

FAREHAM

BOROUGH COUNCIL

AGENDA FOR THE EXECUTIVE

Date: Monday, 1 September 2014

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, Public Protection (Deputy Executive Leader)

Councillor B Bayford, Health and Housing

Councillor K D Evans, Planning and Development

Councillor Mrs C L A Hockley, Leisure and Community

Councillor L Keeble, Streetscene



1. Apologies for Absence

2. Minutes (Pages 1 - 6)

To confirm as a correct record the minutes of the meeting of Executive held on 7 July 2014.

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.

(1) Minutes of meeting Monday, 28 July 2014 of Housing Tenancy Board (Pages 7 - 12)

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. Planning and Development

Non-Key Decision

(1) Local Development Scheme Review (Pages 13 - 42)

A report by the Director of Planning and Development.

(2) Parking Charges - Fareham Town Centre Thursday Late Night Shopping (Pages 43 - 48)

A report by the Director of Planning and Development.

9. Policy and Resources

Key Decision Notice

(1) Proposed Beach Hut Site Rent Increase (Pages 49 - 104)

A report by the Director of Finance and Resources.

(2) Lease of Part of Floor 5, Civic Offices (Pages 105 - 118)

A report by the Director of Finance and Resources.

Non-Key Decision

(3) Annual Review of the Corporate Strategy 2011-2017 (Pages 119 - 138)

A report by the Director of Finance and Resources.

(4) Annual Update - Local service Agreements (Pages 139 - 160)

A report by the Director of Finance and Resources.

(5) Land Adjoining 268 Brook Lane (Pages 161 - 182)

A report by the Director of Finance and Resources.

(6) Quarterly Financial Monitoring Report 2014/2015 (Pages 183 - 194)

A report by the Director of Finance and Resources.

(7) Treasury Management Monitoring Report 2014/15 (Pages 195 - 208)

A report by the Director of Finance and Resources.

10. Exclusion of Public and Press

To consider whether it is in the public interest to exclude the public and representatives of the Press from the remainder of the meeting on the grounds that the matters to be dealt with involve the likely disclosure of exempt information, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Exempt Matters for Decision

Note: Where urgent items of business are raised in accordance with Part 3 of the Constitution, they will be considered with the relevant service decisions as appropriate.

11. Policy and Resources

Key Decision Notice

(1) Council Housing Responsive Repairs Service (Pages 209 - 222)

A report by the Director of Environmental Services.

P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk
22 August 2014

For further information please contact:

Democratic Services, Civic Offices, Fareham, PO16 7AZ

Tel: 01329 236100

democraticservices@fareham.gov.uk

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 7 July 2014

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
B Bayford, Health and Housing
K D Evans, Planning and Development
Mrs C L A Hockley, Leisure and Community
L Keeble, Streetscene

Also in attendance:

Mrs S M Bayford, Chairman of Streetscene Policy Development and Review Panel
Miss S M Bell, Chairman of Leisure and Community Policy Development and Review Panel
Mrs M E Ellerton, Chairman of Health and Housing Policy Development and Review Panel
M J Ford, JP, Chairman of Appeals Committee
T G Knight, Chairman of Audit and Governance Committee; for item 9(1)
A Mandry, Chairman of Planning and Development Policy Development and Review Panel; for item 9(1)
Mrs K Mandry, Chairman of Public Protection Policy Development and Review Panel
D C S Swanbrow, Chairman of Scrutiny Board
Mrs K K Trott, for item 10(1)



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor T M Cartwright.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 2 June 2014 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader confirmed that today's announcement about the successful funding bid for the Solent Local Enterprise Partnership's Strategic Economic Plan and Local Growth Deal was very good news for the Solent area.

Whilst the final funding bid of £237 million was not fully met, the Solent LEP has had confirmation of £124.8million committed funding for 2015/16 and an agreement of provisional funding for the following four years.

The Executive Leader stated that this is excellent news for Fareham as the funding enables the commencement of works on Stubbington Bypass, Peel Common and the whole package of improvements relating to access for Fareham and Gosport, it will also provide funding for creating a new "all moves" junction 10 on the M27 and improvements to Whiteley Way.

It is anticipated that the Growth Deal will attract an estimated £360 million of private sector funding meaning that the total investment package for the Solent area will approach £500 million and will result in the creation of around 5,000 new jobs, 10,000 new homes, 296,000 sq m of employment floor space, 2,500 apprenticeships and 600 businesses supported with the flagship elements for this being situated in Welborne and Daedalus which is very good news for Fareham.

4. DECLARATIONS OF INTEREST

The Executive Leader declared a non-pecuniary interest for item 9(1) Response to Consultation – Stubbington Bypass as he is the Hampshire County Council Executive Member for Economy, Transport and Environment. He remained present throughout the meeting, took no part in the discussion and did not vote on the decision.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

There were no deputations made at this meeting.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

There were no references given at this meeting.

8. LEISURE AND COMMUNITY

(1) Cams Alders Recreation Ground - Vision for New Sports Facilities

RESOLVED that the Executive agrees to:

- (a) establish a steering group to develop a vision for new and improved sports facilities and enhancements to the public open space at Cams Alders Recreation Ground, as set out in paragraph 27 of the report; and
- (b) appoint Councillor M J Ford, JP to act as chairman for the group.

(2) The Centenary Fields

RESOLVED that the Executive agrees to nominate Sarisbury Green for the Centenary Fields Programme.

(3) Coldeast Swimming Pool: Project Governance Arrangements

RESOLVED that the Executive:

- (a) agrees the governance and decision-making structure as set out in appendix A to the report; and
- (b) agrees the composition of the Project Member Working Group and appoints Councillor T M Cartwright as Chairman with Councillors B Bayford, D C S Swanbrow and R H Price, JP as members of the group with Councillor Mrs K K Trott as deputy for Councillor Price.

9. PLANNING AND DEVELOPMENT

(1) Response to Consultation - Stubbington Bypass

The Executive Leader declared a non-pecuniary interest for item 9(1) Response to Consultation – Stubbington Bypass as he is the Hampshire County Council Executive Member for Economy, Transport and Environment. He remained present throughout the meeting, took no part in the discussion and did not vote on the decision.

At the invitation of the Executive Leader, Councillors A Mandry and T G Knight addressed the Executive on this item.

RESOLVED that the Executive:

- (a) notes the public consultation currently being carried out by Hampshire County Council on highway proposals for Improving Access to Fareham and Gosport, as outlined in the attached Appendix A;
- (b) agrees the proposed consultation response as set out from paragraph 11 of the Executive Briefing Paper;
- (c) delegates authority to the Director of Planning and Development, in consultation with the Executive Member for Planning and Development to finalise the response to Hampshire County Council, incorporating any minor additions or amendments; and
- (d) agrees that the response be sent as soon as possible to Hampshire County Council, and in any event prior to the end of the Consultation period on 4 August 2014.

10. POLICY AND RESOURCES

(1) Welborne Infrastructure Funding Strategy

At the agreement of the Executive Leader, comments on the Welborne Infrastructure Funding Strategy were received on behalf of the site promoters and were taken into account in determining this item and an additional recommendation was received (as appended to these minutes).

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

RESOLVED that the Executive:

- (a) notes the Infrastructure Funding Strategy report attached at Appendix A to the report and agrees that it be published to support the Council's overall strategy for the delivery of Welborne;
- (b) agrees the update to the Council's position statement on infrastructure funding for Welborne attached at the Appendix B to this report; and
- (c) that the Director of Finance and Resources, after consultation with the Executive Member for Policy and Resources and the Director of Planning and Development, be authorised to make any appropriate amendments to *Infrastructure Funding Strategy Position Statement Update*, prior to publication, provided that these do not change the overall direction, shape or emphasis of the document, and do not raise any significant new issues.

(2) Efficiency Savings

During the debate on this item, the Executive Member for Leisure and Community placed on record her thanks to the staff of the Tourist Information Centre for all their hard work and commitment.

RESOLVED that the Executive agrees:

- (a) to reduce the annual budget for Community Grants to £80,000 per year;
- (b) that the annual funding for the Tourist Information Centre be removed from 2015/16, delivering a saving of £36,000 per annum; and
- (c) that the Council becomes a destination partner with Tourism South East at a cost of £1,500 per annum.

(3) Daedalus Investment Project - Progress Update

RESOLVED that the Executive notes the progress made to date on the Daedalus Investment Project.

(4) Actual General Fund Revenue Expenditure 2013/14

RESOLVED that the Executive agrees:

- (a) that completion of the expenditure programmes contained in this report be approved; and
- (b) that the report be noted.

(5) Actual Housing Revenue Account Expenditure and Financing 2013/14

RESOLVED that the Executive agrees:

- (a) that the balance on the Housing Revenue and Repairs Accounts as at 31 March 2014 be carried over to 2014/15; and
- (b) that the following budget be carried forward:
 - i. £3,400 Environmental Improvements.

(6) Actual Capital Expenditure and Financing 2013/14

RESOLVED that the Executive agrees:

- (a) that the capital programme for 2013/14 be approved and financed as set out in Appendix B to this report;
- (b) that the individual expenditure incurred, amounting to £382,106 be financed retrospectively from the surplus capital resources; and
- (c) that the actual capital expenditure for 2013/14 be noted.

(7) Treasury Management Annual Report 2013/14

RESOLVED that the Executive notes the Treasury Management Annual Report for 2013/14.

(8) Pulheim Twinning 30th Anniversary

That the Executive agrees to:

- a) host a tree planting ceremony and reception with a contingent from Pulheim as guests of honour;
- b) plant a Liquid Amber tree, and erect a commemorative plaque in Westbury Manor garden; and
- c) present the Mayor of Pulheim with a commemorative scroll for the 30th anniversary of Fareham and Pulheim twinning.

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

FAREHAM

BOROUGH COUNCIL

Minutes of the Housing Tenancy Board (to be confirmed at the next meeting)

Date: Monday, 28 July 2014

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor P J Davies (Chairman)

(Vice-Chairman)

Councillors: T J Howard, Mrs K K Trott, C J Wood and Mrs M E Ellerton
(deputising for Mrs K Mandry)

Co-opted members: Mrs P Weaver, Mr G Wood and Miss E Bartlett (deputising for Mr B Lee)

Also Present: Councillor B Bayford, Executive Member for Health and Housing
(Item 11)



1. APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillor Mrs K Mandry and Mr Brian Lee.

2. MINUTES

It was AGREED that the minutes of the Housing Tenancy Board held on 22 April 2014 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillor C J Wood to the meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest or disclosures of advice or direction made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. QUARTERLY PERFORMANCE REPORT - TENANCY SERVICES

The Board considered a report by the Director of Community on the Quarterly Performance Monitoring data for Tenancy Services. The Senior Housing Management Officer presented the report and took questions from members after each section of the report.

Rent Arrears:

The Board noted the increase in rent arrears since the last quarter. However it was reported to the Board that in the past week there has been a decrease in arrears by £20,000. Councillor Wood asked if there was a target to have rent arrears at by the end of the financial year. The Senior Housing Management Officer stated that the target is around 2%. The Senior Housing Officer also advised that high level arrears cases (over £500) were monitored by senior officers on a monthly basis to ensure appropriate recovery action was being taken.

The Senior Housing Management Officer was also asked if the recent welfare reform changes had impacted on rent arrears. The Board were informed that at present Universal Credit has not been introduced in Fareham so tenants are remain unaffected by this. However the introduction of the reduction in the spare room subsidy has affected a small number of tenants and will therefore have had a slight impact on rent arrears.

Empty Homes:

The Board noted that there was an increase in time taken to relet properties. It was explained to the Board that there has been a high number of properties that have required extensive works in order for them to be relet, and there

has been a number of refusals on properties, which has resulted in those people being removed from the waiting list.

The Chairman enquired as to whether there is a trend as to why some properties are hard to let, i.e. types of properties or particular locations. The Director of Community addressed the Board to explain that the Housing Service will shortly be undertaking a Vanguard Review of all of its services and will highlight and address any areas for concern such as the issue of re-letting homes.

Estate Management:

The Board noted the two estate inspections that had taken place in the last quarter. Paula Weaver raised the issue of feedback from Officers regarding complaints or issues raised during estate inspections and satisfaction cards. She requested that the complainant be informed when the work has been completed, as it is not always known if issues have been addressed.

Councillor Mrs Trott enquired as to whether it would be possible to have a verbal update on the outcomes of the estate inspections at each meeting. The Senior Housing Management Officer confirmed that prior to each meeting checks will be made to see if there has been any progress to the outcomes of each estate inspection and a verbal update will be provided at the meeting.

It was AGREED that the content of the report be noted.

7. QUARTERLY PERFORMANCE REPORT - BUILDING SERVICES

The Board considered a report by the Director of Environmental Services on the Quarterly Performance Monitoring data for Building Services.

The Head of Building Services presented the report to the Board and explained that the report has changed significantly since the last quarter due to the recent Vanguard intervention which resulted in a fundamental rethink of the way in which the service is delivered, focusing on the service from the customer's point of view. As a result of this review there has been a change of focus away from customer satisfaction to new performance measures, which if delivered correctly and are maintained will naturally produce positive satisfaction from customers. The Board were also informed of potential financial savings due to this new way of working and the proposed reinvestment projects for these savings.

Graham Wood informed the Board that he is a tenant in one of the trial areas for the new approach and he is extremely pleased with the service received.

It was AGREED that the Board:-

- (a) note the content of the report;
- (b) endorse the new approach to service delivery; and
- (c) endorse the re-investment of potential savings and performance monitoring.

8. TENANT AND LEASEHOLDER SATISFACTION SURVEY

The Board considered a report by the Director of Community on the Tenant and Leaseholder Satisfaction Survey.

The Board were informed that the survey had been discussed at the Tenants Forum meeting on 19 June 2014, and that a number of tenants at the meeting agreed that all of the questions should be included in the survey.

Graham Wood expressed concern over the number of proposed questions in the survey and felt that the majority of sheltered tenants would be too daunted by the survey and would therefore not complete it.

Elizabeth Bartlett informed the Board that a number of tenants at the forum meeting did not agree with the length of the survey and felt that the questions were too repetitive.

Councillor Wood felt that the questionnaire was too long and that the questions should only relate to what improvements tenants would like to their homes. The Tenant Involvement Officer explained to the Board that the first set of questions are for benchmarking statistics and used for comparison with other social landlord providers.

The Tenancy Services Manager suggested that the survey is discussed with the Corporate Services team to get some advice on simplifying the questions and the format the questionnaire should take. He also suggested setting up coffee mornings/surgeries for tenants who would like help completing the survey.

It was AGREED that the Board:-

- (a) notes the content of the report; and
- (b) the survey is further reviewed taking into account the Boards comments and with consultations with both Corporate Services and the Tenants Forum.

9. APPOINTMENT OF TENANT AND LEASEHOLDER CO-OPTED MEMBERS

The Board considered a report by the Director of Community on the Appointment of Tenant and Leaseholder Co-opted Members.

It was AGREED that the Elected Members of the Board:-

- (a) notes the content of the report;
- (b) endorse the amalgamation of existing tenant and leaseholder forums; and
- (c) permit deputy co-opted tenant members to stand in at Board meetings when the co-opted leaseholder representative(s) are unable to attend.

10. GENERAL TENANTS FORUM - CHAIRMAN'S REPORT

In the absence of the Chairman of the Tenants Forum, the Board received a verbal update from the Tenant Involvement Officer regarding the issues and matters arising from the last meeting of the Forum. These were; the merger of the 3 forum (sheltered, general and leaseholder) into one forum, the newsletter which is due to go out in the autumn and the survey of tenants and leaseholders.

It was AGREED that the Tenant Involvement Officer be thanked for her update.

11. HOUSING TENANCY BOARD WORK PROGRAMME 2014/15

The Board considered a report by the Director of Community which reviewed the Boards Work Programme for 2014/15.

The Chairman suggested that the Board receive reports at the October meeting on the spending for the mobility scooter storage and off road parking programmes. The Tenancy Services Manager addressed the Board to suggest that this information be included into the Estates Improvement Programme report which is scheduled to go the Board meeting on 20 October 2014, all members agreed.

At the invitation of the Chairman, Councillor Bayford, Executive Member for Health and Housing, addressed the Board on this item.

It was AGREED that the content of the report be noted.

(The meeting started at 6.00 pm
and ended at 7.20 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Planning and Development
Subject:	Local Development Scheme Review
Report of:	Director of Planning and Development
Strategy/Policy:	Fareham Local Plan
Corporate Objective:	Protecting and Enhancing our Environment Maintaining and Extending Prosperity A Safe and Healthy Place to Live and Work Leisure for Health and for Fun A Balanced Housing Market Strong and Inclusive Communities A Dynamic, Prudent, Progressive, Best Practice Council

Purpose:

To approve the revised version of the Local Development Scheme (September 2014) to take effect from 19 September 2014.

Executive summary:

The Local Development Scheme (LDS) is a programme management tool that sets out timetables for the preparation of Local Plan documents. This review represents a necessary update to reflect the submission dates of both the Local Plan Part 2: Development Sites & Policies Plan and the Local Plan Part 3: Welborne Plan. This update also provides an indicative timetable for the review of the Local Plan following the upcoming review of the South Hampshire Strategy.

Recommendation:

- a) That the revised Local Development Scheme be approved, as set out in Appendix A to this report;
- b) That the Director of Planning and Development, in consultation with the Executive Member for Planning and Development, be authorised to make any necessary minor amendments to the document;
- c) That the revised Local Development Scheme shall take effect from 19 September 2014;
- d) That the Executive endorses the indicative timetable for the review of the Local Plan following a review of the South Hampshire Strategy.

Reason:

The Planning and Compulsory Purchase Act 2004, as amended by the Planning Act 2008, and the Localism Act 2011, requires each local planning authority to prepare and maintain a Local Development Scheme.

The Local Development Scheme has been updated to ensure that Fareham Borough Council has an up-to-date and appropriate programme management plan to address the future development needs of the Borough through a resourced programme of work that is realistic and achievable.

Cost of proposals:

The costs associated with revision of the Local Development Scheme itself (production and distribution) can be met within the current Local Plan budget.

However, there are costs to be incurred in preparing each Local Plan document. Cost estimates for these have been prepared to inform the budget reports considered by the Executive each year. The Welborne Plan in particular has been highlighted as a spending pressure and a quarterly financial update is provided to the Executive.

Appendix A: Local Development Scheme (Revised September 2014)

Background papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Local Development Scheme Review

Briefing by: Director of Planning and Development

Portfolio: Planning and Development

INTRODUCTION

1. The Local Development Schemed (LDS) is a programme management tool that sets out timetables for the preparation of Local Plan documents. This revised version will update and replace the existing Local Development Scheme, which came into effect on 28th February 2014.
2. The Planning and Compulsory Act 2004, as amended by the Planning Act 2008, and the Localism Act 2011, requires each local planning authority to prepare and maintain an LDS.
3. The LDS provides a brief description of all the Local Plan documents that Fareham Borough Council is preparing, together with information about their content and the geographic area which they will cover. It explains how the different planning documents are related to each other.

