

# FAREHAM

BOROUGH COUNCIL

## AGENDA FOR THE EXECUTIVE

**Date:** Monday, 6 November 2017

**Time:** 6.00 pm

**Venue:** Collingwood Room - Civic Offices

***Executive Members:***

Councillor S D T Woodward, Policy and Resources (Executive Leader)

Councillor T M Cartwright, MBE, Health and Public Protection (Deputy Executive Leader)

Councillor Mrs K Mandry, Housing

Councillor Miss S M Bell, Leisure and Community

Councillor K D Evans, Planning and Development

Councillor Miss T G Harper, Streetscene

**1. Apologies for Absence**

**2. Minutes (Pages 5 - 16)**

To confirm as a correct record the minutes of the meeting of the Executive held on 09 October 2017.

**3. Executive Leader's Announcements**

**4. Declarations of Interest**

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

**5. Petitions**

**6. Deputations**

To receive any deputations, of which notice has been lodged.

**7. Minutes / References from Other Committees**

To receive any reference from the committees or panels held.

**Matters for Decision in Public**

*Note: Where an urgent item of business is raised in accordance with Part 3 of the Constitution, it will be considered with the relevant service decisions as appropriate.*

**8. Leisure and Community**

**Non-Key Decision**

**(1) 1st Sarisbury Scout Group (Pages 17 - 38)**

A report by the Director of Operations.

**9. Health and Public Protection**

**Non-Key Decision**

**(1) Review of Hackney Carriage Fares (Pages 39 - 54)**

A report by the Director of Planning and Regulation.

**10. Planning and Development**

**Non-Key Decision**

**(1) Planning for the right homes in the right places: Response to Government Consultation (Pages 55 - 130)**

A report by the Director of Planning and Regulation.

## 11. Policy and Resources

### Non-Key Decision

- (1) **Fareham Borough Council Apprenticeship Scheme** (Pages 131 - 136)  
A report by the Director of Finance and Resources.
- (2) **World War 1 Commemorative Mural** (Pages 137 - 144)  
A report by the Director of Finance and Resources.
- (3) **Finance Monitoring Report 2017-18** (Pages 145 - 156)  
A report by the Director of Finance and Resources
- (4) **Treasury Management Monitoring Report 2017-18** (Pages 157 - 170)  
A report by the Director of Finance and Resources.



P GRIMWOOD  
Chief Executive Officer

[www.fareham.gov.uk](http://www.fareham.gov.uk)

27 October 2017

**For further information please contact:**  
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# FAREHAM

BOROUGH COUNCIL

## Minutes of the Executive

**(to be confirmed at the next meeting)**

**Date:** Monday, 9 October 2017

**Venue:** Council Chamber - Civic Offices

**Present:**

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

**Also in attendance:**

Mrs S M Bayford, Chairman of Scrutiny Board  
F Birkett, Chairman of Housing Policy, Development & Review Panel  
Mrs P M Bryant, Chairman of Licensing and Regulatory Affairs Committee; for item  
9(2)  
M J Ford, JP, Chairman of Health & Public Protection Policy Development and  
Review Panel: for item 9(2)  
Mrs C L A Hockley, Chairman of Leisure and Community Policy, Development and  
Review Panel  
N J Walker, Chairman of Planning Committee: for item 9(2)  
R H Price, JP, for item 9(2)  
S Cunningham, for item 9(2)  
Mrs K K Trott, for item 9(2)  
Mrs L E Clubley, for item 9(2)



## 1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

## 2. MINUTES

RESOLVED that the Minutes of the Executive held on the 04 September 2017 be confirmed and signed as a correct record.

## 3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader explained how he intended to run the meeting and outlined the order of items which varied the order of the agenda.

The Executive Leader then invited the Monitoring Officer to provide clarification on the types and definitions of Members' Interests which could be declared at the meeting.

The Monitoring Officer confirmed that there are two types of interest that require a declaration if they are applicable:

1. **A pecuniary interest** applies if a member or their spouse or partner has a direct financial interest in the matter being discussed. If any member of the Executive has a pecuniary interest in the matter, they must declare the interest prior to the item being considered and leave the room, and take no part in the discussion or vote on the decision  
Any member not on the Executive who has a pecuniary interest in an item and wishes to make a representation at the meeting may do so, but must declare the interest prior to speaking on the matter. They may then stay for the rest of the discussion and decision, but may also choose to leave the room afterwards.
2. **A personal interest** applies if a member belongs to a body or organisation, or has a family or personal relationship with someone who may be affected financially by the matter being discussed. If any member, either on the executive or making a representation this evening has a personal interest they must declare it prior to the relevant item. They may then stay for the rest of the discussion and decision. In the case of Executive members, they may also vote on the item.  
Although not obliged to do so, an Executive Member with a personal interest in any item may wish to leave the room and not take part in either the discussion or vote.

## 4. DECLARATIONS OF INTEREST

Declarations of Interest were received on item 9(2) – Draft Local Plan from the following Councillors:

Councillor S D T Woodward declared a Personal (Non-Pecuniary) Interest in relation to site references HA10 and HA18, as the landowner is well known to him. Additionally, the Executive Leader left the room and took no part in the discussion nor voted on the matter.

Councillor T M Cartwright, MBE declared a Personal (Non-Pecuniary) Interest in relation to site reference HA1 as his son lives next to site reference HA1. Councillor Cartwright remained present in the room and took part in the discussion and voted on the matter.

Councillor Miss S M Bell declared a Personal (Non-Pecuniary) Interest in relation to site reference HA12 as she is a Council appointed representative on the Board of Trustees of Portchester Parish Hall, other members of which have an interest in the land.

Councillor Miss Bell remained present in the room and took part in the discussion and voted on the matter.

Councillor Miss T G Harper declared a Personal (Non-Pecuniary) Interest in relation to site reference EA3 as her employer owns an office on the site; and site reference HA16 as her sister owns a property on this site. Councillor Miss Harper remained present in the room and took part in the discussion and voted on the matter.

Councillor R H Price, JP declared a Pecuniary Interest when he addressed the Executive in relation to site reference HA12 Moraunt Drive, Portchester as he owns the property where he lives next to the proposed site. Councillor Price left the room and was not present for the discussion or vote on this site.

Councillor Mrs K K Trott declared a Personal (Non-Pecuniary) Interest in relation to site references HA8, HA16 and HA20 as she is a Council appointed representative on Wallington Village Community Association Executive Committee, other members of which have an interest in the land. Councillor Mrs Trott remained in the room and was present for the discussion and vote on these sites.

## **5. PETITIONS**

A Petition of approximately 735 signatures was received concerning Portchester entitled "We the undersigned are appalled at the ruin of our village being brought about by developers with only their own interests at heart. We call on the council to oppose future such actions."

The Executive Leader advised that the petition would be dealt with in accordance with the Council's petition scheme.

## **6. DEPUTATIONS**

The Executive received deputations in relation to item 9(2) – Draft Local Plan from:

Mr Dean Anscombe on behalf of the Funtley Village Society in respect of site references HA10 and HA18;

Mrs Jo Peace in respect of site reference HA5;

Mr David Prince in respect of site reference HA1.

## **7. MINUTES / REFERENCES FROM OTHER COMMITTEES**

There were no references from other Committees or Panels presented at this meeting.

## **8. HEALTH AND PUBLIC PROTECTION**

### (1) Update on National and Local Air Quality Action Plans

RESOLVED that the Executive agrees:

- (a) to note the implications for Fareham of the recently published National Air Quality Action Plan;
- (b) the member led steering group on air quality be re-established together with a technical Officer group; and
- (c) the following Air Quality Management Areas; Gosport Road Fareham and Portland Street Fareham be extended as detailed in Appendices C and D to the report and that they are declared operational on 1 November 2017 with the signing of the AQMA amendment orders attached as Appendices E and F to the report.

## **9. PLANNING AND DEVELOPMENT**

### (1) Review of Welborne Delivery Strategy

RESOLVED that the Executive:-

- (a) delegates authority to the Director of Planning and Regulation to terminate the procurement process OJEU Reference: 2017/S 058-107255;
- (b) delegates authority to the Director of Planning and Regulation to notify the four shortlisted delivery partner bidders that the procurement process has been terminated;
- (c) notes that the Executive agreed an 'in-principle' CPO resolution of the whole of the Welborne site in February 2016 and to re-confirm this resolution insofar as it relates to minority landholdings required to enable the comprehensive development of the scheme to be progressed and delivered by Buckland Development Ltd; and
- (d) notes that the Director of Planning and Regulation will develop an updated Delivery Strategy and updated governance proposals for consideration and approval at a future Executive meeting(s).

### (2) Draft Local Plan

The Executive Leader announced that he would take site references in groups for consideration and debate.



HA10 - Funtley Road South, Funtley

HA18 - Funtley Road North, Funtley

Councillor S D T Woodward declared a Personal, (Non-Pecuniary) Interest in respect of this site and left the room before discussion took place. The Deputy Executive Leader, Councillor T M Cartwright, MBE chaired the meeting for this item.

A deputation on these items was received from Mr Dean Anscombe on behalf of Funtley Village Society (see minute 6 above).

At the invitation of the Deputy Executive Leader, Councillors Mrs L E Clubley and Mrs P M Bryant addressed the meeting on these sites.

**Decision:**

Upon being put to the Executive, site references HA10 and HA18 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, with 2 votes in favour, 1 vote against and 2 abstentions.

HA5 - Romsey Avenue, Portchester

A deputation on this item was received from Mrs Jo Pearce (see minute 6 above).

HA4 – Downend Road East, Portchester

HA6 – Cranleigh Road, Portchester

HA12 – Moraunt Drive, Portchester

At the invitation of the Executive Leader, Councillors N J Walker, R H Price, JP and S Cunningham addressed the meeting on the Portchester sites.

Before addressing the Executive, Councillor R H Price, JP declared a Pecuniary Interest in relation to site reference HA12 Moraunt Drive, Portchester as he owns the property where he lives next to the proposed site. Councillor Price left the room and was not present for the discussion on this site.

**Decision:**

Upon being put to the Executive, site reference HA4 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, with 5 votes in favour and 1 vote against.

Upon being put to the Executive, site reference HA5 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, with 5 votes in favour and 1 vote against.

Upon being put to the Executive, site references HA6 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

Upon being put to the Executive, site reference HA12 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

The Executive Leader adjourned the meeting for a comfort break at 20:47.

The meeting reconvened at 21:00.

HA1 - North and South of Greenaway Lane, Warsash

Councillor T M Cartwright, MBE declared a Personal (Non-Pecuniary) Interest for this item as his son lives on the site. Councillor Cartwright remained present in the room and took part in the discussion and voted on the matter.

A deputation on this item was received from Mr David Prince (see minute 6 above).

HA7 – Warsash Maritime Academy, Warsash

At the invitation of the Executive Leader, Councillor M J Ford, JP addressed the meeting on the Warsash sites.

**Decision:**

Upon being put to the Executive, site reference HA7 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, with 5 votes in favour and 1 vote against.

Upon being put to the Executive, site reference HA1 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, with 5 votes in favour and 1 vote against.

HA8 – Pinks Hill, WallingtonHA16 – Military Road, WallingtonHA20 – North Wallington and Standard Way, Wallington

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the meeting on these sites.

Before addressing the Executive on this item, Councillor Mrs Trott declared a Personal (Non-Pecuniary) Interest in relation to site references HA8, HA16 and HA20 as she is a Council appointed representative on Wallington Village Community Association Executive Committee, other members of which have an interest in the land. Councillor Mrs Trott remained in the room and was present for the discussion and vote on these sites.

**Decision:**

Upon being put to the Executive, site reference HA8 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

Upon being put to the Executive, site reference HA16 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

Upon being put to the Executive, site reference HA820 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

FTC2 – Market Quay, Fareham Town CentreFTC8 – Lysses Car Park, Fareham Town Centre

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the meeting on these sites.

FTC1 - Civic Area, Fareham Town CentreFTC3 - Fareham Station EastFTC4 - Fareham Station WestFTC5 - Crofton Conservatories, West Street, Fareham Town Centre

FTC6 - Magistrates Court, Trinity Street, Fareham Town Centre  
FTC7 - Former UTP Site, Western Way, Fareham Town Centre  
FTC9 - Wykeham House School, East Street, Fareham Town Centre  
FTC10 - Delme Court, West Street, Fareham Town Centre

**Decision:**

Upon being put to the Executive, site references FTC1, FTC2, FTC3, FTC4, FTC5, FTC6, FTC7, FTC8, FTC9 and FTC10 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

HA14 - Genesis Centre, Locks Heath  
HA22 – Wynton Way, Fareham  
HA24 – 335–337 Gosport Road, Fareham

**Decision:**

Upon being put to the Executive, site references HA14, HA22 and HA24 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

HA9 - Heath Road, Locks Heath  
HA11 - Raley Road, Locks Heath  
HA19 - 399-409 Hunts Pond Road, Titchfield Common  
HA23 - Stubbington Lane, Hill Head  
HA25 - Sea Lane, Hill Head

**Decision:**

Upon being put to the Executive, site references HA9, HA11, HA19, HA23 and HA25 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

HA21 - Hampshire Rose, Highlands Rd, Fareham

**Decision:**

Upon being put to the Executive, site reference HA21 was confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

HA2 - Newgate Lane South, Peel Common  
HA3 - Southampton Road, Titchfield Common  
HA13 - Hunts Pond Road, Titchfield Common  
HA15 - Beacon Bottom West, Park Gate  
HA17 - 69 Botley Road, Park Gate  
HA26 - Beacon Bottom East, Park Gate

**Decision:**

Upon being put to the Executive, site references HA2, HA3, HA13, HA15, HA17 and HA26 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

E3 - Solent 2, WhiteleyE4 - Midpoint 27, Segensworth South**Decision:**

Upon being put to the Executive, site references E3 and E4 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

E1 - Faraday Business Park, DaedalusE2 - Swordfish Business Park, DaedalusE5 - Standard Way, Wallington**Decision:**

Upon being put to the Executive, site references E1, E2 and E5 were confirmed as being included in Chapter 2: Development Allocations of the Draft Local Plan, unanimously.

RESOLVED that the Executive agrees:

(a) that the Draft Local Plan, as set out in Appendix A to the report, comprises the following component parts:

1. Chapters: Foreword, Information and Contacts, Introduction, Vision and Strategic Priorities, Development Strategy, Strategic Policies, Housing, Employment, Retail, Community Facilities and Open Space, Natural Environment, Design and Infrastructure
2. Chapter: Development Allocations:  
Including Policy DA1 and the following Development Allocations:

## Retained Local Plan Part 2 Housing Allocations

## Previously Developed Land (Brownfield) sites in 'Rest of Borough'

Site Reference	Address	Dwellings
HA14	Genesis Centre, Locks Heath	35
HA22	Wynton Way, Fareham	13
HA24	335–337 Gosport Road, Fareham	8
Sub-Total		56

## Retained Local Plan Part 2 Housing Allocations

## Greenfield sites in 'Rest of Borough'

Site Reference	Address	Dwellings
HA9	Heath Road, Locks Heath	71
HA11	Raley Road, Locks Heath	49
HA19	399–409 Hunts Pond Road, Titchfield Common	22 (10)*
HA23	Stubbington Lane, Hill Head	12
HA25	Sea Lane, Hill Head	8
Sub-Total		152

\* Sub-total excludes quantum of dwellings with planning consent – as shown by figure in brackets

Fareham Town Centre  
(Previously Developed Land / Brownfield)

Site Reference	Address	Dwellings
FTC1	Civic Area, Fareham Town Centre	100
FTC2	Market Quay, Fareham Town Centre	100
FTC3	Fareham Station East	120
FTC4	Fareham Station West	94
FTC5	Crofton Conservatories, West Street, Fareham Town Centre	49
FTC6	Magistrates Court, Trinity Street, Fareham Town Centre	45
FTC7	Former UTP Site, Western Way, Fareham Town Centre	34
FTC8	Lysses Car Park, Fareham Town Centre	24
FTC9	Wykeham House School, East Street, Fareham Town Centre	15 (15)*
FTC10	Delme Court, West Street, Fareham Town Centre	11
Sub-Total		577

\* Sub-total excludes quantum of dwellings with planning consent – as shown by figure in brackets

New Previously Developed Land (Brownfield) Housing Allocations in 'Rest of Borough'

Site Reference	Address	Dwellings
HA7	Warsash Maritime Academy, Warsash	100
HA21	Hampshire Rose, Highlands Road, Fareham	18
Sub-Total		118

New Greenfield Housing Allocations

Site Reference	Address	Dwellings
HA1	North and South of Greenaway Lane, Warsash	700
HA2	Newgate Lane South, Peel Common	475
HA3	Southampton Road, Titchfield Common	400
HA4	Downend Road East, Portchester	350
HA5	Romsey Avenue, Portchester	225
HA6	Cranleigh Road, Portchester	120 (120)*
HA8	Pinks Hill, Wallington	80
HA10	Funtley Road South, Funtley	55
HA12	Moraunt Drive, Portchester	49
HA13	Hunts Pond Road, Titchfield Common	38
HA15	Beacon Bottom West, Park Gate	30
HA16	Military Road, Wallington	26
HA17	69 Botley Road, Park Gate	24
HA18	Funtley Road North, Funtley	23
HA20	North Wallington and Standard Way, Wallington	21
HA26	Beacon Bottom East, Park Gate	5
Sub-Total		2,501

\* Sub-total excludes quantum of dwellings with planning consent – as shown by figure in brackets

### Local Plan Part 2 Retained Employment Allocations

Site Reference	Address	Floorspace
E3	Solent 2, Whiteley	23,500 sq.m (253,000 sq.ft)
E4	Midpoint 27, Segensworth South	4,700 sq.m (50,600 sq.ft)

### New Employment Allocations

Site Reference	Address	Floorspace
E1	Faraday Business Park, Daedalus	40,000 sq.m (430,600 sq.ft)
E2	Swordfish Business Park, Daedalus	8,000 sq.m (86,000 sq.ft)
E5	Standard Way, Wallington	2,000 sq.m (21,500 sq.ft)

### 3. Glossary and Appendices;

- (b) that the Draft Local Plan, as set out in Appendix A, and the Draft Policies Map, as set out in Appendix B, be published for a 6 week period of public consultation;
- (c) that the supporting documents appended to this report (Appendices C-E) be published for a 6-week period of public consultation, along with other supporting evidence documents;
- (d) that the Draft Local Plan will become a material consideration in the determination of planning applications, but that the weight attributed reflects the stage of preparation, the extent to which there are unresolved objections to relevant policies, and their degree of consistency with policies in the National Planning Policy Framework; and
- (e) that the Director of Planning and Regulation be authorised to make any necessary minor amendments to the Draft Local Plan and supporting documents appended to this report, prior to publication, provided these do not change their overall direction, shape or emphasis and following consultation with the Executive Member for Planning and Development.

### (3) 5 Year Housing Land Supply Position

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

RESOLVED that:-

- (a) the Executive notes the Cranleigh Road Portchester Appeal Decision and the 5 Year Housing Land Supply position;
- (b) officers present a report to the Planning Committee as soon as practicably possible which outlines how proposals for residential development should be considered in the context of the Cranleigh Road Portchester Appeal Decision (i.e. lack of 5 Year Housing Land Supply),

the NPPF, relevant case law and policies considered up-to-date in the Local Plan Part 2 (Development Sites and Policies); and

- (c) officers present a report to the Planning Committee on the Council's 5 Year Housing Land Supply position on a regular basis.

## **10. POLICY AND RESOURCES**

- (1) Business Rate Discretionary Rate Relief

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

RESOLVED that the Executive agrees:

- (a) to vary the Charitable Relief Policy to allow relief to be granted in the specific circumstances detailed in the report from 01 April 2017;
- (b) to consult with the Hampshire County Council and major preceptors in relation to the provisions of the scheme; and
- (c) to delegate the award of the discretionary relief, as detailed in the report, to The Local Taxation Manager

(The meeting started at 6.00 pm  
and ended at 10.12 pm).





# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 6 November 2017

<b>Portfolio:</b>	Leisure and Community
<b>Subject:</b>	<b>1st Sarisbury Scout Group</b>
<b>Report of:</b>	Director of Operations
<b>Strategy/Policy:</b>	Grants Policy
<b>Corporate Objective:</b>	All corporate objectives apply

**Purpose:**

To provide details of the matched funding request received by the Council during the third quarter of the 2017/18 financial year.

**Executive summary:**

A matched funding bid has been received from 1<sup>st</sup> Sarisbury Scout Group towards the cost of installing a new purpose-built scout hut at Burrige Recreation Ground. It is anticipated that the hut, in addition to providing a permanent base for the group's activities, will increase the facilities available for hire by the local community.

The total cost of the project is £190,000, of which 1<sup>st</sup> Sarisbury Scout Group has received commitments for donations and grant applications totalling £158,000. In addition, the group currently has several grant applications outstanding, although none of these have been confirmed to date.

1<sup>st</sup> Sarisbury Scout Group has requested £25,000 towards their project to install a purpose-built scout hut. This grant award is critical to the delivery of the project and is also needed to secure the other sources of grant funding.

The group received a small community grant of £750 from Fareham Borough Council in March 2016 towards the cost of purchasing a marquee. Under the current Community Grant Fund criteria any organisation that has received a grant award must wait two years before being able to submit another bid for community funding.

However, building the new scout hut is a major building project. The Scout group has accumulated a significant amount of funding and is ready to proceed with the building works. Without the award of the Community Fund Grant the project will be in jeopardy.

**Recommendation/Recommended Option:**

It is recommended that the Executive:

- (a) considers offering a matched funding grant of up to £25,000, to 1<sup>st</sup> Sarisbury Scout Group, to install a purpose-built scout hut at Burr ridge Recreation Ground; and
- (b) agrees the award of funding, subject to 1<sup>st</sup> Sarisbury Scout Group agreeing terms for community use as set out in the Community Fund Agreement in Appendix B and Community Fund Award Letter as set out in Appendix C.

**Reason:**

To act as an enabler, assisting the local community to introduce new facilities within the community.

**Cost of proposals:**

The grant requested is £25,000 and the Community Funding Budget currently has funds of £63,033.

- Appendices:**
- A:** Matched Funding Application – 1<sup>st</sup> Sarisbury Scout Group
  - B:** Proposed Community Funding Agreement – 1<sup>st</sup> Sarisbury Scout Group
  - C:** Proposed Community Funding Award Letter – 1<sup>st</sup> Sarisbury Scout Group
  - D:** 1<sup>st</sup> Sarisbury Scouts Sources of Funding – October 2017

**Background papers:****Reference papers:**

Report to the Executive on 8 March 2010 – Review of Discretionary Grants

Report to the Executive on 17 May 2010 – Grants Review Update

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	6 November 2017
<b>Subject:</b>	1 <sup>st</sup> Sarisbury Scout Group Matched Funding report
<b>Briefing by:</b>	Director of Operations
<b>Portfolio:</b>	Leisure and Community

#### INTRODUCTION

1. The purpose of this report is to provide the details of the matched funding requests received by the Council during the third quarter of the 2017/18 financial year.
2. On 8 March 2010, the Executive considered a report on the various discretionary grants provided by the Council. The report included details regarding each category of grant and the level of funding available. Members agreed to combine a number of grants into a single pot for the 2010/11 financial year onwards.
3. It was agreed that any matched funding bids would be considered by the Executive on a quarterly basis. These Matched Funding reports would also identify matched funding requests "in the pipeline", to enable a more strategic approach to prioritising these requests.

#### CRITERIA

4. The criteria for matched funding awards are deliberately inexplicit. The Council will consider any project which benefits the local community and / or improves the local environment. Awards will usually only be made for capital projects.
5. Any matched funding application must demonstrate that the applicant will contribute an equal sum to the project as is being requested from the Council. This fosters a sense of commitment and ownership to the project from the local community, and as a result increases the likelihood that the benefits will continue to be valued and maintained in the future.
6. All successful applicants are required to sign a Community Use Agreement with the Council, to ensure that the project provides benefit to the local community. This enables an extension of this benefit to reach much further than the organisation making the application.

