 to allow the Executive Leader of the Council to speak on the matters referred to in items 15(2) and 15(3) more than once to respond to points raised in debate.

- (2) Report to Executive - 8 February 2016 (Pages 61 - 70)

The minutes of the meeting of the Executive held on 8 February 2016, presented to Council at its meeting on 19 February 2016 at item 10(2),

contained recommendations on the revenue budget and the level of council tax for 2016/17. If Members accept the Executive's recommendations, formal approval will be sought of the following matters:-

- (a) the capital programme and financing of £36,959,000;
- (b) an overall revised revenue budget for 2015/16 of £9,174,600;
- (c) a revenue budget for 2016/17 of £8,829,400; and
- (d) a council tax for Fareham Borough Council for 2016/17 of £145.22 per band D property, which represents a £5.00 increase when compared to the current year.

(Note: A copy of the report to the Executive is included in this agenda pack)

(3) Council Tax 2016/17

Having made the necessary calculations in relation to its own budget, the Council must proceed to set the Council Tax for 2016/17 taking account of the amounts in precepts issued to the Council by Hampshire County Council, the Police & Crime Commissioner and Hampshire Fire and Rescue Authority. These precepts will not be issued before the publication of this agenda and therefore those that are available will be reported at the meeting, with provisional figures being given for those that are not yet approved. This is due to the timing of the Council Tax setting meeting scheduled for Hampshire Fire and Rescue Authority.

In order to enable Council Tax bills to be issued within the statutory timescale, it is recommended that the Council agrees to:

Delegate authority to the Director of Finance and Resources to amend the Council Tax for 2016/17, in the event that any of the precepting authorities change their precept calculation from that expected and reported at the Council meeting.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, there will be a recorded vote on the budget decision.

(Note: a schedule will be circulated at the meeting showing the formal calculations the Council must make, incorporating any figures recommended by the Executive. Members will also be advised of the wording of the formal resolution they must adopt to set the Council Tax for 2016/17, taking account of the requisite calculations and the precepts or expected precepts of Hampshire County Council, the Police & Crime Commissioner and Hampshire Fire Authority.)

(4) Housing Revenue Account and Capital Plans 2016/17

The minutes of the meeting of the Executive held on 8 February 2016, presented to Council at its meeting on 19 February 2016 at item 10(2), contained recommendations on the Housing Revenue Account Spending

Plans including the Capital Programme for 2016/17. If members accept the Executive's recommendations, formal approval will be sought of the following matters:-

- (a) rents be approved for Council Dwellings as set out in paragraph 10 with effect from 4 April 2016;
- (b) rents for Council garages be increased by 5% with effect from 4 April 2016;
- (c) discretionary fees and charges be increased to provide a minimum increase of 5%, where possible, with effect from 4 April 2016;
- (d) the revised budget for 2015/16 be approved;
- (e) the base budget for 2016/17 be approved;
- (f) the capital programme and financing for 2015/16 to 2019/20 be approved; and
- (g) annual budgets and assumptions are set with the aim of ensuring sufficient surpluses are held to repay debt on the date of maturity of each loan.

(A copy of the report to the Executive is included in this agenda pack)

- (5) Treasury Management Strategy & Prudential Indicators 2016/17 (Pages 71 - 92)

The minutes of the meeting of the Executive held on 8 February 2016, presented to Council at its meeting on 19 February 2016 at item 10(2), contained recommendations for the Council to approve the Treasury Management Strategy and Prudential Indicators for 2016/17.

(Note: A copy of the report to the Executive along with the Treasury Management Strategy is included in this agenda pack)

16. Appointments to Committees

To make any changes in appointments to the seats on committees in accordance with the wishes of political groups. Such appointments will take effect from 20 February 2016.

P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk
11 February 2016

For further information please contact:

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FAREHAM

BOROUGH COUNCIL

Minutes of the Council

Date: Thursday, 17 December 2015

Venue: Council Chamber - Civic Offices

PRESENT:

M J Ford, JP
(Mayor)

Mrs C L A Hockley
(Deputy Mayor)

Councillors: B Bayford, Mrs S M Bayford, Miss S M Bell, J V Bryant, Mrs P M Bryant, T M Cartwright, MBE, P J Davies, Mrs M E Ellerton, J M Englefield, K D Evans, N R Gregory, Miss T G Harper, L Keeble, T G Knight, A Mandry, Mrs K Mandry, D J Norris, Mrs S Pankhurst, R H Price, JP, D L Steadman, D C S Swanbrow, Mrs K K Trott, N J Walker, P W Whittle, C J Wood and S D T Woodward



1. PRAYERS

The meeting opened with prayers led by the Mayor's Chaplain, Pastor Gordon Curley of Duncan Road Church, Park Gate.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors G Fazackarley, T J Howard and D M Whittingham.

3. MINUTES

RESOLVED that the Mayor be authorised to sign as a correct record the minutes of the meeting of the Council held on 15 October 2015.

4. MAYOR'S ANNOUNCEMENTS

The Mayor announced that the next charity events would be:

Quiz Night at Palmerston Indoor Bowls Club, Palmerston Drive, Fareham at 7pm on Saturday 6th February 2016. Tickets are £15 and include a 2 course meal.

Tea Party on Thursday 4th February 2016 – "A Harbour Master's Tale" with Jason Scott. 2.30pm in the Mayor's Parlour (Floor 8 Civic Offices). Admission is £4.

5. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader announced that Mary Kilbride will be retiring from her position as Designated Independent Person. Mary was first appointed in 2003 as one of three Independent Persons for the Council's Standards Committee and has served as a Designated Independent Person under the new Standards Arrangements since 2012.

The Executive Leader expressed his gratitude for the support and work Mary has given to the Council over the years.

The Executive Leader was pleased to announce that the Southampton and Fareham Legal Services Partnership was "Highly Commended" at the recent Lawyers in Local Government Annual Legal Awards Dinner.

The Partnership's innovative work offers opportunities to local young people from non-traditional or disadvantaged backgrounds to further their legal career. Working with local Universities and Colleges, the Partnership offers 4 x 40 week placements, a Modern Apprenticeship and two shorter placements under

the Pathways to Law Programme and Santander Graduate Placement Programme.

The Executive Leader advised that the Government had announced the provisional funding settlement for local Government earlier that day and he provided an overview of how this will affect Fareham:

- Fareham currently receives around £3.2m in grant and business rates from Central Government (excluding New Homes Bonus). In our strategy, we assumed it would reduce to around £2.8m (a 12% cut in funding).
- The provisional settlement indicates that the Government funding is going to be lower than expected, at £2.59m, a £600k reduction (compared to this year).
- The Government made no announcement about a Council Tax Freeze Grant for 2016/17, but confirmed that previous freeze grants have been rolled into core funding.
- Referendum thresholds for council tax increases are confirmed as 4% for Counties/Unitaries (because of their adult social care responsibilities) and 2% for others.
- However, for Police and Crime Commissioners, and Shire Districts with a very low band D council tax (including Fareham), council tax can increase by up to £5 before a referendum is triggered. A £5 increase would offset the bigger reduction in grant funding from central government.
- Funding for New Homes Bonus has been reduced by £40m (funded instead by a top-slice for Councils' core funding), but the indication for NHB in 2016/17 is around £2.1m (slightly higher than our £2m expectation).
- The Government has published "guaranteed 4-year budgets" for Councils, and for Fareham, the indication is that our Government Grant/Rates will reduce to £1.85m by 2018/19 (earlier than we expected, but of a similar order of reduction over the MTFS period).

The Executive Leader commented that the average Revenue Support Grant for District Councils is reducing by 25% whilst for County and Unitary Councils, it has risen by an average of 8%. He noted that the Governments' approach with freeze grants suggests that local Council Tax should pick up the costs of running local Government.

6. EXECUTIVE MEMBERS' ANNOUNCEMENTS

Cash won for victims of domestic abuse

The Executive Member for Public Protection announced the Council had been successful in bidding for a share of the £3 million fund to support the victims of domestic abuse. Portsmouth, Fareham, Gosport and Havant together, will receive £93,278.00 to help victims rebuild their lives quicker, through employing additional staff, providing workshops on everything from budgeting to mental health, and extensive training for staff in Local Authority Housing Departments and Registered Providers, alongside a Rent Deposits Bond Scheme which lends victims money to help them secure new homes.

The Executive Member advised that the grant funding is due to be paid shortly and that last year a collaborative countywide bid secured £900,000 "Hampshire Making Safe Scheme".

Fareham Borough Council made a home available to victims of domestic abuse as part of the Hampshire Making Safe Scheme, a project that aims to provide 47 homes across Hampshire for those who have suffered domestic abuse as well as delivering a target hardening scheme using the Blue Lamp Trust.

Hampshire Chief Constable

The Executive Member for Public Protection announced the Hampshire Chief Constable has been appointed Chief Constable of Avon and Somerset Police. This was confirmed by their Police Crime Panel meeting held this week. The Executive Member will be attending a Hampshire Police Crime Panel meeting where the arrangements to appoint a new Chief Constable will be discussed. It is anticipated that the appointment process will commence the first week of January 2016.

Social Rents

The Executive Member for Health and Housing asked the meeting to recall that at the last meeting of the Council, she advised that she had written to the MPs for Fareham and Gosport to raise the issue about the plans to reduce social rents by 1% per annum over the next four years and that whilst this is good news for existing tenants, there are longer term financial consequences for those councils who own housing stock and for Housing Associations.

In reply to Caroline Dinenage's letter to the Minister of State for Housing and Planning, the Minister has acknowledged that the rent reductions will impact on councils' housing finances but believes that local authorities will be able to manage these reductions. The Minister has indicated that his Department wants to continue to engage with local authorities about the issue and the impact of rent reductions on council finances was considered in the Spending Review. He has provided contact details for his officials and has invited us to discuss the issue further with them.

7. DECLARATIONS OF INTEREST

Councillor S D T Woodward declared a Non-Pecuniary Interest for item 11 - Report of the Scrutiny Board as he is Chairman of Project Integra.

8. PRESENTATION OF PETITIONS

There were no petitions presented at this meeting.

9. DEPUTATIONS

There were no deputations given at this meeting.

10. REPORTS OF THE EXECUTIVE

- (1) Minutes of meeting Monday, 2 November 2015 of Executive

RESOLVED that the minutes of the Executive meeting held on 2 November 2015 be received.

- (2) Minutes of meeting Monday, 7 December 2015 of Executive

RESOLVED that the minutes of the Executive meeting held on 7 December 2015 be received.

- (3) Schedule of Executive Member and Officer Delegated Decisions

RESOLVED that the Schedule of Individual Executive Member Decisions and Officer Delegated Decisions be received.

11. REPORT OF THE SCRUTINY BOARD

- (1) Minutes of meeting Thursday, 19 November 2015 of Scrutiny Board

During the discussion Councillor S D T Woodward declared a Non-Pecuniary Interest for this item as he is Chairman of Project Integra.

RESOLVED that the minutes of the Scrutiny Board held on 19 November 2015 be received.

12. REPORTS OF OTHER COMMITTEES

To receive the minutes of the following Committees and to consider and answer questions on any reports and recommendations made.

- (1) Minutes of meeting Wednesday, 14 October 2015 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on 14 October 2015 be received.

- (2) Minutes of meeting Wednesday, 18 November 2015 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on 18 November 2015 be received.

- (3) Minutes of meeting Tuesday, 17 November 2015 of Licensing and Regulatory Affairs Committee

RESOLVED that:

- a) the minutes of the Licensing and Regulatory Affairs Committee held on 17 November 2015 be received; and
 - b) the recommendation contained in Minute 7(c) be agreed and that the revised budget for 2015/16 and the base budget for 2016/17, with the exemption of fees and charges which will be brought back to the Committee in January be approved.
- (4) Minutes of meeting Monday, 23 November 2015 of Audit and Governance Committee

It was agreed that the recommendations contained in Minute 6 would be dealt with under Agenda item 19 and the recommendations contained in Minute 7 would be dealt with under Agenda item 20.

RESOLVED that the minutes of the Audit and Governance Committee held on 23 November 2015 be received.

13. QUESTIONS UNDER STANDING ORDER 17.2

Question by Councillor P J Davies:

1.
 - a) Would the Leader agree that the additional development outside Welborne, required to meet Fareham's Housing Needs, should as far as possible be on allocated sites or brownfield sites and include a significant affordable housing element?
 - b) Would the Leader agree that the former Hampshire Rose site and the site to the rear of Wynton Way are both brownfield sites and because they are in the public ownership could provide up to 25 affordable homes?
 - c) Would the Leader state the timetable for the submission of planning applications for these sites?

Verbal Response by the Executive Leader:

- a) Currently the Authority is working to a number of adopted policies in the Welborne Plan (Policy WEL18) and the Core Strategy (CS18) and Development Sites and Policies Plan (DSP7). Presently, the housing allocations outside Welborne, as listed in the Development Sites and Policies Plan are predominantly brownfield within urban boundaries, and require between 30-40% affordable housing, subject to viability considerations. It is worth highlighting that there is an affordable housing 'exceptions sites' policy in the Development Sites and Policies Plan which applies only when there is a shortfall in affordable housing provision against Core Strategy requirements. This policy, subject to criteria, can facilitate proposals for 100% affordable housing coming forward outside existing urban area boundaries.
- b) Yes, the former Hampshire Rose Site and the site to the rear of Wynton Way are both brownfield sites and in public ownership. It is estimated that between then, provision could be made for approximately 25 affordable homes.
- c) Council Officers have recently met with Housing Association partners to progress the Hampshire Rose Site as a development opportunity for our joint venture housing company, Aspect. In principle, the scheme was received positively and officers have engaged architects to develop a conceptual scheme for the Aspect board to consider in the new year. It is hoped that a planning application will come forward in the first half of 2016.

The scheme in Wynton Way is predicted on the acquisition of land adjacent to the garages to make it viable. Discussions are ongoing with the landowner with the intention to purchase the land and a report to this effect will be brought to The Council's Executive for decision in the first quarter of 2016. As and when the purchase is completed, a

scheme will be developed and brought forward. At this stage it is not possible to predict a timescale for a planning application.

Question by Councillor P J Davies:

2.

- a) Is the Executive member aware that there are eight blocks of 24 one bed flats/bedsits in the Borough and that three of the eight are in Fareham North West?
- b) Is the Executive member aware that there are sometimes social problems arising in these blocks and can she confirm that the CCTV cameras that monitor the entrance are operational?
- c) Would the Executive member consider the provision of a CCTV camera to monitor the rear access/bin areas, given the recent problems in two of the three blocks in Fareham North West?

Response by the Executive Member for Health and Housing:

- a) Yes
- b) Yes, there can be social problems at times in these blocks, although the incidence of these has become less frequent in recent years. A review of the CCTV systems in these blocks has been undertaken and a prioritised programme to improve them is planned. It would not be appropriate to comment on the operation of specific systems in a public meeting.
- c) CCTV cameras to monitor rear access/bin areas form part of the review and I can confirm that a system will be installed in the first block in January 2016.

Question by Councillor P W Whittle, JP:

- 3. Please will the Executive confirm the total costs paid to date for the Vanguard project, also commitments of expenditure already made going forward and what further costs are anticipated for any further stages of the work?

Please will the answer be provided in writing as the response will include figures, to avoid any mis-understanding of the numbers?

Verbal Response by the Executive Leader:

£500,000 has been budgeted for Vanguard to date and as at 30th November expenditure of around £400,000 has been made. This leaves a balance of some £100,000 for future expenditure.

The funding was agreed by the Executive as follows:

£300,000 on 13th May 2013

On 6th October 2014 an update report was submitted to the Executive for decision following the near completion of the second phase of the Vanguard implementation. By this time savings of £168,000 per annum had been captured. The recommendation that £30,000 of these savings be reinvested to enable an additional intervention into Tenancy Services was approved.

An Executive report on 20th April 2015 recommended that the Executive agreed to extend the existing contract with the Vanguard Consultancy funded from the spending reserve surplus, to be replenished by subsequent savings from the new interventions. The cost of up to £170,000 revenue expenditure was approved. At this point savings totalling £381,000 per annum had been made, as stated in the report.

Question by Councillor P W Whittle:

4. On behalf of residents who have written and feel an absence of clear answers, please would the Executive give an update of the stages and timescales regarding the Newlands development planning application.

