

# FAREHAM

BOROUGH COUNCIL

## Minutes of the Council

**Date:** Friday, 22 February 2019

**Venue:** Council Chamber - Civic Offices

**PRESENT:**

Mrs S M Bayford  
(Mayor)

Mrs P M Bryant  
(Deputy Mayor)

**Councillors:** K A Barton, I Bastable, Miss S M Bell, J E Butts,  
T M Cartwright, MBE, Mrs L E Clubley, S Cunningham,  
P J Davies, T Davies, S Dugan, Mrs T L Ellis, J M Englefield,  
K D Evans, G Fazackarley, M J Ford, JP, J S Forrest,  
Miss T G Harper, Mrs C Heneghan, Mrs C L A Hockley,  
L Keeble, J G Kelly, Mrs K Mandry, S D Martin,  
Ms S Pankhurst, R H Price, JP, Mrs K K Trott, N J Walker  
and S D T Woodward



**1. PRAYERS**

The meeting opened with prayers led by Reverend Mike Terry of St Mary's Church, Warsash.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor F Birkett.

**3. MINUTES**

RESOLVED that the Mayor be authorised to sign as a correct record the minutes of the Council meeting held on 13 December 2018.

**4. MAYOR'S ANNOUNCEMENTS**

The Mayor announced that on Sunday 24<sup>th</sup> February, Portchester Parish Hall are hosting a lunch with David Riley as guest speaker. David will be talking about 'An Asian Oddesey'. Tickets for the event are £11.

The remaining two tea parties for this year will take place on Thursday 7<sup>th</sup> March, where Sarah Pine will give a talk on First Responder Skills, and Thursday 4<sup>th</sup> April, when Robert Ellis will give a talk on The Royal Marines. The tea parties will start at 2.30pm in the Mayor's Parlour and tickets are available at £4 each.

The final event will be on Friday 29<sup>th</sup> March, when the Mayor will be holding her Charity Ball. The theme this year will be the Hollywood Oscars. Individual tickets for the ball are £45 each with a reduction for tables of ten.

**5. EXECUTIVE LEADER'S ANNOUNCEMENTS****M27 Junction 10 and Smart Motorway**

The Executive Leader advised Members that on 7 February he had written to the Secretary of State for Transport, Chris Grayling MP, about the M27 Smart Motorway project and how this might affect the remodelling of Junction 10 at Welborne.

In his letter, the Executive Leader highlighted the importance of ensuring that Hampshire County Council is properly funded to carry out the changes to Junction 10 of the M27 and that £500,000 is required imminently for design work to enable that to happen. The letter also stressed the importance of blending the existing Smart Motorway scheme with the works for the M27 Junction 10 in order to avoid the situation where the Smart Motorway is

implemented followed shortly after by digging it all up again to put in the new motorway junction.

The Executive Leader was pleased to be able to advise Members that the Secretary of State immediately released half a million pounds of additional funding to Hampshire County Council to enable the design work on Junction 10 to continue, this being part of the total Department of Transport contribution of £14.9 million. The Secretary of State also made it very clear that he expects the design of the two schemes (the Smart Motorway and M27 J10) to be joined up with all parties working together in the interest of the taxpayer towards bringing together the respective elements in a cohesive and coordinated manner. An agreement is being drafted that will set out in detail how the design will be carried out between Hampshire County Council and Highways England which is good news for the progression of Welborne.

## **Housing**

The Executive Leader referred to recent announcements from Government regarding the calculation for the delivery of housing numbers. The Leader reminded Members that the Council made representations to Government about the fact that despite having new housing projections in 2016 which appeared to require a lower number of house building in the Borough, the Government has now changed national Planning Policy and guidance and it is now clear that the housing need will be calculated using the 2014 Office of National Statistics (ONS) household projections. As a result, Fareham's housing requirement increases from 479 to 544 new homes per annum.

The results for the 2018 Housing Delivery Test (HDT) were also published by the Government on 19 February. This was four months later than the expected date and the results for Fareham were better than anticipated, with the Council achieving 137% in terms of the number of homes delivered.

This has an impact on the five-year housing land supply position which will be reported to the March Planning Committee. It is estimated that the new higher housing requirement with a 5% buffer will give the Council an approximate 4.5 years housing land supply.

Fareham's HDT results were considerably higher than the pass rate of 95%, which means that no sanction will be imposed upon us this year. The Council can therefore apply a 5% buffer to its five-year housing land supply position.

Fareham passed the test because the Government measurement appears to be against the Council's Adopted Local Plan rather than, as expected, against household projections. We will be seeking clarity from the Government on this point.

Whilst this is good news, it is important to remember the HDT result only addresses past delivery rates and as such has no bearing on the Borough's housing requirement going forward. As outlined above, our housing need has increased to 544 new homes per annum. Work on the Local Plan should therefore progress exactly as planned in order to meet the significant rise in housing need for the area.

Like all Councils, Fareham is currently in transitional arrangements in terms of the HDT so the bar against which it is measured will increase. Whilst the

current test appears to be measured against Adopted Local Plan requirements, by 2021 the HDT will be against the Council's housing need of 544 homes per annum. Delivery rates will therefore need to increase significantly over the next few years in order to ensure we do not fail Housing Delivery Tests in future years.

## **6. EXECUTIVE MEMBERS' ANNOUNCEMENTS**

### **Executive Member for Health and Public Protection**

#### **QA Hospital**

The Executive Member announced that he had recently attended a meeting at QA Hospital with Paul Bytheway, the Chief Operating Officer, and members of his staff, when they provided updates on the current situation regarding various issues.

In Accident and Emergency, they had spent several months preparing for the winter period, which included 12 additional beds, an extra temporary CT scanner and rapid flu assessments. They had planned for an increase in demand for December and January, but in January they saw a significant spike in demand on A & E which showed that 12,600 people attended: 407 per day on average.