## **FINANCIAL IMPLICATIONS**

7. The current balance of the community funding budget is approximately £63,033.

## **MATCHED FUNDING BIDS RECEIVED**

8. 1<sup>st</sup> Sarisbury Scout Group is a thriving organisation, which supports well attended groups of Beavers, Cubs and Scouts to explore new challenges and develop a wide range of skills in a safe environment. The Group currently has 87 members, with over 40 young people on the waiting list to join. Since the loss of their former hut on the Coldeast Hospital site, the Group has been renting space at Burr ridge Village Hall.
9. A matched funding bid has been received from 1<sup>st</sup> Sarisbury Scout Group towards the cost of installing a purpose-built scout hut on a tennis court at Burr ridge Recreation Ground. The Heads of Terms for a lease for the tennis court, from the Council to the Scout Group, was agreed by the Executive on 10 July.
10. It is anticipated that this new facility will, in addition to providing facilities for the Scout Group, increase the availability of rooms for hire by the local community. There is a clause in the lease which states hiring of rooms for scout related activities will be permitted. However, any non-scouting use is to be approved by the Burr ridge Village Hall committee, in advance with their consent not to be unreasonably withheld.
11. The total cost of the project is £190,000 and as of October 2017, 1<sup>st</sup> Sarisbury has £158,000 pledged towards the scout hut construction project. A breakdown of the different funding sources is contained in appendix D
12. Several funding applications are outstanding and if they were all to be successful then there would be a surplus, although not every bid is anticipated to be supported
13. 1<sup>st</sup> Sarisbury Scout Group is requesting £25,000 in matched funding towards the project. This grant award is critical to the delivery of the project and is also needed to secure the other sources of grant funding.
14. The group received a small community grant of £750 from Fareham Borough Council in March 2016. Under the current Community Grant Fund criteria any organisation that has received a grant award must wait two years before being able to submit another bid for community funding.
15. Since 2015 to date there have been four expressions of interest for Community Funding that were rejected because of previous grant awards within the last two years. These were:
  - 1<sup>st</sup> Fareham Scout Group, who originally expressed an interest in 2016 for help with their replacement roof after a successful application in July 2015;
  - Warsash Sea Cadets, who expressed interest in 2016 for £5000 to help with purchasing a maintenance platform following a successful application in July 2015;
  - Titchfield Community Association, who expressed interest for funding in 2016 after a successful application in April 2015;
  - Southern Domestic Abuse Service, who expressed interest in 2016 for help with a CCTV system. They had had a previous successful bid in May 2015.

16. However, building the new scout hut is a major building project. The Scout group has accumulated a significant amount of funding and are ready to proceed with the building works. Any delay in awarding the funding will result in cost escalation which may jeopardise the delivery of the project.

### **COUNCILLOR CONSULTATION**

17. Both Ward Councillors, Councillor Woodward and Councillor Butts, have confirmed their support of this application.

### **MATCHED FUNDING BIDS “IN THE PIPELINE”**

18. No further matched funding bids have been identified at present.

### **RISK ASSESSMENT**

19. Any delay in awarding the community grant will jeopardise the project due to cost escalation and other funders withdrawing their grant funding offer.
20. The groups listed in the report that have had their expression of interest for community funding rejected, because they have already received funding within the last two years, may seek to challenge the decision.

### **CONCLUSION**

21. This report sets out details for the matched funding bid received from 1<sup>st</sup> Sarisbury Scout Group. The bid is for £25,000 towards the cost of installing a purpose-built scout hut at Burr ridge Recreation Ground.
22. The group received a small community grant of £750 from Fareham Borough Council in March 2016. Under the current Community Grant Fund criteria any organisation that has received a grant award must wait two years before being able to submit another bid for community funding.
23. However, building the new scout hut is a major building project. The Scout group has accumulated a significant amount of funding and are ready to proceed with the building works. Any delay in awarding the funding will result in cost escalation which may jeopardise the delivery of the project.

### **Enquiries:**

For further information on this report please contact Claire Benfield. (Ext 4495)



<b>MATCHED FUNDING REQUEST</b>	
<b>APPLICANT</b>	1 <sup>st</sup> Sarisbury Scout Group
<b>PROJECT DESCRIPTION</b>	<p>A matched funding bid has been received from 1<sup>st</sup> Sarisbury Scout Group requesting £25,000 towards the cost of installing a purpose-built scout hut on a disused tennis court at Burr ridge Recreation Ground.</p> <p>1<sup>st</sup> Sarisbury Scout Group has thriving Beaver, Cub and Scout colonies, with 87 members and 40 young people currently on their waiting list. Since the loss of their hut at the Coldeast Hospital site, the Group has been renting space at Burr ridge Village Hall.</p> <p>The aim of the Groups' project is to install a purpose-built hut to accommodate the Scout Group. Following an agreement around access with the National Trust, the plans also incorporate the provision of some parking spaces for the facility, to reduce conflict for parking with the neighbouring Burr ridge Village Hall.</p>
<b>PROJECT COSTS</b>	The total project cost is £189,750.
<b>PROJECT FUNDING</b>	The Scout Group has raised £134,000 to date. They have a further £45,000 outstanding in unconfirmed grant applications.
<b>COMMUNITY BENEFITS</b>	In addition to providing a facility for the Scout Group, the hut will increase the availability of rooms to hire in this area. The Scout Group has an agreement with Burr ridge Village Hall that they will act as an 'overflow' facility for the Hall and, as such, will not represent competition for the Hall.
<b>ENVIRONMENTAL BENEFITS</b>	There are no significant environmental benefits.
<b>LINKS TO THE</b>	This application is consistent with the Council's

## APPENDIX A

<b>COUNCIL'S CORPORATE PRIORITIES</b>	role as “a partner”, where possible, to actively collaborate with other providers within the local area.  Both Ward Councillors, Councillor Woodward Councillor Butts, are supportive of the application.
<b>PROJECT RISKS</b>	The project would be managed by the Scout Group.
<b>RECOMMEND</b>	That the Executive gives consideration to making a matched funding award of up to £25,000 to this application, subject to:  <ol style="list-style-type: none"><li>1. A review of the shortfall for the project following confirmation from the outstanding grant applications.</li><li>2. The remainder of funding being in place.</li><li>3. Receipt of all Local Authority approvals.</li><li>4. The Scout Group signing a Community Fund and Community Use Agreement, stipulating that the new facilities will be accessible to all the community.</li></ol>



**FAREHAM**  
BOROUGH COUNCIL

DRAFT

**COMMUNITY FUND &  
COMMUNITY USE AGREEMENT**

**PAYMENT OF COMMUNITY FUND AWARD  
FOR SUMS BETWEEN £5,000 AND £50,000**

## **Contents**

1. What constitutes the Award Agreement?
2. Commencement and Duration of Community Fund and Community Use Agreement
3. Your Responsibilities under this Community Fund and Community Use Agreement
4. Equal Opportunities
5. Confidentiality and Obligations under the Freedom of Information Act 2000
6. Payment of Community Fund, Invoice Procedure and Recovery
7. Project Delivery
8. Your employees/volunteers/sub-contractors
9. Complaints
10. Monitoring, Review Arrangements and Community Fund Completion Report
11. Legal Liability, Insurance and Indemnities
12. Default and Termination
13. Dispute Resolution
14. Assignment
15. Waiver
16. Amendment and Variations
17. Communications and Notices
18. Assets bought by you using Community Funds
19. Governing Law and Jurisdiction
20. Third Parties
21. Publicity
22. Community Use Terms
23. Entire Grant Agreement

## **SCHEDULE 1**

The Council's Grant Award Letter

**THIS COMMUNITY FUND AND COMMUNITY USE AGREEMENT** is made the...  
day of                      2017

**BETWEEN:**

- (1) **FAREHAM BOROUGH COUNCIL** of Civic Offices, Fareham, PO16 7PU (the "Council") **AND**
- (2) **1<sup>st</sup> SARISBURY SCOUT GROUP** of Burr ridge Village Hall, Botley Road, Burr ridge, SO31 1BS (hereinafter referred to as "You or Your")

Together "Us" or "Our"

**BACKGROUND INFORMATION**

Fareham Borough Council is keen to support the local voluntary and community sector. One of the ways it does this is by awarding Community Funds to organisations and groups that meet its priorities, criteria and conditions of Community Fund aid as detailed in this Community Fund and Community Use Agreement.

In return for the payment of the Award by the Council to You and Your promise to complete the project described in Schedule 1, the Council and You agree as follows

**1. WHAT CONSTITUTES THE AWARD AGREEMENT**

- 1.1 The Community Fund and Community Use Agreement is formed of this Community Fund and Community Use Agreement and the Council's Community Fund Award Letter. You must read the whole Community Fund and Community Use Agreement before signing it.
- 1.2 You warrant that the execution copy of this Community Fund and Community Use Agreement was not altered in any way when it was in Your possession prior to execution and before returning it to the Council for execution by the Council other than any alteration in respect of which You gave clear prior express notification to the Council and obtained the Council's express written consent thereto. In the event that this Community Fund and Community Use Agreement is subsequently found to contain any alterations which were made without such notification and consent then You consent to any rectification of this Community Fund and Community Use Agreement to reinstate the drafting to that which removes the effect of any such alterations.

**2. COMMENCEMENT AND DURATION OF COMMUNITY FUND AND COMMUNITY USE AGREEMENT**

- 2.1 This Community Fund and Community Use Agreement shall start on ..... 2017 and end on.....2019 ("the Community Fund and Community Use Agreement Period") unless extended by the Council in writing to You or terminated early in accordance with this Community Fund and Community Use Agreement.

### **3. YOUR RESPONSIBILITIES UNDER THIS COMMUNITY FUND AND COMMUNITY USE AGREEMENT**

You shall use the Community Fund for the purposes for which it has been granted (“the Project”), as described in the Community Fund Award Letter and Your Application Form and in accordance with this Community Fund and Community Use Agreement.

### **4. EQUAL OPPORTUNITIES**

4.1 You shall comply with the Equality Act 2010

4.2 Without prejudice to the generality of clause 4.1, You shall not treat one individual or group of people less favourably than others because of age, disability, gender reassignment, marriage and civil partnership, race, religion and belief, pregnancy and maternity, sex and sexual orientation, and You shall furthermore seek to promote equality among Your personnel and generally.

4.3 You shall take appropriate steps to prevent any unlawful discrimination by your employees towards members of the public when providing the Services which could amount to harassment or discrimination on any of the grounds described in clause 4.1. You shall ensure Your employees are not discriminated in their employment.

### **5. CONFIDENTIALITY AND OBLIGATIONS UNDER THE FREEDOM OF INFORMATION ACT 2000**

You agree where necessary in relation to this Community Fund and Community Use Agreement or the Project to assist the Council as reasonably requested by the Council in meeting its legal obligations under the Freedom of Information Act 2000. You shall keep confidential all information and data received in whatever form pursuant to this Community Fund and Community Use Agreement

### **6. PAYMENT OF COMMUNITY FUND, INVOICE PROCEDURE AND RECOVERY**

6.1 The Council will pay You the Community Fund, in a lump sum following evidenced completion of the project, as set out in the Community Fund Award Letter.

6.2 The Council does not guarantee the payment of the Community Fund or any part of it during the Community Fund and Community Use Agreement Period. The Council reserves the right to withdraw the Community Fund offer at any time during the Community Fund and Community Use Agreement Period, acting reasonably, giving a notice period of not less than ninety (90) days notice. The Council does not guarantee payment of the Community Fund beyond the Community Fund and Community Use Agreement Period.

6.3 The Council will, at its discretion, immediately recover the whole Community Fund or part, where Your Project is delayed and You are not granted an extension to the Community Fund and Community Use Agreement Period.

- 6.4 Where You spend less than the whole Community Fund, any unspent part shall be returned to the Council within thirty (30) days of the completion of the Project.
- 6.5 The Council may demand repayment of all or part of the Community Fund at its absolute discretion where You have acted dishonestly when making Your application for the Community Fund, breach the terms of the Community Fund and Community Use Agreement or You are investigated by HM Revenue and Customs, the Charity Commission, the Police or other regulatory or governing body and this results in an adverse finding against You or the Project will not meet its purpose upon completion or have received duplicate funding for the Project or any part of it from sources other than the Council.
- 6.6 The Grant sum is not subject to Value Added Tax (VAT) and no further payments will be made by the Council to cover any VAT costs not identified and included in the Grant Application.

## **7. PROJECT DELIVERY**

- 7.1 You shall deliver the Project in accordance with the proposals and terms set out in the Community Fund and Community Use Agreement, the Community Fund Award Letter, Your Application Form, and, where appropriate, the Project plan.
- 7.2 You will comply with all codes of practice, guidelines, policy documents and other information and requirements set out in Your Equal Opportunities Policy/Scheme and Health and Safety Policy (if required).
- 7.3 You shall ensure that You have all necessary consents; including any approval consent, exemption licence or permission from any governmental or other authority or any person required for You to provide the Project and from the setting detailed in the Community Fund Application Form.
- 7.4 You must not Yourself, and You shall use all Your reasonable endeavours to procure that Your suppliers and contractors shall not, knowingly do or omit to do, anything in relation to this Community Fund and Community Use Agreement, the Project or in the course of Your/their other activities, that may bring the standing of the Council into disrepute or attract adverse publicity for the Council.
- 7.5 You must ensure compliance to any special customised conditions stated in the Community Fund Award Letter.
- 7.6 You shall promptly inform the Council if the Project cannot be delivered within the Community Fund and Community Use Agreement Period and request an extension. Any extension shall be at the Council's discretion.

## **8. YOUR EMPLOYEES/VOLUNTEERS/SUB-CONTRACTORS**

- 8.1 If Your Project involves work with vulnerable adults, children, young people or other vulnerable groups You will ensure that You have a Safeguarding Children and or Safeguarding Adults policy in place to promote good practice and ensure

risks to vulnerable people are assessed and mitigated appropriately. You will obtain all approvals and licences and any profile checks, including but not limited to Disclosure and Barring Service (“DBS”) checks on personnel (and the term “personnel” in this Community Fund and Community Use Agreement shall include Your volunteers), required by law. In any case You shall carry out a DBS check at a level appropriate to the role undertaken by the subject of the check on all personnel engaged in a Regulated Activity (as defined in the Safeguarding Vulnerable Groups Act 2006) or otherwise where DBS advice or guidance or a risk assessment shows such a check is desirable or necessary provided always that the law permits such a check to be carried out.

8.2 Where You have volunteers providing the Services or any part of it, You must have a written volunteers’ policy.

## **9. COMPLAINTS**

9.1 The Council and You will each appoint a Community Fund Officer to act on Our behalves on all matters in relation to the Community Fund and Community Use Agreement and the Project. For the purposes of this Community Fund and Community Use Agreement the Council’s Community Fund Officer shall be as stated in the Community Fund Award Letter and Your Community Fund Officer shall be the person stated in the Community Fund Application Form.

9.2 You shall deal with any complaints about the Project, received from whatever source, in accordance with Your complaints procedure, which shall be made available to the Council upon request. You shall keep a written record of all complaints received in respect of the Project.

9.3 You shall provide a summary of all complaints received about the Project together with Your written response to the Council’s Community Fund Officer twice a year. The Council shall use the information received in this clause 9.2 as part of its monitoring and review process described in clause 10 below.

## **10. MONITORING, REVIEW ARRANGEMENTS AND COMMUNITY FUND COMPLETION REPORT**

10.1 Up to date, accurate and comprehensive records, monitoring information, invoices, bills and receipts must be kept by You which show how the Community Fund funding has been used for the term of this Community Fund and Community Use Agreement and for a period of 6 years after its termination howsoever caused.

10.2 The Council reserves the right to meet with Your Community Fund Officer at a time agreed between Us, to discuss the information collated by You under clause 10.1 above.

10.3 You may be requested to submit a short report to the Council’s Community Fund Officer twice a year. A progress report may be due mid-way through the Community Fund and Community Use Agreement Period. The second report will be due after the end of the Community Fund and Community Use Agreement

Period. The dates each report is due are set out in Community Fund Award Letter or at a later time.

10.4 If requested by the Council You must submit Your audited/inspected accounts to the Council's Community Fund Officer for each financial year(s) of the Community Fund and Community Use Agreement Period as soon as they are available.

## **11. LEGAL LIABILITY, INSURANCE AND INDEMNITIES**

11.1 You shall maintain full and proper insurance policies relevant to Your activities and shall when requested by the Council provide evidence of such insurance on demand.

11.2 You acknowledge that the Council's extent of involvement in the Project is restricted to providing funds to assist You to put the Project into practice. You shall be solely liable for Your personnel, the lawful performance of the Project and any and all claims demands, damage and proceedings which may arise and shall be liable and indemnify the Council against any expense, liability, cost, loss or proceeding in respect of any injury to or death of any person or damage to any property, real or personal whatsoever arising out of or caused by the performance of this agreement.

## **12. DEFAULT AND TERMINATION**

12.1 The Council shall be entitled to terminate this agreement by immediate notice at any time:

12.1.1 if You have an administrative receiver or receiver appointed for the whole or any part of Your assets or any order made or resolution passed for Your administration or winding up (unless as part of a scheme of reconstruction or amalgamation) or compounds with or You convene a meeting of Your creditors or anything analogous to any forgoing under the law of any jurisdiction;

12.1.2 on occurrence of any events entitling the Council to withhold the Community Fund at clause 6;

12.2 The Council shall be entitled to terminate immediately and to recover any Community Fund paid together with any loss or damage resulting from termination if in relation to any agreement with the Council You or anyone acting on Your behalf have:

12.2.1 committed any offence under the Prevention of Corruption Acts 1889 to 1916 or the Bribery Act 2010, or

12.2.2 given any fee or reward the receipt of which is an offence under s.117 (2) of the Local Government Act 1972

12.3 The Council shall not be liable for any direct and indirect losses howsoever incurred by You upon the termination of the Community Fund and Community Use Agreement.

12.4 The right to terminate this Community Fund and Community Use Agreement is without prejudice to any other rights the Council may have under this Community Fund and Community Use Agreement or under general law or otherwise.

### **13. DISPUTE RESOLUTION**

13.1 The Parties shall use their reasonable endeavours to resolve by agreement any dispute between them with respect to any matter relating to this Community Fund and Community Use Agreement.

13.2 In the event that a dispute cannot be resolved by agreement under clause 13.1 the Parties may refer the matter to an independent person whose decision shall be final and binding. The expenses incurred by such appointment shall be met equally between the Council and You.

### **14. ASSIGNMENT**

14.1 You shall not assign, novate, sub-contract or otherwise dispose of any or all of Your rights and obligations under this Community Fund and Community Use Agreement without the prior written consent of the Council which may be granted subject to such reasonable conditions as the Council may require.

14.2 The Council may by written notice to You assign, novate, outsource or otherwise dispose of any or all of its rights and obligations under this Community Fund and Community Use Agreement at any time to any person having the legal capacity, power and authority to become a party to and to perform the obligations of the Council under this Community Fund and Community Use Agreement.

14.3 In the event that You wish to assign, novate, sub-contract or otherwise dispose of any or all of its rights and obligations under this Community Fund and Community Use Agreement and the Council grants consent thereto then You shall pay to the Council upon receipt of an invoice, in accordance with the rates applicable at the time of the assignment, novation, outsourcing or other disposition (and such rates may be obtained from the Council on request), all reasonable legal, administrative and other costs, charges and expenses incurred by the Council in connection with such assignment, novation, outsourcing or other disposition as applicable.

### **15. WAIVER**

You acknowledge that a failure by the Council to act on any failure by You to observe any of the terms of the Community Fund and Community Use Agreement shall not be a waiver of its right to exercise any right or remedy to which it is entitled under this Community Fund and Community Use Agreement.



## **16. AMENDMENT AND VARIATIONS**

Any amendment or variation to this Community Fund and Community Use Agreement shall be recorded in writing and shall be signed by or on behalf of both Parties.

## **17. COMMUNICATION AND NOTICES**

All notices and communications shall be given to the Community Fund Officer of the respective parties and shall be deemed to be received by the Council and You.

## **18. ASSETS BOUGHT BY YOU USING COMMUNITY FUNDS**

If any asset, which exceeds one hundred pounds (£100) in value, is acquired with funding from the Community Fund, You shall notify the Council and keep a record of such assets in an Asset Register and abide by any directions or conditions which the Council may make in respect of use, maintenance, insurance and disposal of such asset. You shall not be entitled to dispose of the said asset without the prior written approval of the Council, such approval not to be unreasonably withheld. The Council may require some or all proceeds of sale to be returned to the Council.

## **19. GOVERNING LAW AND JURISDICTION**

This Community Fund and Community Use Agreement shall be governed and construed according to the laws of England and Wales and the Parties submit to the exclusive jurisdiction of the Courts of England and Wales.

## **20. THIRD PARTIES**

For the purposes of the Contract (Rights of Third Parties) Act 1999 this Community Fund and Community Use Agreement is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions

## **21. PUBLICITY**

You shall where reasonably possible provide that any publicity relating to the Community Fund Project will acknowledge the Council's financial support.

## **22. COMMUNITY USE TERMS**

The payment of the community fund is subject to You agreeing that the facilities are available to hire by other not for profit making and local community groups (if and when requested). Any such organisation hiring the facilities will have individuals that are suitably qualified and have adequate equal opportunities, safeguarding and child protection policies in place.

## **23. ENTIRE COMMUNITY FUND AND COMMUNITY USE AGREEMENT**

This Community Fund and Community Use Agreement constitutes the entire understanding between You and the Council relating to the subject matter of this Community Fund and Community Use Agreement and, save as may be expressly referred to herein, supersedes all prior representations, writings, negotiations or understandings

**SCHEDULE 1**

THE COUNCIL'S GRANT AWARD LETTER

**AS WITNESSED** this Community Fund and Community Use Agreement has been signed under hand for and on behalf of the Parties the day and year written above.

**For and on behalf Fareham Borough Council**

Signature

Print name and position

Occupation:

Signature of Witness: .....

Name: .....

Occupation: .....

**For and on behalf of the Organisation**

Signature

Print name and position

Occupation:

Signature of Witness: .....

Name: .....

Occupation: .....

# FAREHAM

## BOROUGH COUNCIL

# DRAFT

Director of Operations  
Paul Doran

**Contact:** Claire Benfield

**Ext.:** 4495

**Date:** X November 2017

Dear

### **Community Fund Award Letter**

- Thank you for your recent application for funding from the Community Fund. Your application has been considered by the Council's Executive and I am pleased to inform you that the Council has agreed to award a grant of up to £25,000 to your organisation, 1<sup>st</sup> Sarisbury Green Scout Group. I have set out below the purpose and scope of the project funded by the award. Your organisation must use the award solely for the purposes set out in this Community Fund Award Letter.

### **The Project**

The grant has been awarded to use towards the installation of a purpose-built scout hut to be located on the disused tennis court at Burrige Recreation Ground. This Community Grant has been awarded on the condition that these facilities will be made available to local community groups and organisations to hire in addition to the use by 1<sup>st</sup> Sarisbury Green Scout Group. It is a condition of the grant that 1<sup>st</sup> Sarisbury Green Scout Group secures the remaining funding shortfall of £30,750 for the project. The Group is required to advise the Council of any additional funding secured to enable the Council to reduce its Community Fund award to reflect any reduced need. The Council will require evidence that each of these conditions has been met. There will also be a requirement to keep records of all the community groups that use the facilities which will be made available to the Council on request.

Payment for the grant will be made in two stages. Half of the grant will be paid prior to the commencement of the project with the remaining balance being paid on completion of the project.

The grant will become payable to your organisation once your authorised officer has accepted the award conditions by signing and returning both copies of the attached Community Fund Agreement and when the works are completed and facilities available to the community. Please do not date the Agreement.

I would like to draw your attention to one of the conditions of the Council's Community Fund where you are asked to acknowledge the support of Fareham Borough Council and use the Council's logo in all publicity material. A copy of the Council logo is at the top of this letter which is suitable for use on general publicity and letter headed paper. However, if your project is considering the use of the logo in a different style, i.e. a banner or notice board, please contact me and I will be able to advise you on alternative formats available.

You may be contacted to give an interview about your project by the local press. If you do not wish your details to be given to them, please let me know.

Would you please send me some photographs of your project e.g. event launch, group, photos, that I can use for Community Fund publicity. I am sure Ward Councillors would be happy to attend any launch event, please let me know and I will arrange this for you.

I would like to take this opportunity to wish you every success with your project.

Yours sincerely

Claire Benfield  
Leisure and Community Officer

Encl

## Appendix D - 1<sup>st</sup> Sarisbury Scouts Sources of Funding – October 2017

Source	Amount
Local Benefactors	£75,000
Fareham West Scout District	£5,000
Hampshire County Council	£5,000
Burrige Community Association	£20,000
1 <sup>st</sup> Sarisbury Scout Group	£17,000
Masons, Lions, Roundtable, Rotary etc.	£250
Bernard Sunley Charitable Foundation	£10,000
Garfield Weston Foundation	£15,000
Rank Foundation	£7,000
Foyle Foundation	£2,500
Tesco	£1,000
<b>GRAND TOTAL</b>	<b>£157,750</b>



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

**Portfolio:** Policy and Resources  
**Subject:** Review of Hackney Carriage Fares  
**Report of:** Director of Planning and Regulation  
**Strategy/Policy:**  
**Corporate Objective:** A safe and Healthy Place to Live and Work

**Purpose:**  
To set the level of Hackney Carriage Tariff for licensed vehicles in the Borough.

**Executive summary:**

Each year the views of the taxi trade are sought in respect of whether they wish the Council to consider an increase to the taxi tariff.

In August this year, a newsletter was sent to the taxi trade which sought their views on whether they wished to have an increase to the taxi tariff. There were 19 responses received from individual drivers, 12 for no change and 7 requesting a range of changes. The Hackney Carriage and Private Hire Association (HCPHA) also voted in favour of no tariff increase.

The responses received in response to the newsletter are detailed in a report presented at the meeting of the Licensing and Regulatory Affairs Committee held on the 19 September 2017. A copy of this report is attached as Appendix 1. The report was considered by the Committee and the recommendation to the Executive was in favour of no increase in the tariff for the 2018/19 financial year.

**Recommendation/Recommended Option:**

It is recommended that the Executive agrees that no increase be made to the level of taxi tariff for the 2018/19 financial year.

