

**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, 24 FEBRUARY 2017**, commencing at **5.00 pm**.

The Mayor: Councillor Connie Hockley

The Deputy Mayor: Councillor Geoff Fazackarley

Councillor Keith Barton	Councillor Michael Ford, JP
Councillor Brian Bayford	Councillor Tiffany Harper
Councillor Susan Bayford	Councillor Carolyn Heneghan
Councillor Susan Bell	Councillor Leslie Keeble
Councillor Fred Birkett	Councillor Arthur Mandry
Councillor Maryam Brady	Councillor Kay Mandry
Councillor Pamela Bryant	Councillor Simon Martin
Councillor Jonathan Butts	Councillor Sarah Pankhurst
Councillor Trevor Cartwright, MBE	Councillor Roger Price, JP
Councillor Louise Clubley	Councillor Dennis Steadman
Councillor Shaun Cunningham	Councillor Katrina Trott
Councillor Peter Davies	Councillor Nick Walker
Councillor Tina Ellis	Councillor Christopher Wood
Councillor Jack Englefield	Councillor Seán Woodward
Councillor Keith Evans	



1. Prayers

The meeting will commence with a short service of prayers.

2. Apologies for Absence

3. Minutes (Pages 7 - 16)

To confirm as a correct record the minutes of the Council Meeting held on 15 December 2016.

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 2017/18.

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.

(1) Update of Petition - Newgate Lane Horses

To receive a verbal update on the Petition "Remove the Newgate 4 Horses" which was presented to the Council at its meeting on 15 December 2016.

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, 9 January 2017 of Executive (Pages 17 - 22)

(2) Minutes of meeting Monday, 6 February 2017 of Executive (Pages 23 - 28)

- (3) Schedule of Individual 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.

- (1) Minutes of meeting Thursday, 22 December 2016 of Scrutiny Board (Pages 31 - 34)
- (2) Minutes of meeting Tuesday, 31 January 2017 of Scrutiny Board (Pages 35 - 40)

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 December 2016 of Planning Committee (Pages 41 - 46)
- (2) Minutes of meeting Monday, 23 January 2017 of Planning Committee (Pages 47 - 52)
- (3) Minutes of meeting Wednesday, 25 January 2017 of Planning Committee (Pages 53 - 66)
- (4) Minutes of meeting Tuesday, 24 January 2017 of Licensing and Regulatory Affairs Committee (Pages 67 - 70)

Note: the following recommendation is to be determined:

Minute 6 – Spending Plans 2017/18

The Committee recommends that Council:

- (a) agrees the revised budget for 2016/17; and
- (b) agrees the base budgets for 2017/18.

Minute 7 – Fees and Charges 2017/18

The Committee recommends that Council agrees the fees and charges for 2017/18.

Minute 8 – Polling Station Review

The Committee recommends that Council approve the use of Crofton Community Centre as a polling station for polling districts HH3 and HH4.

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.

- (1) Notice of Motion received 15 December 2016 from Councillor R H Price
“In light of the Council’s agreement at the Council meeting on the 15th December 2016 that Portchester identity should not be lost, will the Council arrange that the size of the letters for the sign at Hamilton Road on the A27 after leaving Portsmouth where you enter the Borough has Portchester in letters of similar size to the word Fareham so that it is very clear that you are entering Portchester”.

15. Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2017/18

- (1) Suspension of Standing Order 19.4 and 19.5
To consider suspending the provision 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 the Executive - 06 February 2017 (Pages 71 - 80)
The Minutes of the meeting of the Executive held on 06 February 2017, presented to Council at its meeting on 24 February 2017 at item 10(2), contained recommendations on the revenue budget and the level of council tax for 2017/18. If Members accept the Executive’s recommendations, formal approval will be sought of the following matters:-
 - (a) the capital programme and financing of £63,686,000;
 - (b) an overall revised revenue budget for 2016/17 of £8,903,300;
 - (c) a revenue budget for 2017/18 of £8,616,700; and
 - (d) a council tax for Fareham Borough Council for 2017/18 of £150.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits.

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

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

- (3) Council Tax 2017/18 for Fareham Borough Council, Hampshire County Council, Hampshire Police and Crime Commissioner and Hampshire Fire and Rescue Service

Having made the necessary calculations in relation to its own budget, the Council must proceed to set the Council Tax for 2017/18 taking account of the amounts in precepts issued to the Council by Hampshire County Council, the Police and Crime Commissioner and Hampshire Fire Authority. These precepts will not be issued before the publication of this agenda and will therefore 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 2017/18, 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 for approval, 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 2017/18, taking account of the requisite calculations and the precepts of Hampshire County Council, the Police and Crime Commissioner and Hampshire Fire Authority).

- (4) Housing Revenue Account Budget and Capital Plans 2017/18 (Pages 81 - 90)

The minutes of the meeting of the Executive held on 06 February 2017, presented to Council at its meeting on 24 February 2017 at item 10(2), contained recommendations on the Housing Revenue Account Spending Plans including the Capital Programme for the years 2016/17 to 2020/21. 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 11 with effect from 3 April 2017;
- (b) rents for Council garages be increased by 6.2% with effect from 3 April 2017;
- (c) discretionary fees and charges be increased with effect from 3 April 2017;
- (d) the revised budget for 2016/17 be approved;
- (e) the base budget for 2017/18 be approved;

- (f) the capital programme and financing for 2016/17 to 2020/21 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).

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

- (5) Treasury Management Strategy & Prudential Indicators 2017/18 (Pages 91 - 112)

The minutes of the meeting of the Executive held on the 06 February 2017, presented to the Council at its meeting on 24 February 2017 at item 10(2), contained recommendations for the Council to approve the Treasury Management Strategy and Prudential Indicators 2017/18.

(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 25 February 2017.

Selection of Deputy Mayor 2017/18

At the conclusion of the Council meeting, there will be an informal discussion concerning the selection of the Deputy Mayor for 2017/18.

P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

16 February 2017

**For further information please contact:
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FAREHAM

BOROUGH COUNCIL

Minutes of the Council

Date: Thursday, 15 December 2016

Venue: Council Chamber - Civic Offices

PRESENT:

Mrs C L A Hockley
(Mayor)

G Fazackarley
(Deputy Mayor)

Councillors: K A Barton, B Bayford, Mrs S M Bayford, Miss S M Bell, F Birkett, Mrs M Brady, Mrs P M Bryant, J E Butts, T M Cartwright, MBE, Mrs L E Clubley, S Cunningham, P J Davies, Mrs T L Ellis, J M Englefield, K D Evans, M J Ford, JP, Miss T G Harper, Mrs C Heneghan, L Keeble, R H Price, JP, D L Steadman, Mrs K K Trott, N J Walker, C J Wood and S D T Woodward



1. PRAYERS

The meeting was opened with prayers from Reverend Susan Allman of St. Peter's Church in Titchfield.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A. Mandy, Mrs K. Mandy, S. Martin and Ms S. Pankhurst.

3. MINUTES

RESOLVED that the Mayor be authorised to sign as a correct record the minutes of the Council meeting held on the 13 October 2016.

4. MAYOR'S ANNOUNCEMENTS

The Mayor announced that she had recently undertaken a Civic Visit to Pulheim. This was a successful visit where everyone was made very welcome.

The Mayor took the opportunity to wish everyone a very happy Christmas.

Mayor's Tea Party

The Mayor announced that a Tea Party will be held on Thursday 2 February 2017 in the Mayor's Parlour at the Civic Offices. This will commence at 2.30pm and admission is £4.00. Nick Girdler of BBC Solent fame will be in attendance.

Quiz Night

The Mayor announced that on Saturday 4 February 2017 there will be a quiz night at the Palmerston Indoors Bowls Club in Palmerston Drive, Fareham. This will start at 7pm and tickets can be purchased for £15 which includes a two course meal.

5. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader was pleased to announce that Fareham Borough Council had been presented with two Awards from The Fareham Society's 40th Anniversary Design Awards. The first one was presented for a new build non-residential in recognition of the excellent standard of design and execution of the Fareham Innovation Centre.

The second award was received in recognition of the excellent standard of design and execution of the repair of the Bell Tower and Spire at Fareham Cemetery.

6. EXECUTIVE MEMBERS' ANNOUNCEMENTS

The Executive Member for Public Protection announced that on Thursday 24 November, he attended the Police Crime Commissioner's launch of his Restorative Justice and approaches strategy 2017-2020.

The Executive Member for Public Protection explained that it is known, through extensive research, that Restorative Justice (RJ) meets the needs of victims and puts them at the heart of the process through establishing what harm has been caused, what the needs of the victim are and how these can best be met. Restorative Justice is also demonstrating that it has a potential to reduce re-offending when combined with the right interventions.

The Executive Member for Public Protection stated that at the launch in Portsmouth Guildhall, they heard from the Director of Service Delivery for Restorative Justice who had been using restorative approaches over the last 15 years. They also heard from a victim of a sex crime, and also a perpetrator who was convicted of manslaughter and served time in prison. Both these speakers were passionate advocates of Restorative Justice and explained how it had helped them to come to terms with their respective situations, in that both met - in the first case - the perpetrator, and in the second case, the bereaved family. In doing so, it helped them come to terms with their situation and made them better people for the future.

The Executive Member for Public Protection stated that the Restorative Justice paper can be found on the Commissioner's website.

7. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

8. PRESENTATION OF PETITIONS

The Executive Leader presented a Petition entitled "Remove the Newgate 4 Horses". This Petition is demanding the removal of neglected horses from land in Newgate Lane.

The Mayor advised that this Petition will be dealt with in accordance with the Council's Petition Scheme.

The Mayor announced that a Petition has been received entitled "Preserve the unique identity of Portchester – We the undersigned petition the Council to preserve the unique identity of Portchester as a village and not simply part of Fareham by lobbying Royal Mail to maintain the name of Portchester in postal addresses". This was a combined paper and e-petition comprising 1,564 signatures which ended on the 14 October 2016.

Councillor G Fazackarley presented the Motion that Fareham Borough Council writes to Royal Mail to affirm the unique identity of Portchester and to request that the name of Portchester continues to be used in postal addresses.

In considering this item, a Deputation was received from Mr Trevor Alford.

Having duly been seconded by Councillor Walker and following a debate, the Motion was carried unanimously.

9. DEPUTATIONS

A deputation was received from Mr Trevor Alford and heard under item 8 during the presentation of the Petition.

10. REPORTS OF THE EXECUTIVE

(1) Minutes of meeting Monday, 10 October 2016 of Executive

RESOLVED that:

- (a) the minutes of the Executive meeting held on Monday, 10 October 2016 be received; and
- (b) that the recommendations contained in minute 9(1)(b) be accepted and accordingly the Council approve the update Pay Policy which was annexed to the Medium Term Finance Strategy.

(2) Minutes of meeting Monday, 7 November 2016 of Executive

RESOLVED that the minutes of the Executive meeting held on Monday, 7 November 2016 be received.

(3) Minutes of meeting Monday, 5 December 2016 of Executive

RESOLVED that the minutes of the Executive meeting held on Monday, 5 December 2016 be received.

(4) Schedule of Individual Executive Member and Officer Delegated Decisions

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

11. REPORT OF THE SCRUTINY BOARD

(1) Minutes of meeting Thursday, 24 November 2016 of Scrutiny Board

RESOLVED that the minutes of the Scrutiny Board held on Thursday, 24 November be received.

12. REPORTS OF OTHER COMMITTEES

- (1) Minutes of meeting Wednesday, 12 October 2016 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on Wednesday, 12 October 2016 be received.

- (2) Minutes of meeting Wednesday, 16 November 2016 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on Wednesday, 16 November 2016 be received.

- (3) Minutes of meeting Monday, 28 November 2016 of Audit and Governance Committee

RESOLVED that:

- (a) the Minutes of the Audit and Governance Committee held on Monday, 28 November 2016 be received;
- (b) that the recommendations contained in minute 7(a) be accepted and accordingly:
- i. the Council agree the proposed changes to Authorisation limits in Financial Regulation 4; and
 - ii. that the recommendations contained in minute 7(b) be accepted and accordingly the Council approve the proposed changes to the wording in Financial Regulation 13.2.2 to include the inclusion of the words "and within the remit of their service" so that it reads "Property, Estates or Procurement teams, as appropriate to the acquisition and within the remit of their service".

13. QUESTIONS UNDER STANDING ORDER 17.2

Question received from Councillor P J Davies:

1. Would the Executive Member advise how many affordable homes were built in the Borough of Fareham in 2015/16?
2. Would the Executive Member advise how affordable homes are to be provided in the Borough of Fareham in the future?
3. Would the Executive Member agree that building affordable homes at 50% to 60% of the market rents, would mean that hardly any affordable homes would be built, as with any mortgage, the repayment period is 25 to 30 years?

4. Is the Executive Member aware that in addition to the Hampshire Rose site, Fareham North West can provide land for an additional 20 affordable homes as its contribution to dealing with the housing crisis in Fareham?

Responses from the Executive Leader:

1. A total 79 affordable housing homes were delivered in the Borough during the financial year ending 31 March 2016.
2. They will be delivered largely through local planning policy. Policy CS18 (Provision of Affordable Housing) in our Core Strategy, which was adopted in August 2011, requires the provision of affordable housing on any scheme that delivers a net gain of 5 or more dwellings. However, since the adoption of this policy the net gain has been increased to 11 or more due to a national policy change. In addition, the required proportion of affordable units cannot always be secured by the Council. This is because national policy provides the opportunity for applicants to provide financial viability evidence which may support a reduction in the number of affordable homes in certain circumstances. In terms of the Welborne development, Policy WEL18 (Affordable Housing) of the Welborne Plan (adopted in June 2015) requires the provision of 30% affordable housing. In exceptional circumstances, where viability considerations require, this policy also allows a minimum of 10%, and a maximum of 40% affordable housing in any phase of development. The policy also requires shortfalls to be met in a subsequent phase if viable.
3. I would agree that lower rents naturally make it less financially viable to build new homes, as there is less rental income to meet the fixed operational and financing costs of a new development. With the cost of construction currently increasing at a much greater rate than inflation, there is increasing pressure on scheme viability. However, for the sites that the Council is seeking to develop, we look at each one on its merits and seek to strike the right balance between affordability and viability.
4. I am aware of a number of potential housing development sites in Fareham North West that are at various stages of progression and investigation by officers.