On the A & E improvements (following the £58M funding from the Government), a team has been set up to enable work to begin shortly and it is expected the new build should be completed by 2021, which is excellent news.

Staffing levels (both nurses and doctors) were discussed and they were optimistic that they would reach the required numbers by the end of this year.

On the Fareham Community Hospital, they were quite upbeat in hoping to get a facility for kidney dialysis in the foreseeable future. Currently a business plan has been drawn up to take this project forward.

Since Mark Cubbon and his new team have been in place, there seems to be a distinct improvement across the whole of the hospital. During March, Mark Cubbon will be giving updates at four meetings in Portchester on the 5<sup>th</sup> March, Stubbington on the 27<sup>th</sup> March, and also at Gosport and Eastney. Details can be found on [www.porthosp.nhs.co.uk](http://www.porthosp.nhs.co.uk)

#### **Building Control Partnership**

As Chairman of the Building Control Partnership panel, the Executive Member reported on the meeting held earlier in the week.

The Partnership provides a variety of services on behalf of Fareham Borough, Gosport Borough and Portsmouth City Councils, including plan approval and site checking of Building Regulation applications, enforcement services, 24 hours dangerous structure service, control of demolitions, postal address management, access advisory service for people with disabilities and local regulation of private sector approved inspectors.

The Executive Member reported that the enlarged Partnership continues to perform very successfully and receives very high customer ratings for overall service. (9.1 out of 10). Achievements this year include:

- Over 3,500 applications processed with a substantial surplus generated in financial year.
- Building Regulation application market share has increased from 73% to 76%
- The contract to provide Building Regulations services to Hampshire County Council has been renewed.
- Continued improvement and investment in electronic systems to facilitate mobile working and improved customer access to services.
- Four additional companies signed as Partners for Building Control consultancy.
- Full support provided to all three constituent Councils and the Fire Authority in responding to the immediate local impact of the Grenfell fire tragedy.
- Vanguard intervention is currently being undertaken.

The Executive Member was pleased to report that the Partnership is proving to be very successful.

## **7. DECLARATIONS OF INTEREST**

The Mayor confirmed that the Monitoring Officer had granted a dispensation to all Members to enable discussion and a decision to be taken at item 15 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20.

Councillor R H Price, JP declared a Disclosable Pecuniary interest in item 15 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20 as he leases an allotment in Portchester. He confirmed that he would leave the chamber and not take part in any debate on allotments.

Councillor J M Englefield declared a Disclosable Pecuniary interest in item 15 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20 as he leases an allotment in Locks Heath. He confirmed that he would leave the chamber and not take part in any debate on allotments.

## **8. PRESENTATION OF PETITIONS**

There were no petitions presented at this meeting.

**9. DEPUTATIONS**

There were no deputations given at this meeting.

**10. REPORTS OF THE EXECUTIVE**

(1) Minutes of meeting Monday, 7 January 2019 of Executive

RESOLVED that the minutes of the Executive meeting held on Monday 07 January 2019 be received.

(2) Minutes of meeting Monday, 4 February 2019 of Executive

RESOLVED that:

(a) the minutes of the Executive meeting held on Monday 04 February 2019 were received;

(b) the recommendations contained in minute 9(1) will be considered under item 15 of the agenda

(c) the recommendations contained in minute 9(2) will be considered under item 16 of the agenda;

(d) recommendations contained in minute 9(4) will be considered under item 17.

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

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

**11. REPORTS OF OTHER COMMITTEES**

(1) Minutes of meeting Wednesday, 12 December 2018 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on Wednesday 12 December 2018 be received.

(2) Minutes of meeting Wednesday, 16 January 2019 of Planning Committee

RESOLVED that:

(a) the minutes of the Planning Committee held on Wednesday 16 January 2019 be received; and

(b) the recommendations contained in minute 6 – Spending Plans 2019/20 be accepted and accordingly that the Council:

(i) agrees the revised budget for 2018/19 and the base budget for 2019/20; and

(ii) notes the fees and charges for 2019/20;

(3) Minutes of meeting Wednesday, 6 February 2019 of Licensing and Regulatory Affairs Committee

RESOLVED that:

(a) the minutes of the Licensing and Regulatory Affairs Committee held on Wednesday 06 February 2019 be received;

(b) the recommendations contained in minute 7 – Fees and Charges 2019/20 be accepted and accordingly that the Council agrees the fees and charges for 2019/20; and

(c) the recommendations contained in Minute 8 – Spending Plans 2019/20 be accepted and accordingly that the Council:

(i) agrees the revised budget for 2018/19; and

(ii) agrees the base budgets for 2019/20.

## **12. REPORTS OF THE SCRUTINY PANELS**

(1) Minutes of meeting Tuesday, 15 January 2019 of Planning and Development Scrutiny Panel

RESOLVED that the minutes of the Planning and Development Scrutiny Panel held on Tuesday, 15 January 2019 be received.

(2) Minutes of meeting Thursday, 17 January 2019 of Policy and Resources Scrutiny Panel

RESOLVED that the minutes of the meeting of the Policy and Resources Scrutiny Panel held on Thursday 17 January 2019 be received.

## **13. QUESTIONS UNDER STANDING ORDER 17.2**

There were no questions raised at the meeting.

## **14. MOTIONS UNDER STANDING ORDER 15**

(1) Notice of Motion received on the 12 February 2019 from Councillor Mrs K K Trott

A notice of Motion was received from Councillor Mrs K K Trott.

"I propose that Fareham Borough Council calls upon the Secretary of State for Housing, Communities and Local Government to implement a review of the wide-ranging impacts of permitted development rights which allow change of use into residential homes. This would be in line with the views of the Local Government Association and the Royal Town Planning Institute, who recognise that problems have been caused by the 2013 deregulation of the Planning System which allows offices to be converted into homes without planning permission. Currently, developers do not have to contribute towards affordable or Social Housing or local infrastructure."