**Reason:**

Both the taxi trade and the Licensing and Regulatory Affairs Committee are in favour of no increase for the 2018/19 financial year.

**Cost of proposals:**

There are no cost implications associated with the proposals.

**Appendices:** 1: Report to the Licensing and Regulatory Affairs  
Committee – 19<sup>th</sup> September 2017

**Background papers:** None

**Reference papers:** None



# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	Review of Hackney Carriage Fares
<b>Briefing by:</b>	Head of Environmental Health
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. Each year the taxi trade is consulted in respect of the level of taxi tariff. The last time the trade indicated it wanted a tariff increase following consultation was in 2008, and the matter was considered by the Committee at that time and an increase was granted.
2. In August this year a letter was sent to the taxi trade to consult upon the taxi tariff. The council received 19 responses of which 7 were requesting a change. There are currently 213 Hackney Carriage vehicles licensed in the Borough, 206 licensed Hackney Carriage drivers and 120 Dual Licensed Drivers.
3. The Licensing and Regulatory Affairs Committee at its meeting of 19 September 2017 considered this matter and their recommendation to the Executive was in favour of no increase for the 2018/19 financial year.

#### INDICES

4. Average Weekly Earnings in real terms (adjusted for consumer price inflation and seasonality), were reset in August 2015 to an index of 100 and have increased 1.1% since that date.
5. There are no significant risk considerations in relation to this report.

#### CONCLUSION

6. That members consider the information contained in the report when making their decision in setting the level of Fareham Taxi Tariff.

**Background Papers:** None

**Reference Papers:** None

**Enquiries:** For further information on this report please contact Ian Rickman (Ext 4473).



# FAREHAM

## BOROUGH COUNCIL

### **Report to Licensing and Regulatory Affairs Committee**

**Date**                    **19 September 2017**

**Report of:**            **Head of Environmental Health**

**Subject:**              **REVIEW OF HACKNEY CARRIAGE FARES**

#### **SUMMARY**

Each year the views of the taxi trade are sought in respect of whether they wish the Council to consider an increase to the taxi tariff. The last time the trade indicated they wanted a tariff increase was in 2008, and the matter was considered by the Committee at that time and an increase was granted. In August this year a letter was sent to the taxi trade, which sought their view on whether they wished to have an increase to the taxi tariff. There were 19 individual responses from individual drivers, 12 for no change, 7 requesting a range of changes, which are detailed within the report, the Hackney Carriage and Private Hire Association (HCPHA) had also voted in favour of no tariff increase.

#### **RECOMMENDATION**

The Committee is requested to:

- (a) consider the responses from the individuals who responded and the HCPHA in respect of the changes to the tariff;
- (b) consider if a change is appropriate; and
- (c) make a recommendation to the Executive in that respect.

## INTRODUCTION

1. Each year the taxi trade is consulted in respect of the level of taxi tariff. The last time the trade indicated they wanted a tariff increase following consultation was in 2008, and the matter was considered by the Committee at that time and an increase was granted.
2. In 2015 the trade did not request a change in the fares but asked for two other changes to the tariff which were both granted. One was for a change to the cost of carrying luggage and the second was for an increase in the fee for fouling a vehicle.
3. In 2016 the taxi Trade via the Association requested an increase in the fee for picking up at Fareham Railway Station and a statement regarding dogs to be removed. These were both implemented.
4. In August this year a letter was sent to the taxi Trade to consult upon the taxi tariff (Appendix A). We received 19 responses of which 7 were requesting a change. A list of responses can be seen as Appendix C.
5. On 15 June 2017 we received an email from Mr Paul Rogerson regarding a vote the Hackney Carriage and Private Hire Association had taken in regard to a tariff increase. The result was that 81 written votes were received with 43 voting for no increase and 38 voting for an increase. (Appendix B)
6. There are currently 212 Hackney Carriage vehicles licensed in the Borough, 154 licensed Hackney Carriage drivers and 75 Dual Licensed Drivers.

## INDICES

7. Average Weekly Earnings in real terms (adjusted for consumer price inflation and seasonality), were reset in August 2015 to an index of 100 and have increased 1.1% since that date.

	<b>Real AWE (2015 £)</b>	<b>Real AWE (Index numbers 2015=100)</b>
Aug-15	454	100.0
Sep-15	454	100.1
Oct-15	454	100.1
Nov-15	456	100.4
Dec-15	457	100.6
Jan-16	458	101.0
Feb-16	460	101.4
Mar-16	460	101.4
Apr-16	461	101.6
May-16	460	101.4
Jun-16	461	101.5
Jul-16	460	101.4
Aug-16	461	101.6
Sep-16	461	101.5
Oct-16	461	101.5
Nov-16	461	101.7
Dec-16	459	101.2
Jan-17	458	101.0
Feb-17	457	100.7

Mar-17	457	100.8
Apr-17	458	100.9
May-17	458	101.0
<b>Jun-17</b>	<b>459</b>	<b>101.1</b>

8. Other travel costs still fluctuate although fell in 2016.

2009	240.3	3.44%
2010	255.2	6.20%
2011	274.7	7.64%
2012	284.4	3.53%
2013	296.2	4.15%
2014	305.6	3.17%
2015	325.4	6.48%
2016	334.1	2.67%

9. Consumer price inflation is currently at 2.6%.

10. Members are asked to review the fare comparison spreadsheet (Appendix E) and consider whether to recommend an increase in the tariff. Also included in Appendix E are some example increases in order to further assist members.

### **RISK ASSESSMENT**

11. There are no significant risk considerations in relation to this report

### **CONCLUSION**

12. That members consider the information contained in the report when making their decision regarding the level of Fareham Taxi Tariff.

**Background Papers:** None

**Reference Papers:** None

**Enquiries:** For further information on this report please contact Helen Spires. (Ext 4411)

APPENDIX A	Letter to Trade consulting on Tariff
APPENDIX B	Email from Paul Rogerson re vote of HC&PH Association
APPENDIX C	Responses received plus two letters
APPENDIX D	Current Tariff card
APPENDIX E	Fares Comparison Spreadsheet and examples of increase to tariff

# FAREHAM

## BOROUGH COUNCIL

«Merge Record #»  
 «Name»  
 «Address1»  
 «Address2»  
 «Address3»  
 «Postcode»

Head of Environmental Health  
 Ian Rickman

**Contact:** Gemma Knipe

**Ext.:** 4428

**Date:** 25 July 2017

Dear Colleague

### ANNUAL TARIFF CHANGES

Fareham Borough Council annually contact drivers, owners and operators of Hackney Carriage vehicles to see if they want any changes made to the tariff.

Please indicate on the slip below if you wish any changes to be made. All replies need to be received by the Council by Monday 7 August 2017. Please return the slip to the Licensing Team, Fareham Borough Council, Civic Offices, Civic Way, Fareham, PO16 7AZ. These can be handed into our ground floor reception, or sent in the post.

If we receive requests to change the tariff we add them to the report to the September 2017 Licensing and Regulatory Affairs committee. Any changes agreed by committee will be effective from April 2018.

Yours faithfully



Helen Spires  
 Licensing Manager

---

Driver Name:

Would you like to propose any changes: YES   
 NO

If yes, proposed changes (please continue on separate paper if required):

Signed:

Dated:

**From:** paul rogerson [redacted]  
**Sent:** 15 June 2017 15:58  
**To:** Spires, Helen <[redacted]>  
**Cc:** Taxi Association <[redacted]>; Michael Doughty  
<[redacted]>; Jay Miah <[redacted]>; Cole Hughes  
<[redacted]>; Neil Bradley <[redacted]>; Rickman, Ian  
<[redacted]>; Bryant, Cllr. Mrs P <[redacted]>  
**Subject:** New Committee and Tariff Increase?

Helen,

On Tuesday the 13th June 2017 we had a meeting of the Fareham Hackney Carriage and Private Hire Association and selected a new Committee.

1. The out going Chairperson Michael Doughty is being replaced by Jay Miah.  
The out going Vice Chairperson being myself Paul Rogerson is being replaced by Cole Hughes.  
The out going Secretary Mel Chorlton is being replaced by Niel Bradley.

The out going committee is not being forced out we have just decided that others should be involved. I have copied this Email to all the new committee so that you have all their Email addresses.

2. At the same meeting we discussed whether the trade wanted a tariff increase or not. We had already completed a paper vote and 81 had replied. 43 voted for No Increase and 38 voted for an increase. The meeting voted to accept the conclusion of the paper vote. Therefore the Fareham Hackney Carriage and Private Hire Association is NOT asking for a Tariff Increase this year.

The out going committee would like to thank you and your team for all the assistance we have received throughout the years and we hope the new committee can look forward to your help in the future.

Regards,

Paul Rogerson

This email (and its attachments) is intended only for the use of the person(s) to whom it is addressed and may contain information which is privileged and/or confidential. If it has come to you in error, you must take no action based on it nor must you copy or show it to anyone.

This email is confidential but may have to be disclosed under the Freedom of Information Act 2000, the Data Protection Act 1998 or the Environmental Information Regulations 2004. If you are not the person or organisation it was meant for, apologies. Please ignore it, delete it and notify us. Emails may be monitored.

There are currently 212 Hackney Carriage vehicles licensed in the Borough, 154 licensed Hackney Carriage drivers and 75 Dual Licensed Drivers.

Of the 229 drivers sent letters we received 19 responses.

12 responses requested no change. None of these had additional comments.

7 responses requested a change

- 2 no proposed change
- A 4% increase to cover insurance, petrol and household costs
- A 10% increase equal to 1% per year since 2008
- 15% increase
- A small increase (2.5% mentioned but not specifically requested) Letter attached from Michael E Bugden
- A small reduction on the distance travelled rather than increasing the pull-off
  - Currently - Pull off £2.20 for 190m and then 20p for each successive 190m.
  - Proposed - Pull off of £2.20 for 170m and then 20p for each successive 170m until 1,700m and then 20p for each successive 190m – Letter attached from Paul Rogerson

The Hackney Carriage and Private Hire Association informed us members had voted to request no change to the tariff.



4<sup>th</sup> August 2017

Licensing Team  
Fareham Borough Council  
Civic Offices  
Civic Way  
Fareham  
Hants

PO16 7AZ

Re : Annual Tariff Change

Dear Helen

I would like to request a small increase in the current tariff to take in to account that many of our customers now want to pay for their fare using either a Credit or Debit Card.

As you will be aware current legislation does not allow us to make a charge to the customer if the journey starts and finishes within the Borough as we have to use the metered rate. If on the other hand the journey starts or finishes outside the Borough we can apply a small charge to recoup the merchant costs of providing this facility. This small charge currently averages at around 2.5% on those types of journey.

*As widely reported in the news recently the government is bringing in legislation which will make it illegal as from January 2018 for a business to charge different prices for payment by either cash or card.*

As Managing Director of Radio Taxis (Fareham) Ltd we have taken Credit/Debit Card payments through the office for at least 10 years. About 2 years ago we started to lease some equipment that allowed 20 vehicles to take in car card payments. The usage by passengers of this facility has increased every month, we are now finding that some passengers are walking down the rank to get in a car that will accept card payments. Our recently installed Autocab App means a customer can track where their taxis is and it also tells the customer that either cash or card payments are accepted. We have therefore taken the decision that ALL Radio Taxis (Fareham) vehicles should be able to accept in car card payments by the end of September 2017. Obviously the driver will have to bear the full cost of providing this facility as from January 2018 so a small increase in the tariff will compensate the owner/driver for providing this facility.

It may be of interest to note that Transport for London (TfL) recently increased the tariff in London on the proviso that ALL Black Cabs (Hackneys) should be able to accept either cash or card payments from passengers. Any small increase in Fareham could perhaps be justified with the Council adopting a similar policy, passengers want the facility to pay by either cash or card these days.

It may be also worth noting that there has been no increase in the Fareham Hackney Tariff since September 2008, I have done some research and it is widely accepted that £100 worth of goods then would now cost £121.80 a 21.8% increase in prices since that time.

Yours faithfully




Michael E Bugden



Fareham





31<sup>st</sup> July 2017

Helen,

The trade voted narrowly in favour of NO TARIFF INCREASE again this year which means there would have been no increase in the Pull Off or Distance Travelled since 2008 some 9 years ago. I believe this is because of the trades concern with regard to large out of town companies undercutting our prices. However, since that vote there have been considerable discussions in the media about Card Charges and that prices in general might have to rise to compensate traders.

I believe that a small rise in the tariff should now be considered to help Hackney Carriage owners and drivers offset addition expenses.

I personally would prefer a small reduction on the distance travelled rather than increasing the pull off.

Currently – Pull Off of £2.20 for 190m and then  
20p for each successive 190m.


My proposal - Pull Off of £2.20 for 170m and then  
20p for each successive 170m till 1,700m and then  
20p for each successive 190m.

My proposal would give just a 20p increase on any journey over 1,700m (1.06miles) and most customers would not even realise that the tariff had increased.

I suspect that you might of decided to ask surrounding Licensing Authorities how they are dealing with this potential problem. If other authorities decide their Hackney Carriage owners / drivers should absorb these new costs then please remember we have not asked for an increase in over 8 years and no Licensing Authority locally has waited for anywhere near that amount of time.

If you add this letter to any appendix that councillors read then I feel I should state that I am no longer on the Committee of the Fareham Hackney Carriage and Private Hire Association and that these are only my own personal views.

Regards,



Paul Rogerson  
Hackney Carriage Owner HC93

# FAREHAM

BOROUGH COUNCIL

## TAXI FARES (INCLUSIVE OF VAT)

<b>DISTANCE</b>		<b>RATE1</b>
RATE 1: For the first 190 meters or part thereof minimum charge	<b>£2.20</b>	0600–2330 unless stated otherwise
For each succeeding 190 meters or part	<b>20p</b>	
RATE 2: For the first 190 meters or part thereof minimum charge	<b>£3.30</b>	<b>RATE 2</b>
For each succeeding 190 meters or part	<b>30p</b>	2330-0600 unless stated otherwise
RATE 3: For the first 190 meters or part thereof minimum charge	<b>£4.40</b>	1800-midnight on Christmas Eve
For each succeeding 190 meters or part	<b>40p</b>	1800-midnight on New Year's Eve
<b>WAITING TIME</b>		0600-midnight on Boxing Day
RATE 1: For each period of 60 seconds or part	<b>20p</b>	All 24 hours on all other Bank
RATE 2: For each period of 60 seconds or part	<b>30p</b>	Holidays unless specified
RATE 3: For each period of 60 seconds or part	<b>40p</b>	
<b>EXTRA CHARGES</b>		<b>RATE 3</b>
For each person in excess of two	<b>10p</b>	All 24 hours on Christmas Day
Luggage carried outside of the passenger compartment	<b>50p</b>	Midnight-0600 on Boxing Day
This does not include items relating to a disability		Midnight-0600 on New Year's Day
Passengers picked up at Fareham Station	<b>£1.00</b>	surcharge
Assistance dogs must be carried free of charge unless the driver has a current exemption in place not to do so.		
<b>A MAXIMUM CHARGE OF £70 MAY BE MADE AGAINST ANY PERSON FOULING THE VEHICLE OR ALLOWING AN ANIMAL TO FOUL THE VEHICLE</b>		
Complaints should be made to The Licensing Officer, Regulatory Services, Civic Offices, Civic Way, Fareham, Hampshire PO16 7AZ or email: <a href="mailto:Licensing@fareham.gov.uk">Licensing@fareham.gov.uk</a>		

### HACKNEY CARRIAGE NO.

[DMrelatedsys\_ eh\_ hc\_ vehicle/plate\_number/vehicle\_reference] TO CARRY

[DMrelatedsys\_ eh\_ hc\_ vehicle/carry\_limit/vehicle\_reference] PERSONS

**SEAT BELTS ARE PROVIDED FOR ALL PASSENGERS IN THIS VEHICLE YOU ARE REQUIRED BY LAW TO WEAR THEM**

Issue 05

Valid from February 2017

**Taxi Tariff Comparison**

DISTRICT	NUMBER OF MILES	6
SOUTHAMPTON	Pull off £2.80 for first 110 metres 20p each 110 metres thereafter until distance travelled of 330 metres 20p each 195 thereafter	£ 12.76
PORTSMOUTH	Pull off £2.20 for the first 274 metres (or 51.43 seconds) 20p each 182.88 metres until fare reaches £12.60 20p each 141.73 metres thereafter	12.46
GOSPORT	Pull off £2.20 for first 199 metres 20p each 178 metres thereafter	12.80
FAREHAM (EXISTING)	Pull off £2.20 for first 190 metres 20p each 190 metres thereafter	12.20

**Examples of effect of different increases to tariff**

	NUMBER OF MILES 6	£
FAREHAM EXISTING	Pull off £2.20 for first 190 metres 20p each 190 metres thereafter	12.16
FAREHAM EXISTING +5%	Pull off £2.31 for the first 190 metres 21p each 190 metres thereafter	12.77
FAREHAM EXISTING +10%	Pull off £2.42 for first 190 metres 22p each 190 metres thereafter	13.38
FAREHAM EXISTING +15%	Pull off £2.53 for the first 190 metres 23p each 190 metres thereafter	13.98

NB The percentage increase in fare decreases as the journey length increases.



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

<b>Portfolio:</b>	Planning & Development
<b>Subject:</b>	<b>Planning for the right homes in the right places: Response to Government Consultation</b>
<b>Report of:</b>	Director of Planning and Regulation
<b>Strategy/Policy:</b>	Local Plan
<b>Corporate Objective:</b>	<p>To protect and enhance the environment</p> <p>To maintain and extend prosperity</p> <p>To ensure that Fareham remains a safe and healthy place to live and work</p> <p>To provide a reasonable range of leisure opportunities for health and fun</p> <p>To work with our key partners to enable and support a balanced housing market</p> <p>To build strong and inclusive communities</p> <p>To be a dynamic, prudent and progressive Council</p>

**Purpose:**  
To seek endorsement and approval of Fareham Borough Council's response, which is detailed in this report, to be submitted to the Government's consultation on 'Planning for the right homes in the right places: consultation proposals'.

**Executive summary:**  
On 14 September 2017, the Government published a document entitled 'Planning for the right homes in the right places: consultation proposals' (Appendix A) for an eight-week consultation period. This report briefly outlines the key proposals in the consultation document. It explains that the Council is concerned about both the nature and negative impact of the proposed standardised method for calculating local housing need. It effectively undermines the collaborative work already undertaken by the Council and with PUSH, the Partnership for Urban South Hampshire. The proposed approaches for viability assessment and increases in planning application fees are broadly supported.

**Recommendation:**  
It is recommended that the Executive agrees that Fareham Borough Council's Consultation Response as outlined in this report is submitted to the Government for their consideration.

**Reason:**

If the Government take forward the consultation proposals for calculating local housing need this will have a significant negative impact on work already undertaken by the Council and PUSH.

**Cost of proposals:**

Existing resource budgets covers the Officer time necessary to respond to this Government consultation.

**Appendices:**

- A:** 'Planning for the right homes in the right places: consultation proposals' issued on 14 November 2017 by DCLG (Department for Communities and Local Government).
- B:** Fareham Borough Council's technical clarification regarding the 'Application of proposed formula for assessing housing need, with contextual data' contained in the Government's consultation documentation.



# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	Planning for the right homes in the right places: Response to Government Consultation
<b>Briefing by:</b>	Director of Planning and Regulation
<b>Portfolio:</b>	Planning and Development

#### INTRODUCTION

1. On 14 September 2017, the Government published a document entitled 'Planning for the right homes in the right places: consultation proposals' (Appendix A) for an eight-week consultation period. The consultation ends on the 9<sup>th</sup> November 2017. The consultation document poses a series of questions for consultees to respond to, and a consultation response proforma for answering these questions.

#### THE GOVERNMENT'S CONSULTATION PROPOSALS

2. In the introduction to 'Planning for the right homes in the right places: consultation proposals', the Government set out the following key proposals for consultation:
  - 'a) our proposed approach to a standard method for calculating local housing need, including transitional arrangements (paragraphs 1.13, 1.14, A.21 and A.23 of the White Paper);*
  - b) improving how authorities work together in planning to meet housing and other requirements across boundaries, through the preparation of a statement of common ground (paragraphs 1.9 and A.13);*
  - c) how the new approach to calculating housing need can help authorities plan for the needs of particular groups and support neighbourhood planning (paragraphs A.24 and A.65);*
  - d) proposals for improving the use of section 106 agreements, by making the use of viability assessments simpler, quicker and more transparent (paragraph 2.30); and*
  - e) seeking further views on how we can build out homes more quickly (paragraph 4).*
3. The consultation also seeks views on the proposal within the Housing White Paper that *local planning authorities delivering the homes their communities need, might be eligible for a further 20 per cent increase in fees for planning applications, over and above the 20 per cent increase already confirmed.*

4. The following report focuses on the Council's response to relevant associated consultation questions.

### **PROPOSED APPROACH TO A STANDARD METHOD FOR CALCULATING THE LOCAL HOUSING NEED**

5. The Government's consultation document cites the lack of a simple, standard approach for assessing local housing need as leading to both a costly and time-consuming process, which lacks transparency (paragraph 12). It sets out in paragraph 15-25, the proposed approach to the standardised method.
6. Put simply, there are three key steps to the Government's standardised methodology proposal (the methodology is explained in more detail in Section 1 of Appendix B):

#### **Step 1: Setting the baseline**

7. The first step is the demographic baseline, which is proposed to be the annual average household growth over a 10-year period for each local authority area as indicated by the Government's household projections. Please note, as explained in Appendix B, the average household growth over a 10-year period are taken from the ONS 2014 household projections, which were published in July 2016.

#### **Step 2: An adjustment to take account of market signals**

8. The second step is to adjust this figure to take into account 'market signals', with the aim to address affordability issues within the local authority area. It proposes that this adjustment should be based on median affordability ratios, which compare the median house prices to median earnings from the most recent year of ONS data available. Then in order to get close to the net new homes needed (in region of 225,00 to 275,000 per year), the Government propose that for each 1% increase in the ratio of house prices to earnings above four, results in a quarter of a per cent increase in need above the projected housing growth.

#### **Step 3: Capping the level of any increase**

9. Finally, there is a proposed capping the level of any increase depending on the status of the local plan in each authority. For those authorities who have adopted a local plan in the last five years, the housing need figure should be capped at 40% above the annual requirement figure currently set out in their local plan. For those authorities with a local plan which was adopted more than five years ago, the housing need figure is capped at 40% above whichever is the higher of the household projection or annual housing requirement in the local plan.

#### **Joint working**

10. Finally, it is worth highlighting that paragraph 30-32 of the consultation document covers the issue of joint working. It explains that many local authorities are working together when identifying their housing need, and the Government encourages more authorities to do so.
11. It then poses '**Question 1:** a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered? b) how can information on local housing need be made more transparent?'

12. In answer to Question 1a, Fareham Borough Council disagrees with the proposed standard approach to assessing local housing need for the following reasons. Fareham Borough Council has over many years worked jointly with other local authorities in south Hampshire area and key partners through the Partnership for Urban South Hampshire (PUSH). For clarity, PUSH is a partnership of Hampshire County Council; the unitary authorities of Portsmouth, Southampton, Isle of Wight; and district authorities of Eastleigh, East Hampshire, Fareham, Gosport, Havant, New Forest, Test Valley and Winchester. The PUSH Local Authorities also work collaboratively with the Solent Local Enterprise Partnership, Environment Agency and other relevant bodies.
13. Whilst the PUSH Joint Committee has no statutory powers or functions, it plays a vital role in co-ordinating the preparation of sub-regional evidence and statements across the South Hampshire local authorities. The PUSH Local Authorities recognise the benefits of working together to support the sustainable economic growth of the sub-region and to facilitate the strategic planning functions necessary to support that growth, which is in line with current Government advice.
14. PUSH has been instrumental in agreeing a joined-up approach to addressing housing need over three housing market areas (Southampton, Portsmouth and Isle of Wight). This is evident in the fact that the PUSH Local Authorities published a Spatial Position Statement in June 2016, which sets out the overall need for, and a distribution of development in South Hampshire to 2034. This Statement draws on evidence from the South Hampshire Objectively Assessed Housing Need (OAHN) Update Report published in April 2016, which updates and complements the Strategic Housing Market Assessment (SHMA) published in 2014. Furthermore, there are a number of evidence documents prepared through joint working by the PUSH Local Authorities that have helped inform the PUSH Spatial Position Statement.
15. It is considered that this more collaborative and 'bottom-up' approach to responding to local housing needs over three housing market areas by PUSH, and this Council contends this is preferable to the 'top-down' standardised approach to housing need currently proposed by the Government. Over a relatively short time period PUSH has established a joint position and evidence base from which individual authorities can progress their own Local Plans.
16. Paragraph 9 of this consultation document explains that after establishing the number of homes that are needed in the area '*Local planning authorities then need to determine whether there are any environmental designations or other physical or policy constraints which prevent them from meeting this housing need. These include, but are not limited to, Ancient Woodland, the Green Belt, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. They also need to engage with other authorities – through the duty to co-operate – to determine how any need that cannot be accommodated will be redistributed over a wider area. This means that the level of housing set out in a plan may be lower or higher than the local housing need.*' Surely, this is what Fareham Borough Council and PUSH have worked towards and established through the PUSH Spatial Position Statement. This has resulted in for example, agreement between PUSH Authorities that the protection of important strategic gaps such as the Meon Valley (which sits between the housing market areas of Southampton and Portsmouth) is supported. The Government often cites Ancient Woodland, the Green Belt, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest designations, to for grounds to prevent Local Planning Authorities from meeting this housing need. However, the proposals seem to give very little in way of protection to those authorities who have landscapes and countryside that do not fall under these designations but are clearly valued by local communities.