Questions received from Councillor S Cunningham:

The Government's intention for the introduction of the Community Infrastructure Levy (CIL) was to help to make development more acceptable to local residents by providing the necessary infrastructure. The guidance is set out in the Planning Practice Guidance:

'Local authorities must allocate at least 15% of levy receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This can increase to a minimum of 25% in certain circumstances (where there is a Neighbourhood Plan).

Communities without a Parish, Town or Community Council will still benefit from the 15% neighbourhood portion (or 25% portion, if a neighbourhood plan or neighbourhood development order has been made).

If there is no Parish, Town or Community Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc.'

Could the Executive Member set out:

5. The process Fareham Borough Council uses to decide how CIL funds are to be spent and confirm that the Council follows the Government's Guidance?
6. The consultation process Fareham Borough Council follows with regard to community engagement in determining how the neighbourhood funding is to be used.
7. How much CIL has been collected, split out by ward?
8. How much has been charged and collected in relation to the housing development at Fareham College?
9. Community Infrastructure Levy Account
 - (a) How much has been collected since CIL started?
 - (b) How much has been spent?
 - (c) What is the CIL account balance?

Responses from the Executive Leader:

5. The Council is compliant with the CIL legislation. It also pays due regard to the Government Guidance in calculating, charging and spending CIL. The legislation is clear that in areas where there is no Parish, Town or Community Council or Neighbourhood Plan, the Charging Authority (i.e. the Council) may use CIL to support the funding of the provision, improvement, replacement, and operation of maintenance of infrastructure of the area - the area in this case being the Borough of Fareham.

Members should be aware that a number of changes to the CIL regulations have occurred since the CIL (Community Infrastructure Levy) regime was put in place by the Council. In addition, the Government announced at the beginning of this year that it was reviewing the CIL regulations and that there would be potential changes to how Councils can collect and spend CIL. Whilst there has been some delay to these changes being published, it is anticipated this will be issued in early 2017. Therefore, in view of these circumstances, the Council will be reviewing its CIL regime to reflect the changing situation after the anticipated Government changes next year.

6. The Council is committed to engaging with the community regarding what infrastructure is needed to support the development of local areas and the wider Borough. For example, as part of the preparation of the adopted Local Plan, the Council engaged with local communities at every

stage of the plan making process regarding the likely developments coming forward and what infrastructure would be needed to support development. However, as previously mentioned, the Council will be reviewing its CIL regime to reflect the changing situation after the anticipated Government changes next year and as part of the ongoing work with communities who wish to commence the neighbourhood plan process.

Depending on the Government changes early next year, the Council will then be in a position to clearly set out how it will consult with those local communities where development is taking place on how the 15% neighbourhood portion of CIL receipts are to be spent.

7.

WARD	Charged	Received
Fareham East	124,846	61,615
Fareham North	31,245	31,245
Fareham North-West	65,067	65,067
Fareham South	278,945	52,311
Fareham West	14,808	14,808
Hill Head	58,575	58,575
Locks Heath	343,868	186,595
Park Gate	2,574,471	2,573,119
Portchester East	409,392	409,392
Portchester West	29,784	29,784
Sarisbury	430,580	109,200
Stubbington	24,871	0
Titchfield	98,674	67,588
Titchfield Common	122,436	64,437
Warsash	449,718	285,970
Grand Total	5,057,280	4,009,706

8. The housing development at Fareham College is liable for a CIL charge of £251,634.19.

The first CIL instalment of £25,000 has been paid. The second instalment of £225,000 is due by 30 December 2016.

9(a)

Year	Charged	Received
2013/14	248,134	248,134
2014/15	2,379,349	2,380,727
2015/16	1,101,626	1,043,509
2016/17	1,328,171	337,336
Total	5,057,280	4,009,706

9(b)

Year	CIL Expenditure	Spend/ Commitment
2015/16	Holy Hill Leisure Centre (Park Gate)	2,400,000
Committed	Bus Shelter Replacement (Borough-wide)	451,500
Committed	Hill Head Coastal Protection Phase 1 (Hill Head)	355,500
Total		3,207,000

9(c) £802,706.

14. MOTIONS UNDER STANDING ORDER 15

There were no Motions under Standing Order 15 submitted for this meeting.

15. APPOINTMENTS TO COMMITTEES

There were no appointments or changes made to Committees at this time.

16. NEW ARRANGEMENTS FOR THE APPOINTMENT OF EXTERNAL AUDITORS FROM APRIL 2018

RESOLVED that the Council accepts Public Sector Audit Appointments (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 01 April 2018.

17. COUNCIL TAX SUPPORT SCHEME 2017-18

RESOLVED that the Council approves:

(a) the Council Tax Support Scheme; and

(b) that delegated authority be given to the Director of Operations to make any necessary minor amendments and to publish the final scheme prior to 01 April 2017.

18. SCHEDULE OF COMMITTEE MEETINGS 2017/18

The Council considered a report on the Schedule of Council and Committee Meetings 2017-18.

Having been duly seconded by Councillor T M Cartwright, Councillor P J Davies proposed an amendment to the Schedule of Council and Committee Meetings 2017-18 to reduce the number of Council meetings to 5 per year by removing the June meeting.

The motion was not seconded and therefore in accordance with Standing Order 19.2, the motion fell.

RESOLVED that Council approves the proposed schedule of Council and Committee meetings for the municipal year 2017-18, as set out at Appendix A to the report.

(The meeting started at 6.00 pm
and ended at 7.03 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 9 January 2017

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:

B Bayford, Chairman of Health and Housing Policy Development and Review Panel
Mrs S M Bayford, Chairman of Scrutiny Board
Mrs P M Bryant, Chairman of Licensing and Regulatory Affairs Committee
G Fazackarley, Chairman of Appeals Committee
M J Ford, JP, Chairman of Public Protection 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
N J Walker, Chairman of Planning Committee; for item 10(1)
S Cunningham, For items 10(1) and 11(1)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the Executive held on the 05 December 2016 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

Post Office Relocation

The Executive Leader announced that he had attended a meeting with the Post Office regarding the relocation of the Post Office from its existing building on West Street to the first floor of W H Smith.

The Executive Leader advised that the public consultation had now closed but further comments from the Council would be permitted until the end of the week. The Executive Leader reiterated that concerns have already been raised in respect of the access to the first floor and it was noted that the lift in W H Smith was not currently working.

The Post Office has identified a reduction in footfall at the Fareham West Street Post Office and has confirmed that they lease the building, not own it. They have further confirmed they have six years left to run on the lease and the Executive Leader commented that it does not seem logical to pay rent on an empty building as well as paying rent on a new location.

The Executive Leader advised Members that he would be writing to the Post Office indicating the Council's view that this move would be a waste of taxpayer's money at this time and asking the Post Office to consider not moving location for five years.

Welborne Garden Village

The Executive Leader announced that Welborne had been confirmed as one of 14 new English garden villages on 2nd January.

This will give the Council access to a £6 million fund over the next two financial years which has been put in place to support delivery and the money will be used to unlock the full capacity of sites. There is also additional funding for additional resources and expertise to accelerate development and avoid delays.

New starter home initiative

The Executive Leader announced that following a bid made last year, Fareham has been chosen by the Department for Communities and Local Government to be one of 30 local authorities selected to work in partnership with the Homes and Communities Agency to deliver starter homes.

These homes will be built primarily on brownfield sites and be exclusively for first-time buyers aged between 23 and 40 years old at a minimum discount of

at least 20 per cent below market value. Fareham's potential for early delivery of homes, was a key factor in being selected as a partner.

The new starter homes will draw funds from the Government's £1.2 billion Start Homes Land Fund and it is hoped they will be delivered by 2020.

Welborne Delivery - Prior Information Notice (PIN) published

The Executive Leader announced that the Council is progressing its delivery strategy for Welborne and that the Council has now published a Prior Information Notice setting out its intention to appoint a delivery partner for Welborne.

Having undertaken some 'soft market testing' this is the next stage in the process before the Council starts the formal procurement process to find a delivery partner. A key requirement for that partner will be to show a demonstrable track record in delivering the place-making and infrastructure required to realise Welborne Garden Village.

The Executive Leader announced that the new Welborne website has been launched along with an information leaflet circulated at the meeting giving the website address www.welbornegardenvillage.co.uk.

4. DECLARATIONS OF INTEREST

Councillor Miss S Bell declared a non-pecuniary interest for item 10(1) as she is a Council appointed Trustee of the Portchester Parish Hall. Councillor Miss Bell remained present at the meeting and took part in the discussion of the item.

When he addressed the Executive for item 10(1), Councillor N J Walker declared a non-pecuniary interest as he is a Council appointed Trustee of the Portchester Parish Hall. Councillor N J Walker remained present at the meeting.

5. PETITIONS

There were no Petitions submitted at this meeting.

6. DEPUTATIONS

There were no Deputations made at this meeting.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

There were no references from other committees submitted at this meeting.

8. LEISURE AND COMMUNITY

(1) Westbury Manor Museum Refurbishment - Award of Contract

RESOLVED that the Executive agrees to award a contract to the tenderer who submitted the most economically advantageous tender for the refurbishment of the Westbury Manor Museum.

9. STREETSCENE

(1) Refuse Collection Vehicles - Award of Contract

RESOLVED that the Executive accept the submission by Dennis Eagle for the provision of five refuse collection vehicles (reference no QUO00153 Rev 3) and award a contract to the company.

10. PLANNING AND DEVELOPMENT

(1) Draft Regeneration Vision for Portchester: Consultation

Councillor Miss S Bell declared a non-pecuniary interest for item 10(1) as she is a Council appointed Trustee of Portchester Parish Hall. Miss Bell remained present at the meeting and took part in the discussion.

At the invitation of the Executive Leader, Councillor S Cunningham addressed the Executive on this item.

Councillor N J Walker declared a non-pecuniary interest for item 10(1) as he is a Council appointed Trustee of Portchester Parish Hall. Councillor Walker remained present at the meeting.

At the invitation of the Executive Leader, Councillor N J Walker addressed the Executive on this item

RESOLVED that the Executive agrees the Draft Regeneration Vision for Portchester set out in Appendix A for consultation.

11. POLICY AND RESOURCES

(1) Finance Strategy, Capital Programme, Revenue Budget and Fees and Charges 2017/18

At the invitation of the Executive Leader, Councillor S Cunningham addressed the Executive on this item.

RESOLVED that the Executive agrees:-

- (a) that the capital programme for the period 2016/17 to 2020/21, amounting to £65,686,000 as set out at Appendix A to the report be approved;
- (b) that the proposed fees and charges for 2017/18, as set out in Appendix B to the report be approved;
- (c) that the revised 2016/17 general fund budget, amounting to £8,903,300 be approved;
- (d) that the base 2017/18 general fund revenue budget amounting to £8,616,700 be approved; and

(e) that the use of the surplus on the spending reserve as set out in paragraphs 49-51 be approved.

(The meeting started at 6.00 pm
and ended at 6.40 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 6 February 2017

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:

B Bayford, Chairman of Health and Housing Policy Development and Review Panel
Mrs S M Bayford, Chairman of Scrutiny Board
M J Ford, JP, Chairman of Public Protection Policy Development and Review Panel
A Mandry, Chairman of Planning and Development Policy Development and Review Panel
Ms S Pankhurst, Chairman of Leisure and Community Policy Development and Review Panel
N J Walker, Chairman of Planning Committee
Mrs K K Trott, For Item 9(1)
R H Price, JP, For Item 10(2)
S Cunningham, For Item 10(2)
C J Wood, For Item 10(3)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the Executive meeting held on the 09 January 2017 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader announced that following a period of local public consultation and review, despite representations from members of the public and the Council, the Post Office has disappointingly confirmed its decision to proceed with the proposal to move the Fareham Crown Post Office branch into the WHSmith store at 4 Savoy Buildings in West Street.

4. DECLARATIONS OF INTEREST

Councillors T M Cartwright and Mrs K Mandry declared Non-Pecuniary Interests for item 10(3) as they are members of the Daedalus Working Group. They both remained present at the meeting for the discussion of the item.

Councillor C J Wood declared a Non-Pecuniary Interest when he addressed the Executive on item 10(3) as he is a member of the Daedalus Working Group. Councillor Wood also declared a Non-Pecuniary Personal Interest in respect of this item due to the close proximity of his parents' property to the Daedalus site. He remained present at the meeting.

5. PETITIONS

The Executive Leader provided Members with an update in relation to the Petition that had been presented to the Council meeting in December 2016 requesting the removal of neglected horses from land in Newgate Lane.

The Executive Leader advised that the petition had been discussed at the Public Protection Policy Development and Review Panel on the 17 January 2017. It had been noted that the Council does not own the land at Newgate Lane and therefore does not have any powers of eviction at the site and the Panel heard that the Council's Environmental Health Service is aware of the case history of the horses at Newgate Lane and will continue to work closely with the RSPCA to provide full support of any action they consider it necessary to take.

6. DEPUTATIONS

There were no Deputations made at this meeting.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

The Executive Leader advised that there will be an item to note at the next meeting in respect of the Traffic Management Programme.

8. STREETSCENE

- (1) Holly Hill Cemetery Extension

RESOLVED that the Executive:-

- (a) agrees to the provision of an extension to the Holly Hill Cemetery; and
- (b) approves a budget of £300,000 to construct the cemetery extension.

9. PLANNING AND DEVELOPMENT

- (1) Fareham (Town Centre) Regeneration: Vision for Consultation

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

RESOLVED that the Executive agrees the Draft Regeneration Vision for Fareham Town Centre set out in Appendix A for consultation.

- (2) Welborne Delivery - Purchase of residential property

RESOLVED that the Executive:-

- (a) agrees the terms for the purchase of the residential property, as set out in the confidential Appendix A; and
- (b) delegates authority to the Director of Finance and Resources, following consultation with the Executive Leader, to agree minor amendments to the terms as appropriate.

10. POLICY AND RESOURCES

- (1) Housing Revenue Account Budget and Capital Plans 2017/18

The Executive noted an amendment to the Housing Revenue Account Budget and Capital Plans 2017/18 that was tabled at the meeting.

RESOLVED that the Executive agrees to recommend to Council that:-

- (a) rents be approved for Council Dwellings as set out in paragraph 11 with effect from 03 April 2017;
- (b) rents for Council garages be increased by 6.2% with effect from 03 April 2017;
- (c) discretionary fees and charges be increased with effect from 03 April 2017;
- (d) the revised budget for 2016/17 be approved;

- (e) the base budget for 2017/18 be approved;
 - (f) the capital programme and financing for 2016/17 to 2020/21 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 2017/18

The Executive noted an amendment to the Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2017/18 that was tabled at the meeting.