In addition, following the recent Council publication of Fareham Today (special housing update) and the stated expectation of around 2000 additional homes by 2036, does the Council Executive therefore expect Newlands to accelerate with a greater chance of proceeding to approval?

In view of the above, does the Council stand by previous statements that Newlands is against council policy with the land designated as strategic gap and countryside? If so, has the Council set aside financial provision to respond to any planning appeal by the developer in order to protect the strategic gap(s) in this process?

Verbal Response by the Executive Leader:

All residents who have written to me regarding the Newlands application have received very clear answers as have those who have asked me questions at CAT meetings so I have no idea where the Councillor has formed that view although of course he is never in attendance at such meetings. I will however repeat the answer for his benefit as he is now present to hear it.

The last time the applicants (Hallam Land Management) discussed proposals for Newlands with Planning Officers was in July. At that time they advised that they were going to submit a revised planning application in due course which included a reduction in the number of dwellings from 1,550 to 1,100 and showed the County Council's preferred route for the 'Stubington Bypass'.

The applicants asked that Fareham Borough Council did not determine the planning application they had currently submitted whilst further work and consultation was undertaken. The applicants also advised that they were likely to withdraw the current application when a new planning application was submitted.

Since the meeting with Planning Officers, the applicants have consulted directly with local residents on their proposed amended scheme. There has been no further contact between the applicants and Planning Officers, no further planning application has been submitted and the current planning application has not been withdrawn. No indication has

been received from the applicant as to when they might progress these matters.

As far as I am concerned the applicants can leave their application on the books for as long as they like undetermined. Far from the application accelerating as the councillor claims the brakes still appear to be firmly applied by the applicants. In fact the engine appears to be completely seized!

In the absence of any clarity from the applicants, we do not know when planning proposals for Newlands might come before the Planning Committee for decision. When a planning application does come before the Planning Committee, Members will be made aware of all material planning considerations prevailing at that time. These will include the fact that the land is designated as countryside strategic gap where there is a strong presumption against new residential development.

Should the Planning Committee refuse the planning application following consideration of all material planning issues and the applicant submits an appeal the necessary resources will be put in place to ensure that this Council's decision is robustly defended.

Question by Councillor P W Whittle:

5. According to Council records there have been 12 meetings announced for the Welborne Standing Conference over the last three years, of which 6 meetings took place and 6 have been cancelled or postponed. Given that the last meeting took place on 11th June 2015 and the subsequent meeting in October has been postponed to November, then put back until 25th January 2016, does the Executive agree that this is insufficient communication and regularity of updating to keep this key extensive group of community representatives adequately informed?

In view of the paucity of information, please will the Council Executive confirm the figure of the current infrastructure funding shortfall, stating separately the figure of investment required for the M27 motorway ("all moves") junction?

Please will the Council Executive give an explanation of the delays that now exist to progress the Welborne plans given the haste that occurred to bring forward the under-prepared proposals earlier this year and the case for Public Enquiry?

In view of an unacceptable gap of over 8 months between meetings of the Standing Conference to keep local resident, community and other public interest stakeholders informed through this forum, will the Council Executive give an assurance that the next meeting WILL take place as planned in January 2016?

Verbal Response by the Executive Leader:

It is important to highlight that the Welborne Standing Conference is run by an independent chairman who, in liaison with its members, determines whether to hold meetings, as well as the nature of the agendas, and not

this Council. This Council has ensured, working with the Chairman, that the Conference has received full and timely updates on the Welborne Plan from June 2012 throughout its progress to its adoption in June 2014.

It was clear that the focus of the Standing Conference post the successful examination would switch to the delivery of Welborne. The Council would normally expect the submission of planning applications following the adoption of the Plan and is wholly reliant on such being provided by the applicants.

The infrastructure funding position was independently and thoroughly examined by the Inspector at the Welborne Plan examination. The evidence supporting the Welborne Plan valued the total infrastructure required at £281 million. The figure required for an all-moves M27 junction 10 is in the range of £35–£43 million, for which £14.9 million has already been identified through the Solent LEP Local Growth Fund. On top of this some £200m of infrastructure funding is also indicated as likely to come forward from the developers.

Finally I must note that something else that the Council's records show is that Councillor Whittle has failed to attend every meeting of the Welborne Standing Conference held during the last two years which may well also be viewed as unacceptable.

Question by Councillor P W Whittle:

6. Please will the Council Executive state the proportion of vacant or unoccupied non-residential property by category (retail, light-industrial, etc) across the whole Borough, both as a number of sites (and % of that which exists) as well as by volume (vacant and % available). Please also provide the comparative data for the last five years as regularly tracked and monitored in Council records.

Due to the technical and numerical data involved, please will the Council provide this information as a written reply for transparency and accuracy.

Please will the Executive confirm the steps being taken to apply the proposed revisions to business rates in the Borough as announced by Government. What is the financial impact to the Council in revenue receipts?

Verbal Response by the Executive Leader:

As of December 2015, there are 3,103 business premises in the Fareham borough, and business rates records indicate that 278 of these are empty. This is the smallest number of empty properties observed in the last 5 years, some 9% of the total.

Of the total number of empty properties in the borough, approximately

- 30% are industrial premises (such as warehouses, factories, storage units, workshops)
- 45% are non-industrial properties (such as shops, restaurants, pubs, car showrooms, hairdressers, banks, offices)

- 25% are empty but “exempt” from business rates (for example, where the company is insolvent, occupation is prohibited, liquidator is in possession, where the premises is of a low rateable value (<£2,600) or the demise comprises an ancient monument)

Non-Domestic Vacant Properties						
Date	Total Properties	Industrial Empty Factories/ Warehouses, etc.	Non-Industrial Empty Shops/ Offices, etc.	Empty Exempt	Total Empty	% Empty
2011	2,980	66	56	161	283	9
2012	3,006	128	151	56	335	11
2013	3,002	127	162	62	351	12
2014	3,027	128	135	61	324	11
2015	3,046	102	147	50	299	10
Dec 2015	3,103	83	126	69	278	9

The Council closely monitors the status and occupation of business premises and regularly inspects vacant units to ensure that rates are collected when the properties come back into use. Over time steps such as the doubling of Small Business Rate Relief, introducing reliefs to encourage occupation of premises (Retail Relief, Reoccupation Relief and New Build Relief), have assisted in supporting small businesses and encouraging usage.

The Chancellor of the Exchequer gave a clear indication that Government would seek to devolve all business rates to local authorities of the life of the current Parliament, while at the same time bringing Revenue Support Grant to an end, and changing the way New Homes Bonus is calculated and distributed to Councils. The councillor should be aware however that there are no specific proposals that have been announced by the government therefore there can be no clarity about how these will specifically affect Fareham Borough Council, but further details are expected to emerge through the coming months. It is, however, clear that the total quantum of funding for local authorities is expected to reduce in real terms. It is also a fact that the Hampshire and Isle of Wight devolution bid includes much faster proposals for allowing us to take full control of income from business rates.

Question by Councillor P W Whittle:

7. More than six weeks ago the local media highlighted the precipitous closure of the Fareham roller rink at Broadcut, ceasing business apparently due to financial 'turmoil'. It is a matter of public record that the Executive approved a Council community grant in excess of £20,000 to much acclaim by the Executive Leader at the time, to support the launch of the facility. Given that this is so recent, the amount so substantial and the closure due to failure is so rapid, does the Executive not agree that

the Council leadership has failed to discharge its duty to protect public funds with due diligence?

What steps has the Council taken to ensure such a grant can be recovered in such circumstances to protect the proper use of residents council tax monies? What measures is the Council taking to recover the funds?

Verbal Response by the Executive Leader:

I am not sure from where the councillor gets his long-distance information but Salmiakki operated for three years so its failure can hardly be regarded as precipitous or rapid.

Salmiakki CIC applied for community funding in July 2012 for the purchase of dasher boards for the rink.

The agreed procedure was followed whereby ward councillors are asked for their comments on the proposed bid and I can confirm that both Ward Councillors, Whittle and Trott, pledged their support for this grant to Salmiakki CIC.

An Executive Report was then compiled by officers and published on 22nd February 2013. At this point any Councillors were at liberty to challenge the report if they so wished. No challenge was made.

On 4th March 2013 the report was submitted to the Executive, and it was agreed with neither ward councillor addressing the Executive on the matter.

Councillors were able to call in this decision for a period of 7 working days after the minutes were published on 6th March 2013 and again no request to call in the decision was made.

Salmiakki CIC was set up in July 2012, operated for a period of 3 years before it was dissolved in August of this year. The Council could not have reasonably foreseen that this would happen, had no early indication that the company was experiencing financial difficulty, and again I therefore cannot agree that an operating period of 3 years before the company's descent can be considered rapid.

The Council is currently in legal negotiations regarding the recovery of the dasher boards and the rink and I have held a number of discussions with parties interested in taking over the building and reopening the rink for the benefit of the thousands who previously enjoyed it. Rather, therefore, than carping from the distant side-lines the councillor would be better employed joining those of us who are working to resolve the issue with our community.

Question by Councillor Mrs K K Trott:

8. Would the Executive Member please update us on the number of vacant properties in the Borough, which are not Council owned, and what action has been taken to bring them into use?

Response by the Executive Member for Health and Housing:

Fareham Empty Homes

As of 10th December 2015 there were a total of 535 empty homes in Fareham. The majority of these properties are empty for valid reasons; they are being renovated, for sale with vacant possession, to let or under probate.

What we are doing to reduce the number of empty homes.

We periodically write to all the owners of properties that have been unoccupied for over six months. We offer our advice and assistance which includes drawing up specifications and project management should the property require refurbishment, the option of an interest free loan and leasing the property from them with guaranteed rental income.

Although a number of responses is usually limited, occasionally an owner will arrange to meet at their property to discuss options available to bring the property back into use. Some have gone on to refurbish and then enter a lease agreement with us and others have decided to sell or let the property privately.

Enforcement Action.

Where we do not get a response we try to visit each property to carry out a road side inspection to determine whether or not the property is in a poor state of repair. Most in Fareham appear to be kept in good order and we very rarely receive complaints from the owners of neighbouring properties, this makes enforcement action very difficult.

The main enforcement action available is to apply for an Empty Dwelling Management Order (EDMO). There are many exemptions to applying for this, not least that the property in question has to be empty for over 2 years and must also be a nuisance. I understand that the nuisance requirement effectively means that the property must be in a poor state of repair, and/or attracting anti-social behaviour and neighbours would need to make a complaint. We have not made an application for an EDMO since they were introduced and nationally very few EDMOs have been granted.

Council Tax: Empty Homes Premium.

The Local Government Finance Act 2012 gave local authorities the freedom to determine the extent of certain Council Tax discounts and exemptions. Included within these provisions is the ability to charge up to 150% of the normal liability of properties which have been unoccupied and substantially unfurnished for over two years. Following a period of public consultation, FBC introduced the premium from 1 April 2013 in support of our strategy to bring empty properties back into use to meet housing need within the Borough.

Question by Councillor Mrs K K Trott:

9. Would the Executive Member agree that in November's special edition of Fareham Today, "Where Next for Housing in Fareham?" residents were told that there are approximately 1350 families to be housed by the Council? Would she also agree with me that those people who on our waiting list are those who almost certainly are unable to raise the deposit required or have enough income to pay a mortgage, due to low wages?

Could she please explain how Fareham Borough Council plans to overcome this major social problem in the face of Government decisions, which mean that developers will no longer be required to provide social housing? As they can opt to build so called "affordable" houses, which will definitely be unaffordable for many of our residents?

Response by the Executive Member for Health and Housing:

Yes.

The proposals contained within the Housing and Planning Bill are still to make their way through both Houses of Parliament so the detail and full impact are as yet unknown. Whilst the provision of new starter homes may ultimately alter the mix of affordable housing types in some development sites in the borough, The Council will continue to engage positively with developers to ensure we respond to housing need.

Question by Councillor Mrs K K Trott:

10. Would the Executive member please explain the funding issues affecting the adjoining sites of The Hampshire Rose, 96 Highlands Road and 2 Fareham Park Road which could provide desperately needed 20 one and two bedroom flats, but are unlikely to come forward within the next two years?

Could she also give reasons why the site cannot be used for parking in the interim, as was done for the development site off Bath Lane, south of the Red Lion, or access given to the "Guerilla Gardeners" who were able to use the site prior to it being boarded up?

Response by the Executive Member for Health and Housing:

Council Officers have recently met with Housing Association partners to progress the Hampshire Rose site as a development opportunity for our joint venture housing company, Aspect. In principle, the scheme was received positively and officers have engaged architects to develop a conceptual scheme for the Aspect board to consider in the new year. It is expected that a planning application will come forward in the first half of 2016.

Given the anticipated timescale for developing the site for housing, it would not be appropriate to use it for other temporary purposes. Officers have obtained an estimate of £57,000 to convert to a car park, with a further £17,000 to remove it to enable work to commence on any housing scheme. In the circumstances, this would not be prudent use of council funds.

14. MOTIONS UNDER STANDING ORDER 15

There were no motions presented at this meeting.

15. APPOINTMENTS TO COMMITTEES

There were no changes in appointments to the seats on committees.

16. APPOINTMENT TO OUTSIDE BODIES

RESOLVED that Councillor Mrs Bell be appointed as a representative to One Community, Eastleigh.

17. CHANGE OF COMMITTEE MEETING DATE

RESOLVED the Council agrees that the date for the meeting of the Licensing and Regulatory Affairs Committee be changed from Tuesday 26 January to Wednesday 3 February 2016.

18. LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

RESOLVED that the Council approves:

- (a) the Council Tax Support Scheme; and
- (b) that delegated authority is given to the Director of Operations to make any necessary minor amendments and to publish the final scheme prior to 1 April 2016.

19. UPDATES TO THE CONSTITUTION

RESOLVED that the Council approves the updated sections of the Constitution for:

- (a) the Standing Orders for the Appointment, Dismissal and Discipline of Employees, as set out in Appendix A to the report; and
- (b) the Code of Conduct for Members, as set out in Appendix B to the report.

20. UPDATES TO FINANCIAL REGULATIONS

RESOLVED that Council approves the proposed changes to Financial Regulations 2, 4, 10, 12 and 19 as set out in the Report.

21. ELECTORAL REVIEW OF HAMPSHIRE DIVISIONS: DRAFT RECOMMENDATIONS

RESOLVED the Council notes the draft recommendations report on the Review of Hampshire County Council division boundaries, as set out at paragraph 4 of the Report, subject to the correction of Bishopsfield Road for Fareham Crofton Division.

(The meeting started at 6.00 pm
and ended at 7.14 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 11 January 2016

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
T M Cartwright, MBE, Public Protection (Deputy Executive Leader)
Miss S M Bell, Leisure and Community
K D Evans, Planning and Development
Miss T G Harper, Streetscene
Mrs K Mandry, Health and Housing

Also in attendance:

Mrs P M Bryant, Chairman of Licensing and Regulatory Affairs Committee
Mrs M E Ellerton, Chairman of Public Protection Policy Development and Review Panel
M J Ford, JP, Mayor
Mrs C L A Hockley, Chairman of Leisure and Community Policy Development and Review Panel
L Keeble, Chairman of Streetscene Policy Development and Review Panel
A Mandry, Chairman of Planning and Development Policy Development and Review Panel; For item 9(1)
P J Davies, For item 9(1)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive on the 7 December 2015 be confirmed and signed as a correct.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader reminded Members that periods of severe weather over the Christmas period caused damage and disruption to the foreshore in the Hill Head area. The Executive Leader is aware that a small number of the Council's tenants at Cliff Road who own beach huts in the area, have been unable to gain access whilst the Council carries out the necessary repair works. In sympathy with the problems faced by these owners, the Council will be offering 'ground rent' relief to those most directly and seriously affected. Once the current works are complete the timescales involved will be reviewed and an appropriate level of refund will be calculated which is likely to be via credits to bills in the next financial year.

The Executive Leader reported the very sad news that Contractors, whilst working on repairs to the sea wall at Hill Head, had discovered a body on the beach. The Police have attended the scene and work will recommence tomorrow.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

The Executive received a deputation from Mr Ben Foster, in relation to item 9(1) – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17 Report.