17. The continual changing of the goal posts by Government acts to undermine and slow-down those local authorities such as Fareham positively plan-making under the existing regimes, who are successfully working with their neighbouring authorities. In conclusion, therefore Fareham Borough Council believes the current approach should remain and the Government's current proposals should not progress.
18. Most importantly, this consultation indicates that Fareham's housing need would rise from 420 to 531, an uplift of 111 dwellings per annum, over the next ten years (2016-2026) if the Government take these proposals forward. As detailed in Appendix B, Fareham Borough Council has applied the proposed formula for assessing housing need, using the correct contextual data, and calculates the 'indicative assessment of housing need based on the proposed formula (for 2016 to 2026) as 458 dwellings per annum (not 531). The Council contends that 458 dwellings per annum is a more appropriate target, and one supported by extensive work already undertaken the Council and supported by PUSH.
19. In answer to Question 1b, there is no clarity over firstly whether this proposed approach will completely override the current guidance on calculating objectively assessed housing years. Nor does it provide clarity about how this proposed approach is compatible with current guidance that plans should span a 15-year plan period. The current Government proposals are not locally accountable nor is there sufficient clarity about how they would apply if progressed.

#### **PROPOSED APPROACH TO VIABILITY IN DECISION TAKING**

20. Paragraph 109 of the Government's consultation document states that in order '*To ensure there is a robust basis for assessing viability at the plan-making stage – and to lessen the need for this to be revisited when planning applications come forward – we propose to amend national planning policy to set out additional expectations for plans.*' Then the Government poses two questions:
  - Question 12: do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?
  - Question 13: in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?
21. In answer to both Questions 12 and 13, the Council believe it is fundamentally wrong to place the burden on local planning authorities to review the viability of all sites being promoted for inclusion in an emerging Local Plan. Local Planning Authorities are not party to all the information which the promoter of the site has, such as abnormal costs. Placing the responsibility on the site promoters will help ensure that any such relevant information can be independently scrutinised by an Inspector at a Plan examination. This will in turn, ensure that sites fully address policy requirements in the Plan which is being examined, if affordable housing levels are considered unreasonable by a local authority or a developer is unable to deliver infrastructure to support a development, an inspector can resolve these issues at examination. It is for these reasons that the Council do not agree that the local planning authorities should be tasked with proving individual site viability, but that this should fall to site promoters instead.
22. The Consultation recognises that development plan policies should already be tested for viability, and therefore developers and landowners should ensure that they are considering the cost of any policy requirements when proposing schemes. However, in

practice an increase in planning obligations being contested on viability grounds is affecting the ability of authorities to ensure that policy requirements, such as the delivery of affordable housing, are being met in full.

23. Question 14 of the Consultation asks whether this Council agrees that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage? This Authority would agree with this approach as it would provide more certainty for all parties as to the obligations development is expected to meet. The testing of viability on many residential proposals has become the norm rather than the exception, increasing the uncertainty as to what benefits development can provide for the wider community. Lengthy discussions on scheme viability results in delays in deciding proposals and increases costs for all parties in preparing and deciding planning applications. It is accepted that some individual sites may have extraordinary development costs which could be taken into account in determining planning applications and the obligations expected of the development.
24. Directly linked to this same subject, the Consultation recognises that where a viability assessment is still needed the process must be more open, transparent and easily understood. Full and open publication of all viability assessments would greatly increase transparency. The Government is therefore proposing to update planning guidance to make viability assessments simpler, quicker and more transparent. For example, guidance could range from setting out clearly defined terms to be used, a preferred approach to calculating costs and values (including land values) the format and accessibility of viability assessment reports, through to detailed process and methodology.
25. The Consultation poses at Question 16: what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?
26. In the experience of this Authority the quality of viability reports is highly variable and more often than not they are relatively inaccessible to readers other than experts in the field. Furthermore, many developers still only wish to provide viability reports on a confidential basis (i.e. not for publication). This Council would welcome guidance which ensures a consistency of approach in how viability reports are produced and presented. A 'non-technical' summary of how assumptions have been made and conclusions reached should be a requirement of all such assessments. The guidance should also make it clear that viability assessments should always be provided on an open book basis, available for any interested parties to read and comment upon.

## **PLANNING FEES**

27. The Consultation acknowledges that it is vital to have well-resourced, effective and efficient local authority planning departments. A lack of capacity and capability in planning departments can act as a constraint and restrict developers' ability to get on site and build. An increase in planning application fees is an important step to recognise and address the significant, nation-wide problem of under-resourced local planning authorities.
28. The Housing White Paper suggested that an increase of a further 20 per cent on the current fee level could be applied to those authorities who are delivering the homes their communities need. The Consultation invites views on the most appropriate criteria to enable this fee increase to be applied. Question 18 of the Consultation paper asks:

- a) do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?
  - b) do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?
  - c) should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?
  - d) are there any other issues we should consider in developing a framework for this additional fee increase?
29. This Council has previously undertaken detailed monitoring of the cost to this authority of processing planning applications. In common with other Councils it found that current fee levels fall some way short of covering the actual cost of processing planning applications. The Council therefore supports the suggested increase of 20% (at Question 18(a)). Such an increase should be introduced now as these costs are already being incurred by Fareham Borough Council in dealing with an outline planning application at Welborne for up to 6,000 houses along with other major residential planning applications within the Borough (Question 18b)).
30. This Council does not support the proposal that any additional fee increase should be applied nationally once all local planning authorities meet the required criteria (Question 18c). This could lead to large uncertainty as to when additional funding generated through fees might be forthcoming to assist with the delivery of new housing.

**Enquiries:**

For further information on this report please contact Richard Jolley (Ext 4388)



Department for  
Communities and  
Local Government

## Planning for the right homes in the right places: consultation proposals



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# Scope of the consultation

Topic of this consultation:	This consultation seeks views on a number of changes to planning policy and legislation. Some of these changes were foreshadowed in the housing White Paper available at: <a href="https://www.gov.uk/government/publications/fixing-our-broken-housing-market">https://www.gov.uk/government/publications/fixing-our-broken-housing-market</a>
Scope of this consultation:	The Department for Communities and Local Government is consulting on new planning proposals which will involve amendments to the National Planning Policy Framework and regulations.
Geographical scope:	These proposals relate to England only.
Impact Assessment:	N/A

## Basic Information

To:	This consultation is open to everyone. We are keen to hear from a wide range of interested parties from across the public and private sectors, as well as from the general public.
Body/bodies responsible for the consultation:	Department for Communities and Local Government
Duration:	This consultation will begin on Thursday 14 September and will run for 8 weeks until Thursday 9 November 2017. All responses should be received by no later than 23.45 on 9 November.
Enquiries:	For any enquiries about the consultation please contact: <a href="mailto:planningpolicyconsultation@communities.gsi.gov.uk">planningpolicyconsultation@communities.gsi.gov.uk</a>
How to respond:	<p>Consultation responses should be submitted by online survey: <a href="https://www.surveymonkey.co.uk/r/planningforhomes">https://www.surveymonkey.co.uk/r/planningforhomes</a></p> <p>Consultations on planning policy receive a high level of interest across many sectors. Use of the online survey greatly assists us in our analysis of the responses, enabling more efficient and effective consideration of the issues raised for each question.</p> <p>We have listened to concerns raised about the use of an online survey in the past and have made a number of adjustments to the survey ahead of this consultation. The online survey will allow respondents to: select the sections they wish to answer, without having to go through the whole survey; save and return to the survey later; and submit additional information or evidence to support your response to this consultation.</p>

Further advice on how to use these new features is available on the home page of the online survey.

We strongly encourage all respondents to respond via the online survey, particularly organisations with access to online facilities such as local authorities, representative bodies and businesses. However, should you be unable to respond online we ask that you complete the pro forma found at the end of this document . Additional information or evidence can be provided in addition to your completed pro forma.

In these instances you can email your pro forma to:  
[planningpolicyconsultation@communities.gsi.gov.uk](mailto:planningpolicyconsultation@communities.gsi.gov.uk)

Or send to:

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# Foreword

As anyone who has tried to buy or rent a home recently would probably tell you, the housing market in this country is dysfunctional. The root cause is very simple: for too long, we haven't built enough homes. The damaging financial crisis ten years ago compounded this problem.

Thanks in part to action we've taken over the past seven years, the situation is improving. Last year saw more planning permissions granted than ever before, while the number of new building starts is at its highest level in nearly a decade. But there's much more to do.

Our housing White Paper, published earlier this year, set out how we're going to get England building. We are delivering our 2015 commitment of a million new homes by 2020, and want to supply a further half a million by 2022.

The measures in this consultation will help ensure that local authorities plan for the right homes in the right places. This means creating a system that is clear and transparent so that every community and local area understands the scale of the housing challenge they face. We do not want local authorities wasting time and money on complex, inconsistent and expensive processes. This only creates lengthy bureaucratic arguments, often behind closed doors, and isolates local communities.

The new approach proposed will give local communities greater control so they can make informed decisions about exactly where much-needed new homes should be built. In doing so it will help to tackle the lack of affordability of housing in this country, and support those families who want the security of owning their own home.

The proposals in this consultation provide a more robust starting point for making these important decisions. Without the right starting point we can't make the wider reforms to the housing market that will ensure homes are built faster, by a more diverse housing market, to meet the needs of ordinary households and communities now and in the future.

Nor is this consultation just about the numbers. It's also about how areas can work together where communities' needs cannot be met locally. And it's about putting the right resources into local planning authorities so their plans can be delivered and communities can see the benefit of high quality, well-planned homes.

We recognise that this is not easy. That is why we launched our £2.3 billion Housing Infrastructure Fund earlier this year to ensure essential physical infrastructure, such as schools and roads, is built alongside the new homes we so badly need. We will explore bespoke housing deals with authorities in high demand areas with genuine ambition to build. We will also provide further support to local authority planning departments with a £25 million capacity fund.

This consultation also sets out our ambition to publish a revised National Planning Policy Framework in Spring 2018. This will ensure that we not only plan for the right homes in the right places, but that we turn existing and future planning permissions quickly into homes through reforms such as the Housing Delivery Test.

Nobody likes indiscriminate, unplanned and unwelcome development. But most of us are willing to welcome new homes if they're well-designed, built in the right places, and are planned with the co-operation of the local community. To win the support of local residents, we have to build homes people want to live alongside as well as in.

This consultation is the first step in making sure all that happens – and making sure our children and grandchildren can access the safe, secure, affordable housing they need and deserve

**Rt Hon Sajid Javid MP**

**Secretary of State for Communities and Local Government**

# Introduction

1. The White Paper, *Fixing our Broken Housing Market*<sup>1</sup> (“the housing White Paper”), set out proposals to tackle the housing challenge that our country faces, as a key part of building a stronger, fairer Britain where people who work hard are able to get on in life. It argued that we need to build more houses of the type people want to live in, in the places they want to live. This requires a comprehensive approach that tackles failure at every point in the system.
2. The housing White Paper set out four main areas where action is needed:
  - a) planning for the right homes in the right places - to make sure that enough land is released, that the best possible use is made of that land, and that local communities have more control over where development goes and what it looks like;
  - b) building homes faster – where communities have planned for new homes, ensuring those plans are delivered to the timescales expected;
  - c) diversifying the market – to address the lack of innovation and competition in the home-building market; and
  - d) helping people now – tackling the impacts of the housing shortage on ordinary households and communities.
3. The housing White Paper contained a number of proposals to reform planning to achieve these objectives. It reinforced the central role of local and neighbourhood plans in the planning system, so that local planning authorities and local communities retain control of where development should and should not go. It also reiterated strong protections for the Green Belt and other environmental designations, and set out proposals to make sure that we build high quality homes in which people want to live.
4. The housing White Paper also stated that further consultation on specific issues would follow<sup>2</sup>, and this paper carries forward that commitment. It seeks views on changes to national policy to help local planning authorities and communities plan for and deliver the homes they need, including:
  - a) our proposed approach to a standard method for calculating local housing need, including transitional arrangements (paragraphs 1.13, 1.14, A.21 and A.23 of the White Paper);

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<sup>1</sup> DCLG, February 2017, <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

<sup>2</sup> Other proposals in the housing White Paper that have implications for the National Planning Policy Framework will be reflected in the forthcoming revision of the Framework referred to in paragraph 6.

- b) improving how authorities work together in planning to meet housing and other requirements across boundaries, through the preparation of a statement of common ground (paragraphs 1.9 and A.13);
  - c) how the new approach to calculating housing need can help authorities plan for the needs of particular groups and support neighbourhood planning (paragraphs A.24 and A.65);
  - d) proposals for improving the use of section 106 agreements, by making the use of viability assessments simpler, quicker and more transparent (paragraph 2.30); and
  - e) seeking further views on how we can build out homes more quickly.
5. This consultation also seeks views on the proposal in the housing White Paper that local planning authorities delivering the homes their communities need might be eligible for a further 20 per cent increase in fees for planning applications, over and above the 20 per cent increase already confirmed<sup>3</sup>. If taken forward, this would be delivered through changes to regulations.
6. Subject to the outcome of this consultation, and the responses received to the housing White Paper, the Government intends to publish a draft revised National Planning Policy Framework early in 2018. We intend to allow a short period of time for further consultation on the text of the Framework to make sure the wording is clear, consistent and well-understood. Our ambition is to publish a revised, updated Framework in Spring 2018.
7. In taking forward the proposed changes to the Framework, some amendments will also be required to planning guidance. We will use the responses to both consultations to help shape changes to the guidance, which we intend to update alongside the revised Framework.

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<sup>3</sup> Paragraph 2.15, DCLG, February 2017

# Proposed approach to calculating the local housing need

## Introduction

8. Statutory plans allow local planning authorities, elected Mayors<sup>4</sup> and communities to plan where new homes will be built, plan for the infrastructure needed, and to have more control over the look and feel of new development. They also identify ways of improving the local environment and achieving net gains for the environment.
9. The National Planning Policy Framework is clear that, to enable effective planning of new homes, local planning authorities should start the plan-making process with a clear understanding of the number of new homes that they need in their area. While this is an essential first step, it is not the only stage in the process. Local planning authorities then need to determine whether there are any environmental designations or other physical or policy constraints which prevent them from meeting this housing need. These include, but are not limited to, Ancient Woodland, the Green Belt, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. They also need to engage with other authorities – through the duty to co-operate – to determine how any need that cannot be accommodated will be redistributed over a wider area. This means that the level of housing set out in a plan may be lower or higher than the local housing need.
10. The housing White Paper argued that both these processes could be improved, through the introduction of a standard method for assessing housing need and a statement of common ground to improve joint working.

## Background

11. The housing White Paper, drawing on the work of the Local Plans Expert Group<sup>5</sup>, argued that the existing approach to assessing housing need is too complex. At present, the National Planning Policy Framework and planning guidance ask each local planning authority to define a Housing Market Area, and to identify the 'objectively assessed need' for market and affordable housing within this. Planning guidance sets out a recommended method for doing so, using the latest National

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<sup>4</sup> References to elected Mayors refer to Mayors of combined authorities (and the Mayor of London) who have plan-making powers.

<sup>5</sup> Local Plans Expert Group (2016) *Local Plans: report to the Communities Secretary and to the Minister of Housing and Planning* <https://www.gov.uk/government/publications/local-plans-expert-group-report-to-the-secretary-of-state>



Statistics for projected household formation as a starting point. This is then adjusted to take account of a range of issues, including employment growth and market signals. The current process leaves substantial room for interpretation.

12. The lack of a simple, standard approach to assessing local housing need has led to a costly and time-consuming process which lacks transparency:
  - many local planning authorities spend significant sums of taxpayers' money employing consultants to come up with a housing need figure, often using different and inconsistent methods. It can cost local planning authorities around £50,000 to prepare a strategic housing market assessment, which could equate to an overall cost to the sector of over £3 million per year;
  - local planning authorities, developers and local communities often engage in disputes on the method used, which delays the process (by around six months) and adds cost; and
  - few methods take significant account of the affordability of housing in their area.
13. The Government argued in the housing White Paper that a standard approach to assessing local housing need would be simpler, quicker, and more transparent. This would speed up the time taken to prepare Local Plans and give local communities greater control of development in their area. We consider that a standard method should be based on three key principles:
  - a) Simple – there should be an easy and transparent process for local people and other interests to understand;
  - b) Based on publicly available data – which might include national data such as that from the Office for National Statistics, or robust local data;
  - c) Realistic – to reflect the actual need for homes in each area, taking into account the affordability of homes locally. High house prices indicate a relative imbalance between the supply and demand for new homes, and makes housing less affordable. The affordability of new homes is the best evidence that supply is not keeping up with demand.
14. In addition, we consider that any approach must allow an understanding of the minimum number of homes that are needed across England as a whole, while also reflecting the effect of our Industrial Strategy<sup>6</sup> as we seek to promote prosperity in every part of the country.

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<sup>6</sup> <https://www.gov.uk/government/policies/industrial-strategy>,

## The Government's proposed approach

15. Our proposed approach to a standard method consists of three components. The starting point should continue to be a **demographic baseline**, which is then modified to account for **market signals** (the price of homes). However, we recognise that it is important to ensure that the proposed housing need is as deliverable as possible, so we are **proposing a cap to limit any increase** an authority may face when they review their plan. Further details are set out in paragraphs 16-25 below.

### Step 1 Setting the baseline

16. We consider that the starting point should continue to be projections of future household growth in each area, but calculated initially for the area of the local authority. This will ensure that the process begins with a clear assessment of housing growth for every area. The Office for National Statistics' projections for numbers of households in each local authority<sup>7</sup> are the most robust estimates of future growth.

17. We therefore propose that **projections of household growth should be the demographic baseline for every local authority area**<sup>8</sup>. The most recent official projections should be used, with the household growth calculated for the period over which the plan is being made. **We propose that the demographic baseline should be the annual average household growth over a 10 year period.** Given the Government's expectation that plans are reviewed every five years, using average household growth over this period will ensure effective planning over the preparation and duration of the plan. Household projections should therefore be regarded as the minimum local housing need figure.

### Step 2 An adjustment to take account of market signals

18. We consider that household growth on its own is insufficient as an indicator of demand since:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

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<sup>7</sup> DCLG, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>.

<sup>8</sup> In some areas the projected household growth will be negative. In these places, the demographic baseline should be taken to be zero.

19. There is a longstanding principle in planning policy that assessing an appropriate level of housing must address the affordability of new homes, which means in practice that projected household growth should be adjusted to take account of market signals. One approach would be to increase household projections where house prices are high. But that would not take account of the fact that incomes may be higher in that area, and so homes may be no less affordable.
20. Therefore, we consider that median affordability ratios, published by the Office for National Statistics at a local authority level, provide the best basis for adjusting household projections. The affordability ratios compare the median house prices (based on all houses sold on the open market in a given year in a local authority) to median earnings (based on full-time earnings for those working in that local authority area). **We propose that as the next step in the standard method, plan makers should use the workplace-based median house price to median earnings ratio from the most recent year for which data is available.**<sup>9</sup>
21. As the housing White Paper noted<sup>10</sup>, external commentators suggest that England needs net additions in the region of 225,000 to 275,000 per year. To get a total housing need close to this figure, our modelling proposes that **each 1 per cent increase in the ratio of house prices to earnings above four results in a quarter of a per cent increase in need above projected household growth.** This achieves the overall level of delivery that most external commentators believe we need, while ensuring it is delivered in the places where affordability is worst. The precise formula is as follows:

$$\text{Adjustment factor} = \frac{\text{Local affordability ratio} - 4}{4} \times 0.25$$

22. The overall housing need figure is therefore as follows:

$$\text{Local Housing Need} = (1 + \text{adjustment factor}) \times \text{projected household growth}$$

23. So, for example, an area with a projected household growth of 100 a year would have an annual need of:

- 100 if average house prices were four times local average earnings
- 125 if average houses prices were eight times local average earnings
- 150 if average house prices were twelve times local average earnings.

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<sup>9</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>10</sup> Page 9, DCLG, February 2017

24. There are a number of possible ways of making an adjustment to take account of market signals. However, our approach is based on the following key principles:

- a) the threshold level of four, above which we seek an upward adjustment in housing need, is appropriate since the maximum amount that can typically be borrowed for a mortgage is four times a person's earnings<sup>11</sup>. Put another way, if the average worker cannot get a mortgage for the average home in the area without additional help (e.g. from the 'bank of mum and dad'), then there are not enough homes in the area and the local authority needs to plan for more; and
- b) increases in housing delivery above population growth should be inversely proportionate to the affordability of an area, with less affordable areas needing to deliver more homes. There is considerable economic evidence that demonstrates that growth in house prices (and therefore worsening affordability) is inversely related to the level of house building<sup>12</sup>.

### Step 3 Capping the level of any increase

25. Applying our proposed approach to market adjustment will lead to a significant increase in the potential housing need in some parts of the country. To help ensure the method is deliverable, we propose to place a cap on the increase that applies to particular authorities. **We propose to cap the level of any increase according to the current status of the local plan in each authority as follows:**

- a) for those authorities that have adopted their local plan in the last five years, we propose that their new annual local housing need figure should be capped at 40 per cent above the annual requirement figure currently set out in their local plan; or
- b) for those authorities that do not have an up-to-date local plan (i.e. adopted over five years ago), we propose that the new annual local housing need figure should be capped at 40 per cent above whichever is higher of the projected household growth for their area over the plan period (using Office for National Statistics' household projections), or the annual housing requirement figure currently set out in their local plan.

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<sup>11</sup> The Council Mortgage Lenders found that in 2015 the average first time buyer loan to income ratio in England was 3.61.

<sup>12</sup> The economic theory behind this is evidenced in the [Barker Review](#) (DCLG, 2004) and [Affordability Still Matters](#) (NHPAU, 2008).

## Impact on each Local Authority Area

26. This method would, if applied universally to each local planning authority immediately using current data, lead to a total housing need across the country of just over 266,000 homes, including 72,000 in London.
27. This new method for assessing local housing need will affect individual authorities differently. Alongside this consultation document, we are publishing the housing need for each local planning authority using our method, on the basis of current data (average household growth for 2016 to 2026 and house price to earnings ratios for 2016). It also sets out, indicatively, the extent to which land in each local authority area is covered by Green Belt, National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. This is for illustrative purposes only - the data informing this new method is based on the most up-to-date information available at the time of publishing this consultation document, and will change between now and when local authorities produce plans.
28. For some local planning authorities, a reduction in their local housing need compared to the existing approach can be attributed to our method not making a specific adjustment to take account of anticipated employment growth. However, as we explain in paragraph 46 below, local planning authorities are able to plan for a higher number than set out by our proposed method. This means that, where there is a policy in place to substantially increase economic growth, local planning authorities may wish to plan for a higher level of growth than our formula proposes.
29. We have also published for the first time data on how many homes every local authority in the country is planning for, and, where available, how many homes they believe they need. At the moment, it is not always clear to local communities or developers how many homes their local area is planning for, let alone needs. These figures are often buried deep in technical reports and hidden away on local authority websites. It can take several hours to track down exactly how many homes a local planning authority has decided it needs – and even then it might not be clear. It should not be this difficult, and by collating this information together in a single place, we will make planning more transparent and simpler for people to understand. **We would welcome practical suggestions for ensuring this information can be made yet more transparent.**

## Joint working

30. We recognise that many individual local authorities are already working together when identifying their housing need, and encourage more authorities to do so. We would expect that plans that are being produced jointly, or strategic plans prepared by the Mayor of London and other elected Mayors (for combined authorities where they have

the function of preparing a spatial development strategy for the area), will use the proposed approach to produce a single assessment of the housing need for the area as a whole.

31. In such cases **we propose that the housing need for the defined area should be the sum of the local housing need for each local planning authority.** It will be for the relevant planning authorities or elected Mayor to distribute this total housing need figure across the plan area. The Housing Infrastructure Fund is designed to allow for joint bids and can support land constrained high demand areas to work collaboratively with neighbouring authorities with fewer constraints that want to accommodate greater housing numbers.
32. We considered the approach of applying the average affordability ratio for each constituent local authority's projected household growth, prior to applying a cap to the figure for each authority based on its plan status as proposed above. However, we discounted this approach since there was no consistently available data on average affordability ratios at the level of all combined authorities.

## London

33. London's local housing market presents unique and wide-ranging affordability challenges. The Mayor of London has overall responsibility for housing in London. This includes preparing the Greater London Spatial Development Strategy, which sets a London-wide housing target that is broken down to a minimum housing target for individual Boroughs. The approach to setting local housing needs in London is consistent with the method proposed for the rest of England.

## Subsequent changes to local housing need

34. For the second and subsequent plan reviews we propose that the cap for authorities should remain at 40 per cent above the number of homes they are planning for in the extant local plan at the time of review.