UPDATE TO LDS DATES

4. Since the most recent LDS was published in February 2014 a number of Local Plan documents have progressed to submission. The Council undertook a representation period on both the Local Plan Part 2: Development Sites & Policies (DSP) Plan and the Local Plan Part 3: Welborne Plan between 28th February and 11th April 2014. Following a review of all the representations received the Council submitted both plans to the Secretary of State on the 23rd June 2014. It is important for clarity and continuity that the LDS is reviewed to reflect this progress and to include the correct publication and submission dates.
5. In addition to the Local Plan documents, there has also been progress on a number of Supplementary Planning Documents (SPDs) and the review of Community Infrastructure Levy (CIL) since the February 2014 version of the LDS. The Council has recently completed consultation on the CIL preliminary draft charging schedule as well as the Draft Welborne Design Guidance SPD, the Draft Welborne Planning Obligations and Affordable Housing SPD and the Draft Planning Obligations & Affordable Housing (Excluding Welborne) SPD. Work on a Design SPD for the Rest of the Borough (excluding Welborne) and Non-Residential Parking Standards SPD is ongoing. The

LDS has been amended to take account of these revised Local Plan timescales and to provide a general update on progress.

INDICATIVE TIMETABLE FOR LOCAL PLAN REVIEW

6. At the 10th February meeting the Executive agreed to a commitment to an early review of the Local Plan following a review of the South Hampshire Strategy. The purpose of this commitment is to ensure the Council is as compliant with the National Planning Policy Framework (NPPF) as soon as possible. The Core Strategy has a time horizon to 2026, in line with the South Hampshire Strategy (October 2012). As the Development Sites and Policies Plan will complete the Local Plan that was started through the Core Strategy, the end date of 2026 is considered to be an appropriate time scale. However, the NPPF states a preference for a plan to have a time horizon 15 years from the date of adoption, and so the Council needs to show a commitment to review the Local Plan, and to extend the time period covered as soon as possible.
7. The NPPF also requires Local Plan's to be based on up to date evidence and for development requirements to be based on objectively assessed needs. Work on understanding the objectively assessed needs of the Borough has been started through the Partnership for Urban South Hampshire (PUSH) Strategic Housing Market Assessment and will be carried through the review of the South Hampshire Strategy (SHS), which is currently being progressed. It will be important, especially during the examination into the Development Sites & Policies Plan, to demonstrate that the Council is planning to meet its objectively assessed needs through an early review of the Local Plan which takes account of the revised South Hampshire Strategy.
8. PUSH has made progression on the timetable for a review of the South Hampshire Strategy. At the PUSH Joint Committee on the 24th June the following timetable was outlined for the review:

May 2014 - Sep 2014	Review and Update to Evidence Review
Oct 2014 - May 2015	Development and testing of initial options
Jul 2015 - Aug 2015	Public consultation on the options
Sep 2015 - Dec 2015	Drafting the new Spatial Strategy
Early 2016	Consultation on the Strategy, final amendments and adoption

9. Using the SHS timetable as a starting point, the following bullet points outline a realistic timetable within which a Local Plan review can be achieved.
 - Summer 2016 – Consultation on draft Local Plan (regulation 18)
 - Summer 2017 – Publication of pre-submission Local Plan (regulation 19)
 - Autumn 2017 – Submission to Secretary of State
 - Winter 2017 – Examination
 - Spring/Summer 2018 – Adoption
10. It is important to note that this timetable is dependent upon the Local Plan Parts 2 and 3 and the SHS review being completed on schedule. Therefore this caveat is included in the LDS.

RISK ASSESMENT

11. For the Local Plan Parts 2 and 3, which have now been submitted to the Planning Inspector, there still remains a degree of uncertainty over the timetable being delivered as shown in the revised LDS. The Plans are now in the hands of an independent Planning Inspector, and whilst he has given indicative dates for hearings which are reflected in the revised LDS there could still be unforeseen delays in the examination process.
12. The indicative timetable for the review of the Local Plan is subject to Local Plan Part 2 and Part 3 being found sound and adopted, and the South Hampshire Strategy review being progressed on the dates put forward at the recent PUSH Joint Committee. It would be inappropriate to progress the Local Plan review without the necessary evidence, which the SHS is expected to provide. Any delay in the progress in the South Hampshire Strategy review will, therefore, have implications for the review of the Local Plan.

NEXT STEPS

13. If approved, the Local Development Scheme (September 2014) will be published on the Council's website from 19th September and paper copies will be available to view at the Council's Civic Offices and libraries within the Borough. The appointed Planning Inspector for the examination into the DSP Plan and the Welborne Plan will also be sent a revised copy of the LDS.

CONCLUSION

14. For the reasons set out above, the published timetables for the submitted plans, alongside an indicative timetable for a review of the Local Plan, need to be updated and published through a revised LDS.

Reference Papers:

[PUSH Joint Committee 24th June Item 10: Spatial Strategy Review Update](#)

[Local Development Scheme \(February 2014\)](#)

FAREHAM

BOROUGH COUNCIL

Fareham Local Plan - Shaping Fareham's Future

Local Development Scheme

Revised September 2014

Further Information and Contacts

If you have any questions regarding the Fareham Local Plan, or this Local Development Scheme, please contact a member of the Planning Strategy Team at Fareham Borough Council.

Telephone: 01329 236100

Email: planningpolicy@fareham.gov.uk

Address: Planning Strategy & Environment
Department of Planning and Environment
Fareham Borough Council
Civic Offices
Civic Way
Fareham
Hampshire
PO16 7AZ

Information including updates on the progress of Fareham's Local Plan and current consultations, is also available on the Council's website: www.fareham.gov.uk

Please note:

This revised Local Development Scheme came into effect on [INSERT DATE] following approval by the Executive.

If you require this document in large print, or help with translation into other languages, please call 01329 236100 for further information.

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1. Introduction

1.1 REQUIREMENT FOR A LOCAL DEVELOPMENT SCHEME

1.1.1 The Planning and Compulsory Purchase Act 2004, as amended by the Planning Act 2008 and the Localism Act 2011, requires the local planning authority to prepare and maintain a Local Development Scheme. Further requirements and guidance are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012.

1.2 WHAT IS THE FAREHAM LOCAL DEVELOPMENT SCHEME?

1.2.1 The Local Development Scheme (LDS) is a programme management tool that sets out timetables for the preparation of planning documents. Since it is no longer a requirement to include timetables for the preparation of Supplementary Planning Documents (SPDs), and for the Community Infrastructure Levy (CIL) Charging Schedule, these have not been included in detail in the LDS.

1.2.2 The Fareham LDS was initially approved by the Secretary of State and first came into effect on 19 April, 2005. Since then it has been necessary to update the document to reflect changed circumstances and the last revised version was published in February 2014. The current revision (September 2014) sets out an up-to-date information on submission dates for the current Local Plan Parts 2 and 3, as well as a timetable for a future review of the Local Plan.

2. Fareham Local Plan: Structure & Content

2.1 THE LOCAL PLAN

2.1.1 The Local Plan sets out Fareham's principal planning strategy, policies and proposals, and guides development decisions. The Local Plan is required to be accompanied by a sustainability appraisal, and to have been informed by extensive consultation in accordance with the Council's Statement of Community Involvement (SCI). The Local Plan has three parts, all of which have been through, or will be required to undergo, an independent public examination conducted by a planning inspector.

2.1.2 Local Plan Part 1: Core Strategy has been through an examination in Spring 2011 and was adopted in August 2011. The remaining Local Plan documents that are programmed in this LDS include:

- Local Plan Part 2: Development Sites and Policies (DSP) Plan; and
- Local Plan Part 3: The Welborne Plan



2.1.3 The diagram above illustrates the hierarchy of the three Local Plan documents that will comprise the Local Plan once Parts 2 and 3 have been adopted. The key milestones in their preparation, together with the estimated timing of their adoption, are in the table at Appendix 1.

2.1.4 The Core Strategy has a time horizon to 2026, in line with the South Hampshire Strategy (October 2012). The DSP Plan, which seeks to deliver in more detail the requirements of the Core Strategy, therefore also runs to 2026. The NPPF states a preference for a plan to have a time horizon 15 years from the date of adoption. As the DSP Plan will complete the Local Plan that was started through the Core Strategy, the end date of 2026 is considered to be an appropriate time scale, being consistent with both the Core Strategy and the 2012 South Hampshire Strategy. However there is a need to commence the review of the Local Plan following adoption of the DSP Plan with a new time horizon to 2036, in line with that of the Welborne Plan. This will be assisted by a review of the South Hampshire Strategy to 2036, following on from the publication of the Strategic Housing Market Assessment.

- 2.1.5 If the Local Plan Parts 2 and 3 are adopted as programmed, and the South Hampshire Strategy Review is completed in early 2016 the following timetable is considered achievable to undertake a review of the Local Plan:
- Summer 2016 – Consultation on draft Plan (regulation 18)
 - Summer 2017 – Publication of pre-submission Plan (regulation 19)
 - Autumn 2017 – Submission to Secretary of State
 - Winter 2017 – Examination
 - Spring/Summer 2018 - Adoption

Local Plan Part 2: Development Sites & Policies (DSP) Plan

- 2.1.6 The DSP Plan will allocate non-strategic sites for specific land uses. The location of these allocations, along with designations such as areas to be protected from development, will be illustrated on the Policies Map.
- 2.1.7 Consultation on Issues and Options took place alongside Local Plan Part 1: Core Strategy with a Sustainability Appraisal Scoping Report prepared in 2008. Although summarising and reporting on the responses received from organisations and individuals was carried out, progress towards preparing preferred options was delayed due to the need to concentrate resources on Local Plan 1: Core Strategy.
- 2.1.8 The timetable for the DSP Plan has been reprogrammed following adoption of the Core Strategy. Work on the DSP Plan recommenced with a 'call for sites' exercise in November 2011. This sought to provide the Council with an update of available sites given that the previous 'call for sites' was held in 2007 prior to the economic downturn.
- 2.1.9 Evidence to inform the DSP Plan has been updated and supplemented including the following: a study reviewing the Strategic Gap boundaries, a new Gypsy and Traveller Accommodation Assessment, a Renewable Energy Study, an updated Employment Study, and Viability Assessments.
- 2.1.10 The Draft DSP Plan was consulted on between 15 October and 26 November 2012, with further specific consultations on policies for Solent Breezes, Gypsy and Traveller accommodation and Fareham College site redevelopment during 2013.
- 2.1.11 The 'Publication Draft' of Local Plan Part 2: DSP Plan went through a formal six-week representation period in March/April 2014 and the plan was submitted to the Secretary of State on 23rd June 2014. The examination stage will follow with the hearings scheduled to take place in early Winter 2014 and adoption of the Plan is early 2015. The full timetable for Local Plan 2: Development Sites & Policies Plan is set out in Appendix 2.

Local Plan Part 3: Welborne Plan

- 2.1.12 During the preparation of Local Plan Part 1: Core Strategy, a significant amount of background work was undertaken in relation to Welborne, formerly known as the New Community North of Fareham. This included visioning, capacity analysis, transport and economic evidence. The landowners produced a Strategic Masterplan in consultation with representatives of local communities, service providers and other key bodies.

- 2.1.13 The revised Statement of Community Involvement (SCI) was adopted by the Council in January 2011. It sets out a range of methods to be used for consultation on Local Plan Part 3: Welborne Plan.
- 2.1.14 A Governance Structure was agreed by the Executive (6 February 2012) setting out an organisational structure to guide the project forward. The Governance Structure sets out the roles and responsibilities and key membership of the various groups that are needed to address specific issues and make decisions.
- 2.1.15 The Council has made significant progress on a range of work streams, including a number of supporting evidence studies. Options consultation was undertaken in Summer 2012, and the Draft Welborne Plan, including the Preferred Concept Masterplan was consulted on between 29th April and 10th June 2013. The 'Publication Draft' of Local Plan Part 3: Welborne Plan went through a formal six-week representation period in March/April 2014 and the plan was submitted to the Secretary of State on 23rd June 2014. The examination stage will follow with the hearings scheduled to take place in Autumn 2014 and adoption of the Welborne Plan in Winter 2014/15. The full timetable for Local Plan 3: Welborne Plan is set out in Appendix 2.

2.2 COMMUNITY INFRASTRUCTURE LEVY

- 2.2.1 The Community Infrastructure Levy (CIL) Charging Schedule has been prepared, subjected to two stages of consultation, independent examination and came into force on 1 May 2013.
- 2.2.2 Following more detailed viability work for the Welborne Plan there is a need to review the Charging Schedule. The Preliminary Draft Charging Schedule "First Review" was consulted on in June/August 2014. The Charging Schedule will be amended where necessary and a consultation on the Draft will be undertaken in Autumn/Winter 2014. The Council is predicting an examination on the Charging Schedule will take place in early 2015, with adoption in Spring 2015.

2.3 SUPPLEMENTARY PLANNING DOCUMENTS

- 2.3.1 Supplementary Planning Documents (SPDs) provide more detailed guidance to explain policies and proposals set out in the Local Plan. They should be used where they can help applicants make successful applications or aid infrastructure delivery. They may include a development brief for an allocated site setting out in more detail how a site should be developed, or more detailed guidance on how a particular policy (or policies) should be implemented. SPDs are not subject to an independent public examination. The full timetables for preparation of SPDs are no longer required to be included in the LDS.
- 2.3.2 The Council consulted on draft versions of the following Supplementary Planning Documents in July/August 2014:
- Welborne Design Guidance SPD;
 - Planning Obligations and Affordable Housing SPD for the Borough of Fareham (excluding Welborne); and
 - Welborne Planning Obligations and Affordable Housing SPD.

2.3.3 The Council has also commenced work on the following Supplementary Planning Documents

- Design (Rest of Borough) SPD;
- Non-Residential Parking Standards SPD;

Welborne Design Guidance SPD

2.3.4 The Welborne Design Guidance SPD expands on the design principles in the Welborne Plan and sets out the high-level design guidance to enable Welborne's site promoters to draw up comprehensive masterplanning and strategic design codes for the whole site.

Planning Obligations and Affordable Housing (Rest of Borough) SPD

2.3.5 The Planning Obligations and Affordable Housing (Rest of Borough) SPD sets out the Council's approach to securing planning obligations and affordable housing from new development in the Borough (excluding Welborne), either to ensure infrastructure is put in place to address the effects of development, or to control and/or enhance specific elements of the development. It sets out the mechanisms that will be used in mitigating the impacts of development as well as specific guidance on the different types of planning obligations and levels and type/tenure of affordable housing that may be sought.

Welborne Planning Obligations & Affordable Housing SPD

2.3.6 The Welborne Planning Obligations SPD sets out the Council's approach to securing planning obligations from development at Welborne, either to ensure infrastructure is put in place to address the effects of development, or to control and/or enhance specific elements of the development. It sets out the mechanisms that will be used in mitigating the impacts of development as well as specific guidance on the different types of planning obligations that may be sought. The document also provides information on the levels and type/tenure of affordable housing that may be sought.

Design (Rest of Borough) SPD

2.3.7 The Design SPD for the Borough other than Welborne will provide urban design principles and guidance for development management, to achieve high quality in all new development. It will seek to meet the Council's adopted Quality Places Charter and provide elaboration and greater understanding of the design principles set out in Core Strategy.

Non-Residential Parking Standards SPD

2.3.8 The Non-Residential Parking Standards SPD will set out the standards and key requirements for parking provision that developers will be expected to follow when providing for new non-residential developments.

2.4 POLICIES MAP

2.4.1 The Policies Map will show the location and extent of the adopted development plan

policies on an Ordnance Survey map base. It will include areas of protection such as conservation areas, as well as sites allocated for particular land uses and development proposals. The Policies Map will be revised as each part of the Local Plan is adopted.

2.5 **AUTHORITY'S MONITORING REPORT**

2.5.1 Monitoring Reports have been produced by the Borough Council since 2005. The Localism Act 2011 removed the requirement to send the monitoring report to the Secretary of State. The Monitoring Report must contain information regarding the implementation of the LDS and the extent to which policies in the Local Plan are being achieved. It can be produced and published more frequently and its timing is no longer prescribed.

2.6 **GEOGRAPHICAL COVERAGE OF THE LOCAL PLAN**

2.6.1 Local Plan Part 1: Core Strategy applies to the whole Borough. Local Plan Part 2: Development Sites & Policies applies to the whole Borough with the exception of the area covered by Local Plan Part 3: Welborne Plan. Local Plan Part 3: the Welborne Plan applies only to Welborne. Appendix 3 illustrates the geographical coverage of the Local Plan documents.

2.7 **DELETION OF PREVIOUSLY SAVED FAREHAM BOROUGH LOCAL PLAN REVIEW (JUNE 2000) POLICIES**

2.7.1 Since the commencement of the Planning & Compulsory Purchase Act 2004, the policies of the Fareham Borough Local Plan Review (2000) were 'saved' for a period of three years until September 2007. On 25 September 2007 Fareham Borough Council received a Direction from the Secretary of State indicating the Local Plan policies that have been saved beyond 27 September 2007. Those not saved, ceased to exist after 27 September 2007. The policies not saved are principally policies where proposed development had been implemented.

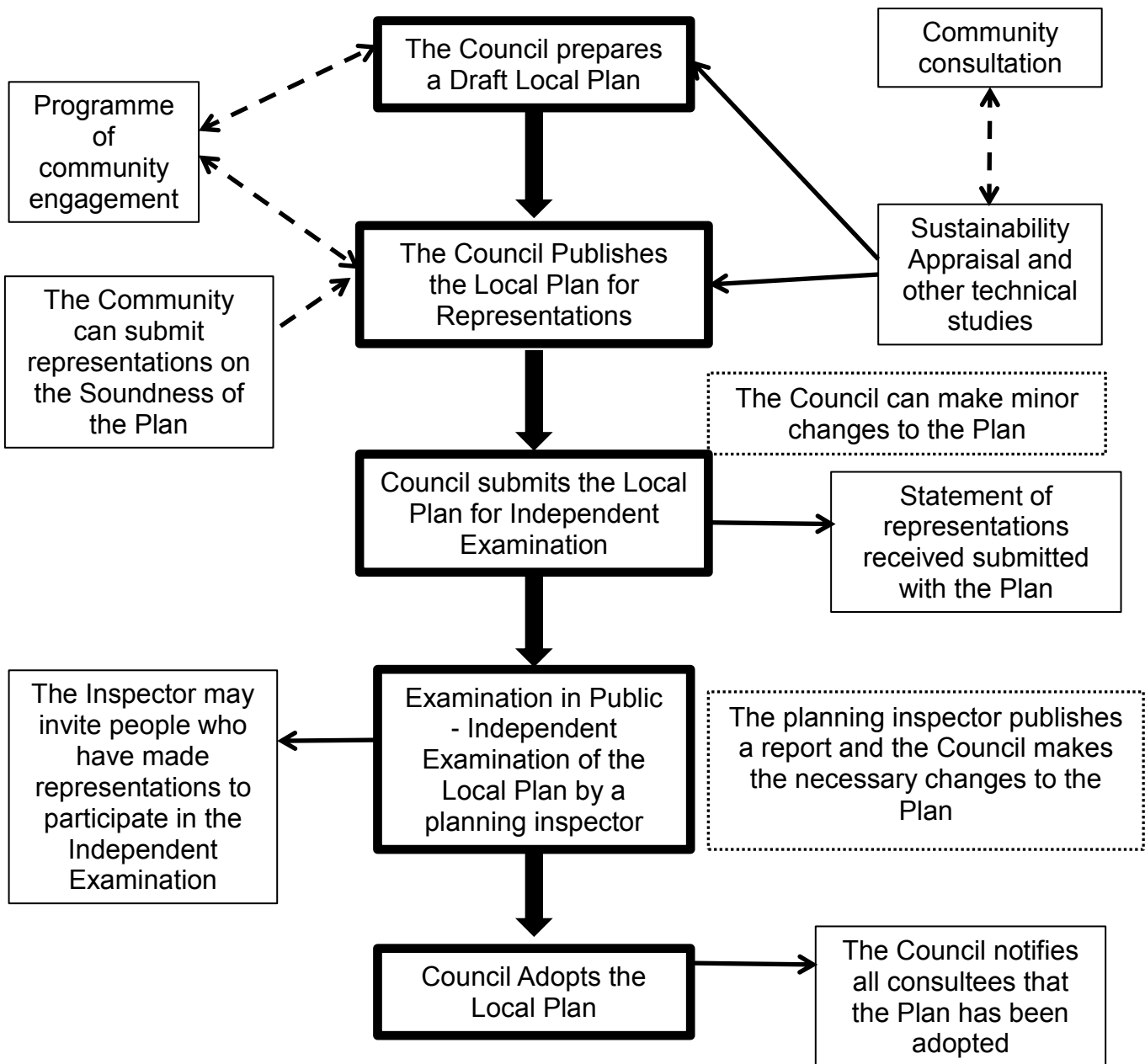
2.7.2 The adoption of the Core Strategy replaced a number of the saved policies in 2011. The remaining saved policies will be replaced and deleted upon adoption of the Development Sites & Policies Plan.