The Executive Leader agreed to bring this item forward on the agenda.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

There were no references from other Committees given at this meeting.

8. PLANNING AND DEVELOPMENT

- (1) Welborne Design Guidance Supplementary Planning Document - for Adoption

RESOLVED that the Executive:

- (a) notes the consultation comments received on the Draft Welborne Design Guidance Supplementary Planning Document and agrees the responses to the representations as set out in Appendix A to the report; and
- (b) adopts the Welborne Design Guidance Supplementary Planning Document as set out in Appendix B to the report with effect from 25 January 2016.

9. POLICY AND RESOURCES

- (1) Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17

The comments of the deputation were taken into account in considering this item (see minute 6).

At the invitation of the Executive Leader, Councillors P J Davies and A Mandry addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) that the capital programme for the period 2015/16 – 2019/20, amounting to £36,959,000 as set out at Appendix A to the report be approved;
- (b) that the proposed fees and charges for 2016/17, as set out in Appendix B to the report be approved, subject to the amendment of the fixed penalty for dropped litter being increased to £80 and fouling of the land being increased to £100;
- (c) that the revised 2015/16 general fund budget, amounting to £9,174,600 be approved;
- (d) that the base 2016/17 general fund revenue budget amount to £8,736,600 be approved;
- (e) that the use of the surplus on the spending reserve as set out in paragraphs 42-46 be approved; and
- (f) a commitment to fund foreshore repairs at Hill Head from the general fund revenue reserve, once the costs are known.

10. POLICY AND RESOURCES / LEISURE AND COMMUNITY

- (1) Purchase of Land at Wynton Way

The Executive Leader announced that this item would stand deferred to a later meeting of the Executive.

(The meeting started at 6.00 pm
and ended at 6.25 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive (to be confirmed at the next meeting)

Date: Monday, 8 February 2016

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
T M Cartwright, MBE, Public Protection (Deputy Executive Leader)
Miss S M Bell, Leisure and Community
K D Evans, Planning and Development
Miss T G Harper, Streetscene
Mrs K Mandry, Health and Housing

Also in attendance:

Mrs M E Ellerton, Chairman of Public Protection Policy Development and Review Panel
Mrs C L A Hockley, Chairman of Leisure and Community Policy Development and Review Panel; for item 8(1)
L Keeble, Chairman of Streetscene Policy Development and Review Panel
A Mandry, Chairman of Planning and Development Policy Development and Review Panel; for item 11(3)
D C S Swanbrow, Chairman of Scrutiny Board
M J Ford, JP, Mayor
C J Wood, for items 11(2), 11(5) and 11(6)
Mrs K K Trott, for items 9(1) and 11(1)
R H Price, JP, for item 10(1)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the Minutes of the meeting of the Executive on the 11 January 2016 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader reminded Members that George Osborne announced the results of the Government's Comprehensive Spending Review in November 2015. The main message was that the Government would continue its drive to reduce the National Debt and, as a result, it would be necessary to cut public spending. Details have since been received of the Local Government settlement and it comes as no surprise that the Council faces a significant reduction in funding for the period 2016 to 2020. The financial arrangements for Councils are complicated, but we have been working through the figures to understand what this actually means for Fareham Borough Council.

In summary, we will have to reduce our annual budget by approximately £1 million by April 2018 which is in the 2017/18 financial year.

Putting the figure of £1 million into context, since 2008, we have successfully identified £5 million in annual savings, and our net budget is now less than £9m compared to over £12 million a year at the start of the recession. This has been achieved through careful planning, being creative and innovative, but also taking some difficult yet measured decisions about where we spend taxpayer's money. For example, our commercial property strategy has had a positive impact on Council revenue, and if it were not for this and our work with Vanguard to transform front line services, the budget gap would have been £1million higher.

Finding another £1 million by 2018 will be a challenge, but because of our prudent approach we do not have to make any savings for the financial year ahead, starting in April 2016, so there will be no need for any sudden decisions. I have, however, asked the Chief Executive to start work on closing the budget gap, and to bring forward proposals for the Executive to consider later this year, so we are well prepared and can minimise the impact on our residents and our staff.

4. DECLARATIONS OF INTEREST

Councillor C J Wood declared a Non-Pecuniary Personal Interest when he addressed the Executive on item 11(5) – Award of Contract - Daedalus Airfield Operator, due to the close proximity of his parents' property to the Daedalus site. He remained present in the room for the discussion and voting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

The Executive received a written Deputation from Mrs Carol Massey in relation to item 8(2) Leigh Road Tennis Courts – Conversion to Car Parking.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

7(1) Scrutiny Board: 14 January 2016

Minute 7 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax for 2016/17.

The Board considered a report by the Director of Finance and Resources on the Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2015/16.

The Board was informed that since the publication of the report, the figures on page 39 that relate to littering and fouling have now changed with the proposed fee for Dropped Litter being £80.00 and the proposed fee for Fouling of Land being £100.00.

The Board recommended that further clarification be provided to explain what the unallocated fees that are shown throughout the report are for. The Director of Finance and Resources confirmed that he would provide more detail on these figures.

It was AGREED that, subject to the further clarification being added to the Executive report to explain the unallocated fees, the Executive notes the Board's approval of the report.

This item was considered by the Executive at agenda item 11(2).

7(2) Scrutiny Board: 14 January 2016

Minute 9 – Housing Revenue Account Budget and Capital Plans 2016/17.

The Board considered a report by the Director of Finance and Resources on the Housing Revenue Account Budget and Capital Plans 2016/17.

It was AGREED that the Board recommends to the Executive the proposals as set out in Appendix A of the report.

This item was considered by the Executive at agenda item 11(1).

7(3) Scrutiny Board: 14 January 2016

Minute 10 – Review of Licensing Policy

The Board considered a report by the Director of Planning and Regulation on a review of the Licensing Policy.

The Board commented that the policy document was very clear and easy to read and understand.

A report on this item will be considered at a future meeting of the Executive.

8. LEISURE AND COMMUNITY

(1) Fareham Community Savers Reallocation

At the invitation of the Executive Leader, Councillor Mrs C L A Hockley addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) that the Council's £6,469 share from the now defunct Fareham Community Savers initiative be added to the Youth Activities Grant Fund for the provision of open access youth activities in the Borough and is allocated in accordance with the agreed criteria; and
- (b) that First Wessex be asked to allow their share of the funding to be allocated for the provision of youth services in the Borough of Fareham

(2) Leigh Road Tennis Courts - Conversion to Car Parking

The comments of the deputation were taken into account in considering this item (see minute 6).

RESOLVED that the Executive agrees that the redundant tennis courts adjacent to the Leigh Road entrance to the Park Lane Recreation Ground be converted to provide increased car parking provision.

9. PUBLIC PROTECTION

(1) Traffic Management

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) to note the progress on the current 2015/16 programme, considers planned work for 2016/17 identified in Appendices A to D to this report;
- (b) that the proposed Traffic Regulation Order Programme for 2016/17, as shown in Appendix B (Table 4) to the report, be approved; and
- (c) to note the work undertaken on the deployment of the Speed Limit Reminder signs, as detailed at Appendix D to the report.

10. PLANNING AND DEVELOPMENT

- (1) Local Plan Review and Fareham Town Centre and Portchester Regeneration Strategies: Proposed Member Working Group Arrangements.

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive agrees that the Executive Member for Planning and Development be authorised to make arrangements for three Member Working Groups for the Local Plan Review, Fareham Town Centre and Portchester District Centre Regeneration Strategies.

11. POLICY AND RESOURCES

- (1) Housing Revenue Account Budget and Capital Plans 2016/17

The comments of the Scrutiny Board were taken into consideration for this item (see minute 7).

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the Executive on this item.

RESOLVED that the Executive agrees to recommend to Council that:

- (a) rents be approved for Council Dwellings as set out in paragraph 10 with effect from 4 April 2016;
 - (b) rents for Council garages be increased by 5% with effect from 4 April 2016;
 - (c) discretionary fees and charges be increased to provide a minimum increase of 5%, where possible, with effect from 4 April 2016;
 - (d) the revised budget for 2015/16 be approved;
 - (e) the base budget for 2016/17 be approved;
 - (f) the capital programme and financing for 2015/16 to 2019/20 be approved; and
 - (g) annual budgets and assumptions are set with the aim of ensuring sufficient surpluses are held to repay debt on the date of maturity of each loan.
- (2) Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17

The comments of the Scrutiny Board were taken into consideration for this item (see minute 7).

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item.

RESOLVED that the Executive approves the following proposals and recommends them to the meeting of the Council to be held on 19 February 2016:

- (a) the capital programme and financing of £36,959.00;
- (b) an overall revised revenue budget for 2015/16 of £9,174,600;
- (c) a revenue budget for 2016/17 of £8,829,400; and
- (d) a council tax for Fareham Borough Council for 2016/17 of £145.22 per band D property, which represents a £5.00 increase when compared to the current year.

(3) Community Funding Review

At the invitation of the Executive Leader, Councillor A Mandry addressed the Executive on this item.

RESOLVED that the Executive considered the following changes to the Community Funding:

- (a) increase the time, from one year to two that successful applicants have to wait before being able to submit another Community Fund bid;
- (b) allow applicants setting up a new project, or running an existing project, to apply for a one off grant payment covering revenue costs, for a specified period of time agree with the Council;
- (c) amend the Community Fund Use Agreement to make it more robust; and
- (d) audit 10% of all applicants who receive funding of less than £10,000 and every applicant who receives £10,000 or more.

(4) Purchase of Commercial Investment - 136-138 Southampton Road

RESOLVED that the Executive agrees the purchase of 136-138 Southampton Road, Park Gate, Fareham as a commercial investment on the basis of the heads of terms set out in the confidential Appendix A.

(5) Award of Contract - Daedalus Airport Operator

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item. He declared a Non-Pecuniary Interest due to the proximity of his parent's property to the airfield site. Councillor Wood remained in the room.

RESOLVED that the Executive agrees:

- (a) to award the contract to the bidder ranked in 1st position (as set out in Confidential Appendix A), this being the best combination of cost

effectiveness and service quality in terms of taking the airfield forward in line with the Council's Vision; and

- (b) that the Director of Finance and Resources be given delegated authority to agree the detailed terms of the contract with the successful bidder.

(6) Treasury Management Strategy & Prudential Indicators 2016/17

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item.

RESOLVED that the Executive endorses the draft Treasury Management Strategy and Prudential Indicators for 2016/17, attached as Appendix A to the report, and submits the report to Council for approval.

(7) Commercial Property Investment Acquisition Strategy

RESOLVED that the Executive notes the update of the properties acquired in accordance with the Commercial Property Investment Acquisition Strategy.

(The meeting started at 6.00 pm
and ended at 7.10 pm).

FAREHAM

BOROUGH COUNCIL

SCHEDULE OF EXECUTIVE MEMBER & OFFICER DELEGATED DECISIONS

The following decisions have been made by individual Executive Members since those reported at the last ordinary meeting of Council:-

Leisure and Community

(1) Award of Contract – Abshot Community Centre (Decision 2015/16-1741)

RESOLVED to award a contract of Southern Flat and Pitched Roofing Ltd in the sum of £72,118.04 to carry out replacement of the existing roof covering at the Abshot Community Centre.

To allow a provisional sum of £14,000 for any additional works that may be identified for the roofing structure, be approved.

(2) Community Fund Application – International Ice Swimming Association – Great Britain (Decision 2015/16-1742)

RESOLVED that the application for £600.00 from Fareham Borough Council's Community Funding Programme, submitted by Ms Steels-Fryatt of International Ice Swimming Association, Great Britain, towards the purchase of equipment and consumables for the first Great Britain 1km Ice Swimming National Championships to be held on 20 February 2016 at Andark Dive Lake, be approved.

(3) Community Fund Application – Abshot Community Association (Decision 2015/16-1743)

RESOLVED that the application for £3000.00 from Fareham Borough Council's Community Funding Programme, submitted by Mr Coles of Abshot Community Association towards the purchase of a portable staging system, be approved.

(4) Community Fund Application – Burrridge Community Association (Decision 2015/16-1744)

RESOLVED that the application for £500.00 from Fareham Borough Council's Community Funding Programme, submitted by Mrs Newman of Burrridge Community Association to extend the railings of the small patio at Burrridge Village Hall to enclose the whole patio area, be approved.

Public Protection

- (5) Traffic Regulation Order – Proposed waiting restrictions, Wickham Road, Fareham** (Decision 2015/16-1731)

RESOLVED that the proposed waiting restrictions at Appendix A are introduced and monitored for a period of 12 months.

- (6) Traffic Regulation Order – Proposed waiting restrictions, Brigantine Road, Warsash** (Decision 2015/16 1732)

RESOLVED that the waiting restrictions as shown at Appendix A are introduced.

- (7) Traffic Regulation Order – Proposed waiting restrictions, Victoria Close, Warsash** (Decision 2015/16-1733)

RESOLVED that the waiting restrictions as shown at Appendix A are introduced.

- (8) Traffic Regulation Order – Proposed waiting restrictions, Tollgate Road, Lower Swanwick** (Decision 2015/16-1734)

RESOLVED that the waiting restrictions as shown at Appendix A are introduced.

- (9) Traffic Regulation Order – Proposed waiting restrictions, Stow Crescent, Fareham** (Decision 2015/16-1735)

RESOLVED that the waiting restrictions as shown at Appendix B are introduced.

- (10) Traffic Regulation Order – Proposed waiting restrictions, New Leisure Centre Car Park, Holly Hill** (Decision 2015/16-1736)

RESOLVED that the parking restrictions are introduced into the Holly Hill Leisure Centre car park as shown at Appendix A.

- (11) Traffic Regulation Order – Proposed waiting restrictions, Broadcut Car Park, Fareham** (Decision 2015/16-1737)

RESOLVED that the “No Return” period of 5 hours is introduced into the car park as shown at Appendix A.

Planning and Development

- (12) Establishment of a Framework Agreement for Consultancy Services in Relation to Planning Application Viability Assessments** (Decision 2015/16-1746)

RESOLVED that the tenders submitted by the contractors ranked 1st, 2nd, 3rd and 4th (as set out in the confidential appendix) be accepted and these companies are award preferred supplier status of this consultancy service to Fareham Borough Council.

(This decision is subject to call in which will end on 18 February 2016)

FAREHAM

BOROUGH COUNCIL

Minutes of the Scrutiny Board

(to be confirmed at the next meeting)

Date: Thursday, 14 January 2016

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor D C S Swanbrow (Chairman)

Councillor Mrs S M Bayford (Vice-Chairman)

Councillors: B Bayford, Mrs M E Ellerton, Mrs C L A Hockley, L Keeble,
A Mandry and Mrs S Pankhurst

Also

Present: Councillor Mrs K K Trott (item 8)



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor P W Whittle.

2. MINUTES

It was AGREED that the minutes of the meeting of the Scrutiny Board held on 19 November 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. PRELIMINARY OVERALL REVIEW OF WORK PROGRAMME 2015/16 AND DRAFT WORK PROGRAMME 2016/17

The Board considered a report by the Director of Finance and Resources which reviewed the Board's work programme for 2015/16 and draft work programme for 2016/17.

The Director of Finance and Resources invited members to put forward suggestions for the 2016/17 work programme. The following suggestions were received:

- An Update on Hampshire Cultural Trust
- Youth Service Review
- Adult Services Review
- An Update on Community One
- Project Integra
- PUSH Review

It was AGREED that the Board:-

(a) approves the work programme for 2015/16; and

(b) approves the addition of the items listed above to be added to the 2016/17 work programme.

7. FINANCE STRATEGY, CAPITAL PROGRAMME, REVENUE BUDGET AND COUNCIL TAX 2016/17

The Board considered a report by the Director of Finance and Resources on the Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17.

The Board was informed that since the publication of the report, the figures on page 39 that relate to littering and fouling have now changed with the proposed fee for Dropped Litter being £80.00 and the proposed fee for Fouling of Land being £100.00.

The Board recommended that further clarification be provided to explain what the unallocated fees that are shown throughout the report are for. The Director of Finance and Resources confirmed that he would provide more detail on these figures.

It was AGREED that, subject to the further clarification being added to the Executive report to explain the unallocated fees, the Executive notes the Board's approval of the report.