This motion was seconded by Councillor J Forrest.

The Mayor advised that this motion would be referred to the Planning and Development Scrutiny Panel for consideration, and that Councillor Mrs Trott would be invited to address the Panel with reasons for putting the motion forward.

## **15. FINANCE STRATEGY, CAPITAL PROGRAMME, REVENUE BUDGET AND COUNCIL TAX 2019/20**

### **(1) Suspension of Standing Order 19.4 and 19.5**

Having been duly proposed by Councillor T M Cartwright, MBE and seconded by Councillor K D Evans it was RESOLVED that:

- (a) the provisions of Standing Order 19.4 be suspended to allow the Executive Leader of the Council to speak for longer than five minutes on items 15(2) and 15(3); and also to allow the Opposition Spokesman to speak for not more than ten minutes; and
- (b) the provisions of Standing Order 19.5 be suspended to allow the Executive Leader of the Council to speak on matters referred to in items 15(2) and 15(3) more than once to respond to points raised in debate.

### **(2) Report to the Executive - 04 February 2019**

Councillor J E Butts arrived during this item.

Councillor R H Price, JP, declared a Disclosable Pecuniary interest in this item as he leases an allotment in Portchester. He confirmed that he would leave the chamber and not take part in any debate on allotments.

Councillor J M Englefield, declared a Disclosable Pecuniary interest in this item as he leases an allotment in Locks Heath. He confirmed that he would leave the chamber and not take part in any debate on allotments.

It was proposed by Councillor T M Cartwright, MBE and seconded by Councillor K D Evans that the Council accepts the recommendations of the Executive and approves:



- (a) the capital programme and financing of £39,973,000;
- (b) an overall revised revenue budget for 2018/19 of £8,440,500;
- (c) a revenue budget for 2019/20 of £8,666,400;
- (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 16-19;
- (e) a council tax for Fareham Borough Council for 2019/20 of £160.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (f) an unchanged Council Tax Support scheme for 2019/20.

In presenting the budget, the Executive Leader reviewed the Council's achievements of the year and the challenges that have been overcome in order to achieve an impressive position.

The Executive Leader stated that despite the challenging conditions there have been many success stories over the past year and he would therefore like to take the time to look at some of the most notable achievements.

This year, following feedback from residents, a Victorian Christmas theme was adopted for the Christmas Lights event. It was held over a weekend in Fareham Town Centre and there were unique festive food and drink stalls, along with music and arts and crafts. The Mayor of Fareham switched the lights on and was joined by Queen Victoria and Prince Albert.

In December, around 40 traders from Fareham Town Centre attended a special business breakfast meeting at Ferneham Hall. The meeting was arranged so that traders could raise any concerns and issues they had and to see how they can work with the Council towards a better future for the town centre. The Council is also working with traders in the Western end of West Street to involve them in town centre events and identify opportunities for increasing footfall.

In July, the £7m extension to Fareham Innovation Centre at Solent Airport@Daedalus, which was part funded by a £2m Solent LEP grant, was officially launched. It provides 3,400 square metres of new floor space, 33 new offices, five new workshops and spacious new conference facilities. This adds to the top of the range facilities and support already provided at the Innovation Centre for new businesses, especially those in the engineering, aerospace, aviation and marine industries. The entire complex is already 70% let.

It was a big year for Daedalus as the Council also won 'Development of the Year' at the South Coast Property Awards in recognition of exciting new developments at Faraday Business Park that match industry standards and add value to the region. This was followed by 'Business Park Innovation of the Year' on the same evening in recognition of the role Solent Airport@Daedalus

plays in the region's economy and celebrating its achievement to create a sustainable environment. Adopted in 2015, the Council's Vision for Daedalus was fully realised this year. There are a number of achievements that the Council is proud of. A fundamental objective of the Council's Vision for Daedalus was to deliver a financially self-sustaining asset in the medium to long term. The Executive Leader was pleased to say that Daedalus achieved a financial break-even position this year after just 3 years. The improved financial performance is mainly due to property income derived from the new facilities built by the Council, together with a growth in airport income from aviation fuel sales and increased daily aviation activity. Going forward, there will be opportunities to grow airport income further and maximise the revenue from its commercial property to provide financial security at Daedalus together with a reasonable return on investment for the Council's General Fund to continue to deliver excellent services.

The Council is currently conducting a Review of the Vision for Daedalus which aims to build on the successes already achieved. It outlines a number of priorities for the next 3-5 years:

Going forward, there will be opportunities to provide new commercial buildings that will not only help maximise revenue but also create employment opportunities.

The provision of community facilities such as Daedalus Common, a new play area, gate guardian and heritage facility will allow residents to benefit further from the site.

Improving airport infrastructure is also a priority. This includes aircraft parking, runway lighting to improve safety for pilots and the Marine and Coastguard Agency, as well as navigational equipment to aid pilots with precision landing approaches.

The Council will consider the case for long term expansion opportunities at the airport, including the scope for increased flight movements, extended operational hours, a short extension to the runway and to further the potential for unlocking further land for development.

In July, the Council hosted the first ever conference to tackle rough sleeping in the town. More than 70 delegates attended, including the key agencies who work in partnership to provide help and support to rough sleepers. The aim of the conference was to share information and identify strategies that will further support the work of the agencies and to launch 'Fareham StreetAid', a new initiative through which joint communications can be published.

Once again, the Council received numerous accolades at the South and South East in Bloom Awards 2018, including a 15th consecutive winning entry in the Best Small City category receiving a Gold Award and declared Category Winner. Fareham in Bloom also received the County Award for Hampshire for the highest marked entry in the county. Fareham's parks and gardens also came out with top awards including Gold Awards for the Sensory Garden, Westbury Manor Garden, the Civic Gardens, Warsash Common, Holly Hill Woodland Park and Portchester Common.