2.7.3 In addition, Core Strategy Policy CS19: Gypsies, Travellers and Travelling Showpeople Population will be deleted and replaced by Development Sites and Policies Plan Policy DSP47: Gypsies, Travellers, and Travelling Showpeople.

3. Fareham Local Plan: Process & Preparation

3.1 PROCESS OF PREPARING A LOCAL PLAN

3.1.1 The process of preparing a Local Plan is indicated in the diagram below:



3.2 RELATIONSHIP WITH OTHER STRATEGIES

- 3.2.1 There are several other relevant strategies produced by the Council and other bodies that can influence plan preparation. The most notable is the South Hampshire Strategy prepared by the Partnership for Urban South Hampshire. The most recent South Hampshire Strategy was published in October 2012. A new South Hampshire Strategy is currently being undertaken by PUSH, which is due for publication in early 2016. This new South Hampshire Strategy will inform a review of the Local Plan.

3.3 THE EVIDENCE BASE

- 3.3.1 In preparing the Local Plan, a range of 'evidence gathering' will be undertaken to ensure a robust and credible evidence base for planning policies and proposals. Generally this 'evidence' takes the form of research, surveys and technical studies on particular topics that are produced for the principal purpose of informing the Local Plan. The evidence needed to inform the Local Plan is published on the Council's website.

3.4 COMMUNITY INVOLVEMENT

- 3.4.1 The progress of all documents within the Local Plan will be aided and informed by statutory periods of community involvement. Appendix 2 indicates when these periods will occur. The methods by which the Council will engage the community and other interested parties are set out in the Statement of Community Involvement (SCI).

3.5 SUSTAINABILITY APPRAISAL

- 3.5.1 Local Plans are required to undergo sustainability appraisals to assess their economic, environmental and social impacts, and to ensure that the policies and proposals promote sustainable development. The sustainability appraisals will ensure that the requirements of the Strategic Environmental Assessment Directive are met.

3.6 EXAMINATION AND ADOPTION

- 3.6.1 Local Plans Part 2 and 3 have recently been submitted to the Secretary of State for independent examination. The Planning Inspectorate will assess the documents for soundness and ensure that they conform to the National Planning Policy Framework and that the Plans have been prepared in accordance with the Duty to Cooperate, the legal and procedural requirements.
- 3.6.2 There is a presumption on behalf of the local planning authority that the submitted Plans are sound. The emphasis on community involvement at the early stages of Plan preparation is expected to resolve issues and differences prior to the Plans being published for representations on their soundness. The examination considers the soundness of the Plans against a number of tests rather than examining individual objections.
- 3.6.3 As a result of the changes made by the Localism Act 2011, the Council, before adopting the Plans, may make modifications to the Plans and the Inspector's main modifications, providing they do not materially affect the policies.

4. Fareham Local Plan: Delivery and Review

4.1 DELIVERY OF THE LOCAL PLAN

Member Responsibilities

- 4.1.1 Fareham Borough Council's Executive has been responsible for key decisions relating to the preparation of Local Plan documents. The Executive has been assisted by detailed consideration of the issues by a Project Working Group (a cross-party group of non-Executive members, chaired by the Executive Member) for each Local Plan document. Given that all Local Plan documents will form part of the Council's Policy Framework, they also need approval from the Full Council, who approved the formal publication of the document prior to submission in February 2014. Member involvement has culminated in the submission of the Local Plan Part 2: Development Sites & Policies Plan and the Local Plan Part 3: Welborne Plan in June 2014.
- 4.1.2 As the Local Plan documents progress through examination, further amendments may be required. Any proposed amendments will be done in liaison with relevant members, including the portfolio holder for Planning and Development. The final versions of the Local Plan documents, including any necessary amendments, will be presented to full Council for adoption.

Programme Management Responsibilities and Staff Resources

- 4.1.3 The Local Plan is recognised as being the key to delivering or enabling many of the Council's priorities and improvement actions associated with the Corporate Strategy. Close liaison between the Planning services and other local authority services, as well as external services and partner organisations, is essential to ensure that work is co-ordinated. An effective programme management approach to the preparation of the plans will be implemented to ensure the delivery of the plans in accordance with the timescales set out in this LDS.
- 4.1.4 Dedicated officer teams are taking forward the preparation of Fareham's Local Plan and other related documents including the Community Infrastructure Levy Charging Schedule and Supplementary Planning Documents (SPDs).

Financial Resources

- 4.1.5 The Local Plan is a key Council Strategy, which will facilitate the delivery or enable many of the Council's priorities and improvement actions. Consequently, the Council has previously prioritised the Local Plan with regard to the Housing & Planning Delivery Grant settlements. Other grant funding has also been pursued and sums obtained towards more detailed

evidence studies in relation to Welborne.

- 4.1.6 Costs likely to be incurred in preparing each Local Plan document have been estimated to inform the budget reports considered by the Executive each year. The Welborne Plan in particular has been highlighted as a spending pressure and a quarterly financial update is provided to the Executive.

Risk Assessment

- 4.1.7 The program management approach to be employed in the preparation of the Local Plan will enable continual review of the risks associated with the delivery of the Local Plan. The types of risk associated with the delivery of the Local Plan, and risk reduction measures, are identified and reviewed on a regular basis by the Chief Executive's Management Team and the Executive.
- 4.1.8 Particular risks facing the preparation of the Local Plan include staff knowledge, skills and turnover, political decision making, the capacity of outside agencies, soundness of development plan documents, major opposition from interested parties, legal challenge, further changes to the planning regulations or guidance, adequacy of budget provision and programme slippage. These risks are considered throughout the process of project management and are reviewed regularly.

4.2 MONITORING AND REVIEW

- 4.2.1 The Local Plan will be monitored through the Authority's Monitoring Report, which will be prepared and published following the collection of annual development completions data. The primary purposes are to:
- assess progress on meeting the targets and milestones in the LDS;
 - if targets have not been met, or progress is not on track to reach milestones, explain the reasons why;
 - set out which policies in the Fareham Borough Local Plan Review (June 2000) are 'saved', and if any are no longer required;
 - assess the impact of 'saved' and adopted policies, measured in relation to national, and local targets;
 - in particular, include housing trajectories to demonstrate the delivery of housing in accordance with targets and indicate future supply;
 - assess whether policies need changing because they are not achieving the intended effect, or to reflect changes in national policy;
 - consider, as a result of the above, whether any new plans need to be produced or if any proposed plans can be deleted from the LDS.
- 4.2.2 If the monitoring report identifies the need for alterations, a revised LDS will be prepared to reflect this.

APPENDICES

APPENDIX 1

SCHEDULE OF DOCUMENTS IN THE LOCAL PLAN (including key milestones & Policies Map updates)

Document Title	Brief Description	Geographical Coverage	Period for consulting statutory bodies on scope of SA	Period for publication of Local Plan document	Date for submission to Secretary of State	Date of Hearing	Date for adoption
Local Plan Part 2: Development Sites & Policies	Sets out the allocation of land for specific uses; the identification of sites being based upon site assessments regarding the suitability and availability of land. Includes development management policies.	Fareham Borough (except Welborne)	March – April 2008	March to April 2014	June 2014	Winter 2014	Spring 2015
Local Plan Part 3: Welborne Plan	Sets out detailed objectives, community and infrastructure provisions, the disposition and phasing of land uses, developing the Core Strategy policy approach to Welborne, comprising approximately 6,000 homes and employment developments	Welborne	July - August 2009 and July 2012	March to April, 2014	May 2014	Autumn 2014	Early 2015
Policies Map	Shows location of proposals of development plan documents on an Ordnance Survey base map	Borough wide	Updated to reflect site specific allocations and designations in Local Plan Part 2: Development Sites & Policies and Local Plan Part 3: Welborne Plan. At the same time updated to show any new or amended designations approved under other legislation or procedures since adoption of the Local Plan – e.g. Scheduled Ancient Monuments, Sites of Special Scientific Interest, and Conservation Areas etc; and to remove policies no longer saved.				Spring 2015

APPENDIX 2

LOCAL PLAN PROFILES

Local Plan Part 2: Development Sites and Policies - Plan Profile	
Document Details	
Role and Content	To allocate specific sites for development including housing, employment, retail, leisure, sport and community facilities and for open space and to provide a framework to stimulate regeneration and the promotion of a comprehensive development solutions for Fareham town centre. The identification of sites is based upon principles established within the Core Strategy, and site assessments regarding the suitability and availability of land. The Plan will also establish the boundaries of specific policy designations set out in Local Plan 1: Core Strategy and include criteria based development management policies.
Geographical Coverage	Fareham Borough (except Welborne)
Document Status	Local Plan
Will it be produced jointly with other authorities?	No, but liaison through the Partnership for Urban South Hampshire (PUSH) will be required.
Chain of Conformity	To conform to Local Plan 1: Core Strategy and the National Planning Policy Framework
Arrangements for Production	
Lead organisation, department and group.	Fareham Borough Council, Planning and Environment Department, Planning Strategy Team
Lead officer	Principal Planner (Strategy)
Management arrangements (e.g. steering group)	Fareham Borough Council Executive, Portfolio Holder for Planning and Development & Member/Officer Project Working Group
Approach taken to involve interested parties and the community	Community involvement during production is to be in accordance with the Statement of Community Involvement (SCI)
Resources required to produce Plan including external resources	Fareham Borough Council's Planning Strategy Officers with assistance from specialist consultants as required.

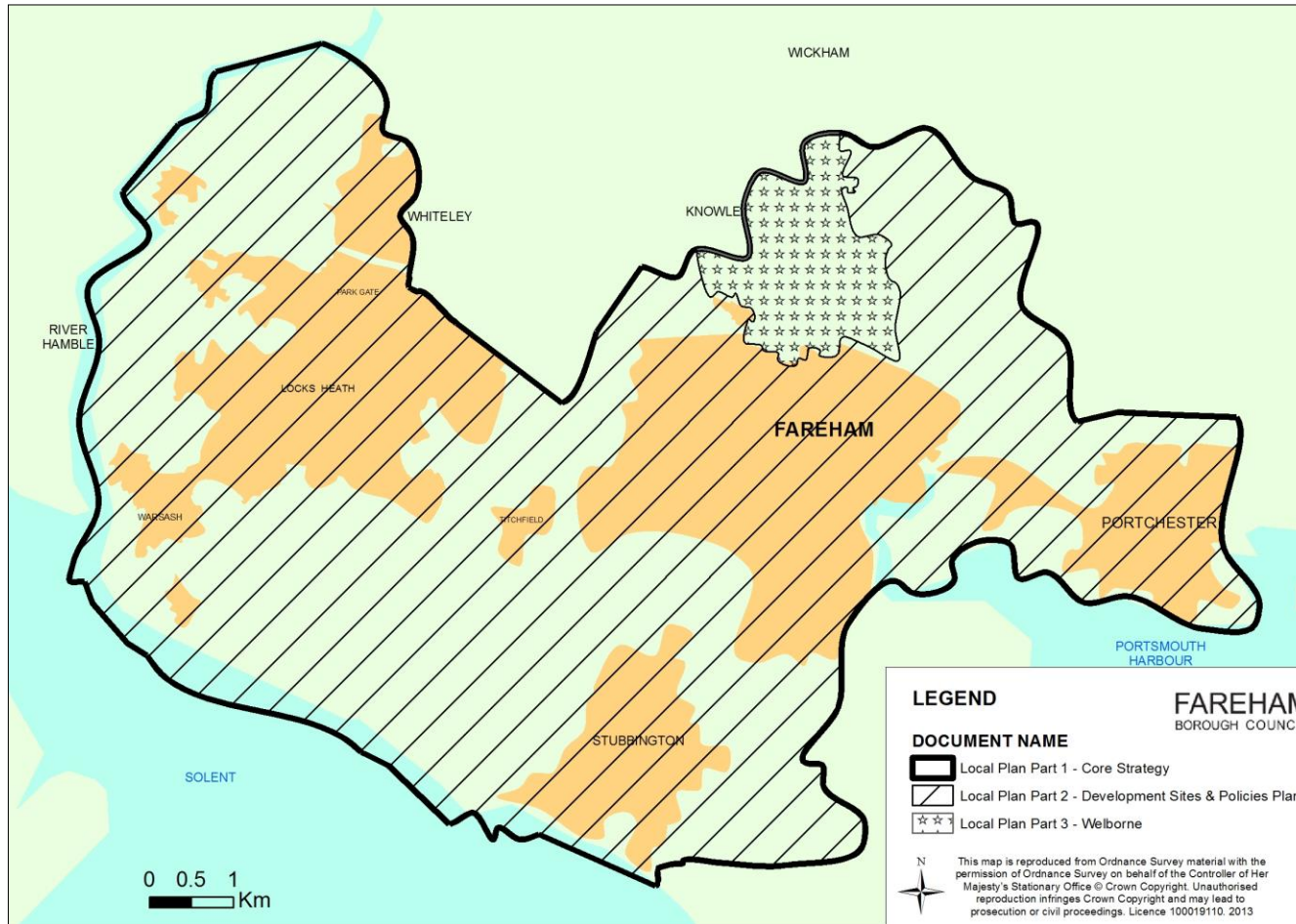
Local Plan Part 2: Development Sites and Policies		
Timetable and Milestones		
Regulation 18	Consultation on Issues and Options including Consultation on Sustainability Appraisal scoping report Consultation on preferred approach to draft plan with Sustainability Re-appraisal Prepare Pre-Submission document and Sustainability Appraisal Report	January 2008 - April 2008 Sept - October 2012 November 2012 - June 2013
	Approval by Full Council for Publication	February 2014
Reg. 19	Public Consultation on Pre-Submission Document and Sustainability Appraisal (minimum 6 weeks)	March–April 2014
	Collate Representations and finalise Submission Documents	April – May 2014
Reg. 22	Submission of document and Sustainability Appraisal to Secretary of State for Examination	June 2014
	Pre-Hearing Meeting (<i>if required</i>)	<i>Summer 2014</i>
	Examination in Public	Winter 2014
	Preparation and Receipt of Inspectors Report	Winter 2014/15
	Adoption	Spring 2015
Post Production		
Monitoring and review mechanisms	Monitoring of progress undertaken as part of Authority's Monitoring Report. Review mechanism built into assessment process for producing Authority's Monitoring Report	

NB Once the Plan has been submitted for Examination the timetable is largely in the hands of the Inspector. The timing of the following stages depend on whether the Inspector decides to hold a pre-hearing meeting, to explain the procedure for the hearing, and whether the Development Sites and Policies Plan is examined before or after the Welborne Plan. The timing of the Examination and Adoption above assume that the Welborne Plan is examined before the Development Sites and Policies Plan.

Local Plan Part 3: Welborne - Plan Profile	
Document Details	
Role and Content	Sets out detailed objectives, community and infrastructure provisions, the disposition and phasing of land uses, developing the Core Strategy policy approach for Welborne comprising approximately 6,000 homes and employment developments. The Welborne Plan will include a Strategic Masterplan.
Geographical Coverage	Land North of Fareham (north of M27, east and west of A32)
Document Status	Local Plan
Will it be produced jointly with other authorities?	No, but liaison through the Partnership for Urban South Hampshire (PUSH) and close consultation with Winchester City Council (also a Programme Group member) will be required.
Chain of Conformity	To conform to the Local Plan Part 1: Core Strategy and the National Planning Policy Framework
Arrangements for Production	
Lead organization, department and group.	Fareham Borough Council, Planning and Environment department, Welborne Team
Lead officer	Principal Planner (Welborne)
Management arrangements (e.g. steering group)	Fareham Borough Council Executive, Portfolio Holder for Planning, Project Working Group informed by a Programme Group and in consultation with PUSH Joint Committee.
Approach taken to involve interested parties and the community	<p>Community involvement during production is in accordance with the Statement of Community Involvement.</p> <p>The Standing Conference brings together the groups interested in Welborne in a formal round-table setting to advise on the progress being made and to provide an opportunity to make comments.</p> <p>Community involvement as set out in the Community Engagement Plan.</p>
Resources required to produce Plan including external resources	Fareham Borough Council's Welborne Team with assistance from specialist consultants as required.

Local Plan Part 3: Welborne Plan Timetable and Milestones		
Regulation 18	<p>Scoping contents of AAP, Sustainability Appraisal (SA) and Evidence Gaps</p> <p>Publication of Sustainability Appraisal Scoping Report & Consultation</p> <p>Update of Sustainability Appraisal Scoping Report & Consultation</p> <p>Consultation on Options</p> <p>Consultation on preferred approach to draft plan</p> <p>Prepare Publication Document and SA Report</p>	<p>January – June 2009</p> <p>July - August 2009</p> <p>January - August 2012</p> <p>July 2012</p> <p>April - June 2013</p> <p>June 2013 - January 2014</p>
	Approval by full Council for publication	February 2014
Reg. 19	Public Consultation on Pre-Submission Document and Sustainability Appraisal (minimum 6 weeks)	March – April 2014
	Collate Representations and finalize Submission Documents	April - May 2014
Reg. 22	Submission of document and Sustainability Appraisal to Secretary of State for Examination	June 2014
	Pre-Hearing Meeting (<i>if required</i>)	<i>Summer 2014</i>
	Examination in Public	Autumn 2014
	Preparation and Receipt of Inspectors Report	Winter 2014/15
	Adoption	Early 2015
Post Production		
Monitoring and review mechanisms	Monitoring of progress undertaken as part of Authority Monitoring Report. Review mechanism built into assessment process for producing Authority Monitoring Report.	

GEOGRAPHICAL COVERAGE OF THE LOCAL PLAN



Glossary

Authority's Monitoring Report (AMR) – a report on how the authority is performing with regard to meeting the timetables for the preparation of development plan documents and the performance of planning policies, and indicating any remedial action to be taken if required.

Chain of Conformity – This identifies the document(s) to which any part of the Local Plan is required be in conformity.

Community Infrastructure Levy (CIL) - a planning charge that local planning authorities can impose on new developments in their area through the Community Infrastructure Levy Regulations 2010 that came into force on 6 April 2010. The money can be used to support development by funding infrastructure that has been identified by the Council and the local community.