8. PRESENTATION BY, AND QUESTIONING OF, THE EXECUTIVE MEMBER FOR PUBLIC PROTECTION

The Board received a presentation by Councillor T Cartwright, the Executive Member for Public Protection, on the service areas that fall within the Public Protection remit.

The presentation gave an overview of each service area within Public Protection and an explanation on how the services were performing. These Services included:

- The Environmental Health Partnership Working between Fareham and Gosport
- Air Quality
- Contaminated Land
- Pollution
- Dog Control
- Pest Control
- Food Safety
- Out of Hours Service
- Community Safety Partnership
- Successful Initiatives
- Corporate Health and Safety
- CCTV
- Parking Enforcement
- Traffic Management
- Emergency Planning
- General Duties of Out of Hours
- Abandoned Vehicles
- Fly Tipping
- Dog Fouling

At the invitation of the Chairman, Councillor Mrs Trott addressed the Board on this item. She informed the Board that she had recently attended a Tenants Forum meeting and that an issue had arisen surrounding parking on Housing Land. Several tenants have asked if the Council could introduce a parking permit scheme on Council Housing Estates. The Executive Member for Public

Protection explained to the Board that this had been reviewed previously and it was decided that it was not financially viable for the Council to do and many Council tenants would struggle to pay the additional costs that a permit scheme would incur.

It was AGREED that the Executive Member for Public Protection be thanked for his informative presentation.

9. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2016/17

The Board considered a report by the Director of Finance and Resources on the Housing Revenue Account Budget and Capital Plans 2016/17.

It was AGREED that the Board recommends to the Executive the proposals as set out in Appendix A of the report.

10. REVIEW OF LICENSING POLICY

The Board considered a report by the Director of Planning and Regulation on a review of the Licensing Policy.

The Board commented that the policy document was very clear and easy to read and understand.

It was AGREED that the Board recommends the Executive approve the Licencing Policy as set out in Appendix A of the report.

11. EXECUTIVE BUSINESS

The Chairman invited members to indicate if they wished to consider any other item of business dealt with by the Executive since the last meeting of the Board. There were no other items of Executive Business considered.

(The meeting started at 6.00 pm
and ended at 7.22 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 16 December 2015

Venue: Collingwood Room - Civic Offices

PRESENT:

Council N J Walker (Chairman)

Councillor A Mandry (Vice-Chairman)

Councillors: T M Cartwright, MBE, P J Davies, K D Evans, R H Price, JP,
D C S Swanbrow, L Keeble (deputising for B Bayford) and
Mrs C L A Hockley (deputising for M J Ford, JP)

**Also
Present:**



1. APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillors B Bayford and M J Ford, JP.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee held on 18 November 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman read out the following announcement:

'In accordance with legislation, members of the public and press are able to audio and video record all meetings held in public by Fareham Borough Council.

I can confirm that there has been one request to film at this meeting, can I please remind members of the public and press that they must respect the wishes of other members of the public present who do not wish to be filmed.'

4. DECLARATIONS OF INTEREST

In accordance with Standing Orders and the Council's Code of Conduct Councillor N J Walker declared a personal non-pecuniary interest in minute 6 (10) – Former Catholic Church Site, White Hart Lane, Portchester, as the applicant is known to him.

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

Name	Spokesperson representing the persons listed	Subject	Supporting or Opposing the Application	Item Application No/Page No
ZONE 1 – 2.30pm				
Mr R Tutton (Agent)		3 Daisy Lane, Locks Heath, Southampton, SO31 6RA – Erection of a three bed detached dwelling with parking following demolition of single storey side extension	Supporting	6(2) P/15/1040/FP Pg 25
Mr G Foulds		The Lodge Five Oaks Fishery Crableck Lane	Opposing	6(4) P/15/0918/CU

		Sarisbury Green Southampton SO31 7AL – Change of use from Angling Club house with residential accommodation in roof space (sui generis) to use as a single dwellinghouse with associated residential curtilage (Use Class C3)		Pg 38
Mr D Ramirez (agent)		-Ditto-	Supporting	-Ditto-
ZONE 2 – 3.15pm				
Mr C Potts (Agent)		Collingwood Retail Park Units C & D Newgate Lane Fareham Hampshire PO14 1AN – Change of use of units C and D from Bowling Alley (D2 Leisure Use) to A1 Retail use – including mezzanine and external alterations.	Supporting	6(5) P/15/0303/CU Pg 48
Mr A Thomson		Good Manors Day Nurseries Ltd Manor Lodge Church Path Fareham Hants PO16 7DT – Variation of condition 7 to planning permission P/12/1017/VC; to increase the number of children permitted to use the rear garden of the site at any one time from 12 to 18.	Opposing	6(6) P/14/0978/VC Pg 57
Mr R Tutton (Agent)		147 West Street Fareham PO16 0DZ -Proposed erection of a one-bedroomed dwelling to the rear of no 147 West Street (Resubmission)	Supporting	6(7) P/15/1059/FP
Mr B Christian		- Ditto -	Opposing	-Ditto-
ZONE 3 – 4pm				
Mr E l'Anson		39 The Thicket, Fareham, PO16 8QA –	Opposing	6(8) P/15/0986/FP

		Front and rear dormers and hip to gable lifts to provide first floor accommodation		Pg 74
Mr S Indoe		-Ditto-	Opposing	-Ditto-
Mr Nicholson (applicant)	N	-Ditto-	Supporting	-Ditto-
Mr Hutchison	B	Hill Head Residents Association 89 Hill Head Road Fareham Hampshire PO14 3JP – Retention of raised decking and alterations to fenestration to existing detached outbuilding	Opposing	6(9) P/15/1085/FP Pg 80

6. PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS

The Committee noted a report by the Director of Planning and Regulation on the development management matter applications and miscellaneous matters including information on Planning Appeals. An Update Report was tabled at the meeting.

(1) P/15/1018/FP FREETH ALLOTMENTS SPRING ROAD OFF POND ROAD SARISBURY SO31 7LY

Upon being proposed and seconded, the officer recommendation to grant planning permission, subject to the conditions in the report, was voted on and CARRIED.

(Voting: 9 in favour: 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(2) P/15/1040/FP 3 DAISY LANE LOCKS HEATH SOUTHAMPTON HAMPSHIRE SO31 6RA

The Committee received the deputation referred to in minute 5 above.

Upon being proposed and seconded, the officer recommendation to grant planning permission, subject to the conditions in the report, was voted on and CARRIED:

(Voting 9 in favour: 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(3) P/15/1131/VC MIDDLE COPSE 3,4,5 - BRIDGE ROAD PARK GATE SOUTHAMPTON SO31 7GD

Upon being proposed and seconded, the officer recommendation to grant permission to vary condition 16, subject to the conditions in the report, was voted on and CARRIED:

(Voting 9 in favour: 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted to variation of condition 16.

**(4) P/15/0918/CU THE LODGE FIVE OAKS FISHERY CRABLECK LANE
SARISBURY GREEN SOUTHAMPTON SO31 7AL**

The Committee received the deputations referred to in minute 5 above.

The Committee's attention was drawn to the Update Report, which contained the following information – *Further comments have been received from Mr G Foulds elaborating on the points of concern raised in his initial letter concerning this application.*

The applicant has also provided further information in the form of a briefing note detailing the employment history of Mr & Mrs Purkiss in connection with the fishery.

The briefing note acknowledges that the accounting information provided in the Planning Statement does not show a salary being derived by either Mr or Mrs Purkiss. Notwithstanding, the briefing note asserts that "the applicants have, and continue to, work at the fishery in line with the planning condition" (Condition 2 of the appeal inspector's decision in relation to the owners accommodation in the roof space of the Lodge). The briefing note explains that "Mr Purkiss split his time between his building business (3 days) and the fishery (4 days) until ill health curtailed the amount of work and time Mr Purkiss could dedicate to his construction business". "Mrs Purkiss also works at the Fishery, in addition to other gainful employment with the Police Service, which helps subsidise the Fishery business"

Upon being proposed and seconded, the officer recommendation to grant planning permission, subject to:-

- (a) the conditions in the report, and
- (b) an additional condition stating that the mobile home currently on the site be removed within 3 months of the date of permission.

was voted on and CARRIED.
(Voting: 7 in favour; 2 against)

RESOLVED that subject to:-

- (a) the conditions in the report; and
- (b) an additional condition stating that the mobile home currently on the site be removed within the next 3 months of the date of permission.

PLANNING PERMISSION be granted.

**(5) P/15/0303/CU COLLINGWOOD RETAIL PARK UNITS C & D
NEWGATE LANE FAREHAM HAMPSHIRE PO14 1AN**

The Committee received the deputation referred to in minute 5 above.

The Committee's attention was drawn to the Update Report, which contained the following information: -

Suggested conditions:

1. The development shall begin within three years.

REASON: To allow a reasonable time period for work to start, to comply with Section 91 of the Town and Country Planning Act 1990, and to enable the Council to review the position if a fresh application is made after that time.

2. The development shall be carried out in accordance with the following approved documents:

Fareham/001 - Existing plan

Fareham/002 - Existing elevations

Fareham/003 – Existing site plan

Fareham/020 rev B – Proposed plans

Fareham/021 rev C – Proposed elevations

Fareham/022 rev A – Proposed site plan

Fareham/027 – Proposed elevations

Fareham/030 rev C – Proposed work

3. Notwithstanding the provisions of the Town and Country Planning (Use Classes) Order 1987 as amended by the Town and Country Planning (Use Classes) (Amendment) (England) Order 2015 (or any provision equivalent to that Class in any other statutory instrument revoking and re-enacting that Order), the shop hereby approved shall be used only for:

- The sale of clothes and footwear;*
- Home ware (as defined within paragraph 4.2 of the Retail Impact Assessment dated November 2015);*
- And seasonal goods or goods ancillary to the principal goods sold in the shop.*

No other goods shall be sold at the site unless otherwise first agreed in writing with the local planning authority following the submission of an appropriate planning application.

REASON: In the interest of preserving the vitality and viability of Fareham Town Centre in accordance with policy DSP37 of the Fareham Borough Local Plan Part 2 development Sites and policies.

4. A maximum of 2,295 square metres of the total floor space within the building shall be used for the display and sale of goods of which a maximum of 2,065 square metres can be used for the display and sale of clothes and footwear. Ancillary goods and seasonal goods shall not occupy more than 120 square metres of net retail floorspace within the unit at any one time.

REASON: In the interest of preserving the vitality and viability of Fareham Town Centre in accordance with policy DSP37 of the Fareham Borough Local Plan Part 2 Development Sites and Policies.

5. The shop hereby permitted shall not be subdivided or otherwise altered to create more than one unit unless first agreed in writing with the local planning authority following the submission of an appropriate planning application.

REASON: In the interest of preserving the vitality and viability of Fareham Town Centre in accordance with policy DSP37 of the Fareham Borough Local Plan Part 2 development and policies.

The Head of Development Management provided a verbal update at the meeting which was to substitute the second sentence in proposed condition 4 to:

Ancillary goods and seasonal goods shall not occupy more than 230 square metres of net retail floorspace within the unit at any one time.

Upon being proposed and seconded, the officer recommendation to grant planning permission, subject to the conditions in the update report as verbally amended by the Head of Development Management was voted on and CARRIED.

(Voting: 9 in favour: 0 against)

RESOLVED that, subject to the conditions in the update which was verbally updated by the Head of Development Management; Ancillary goods and seasonal goods shall not occupy more than 230 square metres of net retail floorspace within the unit at any one time, PLANNING PERMISSION be granted.

(6) P/14/0978/VC GOOD MANORS DAY NURSERIES LTD MANOR LODGE CHURCH PATH FAREHAM HANTS PO16 7DT

The Committee received the deputation referred to in minute 5 above.

A motion was proposed and seconded, to refuse planning permission and was voted on and CARRIED.

(Voting 9 in favour, 0 against)

RESOLVED that PLANNING PERMISSION be REFUSED

Reasons for Refusal:

The use of the garden area for up to 18 children at any one time is contrary to Policy DSP2 of the Local Plan part 2: Development Sites and Policies and is unacceptable in that the level of noise generated by this number of children in the garden has a significant adverse impact upon the use and enjoyment of Manor Croft and its garden area.

(7) P/15/1059/FP 147 WEST STREET FAREHAM PO16 0DZ

The Committee received the deputations referred to in minute 5 above.

Upon being proposed and seconded, the officer recommendation to refuse planning permission was voted on and CARRIED.

(Voting: 9 in favour, 0 against)

RESOLVED that PLANNING PERMISSION be REFUSED

Reasons for Refusal:

The proposed development is contrary to Policy CS17 of the Fareham Borough Local Plan, and Policy DSP3 of the adopted Local Plan Part 2: Development Sites and Policies and would represent an over-intensive form of development, demonstrated by the following aspects of poor quality design:

(i) The narrow, un-welcoming access which does not benefit from natural surveillance and has a poor relationship with servicing areas for the commercial units would create a poor residential environment:

(ii) The dwelling would, by virtue of the poor internal layout, arrangement of fenestration and use of one way privacy glass create outlook from habitable room windows of the proposed building to the detriment of the amenity to be enjoyed by the future occupants;

(iii) The relationship of the proposed communal garden to refuse areas, the proximity of the surrounding built environment which would be overbearing and oppressive and also the presence of windows in neighbouring properties resulting in overlooking would result in the quality and usability of the private amenity being inadequate to the detriment of residential amenity.

(8) P/15/0986/FP 39 THE THICKET FAREHAM PO16 8QA

The Committee received deputations referred to in minute 5 above.

The Committee's attention was drawn to the Update Report, which contained the following information: - *Suggested condition 1 should read: The development shall begin within three years of the date of the decision notice.*

Upon being proposed and seconded, the officer recommendation to grant planning permission, subject to the conditions in the report and update report was voted on and CARRIED

(Voting 8 in favour; 0 against, 1 abstention)

RESOLVED that, subject to the conditions in the report and update report, PLANNING PERMISSION be granted.

(9) P/15/1085/FP 89 HILL ROAD FAREHAM HAMPSHIRE PO14 3JP

The Committee received a deputation referred to in minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information – *A letter has been received from the applicant containing the following points:*

-We have no intention to develop the building for any kind of let.

-It will be for occasional family use only.

-I do not need to do any development and have no intention of doing so.

-I withdrew the application for a holiday let in order to appease local concerns.

Members resolved to DEFER taking a decision on this item to enable Officers to provide further information on the permitted development rights that the building benefits from; how the occupancy of the building could be controlled; and what planning enforcement options could be pursued if Members considered the proposals to be contrary to planning policy and unacceptable.

RESOLVED that the application be DEFERRED.

**(10) Q/0314/15 FORMER CATHOLIC CHURCH SITE WHITE HART LANE
PORTCHESTER FAREHAM HAMPSHIRE PO16 9BS**

Councillor N J Walker declared a personal non-pecuniary interest in this item as the applicant is known to him.

Upon being proposed and seconded, the officer recommendation that the owner enters into a Deed of Variation on terms drafted by the Solicitor to the Council to allow the payment of Open Space and Transport contributions in three equal instalments upon occupation of the second, fourth and sixth dwellings granted permission under reference P/12/0205/FP, was voted on and CARRIED.

(Voting: 9 in favour: 0 against)

RESOLVED that the owners enters into a Deed of Variation on terms drafted by the Solicitor to the Council to allow the payment of Open Space and Transport contributions in three equal instalments upon occupation of the second, fourth and sixth dwellings granted planning permission under reference P/12/0205/FP.

(11) UPDATE REPORT

The Update Report was tabled at the meeting and considered with the relevant agenda item.

7. TREE PRESERVATION ORDERS

The Committee considered the confirmation of the following Fareham Tree Preservation Order(s), which had been made under delegated powers and to which no formal objection had been received.

**Fareham Tree Preservation order.715 (2015) – 122 Mays Lane,
Stubbington**

Order served on 16 October for which there were no objections.

Resolved that Fareham Tree Preservation Order No 715 be confirmed and made served.

Tree Preservation Orders Served.

The following Tree Preservation Orders have been made this month.

Fareham Tree Preservation Order No.718 (2015) – 11 & 15 Bye Road, Sarisbury. The order was served on 4 December 2015.