At the invitation of the Executive Leader, Councillors S Cunningham and R H Price, JP, addressed the Executive on this item.

Councillor Price put forward a proposal that provision be made in the budget to fund an outreach worker to support the increasing number of rough sleepers in the Town Centre. The Executive Leader indicated that the Health and Housing and Public Protection Policy Development and Review Panels would be the appropriate forum to discuss the need for this resourcing and that if it were considered necessary, provision could be made from within the existing spending reserve.

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 24 February 2017:-

- (a) the capital programme and financing of £63,686,000;
 - (b) an overall revised revenue budget for 2016/17 of £8,903,300;
 - (c) a revenue budget for 2017/18 of £8,616,700; and
 - (d) a council tax for Fareham Borough Council for 2017/18 of £150.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits.
- (3) Solent Airport - Refurbishment of Control Tower/Provision of Corporate Facilities

Councillors T M Cartwright declared a Non-Pecuniary Interest for this item as he is the Chairman of the Daedalus Working Group. Councillor T M Cartwright remained present at the meeting and took part in the discussion of this item.

Councillor Mrs K Mandry declared a Non-Pecuniary Interest for this item as she is a Member of the Daedalus Working Group. Councillor Mrs K Mandry remained present at the meeting and took part in the discussion of this item.

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

Councillor C J Wood declared Non-Pecuniary Interests for this item as he is a member of the Daedalus Working Group and also in respect of the close proximity of his parents' property to the Daedalus site. He remained present at the meeting.

Councillor T M Cartwright requested that provision be made from these funds for the north end of the Control Tower to be painted white to improve its appearance.

RESOLVED that the Executive:-

(a) agrees to the inclusion of the following schemes in the 2017/18 capital programme:

- Refurbishment of the control tower at an indicative cost of £333,000; and
- Provision of fuelling equipment and infrastructure at an indicative cost of £250,000;

(b) delegates authority to the Director of Finance and Resources, following consultation with the Executive Leader, to award the contracts for the refurbishment of the control tower, subject to the cost being within the allocated budget.

(c) delegates authority to the Director of Finance and Resources, following consultation with the Deputy Leader, to finalise detailed arrangements for the procurement of fuelling equipment, subject to the cost being within allocated budget; and

(d) agrees that the north end of the building be painted white in order to improve its appearance.

(4) Treasury Management Strategy and Prudential Indicators 2017/18

RESOLVED that the Executive:-

(a) endorses the draft Treasury Management Strategy and Prudential Indicators for 2017/18, attached as Appendix A to this report; and

(b) submits the report to Council for approval.

(The meeting started at 6.03 pm
and ended at 7.07 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) **Community Funding Application – Breast Cancer Haven** (Decision 2016/17-1868)

RESOLVED that the application for £2,535 from Fareham Borough Council's Community Fund Programme, submitted by Wessex Breast Cancer Haven for the purchase of therapeutic equipment and furniture be approved.

- (2) **Community Funding Application – Fareham Bowls Club** (Decision 2016/17-1869)

RESOLVED that the application for £1,200 from Fareham Borough Council's Community Fund Programme submitted by Fareham Bowls Club for the replacement of roofing and fasciae, and the installation of a new entrance door and security shutters, be approved.

That approval is subject to a condition that the remainder of the funding for the entire project is first secured.

Streetscene

- (3) **Extension of Contract – Recycling Textiles** (Decision 2016/17-1870)

RESOLVED that the current contract be extended for two years until March 2019.

- (4) **Purchase of Compact Sweeper** (Decision 2016/17-1892)

RESOLVED that the Executive Member for Streetscene approves the purchase of the compact sweeper.

Planning and Development

(5) Article 4 Direction – Titchfield: Consultation (Decision 2016/17-1882)

RESOLVED that authorisation is given for an Article 4 Direction to be made in accordance with the non-immediate procedure set out in The Town and Country Planning (General Permitted Development) Order 2015 (as amended) at Titchfield Conservation Area, as set out in the report.

(6) Article 4 Direction – Wallington: Consultation (Decision 2016/17-1883)

RESOLVED that authorisation is given for an Article 4 Direction to be made in accordance with the non-immediate procedure set out in The Town and Country Planning (General Permitted Development) Order 2015 (as amended) at Wallington Conservation Area, as set out in the report.

Executive Leader Delegated Decision

(7) Attendance at Conference – ‘Let’s get building! Financing and delivering new large-scale Communities, Innovation and Opportunity’ Conference (Decision 2016/17-1881)

RESOLVED that the Executive Member for Planning and Development may attend the ‘Let’s get building! Financing and delivering new large-scale Communities, Innovation and Opportunity’ Conference taking place on 23 March 2017 at Coin Street Neighbourhood Centre, London.

Officer Delegated Decision

(8) Fareham Innovation Centre – Phase 2: Award of Contract (Decision 2016/17-1891)

RESOLVED that the tender submitted by Morgan Sindall in the sum of £914,425.31 be accepted.

FAREHAM

BOROUGH COUNCIL

Minutes of the Scrutiny Board

(to be confirmed at the next meeting)

Date: Thursday, 22 December 2016

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor S D Martin (Vice-Chairman)

Councillors: B Bayford, L Keeble, A Mandry, C J Wood, Mrs L E Clubley (deputising for Ms S Pankhurst) and Mrs T L Ellis (deputising for M J Ford, JP)

Also Present: Mrs M Brady, S Cunningham and R H Price, JP (item 6)



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M J Ford, JP and Ms S Pankhurst.

Councillor Mrs M Brady was in attendance as a deputy for Councillor Cunningham as he was one of the signatories for the Call-In and therefore unable to sit as a member of the Scrutiny Board.

2. MINUTES

It was AGREED that the minutes of the Scrutiny Board meeting held on 24 November 2016, be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman confirmed that this special Scrutiny Board had been convened to consider the Executive's decision made on 5 December to approve the termination of the current traffic management agreement with Hampshire County Council and to continue funding the provision of deploying speed limit reminder signs with a budget of £8,000 per annum.

She informed the Board that the decision has not yet been implemented because it has been called-in by 3 non-Executive members, as per the Council's Constitutional arrangements.

The Chairman explained how the meeting would proceed and that it would essentially be held in two parts: a section of the meeting would be held in public to deal with issues that could be discussed in public session and then would follow a part of the meeting where press and public would be excluded in order to deal with matters of a confidential nature.

The Chairman confirmed that for each of the public and private sessions, Councillors Price and Cunningham, as the representatives of the call-in, would be called upon to present the reasons he had given for the call-in. The Executive Leader would then be invited to answer questions put to him by the Scrutiny Board on the decision made by the Executive. The Executive Member responsible for Public Protection would be requested to explain how the recommendations on the Traffic Management Agency Agreement were reached. This would then be followed by any specific questions to officers.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

In accordance with Standing Orders and the Council's Code of Conduct, Councillor R H price, JP declared a non-pecuniary interest for item 6 as he is a County Councillor.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. CALL-IN OF EXECUTIVE DECISION NO. 1855: TRAFFIC MANAGEMENT

The Board considered a report by the Head of Democratic Services which outlined the reasons given for the call-in of the Executive Decision regarding the Traffic Management Agency Agreement. The report highlighted that a number of reasons given for the call-in were matters for consideration in public, whilst others were confidential items. A number of appendices were attached to the report to further assist the Scrutiny Board in its review of the decision, all of which contained exempt information as defined in Paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972.

At the invitation of the Chairman, Councillor R H Price, JP, the representative of the call-in, was invited to present the publicly available reasons he had given for the call-in.

Councillor R H Price, JP declared a Non-Pecuniary Interest for item 6 as he is also a Hampshire County Councillor.

At the invitation of the Chairman, Councillor Cunningham, a representative of the call-in was invited to present the publicly available reasons he had given for the call-in.

At the invitation of the Chairman, the Executive Leader Councillor S D T Woodward was called upon to advise the Scrutiny Board of the elements taken into account by the Executive before making its decision. The Executive Leader then answered questions put to him on the matters for discussion in public by members of the Scrutiny Board.

The Executive Leader was thanked for his answers and was advised that he was no longer required at the meeting.

At the invitation of the Chairman, the Executive Member for Public Protection Councillor T M Cartwright, was called upon to advise the Scrutiny Board of the process undertaken before making its recommendation to the Executive. The Executive Member then answered questions put to her on the matters for discussion in public by members of the Scrutiny Board.

The Executive member was thanked for his answers and was advised that he was no longer required at the meeting.

At this point, the Chairman moved that as the matters for public session had been dealt with, the meeting temporarily go into private session to allow the confidential items to be discussed.

RESOLVED that in accordance with the Local Government Act 1972 the Public and Press be excluded from this section of the meeting on the grounds that the matters to be dealt with involve the likely disclosure of exempt information, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Private Session

The Director of Operations answered questions put to him on the confidential items by member of the Scrutiny Board.

At this point, the meeting moved back into **Public Session**.

The Chairman confirmed that having considered all the reason given for the call-in, the Scrutiny Board now had to consider its options as set out in the report, that being either:

- (a) to accept the decision made by the Executive, in which case the decision can be implemented; or
- (b) to request that the Executive reconsiders the decision, giving reasons for such a request.

A motion was proposed and seconded to request that the Executive reconsider their decision and specifically:

- 1) to explore further funding options in order to keep the service at Fareham Borough Council; and
- 2) to negotiate with Hampshire County Council to retain the current criteria for the issuing of Traffic Regulation Orders.

Upon being put to the vote, the motion was declared NOT CARRIED (2 members voting in favour; 6 against and 1 abstention)

A further motion was proposed and seconded to accept the decision made by the Executive and to allow the decision to be implemented which when being put to the vote was declared CARRIED. (6 members voting in favour and 3 against).

RESOLVED that the Scrutiny Board accept the decision made by the Executive and to allow the decision to be implemented to:

- (a) approve the termination of the current traffic management agreement with Hampshire County Council; and
- (b) continue funding the provision of deploying speed limit reminder signs with a budget of £8,000 per annum.

(The meeting started at 4.00 pm
and ended at 5.26 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Scrutiny Board

(to be confirmed at the next meeting)

Date: Tuesday, 31 January 2017

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor S D Martin (Vice-Chairman)

Councillors: B Bayford, S Cunningham, M J Ford, JP, L Keeble, A Mandry,
Ms S Pankhurst and C J Wood

Also Present: Councillor Miss S M Bell, Executive Member for Leisure and
Community (Item 7)



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES

It was AGREED that the minutes of the Scrutiny Board meeting held on 22 December 2016 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 2016/17 AND DRAFT WORK PROGRAMME 2017/18

The Board considered a report by the Director of Finance and Resources which reviewed the Board's work programme for the current year 2016/17, and asked members to consider the work programme for 2017/18.

The Chairman drew member's attention to Appendix B of the report which contained a list of organisations which help to support the delivery of public services within the Borough, and asked if there were any of the listed organisations that the Board would like to invite to a future meeting. Councillor Cunningham suggested that a presentation from 2 Saints would be beneficial to the Board especially in light of the recent Public Spaces Protection Order that the Council has introduced in the Town Centre. The Director of Finance and Resources addressed the Panel and suggested that he meet with Councillor Cunningham to draft a scoping report which can be brought back to the Board for agreement on the information that the Board would like 2 Saints to provide to them.

Councillor Cunningham also suggested that a presentation on PUSH could be useful to the Board. The Director of Finance and Resources explained that PUSH has its own Scrutiny arrangements and as a result did not feel that it would be appropriate to invite them to the Board. The Director of Planning and Regulation advised that he would speak to Councillor Cunningham after the meeting regarding this.

It was AGREED that Members:-

- (a) agreed the current work programme for 2016/17;

- (b) give initial consideration for items for the 2017/18 work programme; and
- (c) in addition to the scoping report for 2 Saints give further consideration for any other external review they may wish to carry out in 2017/18.

7. PRESENTATION BY, AND QUESTIONING OF, THE EXECUTIVE MEMBER FOR LEISURE AND COMMUNITY

The Board received a presentation by the Executive member for Leisure and Community on the performance of the services within the Leisure and Community portfolio over the past two years, and on future plans. The presentation included details on:-

- Finances (Revenue and Capital Budgets)
- Leisure Centres
- Play Area Improvement Programme
- Community Centres
- Westbury Manor Museum
- Leisure and Town Centre Events
- Community Funding
- Sports Club Liaison
- Community Service Level Agreements
- Youth Facilities
- Y CAT meetings
- Defibrillator Scheme
- Countryside Ranger Service
- Ferneham Hall
- Key Projects

The Executive Member for Leisure and Community answered members' questions concerning the presentation.

It was AGREED that the Executive Member for Leisure and Community be thanked for her very information presentation.

8. FINANCE STRATEGY, CAPITAL PROGRAMME, REVENUE BUDGET AND COUNCIL TAX 2017/18

The Board considered a report by the Director of Finance and Resources on the Finance Strategy, Capital Programme, Revenue Budget and Council Tax for 2017/18.

It was AGREED that members:-

- (a) noted the content report;
- (b) do not have any comments or proposals to refer to the Executive at its meeting on 6 February 2017.

9. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2017/18

The Board considered a report by the Director of Finance and Resources on the Housing and Revenue Account Budget and Capital Plans for 2017/18.

It was AGREED that members:-

- (a) note the content of the report; and
- (b) do not have any comments or proposals to make to the Executive at its meeting on 6 February 2017.

10. RECEIVE MINUTES OF MEETING OF POLICY DEVELOPMENT AND REVIEW PANELS

The Board was asked to receive the minutes of the Policy Development and Review Panels held since 1 November 2016.

(1) Minutes of meeting Tuesday, 8 November 2016 of Planning and Development Policy Development and Review Panel

The Chairman of the Planning and Development Policy Development and Review Panel, Councillor A Mandry was invited to present the minutes of the meeting held on 8 November 2016.

It was AGREED the minutes be received.

(2) Minutes of meeting Wednesday, 9 November 2016 of Leisure and Community Policy Development and Review Panel

The Chairman of the Leisure and Community Policy Development and Review Panel, Councillor Ms S Pankhurst was invited to present the minutes of the meeting held on 9 November 2016.

It was AGREED the minutes be received.

(3) Minutes of meeting Tuesday, 15 November 2016 of Public Protection Policy Development and Review Panel

The Chairman of the Public Protection Policy Development and Review Panel, Councillor M J Ford, JP was invited to present the minutes of the meeting held on 15 November 2016.

It was AGREED the minutes be received.