Development Plan – the development plan sets out the parameters for all development in the Borough. It comprises the Local Plan (Parts 1, 2 and 3), and the Hampshire Minerals and Waste Plan.

Evidence Base - studies that are informed by the local community, national policies and background information. An evidence base is the evidence that supports planning documents.

Habitat Regulations Assessment (HRA) - is a requirement of the Conservation of Habitats and Species Regulations 2010. It is an assessment of the likely significant effects of the plan on the nature conservation interests of European-protected areas. It seeks to establish whether or not there will be any adverse effects on the ecological integrity of these protected areas as a direct result of the proposals in a plan.

Local Plan – spatial planning documents that have development plan status. They cover a range of policy areas that will undergo a process of consultation and are subject to Sustainability Appraisal and independent examination.

National Planning Policy Framework (NPPF) - sets out the Government's planning policies for England and how these are expected to be applied. It sets out the Government's requirements for the planning system and provides a framework, within which local people and their accountable councils can produce their own distinctive local and neighbourhood plans.

Planning and Compulsory Purchase Act 2004 (amended by the Planning Act 2008 and the Localism Act 2011) – the Act has fundamentally reformed the planning system,

by introducing Local Development Frameworks to replace the system of local, structure and unitary development plans. The Act and associated regulations changed the plan preparation process to frontload community engagement and put the emphasis of the examination of Development Plan Documents on 'soundness' of the plan rather than individual objections.

Regulations - The regulations set out detailed requirements for the local planning authority to follow in carrying out their duties under the relevant Acts.

Statement of Community Involvement (SCI) – describes how the Council intends to involve the community in the preparation and review of planning documents. It also provides details of how the Council and developers should consult during the preparation and consideration of planning applications.

Strategic Environmental Assessment (SEA) – an internationally used term to describe the environmental assessment to be applied to plans, policies and programs to ensure a high level of protection of the environment. This is derived from European Directive 2001/42/EC.

Supplementary Planning Document (SPD) – Provides additional guidance and detail to development plan policies for a specific area or a specific topic but is not part of the development plan.

Sustainability Appraisal (SA) – a tool to assess the environmental, economic and social impact of the Local Plan. It is used to ensure that the policies and proposals within all the documents promote sustainable development in the Borough.

Sustainable Development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Planning and Development
Subject:	Parking Charges – Fareham Town Centre Thursday Late Night Shopping
Report of:	Director of Planning and Development
Strategy/Policy:	Fareham Town Centre Parking Strategy 2012-2017 Local Plan: Adopted Core Strategy (August 2011) & Submission Development Sites and Policies Plan (June 2014)
Corporate Objective:	Protect and Enhance the Environment Maintain and Extend Prosperity

Purpose:

To consider and approve a request from Fareham Shopping Centre to reduce parking charges for Thursday evening shoppers between 5pm and 6pm.

Executive summary:

Following a request from Fareham Shopping Centre to reduce car park charges for Thursday evening shoppers, this report considers the potential benefits to the Town Centre and expected losses of income from parking revenues that would occur as a result of implementing a change in existing charging times.

The report considers both the option of introducing the proposed change in parking charges in Osborn Road and Shopping Centre multi storey car parks and an extension of the initiative to include the Market Quay surface car park.

Recommendation:

That the Executive:

- (a) notes the contents of this report describing the potential benefits and costs associated with the removal of parking charges after 5.00pm on Thursdays in Osborn Road and Fareham Shopping Centre multi storey car parks and Market Quay car park.
- (b) supports this proposal and the recommendation to reduce parking charges for Thursday evening shoppers between 5pm and 6pm at Market Quay Car Park, Osborn Road and Fareham Shopping Centre Multi Storey Car Parks.
- (c) delegates authority to the Director of Planning and Development, in consultation with the Executive Member for Planning and Development, to finalise the response to Fareham Shopping Centre in respect of this proposal and proceed with implementation.

Reason:

To enhance the vitality and viability of the Town Centre.

Cost of proposals:

The cost of implementing the proposals would be met from existing budgets and by a contribution from Fareham Shopping Centre.

Appendices: None

Background papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Parking Charges – Fareham Town Centre Thursday Late Night Shopping

Briefing by: Director of Planning and Development

Portfolio: Planning and Development

INTRODUCTION

1. A written request was received by the Chief Executive Officer from Fareham Shopping Centre (FSC) Manager dated 20 January 2014 proposing that Fareham Borough Council consider a reduction in parking charges one day a week to coincide with the Centre's Thursday Late Night Shopping until 7pm. The principal reasons given by FSC to justify the proposal were the need to remain competitive with similar schemes across the south of England, and to take account of the expansion of 'click and collect' services by anchor stores which is expected to increase awareness of later trading and higher levels of footfall at peak trading times including the Christmas period.

REDUCTION IN PARKING CHARGES FOR THURSDAY EVENING SHOPPERS

Background

2. Further clarifications were sought on the request through correspondence between Kevin Wright, Head of Parking and Enforcement, and the FSC Manager Mike Taylor to establish the resource implications for Fareham Borough Council and the process required to implement the necessary changes.
3. FSC has confirmed that they would wish to propose free parking after 5pm every Thursday in the Osborn Road and Shopping Centre Multi-Storey Car Parks (MSCPs). FSC would cover the estimated cost to the Council of approximately £2,000 associated with the changes required in the two car parks (including staff time for implementation of the proposal, formal advertising and new signage).
4. FSC has also indicated that they would be willing to monitor the effect of changes in charging arrangements in these car parks and to carry out data analysis to gauge its success. This would be in addition to the data available to Fareham Borough Council from the car park payment system.

Potential Benefits to the Town Centre

5. It is considered that this initiative should contribute towards enhancing the vitality of the Town Centre, in conformity with Fareham's Adopted Core Strategy Policy CS3: 'Vitality and Viability of Centres' and the Vision and Objectives for the Town Centre as set out in the Submission Development Sites and Policies Plan, and that these MSCPs should not be looked at in isolation. It was therefore considered that the Market Quay surface Car Park should also be included in this initiative, enriching the customer experience for both shopping and leisure visits, and it is intended that the effectiveness of the proposal would be reviewed in due course.
6. The rationale for introducing the changes in the MSCPs alone in the first instance is that these would be the closest car parks to the Shopping Centre and therefore provide optimal accessibility for shopping visits.
7. It is also considered that to maximise effectiveness the changes should be implemented prior to the Christmas period. Officers have established that the changes will need to be formally advertised for 21 days, which would take place during September in the event that this proposal is approved by the Executive. This would enable the changes to be made in time for the run up to Christmas.
8. In addition to benefiting FSC the proposed changes would be expected to benefit businesses elsewhere in the Town Centre. Of the 50 businesses between Hartlands Road and Quay Street with entrance doors into West Street – including those businesses in Cremer Mall and Vannes/Pulheim Parade – 17 (one third of the total) are open until 7pm or later on Thursdays, with a further 4 businesses open until 6.30pm.
9. Fareham Library - located opposite FSC - also stays open until 7pm on Thursdays. It is noted that the existing Shopmobility facilities in the Town Centre are not available after 5pm on weekdays, and it is proposed to undertake a dialogue with Shopmobility to consider possible changes in this arrangement should the changes in parking charges be taken forward .

Parking Charges and Times

10. The current car park tariffs are £1.00 per hour during charging hours of 8am – 6pm for the two multi storey car parks and £1.50 per hour 8am – 6pm for the Market Quay Car Park. These charges have been in effect since 1st April 2013.
11. It is proposed to keep the same charges as above, except to amend the charging times in the two multi storey car parks and Market Quay car park to 8am – 5pm on Thursdays. Charges on other days of the week would remain unaltered under this proposal.

Anticipated Loss of Income

12. The potential loss of income to Fareham Borough Council that would result from the proposed amendments to parking charges has been calculated using occupancy data derived directly from the car park payment system supplied by the Council's contractor Designa.
13. Taking into account the average daily parking patterns of use in the affected car parks and the effect of higher demand during the run up to Christmas, the total annual loss of parking revenues for the MSCPs (at current charging levels) is estimated to be £2,250.

14. If the reduction in charging period were to be extended to Market Quay Car Park then the estimated total combined annual loss of income from the three car parks to the Borough Council is £11,530.

CONCLUSIONS

15. The proposed reduction in parking charges for Thursday evening shoppers and other visitors in the two multi-storey car parks and Market Quay Car Park would be expected to contribute towards enhancing the vitality of Fareham Town Centre, in conformity with local planning policies.
16. The annual loss of parking revenues from implementation of the proposal is estimated to be £2,250 for the two multi-storey car parks. If the reduction in charging period on Thursdays is extended to Market Quay Car Park then the total annual loss of parking revenue is estimated to be £11,530. Fareham Shopping Centre put forward the original proposal and has agreed to reimburse Fareham Borough Council for the capital costs of implementing the changes in the two multi-storey car parks.

Reference Papers:

None

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 1 September 2014

Portfolio:	Policy, Strategy and Finance
Subject:	Beach Hut Site Rent Proposal
Report of:	Director of Finance and Resources
Strategy/Policy:	Asset Management Plan.
Corporate Objective:	A dynamic, prudent, progressive and best practice Council

Purpose:
To advise the Executive of a proposal to raise beach hut site rents above the current annual fees and charges increase. Any increase agreed will take effect from 1 April 2015.

Executive summary:
The report advises the Executive of a proposal to raise beach hut site rents above the current annual fees and charges increase. The Executive are asked to consider the proposal and decide if it should either be accepted in full from 1 April 2015 or implement such other increase as the Executive decide is appropriate. The Executive are also asked to consider if depending on the level of increase agreed it should as for the 2004 review be phased in over a period of years to be decided or as an alternative a 3 year review pattern for future beach hut site rent increases can be agreed.

Recommendation:
That the Executive considers the proposal to increase beach hut site rents from 1 April 2015 and decide;

- a) If the proposal should be implemented in full from 1 April 2015;
- b) implement such other increase as the Executive decide is appropriate;
- c) consider if depending on the level of increase agreed it should as for the 2004 review be phased in over a period of years; or
- d) decide if a 3 year review pattern for future beach hut site rent increases can be agreed.

Reason:

To advise the Executive of a proposal to increase beach hut site rents based on a comparable at Hayling Island in the Borough of Havant and reflecting the Council's budget guidelines

Cost of proposals:

If the proposal in the report is implemented in full the Council will receive additional income of £20,580 pa inclusive of VAT.

Appendix A - Letters dated 15th & 28th July 2014 received from the Fareham Beach Hut Association

Appendix B - FBC letter dated 2 July 2014 to owners and letters / e mails received from owners **NOT FOR PUBLICATION by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.**

Appendix C - Research on beach hut site rents charged by neighbouring Authorities



Executive Briefing Paper

Date: 1 September 2014

Subject: Beach Hut Site Rent Proposal

Briefing by: Director of Finance and Resources

Portfolio: Policy, Strategy and Finance

INTRODUCTION

1. This report sets out a proposal to increase beach hut site rents with effect from 1 April 2015.

POSSIBLE INCREASE IN BEACH HUT SITE RENT PROPOSAL

2. The beach hut agreements permit the Council to increase the site rent "to such sum as the Council in their absolute discretion shall decide". At least three months' notice in writing to expire on 31st March in any year has to be given in this respect.
3. As for previous years the increase from 1 April 2014 was in line with the annual fees and charges increase and the following was confirmed by the Executive on 2 December 2013.

Beach Huts	Rent 2013/14 £	Rent 2014/15 payable from 1 April 2014 £	Increase %
Residents	£361	£379	5%
Non-residents	£722	£758	5%
<u>Notes</u>			
Fee inclusive of VAT at the prevailing rate.			

- 4 Consideration could be given to an increase over and above this level of increase from 1 April 2015. The Council budget guidelines state that fees and charges are "to be increased to achieve a 5% increase in income wherever possible and desirable and every effort to be made to identify new sources of income. The

proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers”.

- 5 Research has therefore been undertaken on beach hut site rents charged by other neighbouring Authorities in accordance with the Council’s budget guidelines. Details are shown on the table attached as Appendix C. The most comparable to Fareham is considered to be Hayling Island in the Borough of Havant. The beach hut site rents for 2014/15 are £477 for residents and £954 for non-residents which are higher than Fareham. The Havant rents are also inclusive of VAT. Havant has the same policy as Fareham as regards non residents paying double the site rent paid by a resident of the Borough. Havant review their beach hut site rents annually and this is normally an increase in line with inflation. However this is also kept under review and is dependent upon customer demand.
- 6 A beach hut located at Hill Head adjoining the Solent is considered to be a comparable location to Hayling Island. Beach huts are selling for between £10k and £20k depending on size, location (Cliff Road or Monks Hill) and condition. The value of a beach hut site is derived from its location. The value of this location , on the coast at Hill Head overlooking the Solent, is similar or higher than is being achieved at Hayling Island.
- 7 Based on the above, there is a case to increase beach site rents to the level set out below and which could be implemented from 1 April 2015 to comply with the required notice period.

Beach Huts	2014/15 Rent	Proposed 2015/16 Rent payable from 1 April 2015	Increase
Residents	£379	£477	£98
Non-residents	£758	£954	£196
<u>Notes</u> Fee inclusive of VAT at the prevailing rate.			

- 8 If the Executive agree to the proposal, then it is proposed that the new charges are introduced from 1st April 2015, having given owners three months’ notice in writing of the new charges.

CONSULTATION WITH FAREHAM BEACH HUT ASSOCIATION & OWNERS

- 9 Due to the proposal being placed before the Executive consultation has taken place with the Fareham Beach Hut Association and owners. As the Association does not represent all owners a letter was sent to every beach hut owner advising them of the report being presented to the Executive.

RESPONSE FROM FAREHAM BEACH HUT ASSOCIATION TO THE PROPOSAL

10 Attached as Appendix A are letters received from the Fareham Beach Hut Association dated 15th & 28th July. Following receipt of the letter dated 15 July a consultation meeting on the proposal was held with the Association on 23 July 2014. This resulted in the Association sending the letter dated 28 July. Below is a matrix of the points raised by the Association in their letters and the officers comments.

Summary of the comments from the Fareham Beach Hut Association contained in the letters dated 15th & 28th July 2014 attached as Appendix A

Comments – Letter dated 15 July	Officer Comments
1. The Fareham Borough Council rent increase clause in Agreements is one sided in favour of the Council.	The review proposal reflects the rent increase clause as set out in the beach hut Agreements which have been entered into by all owners. This is a pre-existing clause that has not been revised.
2. Disappointed to find the rent increase clause raised in the opening part of the letter to owners dated 2 nd July 2014, setting out the 26% increase proposal.	Reference to the rent increase clause in the letter to the owners was to justify the proposal to be considered by the Executive on 1 st September 2014.
3. Council should take into account that many owners are senior citizens and have limited disposal incomes.	All previous beach hut site rent increases have not taken into account age or income. The only rent differential is that non-Fareham Borough residents pay double the site rent.
4. Reference the Council budget guidelines, and that beach hut rents provide increasing source of income for the Council.	Council budget guidelines include, ‘...that proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers.’ This is the basis of the proposal based on the Havant comparable.
5. Gosport Council has significantly reduced rates for senior citizens and a further reduction for the disabled.	As referred to in number 3 above the only differential is for non-Fareham Borough residents, and not age, income or disability related.
6. Direct comparison with Havant. The rents proposed to take effect from 1 st April 2015 are those charged by Havant in the current financial year.	Proposal is based on Havant 2014/2015 site rents which may increase for 2015/2016.
7. Comparison with Havant is not a fair one as it is, for example, a nationally recognised holiday resort.	As mentioned in response 4, the proposal has had regard to the Council’s budget guidelines with Havant being a neighbouring authority whose beach hut rents are inclusive of VAT and are double for non-authority residents. The location of a beach hut at Hill Head overlooking the Solent is considered to be comparable, if not better, than Hayling Island. It is accepted that Hill Head does not have the tourist type attractions that Hayling Island

	enjoys but the non-commercialised location of Hill Head could be argued to make Hill Head more desirable.
8. For reasons set out in letter that Havant is not a fair comparison, the 26% proposal cannot be justified. The Association proposes that whatever increase is implemented, it should stand for 3 years with future reviews every 3 years thereafter which are index linked.	A 3 yearly review has merit. It will give owners certainty of rent payments which will not increase over the period and save the Council administration costs by not having to send out letters to owners every year for the annual fees and charges increase. The 3 yearly reviews should be based on the Retail Prices Index or comparable beach hut rents, whichever is higher.
9. Council should not abuse contractual right to determine site rents without full justification.	The justification for the proposal is the Council budget guidelines
10. For the vast majority of beach hut owners, the use of their beach huts is very seasonal and weather dependent.	Agreements permit beach huts to be used for 12 months of the year.
11. Council refers to beach huts being a valuable piece of real estate. The Association is not aware that members own a beach hut because it is a good investment. Value of the beach huts is of no interest to the members. Potential resale values should have no bearing on the level of site rents that the Council set.	Beach huts sell for between £10,000 - £20,000 depending on the size, location (Cliff Road or Monks Hill) and condition. The value of the beach hut if sold is derived from its location on one of the most attractive waterfront locations overlooking the Solent.
12. The Association expected to be included in the discussions as part of the review, not after it was concluded.	The proposal was the subject of consultation with the Association at a meeting held on 23 rd July 2014. All owners were made aware of the proposal in a letter dated 2 nd July 2014 which asked for comments and gave details of how they could make a deputation.
13. Minutes of Executive meeting on 2 nd December 2013 requested officers to undertake a full beach hut review during 2014/2015. It was expected that the review would include the Association.	As the Association does not represent all beach hut owners it was not possible to negotiate a review just for the owners that the Association represents.
14. Finance Department has already made a decision on the rent increase which has been communicated to beach hut owners without prior consultation with the Association.	No decision on the proposal has been made. This will be a matter for the Executive on 1 st September 2014. As mentioned consultation with the Association on the proposal took place at a meeting held 23 rd July 2014 with letters dated 2 July 2014 sent to all owners setting out details of the proposal for their comments and advising how they can make a deputation.
Comments – Letter dated 28 July	Officer Comments
15. Association pleased that on 23 July the long asked for meeting to discuss the beach hut review took place.	Meeting was held on 23 July to discuss the proposal to considered by the Executive on 1 September. The meeting was held once the

	proposal to be placed before the Executive was formalised.
<p>16. Comparability- Hayling Island in Havant is not a fair comparison on which to base the site rental increase proposal.</p> <p>Hayling Island is a well recognised tourist resort with enhanced beach side facilities which must add a premium to beach hut site rents in that area whether or not beach hut owners choose to avail themselves of these attractions.</p> <p>Suggestion that for 2015/16 a linkage to increases in fees and charges should be adequate.</p>	<p>As mentioned in 4 above the Council budget guidelines include, '...that proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers.' This is the basis of the proposal based on the Havant comparable in a neighbouring Authority.</p> <p>The officer comments in 7 states that it is accepted that Hill Head does not have the tourist type attractions that Hayling Island enjoys but the non-commercialised location of Hill Head could be argued to make Hill Head more desirable. The sale value of beach huts at Hill Head is more than is being received for beach huts at Hayling Island. This suggests the desirability of owning a beach hut at Hill Head. The Executive could decide to continue with fees and charges increases. As mentioned by the Association in 13 the Executive on 2nd December 2013 requested officers to undertake a full beach hut review during 2014/2015. This is the basis of the proposal to be considered by the Executive .</p>
<p>17. Future site rental determinations.</p> <p>Reaffirms Association suggestion in their letter of 15 July that reviews are perhaps held 3 yearly applying a RPI increase or the same annual increase as other fees and charges.</p>	<p>As mentioned in the officer comment 8 a 3 yearly review has merit. This suggestion is included as one of the recommendations for the Executive to consider.</p>
<p>18. Suggestion that the Council reassess the differential that non Fareham residents pay double the site rent of a Fareham resident.</p>	<p>The policy of non residents paying double the site rent has been in place for many years. This is the price paid by a non Fareham resident for siting a beach hut at Hill Head. Gosport for example has a policy that to be eligible to rent a hut in Council ownership you must be a Gosport or Lee-on-the-Solent resident.</p>
<p>19. Fareham Beach Hut Association comparisons shown on the table attached to their letter.</p>	<p>As mentioned in 16 the proposal before the Executive has had regard to the Council budget guidelines which include, '...that proposed charges should be considered alongside those for similar services in neighbouring authorities.....' This is the proposal based on the Havant comparable in a neighbouring Authority.</p> <p>Whilst the comparisons put forward by the Association to make their case are understood it cannot be accepted that beach huts located</p>

	<p>in Brighton, Dover, Hastings and Rother are neighbouring authorities.</p> <p>Attached as Appendix C is a table of the research into beach hut site rents charged by local authorities which resulted in the proposal being placed before the Executive for consideration.</p>
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11As referred to in the response to the Fareham Beach Hut Association letters a suggestion put forward by the Association which has merit is that beach hut site rent reviews are undertaken every 3 years as opposed to as at present annually tied to the Council's fees and charges increase. If this suggestion was accepted it would mean that the increase which the Executive agree to implement from 1 April 2015 will be fixed for 3 years with the next review taking place on the 1 April 2018 and thereafter every 3 years. This will have advantages to owners as they will have certainty of the rent to be paid annually for a 3 year period, but conversely, the rent increases are likely to be higher at each rent review because of the elapsed time between each.