Fareham Tree Preservation Order No.719 (2015) – The Bold Forester, 120 Bridge Road, Sarisbury. The Order was served on 4 December 2015.

8. PLANNING APPEALS

The Committee noted the information in the report.

(The meeting started at 2.30 pm
and ended at 5.45 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 27 January 2016

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor A Mandry (Vice-Chairman)

Councillors: B Bayford, T M Cartwright, MBE, P J Davies, K D Evans,
M J Ford, JP, R H Price, JP and D C S Swanbrow

Also Present: Councillors Mrs K K Trott (item 8 (10) and Mrs C L A Hockley
(items 8 (1, 2 & 8))



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee held on 16 December 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST

In accordance with Standing Orders and the Council's Code of Conduct the following members declared an interest in the applications referred to:-

Name	Application Number/Site	Minute Number
Councillors Cartwright and Ford, JP	P/15/0947/FP Land to the Rear of 20 Church Road, Warsash	8 (4)
Councillors Cartwright and Ford, JP	P/15/1023/FP 20 Church Road, Warsash	8 (5)
Councillors Cartwright, Evans, Walker and Bayford	P/15/1122/FP Land to Rear of 23 High Street, Fareham	8 (10)
Councillor Mandry	P/15/1085/FP 89 Hill Head Road, Fareham	8 (11)

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

Name	Spokesperson representing the persons listed	Subject	Supporting or Opposing the Application	Item Application No/Page No
ZONE 1 – 2.30pm				
Ms L Jackson (Agent)		Carron Row Farm 15 Segensworth Road Titchfield Fareham PO15 5DZ – Change of Use Listed Barn to 5 Bedroom Dwelling, Formation of access and garden curtilage,	Supporting	8(1) P/15/0267/FP Pg 44

		demolition of single storey building, demolition of the toilet block, demolition of the single storey fisherman's hut and replacement with 3 bedroom dwelling, formation of access and garden curtilage for new dwelling, formation of car parking for anglers, erection of heritage interpretation sign		
Ms J Hammond		-Ditto-	-Ditto-	-Ditto-
Ms L Jackson		Carron Row Farm 15 Segensworth Road Titchfield Fareham PO15 5DZ – Change of Use Listed Barn to 5 Bedroom dwelling with associated internal alterations	Supporting	8(2) P/15/0268/LB Pg 55
Ms J Hammond		-Ditto-	-Ditto-	-Ditto-
Ms N Crassweller		100 Locks Road Locks Heath Fareham SO31 6NR – Demolition of Existing Building and Redevelopment Comprising, Vehicular Access from Locks Road for 9 No. Dwellings and Associated Works	Supporting	8(3) P/15/0576/FP Pg 60
Mr C Jordan	Mr Ian Porter Mr Sean Healey	Land to the Rear of 20 Church Road Warsash SO31 9GD – Four 4 Bedroom Detached Houses, Garage & Car Ports, Parking and New Access off Sandycroft	Opposing	8(4) P/15/0947/FP Pg 69
Mr G Pickburn		-Ditto-	-Ditto-	-Ditto-
Mr J Scaman		-Ditto-	-Ditto-	-Ditto-
Mr B Campbell (Agent)		-Ditto-	Supporting	-Ditto-
Mr C Jordan		20 Church Road Warsash SO31 9GD – Demolition of Existing Single Garage and the	Opposing	8(5) P/15/1023/FP Pg 82

		Erection of New Double Detached Car Port with Use of the Existing Access		
Mr G Pickburn		-Ditto-	-Ditto-	-Ditto-
Mr C Westbury (Agent)		70 Hunts Pond Road-Land to Rear-Park Gate SO31 6QW – Erection of Detached Three Bedroom Chalet Style Bungalow and Detached Garage with Access from Crispin Close	Supporting	8(6) P/15/0990/FP Pg 87
Mr D Preston		-Ditto-	-Ditto-	-Ditto-
Miss L Evans		29 Catisfield Road Fareham PO15 5LT – Change of Use from Single Dwellinghouse (Use Class C3) to a Mixes Use Comprising Continued Residential Use and Continued Use of Indoor Swimming Pool & Associated Areas of the Building to Provide Swimming Lessons (Sui Generis)	Supporting	8(8) P/15/1231/CU Pg 98
Mr Reid		-Ditto-	-Ditto-	-Ditto-
Ms C Littlejohn		-Ditto-	-Ditto-	-Ditto-
Mr J Duckett		-Ditto-	-Ditto-	-Ditto-
Ms H Hatton		22 Suffolk Drive Whiteley Fareham PO17 7DE – Without Planning Permission Change of Use from Dwelling (Use Class C3) to mixed use comprising use of Original Garage as Hairdressing Salon and Residential Use of the Rest of the House (Sui Generis)	Supporting	8(9) Q/0005/16
ZONE 2 – 4.30pm				
Mr R Tutton (Agent)		Land to Rear of 23 High Street Fareham PO16 7AE – Proposed	Supporting	8(10) P/15/1122/FP Pg 110

		Erection of a Detached One-Bedroomed Bungalow, following Demolition of Existing Lean-To Garage		
ZONE 3 – 4.30pm				
Mr W Lewis		89 Hill Head Road Fareham PO14 3JP – Retention of Raised Decking and Alterations to Fenestration to Existing Detached Outbuilding	Opposing	8(11) P/15/1085/FP Pg 119
Mr R Astbury		-Ditto-	-Ditto-	-Ditto-
Mr R Tutton (Agent)		-Ditto-	Supporting	-Ditto-
Mr J Gratton		Unites 1 – 4 & 18 -19 Caste Trading Estate Fareham PO16 9SF – Demolition of Existing Buildings and Erection of Lidl Food Store with One Hundred Car Parking Spaces (Amended Proposal to Planning Permission P/14/1187/FP)	Supporting	8 (12) P/15/1093/FP Pg 129

6. REVIEW OF LOCAL INFORMATION REQUIREMENTS

The Committee considered a report by the Director of Planning and Regulation on a review of Local Information Requirements.

RESOLVED that the Committee agree the proposed changes to the Fareham Borough Council's Local Information Requirements for public consultation.

7. CHANGE TO OFFICER DELEGATION

The Committee considered a report by the Director of Planning and Regulation on changes to the scheme of delegation to officers in respect of telecommunications masts.

RESOLVED that the Planning Committee delegate authority to officers to determine planning applications and prior approval applications, including those relating to telecommunications masts as set out in Paragraphs 6 and 7 of the report, to make the approach consistent with other application types dealt with by this Council and to authorise the Council's Monitoring Officer to reflect this amended change in the Constitution (Scheme of delegation to Officers) accordingly.

8. **PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS**

The Committee noted a report by the Director of Planning and Regulation on the development management matter applications and miscellaneous matters including information on Planning Appeals. An Update Report was tabled at the meeting.

(1) P/15/0267/FP - CARRON ROW FARM 15 SEGNSWORTH ROAD TITCHFIELD FAREHAM PO15 5DZ

The Committee received the deputations referred to in Minute 5 above.

At the invitation of the Chairman Councillor Mrs Hockley addressed the Committee on this item.

Upon being proposed and seconded the Officer Recommendation to refuse planning permission as set out in the report, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that PLANNING PERMISSION be REFUSED.

Reasons for Refusal:

That the proposed replacement of the fisherman's hut with a new dwelling would be contrary to Policies CS14 of the Fareham Borough Core Strategy (Local Plan Part 1) and DSP6 of the Fareham Borough Development Sites and Policies Plan (Local Plan Part 2). The proposal will result in an undesirable addition of a new dwelling in the countryside for which there is no overriding need demonstrated.

(2) P/15/0268/LB - CARRON ROW FARM 15 SEGNSWORTH ROAD TITCHFIELD FAREHAM PO15 5DZ

The Committee received the deputations referred to in Minute 5 above.

At the invitation of the Chairman Councillor Mrs Hockley addressed the Panel on this item.

The Committee's attention was drawn to the Update Report which contained the following information:- *Further amended plans have been received to:*

- further revise the first floor south elevation of the Barn
- cross section details through the site and the barn
- typical window details for the barn
- Roof details

As a consequence of these plans being received they are considered to address the requirements of condition 04 and part of condition number 02. The recommendation is therefore amended to reflect these additional plans being received as follows:

LISTED BUILDING CONSENT subject to conditions:

01. The works hereby consented shall be begun within three years from the date of this decision.

Reason: To comply with the provisions of Section 18 of the Planning (Listed Building and Conservation Areas) Act 1990, as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

02. The works hereby consented shall be undertaken in accordance with the following approved plans:

- 1437 001 "Site Location Plan – Blue Line"
- 1437 002 "Site Block Plan"
- 1437 901 Rev O "Existing Plans"
- 1437 903 Rev O "Existing Elevations"
- 496 02 Rev C "Overall Landscape Proposals"
- 1437 SK01 Rev D "Plans as Proposed Revised Scheme"
- 1437 SK02 "Elevations as Proposed Revised Scheme"
- 1437 SK03 Rev D "Elevations as Proposed Revised Scheme"
- 1437 300 Rev A "Window Details"
- 1437 301 "Roof Details"
- 1437 004 Rev O "Barn Roof Plan and Sections as proposed"

Reason: To preserve the significance of the listed building.

03. No development shall take place until full details of all new joinery, including doors (internal and external), and other internal structures, shall include drawings at a scale of 1:10 (unless otherwise agreed in writing), of plans, elevations and sections. They should also include details of window (to complement the approved drawing 1437 300 Rev A "Window Details" and door furniture. The works shall be carried out in accordance with the approved details.

Reason: To preserve the significance of the listed building.

04. No development shall take place until details, including samples where required, of all the external materials to be used in the repair and conversion of the barn have been submitted to and approved in writing by the Local Planning Authority. The works shall be undertaken in accordance with the approved details.

Reason: To preserve the significance of the listed building.

05. No development shall take place until details of the type, colour and pointing finish of the mortars to be used in the repair and conversion of the barn, to include samples provided on the site, have been approved in writing by the Local Planning Authority. The works shall be undertaken in accordance with the approved details.

Reason: To preserve the significance of the listed building.

06. No development shall take place until a detailed schedule of works for the interior of the barn, specifying the methods and materials to be used, has been submitted to and approved in writing by the Local Planning Authority. The work shall be undertaken in accordance with the approved details.

Reason: To preserve the significance of the listed building.

Upon being proposed and seconded the officer recommendation to grant listed building consent, subject to the condition in the update report, was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to the conditions in the update report, LISTED BUILDING CONSENT be GRANTED.

(3) P/15/0576/FP - 100 LOCKS ROAD LOCKS HEATH FAREHAM SO31 6NR

The Committee received the deputations referred to in Minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information:- *The report heading should read: Demolition of existing building and redevelopment comprising vehicular access from Locks Road for 8 dwellings and associated works.*

The description of the development also referred to unit no. 8 as having three bedrooms instead of four.

The objection submitted from the owner of no. 18 which raised concerns regarding the impact that the loss of the boundary hedge would have on his outlook and privacy has been formally withdrawn.

Conditions amended as follows:

2. The development shall be carried out in accordance with the following approved plans:

Car ports Drawing no. ATR-01

Plots 1,2,3 & 4 elevations Drawing no. 10299-PL-04 Rev B

Plot 5 elevations Drawing no. 10299-PL-06 Rev E

Plots 6 & 7 elevations Drawing no. 10299-PL-08 Rev F

Plot 8 elevations Drawing no. 10299-PL-10 Rev C

Plots 1,2,3 & 4 floor plans Drawing no. 10299-PL-03 Rev B

Plot 5 floor plans Drawing no. 10299-PL-05 Rev C

Plots 6 & 7 floor plans Drawing no. 10299-PL-07 Rev F

Plot 8 floor plans Drawing no. 10299-PL-09 Rev B

Site layout Drawing no. 10299-PL-02 Rev M

Location Plan Car ports Drawing no. 10299-PL-11

Site Plan Drawing no. 10299-PL-01 Rev A

Design and access statement Dated February 2015

Chiropteran, barn owl and nesting bird survey ref HEA296a2015

Chiropteran monitoring survey ref HEA296b2015

Material samples report dated October 2015 Rev B and accompanying spreadsheet

Soft landscaping scheme drawing no. SOU19932 11 prepared by ACD

Reason: To avoid any doubt over what has been permitted.

6. Prior to the implementation of the landscaping scheme pursuant to condition 05, a schedule of landscape maintenance for a minimum period of 10 years shall be submitted to and approved in writing by the Local Planning Authority. The schedule shall include details of the arrangements for its implementation. Development shall be carried out in accordance with the approved schedule.

REASON: To secure the satisfactory appearance of the development in accordance with Policy CS17 of the Adopted Fareham Borough Core Strategy.

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to;

- (i). The conditions in the report;
- (ii). An additional condition that the existing house be dismantled so that the existing bricks and slates can be reused elsewhere; and
- (iii). That condition 10 be changed to read 'Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England) Order 2015 (or any order revoking and re-enacting that Order with or without modification), no doors, gates, structures or other means of enclosure shall be erected on the approved car ports.

Reason: In the interest of retaining an adequate supply of parking provision and in the interest of highway safety.'

Was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to:

- (i). The conditions in the report;
- (ii). An additional condition that the existing house be dismantled so that the existing bricks and slates can be reused elsewhere; and
- (iii). That condition 10 be changed to read 'Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England) Order 2015 (or any order revoking and re-enacting that Order with or without modification), no doors, gates, structures or other means of enclosure shall be erected on the approved car ports.

Reason: In the interest of retaining an adequate supply of parking provision and in the interest of highway safety.'

PLANNING PERMISSION be granted.

**(4) P/15/0947/FP - LAND TO THE REAR OF 20 CHURCH ROAD
WARSASH FAREHAM SO31 9GD**

Councillor Cartwright declared a non-pecuniary interest in this item as the deputies are known to him as he is the Ward Councillor for this area.

Councillor Ford declared a non-pecuniary interest in this item as he lives 50 metres away from the application site and he has been in consultation with several of the people making deputations on this application. He then left the room and took no part in the discussion or vote of this item.

The Committee received the deputations referred to in Minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information:- *Condition 15 of the recommendation is updated to reflect the correct plot number (from 3 to 4)*

15. The staircase window proposed to be inserted into the south elevation of plot 4 shall be glazed with obscure glass and be of a non opening design and construction to a height of 1.7 metres above internal finished floor level of the first floor landing and shall thereafter be retained in that condition at all times.

REASON: To prevent overlooking and to protect the privacy of the occupiers of the adjacent property.

The Committee were verbally updated of a correction to Condition 4 which should read '04. No development shall take place, including site clearance and preparatory work, until the protective fencing along the western and southern boundaries as set out in the "Bat Activity and Bat and Reptile Mitigation Strategies" Addendum and the approved site layout drawing 10259-PL-02 Revision F has been erected.'

A motion was proposed and seconded to refuse the application on the grounds over development and lack of amenity space, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that PLANNING PERMISSION be REFUSED.

Reasons for Refusal:

- (1) The proposed development, by virtue of its cramped layout and garden provision to plots one and two, is considered to result in overdevelopment of the site through the failure to provide adequate usable external amenity space to meet the requirements of future occupiers. The development is therefore considered to be contrary to policy CS17 of the Fareham Borough Design Guide (Excluding Welborne) Supplementary Planning Document.
- (2) In the absence of a completed agreement pursuant to section 106 of the Town and Country Planning Act 1990 to secure:
 - A financial contribution towards the Solent Recreation Mitigation Strategy,
 - A contribution towards the Solent Recreation Mitigation Strategy,
 - A contribution towards reptile translocation and habitat enhancement,
 - Affordable Housing Claw Back Obligation for Affordable Housing should a residential proposal come forward on the site of planning permission P/15/1023/FP.

The proposed development fails to mitigate its impact and would, in combination with other developments, increase the recreational pressure and habitat disturbance to the Solent Coastal Protection Areas; have a detrimental impact upon reptiles using the site and fail to provide the opportunity to secure a contribution towards affordable housing. The development would therefore be contrary to Policy CS18 (Provision of Affordable Housing) of the adopted Fareham Borough Core Strategy and policies DSP13 (Nature Conservation) and DSP15 (Recreational Disturbance on the Solent Special Protection Areas) of the Fareham Borough Development Sites and Policies Plan.