(4) Minutes of meeting Thursday, 17 November 2016 of Health and Housing Policy Development and Review Panel

The Chairman of the Health and Housing Policy Development and Review Panel, Councillor B Bayford was invited to present the minutes of the meeting held on 17 November 2016.

It was AGREED the minutes be received.

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 7.00 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 14 December 2016

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor A Mandry (Vice-Chairman)

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

**Also
Present:**



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee meeting held on 16 November 2016 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 the 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
Councillor Mandry	P/16/0931/FP 293B Titchfield Road Titchfield Fareham PO14 3ER	6 (1)
Councillor Mandry	Q/0366/16 293B Titchfield Road Titchfield Fareham PO14 3ER	6 (2)
Councillor Ford, JP	P/16/1192/VC The Tithe Barn Mill Lane Titchfield PO15 5RB	6 (3)

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	Minute No/ Application No/Page No
ZONE 1 – 2.30pm				
Mr M Knappett (Agent)		THE TITHE BARN MILL LANE TITCHFIELD PO15 5RB – VARY CONDITION 15 OF P/15/0786/VC TO INCREASE THE NUMBER OF WEDDING CEREMONIES	Supporting	6 (3) P/16/1192/VC Pg 23

		AND/OR WEDDING FUNCTIONS FROM 14 TO 28 TO BE HELD ON THE APPLICATION SITE IN ANY ONE CALENDAR YEAR – DEVELOPMENT AFFECTING THE SETTING OF THE GRADE 1 LISTED BARN		
Mrs B Clapperton	The Fareham Society	-Ditto-	Opposing	-Ditto-
ZONE 2 – 2.30pm				
ZONE 3 – 2.30pm				
Mr K Sims		49 WALLINGTON SHORE ROAD FAREHAM PO16 8SA – PROPOSED ERECTION OF A TWO-STOREY BLOCK OF TWO ONE-BEDROOMED FLATS	Opposing	6(5) P/16/0900/FP Pg 43
Mr R Tutton (Agent)		-Ditto-	Supporting	-Ditto-

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/16/0931/FP - 293B TITCHFIELD ROAD TITCHFIELD FAREHAM PO14 3ER

Councillor A Mandry declared a non-pecuniary interest in this item as the occupier of the neighbouring property is known to him.

The Committee requested that an additional condition be placed on the application stating that the use of the shed be for domestic storage only and cannot be used for living or sleeping accommodation.

Upon being proposed and seconded the officer recommendation to grant retrospective planning permission, subject to the inclusion of the condition that

the shed be used for domestic storage only and cannot be used for living or sleeping accommodation, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that subject to, a condition stating that the shed be used for domestic storage only and cannot be used for living or sleeping accommodation, retrospective PLANNING PERMISSION be granted.

(2) Q/0366/16 - 293B TITCHFIELD ROAD FAREHAM HAMPSHIRE PO16 7AZ

Councillor A Mandry declared a non-pecuniary interest in the item as the occupier of the neighbouring property is known to him.

The Committee decided to deal with the breaches separately.

Breach One – the non-compliance with a planning condition imposed on the 2014 permission in relation to a landscaping scheme.

A counter proposal to take formal action, if following discussions between Officers and the landowner, the landscaping is not carried out, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that, if the land owner does not implement the landscaping scheme, FORMAL ACTION to be taken.

Breach Two – the unauthorised laying of hard surfacing across the site which appears to have occurred in a piecemeal fashion since 2011.

Upon being proposed and seconded, the officer recommendation to take no formal action, was voted on and CARRIED.
(Voting: 7 in favour; 1 against; 1 abstention)

RESOLVED that NO FORMAL ACTION be taken.

(3) P/16/1192/VC - THE TITHE BARN MILL LANE TITCHFIELD FAREHAM PO15 5RB

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

Councillor M J Ford, JP declared a non-pecuniary interest in this item as he is a member of an amateur dramatics group who use another site owned by the applicant.

The Committee's attention was drawn to the Update Report which contained the following information:- *The applicant has submitted an overview of the barn's existing noise mitigation measures, together with ideas for other solutions. The measures suggested and intend to be implemented are as follows (subject to listed building consent where necessary):*

*New solid oak barn doors;
Moveable sound baffles;*

*Sound curtain;
Revamp of sound ceiling.*

The applicant would accept a planning condition securing the above measures.

One further letter of support received from a resident outside of the Borough.

Upon being proposed and seconded, the officer recommendation to refuse the variation of Condition 15 of P/15/0786/VC, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that PLANNING PERMISSION to vary Condition 15 of P/15/0786/VC be REFUSED.

(4) P/16/1194/OA - WAYSIDE 66 WARSASH ROAD WARSASH SOUTHAMPTON SO31 9JA

Upon being proposed and seconded, the officer recommendation to grant planning permission, was voted on and declared LOST.
(Voting 4 in favour; 5 against)

A motion was proposed to refuse the application, but was not seconded, therefore the motion was declared LOST.

A further motion was proposed and seconded to accept the officer's recommendation to grant planning permission, was voted on and CARRIED.
(Voting: 5 in favour; 1 against; 3 abstentions)

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

(5) P/16/0900/FP - 49 WALLINGTON SHORE ROAD FAREHAM PO16 8SA

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:-

1. Updated ecology comments:

Following discussions with the agent it is confirmed that the site was cleared in 2014 to enable a topographical survey to be undertaken. The ecological report submitted with the application confirms that the clearance of the land was undertaken outside of the nesting season.

2. Amended wording of condition 9 (not related to the above update) as follows:

The mitigation measures included in section 6 of the ecological survey produced by ecosupport ltd shall be implemented prior to the occupation of the development hereby approved.

3. 1 additional objection has been received, however it did not contain any new issues of concern.

A verbal update by the officer was also given stating that a further condition was to be added to the application to deal with unidentified contamination.

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

- (i). the conditions in the report;
- (ii). the amended conditions in the Update Report; and
- (iii). an additional condition to deal with unidentified contamination

Was voted on and CARRIED.

(Voting: 8 in favour; 1 against)

RESOLVED that, subject to:-

- (i). the conditions in the report;
 - (ii). the amended conditions in the Update Report; and
 - (iii). an additional condition to deal with unidentified contamination
- PLANNING PERMISSION be granted.

(6) Planning Appeals

The Committee noted the information in the report.

(7) 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 Borough Council 49 Burnt House Lane and Land to the North, Stubbington. Tree Preservation Order (FTO732) 2016.

Order served on 17 October 2016 for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No. 732 be confirmed as made and served.

(The meeting started at 2.30 pm
and ended at 4.52 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Monday, 23 January 2017

Venue: Solent Room, Ferneham Hall

PRESENT:

N J Walker (Chairman)

A Mandry (Vice-Chairman)

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

Also Present: Councillr C J Wood (item 5)



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that there would be a 15 minute break in the meeting after all of the deputations have been heard, to allow officers time to be able to address points raised in the deputations that had not already been covered in the report.

3. DECLARATIONS OF INTEREST

In accordance with Standing Orders and the Council's Code of Conduct, the following Councillors declared an interest in Item 5 – Development Management – Planning Application P/16/0557/OA – Land at Daedalus Airfield and Monks Hill Beach:

Councillor T M Cartwright; Councillor M J Ford, JP; Councillor J E Butts; Councillor C J Wood.

4. 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	Minute No/ Application No	TIME (mins)
Mr D Astbury	Hill Head Residents Association	LAND AT DAEDALUS AIRFIELD AND MONKS HILL BEACH (TO MEAN LOW WATER SPRINGS (MLWS)); AND LAND BETWEEN NATIONAL GRID SUBSTATION AT CHILLING AND BROWNWICH, NEAR CHILLING (TO MLWWS) – HYBRID PLANNING PERMISSION (PART OUTLINE, PART FULL PERMISSION)	Opposing	5 P/16/0557/OA	5 mins

Mr M Marks	Lee-on-the-Solent Residents Association	-Ditto-	-Ditto-	-Ditto-	5 mins
Mr R Wilkinson	Peel Common Estate Residents Association	-Ditto-	-Ditto-	-Ditto-	5 mins
Mr B Mansbridge		-Ditto-	-Ditto-	-Ditto-	3 mins
Caroline Dineage MP for Stubbington and Gosport		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr P Wason		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr M Murray		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr J McCilmont	The Fareham Society	-Ditto-	-Ditto-	-Ditto-	5 mins
Mr S Philpott Gosport BC Councillor		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr R Massingham		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr M Stratton-Brown		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr J Krumins		-Ditto-	-Ditto-	-Ditto-	3 mins
Mr M Shipley		-Ditto-	-Ditto-	-Ditto-	3 mins
Mrs E Booth		-Ditto-	-Ditto-	-Ditto-	3 mins
Mrs P Thorpe		-Ditto-	Supporting	-Ditto-	3 mins
Mr M Bray (Agent)	National Grid	-Ditto-	-Ditto-	-Ditto-	5 mins

5. DEVELOPMENT MANAGEMENT

The Committee received the deputations referred to in Minute 4 above.

Councillor T M Cartwright declared a non-pecuniary interest in this item as he is the Chairman of the Daedalus Working Group and the Daedalus Anniversary Working Group.

Councillor M J Ford, JP declared a non-pecuniary interest in this item as he is a member of the Daedalus Working Group.

Councillor J E Butts declared a non-pecuniary interest in this item as he is a member of the Daedalus Working Group, and he also hold a private pilot's licence and occasionally flies from Daedalus Airfield.

Councillor C J Wood declared a non-pecuniary interest in this item as he is a member of the Daedalus Working Group and his parent's property is in close proximity to the application site.

At the Invitation of the Chairman, Councillor C J Wood addressed the Committee on this item.

The Head of Development Management addressed the Committee to provide a verbal update to:

Condition 11 – which would read 'No development relating to the erection of the converter stations buildings shall take place until details have been submitted to and approved by the local planning authority to demonstrate how the buildings will be designed and any external plant attenuated to control noise emissions, including low frequency noise. The converter station building shall be constructed in accordance with the approved details.'

And

Condition 48 – which would have a further criterion added as follows:

- b) Direct Current magnetic fields directly above the cables not more than 10 microTesla when measured 1.5 metres above ground level at each taxi-way crossing of the cables;

The Committee resolved that details submitted by the applicant pursuant to condition 48) would be determined by the Planning Committee and would not be delegated to Officers.

Councillor Price suggested that an amendment be made to Condition 13 regarding the sound monitoring and suggested that it be changed from 6 months to 12 months.

(1) Upon being proposed and seconded, the Officer Recommendation to confirm the Council's Habitats Regulation Assessment as at Appendix A, and consequently adopt the applicant's Report to Inform Habitats Regulations Assessment together with the Likely Significant Effects document prepared by the Marine Management Organisation and the recommended conditions contained within Natural England's consultation response to the IFA2 planning application dated 26 August 2016, was voted on and CARRIED.
(Voting: 8 in favour; 0 against; 1 abstention)

RESOLVED that the Council's Habitats Regulation Assessment at Appendix A be CONFIRMED, and the applicant's Report to Inform Habitats Regulation Assessment together with the Likely Significant Effects document prepared by the Marine Management Organisation and the recommended conditions contained within Natural England's consultation response to the IFA2 planning application dated 26 August 2016, be ADOPTED.

(2) Upon being proposed and seconded, the Officer Recommendation to grant planning permission, subject to the prior completion of a legal agreement and the conditions in the report, and the proposed changes to Conditions 11 and 13 and 48 above, was voted on and CARRIED.

(Voting: 7 in favour; 2 against)

RESOLVED that, subject to:-

(i) The prior completion of a legal agreement pursuant to Section 016 of the Town and Country Planning Act 1990 on terms to the satisfaction of the Solicitor to the Council as detailed in the report;

(ii) Delegate to the Head of Development Management in consultation with the Solicitor to the Council to make any minor modifications to the proposed conditions of heads of terms or any subsequent minor changes arising out of detailed negotiations with the applicant which may necessitate the modification which may include the variation, addition or deletion of conditions and heads as drafted to ensure consistency between the two sets of provisions;

(iii) the conditions in the report;

(iv) the amendment to Condition 11 to read 'No development relating to the erection of the converter stations buildings shall take place until details have been submitted to and approved by the local planning authority to demonstrate how the buildings will be designed and any external plant attenuated to control noise emissions, including low frequency noise. The converter station building shall be constructed in accordance with the approved details.'; and

(v) Condition 48 to read:

48. No development in relation to the installation of cables on Daedalus Airfield shall take place until details of the way in which the cables will be arranged below ground along with the depth at which the cables will be laid has been submitted to and approved by the local planning authority in writing to achieve the following:

(a) Alternating Current magnetic fields directly above the cables not more than 10 microTesla when measured at ground level at each taxi-way crossing of the cables;

(b) Direct Current magnetic fields directly above the cables not more than 10 microTesla when measured 1.5 metres above ground level at each taxi-way crossing of the cables;

(c) Compass deviation not more than 1 degree when 12 metres or more away from the Direct Current cables, measured at 1.5m above ground level at each taxi-way crossing of the cables.

The installation of the cables on Daedalus Airfield shall be undertaken in accordance with the approved details.

REASON: To ensure that Alternating Current and Direct Current cables at the site will not materially impact upon aviation use and safety at the site;

And;

(vi) The amendment to Condition 13 for the monitoring period to be extended from 6 months to 12 months.

PLANNING PERMISSION be granted.