12If a 3 year review pattern is agreed the reviews should be based on comparable beach hut site rents or Retail Prices Index (RPI) whichever is the higher.

RESPONSES FROM OWNERS TO THE PROPOSAL

13Attached as Appendix B is the letter dated 2 July 2014 sent to owners advising of the proposal to be considered by the Executive together with letters and e mails received following receipt of the letter. Below is a matrix of the similar comments received from owners and the officers comments.

Summary of comments received from Beach Hut Owners in the letters / e mails shown in Appendix B

Comments	Officer Comments
1. The beach hut rent proposal is excessive and cannot be justified.	Justification for the proposal is the Council budget guidelines which includes 'the proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers.' This is the basis of the proposal using the Havant comparable.
2. The increase will force owners to sell their beach hut	If this is the case it will be very unfortunate and regrettable but there is no evidence to suggest that sales decisions are based purely on the beach hut site rent paid.
3. Discount should be given to residents of Hampshire who live outside the Fareham boundary so they do not pay double the rent of Fareham residents. Double rent should only be paid by residents who live outside Hampshire.	At present the only rent differential is that non Fareham residents pay double the site rent of a Fareham resident.

<p>4. Hill Head is not comparable to Hayling Island e.g. Hill Head not a blue flag beach, no commercial facilities are provided, not a recognised holiday resort, from Hill Head you have the not so scenic view of Fawley Power Station and Oil Refinery, beach huts adjacent to a public right of way .</p>	<p>The location of a beach hut at Hill Head overlooking the Solent is considered to be comparable, if not better, than Hayling Island. It is accepted that Hill Head does not have the tourist type attractions that Hayling Island enjoys but the non-commercialised location of Hill Head could be argued to make Hill Head more desirable.</p>
<p>5. Lack of facilities provided for beach hut owners.</p>	<p>The services which are provided at Hill Head are for all users of the beach and not exclusively for beach hut owners.</p>
<p>6. Site rents should be based on square footage of the area occupied by the beach hut as the huts vary in size and smaller hut owners are already paying a disproportionate rent. System of charging double plot rental to non-residents is very unfair.</p>	<p>The site rent paid for beach huts historically has not taken into account the size of the beach hut. Size is however one of the factors that reflects in the sale value of beach huts. Havant Council also does not take account of the size of the beach hut to determine the site rent paid. This suggestion if it found favour and how it is implemented would need to be looked at very carefully because it could result in owners of the large beach huts paying substantially more with non residents paying double. As mentioned in 3 the Council has a policy which has been in place for many years of charging non Fareham residents double the site rent paid by a Fareham resident.</p>
<p>7. Condition of the beach at Hill Head e.g. dogs toilet, build-up of shingle due to unprecedented winter storms, litter.</p>	<p>These matters have been taken up with the appropriate Departments of the Council.</p>
<p>8. Lack of signage for dogs on the beach and 'No Cycling'</p>	<p>See 7 above.</p>
<p>9. Public footpath adjoining the huts at Cliff Road is very busy and used by cyclists, pedestrians, dog walkers.</p>	<p>See 7 above.</p>
<p>10. Majority of beach hut owners are senior citizens on pensions, this cannot be in line with Government practices</p>	<p>Previous beach hut site rent increases have not taken into account age or income.</p>
<p>11. The sign at Monks Hill which was knocked down stating that dogs on the beach are restricted during 1st May to 31 October is still missing, please replace as this is causing friction between hut owners and dog owners. Also signs for 'No Cycling' were removed when the ramp for cycle path was built, these have not been reinstated.</p>	<p>These matters have been taken up with the appropriate Departments of the Council.</p>
<p>12. Beach Hut owners frequently have to clear grass and weeds from behind the huts, we share the promenade with the public, dog walkers, cyclist and often have to clear rubbish, broken glass, dog mess to keep Cliff</p>	<p>See 11 above.</p>

Road clean for all to enjoy. Please clarify dog owners position and put up 'No Cycling' signs and remember that many owners are pensioners	
13. Recent repairs to the promenade are a sticking plaster; really need major upgrade to make it more robust. Due to Councils refusal to upgrade the next winter storms will once again breach the promenade and damage the huts. Considerable money has been spent at Hayling to improve sea defences .A modest increase would not be objected to if the money was spent directly on beach improvements, promenade upgrade and proper dog controls	Works following the unprecedented winter 2014 storms have been undertaken by the Eastern Solent Coastal Partnership. The comments made about the promenade will be passed to the Eastern Solent Coastal Partnership including the work done to the gabions on the eastern side of the sailing club where the gabions have again been breached. Income from beach huts goes into the general fund to help pay for the services which the Council provides.
14. Hayling can sub-let their huts in order to offset some of the rental costs	Havant Council does not allow owners to sub-let their beach huts.
15. Investigate other ways to raise income .i.e. Council tax banding loopholes	As part of the Council efficiency savings programme other income streams are being considered.

FINANCIAL IMPLICATIONS

Beach Hut Owners	Current Beach Hut Rent £	Proposed Increase in line with Hayling Island £
Residents (132)	379	477
Non-Residents (39)	758	954
Total Rental Income Received	79,590	100,170

By increasing the Beach Hut site rents in line with the current 2014/15 site rents charged by Havant Borough Council for the Hayling Island sites, the Council would receive an additional income of £20,580 inclusive of VAT.

CONCLUSION

14The report advises the Executive of a proposal to raise beach hut site rents above the current annual fees and charges increase. The Executive are asked to consider the proposal and decide if it should either be accepted in full from 1 April 2015 or implement such other increase as the Executive decide is appropriate. The Executive are also asked to consider if depending on the level of increase agreed it should as for the 2004 review be phased in over a period of years to be decided or as an alternative a 3 year review pattern for future beach hut site rent increases can be agreed.

FAREHAM BEACH HUT ASSOCIATION

Secretary: Miss Ann Jones
11, Funtley Lane Funtley Fareham Hampshire PO17 5EH
Telephone: 01329 230104
Email address: fbhaa@aol.com

15 July 2014.

Mr G. Lloyd, FRICS
Head of Estates
Fareham Borough Council
Civic Offices
Civic Way
Fareham PO16 7AZ

Dear Mr Lloyd,

In his letter to you dated 4 July Percy O'Dell, the Chairman of this Association, indicated that I would be preparing a detailed response to your proposed increase of the beach hut site rents from 1 April 2015. I am a Committee member of the Association.

The Association is advised by its solicitors, Blake Lapthorn (now Blake Morgan) who wrote to you on 22 November 2013 in relation to the Beach Hut Contract Clause 2. Blake Lapthorn expressed our view that a clause which permits the Council to increase the site rent 'to such a sum as the Council in their absolute discretion shall decide', is a very one sided contract and places hut owners at a considerable disadvantage.

It is therefore disappointing that this same clause is used in the opening part of Fareham Borough Council's letter to beach hut owners concerning the proposed increase in the ground rent before shocking them with a proposed 26% increase.

The Association can appreciate that, in this time of financial constraint, the Council needs to take steps to increase revenue streams wherever possible. The Council should take into account that many of the beach hut owners are senior citizens and as such have limited disposable income and have taken significant financial hits during the recession.

The Council's budget guidelines state that fees and charges are 'to be increased to achieve a 5% increase in income *'wherever possible and desirable'*. This suggests that the Council recognizes that even an increase of 5% may not be achievable in every year; it certainly does not indicate that an increase of 26% should be planned for. Additionally the guidelines state that 'every effort is to be made to identify new sources of income'. Beach hut site rents are not a *new* source of income. Over recent years the beach huts have provided increasing income for Fareham Borough Council but it is our belief that this 'sacred cow' should not be milked dry.

The Association appreciates that the Council may wish to look at beach hut site rents in other local authority areas to establish a level of relativity.

Gosport Borough Council owns the beach huts that it leases on 3 year contracts. We accept that no direct comparison can be made but it is interesting that Gosport have significantly reduced rates for senior citizens and a further reduction for disabled tenants.

You have made a direct comparison with Havant Borough which operates an annual leasing arrangement on the huts which it owns but also has privately owned huts. The rents of £477 and £954 which you are now proposing will take effect from 1 April 2015 are exactly those charged by Havant to its beach hut owners in the current financial year.

The comparison with Havant beach huts cannot be a fair one. Havant's beach huts are in Hayling Island which is a nationally recognised holiday resort. It has holiday camps, areas set aside for caravan holidaymakers and numerous hotels and guesthouses. Hayling Island has been awarded a Tidy Britain Seaside Award and also can boast two European Blue Flag Awards. The beach area has a narrow gauge railway running along it plus the Beachlands fairground facility. All this would move towards a premium on beach hut site rents in Hayling Island / Havant.

For those reasons this Association contends the comparison you have adopted is not a fair one, the beach hut site rents are not a 'new source of income'. The 26% increase in a single year cannot be fair, equitable or justified. If the Council cannot be persuaded to maintain the status quo, the Association would wish to seek an agreement of the nature proposed by Blake Lapthorn in their letter of the 22 November 2013. We would be looking for an agreement to a three yearly review which is index linked. At our meeting on 23 July we would have to decide what the % increase would be.

We do not believe that the Council should abuse its contractual right to determine the site rent 'in its absolute discretion' simply by putting a wet finger in the wind and reaching a figure without full justification and structure.

It should also be borne in mind that for the vast majority of owners the use of their beach hut is very seasonal and weather dependant. The proposed rent could be seen as equating to £40 / £80 per month on an annual basis, but in 'usability' terms the figures are more like £100 / £200 per month.

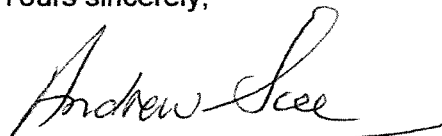
Representatives of the Council have previously referred to beach huts being 'a valuable piece of real estate'. We recognize some of the 'sheds on the beach' can make good prices when sold on the open market. The Association is not aware of any of our members who own a beach hut because it is a good investment. Most are elderly, have owned their huts for many years, often bequeath them to family members and certainly have no intention of selling them to make a quick buck. The value of the hut is of no practical interest to them. The potential resale value of the huts should have no bearing on the level of site rent which the Council sets.

Your correspondence with the Association throughout 2013 indicated that beach hut rents would be reviewed and the Association expected that it would be included in discussions as part of that review, not after it was concluded. Blake Laphorn's letter of the 14 April 2014 addressed to Karen Boothroyd remains unanswered but asked whether a review had yet taken place and, if it had not, stated that we would welcome the opportunity to make representations to it before any decisions were made.

Councillor Woodward, as minuted in the Executive Meeting 2 December 2013 requested officers to undertake a full review of beach hut rents during 2014/15 in response to the Association's deputation to the meeting presented by Percy O'Dell. It was expected, from Councillor Woodward's remarks, that this would include the Association.

Your department has already made a decision on rent which has been communicated to beach hut owners without any prior consultation with this Association. We hope that our meeting on the 23rd will produce a better conclusion.

Yours sincerely,



Andrew Slee

FAREHAM BEACH HUT ASSOCIATION

Secretary: Miss Ann Jones
11, Funtley Lane Funtley Fareham Hampshire PO17 5EH
Telephone: 01329 230104
Email address: fbhaa@aol.com

28 July 2014.

Mr G. Lloyd, FRICS
Head of Estates
Fareham Borough Council
Civic Offices
Civic Way
Fareham PO16 7AZ

*received
4/8/14*

Dear Mr Lloyd,

The Association were pleased that finally on the 23 July the long asked for and promised meeting, to discuss the Beach Hut rent review, took place. I hope now, as Officers, you have a better appreciation of the Association's point of view.

We were invited, following the meeting, for which I thank you, that if we wished to amplify some of the points we made we could send an addendum to my letter dated 15 July that will be presented as an appendix to your report to the Members of the Executive, at the Executive meeting to take place on the 1 September.

Please accept this letter as the addendum.

Comparability

We understand that your remit, in line with Council policy, was to make a comparison with 'similar services in neighboring authorities'; you focused on Gosport and Havant Boroughs. In your view these *are* the only neighboring authorities.

We agree that Gosport can be disregarded as the beach huts in that Borough are not privately owned but rented out by the Council on a different basis.

Your review therefore appears to have had exclusive regard to the site rents charged in Hayling Island. This is where the Havant Borough beach huts are

situated. It is now your proposal to match those rents in Fareham which will produce a 26% increase on the current site rents.

It remains our firm belief that the comparison with Hayling Island is not a fair one for the reasons set out in the Association's earlier letter. Essentially, Hayling Island is a well recognised tourist resort with enhanced beachside facilities which must add a premium to beach hut site rents in that area whether or not hut owners choose to avail themselves of these attractions. Not a 'like for like' comparison with Hill Head.

Clearly not all local authorities have coastlines on which to place beach huts and others administer them on a basis which is incomparable with the arrangements in Fareham. It is therefore our view that your review ought to have extended beyond the immediate area so as to make comparisons with more similar geographical beach hut sites along the Solent coast rather than simply attaching itself to Havant.

We enclose a schedule of information which has been gathered on rents for the current financial year in the areas of a number of other local authorities along the south coast. So far as we are aware all other factors are identical to those in Fareham where they are known to differ this has been noted.

As well as our view of the lack of a fair comparison with Havant, you will note that Hayling Island has the highest of all site rents on the south coast. The current site rent in Fareham, at £379, is around mid-table; in our view this seems to be set at just about the correct level on a comparison basis.

To continue next year with a linkage to increases in charges and fees for other Fareham Council services would seem to be more than adequate.

Future Site Rent Determinations

We recognise that contractually, as per Clause 2 of the Contract, the Council has the right to determine site rents 'in their absolute discretion'. It is our considered view that in the interests of transparency and open governance, the hut owners should be given an assurance on rent levels for the next few years and that there are advantages in such an arrangement for Fareham Borough Council in this as well as Fareham Beach Hut Association.

We would suggest that any decision of the Executive at its September meeting should include the rent levels for the following two financial years. This could be achieved in a variety of ways: perhaps fixing the site rent for 3 years, applying

RPI increases each year, or the same annual increase as other charges and fees.

Clearly this is a suggestion which may need more detailed consideration but its adoption would provide beach hut owners and the Council with an assurance on their respective outgoings and income for the following years. It would have the added effect of removing the necessity for the Council officers of notifying each owner every January of the level of rent for the forthcoming financial year.

The Association's suggestion is that a properly structured Review, including fair comparisons with a range of other local authorities, should take place every 3 years rather than the 10 years which has now elapsed since the previous review.

Rents for Owners Residing Outside the Borough

As well as Borough residents, this Association has members who reside outside the Borough.

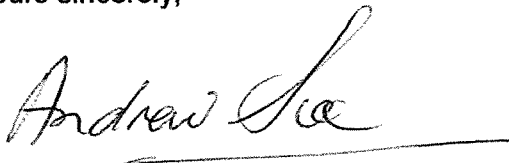
We are aware that previously the Executive has adopted the view that the Council should fundamentally provide facilities for residents of the Borough and those from outside should expect to pay more.

The current 'double rent' policy has the effect of producing an ever widening gap in monetary terms. Havant is the only other authority on the south coast which has such policy. New Forest DC charges a higher site rent to non-residents and it applies only a 40% uplift.

We would suggest a reassessment of the differential should now be made.

The Beach Hut Association would ask that the Executive give a proper consideration to the views of its members expressed in this and our earlier letter.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew Slee". The signature is written in a cursive style and is positioned above a horizontal line that serves as a separator between the signature and the printed name below.

Andrew Slee

BEACH HUT SITE RENTAL COMPARISONS

Council	Area	Annual Rental incl VAT £
Adur	Worthing Central	470
	Worthing, Brighton Road	350
	Lancing, West Beach	350
	Shoreham Beach Green	350
Arun (Service Contracted Out)	Littlehampton , Felpham and Ferring	408
Brighton and Hove	Hove Promenade	314.75
Dover	Kingsdown, Deal	380
Hastings	Combe Haven East	475.84
	Combe Haven West (Front Row)	475.84
	Combe Haven West (Mid/Back Row)	397.21
	Glyne Gap East	357.90
	Glyne Gap West	319.48
Havant [a]	Hayling Island	477
Isle of Wight	Appley, Puckpool, Dunroamin, Little Stairs, Colwell, Gurnard and East Cowes	267.54 [b]
New Forest [c]	Barton-on-Sea and Milford-on-Sea	454
	Calshot and Hordle Cliff	412 – 547 [d]
Rother	Bexhill East Parade	367
	Glyne Gap	367

[a] Havant charge is double for non-residents of the District.

[b] Isle of Wight rent is for sites up to 5 metres in length.

[c] NFDC charge for non-residents of the District is an additional 40% and a £10 reduction is made for rents paid before 1 April each year.

[d] Rent dependant upon floor area and a comparison with Fareham would give a maximum of £454. Each hut has running water and can be slept in for upto 30 nights per annum.

Note: Other than as noted above no additional charges are levied for non-residents of the local authority area.

28 July 2014

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

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Comparable information research for sites on which owners place their beach huts.