**Question 1:**

a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

b) how can information on local housing need be made more transparent?

## Implementing the new approach

35. The National Planning Policy Framework sets out that plans should be reviewed regularly<sup>13</sup> and we intend to make it clear in the Framework that they should be reviewed every five years. We expect local planning authorities to identify their local housing need at the outset of the plan preparation stage, which they can then use as part of initial evidence gathering and continued work on the evidence base.
36. Local planning authorities, when calculating their local housing need, should always use the most up-to-date data available. The housing need figures we have published are based on the 2014 based household projections (published July 2016), and 2016 house price to earnings ratios (published March 2017). The household projections are updated every two years in the summer, and the house price to earnings ratios are published annually in March.
37. This means that the local housing need figure will not remain static throughout the plan preparation process. Under the previous approach we recognise that this led to instances when local planning authorities had to revisit their evidence and, if necessary, carry out further consultation. This only served to delay plan progress and increase costs. We want to streamline the plan-making process and make it easier for plans to be adopted more quickly.
38. To ensure stability and a consistent evidence base to inform plan-making, **we propose that local planning authorities should be able to rely on the evidence used to justify their local housing need for a period of two years from the date on which they submit their plan.** During this period this will mean that the local housing need assessment is not rendered out of date if changes to the household projections or affordability ratios are published while the plan is being examined. Of course, the final housing figure in the local plan or spatial development strategy may differ from the local housing need figure after taking account of issues raised during the examination, constraints and the duty to co-operate.

**Question 2:** do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

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<sup>13</sup> National Planning Policy Framework, DCLG, March 2012 - See in particular paragraphs 17 and 157, and the Local Plans section of the planning guidance

## Benefits of the new approach

39. The use of different and inconsistent methods has meant that the current arrangements for calculating local housing need are costly and time-consuming. It can cost local planning authorities around £50,000 to prepare a strategic housing market assessment, so this could equate to an overall cost to the sector of over £3 million each year. Furthermore, disputes about the methods used can lead to delays of around six months in the preparation of local plans and add considerable additional cost to local authorities, and prolong the level of uncertainty for local communities.
40. Adopting our proposed approach will offer significant benefits. It will reduce the time it takes to put plans in place, give communities greater control of where much-needed homes should be built, and also save local taxpayers money. Furthermore, it provides a level of certainty and transparency for the public and plan makers and will aid joint working and collaboration by removing disputes where different methods have been used previously. Collectively, across the country it will take years off the plan-making process and generate considerable efficiency savings.
41. To deliver the homes that we need, **we propose to amend national planning policy so that having a robust method for assessing local housing need becomes part of the tests that plans are assessed against**; and to make clear (through guidance) that use of the proposed standard method will be sufficient to satisfy this test.
42. Local plans are already required to be ‘positively prepared’ if they are to be found ‘sound’ (paragraph 182 of the National Planning Policy Framework). We propose to amend this, so that a sound plan should identify development needs using a clear and justified method, as well as meeting objectively assessed development needs insofar as it is reasonable to do so. Together with the proposed change to planning guidance, this would mean that Planning Inspectors would be able sign off more easily, and with considerably less scrutiny, the local housing need aspect of the plan. This will provide more certainty about an emerging plan’s soundness, as well as helping to speed up the plan examination.

**Question 3:** do you agree that we should amend national planning policy so that a sound plan should identify local housing need using a clear and justified method?

43. As set out in paragraph 1.18 of the housing White Paper, HM Land Registry intends to register the ownership of all publicly held land in the areas of greatest housing need by 2020, with the rest to follow by 2025. This information can be taken into account alongside other considerations, including land constraints, to assist plan makers in finding sites suitable for housing development. The new approach to assessing local housing need, as set out in this consultation document, and the percentage of land



which is unregistered within the boundaries of a local authority will form the basis of definition of 'areas of greatest housing need' for this purpose. We are publishing the list of areas of greatest housing need alongside this consultation document.

## Deviation from the new method

44. Given the significant financial and time-saving benefits, our expectation is that local planning authorities adopt the proposed method when assessing housing need. We consider that the same should apply to elected Mayors with plan-making powers. However, there may be compelling circumstances not to adopt the proposed approach. These will need to be properly justified, and will be subject to examination.
45. Where local planning authorities do not align with local authority boundaries, such as National Parks, the Broads Authority and Urban Development Corporations, available data does not allow local housing needs to be calculated using the standard method set out above. **In these cases we propose that authorities should continue to identify a housing need figure locally, but in doing so have regard to the best available information on anticipated changes in households as well as local income levels.**
46. Plan makers may put forward proposals that lead to a local housing need above that given by our proposed approach. This could be as a result of a strategic infrastructure project, or through increased employment (and hence housing) ambition as a result of a Local Economic Partnership investment strategy, a bespoke housing deal with Government or through delivering the modern Industrial Strategy. We want to make sure that we give proper support to those ambitious authorities who want to deliver more homes. To facilitate this **we propose to amend planning guidance so that where a plan is based on an assessment of local housing need in excess of that which the standard method would provide, Planning Inspectors are advised to work on the assumption that the approach adopted is sound unless there are compelling reasons to indicate otherwise.** We will also look to use the Housing Infrastructure Fund to support local planning authorities to step up their plans for growth, releasing more land for housing and getting homes built at pace and scale
47. There should be very limited grounds for adopting an alternative method which results in a lower need than our proposed approach. The reasons for doing so will be tested rigorously by the Planning Inspector through examination of the plan. We would expect: the Inspector to take the number from our preferred method as a reference point in considering the alternative method; and the plan-making body to make sure that the evidence base is robust and based on realistic assumptions, and that they have clearly set out how they have demonstrated joint working.

**Question 4:** do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from Planning Inspectors?

## Implications of a standardised approach for calculating the five year supply of housing and the Housing Delivery Test

48. The housing White Paper states that, as an incentive to get up-to-date plans in place, in the absence of an up-to-date local or strategic plan we propose that after 31 March 2018 the new method for calculating the local housing need would apply as a baseline for assessing five year housing land supply. This would mean that local planning authorities without an up-to-date local plan or spatial development strategy would not be able to factor land constraints into the baseline for establishing their five year land supply. However, when determining individual planning applications, the decision-maker will still need to take account of all policies in the National Planning Policy Framework, including those which restrict development (such as Green Belt and Ancient Woodland). Should the revised Framework be published after this date, subject to the outcome of the consultation we propose to introduce this requirement with immediate effect.
49. The Government also recognises that in specific circumstances, where local planning authorities are collaborating on ambitious proposals for new homes, these plans may take longer to bring forward. **We propose that the Secretary of State would retain some discretion to be able to give additional time before this baseline applies** where there is significant progress made on bringing forward a joint plan for housing in the area.
50. Where authorities have adopted joint plans (or in cases where there is an existing Mayoral plan), we are interested in views on whether national policy should be changed to allow the authorities involved to calculate their five year housing land supply for the area as a whole, based on the overall trajectory for home building in the plan. This approach would need to be agreed across all the authorities and set out in the joint or Mayoral plan. **We are also interested in views on whether this approach could be extended to the operation of the Housing Delivery Test as proposed in the housing White Paper.**
51. Where local planning authorities do not align with local authority boundaries, such as National Parks, the Broads Authority and Urban Development Corporations, and are not able to use the new method for calculating local housing need, we propose to use a locally identified housing need figure. **We are interested in views on whether this should be the need set out in the most recent local plan, or spatial development strategy or the figure set out in an emerging plan.**

**Question 5:**

a) do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

b) do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

c) do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

## Transitional arrangements for the proposed approach

52. We are also proposing transitional arrangements to set a period of time before which plans would be expected to use the standard method for calculating the local housing need. This recognises that a number of plan makers have already made significant steps in preparing their plan, and we want to encourage them to complete their plan, avoiding further delays and so undermining the delivery of new homes.

53. The proposed transitional arrangements for each local authority will depend on the status of their current and emerging plan as well as the extent of the impact of the proposed approach on existing housing need calculations.<sup>14</sup> We propose the following transitional arrangements as set out in Table 1 below.

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<sup>14</sup> The local plans referred to are development plan documents prepared in line with the 2004 Act which set the strategic planning policies for a local planning authority's area (namely a 'Local Plan' or 'Core Strategy').

**Table 1: Proposed transitional arrangements**

<b>Plan stage</b>	<b>Proposed transitional arrangement</b>
No plan, or plan adopted more than five years ago and has not yet reached publication stage	The new standardised method should be used, unless the plan will be submitted for examination on or before 31 March 2018, or before the revised Framework is published (whichever is later).
Plan has been published, but not yet submitted	If the plan will be submitted for examination on or before 31 March 2018 or before the revised Framework is published (whichever is later), continue with the current plan preparation – otherwise, use the new standardised method.
Plan is at examination stage	Progress with the examination using the current approach.
Plan adopted in the last five years	Use the new standardised method when next reviewing or updating the plan.

54. Where plans are more than five years old, if new plans have not been submitted to the Secretary of State on or before 31 March 2018, or before the revised Framework is published (whichever is later), there will be no transitional arrangements. In other words the new standardised method applies immediately. Where local plans were adopted or approved more than five years ago, we expect the majority of local planning authorities in this position to start the process of reviewing the document immediately if they have not done so already. However, we do recognise the scale of the challenge in London or combined authority areas, so we may explore a slightly longer transition period for the Mayors before we expect them to adopt the new approach in their areas as they prepare their spatial development strategy.

55. If a local plan is currently at examination or will be submitted for examination on or before 31 March 2018 or before the revised Framework is published (whichever is later), it should continue to be examined and rely on evidence prepared using the current method. If a plan is withdrawn from examination or found unsound, the local planning authority should prepare a new plan based on the new standardised method.

<p><b>Question 6:</b> do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?</p>
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# Statement of common ground

## Introduction

56. Local planning authorities need to plan together to ensure that infrastructure and public services are planned to meet the needs of the wider area; to ensure that the combined impact on the environment is sustainable; to ensure that housing requirement that simply cannot be met in a particular area is met elsewhere; and where appropriate, to ensure that new settlements and garden villages are planned for properly.
57. However, this is not working effectively. Evidence from recent local plan examinations suggests that failing the duty to co-operate is one of the most regular reasons why plans are not found sound by the Planning Inspectorate. Accordingly, paragraphs 1.9 and A.13 of the housing White Paper sets out a plan for more effective joint working where planning issues go beyond individual authorities through a statement of common ground, setting out how they intend to work together to meet housing needs that cut across authority boundaries.
58. This section sets out our proposals for how local planning authorities should produce and maintain their statement of common ground. It also sets out expectations for when statements should be in place, and proposals for steps which may be taken by Government where effective co-operation is not taking place.

## Background

59. The duty to co-operate, introduced through the Localism Act 2011, was designed to reflect the reality that strategic cross-boundary planning matters can only be effectively tackled when local planning authorities work together. The duty requires local planning authorities<sup>15</sup> and certain public bodies<sup>16</sup> to engage constructively, actively and on an ongoing basis to maximise the effectiveness of plan preparation in the context of strategic cross-boundary matters. Such matters include planning for housing need across a housing market area or developing integrated infrastructure. The duty to co-operate does not apply to Mayors with plan-making powers.
60. Compliance with the duty is tested at the examination of the development plan documents, where the Planning Inspector assesses whether the local planning authority has complied with its duty to co-operate with other local authorities during the preparation of the plan. If the plan does not meet the statutory requirements tested at examination, the Planning Inspector must recommend non adoption. This normally

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<sup>15</sup> Including county councils in England (where such councils are not local planning authorities)

<sup>16</sup> Listed in Regulation 4 of the Town and Country Planning (Local Planning) (England) Regulations 2012

results in local planning authorities withdrawing their plan and returning to the early stages of plan-making.

61. There are a number of areas across England where local planning authorities are co-operating effectively to plan for the strategic needs of the wider area, including planning for the homes that are needed. In other areas, however, the current framework for co-operation is proving to be less effective.

62. We have identified three problems:

- the lack of transparency or sufficient certainty in the early stages of the plan-making process about how effectively local planning authorities are working together to reach agreement on strategic cross-boundary matters;
- co-operation is only tested towards the end of the plan-making process at examination, at which point it is too late to remedy any failures, and plans typically have to be withdrawn leading to significant delays in plans being put in place. This can result in an area with no plan in place for longer, leaving it vulnerable to speculative development and failing to provide certainty to neighbouring authorities over the level of need that will be met by the authority; and
- local planning authorities are not legally required to reach agreement on issues. This allows them to avoid taking difficult decisions, which can leave housing need unmet, or can push unfair and unrealistic burdens for delivering housing need on neighbouring authorities.

## Statement of common ground policy

63. To support more effective joint working where planning issues need to be addressed by more than one local planning authority, **we intend to set out in the National Planning Policy Framework that all local planning authorities should produce a statement of common ground.** The objectives of the policy are to:

- a) increase certainty and transparency, earlier on in the plan-making process, on where effective co-operation is and is not happening;
- b) encourage all local planning authorities, regardless of their stage in plan-making, to co-operate effectively and seek agreement on strategic cross-boundary issues, including planning for the wider area's housing need; and
- c) help local planning authorities demonstrate evidence of co-operation by setting clearer and more consistent expectations as to how co-operation in plan-making should be approached and documented.

64. To meet these objectives, we are proposing that every local planning authority produce a statement of common ground over the housing market area or other agreed geographical area where justified and appropriate. It is proposed that the statement will

set out the cross-boundary matters, including the housing need for the area, distribution and proposals for meeting any shortfalls. In setting out the strategic cross-boundary issues, the statement will record where agreement has, and has not been reached.

65. The statement of common ground is not intended to replicate any stage of the plan-making process, nor should it be an additional burden on local planning authorities. Critically, we do not want this proposal to disrupt existing joint working arrangements where these are effective.
66. The statement should be both a road-map and a record for cross-boundary co-operation on strategic planning matters. When completed effectively, the statement will be an important, clear and concise record of how local authorities work together to resolve common strategic issues. Consequently, this should enable the examination to progress more quickly, serving as evidence as to how a local planning authority has met the duty to co-operate. It will also provide an opportunity for local planning authorities to set out where they have not been able to agree and what is needed to resolve this.

#### Determining the key issues and geographical area

67. The first step in developing the statement of common ground should be for local planning authorities to identify their key cross-boundary strategic planning issues, including housing and infrastructure matters. This will aid authorities in determining and justifying the geographical area over which to produce the statement of common ground.
68. The National Planning Policy Framework already makes clear that local planning authorities should work with their neighbouring authorities to produce a strategic housing market assessment where housing market areas cross administrative boundaries. Although the proposed approach to assessing local housing need shifts the focus away from housing market areas, in most instances such areas are the most appropriate geographies over which to produce a statement of common ground.
69. We also appreciate that housing market areas sometimes overlap. Furthermore we are conscious that there are areas where effective cross-boundary plan-making arrangements are already in place or are emerging. Therefore **we propose to set out in the National Planning Policy Framework that local planning authorities should use agreed housing market areas as the geographical area over which to develop statements of common ground, unless they are able to jointly determine and justify an alternative area over which to produce their statement of common ground, or unless they wish to produce more than one statement of common ground.**

## Determining the primary authorities and signatories

70. The local planning authorities in the agreed geographical area will be the primary authorities responsible for developing and maintaining the document. However, it is unlikely that all authorities within the geographical area will share an interest in all strategic matters; and individual authorities may have interests which overlap with neighbouring statement of common ground areas.
71. We do not want to allow authorities to be able to delay unnecessarily the progress of a statement of common ground where they may only have an interest in one or two issues, rather than the whole document. **We therefore propose that local planning authorities should only be signatories to those strategic issues covered in the statement of common ground in which they have an interest and that authorities can be signatories to more than one statement where appropriate.**
72. **We will also make it clear that county councils and the Marine Management Organisation should be necessary signatories to those relevant strategic matters in statements of common ground which relate to their areas of planning responsibility** (which include, in the case of a county council, transport infrastructure, minerals and waste).
73. Statutory consultees will continue to play an essential part in the plan-making process through the duty to co-operate. We expect early and meaningful engagement between all parties which requires a proactive, ongoing and focussed approach to strategic planning and partnership working.
74. In areas where there is an elected mayor with strategic plan-making powers, such as London and Greater Manchester, we want to ensure that all local planning authorities in the area are effectively collaborating in plan-making, but that efforts are not duplicated. Spatial development strategies produced by Mayors consider a number of strategic issues including housing need, but Mayors are not subject to the duty to co-operate when producing their spatial development strategy. In order to ensure that the aims of the statement of common ground can be achieved in every area, **we wish to seek views on the most effective way of introducing the statement of common ground in areas with Mayors with strategic plan-making powers.**
75. Furthermore, **we would welcome views on the role of directly elected Mayors who do not have strategic plan-making powers in the production of statements of common ground.** We would also welcome views on the role of county councils in two-tier areas over and above their specific areas of planning responsibility.



**Question 7:**

a) do you agree with the proposed administrative arrangements for preparing the statement of common ground?

b) how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?

c) do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?

Production of the statement of common ground

76. **We propose that all local planning authorities should have a statement of common ground in place within twelve months following the publication of the revised National Planning Policy Framework.** However, in order to ensure greater certainty at an early stage of the process, **we expect local planning authorities to have an outline statement in place within six months following publication of the revised Framework.**

77. This will apply to all local planning authorities regardless of where they are in the plan-making cycle. Authorities who have recently adopted or submitted a plan will benefit from utilising recent, relevant evidence produced for their plan, in the process of determining the key issues and geographical area for their statement of common ground.

78. Table 2 below sets out our proposed expectations of what should be in place after six and twelve months. We do not intend these documents to be a burden on authorities and would expect the content listed below to be set out clearly and concisely. They will not be separately examined by the Planning Inspectorate, but will form part of the evidence for an individual Local Plan examination.

79. We want to ensure that the process is transparent for local authorities and their communities to understand. **We propose to set out that all statements of common ground should be published in a machine readable format on each of the primary local planning authorities' websites.**

Keeping the statement of common ground up-to-date

80. The statement of common ground should be regularly updated throughout the plan-making process to reflect emerging agreements between participating authorities, and to reflect individual planning authority's progress on plan-making. Statements will also need to be reviewed to ensure they remain relevant, both in terms of the issues being addressed but also in terms of participating authorities.

81. **We propose to set an expectation that as a minimum the statement should be reviewed, and if necessary updated, when primary authorities each reach certain key milestones in the plan-making process.** We propose that these milestones should be the key regulatory milestones in the consultation, publication, submission and adoption of a plan<sup>17</sup>.

**Table 2: The contents of a statement of common ground**

<p><b><u>Six months after publication of the policy in a revised National Planning Policy Framework</u></b></p> <ul style="list-style-type: none"> <li>- The geographical area covered by the statement, and justification for the area</li> <li>- Key strategic cross-boundary matters being addressed by the statement, including housing need for the area, and housing targets in any adopted plans (where known), and proposals for meeting any shortfalls</li> <li>- Primary authorities responsible for the statement, and list of additional signatories (including matters to which each is signatory)</li> <li>- Governance arrangements for the co-operation process, including how the statement of common ground will be maintained and kept up to date</li> </ul> <p><b><u>After twelve months, the statement of common ground should also include (in addition to the above):</u></b></p> <ul style="list-style-type: none"> <li>- Process for agreeing the distribution of housing need (including unmet need) across the wider area, and agreed distributions (as agreed through the plan-making process)</li> <li>- A record of whether agreements have (or have not) been reached on key strategic matters</li> <li>- Any additional strategic cross-boundary matters to be addressed by the statement which are not already addressed</li> </ul>
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**Question 8:** do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

<sup>17</sup> Including consultation at regulation 18; publication at regulation 19; submission at regulation 22; and adoption at regulation 26 of the Town and Country Planning (Local Planning) (England) Regulations 2012

## Ensuring that effective co-operation is happening

82. Co-operation will continue to be tested by virtue of the statutory duty to co-operate, when a plan is submitted for examination. The statement of common ground should provide the primary evidence of compliance with the duty to co-operate. However, one of the key benefits of the statement of common ground is that it will increase certainty and transparency much earlier on in the plan-making process, to highlight where effective collaboration is or is not happening before a plan is submitted for examination.
83. Alongside the duty to co-operate, the Planning Inspector also assesses whether the plan is 'sound' at examination. These 'tests of soundness' are set out in national policy and state that plans should be submitted which are positively prepared, justified, effective and consistent with national policy. In order to encourage local planning authorities to plan for the wider housing need, including unmet need and ensure the statement of common ground is produced, **we are therefore proposing that the tests of soundness are amended to include that:**
- a) plans should be prepared based on a strategy informed by agreements over the wider area; and**
  - b) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground**
84. We propose that the changes to the tests of soundness set out above, should take effect in line with our expectations for when statements of common ground should be in place. **We therefore propose to apply transitional arrangements so that the new tests of soundness are not applied until 12 months after the revision to the National Planning Policy Framework.**
85. However, the key benefit of the statement of common ground is that it will increase certainty and transparency much earlier on in the plan-making process, to highlight where effective collaboration is or is not happening before a plan is submitted for examination.
86. In instances where statements of common ground are not being produced or maintained, we propose in the first instance to engage with relevant authorities to understand the issues at hand. However, where it is necessary, we will consider the use of our range of intervention powers to take action; including, for example, directing local planning authorities to amend their plan-making timetables to align the production of plans in the wider area<sup>18</sup>. This will ensure that communities and neighbouring authorities are not disadvantaged by authorities who are not effectively co-operating.

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<sup>18</sup> Section 15(4) Planning and Compulsory Purchase Act 2004  
<http://www.legislation.gov.uk/ukpga/2004/5/section/15>

## Statements of common ground and strategic investment in infrastructure

87. The statement of common ground provides a vehicle to set out where strategic cross-boundary infrastructure is required to unlock more land for housing. Where there are strategic cross-boundary infrastructures matters, local planning authorities will be expected to set out how they intend to resolve them and show that they have agreement with the relevant bodies. It is proposed therefore that the statement of common ground, once in place, should be submitted as supplementary evidence of effective co-operation between authorities when applying for strategic infrastructure investment.

### **Question 9**

a) do you agree with the proposal to amend the tests of soundness to include that:

i) plans should be prepared based on a strategy informed by agreements over the wider area; and

ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

b) do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

# Planning for a mix of housing needs

88. It is important that local planning authorities do not just plan for the right number of homes, but also the different size, type, tenure and range of housing that is required in their area. The identification of such need is often carried out as part of the strategic housing market assessment<sup>19</sup>. However, given our proposed new approach for assessing local housing need, we will need to update existing planning guidance on how to plan for different types of homes and will publish this alongside a revised National Planning Policy Framework. For example, where prices for a particular type of housing are rising at faster rates than others this might imply a shortage of supply of that type of housing.
89. We would also like to make it easier for local planning authorities to identify the need for other types and tenures in their area. These include, but are not limited to:
- older and disabled people;
  - families with children;
  - affordable housing;
  - self-build and custom-build development;
  - student accommodation;
  - travellers who have ceased to travel; and
  - private rented sector and build to rent housing.
90. We are proposing that plan makers should disaggregate this total need into the overall need of each type of housing as part of the plan-making process, before taking into account any constraints or other issues which may prevent them from meeting their overall housing need. This means that, as the plan develops, we expect plan makers to make evidence-based planning judgements on the different types of housing that is required within each area to ensure that the plan is effective and positively prepared.
91. We will update our planning guidance but do not envisage that it should cover every conceivable group as the evidence gathering stage could be very time consuming and disproportionate to the overall objective. The Government will engage with a range of stakeholders in updating existing planning guidance, but **we would welcome suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help them do so.**

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<sup>19</sup> Paragraph 159 of the National Planning Policy Framework, DCLG, March 2012

## Planning for older people

92. Section 8 of the Neighbourhood Planning Act 2017 requires the Secretary of State to provide guidance for local planning authorities as to how they should address the housing needs that result from old age or disability. Helping local planning authorities provide a simple yet robust evidence base for such groups will form part of the guidance, and will allow them to maintain the benefits of a more streamlined approach to calculating the overall housing need.
93. When developing new planning guidance for older people, it is important that we have a shared understanding of who is included in this group. The definition of older people in Annex 2 of the National Planning Policy Framework reflects a range of people at different ages with different needs from retirement age to the very frail elderly. We are also aware of different types of housing that accommodate such a group – ranging from general market and affordable housing to specialised, purpose-built market and rental accommodation and care homes. Given the importance of planning for the need for older people as our population ages, we are reviewing whether we need to amend the definition of older people for planning purposes. **We consider that the current definition is still fit-for-purpose but would welcome views.**

### **Question 10:**

- a) do you have suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?
- b) do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

# Neighbourhood planning

94. Neighbourhood planning was introduced under the Localism Act 2011 to provide a powerful set of tools for local people to guide the future development, regeneration and conservation of their area. To date over 400 neighbourhood plans are in force. Many, but not all, include plans for addressing local housing need. Through Section 1 of the Neighbourhood Planning Act 2017, we have ensured that neighbourhood plans at an earlier stage of development can be taken into account when determining planning applications. Local communities will continue to be able to choose what issues they wish to use the power of neighbourhood planning to address in their local area. When planning for their future housing need, communities should have certainty on what level of housing they should look to plan for at the outset to allow them to progress with confidence with their neighbourhood plan.