(The meeting started at 10.00 am
and ended at 2.15 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 25 January 2017

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor A Mandry (Vice-Chairman)

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

**Also
Present:**



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes if the Planning Committee held on 14 December 2016 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 Councillors declared an interest in the applications referred to:-

Name	Application Number/Site	Minute Number
Councillor Cartwright	P/16/1231/D3 Land Off Vulcan Way Daedalus East Fareham	8 (6)
Councillor Ford, JP	-Ditto-	8 (6)
Councillor Butts	-Ditto-	8 (6)

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	Minute No/ Application No/Page No
ZONE 1 – (Items 1 & 2 only) 2.30pm				
Mr S Brown (Agent)		LAND EAST OF BROOK LANE WARSASH SO31 9FE – OUTLINE PLANNING PERMISSION WITH ALL MATTERS RESERVED (EXCEPT	Supporting	8 (1) P/16/0959/OA Pg 26

		FOR ACCESS), FOR RESIDENTIAL DEVELOPMENT OF UP TO 180 DWELLINGS, ASSOCIATED LANDSCAPING, AMENITY AREAS & ACCESS FROM BROOK LANE		
Mr S Packer (Agent)		LAND TO THE EAST OF BROOK LANE & SOUTH OF BROOKSIDE DRIVE WARSASH – OUTLINE PLANNING PERMISSION WITH ALL MATTERS RESERVED (EXCEPT FOR ACCESS), FOR RESIDENTIAL DEVELOPMENT OF UP TO 85 DWELLINGS WITH PUBLIC OPEN SPACE, ACCESS FROM BROOK LANE, LANDSCAPING WORKS, INCLUDING DEMOLITION OF EXISTING REDUNDANT NURSERY BUILDINGS	Supporting	8 (2) P/16/1049/OA
ZONE 1 (items 3 & 4) – 4pm				
Mr N Ellis (Agent)		230 WARSASH ROAD WARSASH SO31 9JF – DEMOLITION OF THE EXISTING DETACHED GARAGE AND CONSTRUCTION OF A NEW 2 BEDROOM DETACHED BUNGALOW	Supporting	8 (3) P/16/1236/FP Pg 55
Mr M Knappett		17 LIPIZZANER FIELDS WHITELEY FAREHAM PO15 7BH – TWO STOREY EXTENSION	Opposing	8 (4) P/16/1278/FP Pg 63
Mr I Donohue		-Ditto-	Supporting	-Ditto-
ZONE 2 – 4pm				

ZONE 3 – 4pm				

6. SPENDING PLANS 2017/18

The Committee considered a report by the Director of Finance and Resources on the overall level of revenue spending for the Committee. The report also set out the revised budget for 2016/17 and the base budget for 2017/18.

RESOLVED that the Committee:

- (a) agree the revised budget for 2016/17 and the base budget for 2017/18;
- (b) notes the fees and charges for 2017/18; and
- (c) recommends the budget to Council for approval.

7. ACTUAL REVENUE EXPENDITURE 2015/16

The Committee considered a report by the Director of Finance and Resources which sets out details for the actual revenue expenditure for 2015/16.

RESOLVED that the content of the report be noted.

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/16/0959/OA - LAND EAST OF BROOK LANE WARSASH SO31 9FE

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:- *Three further comments received from local residents unable to attend the Planning Committee raising the following matters:*

*It would be interesting to see what HCC highways have in mind;
Highway improvements are needed before considering further development;
How will wildlife issues be overseen?*

Impact on local infrastructure appears to have been dismissed. Housing development cannot be considered in isolation and must be a well considered, overall strategy for the area;
Brownfield sites should not be used;
Local roads cannot cope;
Where is the overall plan for the area?

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 development would be contrary to Policies CS2, CS4, CS5, CS6, CS14, CS16, CS17, CS18, CS20 and CS21 of the Adopted Fareham Borough Core Strategy 2011 and Policies DSP6, DSP13 and DSP15 of the adopted Local Plan Part 2: Development Sites and Policies Plan and is unacceptable in that:

(a) the proposal represents development outside the defined urban settlement boundary for which there is no justification or overriding need and would adversely affect its landscape character, appearance and function.

(b) the proposal would result in the loss of Grade 1 and Grade 2 agricultural land;

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

(d) in the absence of a financial contribution or legal agreement to secure such, the proposal would result in an increase on the adjoining road network and its junctions to the detriment of the users of the highway;

(e) in the absence of a legal agreement securing a Travel Plan, the proposed development would not make the necessary provision to ensure 'reduce and manage measures' are in place to assist in reducing the dependency on the use of the private motorcar;

(f) in the absence of a legal agreement securing provision of open space and facilities and their associated management, the recreational needs of residents of the proposed development would not be met;

(g) had it not been for the overriding reasons for refusal the Council would have sought ecological mitigation, compensation and enhancement measures to ensure that all protected species are taken into account during and after construction. These would include alternative provision for habitats, including networks and connectivity and future management and maintenance arrangements;

(h) had it not been for the overriding reasons for refusal the Council would have sought details of the SuDS strategy including the mechanism for securing its long-term maintenance.

Note for information:

Had it not been for the overriding reasons for refusal to the proposal, the Local Planning Authority would have sought to address points c – h of the above by the applicant entering into legal agreement with Fareham Borough Council and Hampshire County Council.

(2) P/16/1049/OA - LAND TO THE EAST OF BROOK LANE & SOUTH OF BROOKSIDE DRIVE WARSASH

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:- *Page 48, DESIGN, refers to the density of the proposed development and its comparison with the adjacent Strawberry Fields. For Members information the proposed net density equates to 35 dph which is less than Strawberry Fields which has a net density of approximately 40 dph.*

The applicant has confirmed the development will be predominantly two storey with some limited 2.5 storey.

One further comment has been received from a local resident not able to attend the Committee meeting raising the following comments:

The proposal will be an extension of the Strawberry Fields development which is over developed and buildings too high, totally changing the character of Warsash;

Lack of parking in Locks Heath Shopping Centre;

The footpath alongside my property should be removed;

If the proposal is permitted I will consider moving;

Loss of privacy.

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 development would be contrary to Policies CS2, CS4, CS5, CS6, CS14, CS17, CS18, CS20 and CS21 of the Adopted Fareham Borough Core Strategy 2011 and Policies DSP6, DSP13 and DSP15 of the adopted Local Plan Part 2: Development Sites and Policies Plan and is unacceptable in that:

(a) the proposal represents development outside of the defined urban settlement boundary for which there is no justification or overriding need and would adversely affect its landscape character, appearance and function;

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

(c) had the Council been minded to grant planning permission then a highway contribution would have been secured towards highway improvements as a result of the potential cumulative effects of development in the vicinity;

(d) in the absence of a legal agreement securing provision of open space and facilities and their associated management, the recreational needs of residents of the proposed development would not be met;

(e) had it not been for the overriding reasons for refusal the Council would have sought ecological mitigation, compensation and enhancement measures to ensure that all protected species are taken into account during and after construction. These would include alternative provision for habitats, including networks and connectivity and future management and maintenance arrangements;

(f) had it not been for the overriding reasons for refusal the Council would have sought details of the SuDS strategy including the mechanism for securing its long-term maintenance.

Note for information:

Had it not been for the overriding reasons for refusal to the proposal, the Local Planning Authority would have sought to address points b – f of the above by the applicant entering into legal agreement with Fareham Borough Council.

(3) P/16/1236/FP - 230 WARSASH ROAD WARSASH FAREHAM SO31 9JF

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 together with an additional condition requiring an acoustic boundary fence to be provided prior to the occupation of the dwelling, was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to the conditions in the report together with an additional condition requiring an acoustic boundary fence to be provided prior to the occupation of the dwelling, PLANNING PERMISSION be granted.

(4) P/16/1278/FP - 17 LIPIZZANER FIELDS WHITELEY FAREHAM PO15 7BH

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

The Committee requested that an additional condition be imposed requiring details of materials to be submitted to and agreed with the local planning authority prior to development commencing.

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

(i) the conditions in the report; and

(ii) an additional condition requiring details of materials to be submitted to and agreed with the local planning authority prior to development commencing.

Was voted on and CARRIED.

(Voting: 7 in favour; 2 against)

RESOLVED that subject to:-

(i) the conditions in the report; and

(ii) an additional condition being imposed requiring materials to be submitted to and agreed with the local planning authority prior to development commencing.

PLANNING PERMISSION be granted.

**(5) P/16/1333/FP - LAND TO REAR OF 10-20 TEWKESBURY AVENUE
FAREHAM POI15 6LL**

The Committee's attention was drawn to the Update Report which contained the following information:- *The applicant has made the financial contribution towards the Solent Recreation Mitigation Strategy (SRMS). They have also provided more detail in relation to reptile mitigation such that the Council's ecologist has advised that the remaining matters can be made subject of appropriately worded planning conditions (see below). Lastly Officers have made a minor adjustment to suggested condition 15 to replace the words "other persons" with "sub-contractors" and thereby make the condition more precise.*

The Officer recommendation is therefore revised as follows:

PERMISSION subject to the conditions set out in the main report including condition 15 which is to be worded as below and with the addition of conditions 16 & 17 concerning reptile mitigation:

15. At no time whilst the development hereby permitted (excluding demolition works and site preparation) is being carried out shall vehicles used by contractors or sub-contractors involved in carrying out the development be parked on the public highway Tewkesbury Avenue.

REASON: In the interests of highway safety and to ensure adequate on-street parking provision is available to meet the needs of this residential area.

16. No development shall take place until a reptile mitigation strategy has been submitted to and approved by the local planning authority. The strategy shall include:

- (i) Details of the translocation works, including plans showing where reptile fencing will be erected relative to existing reptile habitat, methodology for capture, including timings and capture effort;*
 - (ii) The results of reptile surveys conducted at the identified receptor site;*
 - (iii) The results of reptile habitat availability and capacity within the receptor site;*
 - (iv) Appropriate habitat creation options for increasing the receptor sites capacity for the slow-worm population;*
 - (v) A work schedule for habitat maintenance (including a 5 year project register, an annual work plan and the means by which the plan will be rolled forward annually);*
 - (vi) Monitoring and remedial / contingencies measures triggered by monitoring;*
 - (vii) Personnel responsible for implementation of the plan.*
- The development shall be carried out fully in accordance with the approved reptile mitigation strategy.*
- REASON: To ensure appropriate reptile mitigation measures are carried out.*

17. None of the dwellings hereby permitted shall be occupied until a report by an ecologist detailing the results of the reptile translocation and confirming that the proposed habitat creation works have been carried out as per the approved reptile mitigation strategy has been submitted to and approved by the local planning authority in writing.

REASON: To ensure appropriate reptile mitigation measures are carried out.

Members requested that Condition 13 be amended following discussion with the school.

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

- (i) the conditions in the report;
 - (ii) the conditions in the update report; and
 - (iii) the amendment of Condition 13 following discussions with the school.
- Was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that, subject to:-

- (i) the conditions in the report;
 - (ii) the conditions in the update report; and
 - (iii) the amendment of Condition 13 following discussion with the school.
- PLANNING PERMISSION be granted.

(6) P/16/1231/D3 - LAND OFF VULCAN WAY DAEDALUS EAST FAREHAM

Councillor T M Cartwright declared a non-pecuniary interest in this item as he is the Chairman of the Daedalus Working Group and the Daedalus Anniversary Group.

Councillors J E Butts and M J Ford, JP declared a non-pecuniary interest in this item as they are both members of the Daedalus Working Group.

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

CONSULTATIONS:

Contaminated Land: No objection subject to conditions.

Ecology: Further Comments:

- It would be more sensible to secure the grassland management at the site rather than attach a condition which specifically relates to skylark and biodiversity enhancement.

AMENDED RECOMMENDATION:

*- Amend Condition 2 to include the following drawing:
11316_TOPO + SERVICES – Ferrous Cont. Overlay*

Add the following conditions:

13) (i) No development shall take place until further site investigations, particularly targeted to the proposed soft landscaping areas, to include relevant contaminants, asbestos and an assessment of the risks posed to human health shall be accrued out. The results of this investigation shall be submitted to and approved in writing by the local planning authority.

(ii) Where any site investigations pursuant to part (i) of this condition reveals a risk to receptors, a strategy of remedial measures and detailed method statement to address the identified risks shall be submitted to and approved in writing by the Local Planning Authority. The development shall be undertaken in accordance with the approved details.

(iii) Prior to the first occupation of any of the buildings hereby permitted, the agreed remedial measures shall be fully implemented and verified in writing by an independent competent person. The validation is required to confirm that the remedial works have been implemented in accordance with the agreed remedial strategy and shall include photographic evidence and 'as-built' drawings as appropriate.

REASON: To ensure the development is constructed and operates in a safe manner.

14) (i) Any ground reduction and open evacuation works which fall within the areas shaded grey/orange with a black boarder on drawing "11316_TOPO + SERVICES – Ferrous Cont. Overlay" shall be undertaken under the supervision of a Unexploded Ordnance (UXO) specialist, in accordance with UXO watching brief.

(ii) Any deep intrusive works which fall within the areas shaded grey/orange with a black boarder on drawing "11316_TOPO + SERVICES – Ferrous Cont. Overlay" shall be subject to a UXO intrusive magnetometer survey.

(iii) Prior to the first occupation of any of the buildings hereby permitted, a report which details the scope of the watching brief and/or intrusive magnetometer survey, with dates and confirmation that no items of Ordnance were found shall be submitted to and approved in writing by the Local Planning Authority. If items of Ordnance are discovered during the above works then these items shall be appropriately recorded and cleared from the

site. A report confirming clearance of UXO shall be submitted to and approved in writing by the Local Planning Authority prior to any other development taking place.

REASON: To ensure the development is constructed and operates in a safe manner.

15) Following the removal of the existing areas of hardstanding but prior to any other development taking place (including ground works and site preparation) a radiological survey and risk assessment to areas previously covered by the hardstanding shall be carried out. The results of this survey shall be submitted to and approved in writing by the Local Planning Authority prior to any other development taking place.

REASON: To ensure the development is constructed and operates in a safe manner.

16) If items of radioactive material are discovered during the radiological survey undertaken pursuant to condition 15 above, these items shall be cleared from the site. Prior to the first occupation of any of the buildings hereby permitted a report confirming clearance of any radiological material shall be submitted to and approved in writing by the Local Planning Authority.

REASON: To ensure the development is constructed and operates in a safe manner.

17) Should contamination be encountered during the works that has not been investigated or considered in the agreed scheme of remedial measures, all work must stop. A scheme for further investigation, risk assessment and a detailed remedial method statement shall be submitted to and approved in writing by the Local Planning Authority prior to the recommencement of work. The development shall be undertaken in accordance with the approved details.

REASON: To ensure that development is constructed and operates in a safe manner.

18) Prior to the first occupation of any of the buildings hereby permitted a grassland management scheme shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall relate to the grassed areas within the application site specifically to the north of Hangers 3-5. The development shall be undertaken in accordance with the approved details.

REASON: In the interest of biodiversity and to ensure the development is constructed to ensure the safe operation of the airport.

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

(Voting 9 in favour; 0 against)

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

(7) Planning Appeals

The Committee noted the information in the report.

(8) UPDATE REPORT

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

9. TREE PRESERVATION ORDERS

The Committee considered a report by the Director of Planning and Regulation regarding Tree Preservation Order No. 728 (2016) to which one objection has been received.

Upon being proposed and seconded the officer recommendation to confirm Tree Preservation Order 728 (2016), with a modification to the situation of T1 in the schedule and its position on the map, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that Tree Preservation Order No. 728 is confirmed as made and served.