<u>Council</u>	<u>2014/2015</u>	<u>Additional Charges</u>	<u>Comments</u>
Fareham (Cliff Road & Monks Hill)	£379.00 (inc VAT)	£50.00 - Transfer fee chargeable to any new owners following a sale or change of name.	Non-residents of the Borough pay double the rent of a Fareham resident. Rents are reviewed annually.
Gosport – Stokes Bay & Lee-on- the Solent	£780.00 (inc. VAT) for beach huts <u>owned</u> by the Council. Therefore not a relevant comparable.	£0 (or not disclosed)	Discounts are offered as follows subject to proof of eligibility:- <ul style="list-style-type: none"> • Senior Citizens reduced to £590.00 • Disabled residents reduced to £495.00 Beach huts can only be licensed by residents of Gosport or Lee-on-Solent. Rents are reviewed annually.
Havant – Hayling Island	£477.00 (inc. VAT)	£100 for Sales advertising & photography	Non-residents of the Borough pay double the rent of a Havant resident. Rents are reviewed annually. No account taken for size of beach hut.
Isle of Wight – Appley, Puckpool, Dunroamin, Little stairs, Colwell, Gurnard & East Cowes	Huts up to 5m deep (Front to back) = £267.54 (inc. VAT)	For every 30cm (or part thereof) over 5m deep, there is an additional charge of £19.26 (inc. VAT). Plus £206.00 - Transfer fee chargeable to any new owners following a sale or change of name.	Only those people who are on the Isle of Wight Electoral Register are allowed to site their beach huts. IOW do not use a waiting list system.
Arun District Council – Bognor, Littlehampton,	£420.00 (inc. VAT)	£0 (or not disclosed)	Do not charge anything extra for non-borough residents. Management of beach huts is undertaken by Inspire Leisure

Ferring			Trust on behalf of the Council.
New Forest District Council – Barton-on-Sea, Hordle Cliff, Milford-on-Sea, Calshot	Milford-on-Sea and Barton-on-Sea = £454.00 (inc. VAT) Hordle Cliff & Calshot = from £412.00 - £547.00(inc. VAT)	Barton-on-Sea = £511.00 - Transfer fee & Hordle Cliff, Milford-on-Sea, and Calshot = £766.00 chargeable following a sale or change of name.	Rent reviews are conducted annually. New Forest does not have a beach huts waiting list, but are notified of anyone selling.

Additional Notes:

West Sussex County Council - unable to obtain any information.

Bournemouth Borough Council and Borough of Poole have beach huts available to lease, but none of them are privately owned so do not generate an income from ground rents.

Chichester District Council advised that any beach huts in their area are on privately owned land and therefore do not generate an income for the Council.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 1 September 2014

Portfolio:	Policy, Strategy and Finance
Subject:	Lease of Part of Floor 5, Civic Offices
Report of:	Director of Finance and Resources
Strategy/Policy:	Asset Management Plan.
Corporate Objective:	A dynamic, prudent, progressive and best practice Council

Purpose:
To obtain the Executive's approval to the heads of terms provisionally agreed with Public Health England (PHE) to occupy part of Floor 5 within the Civic Offices as the PHE Wessex Centre Office.

Executive summary:
The Council has been in discussion with Public Health England to occupy part of floor 5 in the Civic Offices as the PHE Wessex Centre Office. This will have advantages to the Council as it will build on the leases granted to the Wessex Youth Offending (floor 4) and Integrated Offender Management (part of floor 5) teams and will secure an additional public sector organisation to occupy space in the Civic Offices. The rent and service charge paid by PHE will offset the running costs of the building. The confidential Appendix A sets out the heads of terms provisionally agreed with PHE for the approval of the Executive.

Recommendation:
The Executive is recommended to give its approval to the heads of terms provisionally agreed with PHE as shown on the Confidential Appendix A and if required the final terms being delegated to the Director of Finance & Resources in consultation with the Executive Leader.

Reason:

To obtain approval to the heads of terms provisionally agreed with PHE for the lease of accommodation within the Civic Offices.

Cost of proposals:

Following a 6 month rent free period the Council will receive from PHE the rent and service charge set out in the confidential Appendix A.

- Appendices**
- A** Confidential Executive Briefing Paper detailing Heads of Terms provisionally agreed with Public Health England (Exempt By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)
 - B** Drawing showing proposed layout of the space to be leased by Public Health England
 - C** Public Health England Information

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 1 September 2014

Subject: Lease of Part of Floor 5, Civic Offices

Briefing by: Director of Finance and Resources

Portfolio: Policy, Strategy and Finance

INTRODUCTION

1. The Council has been in discussion with the Public Health England (PHE) who expressed interest in leasing accommodation on floor 5 of the Civic Offices as the PHE Wessex Centre office. This will have advantages to the Council as it will secure another public sector organisation to occupy space in the Civic Offices alongside the Wessex Youth Offending Team (floor 4) and Integrated Offender Management (part of floor 5). This will generate another income stream to offset the running costs of the building and will make a significant contribution to the Council's efficiency plans. This will also achieve the objective included in the Council's Asset Management Plan to efficiently use the Council's operational property in terms of running costs. It will also facilitate collaboration between public bodies in order that public assets can be used more effectively by co location.
2. Attached as Appendix C is information on PHE.

HEADS OF TERMS AGREED WITH PUBLIC HEALTH ENGLAND

3. The confidential Appendix A sets out for the approval of the Executive the lease heads of terms provisionally agreed with PHE which includes the rent and service charge to be paid. The floor area to be leased is approximately (4,252 sq ft – 395 sq m) as shown for identification purposes on the drawing attached as Appendix B. The terms at this stage are still provisional and could be amended before the leases are completed. Therefore the Executive are requested if it proves necessary to delegate approval of the final terms to the Director of Finance & Resources in consultation with the Executive Leader.

4. To facilitate the occupation of PHE substantial works as shown on the drawing attached as Appendix B will have to be undertaken. The cost of these works will be met by PHE.

FINANCIAL IMPLICATIONS

5. The Council will receive the rent and service charge as set out in the confidential Appendix A from the PHE. The rent will commence at the end of the 6 month rent free period agreed to reflect the substantial capital expenditure by PHE to create the PHE Wessex Centre Office on floor 5. Over the period of the lease, subject to the break clauses not being exercised and increases in the rent and service charge, letting of this space to PHE will provide the Council with income in excess of £700k, which will offset the running costs of the Civic Offices and make a significant contribution to the Council's efficiency plans.

RISK ASSESSMENT

6. The risks arising from the occupation of the accommodation in the Civic Offices by PHE e.g. health and safety will be covered in the lease to be granted.

CONCLUSION

7. Terms have been provisionally agreed with PHE for the lease of accommodation on floor 5 in the Civic Offices. This will have advantages for the Council as it will secure another public sector organisation to occupy space in the Civic Offices and obtain a rent and service charge which will offset the running costs of the building. The Executive are recommended to approve the provisional heads of terms set out in the confidential Appendix A and if required the final terms being delegated to the Director of Finance & Resources in consultation with the Executive Leader.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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NO DIMENSIONS TO BE SCALED FROM THIS DRAWING

This drawing is issued for the sole and exclusive use of the named recipient. Distribution to any third party is on the strict understanding that no liability is accepted by Pick Everard for any discrepancies, errors or omissions that may be present, and no guarantee is offered as to the accuracy of information shown

CDM - RESIDUAL RISKS
The following are considered to be significant risks relevant to this drawing, which could not be fully mitigated or removed through design. Further possible control measures have been identified within the Design Risk Assessments which may help to mitigate these and other identified risks further during the construction / maintenance process:

NOTES

1.

REFERENCES

SIGNIFICANT HEALTH AND SAFETY HAZARDS

Key

	Area = 391.0 m ²
	Hatched area outside project
	New partition (Solid)
	New partition (Glazed)
	42 Nr Desks (New)
	Tambourn Storage Cupboard
	Water Dispenser
	Paper Shredder
	Paper Recycling
	Video Conference Screen

P03 Updated following user group comments at meeting on 01.07.14	10.07.14	MBH	MEH
P02 Updated following user group comments at meeting on 17.06.14	26.06.14	MBH	MEH
P01 First Issue - For Information	16.06.14	MBH	MEH
Revisions	Date	Drawn	Chkd

CLIENT
Public Health England

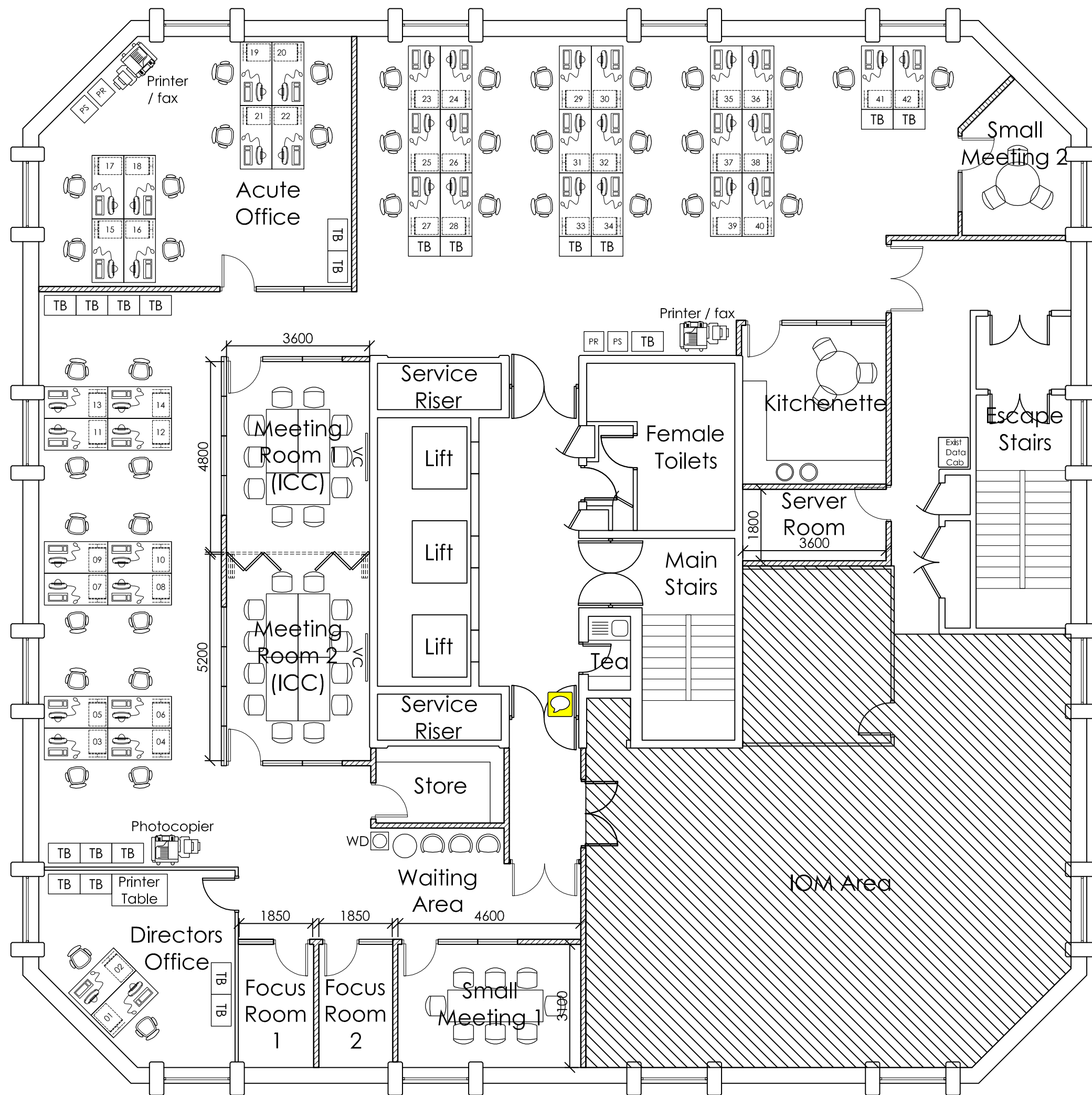
Architects
Consulting Engineers
Project Managers
Surveyors

PICK EVERARD

PROJECT
Refurbishment of:
Civic Offices, Civic Way,
Fareham. PO16 7AZ

DRAWING TITLE Proposed Layout: 5th Floor Option 1	PICK EVERARD PROJECT NO. 140323 SCALE - unless otherwise stated 1:50 at A1 STATUS / PURPOSE OF ISSUE S2 FOR INFORMATION
DRAWING NUMBER 323-PE-XX-05-DR-B-0001	REV P03

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What is Public Health England

Public Health England (PHE) was established on 1 April 2013 to bring together public health specialists from more than 70 organisations into a single public health service.

Our mission is to protect and improve the nation's health and to address inequalities, working with national and local government, the NHS, industry, academia, the public and the voluntary and community sector.



PHE's mission

We exist to serve the public through the public health system, a system led locally by elected members where responsibility for the public's health sits alongside responsibility for jobs, housing and communities. This system is new – the combination of local government leadership for the public's health supported by an expert national body is a first for England. Our aim is to cement a reputation with local authorities for our credibility and expertise, as the foundation upon which PHE will help the new system to drive transformation.



PHE Key Functions

The Chief Knowledge Officer (CKO) Directorate - aims to deliver an internationally recognised, high performing knowledge and intelligence service encompassing research, statistics and know-how. Taken together, this knowledge will inform and support the practice of public health and drive improvements in the public's health.

The Health and Wellbeing directorate - is designed to save lives, promote wellbeing and create environments that enable individuals, families and communities to be informed, empowered, healthier and more productive.

The Health Protection Directorate - comprises of teams of health protection specialists coordinating services at a local level, a nationally organised integrated epidemiology service based at PHE Colindale and an emergency response department which works to improve the UK's emergency response capability, developing the infrastructure for surveillance and early recognition of events.



PHE Operations Directorate

Operations Directorate – The gateway to all of the above services is provided by a regional structure through which England is divided into four regions in the South, the Midlands, the North and finally London region. This structure is managed at PHE HQ located at Wellington House, Waterloo Road, London.

These regional centres are supported by in total 14 local centres distributed throughout the UK. The location for London Region and Centre is at 151 Buckingham Palace Road, London.

The Operations Directorate is accountable for the delivery of consistent, high-quality services across Public Health England which support local government, NHS commissioners and public health providers and provides support and delivery across the 3 domains of public health specified above with a specific focus on reducing health inequalities.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Policy and Resources
Subject:	Annual Review of the Corporate Strategy 2011-2017
Report of:	Director of Finance and Resources
Strategy/Policy:	Corporate Strategy 2011-2017
Corporate Objective:	All Corporate Objectives Apply

Purpose:

The Council's performance framework requires the Executive to undertake an annual review of the corporate vision and priorities. The purpose is to confirm future priorities and update the wording where necessary. The outcome of the review will influence the budgets and local service agreements for the next financial year.

Executive summary:

The Corporate Strategy provides a clear focus on the most important issues that need to be addressed for 2011 – 2017. This annual review is an opportunity to consider the progress being made in delivering the corporate priorities and to assess the impact of any other influences on the Council's services and initiatives.

Recommendation:

That the Executive recommends to Council the amendments to the strategy document, as set out in paragraph 12 of this report, along with any other amendments arising from the review.

Reason:

To meet the requirements of the Council's performance management framework.

Cost of proposals:

The financial implications of amending any of the Council's priorities would need to be calculated and reflected in the Council's medium term financial strategy.

Appendix A: Corporate Strategy 2011 - 2017

Background papers: Annual Audit Letter Year ending 31 March 2013, Ernst & Young, 25 October 2013

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Annual Review of the Corporate Strategy 2011-2017

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Council's performance framework requires the Executive to undertake an annual review of the corporate vision and priorities. The purpose is to confirm future priorities and update the wording where necessary. The outcome of the review will influence the budgets and local service agreements for the next financial year.
2. This is the third review of the Corporate Strategy 2011 -2017, which was adopted by the Council on 23 June 2011. A copy is attached as Appendix A.
3. Any changes proposed to the wording will need to be approved by the Council, because the Corporate Strategy comes within the Council's policy framework under the Constitution.

ISSUES FOR CONSIDERATION

Progress in delivering corporate priorities

4. The Strategy contains a number of priorities for improvement for each of the Corporate Priorities. Progress on these items is listed below under the heading for each priority.

Affecting all Priorities

- The Welborne Plan has been submitted for examination.
- £800,000 of funding has been received from the Government to help with the planning for Welborne.
- The delivery of Welborne requires the upgrading of Junction 10 of the M27 to an all-moves junction. In April 2014 Fareham Borough Council, Hampshire County Council (as Highway Authority) and the Highways Agency approved a note setting out the preferred option for these works. In July 2014 as part of the Solent Growth Deal, the Government committed to invest 'an initial £19.7m to improve transport and connectivity in Fareham and Gosport and some initial enabling work at Welborne (with £6m in 2015/16), and a further provisional allocation of £14.9m for junction 10 M27 starting beyond 2016'.

Protect and Enhance the Environment

- There are early signs to suggest that there has been an improvement in air quality following the implementation of the bus rapid transit system; however it is too early to identify what the sustained impact will be.
- The Council is the lead authority for the clothing and textile recycling framework and four other local authorities have joined the framework, Portsmouth City Council, Havant Borough Council, East Hampshire District Council and Winchester City Council.
- The Council has collected in excess of 150 tonnes of clothing and textiles in the first year of the framework. During 2013/14 16 new sites have been introduced for textile recycling, bringing the total number of sites to 30.
- The Council completed essential repairs to Salterns Promenade including the replacement of the timber edging, resurfacing the entire length of the promenade, installing a cycle path and providing 5 new beach huts.

Maintain and Extend Prosperity

- The development of the Centre of Excellence in Engineering and Manufacturing Advanced Skills Training (CEMAST), a new campus for all Automotive, Engineering and Manufacturing courses at Fareham College, has been enabled through a proactive planning process.
- Fareham College secured planning permission (April 2014) for an investment scheme on their Bishopsfield Road Campus to provide a new innovative learning environment, providing specialist vocational facilities in the construction, care, visitor and digital economy sectors, as well as providing up to 120 new dwellings and public open space.
- A site and planning approval have been secured for the Innovation Centre and other developments at Daedalus.
- £200,000 has been spent on improvements in Fareham town centre, which has included a new website and signs.

A Safe and Healthy Place to Live and Work

- The Council successfully delivered Access All Areas, a summer programme of activities, for young people in partnership with the Police and local sports clubs.
- A Taxi Marshall scheme has been introduced in Fareham Town Centre to support the evening economy.
- The Council strives to ensure food and drink for human consumption is prepared, stored and distributed without risk to the health and safety of the consumer. To this end the Council carried out 345 food hygiene inspections in 2013/14.

Leisure for Health and Fun

- Funding and a site have been secured for the construction of a new swimming pool at Coldeast and the planning process has now commenced.
- The needs assessment for Community Centres has been completed and work is now starting on the next phase.
- Swanwick Lane, Sarisbury Green and Abshot Road play areas have been refurbished and upgraded. A new cricket square has been constructed at Bath Lane, a new

drainage scheme has been installed at Burridge Recreation Ground and the tennis courts at St Johns Recreation Ground have been refurbished.

- The Council invested £1.5m in the refurbishment and upgrading of Fareham Leisure Centre in partnership with SLM, refurbishing the swimming pools, changing village and renewing the water treatment plant.

A Balanced Housing Market

- The Council has established a Local Housing Company in partnership with a neighbouring local authority and two Registered Providers. The company aims to increase the provision of good quality affordable housing for rent or purchase for low income households in the Borough.
- 41 new affordable homes have been delivered during the 2013/14 financial year.
- The Council is investing £13m in the construction of 100 new affordable homes for rent.
- Construction of Collingwood Court is underway and planning consent has been granted for a new sheltered housing development at Coldeast.
- The Development Sites and Policies Plan was submitted to the Planning Inspectorate in June 2014. A number of hearing sessions are scheduled to take place in November before a final report is expected to be issued in Spring 2015.