95. Neighbourhood planning groups wishing to plan for the housing needs for their area face a number of problems:

- where there is an up-to-date local plan, some neighbourhood planning groups may not have been provided with a housing figure in the local plan as a starting point for developing their neighbourhood plan;
- where there is no up-to-date local plan, neighbourhood planning groups may need to employ external consultants to estimate housing need for designated neighbourhood plan areas. This can be costly for voluntary neighbourhood forums, and can discourage some communities from neighbourhood planning; and
- the housing need figure for the neighbourhood planning area can change during their plan's preparation, for example as the local planning authority prepares and adopts its own plan. This is out of the control of neighbourhood planning groups, and frustrates local communities.

96. The housing White Paper proposed to amend national policy so that local planning authorities are expected to provide neighbourhood planning groups with a housing need figure, where this is needed to allow progress to be made with neighbourhood planning. **We propose to make clear in planning guidance that authorities may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so** (including situations where an emerging local plan is close to adoption). Where this happens, we would not expect the resulting housing figure to have to be tested during the neighbourhood plan's production, as it will be derived from the strategy in the local plan and must be in general conformity with its strategic priorities.

97. To make this process easier in future, **we would welcome views on whether national policy should expect local planning authorities<sup>20</sup> to set out, within their plans, a housing figure for designated neighbourhood planning areas and parished areas within their local area.**
98. We recognise that if a local planning authority provides a figure based on an out-of-date local plan that any such figure risks being tested at the neighbourhood plan examination and so replicating the current debates on housing figures that can occur at local plan inquiries
99. Therefore, where the local plan is out-of-date and cannot be relied on as a basis for allocating housing figures, **we are proposing to set out in guidance a simple formula-based approach which apportions the overall housing need figure for the relevant local authority area/s, based on the latest figures calculated under the new standard approach (once, and assuming, it is introduced), to the neighbourhood planning area<sup>21</sup>.** The proposed formula is simply to take the population of the neighbourhood planning area and calculate what percentage it is of the overall population in the local planning authority area. The housing need figure in the neighbourhood planning area would then be that percentage of the local planning authority's housing need.
100. This approach would provide the starting point for neighbourhood planning groups in determining their response to meeting their housing need. It would still allow neighbourhood planning bodies to determine whether or not there are any constraints which prevent them from meeting this need. For neighbourhood plans this approach does not seek to address unmet demand from elsewhere or take account of any land or other constraints, including with the relevant local planning authority area. This is because of the limited geographical area that is covered by individual neighbourhood plans and any such decision is more appropriate to co-ordinate and determine at a strategic level.

**Question 11:**

a) should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

b) do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

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<sup>20</sup> And, where relevant, Mayors of combined authorities (and the Mayor of London) who have plan-making powers

<sup>21</sup> The housing need for the local authority area would be that produced using all stages of the method set out in previous sections of this consultation.



# Proposed approach to viability assessment

## Introduction

101. Section 106 of the Town and Country Planning Act 1990 (“section 106”) enables a local planning authority to seek agreement from applicants to enter into planning obligations to mitigate the impact of otherwise unacceptable development, to make it acceptable in planning terms. Planning obligations can relate to a wide range of infrastructure such as highways, public transport, education, community and cultural facilities, green infrastructure, environmental mitigation and affordable housing.
102. The Community Infrastructure Levy (CIL) came into force in April 2010 and allows local planning authorities in England and Wales to raise funds from owners or developers of land undertaking new building projects in their area, to help fund infrastructure to address the cumulative impact of development.
103. This consultation takes forward the commitment in the housing White Paper to consider changes to section 106 practice in the short term to address issues in the operation of agreements. This included a commitment to consult on standardised open book section 106 agreements, to reduce disputes and delays, and how data on planning obligations could be monitored and reported on to increase transparency.
104. The Government continues to consider wider options for reform, in the light of the independent review of CIL<sup>22</sup> and its relationship with section 106 published alongside the housing White Paper. We are also aware of some technical issues with the implementation of CIL. The Government is keen to ensure that CIL legislation operates as intended and will consider how to ensure certainty for developers and local authorities, including clarifications through legislation if necessary.

## Background

105. Stakeholders have told us that the use of viability assessments in planning permission negotiations has expanded to a degree that it causes complexity and uncertainty and results in fewer contributions for infrastructure and affordable housing than required by local policies.
106. Viability assessments can be complex. In simple terms a site is viable if the value generated by its development is more than the cost of developing it. However, the range and complexity of variables in assessing this are such that the process is seen as being susceptible to gaming; and is often viewed with suspicion by authorities, communities and other observers. In particular, estimating future values and costs can

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<sup>22</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589637/CIL\\_REPORT\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589637/CIL_REPORT_2016.pdf)

be manipulated to reflect a range of outcomes. Furthermore, appraisals are often not published on the grounds of commercial confidentiality. This means that the process is neither easily understood nor transparent.

107. The Communities and Local Government Committee report into Capacity In The Home Building Industry<sup>23</sup>, published in April this year, identifies that: “One reason that the negotiations over a site’s viability can take a long time is the lack of transparency: a local authority has no way of assessing whether a developer’s claim that a site has become unviable is true, or a negotiating tactic”. Their recommendations include developers sharing viability assumptions and assessments with local authorities to ensure that the provision of infrastructure, affordable housing and build density is not compromised.
108. Against this background, this consultation proposes changes to improve certainty and transparency in the assessment of viability for plan-making and decision-taking, through amendments to policy and guidance.

## Proposed approach to viability in plan-making

109. National planning policy is clear that local planning authorities should plan for the homes and jobs needed in the area, and the provision of infrastructure and facilities. It also expects that they should address the need for all types of housing, including affordable homes, and that the plan should be deliverable (taking into account the cumulative impact of local standards and needs). To ensure there is a robust basis for assessing viability at the plan-making stage – and to lessen the need for this to be revisited when planning applications come forward – we propose to amend national planning policy to set out additional expectations for plans.
110. **We propose that local planning authorities<sup>24</sup> should set out the types and thresholds for affordable housing contributions required; the infrastructure needed to deliver the plan; and expectations for how these will be funded and the contributions developers will be expected to make.** This would make clear how the key strategic priorities that need to be planned for are to be delivered.

**Question 12:** do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

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<sup>23</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/inquiries/parliament-2015/capacity-in-the-homebuilding-industry-16-17/>

<sup>24</sup> And, where relevant, Mayors of combined authorities (and the Mayor of London) who have plan-making powers

111. While the deliverability of these plans needs to be tested, we want to ensure that this is done in a way which is both proportionate and effective. **We are interested in views on whether changes to planning guidance could be made to improve the way that plans are tested for viability to ensure they are deliverable.**

**Question 13:** in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

## Proposed Approach to Viability in Decision Taking

112. Planning decisions must be taken in accordance with the development plan unless material considerations indicate otherwise. Development plan policies should already be tested for viability, and therefore developers and landowners should ensure that they are considering the cost of any policy requirements when proposing schemes. However, in practice an increase in planning obligations being contested on viability grounds is affecting the ability of authorities to ensure that policy requirements, such as the delivery of affordable housing, are being met in full.

113. **We propose to make clear in the National Planning Policy Framework that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage.** Applications that meet requirements set out in the plan should be assumed to be viable. It would remain for the decision maker to decide what weight is to be given to the material considerations in each case, including the impact on a scheme's viability.

**Question 14:** do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

114. Housing associations and infrastructure providers can helpfully assist in the assessment of costs and values. Housing associations in particular can assist with valuations in terms of how much they would be able to pay for different types of affordable housing on the site. Engaging these relevant parties early on in the plan-making and decision-taking stages can result in more robust policies and assessments and avoid the need for renegotiation of planning obligations. **We propose to update guidance to encourage engagement with housing associations and infrastructure providers so that they can better inform the plan-making and viability assessment process.**

**Question 15:** how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?

## Improving transparency

115. In cases where viability assessment is still needed in the course of determining planning applications, the process must become more open, transparent and easily understood. Full and open publication of all viability assessments would greatly increase transparency. However, viability assessment is complex and technical. It is important the communities and decision makers can understand the assumptions and findings of viability assessments. **We propose to update planning guidance to help make viability assessments simpler, quicker and more transparent.** We are interested in views on the most helpful approach. For example, guidance could range from setting out clearly defined terms to be used, a preferred approach to calculating costs and values (including land values), the format and accessibility of viability assessment reports, through to detailed process and methodology.

**Question 16:** what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

116. We also think there is scope to improve how information contained in section 106 agreements is communicated through more consistent reporting on planning obligations. Local planning authorities are required to publish section 106 agreements, together with details of any modification or discharge of the planning obligation on their planning register. The agreement sets out how local authorities are required to use the funding they receive.
117. Whilst there is a requirement to record each section 106 agreement on the planning register, there is no legal requirement for local planning authorities to publish summary data from those agreements, or to monitor and report on whether these benefits have been received and spent. Nonetheless, we have seen some good practice from across England where local planning authorities are publishing information on section 106 (and CIL) so that their communities can understand what benefits have been secured from development and when and how planning obligations have been spent.
118. **We propose to amend national planning policy so that local planning authorities (and elected Mayors) should set out in their plans how they will monitor, report on and publicise funding secured through section 106 agreements, and how it is spent, following an open data approach.** This would include for in-kind provision of land, affordable housing and infrastructure, and should be made available in machine-readable formats. We are interested in views on what factors we should take into account when considering guidance on a standard approach to monitoring and reporting planning obligations.

119. We are also interested in understanding how local planning authorities and applicants can work together to better publicise infrastructure and affordable housing secured through new development once development has commenced (for example, on-site signage and publicity on the local authority website); and at which stage of the application this information would be publicised.

**Question 17:**

- a) do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?
- b) what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?
- c) how can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

# Planning fees

## Introduction

120. We know it is vital to have well-resourced, effective and efficient local authority planning departments. At their best they are the engine room for providing new homes and economic growth in their local area. They work with communities to set the spatial framework and support the delivery of the local vision. A lack of capacity and capability in planning departments can act as a constraint and restrict developers' ability to get on site and build.
121. An increase in planning application fees is an important step to recognise and address the significant, nation-wide problem of under-resourced local planning authorities.

## Background

122. Paragraph 2.15 of the housing White Paper set out the Government's intention to increase nationally set planning fees by 20 per cent for those local planning authorities who commit to invest the additional fee income in improving the productivity of their planning departments. We subsequently invited authorities to make this commitment. We welcome that all local planning authorities chose to make the commitment and on this basis we will bring forward regulations at the earliest opportunity which, subject to Parliamentary scrutiny, enable local authorities to increase fees.
123. Our approach to planning fees recognises that users and potential beneficiaries of the planning system should contribute to the costs incurred by local planning authorities in delivering the service. Fees help to secure the financial sustainability of planning departments, ensuring that the planning system has the right level of skills and capacity to assess and make the important decisions affecting the locality, supporting appropriate local growth and the new homes we are committed to see delivered.
124. We know that many local planning authorities have to invest additional financial resource into their planning services to supplement fee income to meet the challenge of delivering new homes. We want to support these authorities, particularly those that need additional specialist skills for, or are incurring additional costs in, undertaking their planning functions to support the delivery of well-designed and attractive new homes for their local area.

125. The housing White Paper suggested that an increase of a further 20 per cent on the current fee level could be applied to those authorities who are delivering the homes their communities need. **We are interested in obtaining views on the most appropriate criteria to enable this fee increase to be applied.**

126. In considering how any further fee increase could be applied we are interested in options that can support housing delivery while recognising that such increases should not impact unfairly on applications for other types of development.

**Question 18:**

a) do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

b) do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

c) should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

d) are there any other issues we should consider in developing a framework for this additional fee increase?

# Other issues

## Build out

127. The Government wants to see homes built faster and expects house builders to deliver more homes, more quickly and to a high quality standard. We recognise that after planning permission for new homes is granted, a variety of factors can prevent development from starting and slow down delivery. Rather than focussing on a single issue, the housing White Paper acknowledged that all parties in the development process need to play their part in speeding up the delivery of much-needed new homes. That is why the housing White Paper set out a wide-ranging approach, which involves:

- boosting local authority capacity and capability to deliver;
- ensuring infrastructure is provided at the right time in the right places, including the £2.3 billion Housing Infrastructure Fund;
- securing timely connection to utilities;
- tackling delays caused by inappropriate use of pre-commencement conditions;
- diversifying the housebuilding market – supporting new entrants and encouraging modern methods of construction;
- addressing skills shortages by growing the construction workforce;
- holding local planning authorities to account through a new Housing Delivery Test; and
- giving local authorities new and improved tools to hold developers to account for delivery of new homes, backed up by more transparent data about build out.

128. We have already taken some steps, for example, through launching the Housing Infrastructure Fund in July 2017. Insofar as we consulted on important elements of the package outlined above, we are considering the responses to that consultation. However, in the context of the continuing and substantial gap between the number of homes granted planning permission and the number of homes being built, we are keen to examine if there are other options for increasing build out rates.

**Question 19:** having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?



## Prematurity

129. The housing White Paper set out a number of proposals to support plan production, including the standard method for assessing housing need detailed in this consultation. As a further way of encouraging local authorities to get plans in place, we intend to set out the circumstances when a planning application may be refused on the grounds of prematurity in the National Planning Policy Framework, rather than in guidance (where they are currently). The prematurity guidance is designed to prevent emerging plans, where they are at an advanced stage of production, from being undermined by proposals that are allowed before the plan can be finalised. This would help provide stability and certainty in situations where confidence in the plan-making process might otherwise be weakened.

## Opportunity to review other housing White Paper responses

130. We recognise that a number of proposals set out in this consultation paper are closely related to, or impact upon, measures proposed in the housing White Paper. These include proposals on 5 year housing land supply (Questions 3b and 16 of the housing White Paper) and on the Housing Delivery Test (Questions 17b, 28, 29 and 30).

131. Therefore we would like to give those who have already commented on the housing White Paper a further opportunity to supplement their responses to these questions and let us know whether there are any other areas where they would like to add to, or amend responses to the housing White Paper consultation. In doing so we would be grateful if respondents identify those questions to which the additional comments relate.

132. For the avoidance of doubt, please note that the consultation period for the housing White Paper is now closed and any late responses that relate to questions that are not affected by this consultation will not be considered.

# About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

# Consultation response proforma

If you are responding by email or in writing, please reply using this questionnaire pro-forma, which should be read alongside the consultation document. You are able to expand the comments box should you need more space

Your Details (Required fields are indicated with an asterix(\*))

<b>Family Name (Surname)*</b>	
First Name*	
Title	
Address	
City/Town*	
Postal Code*	
Telephone Number	
Email Address*	

Are the views expressed on this consultation your own personal views or an official response from an organisation you represent?\* (please tick as appropriate)

- Personal View
- Organisational Response

Name of Organisation (if applicable)

--

If you are responding on behalf of an organisation, please tick the box which best describes your organisation

- Local Authority (including National Parks, Broads Authority, the Greater London Authority and London Boroughs)
- Neighbourhood Planning Body/Parish or Town Council
- Private Sector organisation (including housebuilders, housing associations, businesses, consultants)
- Trade Association / Interest Group/Voluntary or Charitable organisation

Other (Please specify)

--

Proposed approach to calculating the local housing need

**Question 1 (a)**

do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 1(b)**

how can information on local housing need be made more transparent?

Please enter your comments here

**Question 2**

do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 3**

do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 4**

do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 5(a)**

do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 5(b)**

do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 5 (c)**

do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 6**

do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

Yes

No

Not sure / don't know

Please enter your comments here

**Statement of Common Ground**

**Question 7(a)**

do you agree with the proposed administrative arrangements for preparing the statement of common ground?

Yes

No

Not sure / don't know

Please enter your comments here



**Question 7(b)**

how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?

Please enter your comments here

**Question 7(c)**

do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 8**

do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 9(a)**

do you agree with the proposal to amend the tests of soundness to include that:

i) plans should be prepared based on a strategy informed by agreements over the wider area; and

ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

- Yes
- No
- Not sure / don't know

Please enter your comments here

**Question 9(b)**

do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

Yes

No

Not sure / don't know

Please enter your comments here

## Planning for a mix of housing needs

### Question 10(a)

do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

Please enter your comments here

### Question 10(b)

do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

- Yes
- No
- Not sure / don't know

Please enter your comments here

## Neighbourhood Planning

### Question 11(a)

should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

- Yes
- No
- Not sure / don't know

Please enter your comments here

### Question 11(b)

do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

- Yes
- No
- Not sure / don't know

Please enter your comments here

## Proposed approach to Viability Assessment

### Question 12

do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

Yes

No

Not sure / don't know

Please enter your comments here

### Question 13

in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

Please enter your comments here

**Question 14**

do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 15**

how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?

Please enter your comments here

**Question 16**

what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

Please enter your comments here

**Question 17(a)**

do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

Yes

No

Not sure / don't know

Please enter your comments here



**Question 17(b)**

what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

Please enter your comments here

**Question 17(c)**

how can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

Please enter your comments here

## Planning fees

### Question 18(a)

do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

Yes

No

Not sure / don't know

Please enter your comments here

### Question 18(b)

do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

Yes

No

Not sure / don't know

Please enter your comments here

**Question 18(c)**

should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

- Apply nationally
- Apply to Individual authorities only
- Not sure / don't know

Please enter your comments here

**Question 18(d)**

are there any other issues we should consider in developing a framework for this additional fee increase?

Please enter your comments here

## Other issues

### Question 19

having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?

Yes

No

Not sure / don't know

Please enter your comments here

Your opinion is valuable to us. Thank you for taking the time to read the consultation and respond.

Appendix B: Fareham Borough Council's technical clarification regarding the 'Application of proposed formula for assessing housing need, with contextual data' contained in the Government's consultation documentation.

1. The Government published a consultation report on 14 September 2017 'Planning for the right homes in the right places' (Appendix A) which included a formula for calculating the proposed standardised approach to assessing housing need. The report was also accompanied by a data table ('Application of proposed formula for assessing housing need, with contextual data') which provides a breakdown of the proposed formula for assessing housing need, and the contextual information behind the formula, including details on Local Planning Authorities current local plan target.
2. This appendix is broken down into two sections, the first section deals with the indicative assessment of housing need for the Draft (Fareham) Local Plan 2036 and the second section deals with the assessment of housing need for the adopted Local Plan.

## Section 1

### *Step 1: Setting the baseline*

3. The data table provides details on the indicative assessment of housing need based on the proposed formula (see Appendix A). This section provides a breakdown of the calculations used by the Government to derive the housing need for Fareham Borough. Firstly, the average household growth over a 10 year period was taken from the ONS 2014 household projections, which were published in July 2016<sup>1</sup>. For Fareham Borough this is 401 dwellings per annum.

### *Step 2: An adjustment to take account of market signals*

4. The next step is to adjust the above household projection figure for the Fareham Borough by taking into account 'market signals'. The adjustment formula for each local planning authority is the following:

$$\text{Adjustment factor} = \frac{\text{Local affordability ratio} - 4}{4} \times 0.25$$

5. For the Fareham Borough the adjustment factor is shown below using the Government's formula. The affordability ratio for Fareham is 9.2, which is the median housing prices to the median earnings ratio. The figures in brackets are the working figures for the formula.

$$(\text{Adjustment factor}) = \frac{9.2 - 4 (5.2)}{4} \times 0.25$$

$$0.325 = \frac{5.2}{4} \times 0.25$$

### *Step 3: Capping the level of increase*

6. As set out in the Government's consultation, there is a proposed capping of the level of any increase depending on the status of the local plan in each authority. For those authorities who have adopted a local plan in the last five years (Category A), the housing need figure should be capped at 40% above the annual requirement figure currently set out in their local plan. For those authorities with a local plan which was adopted more than five years ago (Category B), the housing need figure is capped at 40% above whichever is the higher of the household projection or annual housing requirement in the local plan.
7. The Government's consultation reports that our Adopted Local Plan is more than five years old; hence we are treated as a Category B authority.

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<sup>1</sup> <https://www.gov.uk/government/statistics/2014-based-household-projections-in-england-2014-to-2039>

8. Based on this proposed formula our housing projection of 401 dwellings per annum, the Government has applied an adjustment factor is 32.5% (as set out in paragraph 5 above) for Fareham Borough and, as a Category B authority, therefore has not applied a cap.

*Step 4: Current local assessment of housing need*

9. In order to produce a 'final' figure for the assessment of housing need for local authorities, including Fareham, the ONS household projection figure is multiplied by the adjustment factor plus 1, which produces a local housing need assessment figure of 531 dwellings per annum, as shown below.

$$\begin{array}{rclcl}
 \mathbf{401} & \mathbf{x} & \mathbf{1 + (0.325)} & \mathbf{=} & \mathbf{531} \\
 \text{(household} & & \text{(1 + adjustment factor for} & & \text{(Local housing need)} \\
 \text{projection for} & & \text{Fareham)} & & \\
 \text{Fareham)} & & & & 
 \end{array}$$

The Government's calculation is detailed in Table 1 below:

Table 1

	<b>Adoption date of Local Plan used in calculation of need based on proposed formula</b>	<b>Plan age</b>	<b>Most recently adopted Local Plan number (dwellings per annum)</b>	<b>Indicative Assessment of Housing need based on proposed formula (dwellings per annum)</b>
Current Figures in consultation document	01/08/2011	More than 5 years	147	<b>531 (not capped)</b>

*Please note that Officer's worked through these calculations as the full calculation is not fully shown in the Government's consultation documentation (Application of proposed formula for assessing housing need, with contextual data).*

## Section 2

10. The Government's data table (in Appendix A and shown in Table 3) also provides information on the number of dwellings per annum based on the most recently adopted Local Plan figure for each LPA in England. The figure that has been used by the Government for Fareham Borough is 147 dwellings per annum. This figure is incorrect as it is based on the housing requirement for the Local Plan Part 1 (LPP1): Core Strategy alone, and does not take into account the revised housing requirement figures from the adopted Local Plan Part 2 (LPP2): Development Sites and Policies and the Local Plan Part 3 (LPP3): The Welborne Plan.
11. The most recently adopted Local Plan figure should be 327 dwellings per annum. This takes into account the Borough's revised housing requirements as set out in LPP2 (Table 4, page 78)<sup>2</sup>. This housing requirement revises the Core Strategy figure and sets a housing requirement of 2,202 for the plan period 2011–2026, which equates to 147 dwellings per annum, and the housing trajectory set out in the Welborne Plan (Table 10.1, page 126)<sup>3</sup> which is a stepped trajectory, but for 2017/18 sets a figure of 180 dwellings per annum. Therefore, combined the overall adopted Local Plan housing requirement per annum is 327 dwellings for 2017/18.
12. Furthermore, the capped plan target for the Borough's housing requirement is 458 dwellings per annum. A 'capped' plan target is required as set out in paragraph 5 of this report. In the Government's methodology for the proposed formula those authorities that have a plan adopted in the last 5 years a 40% 'capping' is applied to the housing requirement. **The 'capping' is derived by multiplying the Borough's per annum housing target (in the current Adopted Local Plan) of 327 by the Government's capped increase of 1.40 (40%) which equates to 458 dwellings per annum.**
13. In addition, the Government data provided on the adopted Local Plan age is incorrect as it is currently states the plan date is more than 5 years old (01/08/2011). The correct adoption date for the Local Plan should be that of the latest adopted document, which is LPP2 and LPP3, which were both adopted in June 2015.
14. Further information on the Borough's revised figures as set out above is provided in Table 2 on the following page.

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<sup>2</sup> <http://www.fareham.gov.uk/PDF/planning/LP2DSPAadopted.pdf>

<sup>3</sup> <http://www.fareham.gov.uk/PDF/planning/LP3WelborneAdopted.pdf>



Table 2

	<b>Adoption date of Local Plan used in calculation of need based on proposed formula</b>	<b>Plan age</b>	<b>Most recently adopted Local Plan number (dwellings per annum)</b>	<b><i>Indicative Assessment of Housing need based on proposed formula (dwellings per annum)</i></b>
Correct Figures	08/06/2015	<i>Less than 5 years</i>	327	<b>458 (capped)</b>

Table 3:

Extract for Fareham Borough from Appendix A of the Government Consultation Paper: Application of proposed formula for assessing housing need, with contextual data

Local Authority	Indicative Assessment of housing need based on proposed formula, 2016 to 2026 ( <i> dwellings per annum</i> )	Current local assessment of housing need, based on most recently publicly available data ( <i> dwellings per annum</i> )	Proportion of Local Authority land area covered by Green Belt, National Parks, Areas of Outstanding Natural Beauty or Sites of Special Scientific Interest	Source of Current assessment for housing need	Page reference in document (where available)	Most recent adopted Local Plan number ( <i> dwellings per annum</i> )	Adoption date of Local Plan used in calculation of need based on proposed formula	Source for Local Plan used in calculation of need based on proposed formula	Page number reference in document (where available)
Fareham	531	420	3%	<a href="http://www.fareham.gov.uk/PDF/planning/LP2DSPAdopted.pdf">http://www.fareham.gov.uk/PDF/planning/LP2DSPAdopted.pdf</a>	-	147	01 August 2011	<a href="http://www.fareham.gov.uk/PDF/planning/LP2DSPAdopted.pdf">http://www.fareham.gov.uk/PDF/planning/LP2DSPAdopted.pdf</a>	78

Reference: Planning for the Right Homes in the Right Places – Housing Need Consultation Data Table

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Fareham Borough Council Apprenticeship Scheme</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Finance Strategy
<b>Corporate Objective:</b>	

**Purpose:**  
To develop the current apprenticeship scheme at Fareham Borough Council following the introduction of the Apprenticeship Levy and Public-Sector Apprenticeship targets.