10. TREE PRESERVATION ORDER NO 728 - 193 HUNTS POND ROAD, TITCHFIELD COMMON

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 Borough Tree Preservation Order No. 734 (2016) – 37 Heathfield Avenue

Order served on 10 November 2016 for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No. 734 be confirmed as made and served.

Fareham Borough Tree Preservation Order No. 735 (2016) – 40 Iron Mill Close

Order served on 30 November 2016 for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No. 735 be confirmed as made and served.

Fareham Borough Tree Preservation Order No. 736 (2016) – September Cottage Brook Avenue Warsash

Order served on 6 December 2016 for which there were no objections.

RESOLVED that Fareham Tree Preservation Order No. 736 be confirmed as made and served.

(The meeting started at 2.30 pm
and ended at 5.15 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Licensing and Regulatory Affairs Committee

(to be confirmed at the next meeting)

Date: Tuesday, 24 January 2017

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs P M Bryant (Chairman)

Councillor T M Cartwright, MBE (Vice-Chairman)

Councillors: Mrs S M Bayford, Miss S M Bell, F Birkett, Mrs T L Ellis,
M J Ford, JP, L Keeble, A Mandry, Mrs K Mandry,
Ms S Pankhurst, R H Price, JP and Mrs K K Trott

**Also
Present:**



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Mrs C Heneghan.

2. MINUTES

RESOLVED that the minutes of the Licensing and Regulatory Affairs Committee held on 27 September 2016 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 declarations were made:-

Councillor A Mandry declared a non-pecuniary interest for minute 8 – Polling Station Review as he is a Council appointed Trustee to the Management Board of the Crofton Community Association.

Councillor Mrs K Mandry declared a non-pecuniary interest for minute 8 – Polling Station Review as she is a Council appointed Deputy Trustee to the Management Board of the Crofton Community Association.

Councillor Mrs P Bryant declared a non-pecuniary interest for minute 8 – Polling Station Review as she is a Member of the Rotary Club of Fareham.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. SPENDING PLANS 2017/18

The Committee considered a report by the Director of Finance and Resources on the Committee's Spending Plans for 2017/18.

RESOLVED that the Licensing and Regulatory Affairs Committee:-

- (a) agrees the revised budget for 2016/17;
- (b) agrees the base budgets for 2017/18; and
- (c) recommends the budget to Council for approval.

7. FEES AND CHARGES 2017/18

The Committee received a report by the Director of Finance and Resources on Fees and Charges for 2017/18.

Members discussed the on-going issue of trying to align fees and charges across the Boroughs of Fareham and Gosport. The Head of Environmental Health advised that this will be an item for discussion at the next Environmental Health Partnership meeting.

RESOLVED that the Licensing and Regulatory Affairs Committee:-

- (a) agrees the fees and charges for 2017/18; and
- (b) recommends the fees and charges to Council for approval.

8. POLLING STATION REVIEW

The Committee considered a report by the Head of Democratic Services on an interim Polling Station review.

Councillor A Mandry declared a non-pecuniary interest for this item as he is a Council appointed Trustee to the Management Board of the Crofton Community Association.

Councillor Mrs K Mandry declared a non-pecuniary interest for this item as she is a Council appointed Deputy Trustee to the Management Board of the Crofton Community Association.

Councillor Mrs P Bryant declared a non-pecuniary interest for this item as she is a Member of the Rotary Club of Fareham.

Members enquired whether consideration had been given to the use of the Rotary Club 'Wheel House' premises as an alternative polling station. The Head of Democratic Services advised that it had not been considered as part of the review presented in the report but that use of the hall could be considered in respect of future reviews.

RESOLVED that the Licensing and Regulatory Affairs Committee agrees to the use of Crofton Community Centre as a polling station for polling districts HH3 and HH4 and recommends this to Council for approval.

9. PRELIMINARY REVIEW OF THE LICENSING & REGULATORY AFFAIRS COMMITTEE WORK PROGRAMME FOR 2016/17 & PRELIMINARY REVIEW OF THE COMMITTEE'S WORK PROGRAMME FOR 2017/18

The Committee considered a report by the Head of Environmental Health which gives a preliminary review of the Committee's Work Programme for 2016/17 and the draft Work Programme for 2017/18.

The Chairman advised Members that Licensing training would be added to the 2017/18 Work Programme once Committee membership has been agreed at the Annual Council meeting in May.

At the request of Members, it was agreed that a verbal update report on the progress made in aligning the Fareham & Gosport charging structures would be added to the March meeting of the 2016/17 Work Programme.

RESOLVED that the Committee:-

- (a) note the progress on actions arising from the meeting held on 27 September 2016, attached as Appendix A to the report;
- (b) agree that a verbal update titled 'Fareham and Gosport Charging Structures' be included in the 2016/17 Work Programme for the 21 March 2017 meeting;
- (c) subject to the inclusion of (b) above, agree the Work Programme for 2016/17, attached as Appendix B to the report; and
- (d) gave initial consideration to the draft Work Programme for 2017/18, attached as Appendix C to the report

(The meeting started at 6.00 pm
and ended at 6.45 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 February 2017

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2017/18
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 be made to Council, on 24 February 2017, in respect of the revenue budget, capital programme and council tax for 2017/18.

Executive summary:

On 9 January 2017, the Executive reviewed the Council's overall finance strategy and considered proposals relating to the capital programme, revenue budgets and the council tax for 2017/18. This report updates the Council's budgets to reflect the decisions taken on 9 January 2017.

The capital programme for the years 2016/17 to 2020/21 will be £63,686,000.

The revenue budget for 2017/18 will be £8,616,700. With Central Government support, transitional grant and retained business rates estimated to be £2,161,654 and use of the collection fund balance of £89,894, the total amount due from the council tax payers will be £6,365,152.

Taking these changes into consideration, the council tax for 2017/18 will be £150.22 per Band D property. This represents an increase from the council tax set for 2016/17 but would be within the referendum limit set by the Government.

Recommendation/Recommended Option:

That the Executive approve and recommend to the meeting of the Council to be held on 24 February 2017:

- (a) the capital programme and financing of £63,686,000;
- (b) an overall revised revenue budget for 2016/17 of £8,903,300;

- (c) a revenue budget for 2017/18 of £8,616,700; and
- (d) a council tax for Fareham Borough Council for 2017/18 of £150.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits.

Reason:

To allow the Full Council to approve the Council Tax for 2017/18.

Cost of proposals:

Not applicable

Appendices: **Appendix A:** Overall total budget for 2017/18

Background papers:

Reference papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 February 2017
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

1. On 9 January 2017 the Executive reviewed the Council's overall finance strategy and considered proposals relating to:
 - The capital programme for 2016/17 to 2020/21;
 - The revised revenue budget for 2016/17;
 - Fees and charges for 2017/18;
 - The revenue budget for 2017/18; and
 - The council tax for 2017/18.
2. 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 2016/17 TO 2020/21

3. The capital programme for the period 2016/17 to 2020/21 is £63,686,000 as shown in the following table. This is £2m lower than the figure reported at the January Executive due to a review of the Daedalus schemes.

	£000s
Public Protection	329
Streetscene	1,078
Leisure and Community	6,837
Health and Housing	6,247
Planning and Development	518
Policy and Resources	48,677
TOTAL	63,686

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

	£000s
Capital Receipts	6,298
Government Grants	4,800
Revenue Contribution to Capital schemes	4,759
Capital Fund Account	4,737
External Contributions	4,196
Community Infrastructure Levy	807
Borrowing	38,089
TOTAL	63,686

5. The programme and projected resources indicate that, by 31 March 2021, there would be a surplus of capital resources of £2,078,000, 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 £10.2m. In the event that these resources do not materialise, the programme will become partly unfunded.

SPENDING RESERVE

7. The spending reserve exists to cover unforeseen changes in revenue expenditure. It currently stands at £2,413,000 which is 5% of gross expenditure for 2016/17 which meets the minimum required balance as set out in the approved Medium Term Finance Strategy.
8. At the meeting on 9 January 2017 the Executive agreed to use the £677,500 that was in excess of the minimum balance to support the capital programme.
9. There was also a commitment from the Executive to fund Daedalus and World War 1 commemorations from the general fund revenue reserve. The cost of these will be approximately £46,000 and will be incorporated into the budgets during 2017/18.

REVISED BUDGET 2016/17

10. In January, the Executive considered in detail the revised budget for 2016/17, which totalled £8,903,300 and is no change when compared to the base budget for the current year.

SERVICE BUDGETS 2017/18

11. The following table shows the service budgets resulting from the decisions of the Executive on 9 January 2017.

	Base Budget 2017/18
Committees	£
Planning Committee	622,100
Licensing and Regulatory Affairs Committee	481,000
Executive - Portfolio Budgets	
- Leisure and Community	2,543,800
- Health and Housing	1,024,400
- Planning and Development	121,600
- Policy and Resources	123,900
- Public Protection	2,226,100
- Streetscene	4,657,800
SERVICE BUDGETS	11,800,700

OTHER BUDGETS 2017/18

12. At the January Executive no changes were made to the Other Budgets total which will be -£3,184,000.

THE OVERALL BUDGET POSITION FOR 2017/18

13. Taking account of the information referred to in the preceding paragraphs, the overall total budget for 2017/18, detailed in Appendix A, is confirmed as £8,616,700.
14. The total of £8,616,700 is made up of a gross expenditure
15. This total is £286,600 below the base budget for 2016/17 of £8,903,300.

THE AUTUMN STATEMENT AND GOVERNMENT SUPPORT

16. In the 2015 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.
17. 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.
18. As part of the statement the Government proposed a four-year settlement agreement that local authorities were encouraged to accept in order to give some certainty to financial planning through to 2019/20. Fareham accepted the proposal by demonstrating to the Government that there were efficiency plans in place to close the gap caused by reduced funding. 97% of local authorities accepted the four-year settlement.
19. In the 2016 Autumn Statement the referendum limits for local authorities were set out and as expected, council tax increases that exceed 2% would trigger a referendum. However, the government has also allowed shire districts to raise their council tax by a maximum of £5 when compared to the previous level, before a referendum is triggered.

20. The amount of government support, including transitional grant, that the Council expects to receive in 2017/18 is £2,161,654 which is a reduction of £505,100 or 19% when compared to 2016/17. A report on how the funding gap is to be closed was approved by the Executive in October 2016.
21. With further cash reductions expected after 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.

COUNCIL TAX AND NATIONAL NON-DOMETIC RATE BASE

22. The revised council tax base for 2016/17 is 42,005.7 Band D equivalent properties which is the same as the original estimate.
23. The council tax base for 2017/18 is 42,371.6 Band D equivalent properties.
24. The net rates payable from National Non-Domestic Rates for 2017/18 (after Transitional arrangements and reliefs) is £43,284,023.

COUNCIL TAX FOR 2017/18

25. With a net budget for 2017/18 of £8,616,700 and government support of £2,161,654 and the use of collection fund balances of £89,894, the Executive is able to recommend a council tax increase for 2017/18 of £5. This is shown in the following table:

	Base Budget 2016/17	Base Budget 2017/18	Variation
	£	£	£
Total Budget	8,903,300	8,616,700	-286,600
Less:			
Government Support	2,592,859	2,088,023	-504,836
Use of Collection Fund surplus	136,473	89,894	-46,584
Transitional Grant	73,895	73,631	-264
Total due from Council Tax Payers	6,100,068	6,365,152	+265,084
Council Tax base	42,005.7	42,371.6	
Council Tax	£145.22	£150.22	
Cash Increase	+ £5.00	+ £5.00	

26. The proposed council tax increase is within government referendum limits.
27. The overall income from taxpayers of £6,365,152 represents approximately 13% of the gross spend by the council for 2017/18 of £47.6million.

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 2017/18, 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)

ACTUAL REVENUE BUDGET

	Budget 2016/17 £	Revised 2016/17 £	Variation Base to Rev £	Budget 2017/18 £	Variation Base to base £
Committees					
Planning	672,900	599,200	-73,700	622,100	-50,800
Licensing and Regulatory Affairs	491,400	521,800	30,400	481,000	-10,400
Executive - Portfolio Budgets					
- Leisure and Community	2,635,700	2,782,200	146,500	2,543,800	-91,900
- Health and Housing	1,196,900	1,013,000	-183,900	1,024,400	-172,500
- Planning and Development	-595,700	107,500	703,200	121,600	717,300
- Policy and Resources	1,353,000	657,400	-695,600	123,900	-1,229,100
- Public Protection	2,050,600	2,113,700	63,100	2,226,100	175,500
- Streetscene	4,478,600	4,593,500	114,900	4,657,800	179,200
SERVICE BUDGETS	12,283,400	12,388,300	104,900	11,800,700	-482,700
Capital Charges	-2,227,200	-2,232,900	-5,700	-2,232,900	-5,700
Capital Financing Costs					
- Use of Capital Receipts	-230,000	-87,000	143,000	-60,000	170,000
- Direct Revenue Funding	1,295,000	1,295,000	0	1,200,000	-95,000
- Direct Revenue Funding NHB	897,900	897,900	0	0	-897,900
Minimum Revenue Position	0	136,000	136,000	362,900	362,900
Interest on Balances	-569,900	-569,900	0	-499,900	70,000
Portchester Crematorium	-125,000	-130,000	-5,000	-135,000	-10,000
New Homes Bonus	-2,068,000	-2,068,000	0	-1,574,200	493,800
Contribution from Reserves	-352,900	-726,100	-373,200	-244,900	108,000
OTHER BUDGETS	-3,380,100	-3,485,000	-104,900	-3,184,000	196,100
BUDGET TOTAL	8,903,300	8,903,300		8,616,700	-286,600
NET BUDGET	8,903,300	8,903,300		8,616,700	-286,600

	Budget 2016/17 £	Budget 2017/18 £
NET BUDGET	8,903,300	8,616,700
EXTERNAL SUPPORT		
Non-Domestic Rates	1,765,033	1,799,749
Revenue Support Grant	827,826	288,274
Transitional Grant	73,895	73,631
	<u>2,666,754</u>	<u>2,161,654</u>
 USE OF COLLECTION FUND BALANCE	 136,478	 89,894
NET AMOUNT DUE FROM COUNCIL TAX PAYERS	6,100,068	6,365,152
 COUNCIL TAX BASE	 42,005.7	 42,371.6
 COUNCIL TAX PER BAND D PROPERTY (ROUNDED)	 £145.22	 £150.22
 CASH INCREASE	 £5.00	 £5.00
 PERCENTAGE INCREASE	 3.57%	 3.44%

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 February 2017

Portfolio:	Policy and Resources
Subject:	Housing Revenue Account Budget and Capital Plans 2017/18
Report of:	Director of Finance and Resources
Strategy/Policy:	Housing Strategy
Corporate Objective:	A balanced housing market

Purpose:

This report seeks Executive approval for the revised budget for the Housing Revenue Account for 2016/17, the base budgets, rent increases and fees and charges for 2017/18 and the capital programme with its financing for the years 2016/17 to 2020/21.