(5) P/15/1023/FP - 20 CHURCH ROAD WARSASH FAREHAM SO31 9GD

Councillor Cartwright declared a non-pecuniary interest in this item as the deputies are known to him as he is the Ward Councillor for this area.

Councillor Ford, JP declared a non-pecuniary interest in this item as he lives 50 metres away from the application site and has consulted with several of the deputies on this application. He left the room and did not take part in the discussion or vote on this item.

In light of the resolution to item (4) the recommendation was verbally updated to the Committee as follows:

Subject to the applicant/owner first entering into a planning obligation under Section 106 of the Town and Country Planning Act 1990 on terms drafted by the Borough Solicitor to secure an affordable Housing Claw Back Obligation for Affordable Housing should a residential proposal come forward on the application site and a development be permitted by the Local Planning Authority or by an allowed appeal on the land that forms the site for application P/15/0947/FP and the combined quantum of development exceeds the threshold for affordable housing within the policies of the development plan.

The PERMISSION subject to conditions as per the main agenda.

The Committee received the deputations referred to in Minute 5 above.

Upon being proposed and seconded the officer recommendation, as updated verbally, to grant planning permission, subject to the conditions in the report, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(6) P/15/0990/FP - 70 HUNTS POND ROAD - LAND TO REAR - PARK GATE SOUTHAMPTON SO31 6QW

The Committee received the deputations referred to in Minute 5 above.

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to the conditions in the report, was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(7) P/15/1215/SU - ROWAN WAY FAREHAM HAMPSHIRE PO14 3AF

Councillor Cartwright was absent from the room during the discussion of this item and did not take part in the vote.

Upon being proposed and seconded the officer recommendation that prior approval not required, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that PRIOR APPROVAL is NOT REQUIRED.

(8) P/15/1231/CU - 29 CATISFIELD ROAD FAREHAM HAMPSHIRE PO15 5LT

The Committee received the deputations referred to in Minute 5 above.

At the invitation of the Chairman Councillor Mrs Hockley addressed the Committee on this item.

A motion was proposed and seconded that planning permission be granted subject to conditions making the permission temporary for 1 year; personal to the applicant; and that the swimming lessons are run in accordance with the applicant's proposed parking plan, was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to planning conditions making the permission temporary for 1 year; personal to the applicant; and requiring the swimming lessons being run in accordance with the applicant's proposed parking plan PLANNING PERMISSION be granted.

(9) Q/0005/16 - 22 SUFFOLK DRIVE WHITELEY FAREHAM HAMPSHIRE PO17 7DE

The Committee received the deputation referred to in Minute 5 above.

The depute advised the Planning Committee that they were willing to make a planning application and would do so within 21 days of the date of this Planning Committee meeting. In light of the depute's statement that they would submit a planning application within the next 21 days, a motion was proposed and seconded that the matter be DEFERRED; this motion was CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that the matter be DEFERRED.

(10) P/15/1122/FP - LAND TO REAR OF 23 HIGH STREET FAREHAM PO16 7AE

Councillor's Cartwright, Evans, Walker and Bayford declared a non-pecuniary interest in this item as the applicant is known to them.

The Committee received the deputation referred to in Minute 5 above.

At the invitation of the Chairman Councillor Mrs Trott addressed the Committee on this item.

Upon being proposed and seconded the officer recommendation to refuse the planning application was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that PLANNING PERMISSION be REFUSED.

Reasons for Refusal:

The proposed development is contrary to Policies CS17 of the adopted Fareham Borough Core Strategy and Policies DSP2, DSP5 and DSP15 of the adopted Fareham Borough Local Plan Part 2: Development Sites & Policies and fails to preserve the setting of listed buildings or to preserve or enhance the character and appearance of the High Street Conservation Area and is therefore unacceptable in that:

i) The siting of a bungalow within this historic burgage plot and the subdivision of the burgage plot to form a separate residential curtilage would be seriously harmful to the integrity and legibility of the surviving medieval layout of the High Street which is an important characteristic of the High Street Conservation Area;

ii) The siting of the bungalow and the severance of the listed building 23 High Street from the remainder of its historic garden burgage plot, which is clearly intact and well defined by its listed boundary walls, would seriously harm the setting of the existing house and the setting of other listed buildings in the street;

iii) The proposal would result in a building that fails to respond in design to the historic context of the conservation area and the setting of listed buildings and would be an inappropriate and unsympathetic form of development harmful to the character and appearance of the conservation area and setting of listed buildings;

iv) The proposal fails to provide adequate privacy, outlook and light to the internal space to meet the requirements of the future occupiers of the bungalow;

v) The proximity of the car parking spaces to be used by occupants of the existing dwelling at 23 High Street to the windows and door in the eastern elevation of the proposed bungalow would be harmful to the living conditions of the future occupiers of the bungalow by virtue of noise, vibration and fumes;

vi) In the absence of a financial contribution or a legal agreement to secure such, the proposal fails to provide satisfactory mitigation of the 'in combination' effects that the proposed net increase in residential units on the site would cause through increased recreational disturbance on the Solent Coastal Special Protection Areas.

(11) P/15/1085/FP - 89 HILL HEAD ROAD FAREHAM HAMPSHIRE PO14 3JP

Councillor Ford, JP had left the meeting before this item and therefore did not take part in the discussion or vote.

The Committee received the deputations referred to in Minute 5 above.

Councillor Mandry declared a non-pecuniary interest this item as the applicant and one of the deputees is known to him.

The Committee's attention was drawn to the Update Report which contained the following information:- *Six further letters of support for the proposal have been received from:*

40 Hill Head Road; 15 Viking Close; 35, 56a Crofton Lane; 2a Carisbrooke Avenue and one by email with no address specified.

The matter raised reflects those summarized in the main agenda and the following points;

- This building has no impact what so ever to Hill Head.*
- You have to look very carefully to know the building is even there!*
- we see no problem with this at all.*
- The application is only for a bit of decking and some windows, nothing else.*
- Up until now I have not even been aware of the building and decking. This clearly shows that consideration was taken during its construction.*
- Not all residents agree with the Hill Head Residents Association.*

One further letter of objection has been received from 4 Cliff Road:

- I attended the last committee meeting and experienced a very biased presentation from the Officer and a counter case by Councillor Mandry.*
- The content of this second presentation seemed to be supported by the whole Planning Committee in attendance.*
- The decision on this application seemed to have been made before the Legal representation suggested this deferment on the Grounds that a future appeal may reverse any decision.*
- Surely, the elected councillors on this Committee should make the 'Right Decision as they see it and then stand by it, leaving the same 'Legal Resource' to worry about any 'Appeal'.*

Upon being proposed and seconded the officer recommendation to grant planning permission was voted and CARRIED.

(Voting: 5 in favour; 3 against)

RESOLVED that PLANNING PERMISSION be granted.

**(12) P/15/1093/FP - UNITS 1-4 & 18-19 CASTLE TRADING ESTATE
FAREHAM PO16 9SF**

Councillor Ford, JP had left the meeting before this item was heard and therefore did not take part in the discussions or vote.

The Committee received the deputation referred to in Minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information:- *The Applicant has requested that condition 22 be amended. As currently drafted the condition reflects that imposed on the permitted scheme and it restricts bank holiday opening hours to the same as Sunday opening hours.*

The Applicant has confirmed that Sunday trading laws are not applicable to bank and public holidays and it is requested therefore that the store be able to

open 7am to 10pm as normal on bank holidays as is the case, the applicant suggests, with other retailers.

In considering this request it is noted that the warehouse is at ground floor level such that delivery vehicles will off-load within a dock at floor level directly into the warehouse area. The delivery bay for the store is at the southern end of the building and is essentially sheltered by the building itself. Neighbouring dwellings to the east in Hamilton Road are over 30m away.

The general activity with the store being open is likely to be focused on the entrance area to the north west of the building and the car parking to the west and south. The operations are generally well away from neighbouring properties such that the requested change is not considered to result in any significant identifiable demonstrable harm.

The extended car parking at the south of the building does bring the activity on site closer to number 16a Hamilton Road, which is hard up against the application site in the south eastern corner. However, this building is a workshop/office and not a dwelling such that the activity associated with the store in this location is not considered to be demonstrably harmful on bank public holidays.

The applicant's request to amend Condition 22 is acceptable and is amended as follows:

22. The use hereby permitted shall not be open to customers outside of the following times:

- Monday – Saturday: 0700 – 2200; and

-Sunday: 1000 – 1700

REASON: To ensure that the store operations do not have a detrimental impact upon the environment and amenities in accordance with Policy CS17 of the Adopted Fareham Borough Core Strategy.

Additionally it is noted that the buildings on the application site have, since the submission of this application, been demolished. As such the requirements of condition 06 (asbestos survey for the existing building and a demolition method statement) in the main agenda is no longer considered to be necessary. Condition 06 is therefore deleted from the recommendation and the remaining conditions thereafter will be re-numbered accordingly as a result of this deletion.

The Committee was also verbally updated with a change to condition 21 as follows:

21. No deliveries shall be taken at or despatched from the site outside of the following hours:

Monday – Saturday : 0600 and 2200;

Sundays and recognised Bank and Public Holidays : 0830 and 1900

REASON: to ensure that the store operations do not have a detrimental impact upon the environment and amenities in accordance with Policy CS17 of the Adopted Fareham Borough Core Strategy.

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to the completion of a s.106 agreement and subject to the conditions in the report and update report, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that, subject to the completion of a satisfactory s.106 agreement and subject to the conditions in the report and update report, PLANNING PERMISSION be granted.

(13) Planning Appeals

The Committee noted the information in the report.

(14) UPDATE REPORT

The Update Report was tabled at the meeting and considered with the relevant agenda item.

9. TREE PRESERVATION ORDERS

The Committee considered the confirmation of the following Fareham Tree Preservation Order(s), which had been made under delegated powers and to which no formal objection had been received.

Fareham Tree Preservation Order No.717 (2015) – No.2, 3 & 4 Coldeast Way, Park Gate

Order served on 30 October for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No 717 be confirmed and made and served.

Fareham Tree Preservation Order.719 (2015) – The Bold Forester, 120 Bridge Road, Sarisbury

Order served on 4 December for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No 719 be confirmed and made and served.

(The meeting started at 2.30 pm
and ended at 7.05 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 8 February 2016

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17
Report of:	Director of Finance and Resources
Strategy/Policy:	Finance Strategy
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

This report seeks final confirmation of the recommendations to Council, on 19 February 2016, in respect of the revenue budget, capital programme and council tax for 2016/17.

Executive summary:

On 11 January 2016, the Executive reviewed the Council's overall finance strategy and considered proposals relating to the capital programme, revenue budgets and the council tax for 2016/17. This report updates the Council's budgets to reflect the decisions taken on 11 January 2016.

The capital programme for the years 2015/16 to 2019/20 will be £36,959,000.

The revenue budget for 2016/17 will be £8,829,400. With Central Government support and retained business rates estimated to be £2,592,859 and use of collection fund balance of £136,473, the total amount due from the council tax payers will be £6,100,068.

Taking these changes into consideration, the council tax for 2016/17 will be £145.22 per Band D property. This represents an increase from the council tax set for 2015/16 and would be within the referendum limit set by the Government.

Recommendation/Recommended Option:

That the following proposals be approved by the Executive and recommended to the meeting of the Council to be held on 19 February 2016:

- (a) the capital programme and financing of £36,959,000;
- (b) an overall revised revenue budget for 2015/16 of £9,174,600;

- (c) a revenue budget for 2016/17 of £8,829,400; and
- (d) a council tax for Fareham Borough Council for 2016/17 of £145.22 per band D property, which represents a £5.00 increase when compared to the current year.

Reason:

To allow the Full Council to approve the Council Tax for 2016/17.

Cost of proposals:

Not applicable.

Appendices: **A: Revenue Budget and Council Tax Summary 2015/16 and 2016/17**

Background papers: None

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	8 February 2016
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

- On 11 January 2016 the Executive reviewed the Council's overall finance strategy and considered proposals relating to:
 - The capital programme for 2015/16 to 2019/20;
 - The revised revenue budget for 2015/16;
 - Fees and charges for 2016/17
 - The revenue budget for 2016/17; and
 - The council tax for 2016/17.
- The purpose of this report is to update the Council's spending plans to take account of the decisions taken by the Executive in relation to these various issues.

THE CAPITAL PROGRAMME 2015/16 TO 2019/20

- The capital programme for the period 2015/16 to 2019/20 is £36,959,000 as shown in the following tables:

	£000s
Public Protection	479
Streetscene	916
Leisure and Community	11,243
Health and Housing	3,730
Planning and Development	1,058
Policy and Resources	19,533
TOTAL	36,959

4. It is anticipated that the programme will be financed from the following sources:

	£000s
Capital Fund Account	8,017
Capital Receipts	9,096
Borrowing	7,340
Revenue Contribution to Capital schemes	4,902
Government Grants	4,160
Community Infrastructure Levy	2,852
External Contributions	1,840
TOTAL	38,207

5. The programme and projected resources indicate that, by 31 March 2020, there would be a surplus of capital resources of £1,248,000, which represents a contingency of 3.3% on the overall capital programme.
6. Importantly, the surplus assumes an estimate of future capital receipts as well as continued revenue contributions towards capital investment, totalling £7.3m. In the event that these resources do not materialise, the programme will become partly unfunded.
7. Spending pressures in this respect include refurbishment/replacement works to some Council assets (for example community centres and the Osborn Road multi-storey car park) that have yet to be added to the capital programme. Therefore, no further use of the forward-balance is proposed and further replenishment of capital resources will be sought, (e.g. through use of revenue underspends).

SPENDING RESERVE

8. The spending reserve currently stands at £2,256,000 which is 5% of gross expenditure for 2015/16 which represents the minimum required balance as set out in the approved Medium Term Finance Strategy.
9. At the meeting on 11 January 2016 the Executive agreed to use the £886,300 that was in excess of the minimum balance to support the both the revenue budget and capital programme.
10. There was also a commitment to fund foreshore repairs at Hill Head that are required as a result of severe weather over the Christmas period from the general fund revenue reserve. A report will come to the Executive once costs are known.

REVISED BUDGET 2015/16

11. In January, the Executive considered in detail the revised budget for 2015/16, which totalled £9,174,600 and is no change when compared to the base budget for the year.

SERVICE BUDGETS 2016/17

12. The following table shows the service budgets resulting from the decisions of the Executive on 11 January 2016.

13.

	Base Budget 2016/17 £
Committees	
Planning Committee	672,900
Licensing and Regulatory Affairs Committee	491,400
Executive - Portfolio Budgets	
- Leisure and Community	2,635,700
- Health and Housing	1,196,900
- Planning and Development	-595,700
- Policy and Resources	1,353,000
- Public Protection	2,050,600
- Streetscene	4,478,600
SERVICE BUDGETS	12,283,400

OTHER BUDGETS 2016/17

14. Since the January Executive report was prepared further information has been released regarding Central Government Support. As a result of this change the Other Budgets total will be -£3,454,000.

THE OVERALL BUDGET POSITION FOR 2016/17

15. Taking account of the information referred to in the preceding paragraphs, the overall total budget for 2016/17, detailed in Appendix A, is confirmed as £8,829,400. This total is £345,200 below the base budget for 2015/16 of £9,174,600.

THE 2015 AUTUMN STATEMENT AND GOVERNMENT SUPPORT

16. In the Autumn Statement the Government announced funding plans for local authorities for the lifetime of this parliament which will see further reductions to funding of around 40% when compared to the support received in 2015/16. Under the proposals, by 2018/19 Fareham's Revenue Support Grant would be zero leaving only support from business rates and council tax available to fund revenue services.
17. As part of the statement the Government proposed referendum limits for local authorities and as expected, council tax increases that exceed 2% would trigger a referendum. However, the government has also allowed the 50 authorities with the lowest council tax to raise their council tax by a maximum of £5 when compared to the previous level, before a referendum is triggered. This report has been prepared using a £5 increase in council tax for Fareham.
18. The amount of government support that the Council expects to receive in 2016/17 is £2,592,859 which is a reduction of £606,873 or 19% when compared

to 2015/16.

19. With further cash reductions through to 2019/20, it is important that the Council continues to identify and secure cash-releasing efficiencies each year in order to maintain the high level of service currently provided and continue to achieve its corporate priority to minimise council tax increases.