Social Media has continued to grow as a means of communication with residents. Followers on Twitter have increased to well over 5,000 in the last year. Facebook has seen a 20% increase in likes since February 2018, rising to approaching 7,000 people liking the Council's page. The PR and Communications department was named Public Sector Team of the Year at the Chartered Institute of Public Relations (CIPR) Pride Awards. The CIPR Pride Awards is a nationwide awards scheme, recognising excellence in public relations and communications. In addition, Southampton and Fareham Legal Services Partnership was named National Legal Team of the Year at the Local Government Legal Awards 2018. It is the second year in a row the team has been recognised at these awards; last year it was named Project Team of the Year.

Ferneham Hall is to undergo a multi-million pound investment and the Council has shared its vision for Ferneham Hall with the people of the Borough to get their opinions. Following the consultation process, it was agreed that the plans would be altered to reflect the views of residents, regular hirers and industry experts. This included increasing the capacity to 800 seats. The Council is currently seeking an experienced operator to run the remodelled venue and aim to have them in place this summer. The venue will temporarily close for remodelling following this year's pantomime and will reopen in Autumn 2021.

Access all Areas was attended by over 1,100 young people this year and Thumbs Up Thursday was attended by over 700 young people. Young people in Fareham will continue to receive support in 2019/20 thanks to nearly £30,000 from Fareham Borough Council's Youth Activities Fund. Seven youth projects in the Borough will share the funding which will help to provide a range of open access activities for young people.

In October, a commemorative stone to mark the 100th Anniversary of the end of the First World War was unveiled by the Mayor in West Street. It pays tribute to the 'Lost Sons of Fareham' and is movingly positioned to face its counterpart, which was installed four years ago to mark the onset of WW1. Throughout September and October the Council placed seven near life-size Silent Soldier silhouettes at various locations across the borough. Residents were invited to vote in an online poll to decide where an eighth and final soldier should be placed. Westbury Manor Museum Gardens was the eventual winner.

The Council is consulting on amendments to the outline planning application for Welborne Garden Village that was originally submitted by Buckland Development Ltd in 2017. All interested parties are able to comment until 1 March 2019. The original outline planning application proposed a new community of up to 6,000 homes with supporting shops and community facilities, employment space, schools, parks, open spaces and road improvements. The revised application includes a redesigned J10 layout for the M27, revisions to the local road network and changes to how and where various community facilities, such as schools and the new district centre, will be provided, along with updated plans and strategies.

In March, it was announced that the Council would receive £500,000 in Government funding from the Joint Air Quality Unit to help improve the Borough's air quality; a subsequent £250,000 was also received. The grant

will go towards the Council's work to ensure levels of nitrogen dioxide fall within legal limits. The Council was also awarded £150,000 in Government funding which will be used towards a taxi replacement scheme in Fareham. The scheme will offer financial incentives to taxi owners in Fareham if they replace their older diesel vehicles with Ultra Low Emission vehicles or hybrid vehicles. During the Autumn, over 1,100 people took part in the Council's 'Let's Clear the Air' Consultation on possible measures aimed at improving the Borough's air quality. The Council's final plan of measures was submitted to the Joint Air Quality Unit (JAQU) in December.

Work on phase five of the Vanguard systems thinking, interventions are now under way. This phase will look at Tenancy Services and Building Control Partnership, an expansion of the Streetscene intervention and a continuation of works in Democratic Services. To date, significant lessons have been learnt from each intervention and new ways of working have been implemented, which have resulted in a more responsive, customer focused approach. The main purpose of the initial contract was to improve the overall customer experience; the interventions have however generated unplanned savings of well over £1m per annum, with further savings likely in the future. The contract with the Vanguard Consultancy is nearing completion, however it is recognised that, on occasions, the support and guidance of a Vanguard consultant may be required. A call-off arrangement is therefore in place, with a budget of £20,000 set aside from the spending reserve surplus.

In 2013 the Executive took a decision to invest significantly in commercial property. Interest rates had fallen to record lows and the Council had to find new ways to invest its money in order to generate income and protect services. The Commercial Property Investment Acquisition Strategy was established in order to maximise value for money, by delivering a good return on investment and a regular income stream for the Council. An initial investment of £3 million which was increased to £8million later in 2013 was agreed with more funding being approved during 2016. To date the Council has spent over £26 million acquiring 8 properties, including 2 Sainsburys, a Tesco store and a large amount of retail in our own borough. The acquisitions are generating around £1.7 million of rental income per annum for the Council, representing an average return of 6.3% which is far higher than the current level of interest rates which still remain at under 1%. All of these investments mean that the Council has continued to provide high level services and changes to services have been through business improvements rather than the cuts to services and mass redundancies seen in most all other councils.

Even though the Council has achieved a great deal already, further savings need to be made. The financial year 2019/20 will see the final year of the four-year financial settlement offered by the government to provide some certainty for councils over that time period. By the start of the 2020/21 financial year the results of the Government's Fair Funding Review will be known and the chances are that finances for district councils will not benefit from this review mainly due to pressures in other areas such as social care and education. As well as funding reductions the Council must also plan for other budget pressures that will see spending increase over the next few years. Some of these the Council have little or no control over such as pay and pension increases or contractual rises. Also, there are expectations and demands from customers that can come at a cost, particularly around areas such as keeping

the Borough tidy or maintaining the high standards of parks and open spaces. The biggest challenge, by far, is the continuing reduction in financial support from central government and the presentation shows how the funding has changed in the last 10 years. In 2010/11 the overall spending power was just over £12m and 10 years later this has reduced to just over £8.7m. Spending power is shown as Government grant and business rates plus the amount raised through Council Tax. Since 2010/11 the emphasis has changed from government to local support. In agreeing to take up the 4-year settlement from 2016/17 the government support for Fareham ended after 2 years and in the final 2 years of the settlement period, revenue support grant has been zero. As part of the 4-year settlement it was made quite clear to councils that council tax increases would be required to meet the budget gap as the freeze grant previously on offer would be ending. The emphasis would change from reliance on freeze grant to an expectation that council tax payers would pay more for the services they receive. In those four years the expectation on Fareham has been to increase council tax by more than the 2% and 3% limits set by the government. In fact due to Fareham's council tax being so low up to 2016/17 the Council has been allowed to increase council tax by £5 in each of the 4 years in the settlement period and that is what has been done.