**Executive summary:**  
To help achieve its target of creating 3 million new apprentices by 2020, the Government has introduced, from April 2017, the Apprenticeship Levy and Public-Sector Apprenticeship targets.

This report details how the changes will affect Fareham Borough Council and seeks approval on a range of measures to develop the existing apprenticeship scheme in light of the new arrangements.

**Recommendation:**  
It is recommended that the Executive agrees to adopt a 3-way approach to grow its Apprenticeship scheme incrementally over a five-year period as set out in paragraph 15 of the report.

**Reason:**  
The proposals enable The Council to make efficient use of the Apprenticeship Levy whilst paying due regard to the Public-Sector Apprenticeship target set.

**Cost of proposals:**  
The Apprenticeship Levy will cost approximately £40.5k per year and will be paid from the apprentice trainee budget. The ongoing costs of apprenticeship training detailed in the proposal will be covered by drawing from the £40.5k paid into the Apprenticeship Levy fund.

**Appendices:**

**Background papers:**

**Reference papers:** Enterprise Bill 2015  
The Finance Bill 2016

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	Fareham Borough Council Apprenticeship Scheme
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. As part of the Enterprise Bill 2015 the Government outlined its commitment to creating 3 million new apprenticeship starts by 2020. This was reinforced in The Finance Bill 2016 where Legislation introduced both the Apprenticeship Levy and Public-Sector Apprenticeship Targets to help deliver these new apprenticeships.
2. The Apprenticeship Levy affects all employers with an annual wage bill in excess of £3 million. The Levy will be charged at a rate of 0.5% of the annual wage bill and will be paid monthly via PAYE alongside Income Tax and National Insurance. Employers can then use the amounts that they have paid into the Levy to pay for apprenticeship training costs. The Levy payment that Fareham Borough Council will be expected to pay is estimated at approximately £40,500 per year.
3. The Levy can be used to pay the training costs for new apprentices starting a recognised apprenticeship framework or standard. It can also be used to cover the training costs of existing employees who can embark on an apprenticeship to develop their skills further. For existing employees, the apprenticeship must be either, at an academic level higher than what the employee currently possesses, or the new learning must be substantially different from the qualification that the employee already holds.
4. The Levy can only be used to cover the costs of the apprenticeship training. It cannot cover other costs such as salary, supervisory costs, administration or other employment costs.
5. In addition to the Levy, public sector organisations with a headcount in excess of 250 have been set a target of new apprenticeship starts each year commencing April 2017. The target set is 2.3% of the organisation's headcount. For Fareham Borough Council, this equates to approximately 10 new apprenticeship starts each year.
6. There are no financial penalties for failing to meet the Public-Sector Target but organisations need to give the targets due regard. The steps taken showing this due regard are likely to be published in the future.

7. Both measures will have an impact on Fareham Borough Council's approach to developing apprentices and therefore a plan needs to be in place to utilise the Levy and work towards the Public-Sector Target set.

## **BACKGROUND**

8. In September 2011, the Council commenced a new apprenticeship scheme introducing apprentices to a number of work areas across the organisation. The apprentices were not employed directly by the Council but via an apprenticeship training agency and were paid at the National Minimum Wage rate for apprentices.
9. Since the start of the new scheme until August 2015, there have been 34 new apprentice starts and, although there had never been any guarantee of a permanent job once the apprenticeships had been completed, it should be noted that 10 apprentices out of the 34 were taken on as full-time employees.
10. Despite the initial success of the scheme, by 2015 it was recognised that the economic climate had shifted and Fareham Borough Council's apprenticeship scheme was not being seen as attractively as it once was and the number and quality of potential candidates had dropped considerably.
11. A decision was therefore made to change the focus of the scheme. Instead of trying to recruit larger numbers across a wide range of work areas, the decision was made to concentrate on just 2 areas where it was recognised that there was a high possibility that a permanent job would result. The apprentices would be employed directly by the Council, not through the training agency and the reduction in numbers meant that the Council would be able to pay at a higher rate – age related minimum wage as opposed to the apprentice minimum wage which had been considerably lower.
12. In September 2015, the Council recruited an apprentice gardener and an apprentice vehicle fitter. Both apprentices have proved to be successful and have now completed their apprenticeships. A decision now needs to be made regarding the future direction of the apprenticeship scheme taking into account the Apprenticeship Levy and the Public-Sector Targets.

## **WAY FORWARD**

13. The Council recognises the value that good quality apprenticeships can give, both to the apprentices themselves and to the organisation. The Council is therefore committed to an apprenticeship scheme but one where the focus continues to be on quality rather than quantity.
14. Whilst consideration should be given to the Levy and the Public-Sector Target, targets should not simply be chased for their own sake and Levy spend should only be used where appropriate.
15. It is therefore proposed that the Council should take a 3-way approach to grow the scheme incrementally over a five-year period.
  - i. As any vacancy arises, consideration should be given to whether or not the role can be replaced as a career graded one commencing as an apprentice. There would need to be an appropriate apprenticeship framework or standard that matches the job for it to change to an apprenticeship role. This approach is likely to attract higher quality candidates who are looking for a recognised career path and has already been adopted for a number of recent vacancies within the Communications, the

Leisure and Community and the Democratic Services teams.

- ii. Maintain the existing apprenticeship gardener and vehicle fitter roles and refill them as they become vacant.
  - iii. If appropriate, use the apprenticeship scheme to develop the skills and qualifications of existing employees. This would need to be done in line with the rules regarding the uptake of apprenticeships by existing employees. There would also need to be an appropriate Apprenticeship framework or standard to match the job that the employee is undertaking.
16. The training costs associated with the apprenticeships currently identified will total approximately £27k and these costs will be paid from the Levy payment leaving a surplus Levy of approximately £13k. Employment costs associated with employing an apprentice are approximately £20k per year. To avoid increasing employment costs solely to spend the available Levy it is important to follow the 3-way approach detailed in point 15 rather than simply create and recruit to new apprenticeship roles.

### **PUBLIC SECTOR APPRENTICESHIP TARGET**

17. Point 5 of this report refers to the target that affects all Public-Sector organisations with headcounts in excess of 250. Whilst all Public-Sector organisations face this target, it is particularly demanding for Councils like Fareham who have retained in-house services and therefore maintained higher headcounts. It is anticipated that very few organisations will be able to achieve and maintain their Public-Sector target.
18. To meet its own target, Fareham Borough Council would need 10 new apprentice starts year on year. The Council wants to avoid a situation where permanent, full time posts are having to be deleted to be replaced by apprenticeship roles, solely to meet the Public-Sector target.
19. The Vanguard principles that Fareham Borough Council works to mean that the Council should do the right thing and not take perverse actions simply to meet a target. As such, the Council is committed to an Apprenticeship scheme that puts quality above quantity.

### **CONCLUSION**

20. By taking the 3 main approaches detailed in point 15 of this report, it is anticipated that the Council will be able to develop a high-quality apprenticeship scheme that will continue to grow over the coming years.
21. The Levy that the Council pays will cover the training costs in connection to the apprenticeship starts.
22. Although it is unlikely that the Council will meet its Public-Sector Apprenticeship Target, by focussing on a high-quality scheme that will naturally increase in size as vacancies arise, the Council will be giving the target the due regard that is required.

### **Enquiries:**

For further information on this report please contact Tim Holling. (Ext 4614)





# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>WW1 Commemorative Mural</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Community Engagement Strategy
<b>Corporate Objective:</b>	Strong and Inclusive Communities

**Purpose:**

The purpose of this report is to advise members of the proposal to create a mural to commemorate the centenary of the end of World War One.

**Executive summary:**

There have been many events and activities taking place across the country since 2014 to commemorate the centenary of World War One (WW1).

In August 2014, Fareham Borough Council commemorated the centenary of the outbreak of the war by holding a number of public activities in the town centre. A commemoration stone was also unveiled.

An opportunity has been identified to create a commemorative mural on the railway arch that bridges the public footpath next to the allotments at the southern end of the Gilles. Pupils from Wallisdean Junior School would be involved in helping to develop the design that would highlight the role that Fareham and its residents played in the war.

The proposed mural would be created during the summer of 2018 to commemorate the centenary of the end of WW1 later in the year.

**Recommendation/Recommended Option:**

It is recommended that the Executive agrees:

- (a) to support the creation of a mural, designed with the involvement of pupils from Wallisdean Infant School that commemorates the centenary of the end of WW1; and

(b) that the project be funded to a sum of up to £6,090.

**Reason:**

To provide a long-lasting legacy that recognises Fareham's heritage and the contribution made by the Borough's residents during World War 1.

**Cost of proposals:**

The cost of the proposals will be up to £6,090. It is hoped that an application to the Heritage Lottery for a grant from the "First World War: then and now" fund will be successful so that it can contribute towards some of the costs to be incurred.

**Appendices:**

A: Draft Budget  
B: Site map and photos

**Background papers:**

**Reference papers:**

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	WW1 Commemorative Mural
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. The purpose of this report is to advise members of the proposal to create a mural to commemorate the centenary of the end of World War One.

#### BACKGROUND

2. There have been a number of events and activities taking place across the country since 2014 to commemorate the centenary of World War One (WW1).
3. In August 2014, Fareham Borough Council commemorated the centenary of the outbreak of the war by holding a number of public activities in the town centre. A commemoration stone was also unveiled.
4. The Council would like to mark the centenary of the end of the War in 2018.

#### PROPOSALS

5. The Council is working with local artist and photographer, Innes Marlow on the proposal to create a commemorative mural that recognises Fareham's heritage and the contribution made by its residents during WW1. The railway arch that bridges the public footpath next to the allotments at the southern end of the Gilles has been identified as a suitable site for the mural.
6. The arch is an appropriate site for a commemoration. The railway bridge formed part of the Fareham to Gosport railway line and transported both supplies and troops, many of them Borough residents, to the naval yards and bases in Gosport. Many injured troops were also sent to Royal Hospital Haslar by train. It is intended that the final mural design would reflect this. HMS Daedalus was home to the pioneering aircrews of the Royal Naval Air Service in 1917 and the design would also incorporate elements linked to aviation. An explanatory plaque would be mounted at one of the entrances to provide context for the design.

7. There is a mural currently on the arch that was painted in 2011. Whilst an attractive design it is looking tired and worn. Wallisdean Junior School was involved in the original mural and the Headteacher has given their permission for the mural to be painted over. Hampshire County Council has responsibility for the railway arch structure. It has given permission for a new mural to be painted at the site.

### **COMMUNITY INVOLVEMENT**

8. The artist has agreed to carry out relevant research into the Borough's history and develop early designs at no cost. Following this initial work, it is proposed that Wallisdean Junior School pupils be involved in developing and choosing ideas for the mural designs. School visits by the artist and supported by officers in early 2018 would help teach the pupils about their local heritage. Every participant would receive an age appropriate education pack. Their work and feedback would also shape the development of the mural design. Both Fareham Borough Council and Hampshire County Council would have final approval of the mural design.
9. Hampshire Cultural Trust are currently putting together their schedule of events and exhibitions for 2018. They have expressed an interest in incorporating the Mural project into one of their events to mark the anniversary of the end of WW1.
10. Discussions are currently taking place with Hampshire County Council about renaming the railway arch to reflect the content of the commemorative mural.

### **EXTERNAL FUNDING OPPORTUNITIES**

11. An application to the Heritage Lottery for a grant from the "First World War: then and now" fund will be submitted if the Mural proposal is approved. If successful the funding will contribute towards the costs to be incurred.

### **CONCLUSION**

12. The Council would like to mark the centenary of the end of the War in 2018. A mural on the railway arch that bridges the public footpath next to the allotments at the southern end of the Gilles has been identified as a potential site for a mural. The design would be developed in collaboration with a local artist and students of Wallisdean Junior School, with final approval by both Fareham Borough Council and Hampshire County Council.

### **Enquiries:**

For further information on this report please contact Roy Brown. (Ext 4409)

### Appendix A: Budget for WWI Mural

<b>Activity</b>	<b>Amount</b>
Educational sessions by artist with schoolchildren at Wallisdean School to develop the designs (3 sessions)	£600
Briefing notes and education packs for schools	£240
Training volunteers to assist artist with painting the mural	£120
Paint design on underpass (up to 8 days)	£2,750
Cost of paint and equipment	£530
Cost of anti-vandal coating	£300
Scaffolding and barriers	£200
Brickwork rendering	£150
<i>Optional - Opening event on site – unveil the memorial (make use of allotment area)</i>	£600
Plaque	£300
Contingency	£300
<b>Total</b>	<b>£6,090</b>

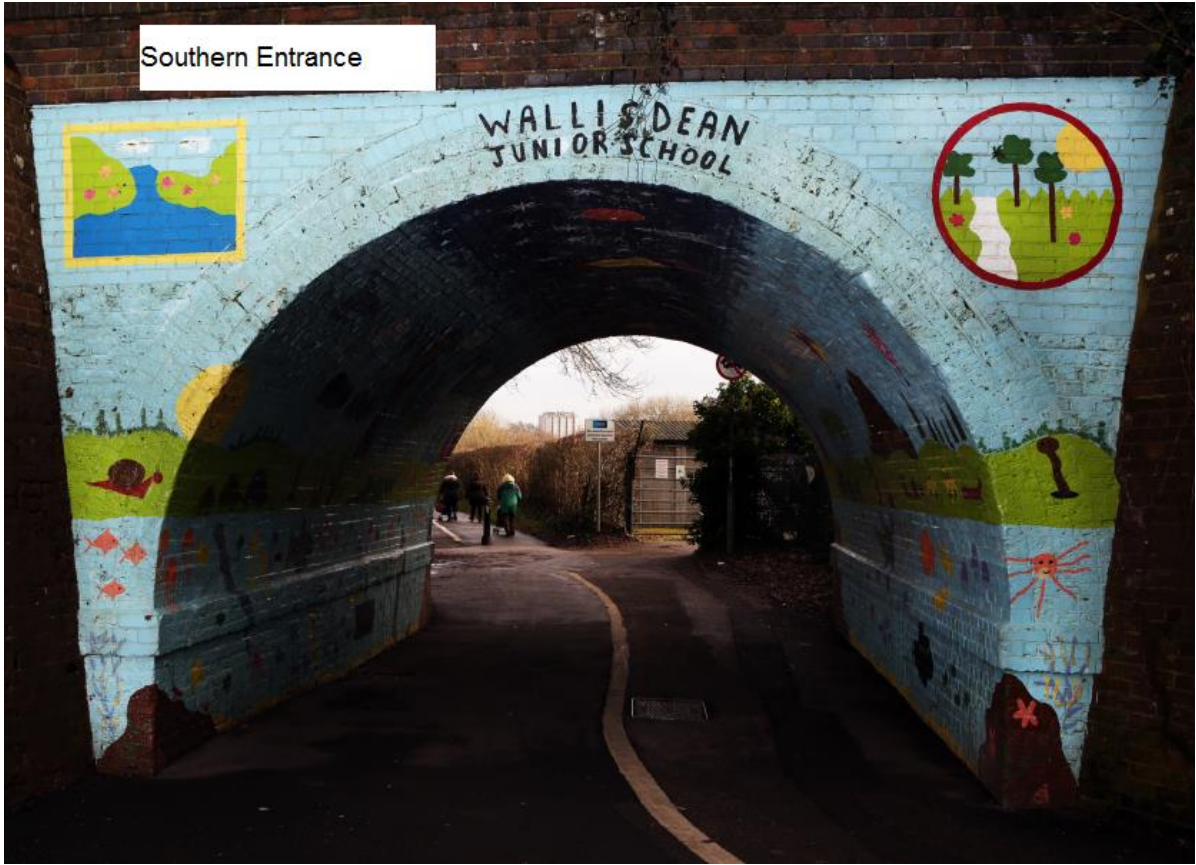
The artist will research the details of Fareham's history and role within WW1 as well as develop and produce initial designs at no cost.



## Appendix B – Site location and photos of current mural



Southern Entrance



Worn paint on current mural





# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Finance Monitoring Report 2017-18</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Finance Strategy
<b>Corporate Objective:</b>	A dynamic, prudent and progressive Council

**Purpose:**

This report provides comparative information on the Council's revenue and capital expenditure for the period ended 30 September 2017. Members are invited to consider the financial performance and any corrective action that may be deemed appropriate.

**Executive summary:**

This report provides summary information on the overall spending position against the revenue and capital budgets in the current year, as set out in the following tables: -

Revenue	Budget 2017/18 £000s	Budget to 30 Sep 17 £000s	Actual to 30 Sep 17 £000s	Variation £000s
Service Budgets	11,801	2,590	2,298	-292
Non-Service Budgets	-3,184	-787	-792	-5
Net	8,617	1,803	1,506	-297

Capital Programme	Budget 2017/18 £000s	Budget to 30 Sep 17 £000s	Actual to 30 Sep 17 £000s	Variation £000s
General Fund	42,761	13,154	12,545	-609
HRA	4,845	1,623	963	-660
Total	47,606	14,777	13,508	-1,269

Revenue and capital spending plans are showing an under spend for the period.

While there are no areas of immediate concern, it is appropriate to monitor financial performance over the second half of the financial year to ensure that any slippage does not adversely affect the services provided to residents and customers. Commentary on the most significant variations is set out in the briefing paper accompanying the report.

**Recommendation:**

It is recommended that the Executive notes the Revenue and Capital Budget Monitoring Report.

**Reason:**

To provide members of the Executive with a summary of the Council's budgetary performance to 30 September 2017.

**Cost of proposals:**

Not applicable.

**Appendices:**                **None**

**Background papers:** **None**

**Reference Papers:**

- (a) 6 February 2017 Executive Report - Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2017/18.
- (b) 10 July 2017 Executive Report – General Fund and Housing Revenue Account Outturn 2016/17 and Capital and Treasury Management Outturn 2016/17.

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	Finance Monitoring Report 2017/18
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. This report sets out, in detail, the variations between the budgeted and actual income/expenditure to 30 September 2017 for both revenue and capital budgets.

#### REVENUE EXPENDITURE SUMMARY

2. The details of the budget and spend for each of the Council's committees and portfolios for the first six months of the 2017/18 financial year are shown in the following table:-

#### ACTUAL REVENUE EXPENDITURE TO 30 SEPTEMBER 2017

	<b>Budget 2017/18 £</b>	<b>Budget to 30 Sep 17 £</b>	<b>Actual to 30 Sep 17 £</b>	<b>Variation £</b>
Committees				
Planning	622,100	208,700	136,203	-72,497
Licensing & Regulatory Affairs	481,000	167,900	172,114	4,214
Executive - Portfolio Budgets				
- Leisure & Community	2,543,800	523,300	471,706	-51,594
- Housing	1,024,400	224,100	226,967	2,867
- Planning & Development	121,600	-377,300	-380,850	-3,550
- Policy & Resources	123,900	61,300	78,243	16,943
- Health & Public Protection	2,226,100	1,074,800	1,005,532	-69,268
- Streetscene	4,657,800	706,800	587,488	-119,312
<b>SERVICE BUDGETS</b>	<b>11,800,700</b>	<b>2,589,600</b>	<b>2,297,403</b>	<b>-292,197</b>
<b>NON-SERVICE BUDGETS</b>	<b>-3,184,000</b>	<b>-787,100</b>	<b>-791,407</b>	<b>-4,307</b>
<b>NET BUDGET</b>	<b>8,616,700</b>	<b>1,802,500</b>	<b>1,505,996</b>	<b>-296,504</b>

## THE KEY COUNCIL SERVICES

3. The Council has a number of services that would be considered as major or demand led services as they have a large impact on the council tax and any major variation in these budgets could lead to unacceptable rises in council tax. The details are shown in the following table:-

Service	Budget 2017/18 £	Budget to 30 Sep 17 £	Actual to 30 Sep 17 £	Variation £	
<b>Income Budgets</b>					
Trade Waste	-74,900	-504,400	-601,916	-97,516	😊
Parking Services	-798,600	-425,300	-439,418	-14,118	😊
Investment Properties	-896,800	-506,800	-503,368	3,432	😊
Local Land Charges	-120,400	-74,700	-68,746	5,954	😊
Housing Benefit Payments	-77,600	38,800	58,958	20,158	😊
Industrial and Commercial Estates	-2,870,400	-993,800	-960,972	32,828	😊
<b>Expenditure Budgets</b>					
Planning Applications	212,100	53,700	-90,768	-144,468	😊
Local Tax Collection	812,000	361,600	321,384	-40,216	😊
Community Parks and Open Spaces	1,176,500	159,000	135,493	-23,507	😊
Local Plan	1,701,000	602,000	584,669	-17,331	😊
Homelessness	362,700	67,200	56,326	-10,874	😊
Street Cleansing	903,200	357,800	363,528	5,728	😊
Ferneham Hall	479,300	-9,900	-351	9,549	😊
Solent Airfield Daedalus	228,600	215,600	233,191	17,591	😊
Waste & Recycling Total	2,005,600	604,000	651,443	47,443	😊
Cost of Employment	16,132,700	7,952,517	8,089,510	136,993	😊

4. The main variations in the key services are detailed as follows:-

- (a) **Trade Waste** is currently showing an increase in income due to an increase in the number of customers using the service with some underspends on expenditure increasing the variation against the budget. The budget for the 6 months to date appears high but this is due to all the income for the service being due at the start of the year with expenditure coming in through

the remainder of the year.

- (b) **Parking Services** is showing a variation of £14,000 net additional income compared to the budget. Income from users of the Council's car parks is less than budgeted for but is higher than the figure of a year ago. However, other income from car parks including penalty charge notices are showing as above the budget for the year. There has also been less spend on equipment purchase and maintenance.
- (c) **Investment properties** are showing as slightly below budget which is mainly due to increased spend on insurance costs.
- (d) **Local Land charges** is showing a variation of £6,000 income underachieved compared to the budget which is due to a reduction in the type of applications that are being received. There are increasing users of the service going through personal search companies for which there is no charge.
- (e) **Solent Airfield Daedalus** is showing as over the budget mainly as a result of higher repairs costs to the buildings.
- (f) **Housing benefits** payments are currently £20,000 over the budget for the year. The forecast will be reviewed at the mid-point of the financial year and will reflect the updated position on changes in caseload and amounts paid in benefits.
- (g) **Industrial and Commercial estates** are showing a variation of almost £33,000 below the budget for the first 6 months of the year. This is because of reduced rental income as there are vacant units at a number of locations in the borough.
- (h) **Processing Applications** is showing as being under budget by over £144,000 as the income for the year is currently higher than the budget for the year. This has been partially offset by an increase in the use of consultants and will also offset legal costs for planning appeals.
- (i) **Local Tax Collection** is showing an underspend as a result of vacancies savings and some additional grant that has been received during the year.
- (j) **Community Park and Open Spaces** is showing an underspend for the first six months of the year mainly due to less spend on equipment and additional income from sales and grants.
- (k) The **Local Plan** is showing spend of less than the budget for the first six months mainly due to less spend in the use of consultants. It is anticipated that spend will match budget during the latter part of the year as the plan progresses through to the consultation phase.
- (l) The **Homelessness** budget is showing a slight reduction in spend against budget for the year of almost £11,000. Additional rental costs have been more than offset by more income from properties. The trend on this service shows higher spend in the early part of the financial year which is anticipated to reduce nearer the end of the year.

- (m) **Street Cleansing** is showing spend being over the budget in the early part of the year mainly as a result of increased vehicle and equipment costs.
- (n) **Ferneham Hall** is showing an over spend after 6 months mainly due to higher levels of spend on repairs to the building and spend on purchases of equipment. There has also been lower than anticipated income from promotions.
- (o) **Waste Collection and Recycling** services is showing an over spend at the half year point mainly as a result of higher spend on agency staff in all of the waste services due to cover for vacancies and sickness. Some of this over spend has been offset by vacancy savings and lower transport costs especially where fuel costs have stabilised.
- (p) Expenditure on **employees** represents approximately 60% of the Council's gross expenditure (excluding benefit payments) and therefore it is important that the total establishment cost is monitored collectively, as well as monitoring at service level. During the first 6 months of the year, savings on salaries and wages have arisen, mainly as a result of employee vacancies. This has been partly offset by the additional expenditure on agency employees used to cover some of those vacancies. On top of this there has been additional expenditure due to contract terminations but these will be funded from reserves where salary savings do not meet the full costs.