CONSULTATION WITH RESIDENTS

20. During January members of the public have been asked to comment on the possible increase in the level of Fareham's part of the council tax.
21. The survey highlights the fact that council tax has been frozen since 2009, there has been and will continue to be reduced funding from Central Government and the option available to Fareham to increase council tax for a Band D property by £5 in 2016/17.
22. The results of the survey will be reported verbally at the Executive meeting.

COUNCIL TAX AND NATIONAL NON-DOMETIC RATE BASE

23. The revised council tax base for 2015/16 is 41,630.2 Band D equivalent properties which is the same as the original estimate.
24. The council tax base for 2016/17 is 42,005.7 Band D equivalent properties.
25. The net rates payable from National Non-Domestic Rates for 2016/17 (after Transitional arrangements and reliefs) is £43,706,286.

COUNCIL TAX FOR 2016/17

26. With a net budget for 2016/17 of £8,929,400 and government support of £2,592,859 and the use of collection fund balances of £136,473, the Executive is able to recommend a council tax increase for 2016/17 of £5. This is shown in the following table:

	Base Budget 2015/16	Base Budget 2016/17	Variation
	£	£	£
Total Budget	9,174,600	8,829,400	-345,200
Less:			
Government Support	3,199,732	2,592,859	-606,873
Use of Collection Fund surplus	75,786	136,473	+60,687
Council Tax Freeze Grant	61,695	0	-61,695
Total due from Council Tax Payers	5,837,387	6,100,068	+262,681
Council Tax base	41,630.2	42,005.7	
Council Tax	£140.22	£145.22	
Cash Increase	+ £0.00	+ £5.00	

27. Since April 2010 council tax freeze grant has been received from central Government which has been equivalent to a 9% increase in council tax, leaving Fareham's council tax some 14.5% below the inflation level had increases been taken every year.

ASSURANCE STATEMENT BY THE CHIEF FINANCIAL OFFICER (CFO)

28. Section 25 of the Local Government Act 2003 states that when the Council sets a budget for the forthcoming financial year, the CFO must report to the authority on the robustness of the budgets and the adequacy of the financial reserves.
29. The CFO is able to confirm that the Council's co-ordinated finance strategy allows the availability of resources to finance both capital and revenue expenditure to be considered at the same time. It provides the necessary flexibility to allow resources to be allocated to both capital and revenue and this has enabled the delivery of balanced budgets for both capital and revenue.
30. The CFO can also confirm the robustness of the approved budgets and therefore major variations in expenditure and income are not anticipated. However a risk assessment has been carried out to highlight the impact of possible variations in the level of expenditure and income and by maintaining the spending reserve at a minimum of 5% of gross expenditure, resources should be in place to meet any variations that cannot be met from within the Council's overall budget.

RISK ASSESSMENT

31. While all spending plans can be met from within existing resources, growing financial pressures increase the risk that spending plans exceed desirable levels.
32. Also, the budget reflects the implications of the changing funding position from central Government as well as other more local budget pressures. These changes will continue to affect the Council's finances and it remains an important part of the overall Medium Term Finance Strategy to retain sufficient balances to cater for the unexpected in these uncertain times.
33. The council should continue to explore opportunities to increase income sources for the Council as well as review efficiency plans in order that balanced budgets can be made in future years.

CONCLUSION

34. In making a recommendation to full Council on the council tax for 2016/17, the Executive has evaluated the Council's overall financial position in relation to existing commitments, the level of resources and the projected financial position in the future; not just the overall budget position for next year.

Enquiries:

For further information on this report please contact Neil Wood. (Ext 4506)

Revenue Budget and Council Tax Summary 2015/16 and 2016/17

	Budget 2015/16 £	Revised 2015/16 £	Variation Base to Rev £	Budget 2016/17 £	Variation Base to base £
Committees					
Planning Committee	753,000	688,700	-64,300	672,900	-80,100
Licensing and Regulatory Affairs Committee	490,200	561,700	71,500	491,400	1,200
Executive - Portfolio Budgets					
- Leisure and Community	2,112,600	2,809,300	696,700	2,635,700	523,100
- Health and Housing	1,215,000	1,298,200	83,200	1,196,900	-18,100
- Planning and Development	-1,001,900	-730,300	271,600	-595,700	406,200
- Policy and Resources	1,463,400	2,253,900	790,500	1,353,000	-110,400
- Public Protection	2,293,800	2,089,700	-204,100	2,050,600	-243,200
- Streetscene	4,447,000	4,440,800	-6,200	4,478,600	31,600
SERVICE BUDGETS	11,773,100	13,412,000	1,638,900	12,283,400	510,300
Capital Charges	-1,983,000	-2,227,200	-244,200	-2,227,200	-244,200
Capital Financing Costs					
- Use of Housing Capital Receipts	-230,000	-229,100	900	-230,000	0
- Direct Revenue Funding	1,301,000	1,301,000	0	1,295,000	-6,000
- Direct Revenue Funding NHB	897,900	897,900	0	897,900	0
Interest on Balances	-599,900	-699,900	-100,000	-569,900	30,000
Portchester Crematorium	-125,000	-125,000	0	-125,000	0
New Homes Bonus	-1,648,000	-1,653,800	-5,800	-2,068,000	-420,000
Contribution to(+)/from(-) Reserves	-211,500	-1,501,300	-1,289,800	-426,800	-215,300
OTHER BUDGETS	-2,598,500	-4,237,400	-1,638,900	-3,454,000	-855,500
NET BUDGET	9,174,600	9,174,600		8,829,400	-345,200

	Budget 2015/16 £	Budget 2016/17 £
NET BUDGET	9,174,600	8,829,400
EXTERNAL SUPPORT		
Non-Domestic Rates	1,750,446	1,765,033
Revenue Support Grant	1,449,286	827,826
Council Tax Freeze Grant	61,695	0
	<u>3,261,427</u>	<u>2,592,859</u>
USE OF COLLECTION FUND BALANCE	75,786	136,473
NET AMOUNT DUE FROM COUNCIL TAX PAYERS	5,837,387	6,100,068
COUNCIL TAX BASE	41,630.2	42,005.7
COUNCIL TAX PER BAND D PROPERTY (ROUNDED)	£140.22	£145.22
CASH INCREASE	£0.00	£5.00
PERCENTAGE INCREASE	0.00%	3.57%

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 08 February 2016

Portfolio:	Policy and Resources
Subject:	Treasury Management Strategy and Prudential Indicators 2016/17
Report of:	Director of Finance and Resources
Strategy/Policy:	Finance and Treasury Management Strategies
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

This report considers the draft Treasury Management Strategy Statement and Prudential Indicators for 2016/17, prior to its submission to the Council for approval.

Executive summary:

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Prudential Indicators. The document for 2016/17 is attached as Appendix A for consideration by the Executive before being submitted to Council for approval.

Main highlights in the Strategy are:

- a) In 2016 the Council will be switching treasury management consultants from Capita Asset Services to Arlingclose, as a result of a tender exercise.

Capital Issues

- b) The level of capital expenditure estimated for 2016/17 is £20.6 million which is slightly less than in 2015/16. We currently estimate that £5.8 million of this will be met by new borrowing.
- c) There will be a slight increase in the cost of capital as a % of net revenue stream in 2016/17. There is also an increase in the amount of council tax and housing rents that are contributing to the cost of the capital expenditure due to new borrowing in 2016/17.
- d) The Council is required to put aside resources to repay debt used to finance capital expenditure and establish a Minimum Revenue Provision policy statement on how we are going to calculate these resources. This policy has been included for the first time in the Strategy. We are choosing to adopt as our policy: *charging the expenditure over the expected useful life of the relevant assets on an annuity basis, starting in the year after the asset becomes*

operational.

Treasury Management Issues

- e) There are no changes to the Council's investment and borrowing policy.
- f) The external fund management service with Tradition will come to an end in April 2016 and therefore all investments will be managed in-house.

Recommendation:

That the Executive endorses the draft Treasury Management Strategy and Prudential Indicators for 2016/17, attached as Appendix A to this report, and submits the report to Council for approval.

Reason:

In accordance with the Code of Practice for Treasury Management in the Public Services and guidance from the Department of Communities and Local Government (DCLG), the Treasury Management Strategy and Prudential Indicators have to be approved by full Council.

Cost of proposals:

Not applicable.

Appendices: **A:** Treasury Management Strategy and Prudential Indicators 2016/17

Background papers: None

Reference papers: None

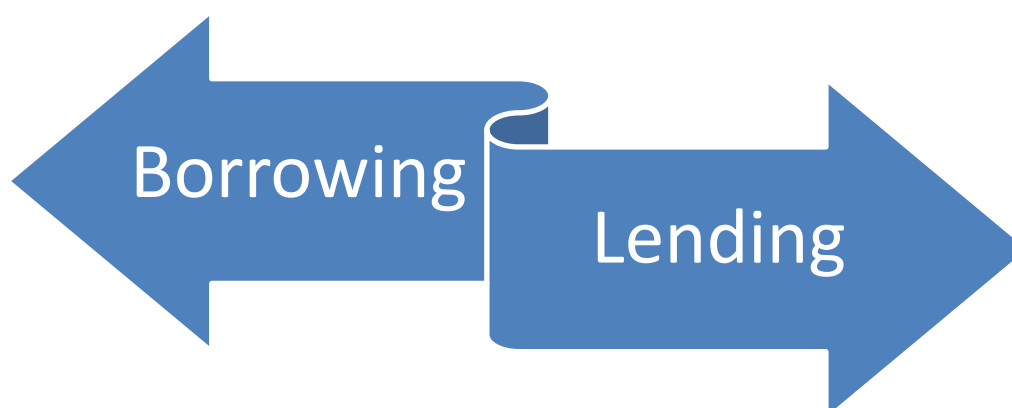
Enquiries:

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FAREHAM

BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2016/17



INTRODUCTION

WHAT IS TREASURY MANAGEMENT?

1. Treasury Management is defined as:

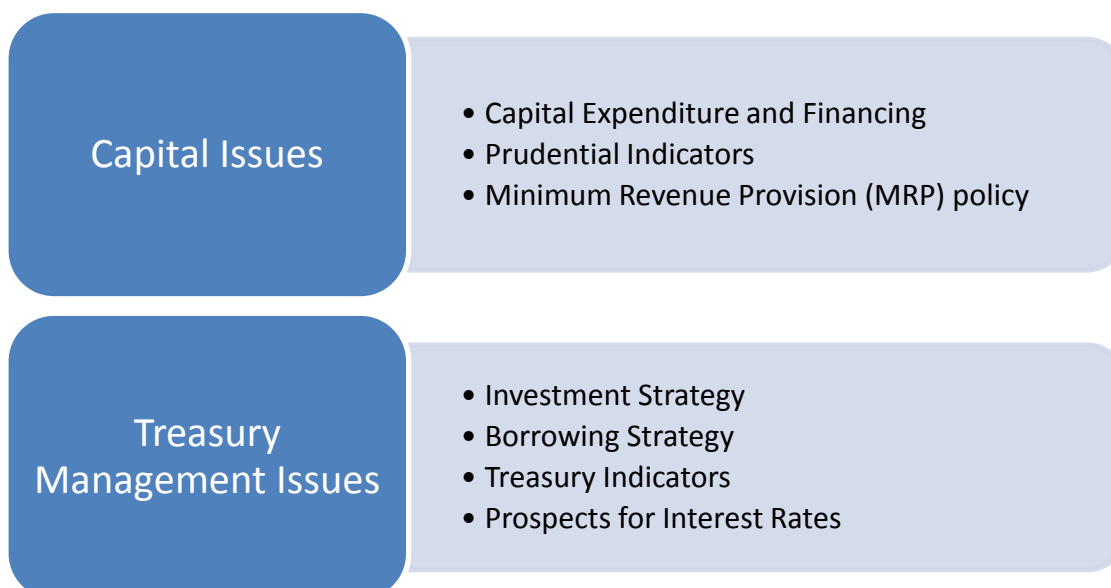
The management of the organisation's cash flows, its banking, money market and capital market transactions;

the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. There are two aspects to the treasury management service:
 - a) To ensure the cash flow is adequately planned, with **cash being available when it is needed**. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
 - b) To ensure the cash flow meets the Council's **capital plans**. These capital plans provide a guide to the **borrowing need** of the Council. Essentially this is the longer term cash flow planning to ensure that the Council can meet its capital spending requirements. The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CONTENT OF THE ANNUAL TREASURY MANAGEMENT STRATEGY

3. This strategy sets out the expected approach to treasury management activities for 2016/17 in light of the anticipated financial climate. It covers two main areas:



4. The content of the Strategy is designed to cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

REPORTING REQUIREMENTS

5. The Council receives and approves three main reports each year in relation to Treasury Management, which incorporate a variety of policies, estimates and actuals. The three reports are:



6. The Executive Committee is responsible for the implementation and monitoring of these reports whilst the Audit and Governance Committee is responsible for the effective scrutiny of the treasury management strategy and policies.

TRAINING

7. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
8. Treasury management officers regularly attend training courses, seminars and conferences provided by the Council's treasury management advisors and CIPFA.

USE OF TREASURY MANAGEMENT CONSULTANTS

9. The Council currently uses Capita Asset Services as its external treasury management advisors. From July 2016, this will change to Arlingclose, following a recent competitive tender exercise.
10. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
11. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

CAPITAL ISSUES

CAPITAL EXPENDITURE AND FINANCING

12. The objectives of the CIPFA Prudential Code are to ensure that capital investment plans are **affordable**, **prudent** and **sustainable**, and that treasury decisions are taken in accordance with good professional practice.

PRUDENTIAL INDICATORS

13. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the following **four** prudential indicators, which are designed to assist member's overview and confirm capital expenditure plans.

1) Level of Planned Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans and shows how these plans are being financed by capital or revenue resources.

Capital Expenditure and Financing	2015/16 Revised £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Public Protection	0	0	0	0
Streetscene	48	434	175	0
Leisure & Community	8,256	1,922	552	0
Health & Housing	1630	560	480	480
Planning & Development	32	48	17	0
Policy & Resources	2,945	11,048	1260	540
Total General Fund	12,911	14,012	2,484	1,020
HRA	10,353	6,621	2,475	2,715
Total Expenditure	23,264	20,633	4,959	3,735
Capital Receipts	5,551	675	230	230
Capital Grants	4,022	4,563	957	250
Capital Reserves	10,810	5,986	757	0
Revenue	1,381	3,569	1,691	1,931
Borrowing	1,500	5,840	0	0
Total Financing	23,264	20,633	3,635	2,411

2) The Council's Borrowing Need (Capital Financing Requirement)

This prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure financed by borrowing will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing in line with the asset's life.

The CFR projections are as follows:

£'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	2,872	8,942	9,172	9,402
HRA	52,879	52,649	52,419	52,189
Total CFR	55,751	61,591	61,591	61,591

3) Financing Costs as % of Net Revenue Stream

This is an indicator of affordability and identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

The positive percentage for the Housing Revenue Account (HRA) reflects the net borrowing costs for the HRA settlement.

	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	-8%	-6%	-7%	-7%
HRA	15%	15%	15%	15%
Total	5%	6%	6%	6%

4) Incremental Impact of Capital Decisions on Council Tax and Housing Rents

This indicator shows the impact of capital decisions on council tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the proposed capital programme to be approved during this budget cycle.

	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Council tax band D	£0.34	£2.35	£0.29	£0.00
Weekly housing rent levels	-£0.06	£0.23	£0.02	£0.02

HOUSING REVENUE ACCOUNT (HRA) RATIOS

- As a result of the HRA Reforms in 2012, the Council moved from a subsidy system to self-financing and was required to take on **£49.3 million** of debt. The table below shows additional local indicators relating to the HRA in respect of this debt.