The finance strategy was presented to the Executive in January and as part of that strategy an opportunities plan was presented to attempt to close the funding gap over the next four years. Meetings have been held at a senior level and a list has been compiled of over 130 ideas for either reducing costs, increasing income or doing what is right for customers. The total of all of the lists could bring in over £1 million of opportunities but to bring this up by another £0.5m help is needed and a project team will be brought together for 2 years to enable many of these ideas to happen. As part of the budget setting for 2019/20 almost £500,000 of opportunities have already been built in meaning that going forward more ideas will be required to ensure the budget continues to be balanced.

The Executive Leader turned his attention to the Council's capital programme and announced that the General Fund capital programme for the next 5 years is a very generous £40m, focussed on delivering schemes which accord with the Council's Priorities. This is a fully funded programme, paid partly from resources that the Council has accumulated and also with a large proportion attracted from external sources, thereby protecting the Council Tax payers. At the end of the 5 years, by 2022, it is estimated that there will be a surplus of £2.2 million which represents a contingency of 5.6% of the overall programme but this relies on every scheme being completed on time and within budget. Surplus resources are required to cover these situations and also for new schemes that may come on line during the next 5 years and it is important to realise that the programme relies on capital receipts and revenue contribution of almost £8m to fund the programme.

The cost of running the Housing Revenue Account in 2019/20 is estimated to be just over £12.3 million, with the principal source of funding being from rents. Almost 91% of the annual income is from rent of dwellings and garages with the average weekly rent in Fareham being £89.53 in 2019/20. This figure includes a 1% reduction in the weekly rent that was announced by the Government in 2015. As part of the Housing Revenue Account the next 5 years will see a £26m investment in Council properties including

improvements, acquisitions and a new build programme. In October 2018 the Government abolished the cap on HRA borrowing which although good news must be treated with some caution as the funds available through borrowing need to be serviced without undermining the financial stability of the Council's HRA.

The Executive Leader was pleased to be able to present the budget to Council which gets the support of residents. In a recent consultation, residents were asked if they supported the proposed changes to Council Tax discounts for empty properties. The vast majority supported each of the proposals. When asked about council tax increases the vast majority (88%) agreed with the proposed £5 increase, with some even willing to go up to £10, because of the quality of services they receive from the council.

The net budget for 2019/20 will amount to £8.7 million and is almost £200,000 more than the base budget for the current year. Each year, in recognition of the economic conditions at the time, the Council determines how the budget should be prepared for the following year. The Medium-Term Finance Strategy was considered in January of this year and clear budget setting principles were determined as a result. These key principles are the basis for preparing the General Fund Revenue budget for 2019/20. Fundamentally, and most importantly, the budget must be and is balanced, that is to say there is sufficient income to meet planned costs. Secondly, the budget must be sustainable, providing sufficient flexibility to respond to changing needs and demands in the future. Just as important, is the need to be confident that the budget is robust, providing sufficient resources to fulfil pledges and targeting resources where they are most needed. Where spending pressures are known, they have been fully allowed for in the budget, and the sources of income to pay for the services have been carefully estimated to reflect a realistic position. Savings and opportunities have been built in to the budget but only those which are secured have been included, providing a high degree of certainty and limiting the risk of a budget deficit in the year. This is a strong position, providing certainty for customers, for employees and ourselves that we can continue with the level and quality of services that have been delivered since the current administration took control. Despite receiving one of the lowest levels of Government support in Hampshire and taking account of the impact of the unprecedented economic climate, it has been possible to set a net budget of £8.7m for 2019/20. With funding from business rates of £1,897,692 the sum of £6,874,944 must be raised from Fareham's Council taxpayers.

Fareham's Council Tax base for 2019/20 is 42,909.6 which is an increase of 304 band D properties over the 2018/19 figure. This is along with around 2750 properties receiving assistance through the council tax support scheme. Dividing the amount to be raised from taxpayers by the tax base gives a Council Tax for band D properties of £160.22. With Fareham's proportion of the council tax rising £5 this year it remains a small element of the overall increase of £66.88 for 2019/20. The Police and Crime Commissioner will be increasing their share of council tax by £24.00 with the Hampshire Fire showing an increase of £1.97. The biggest increase will be from the County Council who will be raising their council tax by the maximum allowed for their services. They have used up their social care increase of 6% over the last 2

years so the 2.99% increase will represent a £35.91 rise for a band D property by the County Council.

After another very significant grant reduction this year from Government and with further reductions to come, the Executive Leader announced that he was in the position where the Council must say to customers that Council Tax for Fareham will need to increase for a fourth time since 2009. In real terms, this is still below the level it would be had the Council increased Council Tax in line with inflation each year. The overall position for Fareham's taxpayers will be:

Fareham Borough Council £160.22,  
Hampshire County Council £1236.87,  
Police and Crime Commissioner £201.46,  
Hampshire Fire and Rescue £67.71,

This gives a total for a Band D property of £1,666.26, which represents a 4.2%

The Executive Leader stated that the budget he had outlined delivers all services at a cost equivalent to a level seen a decade ago and that he had also proposed a capital programme for the next 5 years, valued at £40m. In addition, he was able to confirm that although the Council has seen further funding reductions of £150,000 including a loss of New Homes Bonus a balanced budget has been set and that, in line with Central Government policy, the Council has increased Council Tax for only the fourth time in 10 years which, considering the reductions to funding over that time, is a remarkable achievement to have kept council tax so low and even with a £5 increase Fareham will still have one of the lowest council tax band D charges in the country. Of course, Fareham has most properties in Band C and here the Council Tax for two adults will still be £142.42 or just £2.74 per week.