Strong and Inclusive Communities

- The Fareham Park Fun Day event allocated £20,000 of funding to local community groups.
- The Council is working in collaboration with local youth charities, in a scheme called Clued Up 2 Go, to provide help and advice on a range of issues for young people living in the Fareham Park area.
- The Council secured £13,000 from the Government's "Our Place" funding towards neighbourhood improvements in Fareham Park.
- In 2013/14 the Council awarded 23 grants worth approximately £60,600 in community funding.

Dynamic, Prudent and Progressive Council

- The Residents' Survey was completed in October and November 2013 some of the key headline figures are:
 - Sent to 4,020 households with a 32% response rate (1,291 responses)
 - 89% of people said the Council provides value for money. A 1% increase on the last survey in 2011.
 - 91% of people said they were happy with how the Council runs things. This is a 1% decrease on the 2011 survey.
 - 77% of people felt well informed about the Council's services, an increase of 7% on the 2011 survey.
- The Council has invested £4 million in commercial property to maximise the value gained from assets.
- Following further reductions in Government grants, the Council has achieved a £800,000 efficiency plan.

- The Environmental Health Partnership, between Fareham Borough Council and Gosport Borough Council, was formally established on 1 April 2014.
- The Council's element of Council Tax has been frozen for the sixth successive year.

Any matters arising from reviews and/or inspections 2011 Census

5. The 2011 Census data released by the Office for National Statistics shows that the total population of Fareham as 111,600. The most recent figure from mid-2013 estimates the population to be 112,800.

Annual Audit

6. The Council's external auditors Ernst & Young annual audit letter and annual governance report provide an overall assessment of the Council. Both documents cover the Council's accounts for the year ended 31 March 2013.
7. The Council was overall found to have a good process for producing accounts, including the supporting working papers. The Council was also found to have proper arrangements in place to be financially resilient and for demonstrating how it is efficiently and effectively using its budgets.
8. There are a number of challenges facing the Council. These include:
 - The continuing challenge presented by reduced government funding.
 - Ensuring that significant projects like the development of Welborne and the setting up of a Joint Venture Company to help meet housing needs do not affect the financial resilience of the Council.
9. The assessment for the 2013/14 financial year is expected to be presented to the Audit and Governance Committee in November 2014.

Any matters arising from consultation with local residents, partners or interested bodies

10. A brief summary of the key points from the 2013 Residents' Survey has been included above. The next survey is due to be carried out in 2015.

FINANCIAL IMPLICATIONS

11. The financial implications of delivering the Council's priorities have been recognised within the budget planning process. Any significant changes to the Corporate Strategy 2011 – 2017 will need a financial appraisal to identify resources.

PROPOSALS

12. Overall, the Corporate Strategy remains on track and it is proposed that the Executive recommends that the Council approves the following minor changes to the Corporate Strategy document, attached as Appendix A, which incorporates these changes.
 - Amend the fourth paragraph to make it flexible, given that the Corporate Strategy has been in place for several years:

“This strategy contains a reduced number of priorities that will provide a clear focus on the most important issues that need to be addressed by the Council over the life of the strategy.” (Corporate Strategy 2011 – 2017, page 2)

- Amend the number of homes that will be built in Welborne from 6,500 to 6,000 in accordance with the Welborne Plan (Profile of Fareham, page 3).
- Update the population of the Borough, from 111,600 to 112,800, based upon the most recent estimate that is available (Profile of Fareham, page 3).
- Amend the first paragraph to better reflect the Council's investment in new leisure facilities:

“The Council continues to invest in new leisure facilities approving funding of £7m for the provision of a new swimming pool at Coldeast, investing £1.5m in the refurbishment of Fareham Leisure Centre and funding improvements to a wide range of sports pitches and tennis courts throughout the Borough. The Council funded a new £2m community centre in Portchester and has a programme for refreshing and upgrading the 45 play areas across the Borough; whilst continuing to support a wide range of cultural and entertainment activities at Ferneham Hall and Westbury Manor.” (Profile of Fareham, page 4)
- Amend paragraph four to reflect that Fareham Borough Council's element of Council tax has been frozen.

“The Council is considered to manage its resources well, has good leadership, a flexible and adaptable workforce and a strong awareness of its financial position. The Council has frozen its proportion of the Council Tax for the last six years.” (Profile of Fareham, page 4)
- Renumber priority 4 to 4a (Our Priorities for Improvement, page 8)
- Add a new priority 4b:

“Work with partners to deliver an £8.3 million package of investment at Daedalus, to include a new Innovation Centre to support small businesses, new hangar space and £1.5 million of improvements to the runway and airfield.” (Our Priorities for Improvement, page 8)
- Given the successful opening of a new Waitrose store in March 2014 and the progress made on the developing a new swimming pool at Coldeast, remove priority 5b, Development of Locks Heath District Centre to meet the needs of local residents for shopping, community and leisure facilities and to complement neighbouring shopping centre and Fareham Town Centre. The Council will continue to work with interested parties to ensure the continued improvement of the District Centre. Priority 5a will be renumbered to 5 (Our Priorities for Improvement, page 8).
- Split priority 8 into 8a and 8b, separating the development of a swimming pool from the other items discussed (Our Priorities for Improvement, page 9)

“8a Construction of a new swimming pool on land at Coldeast
 8b Provide community facilities on land at Coldeast, including a cemetery, allotments, parkland and sports pitches”
- Under priority 12 the reference to Collingwood House has been changed to Collingwood Court (Our Priorities for Improvement, page 9).
- Amend priority 15 by making reference to the acquisition of commercial property:

“Maximise the value gained from assets that are owned by the Council, including the acquisition of commercial property.”
- Add a new priority, numbered 17, relating to the Vanguard Method:

“Using the Vanguard Method, undertake a programme of reviews to improve customer service, across the Council.” (Our Priorities for Improvement, page 9)

- Amend the final paragraph to be more in keeping with the Vanguard Method, by changing the reference to performance indicators to a range of measures (Strategic Framework, page 10).

“The corporate strategy and other strategies and plans are supported by **local service agreements** that bring together and describe the key activities and actions that will be delivered by individual service areas within the Council over the short-term (i.e. three years). They also include a range of measures that demonstrate the degree of success of the Council in meeting customer expectations.”

- Add details of social media contacts to the Further Information and Contacts page (page11).

CONCLUSION

13. This report is a key stage in the Council’s performance management framework. The Executive is invited to report the Corporate Strategy 2011 – 2017 so that the Council’s priorities can be reflected in the budgets and local service agreements for the next financial year.

Reference Papers: None

Fareham

The prosperous, safe and attractive place to be

Corporate Strategy 2011-2017



FAREHAM
BOROUGH COUNCIL

Corporate Strategy 2011–2017

Welcome to our corporate strategy for Fareham Borough Council. This document sets out our strategic priorities for 2011 to 2017 and emphasises our determination and commitment to ensure that Fareham remains a prosperous, safe and attractive place to live and work.

The Corporate strategy was adopted in 2011 and carefully considers what residents, service users, partners and others say is important to them. We have looked at our performance and service delivery to see how it compares with other similar Councils.

Over the period of the strategy we will face unprecedented reductions in available resources. We will need to ensure that these resources are directed towards our declared priorities and we will continue to use feedback from residents and from surveys to inform our decisions about which services and initiatives are the most important.

This strategy contains a reduced number of priorities that will provide a clear focus on the most important issues that need to be addressed by the Council over the life of the strategy.



Profile of Fareham

Fareham is located in an area of some 30 square miles along the south coast of Hampshire between Portsmouth and Southampton. It is well connected to the M27 motorway, has good rail links to London and other major centres and easy access to the ferry ports and Southampton international airport. The population of 112,800 is expected to grow by 5.4%, between 2011 and 2031, with a growing number in the population aged 45 or more. Black and minority ethnic groups make up a small proportion of the population in comparison to the rest of the south east region. Development at Welborne, a new community to the north of Fareham, is due to start in 2016 comprising of around 6,000 homes, commercial buildings and community facilities. Considerable effort will be required to ensure that the appropriate infrastructure is provided to support a sustainable community whilst maintaining a balance between the natural and built environments.

Fareham is a popular and attractive place to live and has a good record regarding environmental sustainability. Within Fareham's boundaries there are 6 nationally important sites of special scientific interest, 92 sites of importance for nature conservation and 4 nature reserves. The Borough has many historic buildings, 13 conservation areas, nearly 600 listed buildings plus 7 historic parks and gardens of regional or local importance. Residents have said consistently in national and local surveys that they are satisfied with the local area as a place to live.

Fareham is a thriving business area with low unemployment. Many of Fareham's businesses are of local origin with a high survival rate from start-up. The growth in jobs at Whiteley, Segensworth and the Solent Business Park has reduced the number of residents commuting to work elsewhere. The proportion of Fareham's working age population that are in work is higher than both the regional and national rates and the average annual salary for a full time worker living in Fareham is significantly higher than national average earnings.

Fareham is a safe and healthy place compared to many other parts of the country. The total number of recorded crimes in Fareham has been falling in recent years. Based upon the number of crimes recorded, Fareham's Community Safety Partnership is in the top quartile when compared to other similar authorities. The health of people living in Fareham is generally good when compared to other areas. Life expectancy is higher than the national average for men and women and over the last 10 years, the rate of death from all causes, and early death rates from cancer and from heart disease and stroke, have all fallen and remain lower than the national average. Deprivation levels across the Borough are generally very low, but there are pockets of deprivation where unemployment is much higher and educational achievement is much lower when compared to other parts of the Borough.



The Council continues to invest in new leisure facilities approving funding of £7m for the provision of a new swimming pool at Coldeast, investing £1.5m in the refurbishment of Fareham Leisure Centre and funding improvements to a wide range of sports pitches and tennis courts throughout the Borough. The Council funded a new £2m community centre in Portchester and has a programme for refreshing and upgrading the 45 play areas across the Borough; whilst continuing to support a wide range of cultural and entertainment activities at Ferneham Hall and Westbury Manor.

On the whole, Fareham's residents are well housed; with 9 out of 10 houses being owner occupied which is the highest in the region and fourth highest in England. In contrast, the proportion of social and private rented housing is very low. The housing stock generally is in good condition with few properties needing major repairs or lacking standard amenities and it is also energy efficient. Average house prices are significantly higher than for neighbouring local authorities in south east Hampshire, but lower than in Hampshire as a whole. First-time buyers in Fareham struggle to get into the housing market as the ratio between average house prices and earnings is significantly higher than the level for other areas in south east Hampshire.

Community Action Teams (CATs) meet in five areas in the Borough for residents to talk to the Council about developments, suggestions and requirements for their areas. An online Customer Engagement Panel has been formed and work is on-going to develop an equalities forum. The Council also has a commitment to being open and transparent to help customers to better understand its business.

The Council is considered to manage its resources well, has good leadership, a flexible and adaptable workforce and a strong awareness of its financial position. The Council has frozen its proportion of the Council Tax for the past six years.

Surveys show that residents are satisfied with the way the Council runs things and that it provides good value for money. It performs well and is good at keeping Fareham as an attractive and prosperous place to live, work and visit.

Our Vision

Fareham is a 'prosperous, safe and attractive place to live and work'. This has not happened by accident but by careful management and development, and constant attention to our environment and the needs of our communities. Our vision for Fareham's future is based upon the assumption that residents want to preserve all that is good about Fareham, whilst increasing prosperity and making it an even more inclusive and attractive place to live and work.

Our Values

Everything we do is guided by a set of values which are shared by all elected members and employees. These are:

- Listening and being responsive to our customers.
- Recognising and protecting the identity of existing settlements.
- Enhancing prosperity and conserving all that is good.
- Being efficient and effective and providing value for money.
- Leading our communities and achieving beneficial change.



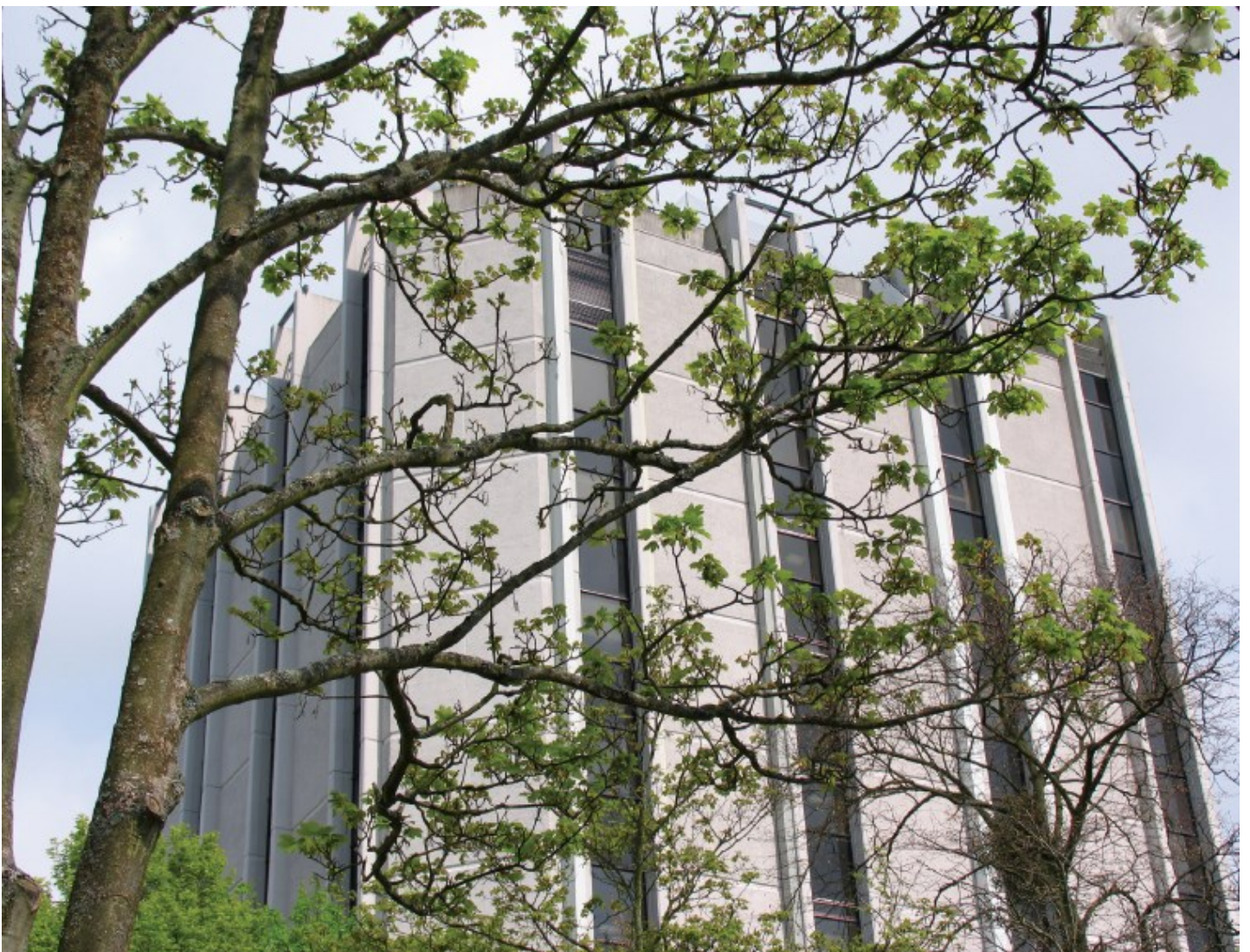
Our Priorities

To achieve this vision we will focus our efforts and resources on achieving seven corporate priorities. These are:

- To **protect and enhance the environment** by ensuring that Fareham remains a clean and attractive place to live and work. We will make sure that the built heritage and natural environment are conserved and enhanced for future generations and ensure that we minimise the impact on the environment by reducing our use of natural resources; minimising the generation of waste; whilst maximising the collection of recyclable materials. The key challenge in the foreseeable future will be to plan the development of Welborne, a new sustainable community to the north of Fareham.
- To **maintain and extend prosperity** by working with others to continue to support and promote the economic vitality of the Borough. Developing and improving vibrant town and district centres offering a range of shopping, leisure and employment opportunities will be vital to achieving this priority.
- To ensure that Fareham remains a **safe and healthy place to live and work** by working with others to provide an environment where people of all ages feel safe. We will also ensure that measures are in place to protect the health and safety of people who live, work or visit the Borough.
- To provide a reasonable range of **leisure opportunities for health and fun** so that residents and visitors of all ages can socialise with other members of our communities; participate in arts and entertainment activities; and improve their fitness and health.
- To work with our key partners to enable and support a **balanced housing market** so that residents of Fareham have access to good quality housing that is affordable, within their means and offers a choice of tenures. We will also take positive steps to prevent homelessness and assist individuals and families in securing good quality accommodation. We will support vulnerable people to help them access and sustain housing that is appropriate to their need and provide existing and future tenants of the Council with access to suitable and affordable rented accommodation.



- To build **strong and inclusive communities** by providing strategic leadership to help bring together key partners and encourage them to improve services and provide opportunities for residents of the Borough. We will also give people greater influence and power over the decisions that affect their lives and build more inclusive communities by providing easy and affordable access to information and services provided by the Council.
- To be a **dynamic, prudent and progressive council** by making sure that the decisions we make are transparent and that arrangements are in place to secure on-going improvement. Our overall priority is to ensure that we offer good value for money by providing high quality services and maintaining high levels of resident satisfaction, whilst keeping council tax levels low when compared to other district councils.



Our Priorities for Improvement

The following paragraphs describe the improvement actions that we will aim to achieve by 2017. They are organised around the seven corporate priorities, except the first action, which will have a direct impact on each priority.

Detailed action plans showing the key milestones and targets for the year ahead will be developed on an annual basis as part of the service and financial planning process. These plans will be based on the resources that are available at the time and will be incorporated into service plans.

Priorities for improvement will be reviewed annually and progress will be monitored regularly.



Affecting All Priorities

- 1) Plan for the development of Welborne, a new sustainable community to the north of Fareham which achieves high environmental and design standards and provides a wide range of transport choices.

Corporate Priorities

Protect and Enhance the Environment

- 2) Reduce the quantity of household waste and maximise the amount that is reused or recycled.
- 3a) Provide leadership to residents and businesses in the borough to reduce energy usage, conserve natural resources and save money.
- 3b) The Council will set an example by continuing to reduce carbon emissions across Council operations.

Maintain and Extend Prosperity

- 4a) Work with the Solent Local Enterprise Partnership and landowners to deliver a thriving aviation-led employment area at the Solent Enterprise Zone at Daedalus, which is supported by a viable airfield.
- 4b) Work with partners to deliver an £8.3 million package of investment at Daedalus, to include a new Innovation Centre to support small businesses, new hangar space and £1.5 million of improvements to the runway and airfield.
- 5) Further improve Fareham town centre to provide enhanced shopping and public facilities, with improved access and parking.
- 6) Work to support economic growth and improved skills through the Partnership for Urban South Hampshire (PUSH) and the Solent Local Enterprise Partnership.

A Safe and Healthy Place to Live and Work

- 7) Work with our Community Safety Partnership to continue to reduce anti-social behaviour and crime in Fareham.