Executive summary:

The Executive recommended and the Council approved, in February 2016, the base budget and rent increase for 2016/17, for Housing Revenue Account (HRA) services.

This report sets out the Housing Revenue Account revised budget for 2016/17 and base budget for 2017/18 along with the capital programme and financing for the years 2016/17 to 2020/21. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 3 April 2017.

Council budgets are susceptible to change in the level of expenditure and income caused by factors inside and outside the Council's control. A risk assessment has been carried out to indicate the effect on housing balances of changes in the level of expenditure and income. This can be used to estimate the account balances needed to provide a prudent level of reserves and a working balance.

Recommendation:

That the Executive agrees to recommend to Council that:

- (a) rents be approved for Council Dwellings as set out in paragraph 11 with effect from 3 April 2017;
- (b) rents for Council garages be increased by 6.2% with effect from 3 April 2017;
- (c) discretionary fees and charges be increased with effect from 3 April 2017;
- (d) the revised budget for 2016/17 be approved;
- (e) the base budget for 2017/18 be approved;
- (f) the capital programme and financing for 2016/17 to 2020/21 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.

Reason:

To allow the Council to approve the Housing Revenue Account budget for 2017/18.

Cost of proposals:

As detailed in the report.

Appendices: A: Capital Programme and Financing
B: Examples of Rent
C: Proposed Fees and Charges

Background papers: None

Reference papers:

- (a) Executive 8 February 2016 – Housing Revenue Account Spending Plans including Capital Programme 2016/17
- (b) Executive 11 July 2016 – General Fund and Housing Revenue Account Outturn 2015/16
- (c) Executive 10 October 2016 – Medium Term Finance Strategy
- (d) HRA 30 year Business Plan
- (e) [DCLG - Guidance on Rents for Social Housing](#) May 2014

Enquiries: For further information on this report please contact Kevin Golledge, Corporate Accountant (Ext 4331)

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 February 2017
Subject:	Housing Revenue Account Spending Plans including the Capital Programme for 2017/18
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2016/17 and 2017/18 for the Executive to consider. On 10 October 2016, the Executive approved the Council's Finance Strategy for 2016/17 and later years. The budget guidelines contained within the Strategy have been used as a basis for the Housing Revenue Account (HRA) spending plans.

CAPITAL PROGRAMME

2. The five year capital programme has been updated and is summarised in the following table. More details of the capital schemes and its financing can be found in Appendix A.

Year	£'000
2016/17	7,473
2017/18	4,791
2018/19	4,556
2019/20	3,211
2020/21	3,224
	<u>23,255</u>

3. The financing of the capital programme is mainly from the Major Repairs Reserve, Revenue Contributions to Capital, external grants and 1:4:1 Receipts from Right to Buy sales (RTB).
4. The major schemes in 2016/17 and 2017/18 are the completing of 16 flats in Palmerston Avenue (Stevenson Court) and the new 36 unit sheltered scheme at Coldeast (Sylvan Court) plus improvements to existing stock.

REVENUE BUDGETS

5. The following table summarises the base and revised budgets for 2016/17 and the base budget for 2017/18, of the Housing Revenue Account and Housing Repairs Account.

	Base Budget 2016/17 £000s	Revised Budget 2016/17 £000s	Base Budget 2017/18 £000s
Housing Revenue Account			
Income	-12,324	-12,303	-12,578
Management and Finance	4,482	4,392	4,382
Repairs - Revenue	2,973	4,452	4,449
Improvements - Capital	2,682	2,999	3,636
HRA Surplus/Deficit	-2,187	-460	-111
Planned transfer to Reserves	2,164	0	0
Transfer to/from HRA Revenue Reserve	-23	-460	-111
Closing Balances			
HRA Revenue Reserve	-3,729	-4,167	-4,276
Repairs Reserve	-1,500	-1,500	-1,500
Major Repairs Reserve	-1,324	-7	-13
Capital Development Fund	-4,564	-869	0
1:4:1 Receipts	-523	-414	-263
Unspent Grants	0	-140	0
Total	-11,640	-7,097	-6,052

RENTS

6. When the Council left the HRA Subsidy System in March 2012, rents were assumed to rise at a rate of RPI (as at end of September) + 0.5% plus £2 to achieve convergence by 2015/16.
7. The Spending Review of 2013 took away the ability for Local Authorities to increase rents (for tenants in situ) to achieve convergence by the said date. The Government's rent setting policy changed so that rents from 2015/16 should increase at the rate of CPI (as at end September) plus 1% for a period of ten years to give certainty to landlords.
8. In the Summer Budget of July 2015, the Government announced that Social Housing Rents will fall by 1% a year for four years from April 2016. This is provided for in legislation within the Welfare Reform and Work Bill.
9. For 16/17, rents for low cost home ownership accommodation (shared-owner) and sheltered housing are excluded from this direction. The Council has 60 shared-ownership homes and 645 sheltered housing homes.
10. For 17/18, it is only shared owner properties that are excluded from this direction.

11. It is proposed that:
 - (a) Rents for shared-ownership properties will increase by CPI (1%) plus 1% and
 - (b) General needs and sheltered housing dwellings will decrease by 1%
12. Under Housing Benefit reforms, of the 1,490 tenants who receive housing benefit, 94 are under-occupying, 81 are affected by a 14% reduction in housing benefit and 13 by a 25% reduction. 14 have an exemption say for being of pensionable age.
13. Rents for Council garages are not covered by the Governments direction applying to dwellings. It is proposed that garage rents for 2017/18 increase by 6.2%.
14. Examples of proposed rents can be seen in Appendix B.

FEES AND CHARGES

15. The current fees and charges for the HRA and the proposed charges for 2017/18 are set out in Appendix C.
16. The statutory charge is subject to the control and advice of Government. The current level of charge has been set at the maximum allowed.

RISK ASSESSMENT

17. The following list of potential risks indicates that it is essential to preserve the account balance held for the HRA and Repairs Account. Reserves are held so that we can:
 - (a) Continue to manage and maintain homes;
 - (b) Improve and redevelop estates;
 - (c) Cover any unexpected expenditure;
 - (d) Take advantage of new opportunities to meet housing needs;
 - (e) Repay debt; and
 - (f) Meet the challenges of any change in Government policy.
18. The Government is proposing, from 2018/19, to require Local Authorities to give consideration to selling, on the open market, properties the Government consider to be of a high value as and when such properties become vacant. A proportion of proceeds of sale that relates to the debt attributable to such property will be retained by the Council. The balance of proceeds will be paid to Government to help fund Housing Associations who will be required to sell their property to tenants under Right-To-Buy. Should the Council decide not to sell such vacant properties it will be required to pay a sum to Government from its Housing Revenue Account in lieu of sale proceeds. At the time of writing this report, full details are not available.
19. In the Autumn Statement of 23 November 2016, the Government reversed its requirement for Local Authorities to review the annual income of its tenanted households and, where the household income is greater than £30,000 per year, to

require the Authority to charge market rent rather than social rent.

20. Due to the increasing spend on repairing and improving the housing stock; there is no planned transfer of surpluses in the year to put aside for future repayment of debt or investing in new stock.
21. If the Government further amend their current rent policy so that rents will continue to reduce post 2020, this will put further pressure on the HRA finances.

Examples of potential and actual changes	Effect on expenditure in year	Effect on income in year
Change in rent policy to decrease rents by 1% pa		-£111,000
Loss of income if void rate rises to 2.5% from 1.81 %		-£25,000
Loss of rent on having to dispose of vacant high value dwellings-say 2% of stock		-£250,000
Increase of 2.5% on non-staff costs	£96,000	
Increase of 10% in the number of voids	£79,000	
Increase of 10% in cost of repairs & improvements	£800,000	

APPENDIX A

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
CAPITAL PROGRAMME AND FINANCING					
CAPITAL PROGRAMME:					
Improvements to existing stock					
Improvements	2,300	2,025	2,025	2,094	2,167
Improvements to void stock	620	700	700	724	749
Modifications		275	275	278	283
Heating at Garden Court		150			
Footway repairs - Redlands Road		50			
Resurfacing garage area Hammond Road		60			
Mobility Scooter Storage	20				
Converting front gardens for car parking	75	25	25	25	25
Acquisitions & New Builds					
Acquisitions	423	506	1,531		
123 Bridge Road		1,000			
Stevenson Court	655				
Sylvan Court	3,380				
Vehicle - new and replacement				90	
TOTAL	7,473	4,791	4,556	3,211	3,224
FINANCED BY:					
Improvements					
Revenue contribution from HRA	1,582	1,875	1,608	1,704	1,807
Major Repairs Reserve	1,433	1,410	1,417	1,417	1,417
Acquisitions and New Builds					
Major Repairs Reserve					
Revenue contribution from HRA		311	1,268	90	
1:4:1 Receipts	127	152	263		
Grants and Contributions	300	140			
Capital Development Fund	4,031	903			
Total Financing	7,473	4,791	4,556	3,211	3,224

PROPOSED FEES AND CHARGES

	Existing Charge inc	Proposed Charge incl	Increase
<u>Discretionary Charges</u>			
Sheltered Accommodation - Guest Room Charge			
Collingwood Court - per room	£21.00	£22.60	7.6%
Sylvan Court - per room	£21.00	£22.60	7.6%
Guest Room Charge - single occupancy per night	£8.10	£8.70	7.4%
Guest Room Charge - per couple per night	£11.60	£12.50	7.8%
Leasehold properties			
Rechargeable Repairs to Leasehold properties			These annual charges are made in advance on the basis of estimated
Right to Buy properties			
Recharge of Officer time in agreeing retrospective consent to freeholders	£87.60	£100.00	14.2%
<u>Statutory Charge</u>			
Leasehold properties			
Legal and administration fees in connection with granting a service charge loan	£100.00	£100.00	0%

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 February 2017

Portfolio:	Policy and Resources
Subject:	Treasury Management Strategy and Prudential Indicators 2017/18
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 2017/18, 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 2017/18 is attached as Appendix A for consideration by the Executive before being submitted to Council for approval.

Main highlights in the Strategy are:

Capital Issues

- a) The level of capital expenditure estimated for 2017/18 is £30.4 million. We currently estimate that £19.7 million of this will be met by new borrowing.
- b) There will be an increase in the amount of council tax contributing to the cost of capital expenditure, due to new borrowing in 2016/17 and 2017/18.
- c) The Minimum Revenue Provision (MRP) policy statement has been amended to reflect assets that are held for less than 5 years. MRP will not be charged on these assets but the capital receipt generated by the sale of the asset will be used to repay the debt instead.

Treasury Management Issues

- d) The Council's treasury management advisers changed in 2016 to Arlingclose. The approved counterparty list has been amended to reflect Arlingclose's recommended layout.

- e) Unsecured bank limits per counterparty have reduced from £6 million to £2 million and the limit on money market funds has reduced from £6 million to £4 million per fund. This is to reflect the increasing risks and falling returns of short-term unsecured bank investments.
- f) Building Society limits have also changed from investments in all building societies with assets in excess of £5 billion to those only meeting the minimum credit rating criteria in the Strategy.

Recommendation:

That the Executive:-

- (a) endorses the draft Treasury Management Strategy and Prudential Indicators for 2017/18, attached as Appendix A to this report; and
- (b) 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: Appendix A - Treasury Management Strategy and Prudential Indicators 2017/18

Background papers: None

Reference papers: None

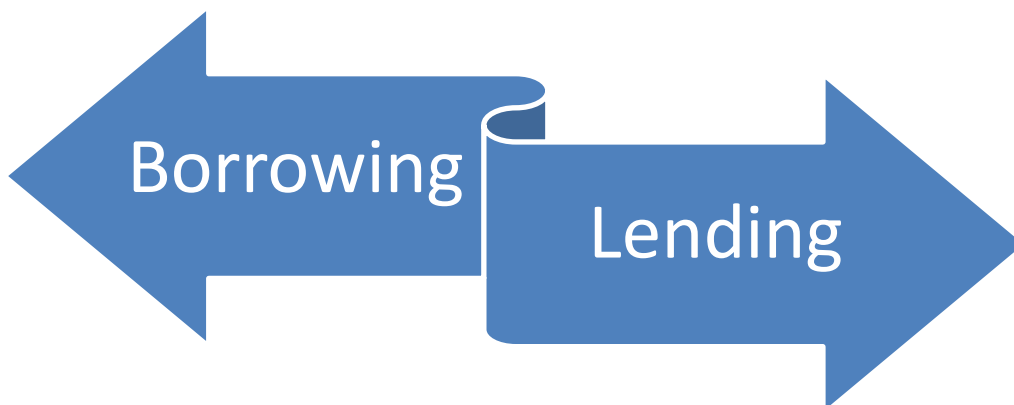
Enquiries:

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FAREHAM

BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2017/18



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;

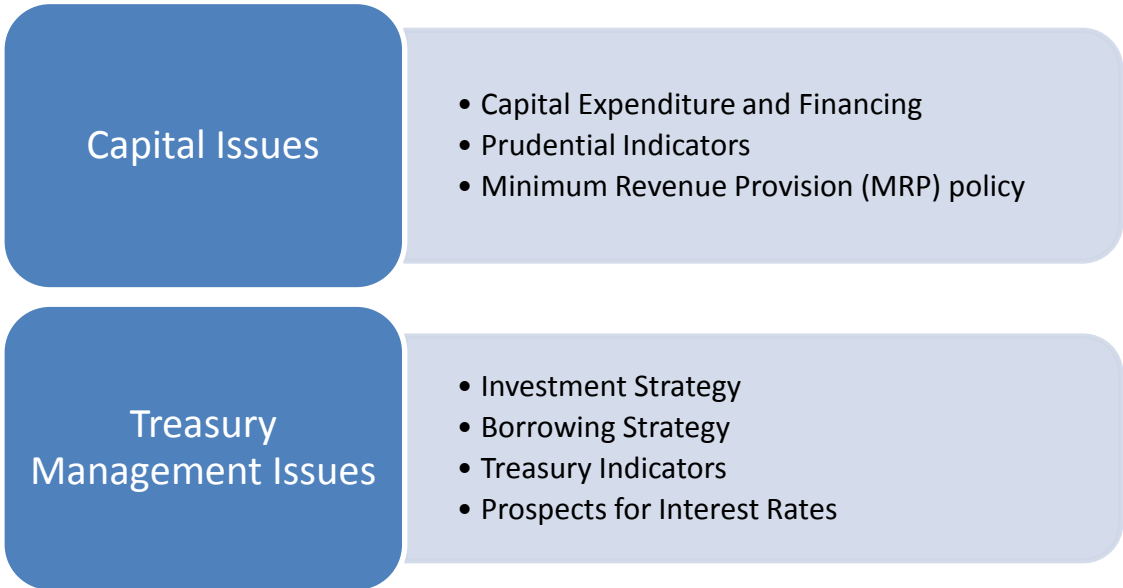
the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

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 2017/18 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 has appointed Arlingclose as treasury management advisers and receives specific advice on investment, debt and capital finance issues.
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	2016/17 Revised £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Public Protection	0	0	0	0
Streetscene	543	311	0	0
Leisure and Community	5,407	797	120	0
Health and Housing	1,118	3,619	480	480
Planning and Development	478	13	13	14
Policy and Resources	21,587	20,850	1,520	770
Total General Fund	29,133	25,590	2,133	1,264
HRA	7,472	4,791	4,556	3,211
Total Expenditure	36,605	30,381	6,689	4,475
Capital Receipts	2,365	212	493	230
Capital Contributions	4,972	3,897	650	250
Capital Reserves	8,677	3,246	1,550	1,431
Revenue	2,484	3,344	3,696	2,564
Borrowing	18,107	19,682	300	0
Total Financing	36,605	30,381	6,689	4,475

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	2016/17 Revised £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund	8,928	27,129	46,678	46,422
HRA	52,950	52,720	52,490	52,260
Total CFR	61,878	79,849	99,168	98,682

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.