On that note, the Executive Leader asked Members to approve the recommendations set out under Item 15(3) on the agenda. This makes Fareham's Council Tax one of the lowest "district" rates in England. Quite impressive when considering that, at the same time, 90% of councils will receive more Government support per dwelling than Fareham.

During the debate on this item, a number of Councillors asked that their thanks be placed on record to Officers who work hard to deliver the services of the Council.

Following a debate on the item and on the recommendations being put to the meeting it was declared CARRIED with 28 voting in favour and 1 absention.

(Councillors K Barton, I J Bastable, Miss S M Bell, Mrs P M Bryant, J E Butts, T M Cartwright MBE, Mrs L E Clubley, S Cunningham, P J Davies, T Davies, S Dugan, Mrs T L Ellis, K D Evans, G C Fazackarley, M J Ford JP, J S Forrest, Miss T Harper, Mrs C Heneghan, Mrs C L A Hockley, L Keeble, J G Kelly, Mrs K Mandry, S D Martin, Ms S Pankhurst, R H Price JP, Mrs K K Trott, N J Walker and S D T Woodward voting in favour and Councillor J M Englefield abstaining.

RESOLVED that the recommendations of the Executive be accepted and accordingly the Council approves:

- (a) the capital programme and financing of £39,973,000;
  - (b) an overall revised revenue budget for 2018/19 of £8,440,500;
  - (c) a revenue budget for 2019/20 of £8,666,400;
  - (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 16-19;
  - (e) a council tax for Fareham Borough Council for 2019/20 of £160.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
  - (f) an unchanged Council Tax Support scheme for 2019/20.
- (3) Council Tax for 2019/20 for Fareham Borough Council, Hampshire County Council, Hampshire Police and Crime Commissioner and Hampshire Fire and Rescue Service

The Council considered information tabled at the meeting: a schedule showing the formal calculations for setting the Council Tax and a graphical breakdown of council tax rates, as attached to these minutes.

On recommendations being put to the meeting, it was declared CARRIED with 27 voting in favour and 2 voting against.

(Councillors K Barton, I J Bastable, Miss S M Bell, Mrs P M Bryant, J E Butts, T M Cartwright MBE, Mrs L E Clubley, S Cunningham, P J Davies, T Davies, S Dugan, Mrs T L Ellis, K D Evans, G C Fazackarley, M J Ford JP, J S Forrest, Miss T Harper, Mrs C L A Hockley, L Keeble, J G Kelly, Mrs K Mandry, S D Martin, Ms S Pankhurst, R H Price JP, Mrs K K Trott, N J Walker and S D T Woodward voting in favour and Councillors J M Englefield and Mrs C Heneghan voting against.

RESOLVED that the Council:

- (1) notes that on 22 February 2019 the Council calculated the Council Tax Base 2019/20 for the whole Council area as £42,909.60 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")]
- (2) calculates that the Council Tax requirement for the Council's own purposes for 2019/20 is £6,874,944.
- (3) notes the following amounts calculate by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:-



- (a) £47,395,500 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £40,520,556 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £6,874,944 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £160.22 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
- (e) £0.00 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £160.22 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(4) notes that the County Council, the Police and Crime Commissioner along with Hampshire Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

(5) notes that the Council, in accordance with Sections 30 and 38 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of dwellings.

Valuation Bands							
Fareham Borough Council							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
106.81	124.62	142.42	<b>160.22</b>	195.82	231.43	267.03	320.44
Hampshire County Council							

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
766.51	894.27	1,022.02	<b>1,149.77</b>	1,405.27	1,660.78	1,916.28	2,299.54

Hampshire County Council – Adult Social Care							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
58.07	67.74	77.42	<b>87.10</b>	106.46	125.81	145.17	174.20

Police and Crime Commissioner for Hampshire							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
134.31	156.69	179.08	<b>201.46</b>	246.23	291.00	335.77	402.92

Hampshire Fire and Rescue Authority							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
45.14	52.66	60.19	<b>67.71</b>	82.76	97.80	112.85	135.42

Aggregate of Council Tax Requirements							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,110.84	1,295.98	1,481.13	<b>1,666.26</b>	2,036.54	2,406.82	2,777.10	3,332.52

(6) notes that in accordance with the set of principles set by the Ministry of Housing, Communities and Local Government for the year, it is determined that the relevant basic amount of council tax for 2019/20 is not excessive.

## 16. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2019/20

On the recommendations being put to the meeting, it was declared CARRIED with 27 voting in favour and 2 abstentions

(Councillors K Barton, I J Bastable, Miss S M Bell, Mrs P M Bryant, J E Butts, T M Cartwright MBE, Mrs L E Clubley, S Cunningham, P J Davies, T Davies, S Dugan, Mrs T L Ellis, K D Evans, G C Fazackarley, M J Ford JP, J S Forrest, Miss T Harper, Mrs C L A Hockley, L Keeble, J G Kelly, Mrs K Mandry, S D Martin, Ms S Pankhurst, R H Price JP, Mrs K K Trott, N J Walker, S D T Woodward voting in favour and Councillors J M Englefield and Mrs C Heneghan abstaining).

RESOLVED that the recommendations of the Executive at its meeting on the 04 February 2019, contained in minute 9(2): Housing Revenue Account Budget and Capital Plans 2019/20 be accepted and, accordingly, the Council approves that:

- (a) rents be approved for Council Dwellings as set out in paragraph 17 with effect for 01 April 2019;
- (b) rents for Council garages be increased by 4.2% with effect from 01 April 2019;

- (c) the revised budget for 2018/19 be approved;
- (d) the base budget for 2019/20 be approved; and
- (e) the capital programme and financing for 2018/19 to 2022/23 be approved.