## THE COUNCIL'S FUNDAMENTAL PARTNERSHIPS

5. The Council has six fundamental partnerships and it is appropriate that the expenditure in relation to each partnership is specifically monitored. The table below shows the financial performance relating to this Council's element of each partnership:-

Service	Budget 2017/18 £	Budget to 30 Sep 17 £	Actual to 30 Sep 17 £	Variation £	
Project Integra	25,000	0	0	0	😊
Community Safety Partnership	188,000	78,200	74,220	-3,980	😊
Fareham & Gosport CCTV Partnership	153,000	82,200	66,608	-15,592	😊
Portchester Crematorium JC	-135,000	0	0	0	😊
Environmental Health Partnership	1,555,100	692,990	655,040	-37,950	😊
Building Control Partnership	226,400	99,700	74,519	-25,181	😊

6. There are no particular causes for concern within the Council's fundamental partnerships.

## CAPITAL PROGRAMME

7. On 6 February 2017, the Executive approved the 2017/18 capital programme for General Fund services of £25.6m and Housing Revenue Account (HRA) of £4.8m giving a combined total of £30.4m.
8. Details of actual capital expenditure in 2016/17 were reported to the Executive on 10 July 2017 and it was noted that the slippage on the capital programme for 2016/17 of £8m for General Fund and HRA services, would now be included in the capital programme for 2017/18.
9. Since the capital programme was approved earlier in the year, a number of new schemes and increased budgets, as shown below, have been added to the 2017/18 programme giving a revised total of £47.6m:-
  - Holly Hill Cemetery Extension - £300,000
  - Daedalus Control Tower Refurbishment - £330,000
  - Daedalus Fuelling Equipment - £250,000
  - Hill Head Coastal Protection Phase 2 - £650,000
  - Daedalus Innovation Centre 2 - £472,000
  - Town Centre Hotel - £7,090,000
  - Wallington Gabions - £78,000
10. The following table sets out the updated capital programme for 2017/18 and has been used as the basis for monitoring progress to 30 September 2017:-

	<b>Approved Programme</b> £	<b>2016/17 Slippage</b> £	<b>New Schemes</b> £	<b>Updated Programme</b> £
Health & Public Protection	0	0	0	0
Streetscene	311,500	87,900	300,000	699,400
Leisure & Community	797,100	533,200	0	1,330,300
Housing	3,619,000	446,200	0	4,065,200
Planning & Environment	13,000	29,200	728,000	770,200
Policy & Resources	20,850,000	6,903,500	8,142,000	35,895,500
<b>Total General Fund</b>	<b>25,590,600</b>	<b>8,000,000</b>	<b>9,170,000</b>	<b>42,760,600</b>
Housing Revenue Account	4,791,000	54,300	0	4,845,300
<b>Updated Capital Programme</b>	<b>30,381,600</b>	<b>8,054,300</b>	<b>9,170,000</b>	<b>47,605,900</b>

## MAJOR CAPITAL SCHEMES

11. The Council has a number of major capital schemes where budgeted expenditure for 2017/18 is in excess of £500,000. These schemes, with forecast budget to 30 September 2017, are detailed in the following table:-

Capital Scheme	Budget 2017/18 £	Budget to 30 Sep 17 £	Actual to 30 Sep 17 £	Variation £	
Daedalus Schemes	24,826,400	10,000,000	9,982,882	-17,118	😊
Town Centre Hotel	8,090,000	0	27,430	27,430	😊
HRA Capitalised Repairs/Renewals	3,437,200	1,622,500	960,161	-662,339	😐
Hampshire Rose Site	2,850,000	0	0	0	😊
Bridge Road Development	1,000,000	0	0	0	😊
Civic Offices Improvement Programme	832,100	50,000	41,816	-8,184	😊
Property Purchases	777,300	10,000	8,984	-1,016	😊
Disabled Facilities Grant	732,500	378,000	128,767	-249,233	😐
Vehicles and Plant	677,300	677,300	701,932	24,632	😐
Hill Head Coastal Protection	650,000	650,000	643,284	-6,716	😐

12. Progress updates on some of the major schemes are detailed below:-

- (a) Expenditure to date for **HRA Capitalised Repairs/Renewals** is lower than profiled for the first half of the year. Spending plans and priorities are being reviewed for the latter part of the year.
- (b) The **Hampshire Rose Site and Bridge Road Development** have been grouped together with six other affordable housing schemes and are with the local housing company, Aspect, to prepare a business plan on their viability. Significant expenditure is not anticipated this year.
- (c) Expenditure on the **Civic Offices Improvement Programme** is expected to be less than budget for 2017/18. The scope on further projects for 2018 are yet to be agreed.
- (d) The third property purchase in relation to the **Welborne** development is anticipated to take place later in the year.
- (e) Arrangements for the processing of **Disabled Facilities Grants** was passed to Portsmouth City Council from 1 April. Expenditure for the first half of the year is lower than the profiled budget as payment arrangements have yet to be finalised.
- (f) Expenditure on **Vehicles and Plant** has been for three refuse trucks, four transit vans, a sweeper and several smaller pieces of plant and equipment. Expenditure is slightly over budget for the year.



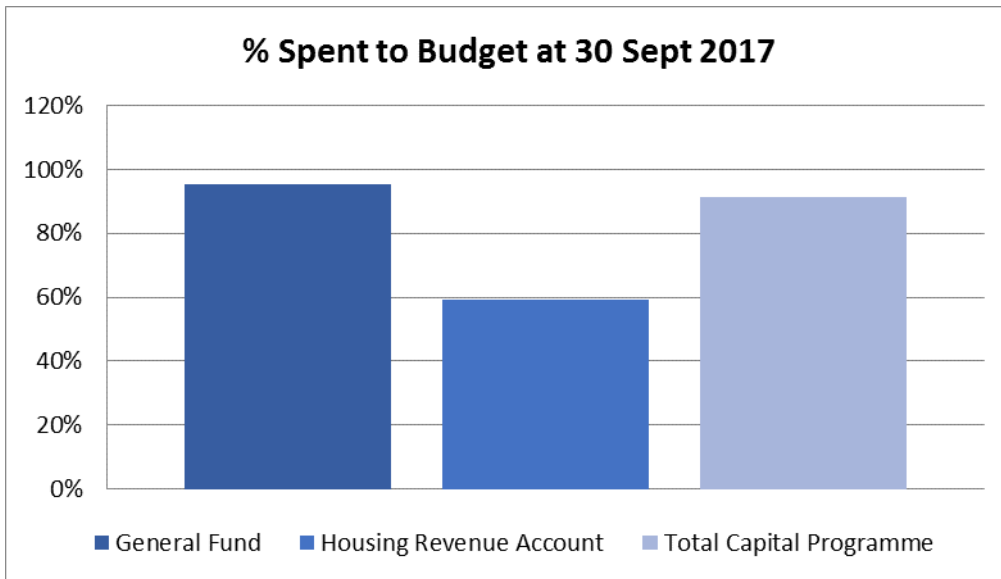
- (g) Works on the **Hill Head Coastal Protection** scheme is ongoing and is projected to overspend the allocated budget. A report seeking further funds will be presented to the Executive at a future meeting.

## CAPITAL MONITORING

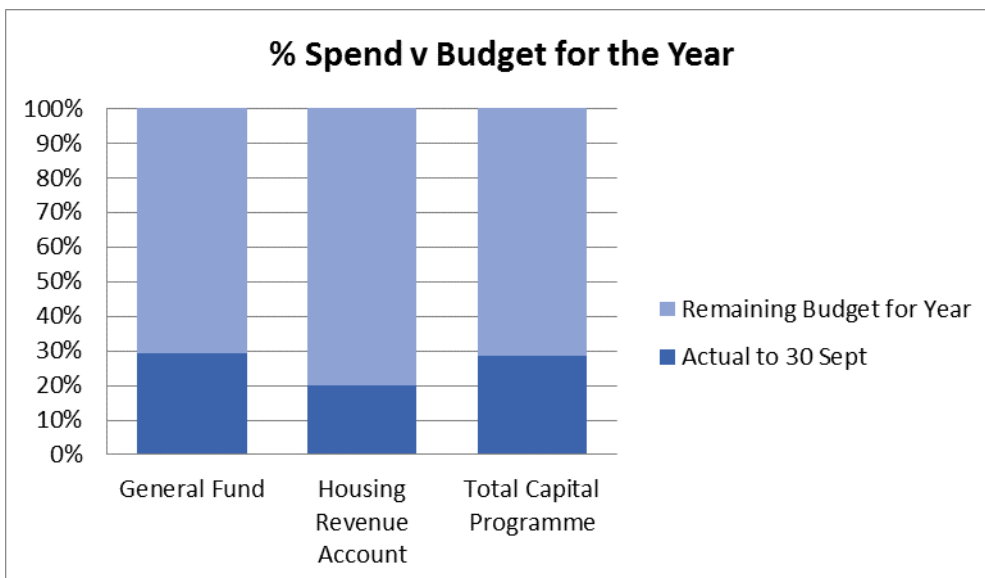
13. The following table provides summary information for the period to 30 September 2017, for the schemes within each portfolio.

	<b>Budget 2017/18</b>	<b>Budget to 30 Sep 17</b>	<b>Actual to 30 Sep 17</b>	<b>Variation</b>
	£	£	£	£
<b>Health &amp; Public Protection</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Streetscene</b>	<b>699,400</b>	<b>19,750</b>	<b>34,852</b>	<b>15,102</b>
- Holly Hill Cemetery Extension	300,000	0	13,935	13,935
- Bus Shelters	339,100	0	3,714	3,714
- Other	60,300	19,750	17,203	-2,547
<b>Leisure &amp; Community</b>	<b>1,330,300</b>	<b>848,800</b>	<b>753,411</b>	<b>-95,389</b>
- Buildings	811,100	500,000	471,789	-28,211
- Play and Parks	437,100	348,800	281,622	-67,178
- Grants to Community Groups	30,000	0	0	0
- Other Community Schemes	52,100	0	0	0
<b>Housing</b>	<b>4,065,200</b>	<b>830,700</b>	<b>246,735</b>	<b>-583,965</b>
- Enabling	3,236,600	386,600	114,029	-272,571
- Home Improvement Schemes	828,600	444,100	132,705	-311,395
<b>Planning &amp; Environment</b>	<b>770,200</b>	<b>664,600</b>	<b>676,616</b>	<b>12,016</b>
- Car Parks	42,200	14,600	33,332	18,732
- Coastal Protection	650,000	650,000	643,284	-6,716
- Wallington Gabions	78,000	0	0	0
<b>Policy &amp; Resources</b>	<b>35,895,500</b>	<b>10,790,087</b>	<b>10,833,147</b>	<b>43,060</b>
- Daedalus	24,826,400	10,000,000	9,982,882	-17,118
- Civic Offices	832,100	50,000	41,816	-8,184
- Vehicles and Plant	677,300	677,300	701,932	24,632
- ICT	369,400	52,787	70,105	17,318
- Town Centre Hotel	8,090,000	0	27,430	27,430
- Other	1,100,300	10,000	8,984	-1,016
<b>Total General Fund</b>	<b>42,760,600</b>	<b>13,153,937</b>	<b>12,544,761</b>	<b>-609,176</b>
<b>Housing Revenue Account</b>				
- New Build	1,000,000	0	0	0
- Capitalised Repairs/Renewals	3,437,200	1,622,500	960,161	-662,339
- Stock Repurchases	340,300	0	0	0
- Other HRA Schemes	67,800	0	2,419	2,419
<b>Total Housing Revenue Account</b>	<b>4,845,300</b>	<b>1,622,500</b>	<b>962,580</b>	<b>-659,920</b>
<b>Total Capital Programme</b>	<b>47,605,900</b>	<b>14,776,437</b>	<b>13,507,342</b>	<b>-1,269,095</b>

14. The graphs below show the actual expenditure to 30 September 2017 as a percentage of the programme for the equivalent period and for the whole year.
15. 91% of the capital programme has been spent compared to the profiled budget for the first half of the year.



16. 28% has been spent compared to the total budget for the year. The budgets will be reviewed and re-phased where applicable as part of the forthcoming budget setting process.



**RISK ASSESSMENT**

17. Whilst it would be too early to draw very firm conclusions regarding the final revenue and capital budget position for 2017/19 after six months, it is equally important that the Executive is made aware of the trends in both expenditure and income where they differ from those anticipated when the original budgets were prepared.

18. It is also worth noting that expenditure tends to increase during the latter months of the year as work programmes proceed so any under spends in the first half of the financial year are unlikely to continue throughout the whole of the financial year.
19. A potential risk to the capital programme relates to scheme slippages. Delayed schemes could result in increased contract costs for which funding may not be available and could also impact on the Council achieving its corporate objectives.
20. The Council's expenditure and income are monitored by officers throughout the year. Known spending pressures will be reflected in the Finance Strategy for 2018/19. The budget that will reflect the revised position will be reported to the Executive in January 2018.

## **CONCLUSION**

21. It is important that there is a timely reporting system in place to focus the Executive on key variances. To reflect this, revenue and capital monitoring reports include detailed information about the more significant areas of the Council's expenditure and income.
22. No particular actions are considered necessary at the present time. Officers will, however, continue to monitor the actual revenue and capital expenditure very closely and any variance that will impact on the Council's overall financial position will be reported to the Executive as soon as possible, in advance of the normal monitoring arrangements.

### **Enquiries:**

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



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 November 2017

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Treasury Management Monitoring Report 2017-18</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Finance Strategy
<b>Corporate Objective:</b>	A dynamic, prudent and progressive Council

#### **Purpose:**

This report summarises the Council's investment activity up to 30 September 2017 and provides details of the Council's money market transactions.

Under the Code of Conduct that governs the operation of the money markets, it is not possible to make public details of specific transactions. For this reason, Appendix B is included in the confidential part of the agenda.

#### **Executive summary:**

This report gives the Executive the opportunity to review the treasury management activity up to 30 September 2017 along with the Treasury and Prudential Indicators. During the first half of the year the Council operated within the Treasury and Prudential Indicators.

Council borrowing at 30 September was £42.3m and the overall investment position is set out in the following table:

<b>Investments</b>	<b>Externally Managed £m</b>	<b>Internally Managed £m</b>	<b>Call Accounts £m</b>	<b>Money Market Funds £m</b>	<b>Total £m</b>
<b>At 1 April 2017</b>	<b>3.0</b>	<b>6.0</b>	<b>0.0</b>	<b>6.0</b>	<b>15.0</b>
New	0	10.0	10.4	32.0	52.4
Repaid	3.0	9.0	8.4	35.8	56.2
<b>At 30 Sept 2017</b>	<b>0.0</b>	<b>7.0</b>	<b>2.0</b>	<b>2.2</b>	<b>11.2</b>

This compares to the same time last year where total borrowing was £42m and the total investments were £31m.

From January 2018, the council will need to maintain investments of £10million to retain its current MiFID 'professional' status and have access to the same broad range of investment products.

**Recommendation:**

It is recommended that the Executive notes the Treasury Management Monitoring Report for 2017/18.

**Reason:**

To inform the Executive of the Council's investment, borrowing and repayment activity up to 30 September 2017.

**Cost of proposals:**

Not applicable.

**Appendices:**

**A:** Economic Commentary and Outlook by Arlingclose

**B:** Investment Activity (Confidential Appendix)

**C:** Treasury and Prudential Indicators

**Background papers:** None

**Reference papers:**

6 February 2017 Executive Report - Treasury Management Strategy and Prudential Indicators 2017/18

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 November 2017
<b>Subject:</b>	Treasury Management Monitoring Report 2017-18
<b>Briefing by:</b>	Director of Finance and Resources
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management at least twice yearly (mid-year and at year end). This report therefore ensures the Council is implementing best practice in accordance with the Code.
2. The Council's Treasury Management Strategy for 2017/18 was approved by Full Council on 24 February 2017.
3. The Council has borrowed and invested large sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
4. An economic commentary by the Council's Treasury Advisors, Arlingclose, can be found in Appendix A.

#### BORROWING ACTIVITY

5. At 30 September 2017, the Council held £42.3 million of loans, (an increase of £0.5 million on 31 March 2017).
6. The Council expects to borrow externally up to £10 million more in 2017/18 to part fund the capital programme.
7. The Council's main objective when borrowing continues to be striking an appropriately low risk balance between securing low interest rates and achieving cost certainty over the period for which the funds are required.
8. Affordability and the 'cost of carry' remained important influences on the Council's borrowing strategy alongside the consideration that, any borrowing undertaken ahead of need, would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term interest rates, the Council determines it is more cost effective in the short term to use internal resources (internal borrowing) and short-term loans instead.

9. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. The Council's treasury advisors assist with this 'cost of carry' and breakeven analysis.
10. Borrowing activity to 30 September 2017 was:

	<b>Balance on 31 March 2017 £'000</b>	<b>Balance on 30 Sept 2017 £'000</b>	<b>Average Rate</b>
Long Term Borrowing	40,000	40,000	3.50%
Portchester Crematorium	1,541	2,017	0.25%
Charity of Winifred Nellie Cocks	287	288	0.50%
<b>Total Borrowing</b>	<b>41,828</b>	<b>42,305</b>	

The Council holds investments from Portchester Crematorium Joint Committee and the Charity of Miss Winifred Nellie Cocks which are treated as temporary loans.

#### **INVESTMENT ACTIVITY**

11. The Council holds large invested funds, representing income received in advance of expenditure plus balances and reserves held.
12. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.
13. Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.
14. Details on investment activity to 30 September 2017 are in Appendix B and summarised in the table below:

<b>Investments</b>	<b>Externally Managed £m</b>	<b>Internally Managed £m</b>	<b>Call Accounts £m</b>	<b>Money Market Funds £m</b>	<b>Total £m</b>
<b>At 1 April 2017</b>	<b>3.0</b>	<b>6.0</b>	<b>0.0</b>	<b>6.0</b>	<b>15.0</b>
New	0	10.0	10.4	32.0	52.4
Repaid	3.0	9.0	8.4	35.8	56.2
<b>At 30 Sept 2017</b>	<b>0.0</b>	<b>7.0</b>	<b>2.0</b>	<b>2.2</b>	<b>11.2</b>

15. The £3.8 million decrease in investments during the first half of the year was mainly due to the timing of precept payments, receipts of grants and progress on the Capital Programme.



## **REGULATORY UPDATES**

### **Markets in Financial Instruments Directive (MiFID II)**

16. Local authorities are currently treated by regulated financial services firms as professional clients who can “opt down” to be treated as retail clients instead. But from 3<sup>rd</sup> January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can “opt up” to be professional clients, providing that they meet certain criteria. (Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments).
17. In order to opt up to be a professional client, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year’s relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.
18. If the Council were to change their status to retail client it is likely it will face increased costs and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.
19. The Council currently meets the conditions to opt up to professional status and intends to do so in the future in order to maintain their current MiFID status and to continue to have access to a broad range of investment products.

### **CIPFA Consultation on Prudential and Treasury Management Codes**

20. In February 2017, CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30<sup>th</sup> September 2017.
21. The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to Full Council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators; however, local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.
22. Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of Full Council. There are also plans to drop or alter some of the current treasury management indicators.

23. CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year.
24. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.

### **BUDGETED INCOME AND OUTTURN**

25. The UK Bank Rate had been maintained at 0.5% since March 2009 until August 2016, when it was cut to 0.25%. The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.
26. This decision is still very data dependant and Arlingclose is, for now, maintaining its central case for a Bank Rate at 0.25% for the foreseeable future.
27. The Council's budgeted investment income for the year is estimated at £499,900. As all the Council's surplus cash continues to be invested in short-dated money market instruments, it will most likely result in a fall in investment income over the year.

### **COMPLIANCE WITH TREASURY AND PRUDENTIAL INDICATORS**

28. The Council confirms compliance with its Treasury and Prudential Indicators for 2017/18, which was set on 24 February 2017 as part of the Council's Treasury Management Strategy Statement.
29. Performance for the first half of the year is shown in Appendix C. During the financial year to date the Council has operated within the treasury limits and prudential indicators.

### **RISK ASSESSMENT**

30. In the current economic climate, there are risks that financial institutions holding Council investments could default and be unable to fulfil their commitments to repay the sums invested with them.
31. To help mitigate this risk, the Council maintains a list of approved institutions based on a grading system operated by the Council's treasury management advisors. Maximum limits are also set for investments with individual institutions.

### **Enquiries:**

For further information on this report please contact Caroline Hancock. (Ext 4589)

**ECONOMIC COMMENTARY BY TREASURY ADVISORS ARLINGCLOSE**

**Economic Backdrop:** Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

In contrast, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also announced confirmed that it would be starting a reversal of its vast Quantitative Easing programme and reduce the \$4.2 trillion of bonds it acquired by initially cutting the amount it reinvests by \$10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

**Financial Markets:** Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

**Credit Background:** UK bank credit default swaps continued their downward trend, reaching three-year lows by the end of June. Bank share prices have not moved in any particular pattern.

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted



## PRUDENTIAL INDICATORS 2017/18

1. 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.
2. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.
3. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed are:

Upper limits on interest rate exposures	2017/18	Actual
	%	%
Upper limit on variable interest rate exposures	25	0
Upper limit on fixed interest rate exposures	100	100

4. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing are:

Maturity structure of borrowing	Upper Limit	Actual
	%	%
Loans maturing within 1 year	25	5
Loans maturing within 1 - 2 years	25	0
Loans maturing within 2 - 5 years	25	0
Loans maturing within 5 - 10 years	50	0
Loans maturing in over 10 years	100	95

5. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end are:

£M	2017/18 Estimate	Actual
Principal sums invested > 364 days	2	0

6. **Estimates of Capital Expenditure:** The Council's capital expenditure plans are the key driver of treasury management activity as follows:

Capital Expenditure and Financing	2017/18 Revised Estimate £'000	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Health & Public Protection	0	0	0	0
Streetscene	699	35	0	0
Leisure & Community	1,330	753	120	0
Housing	4,065	247	480	480
Planning & Environment	770	677	13	14
Policy & Resources	35,896	10,833	1,520	770
<b>Total General Fund</b>	<b>42,760</b>	<b>12,545</b>	<b>2,133</b>	<b>1,264</b>
<b>HRA</b>	<b>4,845</b>	<b>931</b>	<b>4,556</b>	<b>3,211</b>
<b>Total Expenditure</b>	<b>47,605</b>	<b>13,476</b>	<b>6,689</b>	<b>4,475</b>

7. **Estimates of Capital Financing Requirement:** The Capital Financing Requirement (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.
8. 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:

£'000	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>General Fund</b>	27,129	46,678	46,422
<b>HRA</b>	52,720	52,490	52,260
<b>Total CFR</b>	<b>79,849</b>	<b>99,168</b>	<b>98,682</b>

9. **Gross Debt and the Capital Financing Requirement:** In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

£'000	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt at 1 April	45,626	65,308	65,608
Expected change in debt	19,682	300	0
<b>Gross Debt at 31 March</b>	<b>65,308</b>	<b>65,608</b>	<b>65,608</b>
Capital Financing Requirement (CFR)	79,849	99,168	98,682
<b>Under/(Over) Borrowing</b>	<b>14,541</b>	<b>22,560</b>	<b>33,076</b>
<b>CFR for last, current and next 2 years</b>	<b>375,558</b>	<b>392,712</b>	<b>389,657</b>

10. Total debt is expected to remain below the CFR during the forecast period. The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt, below.



£'000	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Operational Boundary</b>			
Borrowing	70,000	70,000	70,000
Other long-term liabilities	6,000	6,000	6,000
<b>Total</b>	<b>76,000</b>	<b>76,000</b>	<b>76,000</b>
<b>Authorised Limit</b>			
Borrowing	105,000	109,000	111,000
Other long-term liabilities	8,000	8,000	8,000
<b>Total</b>	<b>113,000</b>	<b>117,000</b>	<b>119,000</b>

11. **Operational Boundary for External Debt:** The Operational Boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst-case scenario for external debt.
12. The Council confirms that during the first half of 2017/18, the Operational Boundary has not been breached.
13. **Authorised Limit for External Debt:** The Council 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.
14. Total debt at 30/9/2017 was £42.3 million. The Council confirms that during the first half of 2017/18 the Authorised Limit was not breached at any time.
15. **Ratio of Financing Costs to Net Revenue Stream:** This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.
16. The positive percentage for the Housing Revenue Account (HRA) reflects the net borrowing costs for the HRA settlement.

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>General Fund</b>	-2%	-1%	-1%
<b>HRA</b>	14%	14%	14%
<b>Total</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>

17. **Incremental Impact of Capital Investment Decisions:** This is an indicator of affordability that shows the impact of capital investment 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 revenue budget requirement arising from the capital programme proposed.

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Council tax band D</b>	£4.53	£0.22	£0.05
<b>Weekly housing rent levels</b>	£0.15	£0.12	£0.04

## HOUSING REVENUE ACCOUNT (HRA) RATIOS

18. 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.

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>HRA debt £'000</b>	49,268	49,268	49,268
<b>HRA revenues £'000</b>	11,250	11,070	10,900
<b>Number of HRA dwellings</b>	2,383	2,406	2,393
<b>Ratio of debt to revenues %</b>	4.43:1	4.38:1	4.45:1
<b>Debt per dwelling £</b>	£20,675	£20,477	£20,588
<b>HRA Debt Cap</b>	56,851	56,851	56,851
<b>HRA CFR</b>	52,720	52,490	52,260
<b>HRA Headroom</b>	4,131	4,361	4,591

19. **Adoption of the CIPFA Treasury Management Code:** The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition*.