	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	-5%	-2%	-1%	-1%
HRA	14%	14%	14%	14%
Total	6%	8%	8%	8%

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.

	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Council Tax Band D	£2.99	£4.53	£0.22	£0.05
Weekly Housing Rent Levels	£0.06	£0.15	£0.12	£0.04

HOUSING REVENUE ACCOUNT (HRA) RATIOS

14. 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.

	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA Debt £'000	49,268	49,268	49,268	49,268
HRA Revenues £'000	11,100	11,250	11,070	10,900
Number of HRA Dwellings	2,383	2,406	2,393	2,380
Ratio of Debt to Revenues %	4.43:1	4.38:1	4.45:1	4.52:1
Debt per Dwelling £	£20,675	£20,477	£20,588	£20,700

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

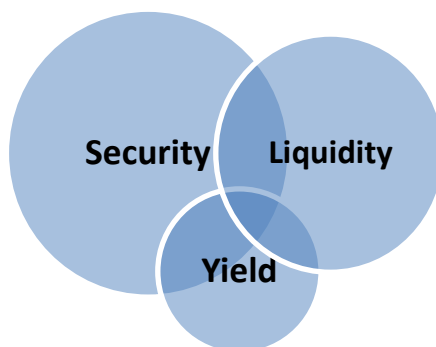
15. Where the Council finances capital expenditure by debt, it must **put aside resources to repay that debt** in later years. The amount charged to the revenue budget for the repayment of debt is known as **Minimum Revenue Provision (MRP)**.
16. The Council is required to set an annual policy on the way it calculates the prudent provision for the repayment of General Fund borrowing. The main policy adopted is that MRP 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. This calculation will be reviewed on a case by case basis depending on the circumstances and with a view to minimising the impact on the council tax payer.
17. Where expenditure is on an asset which will be held on a short term basis (up to 5 years), no MRP will be charged. However, the capital receipt generated by the sale of the asset will be used to repay the debt instead.
18. No MRP will be charged in respect of assets held within the HRA, in accordance with DCLG Guidance and capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.

TREASURY MANAGEMENT ISSUES

INVESTMENTS

Investment Strategy

19. 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**.



20. 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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
21. If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to **negative interest rates** on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
22. Given the increasing risk and falling returns from short-term unsecured bank investments, the Council where practical and reasonable, aims to further diversify into more secure and/or higher yielding asset classes.

Approved Counterparties

23. The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Credit Rating	Banks Unsecured	Banks Secured	Government
UK Govt	n/a	n/a	£Unlimited 50 years
AAA	£2m 5 years	£4m 20 years	£4m 50 years
AA+	£2m 5 years	£4m 10 years	£4m 25 years
AA	£2m 4 years	£4m 5 years	£4m 15 years
AA-	£2m 3 years	£4m 4 years	£4m 10 years
A+	£2m 2 years	£4m 3 years	£2m 5 years
A	£2m 13 months	£4m 2 years	£2m 5 years
A-	£2m 6 months	£4m 13 months	£2m 5 years

BBB+	£1m 100 days	£2m 6 months	£1m 2 years
None	£1m 6 months	n/a	£4m 25 years
Pooled Funds	£4m per fund		

24. Investment limits are set by reference to the lowest published **long-term credit rating** from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
25. Summary of counterparty types:
- a) **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
 - b) **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
 - c) **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
 - d) **Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
26. The Council may also invest its surplus funds in corporates (loans, bonds and commercial paper issued by companies other than banks) and registered providers (loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations), subject to meeting the minimum credit rating criteria and time limits recommended by the Council's treasury advisers.

Risk Assessment and Credit Ratings

27. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
28. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

29. The Council understands that credit ratings are good, but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
30. 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.
31. 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.

Specified Investments

32. The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
 - **due to be repaid within 12 months** of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - a) the UK Government,
 - b) a UK local authority, parish council or community council, or
 - c) a body or investment scheme of "**high credit quality**".
33. The Council defines "high credit quality" organisations and securities as those

having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments

34. Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to **long-term investments**, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and **schemes not meeting the definition on high credit quality**. Limits (per counterparty) on non-specified investments are shown in the table below.

	Cash limit
Total long-term investments	£4m
Total investments without credit ratings or rated below A-	£2m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£2m
Total non-specified investments	£10m

Investment Limits

35. The Council’s revenue reserves available to cover investment losses are forecast to be £16 million on 31st March 2017. In order to minimise risk, in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below.

	Cash limit
Any single organisation, except the UK Central Government	£4m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£4m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£4m per country
Unsecured investments with Building Societies	£2m in total
Money Market Funds	£20m in total

Liquidity Management

36. The Council uses a purpose-built cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

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	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Principal sums invested > 364 days	17	2	2	3

BORROWING

Current Portfolio Position

38. The Council's treasury portfolio position at 31 March 2016, 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	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt at 1 April	44,826	45,626	65,308	65,608
Expected change in debt	800	19,682	300	0
Gross Debt at 31 March	45,626	65,308	65,608	65,608
Capital Financing Requirement (CFR)	61,878	79,849	99,168	98,682
Under/(Over) Borrowing	16,252	14,541	22,560	33,076
CFR for last, current and next 2 years	339,577	375,558	392,712	389,657

39. 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.
40. 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 2017/18 and the following two financial years.

41. 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

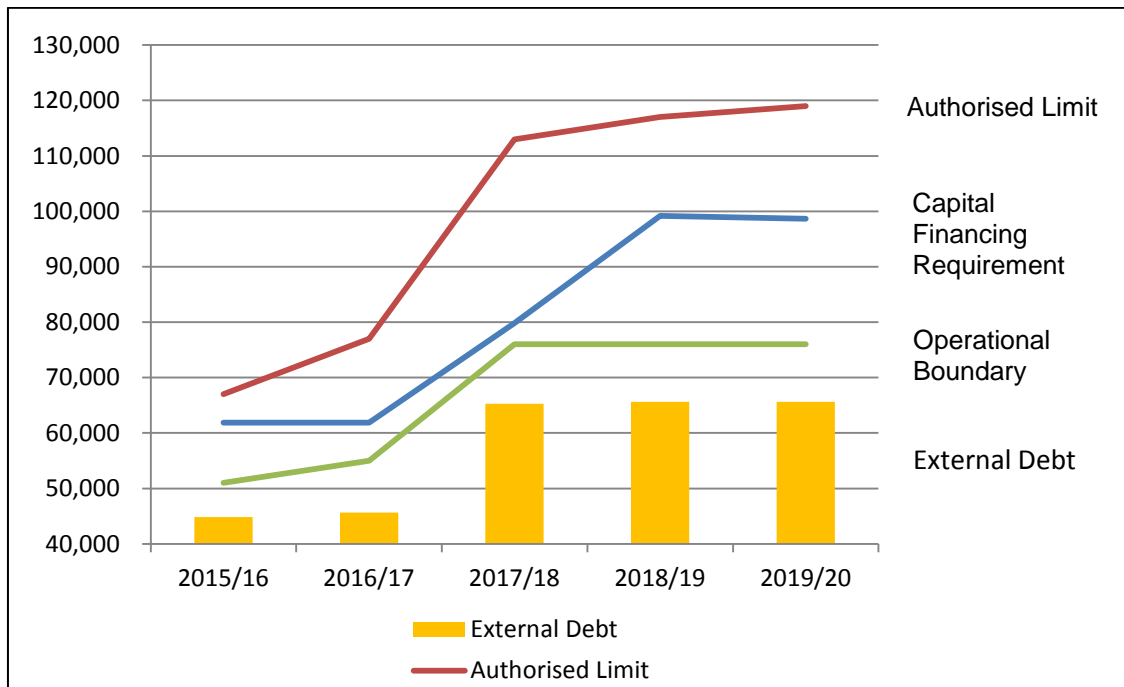
42. The treasury indicators includes two limits to borrowing activity:

- 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.

43. The limits are:

£'000	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Operational Boundary				
Borrowing	50,000	70,000	70,000	70,000
Other long term liabilities	5,000	6,000	6,000	6,000
Total	55,000	76,000	76,000	76,000
Authorised Limit				
Borrowing	70,000	105,000	109,000	111,000
Other long term liabilities	7,000	8,000	8,000	8,000
Total	77,000	113,000	117,000	119,000

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



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

£'000	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA Debt Cap	56,851	56,851	56,851	56,851
HRA CFR	52,951	52,721	52,491	52,261
HRA Headroom	3,900	4,131	4,360	4,590

Borrowing Strategy

46. 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.
47. 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 at Daedalus and new property investment opportunities.
48. 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.
49. 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 modestly.

50. 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 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
51. Alternatively, the Council may arrange forward starting loans during 2017/18, 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.
52. In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

Sources of Borrowing

53. 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.
54. 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
55. 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

56. The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk

of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

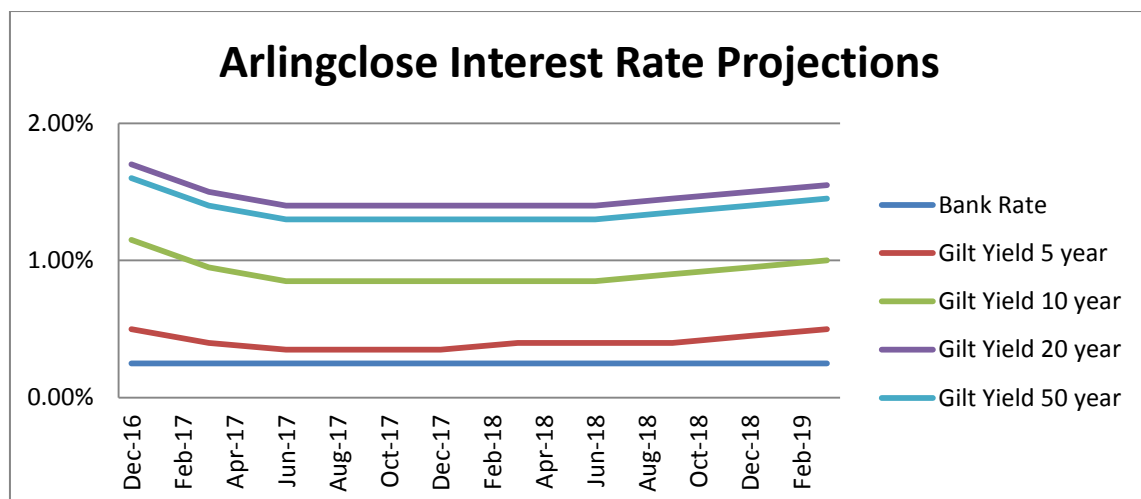
57. The total amount borrowed will not exceed the authorised borrowing limit of £77 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure

Debt Rescheduling

58. 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

59. 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 Arlingclose is attached at Annex A.
60. The following graph and commentary gives the Arlingclose's central view on interest rates and economic update.



61. Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
62. The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
63. Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

TREASURY MANAGEMENT LIMITS ON ACTIVITY

64. 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.

65. The treasury indicators and limits are:

Upper limits on interest rate exposures	2016/17	2017/18	2018/19	2019/20
	%	%	%	%
- 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

Other Items

66. There are a number of additional items that the Council is obliged by CIPFA or DCLG to include in its Treasury Management Strategy.

67. **Policy on Use of Financial Derivatives:** The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks

they present will be managed in line with the overall treasury risk management strategy.

68. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
69. **Policy on Apportioning Interest to the HRA:** On 28th March 2012, the Council borrowed £40 million from the Public Works Loan Board (PWLB) to buy itself out of the HRA subsidy System. The monies were borrowed by the General Fund on behalf of the HRA. The interest on these loans is charged to the HRA on a half-yearly basis at the rate charged by PWLB. A further £9.268 million was lent by the General Fund to the HRA to complete the buyout. Interest on this element is charged at the average weighted rate of the PWLB loans.
70. The unfunded HRA capital financing requirement is also charged to the HRA at the average weighted rate of the PWLB loans.
71. The General Fund credits the HRA with interest earned on HRA credit balances calculated on the monthly movement in reserve balances and applied at year end. The rate used is the weighted interest rate on General Fund investments and cash balances.
72. **Financial Implications:** The budget for investment income in 2017/18 for the General Fund is £499,900 and the HRA is £118,000 and the budget for debt interest paid in 2017/18 is £1.86 million for the HRA. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

EXTERNAL CONTEXT BY ARLINGCLOSE

Economic Background

The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit Outlook

Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other

investment options available to the Authority; returns from cash deposits however continue to fall.

Interest Rate Forecast

The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely.

Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.

- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely.t