**17. TREASURY MANAGEMENT STRATEGY & CAPITAL STRATEGY 2019/20**

RESOLVED that the recommendations of the Executive at its meeting on 04 February 2019, contained in Minute 9(4): Treasury Management Strategy & Capital Strategy 2019/20 be approved.

**18. APPOINTMENTS TO COMMITTEES**

There were no changes to the appointments to Committees made at this meeting.

**19. EXCLUSION OF PUBLIC AND PRESS**

RESOLVED that the public and representatives of the press be excluded from the remainder of the meeting in accordance with Section 100A(4) of the Local Government Act 1972, on the grounds that the matter to be dealt with under item 20 of the agenda involves the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act.

**20. SENIOR MANAGEMENT STRUCTURE**

The Council received a report by the Chief Executive which provided details of a proposed new Senior Management structure for the Council.

RESOLVED that the Council approves:

- (a) the deletion of the current post of Managing Director of Fareham Housing with effect from 1st April 2019;
- (b) that with effect from 1st April 2019:
  - i. the designation of the Director of Finance and Resources be amended to Deputy Chief Executive Officer;
  - ii. the designation of the Director of Planning and Regulation be amended to Director of Planning and Regeneration;
  - iii. the designation of the Head of Human Resources and ICT be amended to Director of Support Services; and
  - iv. the designation of the Head of Leisure and Corporate Services be amended to Director of Leisure and Community;

- (c) the appointment of Mrs Sarah Robinson, Director of Support Services (subject to the approval of recommendation (b)), to the role of the Council's Monitoring Officer with effect from 1st April 2019;
- (d) that authority be delegated to the Chief Executive Officer to amend the Constitution, including but not limited to the Scheme of Delegation to Officers to transfer functions between Directors as described in this report.

(The meeting started at 5.00 pm  
and ended at 7.15 pm).

## **SCHEDULE (Item 15(3) refers)**

**22 February 2019**

### **SETTING THE COUNCIL TAX 2019-20**

#### **PURPOSE**

The purpose of this schedule is to enable the Council to calculate and set the Council Tax for 2019/20.

#### **BACKGROUND**

The Localism Act 2011 and Local Government Finance Act require the billing authority to calculate a Council Tax requirement for the year commencing 1 April 2019.

Since the meeting of the Executive on 4 February 2019 the precept levels of the other precepting bodies have been received. These are detailed below:

#### **Hampshire County Council**

Hampshire County Council met on 14 February 2019 and set their Council Tax Requirement at £635,828,608.06.

Fareham's element of this will be £53,073,596.95 and this results in an overall Band D Council Tax of £1,236.87.

The precept is split between the main council tax of £1,149.77 and Adult Social Care precept of £87.10.

#### **Police and Crime Commissioner for Hampshire**

The Police and Crime Commissioner and the Police and Crime Panel agreed the Commissioner's Council Tax Requirement at £138,927,823.30.

Fareham's element of this will be £8,644,568.02 and this results in a Band D Council Tax of £201.46.

#### **Hampshire Fire and Rescue Authority**

Hampshire Fire and Rescue Authority met on 20 February 2019 and set their Council Tax Requirement at £43,070,127.87.

Fareham's element of this will be £2,905,409.02 and this results in a Band D Council Tax of £67.71.

## Conclusions

The recommendations of the Council are set out in the formal Council Tax Resolution below.

If the formal Council Tax resolution is approved, the total Band D Council Tax will be as follows:

	<b>2018/19</b>	<b>2019/20</b>	<b>Increase</b>
Fareham Borough Council	£155.22	£160.22	3.22%
Hampshire County Council	£1,113.86	£1,149.77	2.99%
HCC Adult Social Care	£87.10	£87.10	Overall
Police & Crime Commissioner	£177.46	£201.46	13.52%
Hampshire Fire & Rescue Authority	£65.74	£67.71	2.99%
<b>TOTAL BAND D COUNCIL TAX</b>	<b>£1,599.38</b>	<b>£1,666.26</b>	<b>4.18%</b>

**SCHEDULE**  
**(Item 15(3) refers)**

**The Council is recommended to resolve as follows:**

Members are advised therefore that the appropriate resolution giving effect to the Executive's recommendation and taking account of the precepts is:-

- (1) It be noted that on 22 February 2019 the Council calculated the Council Tax Base 2019/20 for the whole Council area as 42,909.6 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")]
- (2) Calculate that the Council Tax requirement for the Council's own purposes for 2019/20 is £6,874,944
- (3) That the following amounts be calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:-
  - (a) £47,395,500 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £40,520,556 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £6,874,944 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - (d) £160.22 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
  - (e) £0.00 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - (f) £160.22 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (4) To note that the County Council, the Police and Crime Commissioner along with Hampshire Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

- (5) That the Council, in accordance with Sections 30 and 38 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of dwellings.

Valuation Bands							
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Fareham Borough Council							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
106.81	124.62	142.42	<b>160.22</b>	195.82	231.43	267.03	320.44

Hampshire County Council							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
766.51	894.27	1,022.02	<b>1,149.77</b>	1,405.27	1,660.78	1,916.28	2,299.54

Hampshire County Council – Adult Social Care							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
58.07	67.74	77.42	<b>87.10</b>	106.46	125.81	145.17	174.20

Police and Crime Commissioner for Hampshire							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
134.31	156.69	179.08	<b>201.46</b>	246.23	291.00	335.77	402.92

Hampshire Fire and Rescue Authority							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
45.14	52.66	60.19	<b>67.71</b>	82.76	97.80	112.85	135.42

Aggregate of Council Tax Requirements							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,110.84	1,295.98	1,481.13	<b>1,666.26</b>	2,036.54	2,406.82	2,777.10	3,332.52

- (6) That in accordance with the set of principles set by the Ministry of Housing, Communities and Local Government for the year, it is determined that the relevant basic amount of council tax for 2019/20 is not excessive.