	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
HRA debt £'000	49,268	49,268	49,268	49,268
HRA revenues £'000	11,200	11,180	11,271	11,107
Number of HRA dwellings	2,424	2,465	2,454	2,443
Ratio of debt to revenues %	4.40:1	4.41:1	4.37:1	4.44:1
Debt per dwelling £	£20,325	£19,987	£20,077	£20,167

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

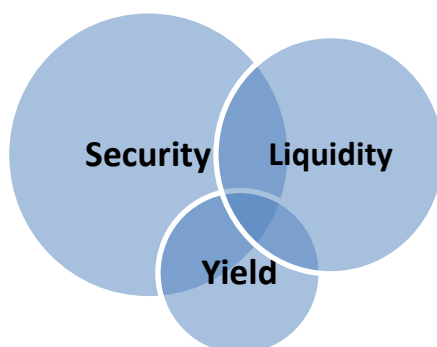
15. Where the Council finances capital expenditure by debt, it must **put aside resources to repay that debt** in later years. The amount charged to the revenue budget for the repayment of debt is known as **Minimum Revenue Provision (MRP)**.
16. The Council is required to set an annual policy on the way it calculates the prudent provision for the repayment of General Fund borrowing. It will be determined by charging the expenditure over the **expected useful life** of the relevant assets on an **annuity basis** starting in the year after the asset becomes operational.
17. No MRP will be charged in respect of assets held within the HRA, in accordance with DCLG Guidance and capital expenditure incurred during 2016/17 will not be subject to a MRP charge until 2017/18.

TREASURY MANAGEMENT ISSUES

INVESTMENTS

Investment Policy

18. Both the CIPFA Code and DCLG Guidance require the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.



19. The Council's objective when investing money is to strike an appropriate balance

between **risk and return**, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

20. The Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which will also enable diversification and avoid concentration risk. They key ratings used to monitor counterparties are the **short term** and **long term** ratings.
21. Ratings will not be the sole determinant of the quality of an institution. It is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing, such as credit default swaps, and overlay that information on top of the credit ratings.
22. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
23. The following internal measures are also in place:
 - Investment decisions formally recorded and endorsed using a Counterparty Decision Document.
 - Monthly officer reviews of the investment portfolio and quarterly reviews with the Chief Executive Officer.

Counterparty Selection Criteria

24. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure that:
 - It maintains a policy covering the **categories of investment types** it will invest in, **criteria for choosing investment counterparties** with adequate security, and **monitoring** their security.
 - It has **sufficient liquidity** in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed.
25. Officers will **maintain a counterparty list** in compliance with the below criteria and will revise the criteria and submit them to Council for approval as necessary.
26. Credit rating information is supplied by the Council's Treasury Management Consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost

immediately after they occur and this information is considered before dealing.

27. The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- **Banks 1** - good credit quality. The Council will use banks which are UK banks and/or are non-UK and domiciled in a country which has a **minimum sovereign rating of AA** and have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated):

	Fitch	Moody's	Standard and Poor's
Short Term	F1	P-1	A-1
Long Term	A	A2	A

- **Banks 2** - Part nationalised UK banks (Royal Bank of Scotland). This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- **Building Societies** - The Council will use all societies which meet the ratings for banks outlined above and/or have **assets in excess of £5 billion**.
- **Other Investment Counterparties** -
 - UK Government (including gilts and the Debt Management Account Deposit Facility)
 - Local authorities
 - Money market funds
 - Enhanced cash funds

28. Where cash flows determine it necessary, the **Council's bankers, NatWest**, (part of the RBS group) will be used on **an unlimited basis**. If their credit quality is reduced, the Council will continue to use their banking services but no investments will be placed with them.

Time and Monetary Limits Applying to Investments

29. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long Term Rating	Money Limit	Time Limit
Banks 1 - good credit quality	A	£6m	5 years
Banks 2 - part-nationalised	N/A	£8m	3 years
Building Societies	N/A	£2m	1 year
Debt Management Account Deposit Facility	AAA	Unlimited	6 months
Local Authorities	N/A	Unlimited	5 years
Money Market Funds	AAA	£6m per fund	Liquid
Enhanced Cash Funds	AAA	£6m per fund	Liquid

Country and Sector Considerations

30. Due care will be taken to consider the country, group and sector exposures of the Council's investments.
31. The Council will only use approved counterparties from countries with a minimum **sovereign credit rating of AA from Fitch**. Countries that qualify using these credit criteria, as at the date of this report, are listed in the table below. The list will be added to, or deducted from by officers should ratings change in accordance with this policy:

AAA:	AA+:	AA:
Australia	Finland	Abu Dhabi (UAE)
Canada	UK	France
Denmark	USA	Qatar
Germany		
Netherlands		
Singapore		
Sweden		
Switzerland		

32. In addition, the following sector limits will apply:
- No more than **25%** will be placed with any **non-UK country** at any time.
 - No more than **25%** will be placed with **building societies**.
 - **Limits** in place will **apply to a group** of companies.
 - Sector limits will be monitored regularly for appropriateness.
 - As far as possible, the Council will aim to maintain at least **25%** of investments **maturing within 1 year**, and no more than **50% maturing over 1 year**.

Investment Strategy

33. The Council's in-house managed funds are mainly existing resources earmarked to finance future capital expenditure and resources derived from favourable cash flow, with a **core balance of £10 - £15 million** available for investment over a year.
34. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
35. The Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2016. The Bank Rate forecasts from Capita Asset Services for financial year ends (March) are:

Year	Bank Rate
2016/17	0.75%

2017/18	1.25%
2018/19	1.75%

36. The overall balance of risks to the above forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk.

Investment Treasury Indicator and Limit

37. Total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

£M	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Principal sums invested > 364 days	22	17	14	14

38. For its cash flow generated balances, the Council will seek to utilise its **call accounts, money market funds and short-dated deposits** (overnight to three months) in order to benefit from the compounding of interest.

External Fund Managers

39. Up to £13 million of the Council's investments are externally managed on a discretionary basis by **Tradition**. This arrangement was put in place in 2000 to improve the financial returns of the Council's core cash balances. This chargeable arrangement will come to an end in April 2016 as the level of financial returns has reduced significantly since the economic crisis.

BORROWING

Current Portfolio Position

40. The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement), highlighting any under or over borrowing.

£'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Debt at 1 April	41,782	43,082	48,722	48,722
Expected change in debt	1,300	5,640	0	0
Gross Debt at 31 March	43,082	48,722	48,722	48,722
Capital Financing Requirement (CFR)	55,751	61,591	61,591	61,591
Under/(Over) Borrowing	12,669	12,869	12,869	12,869
CFR for last, current and next 2	233,184	240,524	246,364	246,364

£'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
years				

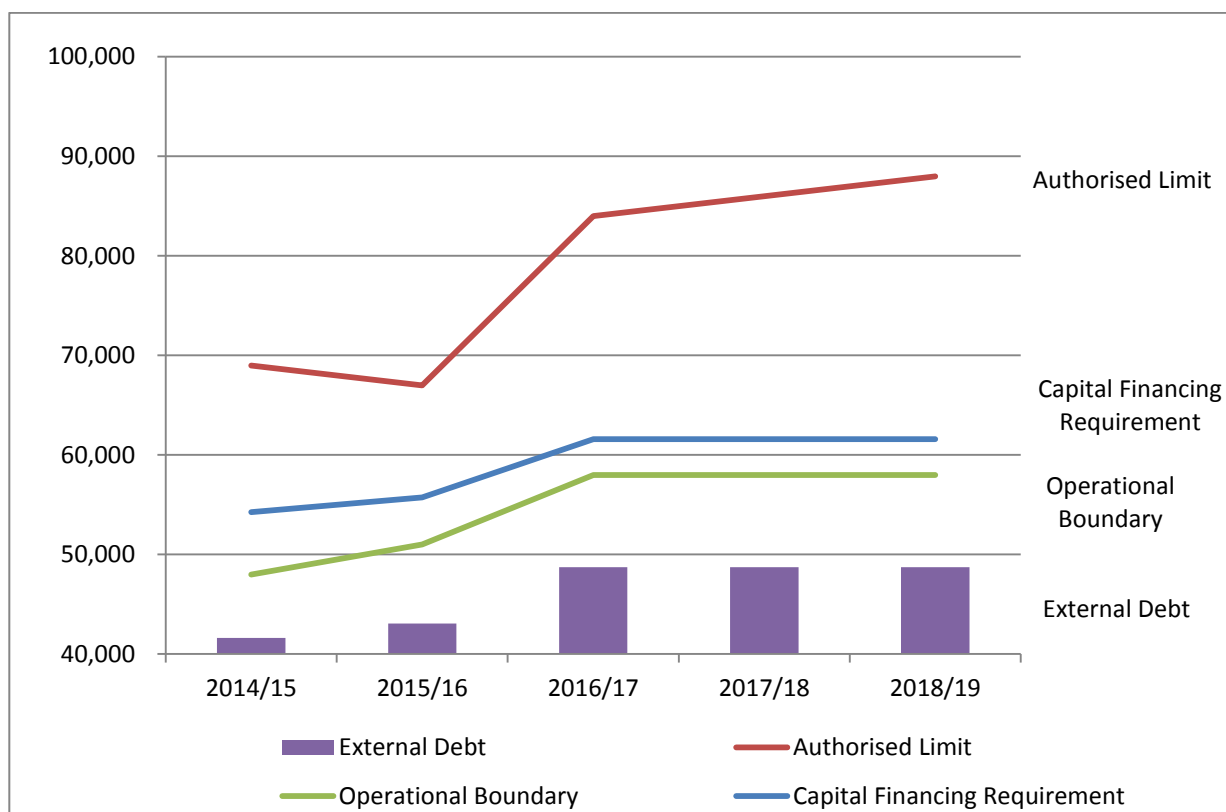
41. The Council is currently maintaining **an under-borrowed position**. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure.
42. Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years.
43. The Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Treasury Indicators: Limits to Borrowing Activity

44. The treasury indicators includes two limits to borrowing activity:
- 1) The **operational boundary** is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. This is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.
 - 2) The **authorised limit** is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.
45. The limits are:

£'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Operational Boundary				
Borrowing	47,000	53,000	58,000	58,000
Other long term liabilities	4,000	5,000	5,000	5,000
Total	51,000	58,000	58,000	58,000
Authorised Limit				
Borrowing	61,000	77,000	79,000	81,000
Other long term liabilities	6,000	7,000	7,000	7,000
Total	67,000	84,000	86,000	88,000

46. The graph below shows the projections for the CFR and borrowing limits:



47. Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

£'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
HRA Debt Cap	56,851	56,851	56,851	56,851
HRA CFR	52,879	52,649	52,419	52,189
HRA Headroom	3,972	4,202	4,432	4,662

Borrowing Strategy

48. The Council's main objective when borrowing money is to strike an appropriately low risk balance between **securing low interest costs** and achieving **certainty of those costs** over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
49. The Council has been in a debt free position for the General Fund for many years mainly due to having sufficient capital reserves to meet the Council's capital programme. However this position will change over the coming years as borrowing is required for large capital schemes such as Holly Hill Leisure Centre, Daedalus and new property investment opportunities.
50. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short term to either **use internal resources**, or to **borrow short-term** loans instead.
51. By doing so, the Council is able to reduce net borrowing costs (despite foregone

investment income) and **reduce overall treasury risk**. The benefits of internal borrowing or short term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise.

52. Our treasury advisors will assist the Council with this '**cost of carry**' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
53. Alternatively, the Council may arrange forward starting loans during 2016/17, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
54. In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

Sources of Borrowing

55. The approved sources of long-term and short-term borrowing are:
 - Public Works Loan Board (PWLB) and any successor body.
 - Any institution approved for investments, including other local authorities.
 - Any other bank or building society authorised to operate in the UK.
 - UK public and private sector pension funds (except the Hampshire County Council Pension Fund).
 - Capital market bond investors.
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
56. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
 - Operating and finance leases
 - Hire purchase
 - Private Finance Initiative
 - Sale and leaseback
57. The Council has previously raised all of its long-term borrowing from the PWLB but it will investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

Borrowing in Advance of Need

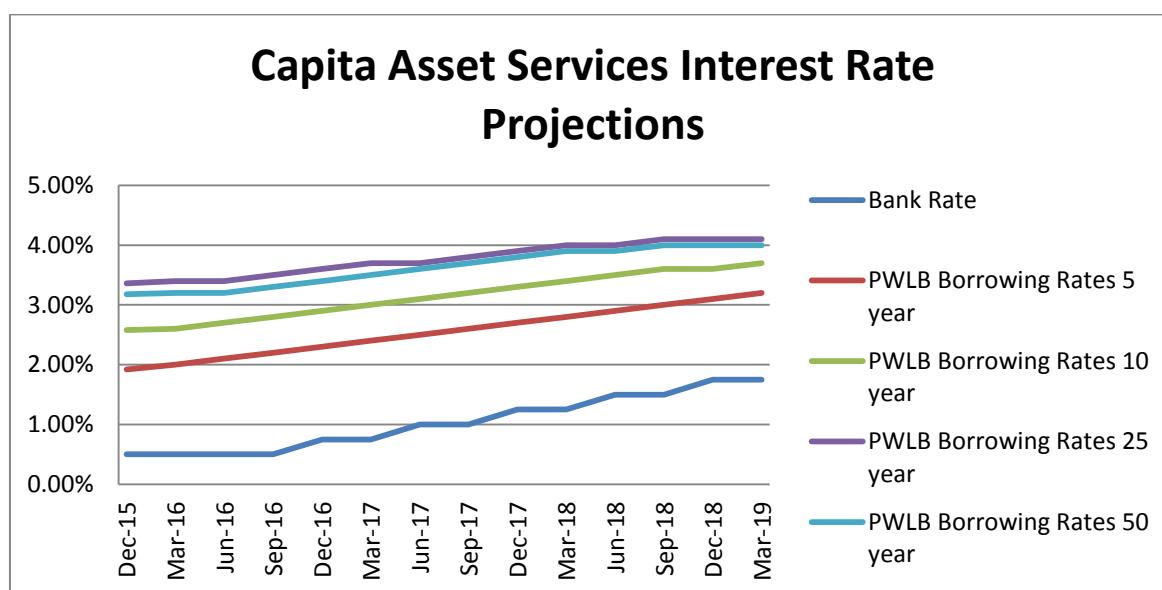
58. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
59. Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

DEBT RESCHEDULING

60. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

PROSPECTS FOR INTEREST RATES

61. The Council's Treasury Management Consultants assist the Council to formulate a view on interest rates. The latest detailed economic and interest rate forecast provided by Capita Asset Services is attached at Annex A.
62. The following graph and commentary gives the Capita Asset Services central view on interest rates and economic update.



63. Investment returns are likely to remain relatively low during 2016/17 and beyond.
64. Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets.

65. There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

TREASURY MANAGEMENT LIMITS ON ACTIVITY

66. There are **three** debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs and improve performance. The indicators are:

- Upper limits on **variable interest rate exposure**. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on **fixed interest rate exposure**. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- **Maturity structure of borrowing**. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

67. The treasury indicators and limits are:

Upper limits on interest rate exposures	2015/16	2016/17	2017/18	2018/19
	%	%	%	%
- Upper limit on variable interest rate exposures	25	25	25	25
- Upper limit on fixed interest rate exposures	100	100	100	100
Maturity structure of borrowing	Upper Limit			
	%	%	%	%
- Loans maturing within 1 year	25	25	25	25
- Loans maturing within 1 - 2 years	25	25	25	25
- Loans maturing within 2 - 5 years	25	25	25	25
- Loans maturing within 5 - 10 years	50	50	50	50
- Loans maturing in over 10 years	100	100	100	100

ECONOMIC BACKGROUND BY CAPITA ASSET SERVICES

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.1% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 has prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of

monthly purchases started in March 2015 and it was intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to an improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and +0.3% in quarter 3. However, this lacklustre progress in 2015 together with the recent downbeat Chinese and emerging markets news, has prompted comments by the ECB that it stands ready to strengthen this programme of QE by extending its time frame and / or increasing its size in order to get inflation up from the current level of around zero towards its target of 2% and to help boost the rate of growth in the EZ.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost power. A left wing / communist coalition has taken power in Portugal which is heading towards unravelling previous pro austerity reforms. This outcome could be replicated in Spain. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016 in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services.

There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality to bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging Countries. There are also considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries) there is now a strong flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields.

This change in investors' strategy, and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US, has helped to cause the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 19 January 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 4 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in January 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2017.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or US Federal Reserve rate increases, causing a flight to safe havens (bonds).
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- Uncertainty around the risk of a UK exit from the EU.
- The pace and timing of increases in the US Federal Reserve funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