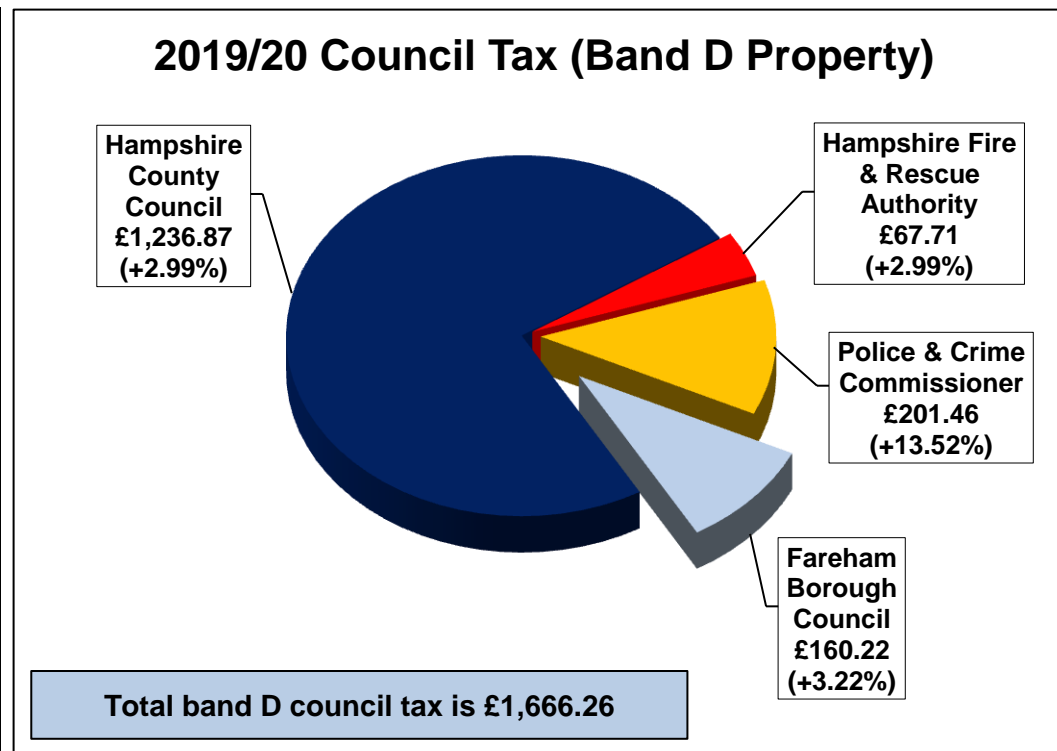


**FAREHAM BOROUGH COUNCIL  
2019/20 Budget and Council Tax**

(Item 15(3) Refers)

REVENUE BUDGET SUMMARY 2019/20			
Budget 2018/19 £	SERVICE BUDGETS	Budget 2019/20 £	Variation £
565,100	Planning Committee	485,700	-79,400
501,500	Licensing & Regulatory Affairs Committee	516,800	15,300
	Executive Portfolio Budgets		
2,378,000	- Leisure & Community	1,668,800	-709,200
1,082,500	- Housing	1,381,300	298,800
170,200	- Planning & Development	-307,300	-477,500
-908,800	- Policy & Resources	-589,300	319,500
2,207,600	- Health & Public Protection	2,332,200	124,600
4,773,300	- Streetscene	5,814,000	1,040,700
<b>10,769,400</b>	<b>Total Service Expenditure</b>	<b>11,302,200</b>	<b>532,800</b>
-2,328,900	Other Budgets	-2,635,800	-306,900
<b>8,440,500</b>	<b>NET EXPENDITURE</b>	<b>8,666,400</b>	<b>225,900</b>

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COUNCIL TAX PER BAND D PROPERTY				
Budget 2018/19 £'000		Budget 2019/20 £'000	Amount per person £	Amount per band D Property £
8,441	Net Expenditure	8,666	74.57	201.96
	Less Income:			
0	Revenue Support Grant	0	0.00	0.00
25	Use of Collection Fund Balances	107	0.92	2.49
-1,853	Retained Business Rates	-1,898	-16.33	-44.23
<b>£ 6,613</b>	<b>Fareham Borough Council Total</b>	<b>£ 6,875</b>	<b>£ 59.16</b>	<b>£ 160.22</b>
	add: Hampshire County Council Precept		456.67	1,236.87
	Hampshire Fire and Rescue Authority Precept		25.00	67.71
	Police and Crime Commissioner Precept		74.38	201.46
	<b>TOTAL</b>		<b>£ 615.21</b>	<b>£ 1,666.26</b>

**FAREHAM BOROUGH COUNCIL**  
**2019/20 Budget and Council Tax**

(Item 15(3) Refers)

<b>Council Tax Bands for 2019-20</b>	<b>Hampshire County Council</b>	<b>HCC Adult Social Care</b>	<b>Police &amp; Crime Commissioner</b>	<b>Hampshire Fire and Rescue</b>	<b>Fareham Borough Council</b>	<b>TOTAL</b>
Band A	£766.51	£58.07	£134.31	£45.14	£106.81	£1,110.84
Band B	£894.27	£67.74	£156.69	£52.66	£124.62	£1,295.98
Band C	£1,022.02	£77.42	£179.08	£60.19	£142.42	£1,481.13
<b>Band D</b>	<b>£1,149.77</b>	<b>£87.10</b>	<b>£201.46</b>	<b>£67.71</b>	<b>£160.22</b>	<b>£1,666.26</b>
Band E	£1,405.27	£106.46	£246.23	£82.76	£195.82	£2,036.54
Band F	£1,660.78	£125.81	£291.00	£97.80	£231.43	£2,406.82
Band G	£1,916.28	£145.17	£335.77	£112.85	£267.03	£2,777.10
Band H	£2,299.54	£174.20	£402.92	£135.42	£320.44	£3,332.52