Leisure for Health and Fun

- 8a) Construction of a new swimming pool on land at Coldeast.
- 8b) Provide community facilities on land at Coldeast including a cemetery, allotments, parkland and sports pitches.
- 9) Implement the findings of our review of community centres and sports pavilions and modernise buildings as appropriate giving priority to Fareham Town.
- 10) Develop new and improved parks, play areas and sports facilities using developers' contributions and external funding.

A Balanced Housing Market

- 11) Enable the provision of 500 new affordable homes by 2017.
- 12) Modernise and improve sheltered accommodation across the Borough, including the replacement of Collingwood Court as a priority.

Strong and Inclusive Communities

- 13) Improve the wellbeing of people living in the Fareham Park area.
- 14) Focus on customer needs and satisfaction through improved communications and targeted service delivery.

Dynamic, Prudent and Progressive Council

- 15) Maximise the value gained from assets that are owned by the Council, including the acquisition of commercial property.
- 16) Saving money, raising income and working in partnership with others to achieve more for less and continue to minimise council tax increases.
- 17) Using the Vanguard Method, undertake a programme of reviews to improve customer service, across the Council.



Strategic Framework

The strategic framework (set out in the diagram on the back cover) describes the links between the key financial and planning documents which cascade down through the Council, from the sustainable community strategy to the objectives agreed by individual members of staff at their annual performance appraisals.

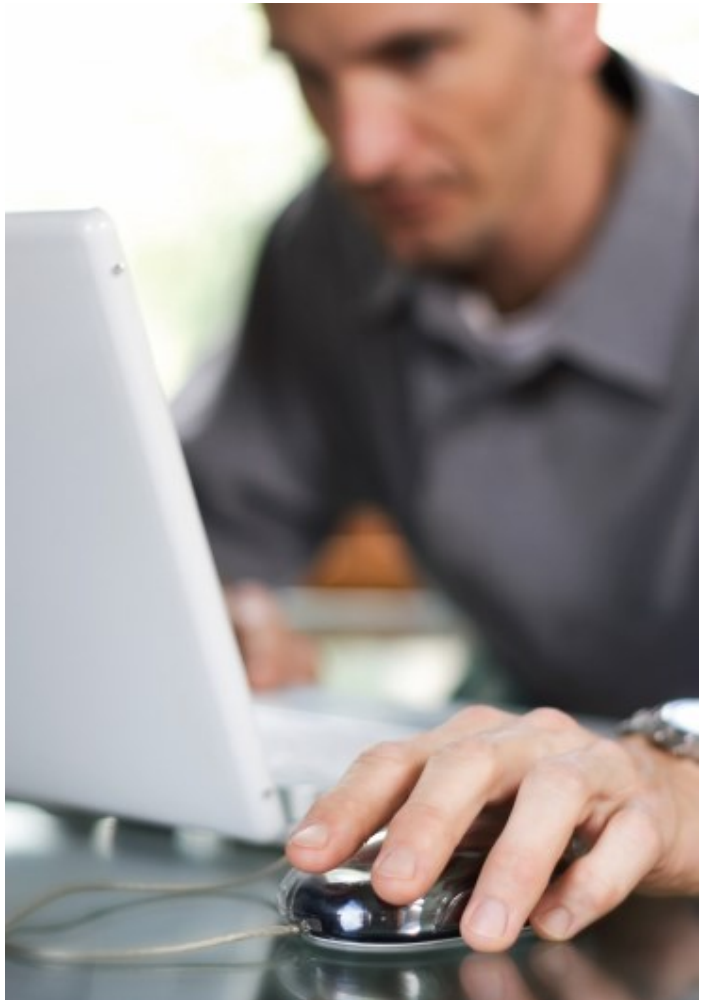
The **Sustainable Community Strategy – Your Future, Your Fareham** – is the high level strategic document which sets out a shared long-term vision for the Borough. This strategy was developed by the Local Strategic Partnership – networkfareham – in which the Council played a key role.

The Council's **Corporate Strategy** sets out our vision and priorities for the medium-term (i.e. six years). It also includes a set of improvement actions that describe the key projects and initiatives that we will focus on over this period.

A range of other key Council strategies and plans also link into the framework. They include:

- The **Local Plan – including the Core Strategy** which sets out the policies that will determine future land use to meet the needs of the sustainable community and corporate strategies.
- Other **strategies and plans** that relate to specific themes (e.g. housing, economic development and leisure etc.) also link into the sustainable community and corporate strategies.

- The **Medium Term Financial Strategy and Annual Budget**, which address the financial implications of all the Council's strategies and plans.



The corporate strategy and other strategies and plans are supported by **local service agreements** that bring together and describe the key activities and actions that will be delivered by individual service areas within the Council over the short-term (i.e. three years). They also include a range of measures that demonstrate the degree of success of the Council in meeting customer expectations.

Further Information and Contacts

You can view Fareham Borough Council's corporate strategy at:

http://www.fareham.gov.uk/pdf/about_the_council/vision.pdf

If you have any questions regarding this document, please contact a member of the Corporate Services Team at:

Tel: 01329 236100

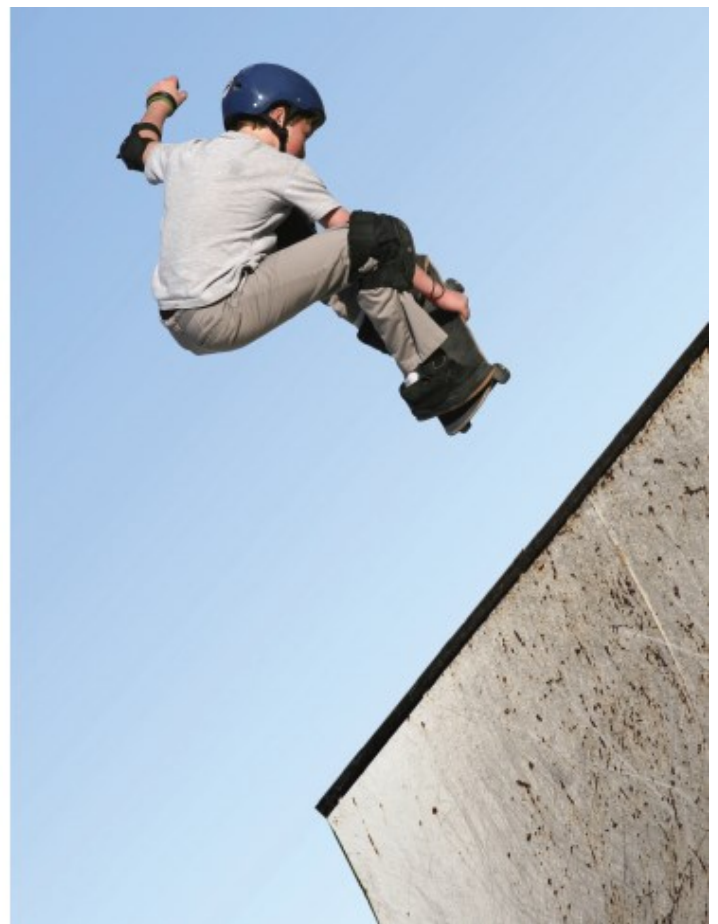
Email: corporateservices@fareham.gov.uk

Address: Corporate Services
Fareham Borough Council
Civic Offices
Civic Way
Fareham
PO16 7AZ

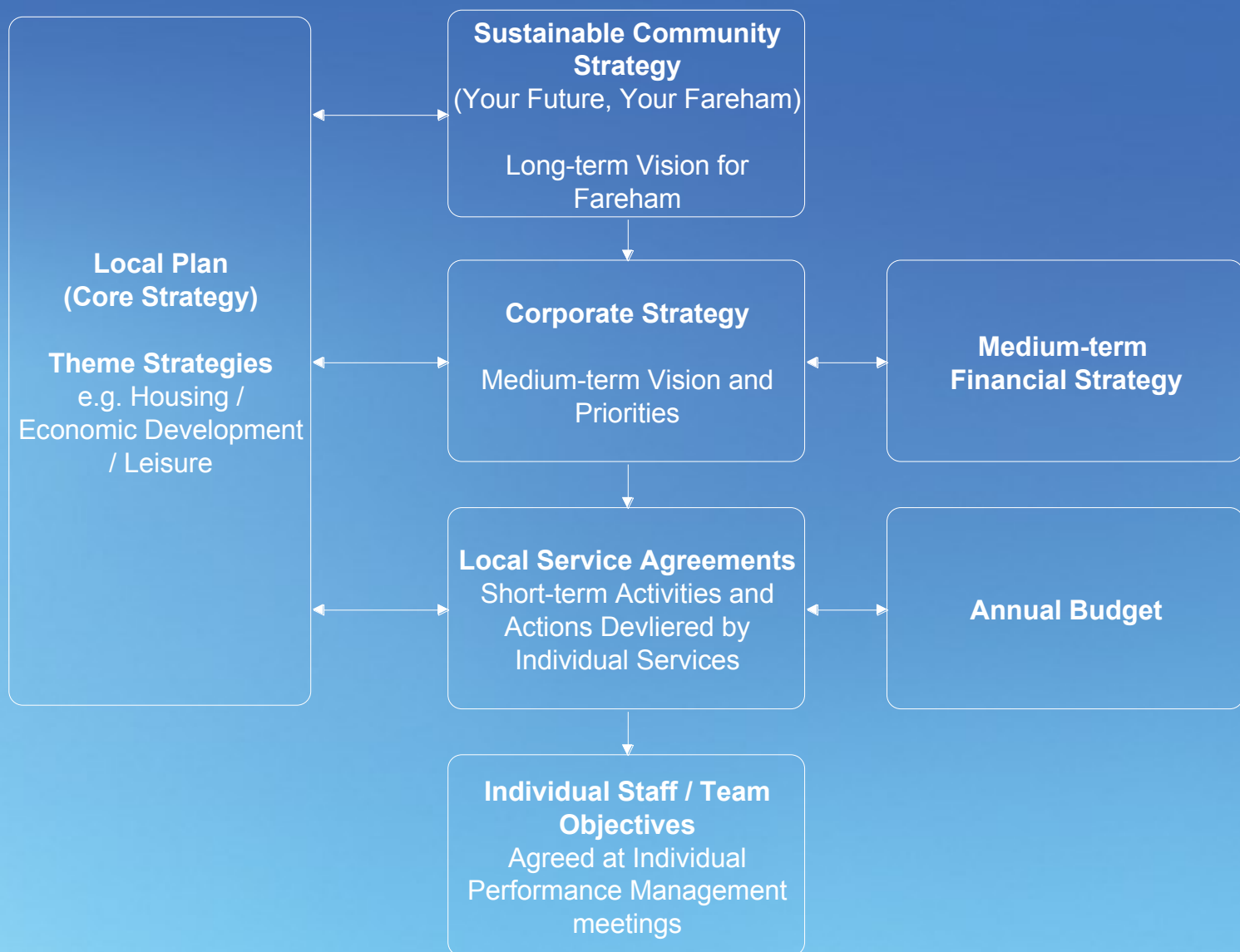
If you require this document in another format or language please contact the Corporate Services Team.



You can also contact us on Facebook www.facebook.com/farehambc or Twitter www.twitter.com/farehambc



Strategic Framework



FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Policy and Resources
Subject:	Annual Update - Local Service Agreements
Report of:	Director of Finance and Resources
Strategy/Policy:	Corporate Strategy 2011-2017
Corporate Objective:	All Corporate Objectives Apply

Purpose:
To provide an overview of the Council's performance for the 2013/14 financial year.

Executive summary:
The Council's strategic framework includes Local Service Agreements to provide details of actions delivered by individual services. The Local Service Agreements provide an overview of how the Council is performing alongside the Corporate Strategy. This annual review is an opportunity to consider how well the Council is performing as a whole as well as in key service areas.

Recommendation:
That the Council's performance be noted by the Executive.

Reason:
To provide details of the Council's performance for the 2013/14 financial year.

Cost of proposals:
There are no cost implications associated with the recommendations in this report.

Appendix A: Local Service Agreements April 2012 – March 2016

Background papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Annual Update - Local Service Agreements

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Council's strategic framework includes Local Service Agreements to provide details of the actions delivered by individual services. The Local Service Agreements provide an overview of how the Council is performing alongside the Corporate Strategy. This report is the second update since the Local Service Agreements were implemented in 2012.
2. On the whole performance across all of the indicators is comparable with previous years, which suggests that the Council's performance is stable.
3. Appendix A is a copy of the Local Service Agreement document updated with all of the details for the 2013/14 financial year.

FINANCIAL IMPLICATIONS

4. There are no anticipated financial implications associated with this report.

CONSULTATIONS

5. The Local Service Agreements make reference to the Residents' Survey. The survey is carried out biennially and the Local Service Agreements have been updated to reflect the feedback from the most recent survey, which was completed in October 2013.

CONCLUSION

6. Council performance across all of the Local Service Agreements is broadly comparable with previous years and consistently remains strong.

Reference Papers: Corporate Strategy 2011 - 2017

**Local Service
Agreements
How are we doing?**

April 2012 - March 2016

What are Local Service Agreements?

This document provides an overview of how the Council is performing and provides more detail about the Council's Vision and Priorities as set out in the Corporate Strategy.

What are the priorities?

- To Protect and Enhance the Environment
- To Maintain and Extend Prosperity
- To ensure Fareham remains a Safe and Healthy Place to Live and Work
- To provide a range of Leisure and Cultural Opportunities for health and fun
- To work with key partners to enable and support a Balanced Housing Market
- To build Strong and Inclusive Communities
- To be a Dynamic, Prudent and Progressive Council

Why do we have Local Service Agreements?

Each priority has a number of measurements that allow the Council to monitor how well it is performing from year-to-year. The information allows the Council to make sure it remains on track in achieving its goals; whilst also providing an opportunity to tackle any issues that might arise.

The Local Service Agreements also provide a way for the Council to be open and transparent, by making its performance available to the residents of the Borough.

What's new?

Welborne, the new community north of Fareham, continues to play an important role in all of the priorities. Welborne will include around 6,000 homes with businesses, schools, open spaces and local services. Welborne will help to meet our long term housing needs for the next twenty years, with work likely to begin around 2016.



Protecting and Enhancing our Environment

What is this priority about?

We need to look after our historic buildings and natural environment for future generations. Producing less waste, more recycling and using fewer natural resources are all things we can do to help make this happen.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- reduce the quantity of household waste and maximise the amount that is reused or recycled;
- provide leadership to residents and businesses in the Borough to reduce energy, conserve natural resources and save money.

What else are we doing?

Planning the future shape of the Borough

- Preparing plans that guide the future use and development of land within the Borough.

Ensuring high quality development

- Providing planning advice to applicants seeking to undertake development in the Borough.
- Ensuring planning applications meet the Council's policies.

Conserving and improving public spaces

- Protecting historic buildings and areas, trees and wildlife areas.
- Undertaking environmental improvements in public spaces.

Managing the coast and responding to climate change

- Keeping the beaches clean.
- Looking after coastal and flood defences.
- Preparing for and adapting to a changing climate.
- Helping residents to improve home energy efficiency.

Enabling easy access to well managed public and open spaces

- Providing and maintaining parks, open spaces, woodlands and allotments for your enjoyment.
- Mowing the grass.



Improving local air quality and ensuring land is free from contamination

- Improving air quality through the local air quality action plan.
- Continuously monitoring air quality.
- Investigating land for contamination.
- Ensuring local businesses do not pollute the environment.

Keeping streets and open spaces clean and tidy

- Cleaning the streets.
- Providing litter bins.
- Removing abandoned vehicles.
- Fining people for littering, dog fouling and fly tipping.
- Providing clean toilets for public use.
- Removing graffiti.

Providing a sympathetic and caring burial service

- Maintaining cemeteries.
- Arranging burials and working in partnership to run Portchester Crematorium.

Collecting waste

- Collecting household, garden, health care waste and recyclable materials.
- Providing assisted collections for households in need.
- Providing chargeable collections for bulky household waste, trade waste and commercial recycling.

How happy are you with our services?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. How happy are you with the parks and open spaces in your local area?

Very happy	Fairly happy	Fairly unhappy	Very unhappy
37%	55%	7%	1%

2. How happy are you with each of the following?

Household waste (refuse) collection

Very happy	Fairly happy	Fairly unhappy	Very unhappy
46%	37%	10%	7%

Household recycling collection

Very happy	Fairly happy	Fairly unhappy	Very unhappy
49%	42%	7%	2%

Garden waste collection

Very happy	Fairly happy	Fairly unhappy	Very unhappy
43%	42%	11%	4%

Recycling sites e.g. bottle banks

Very happy	Fairly happy	Fairly unhappy	Very unhappy
37%	47%	11%	5%

Clothing and textile recycling e.g. blue banks

Very happy	Fairly happy	Fairly unhappy	Very unhappy
38%	52%	8%	3%



3. Thinking about your local area how happy are you with each of the following?

Keeping public land clear of litter

Very happy	Fairly happy	Fairly unhappy	Very unhappy
23%	59%	14%	4%

Keeping public land clear of fly tipping

Very happy	Fairly happy	Fairly unhappy	Very unhappy
31%	59%	8%	2%

Keeping public land clear of dog fouling

Very happy	Fairly happy	Fairly unhappy	Very unhappy
16%	54%	21%	9%

How are we doing?

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

What percentage of household waste is sent for reuse, recycling and composting?

In 2013/14, 35% of household waste was sent for reuse, recycling and composting. This is a reduction of 1% on the previous year.

How long does it take to deal with incidents of fly-tipping on public land?

In 2013/14, 95% of fly tipped waste on public land was removed within five working days. This is the same as the previous year.

How long does it take to remove abandoned vehicles?

In 2013/14, 87% of abandoned vehicles were removed within 2 working days of the expiry of the Removal Notice. This is an increase of 3% on the previous year.

How long does it take to remove offensive graffiti from council property?

In 2013/14, 89% of offensive graffiti was removed from our property within five working days of any sightings or reports. This is an increase of 4% on the previous year.

Maintain and Extend Prosperity

What is this priority about?

We will work with our partners to support and promote the economic life of the Borough. Developing and improving lively town and district centres offering a range of shopping, leisure and employment opportunities will be vital to achieving this priority.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- work with partners towards the delivery of a successful airfield and aviation-led employment area at Daedalus;
- improve Fareham town centre by providing better shopping, parking, access and public services;
- support economic growth and skills through the Partnership for Urban South Hampshire and the Solent Local Enterprise Partnership.
- develop Locks Heath District Centre to meet the needs of local residents for shopping, community and leisure facilities and to complement neighbouring shopping centres and Fareham Town Centre.

What else are we doing?

Enabling employment opportunities

- Securing an adequate supply of land for business development in easy to get to locations.
- Encouraging new businesses and attracting well-paid jobs to the borough.
- Working with partners to enable residents to improve their workplace skills.
- Managing the Council's commercial land and properties.

Improving town and district centres

- Planning a district centre for Welborne and for maintaining the prosperity of Fareham town centre.
- Identifying new sites for business development.
- Carrying out environmental improvements.
- Working in partnership with the Fareham Town Centre Management initiative.
- Supporting the provision of markets.
- Providing a range of off-street parking choices.



Meeting transport and mobility needs

- Providing travel choices that are accessible and environment friendly.
- Supporting the provision of public and community transport.

How happy are you with our services? How are we doing?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. What would make you visit your closest district centre more often? Please tick the three most important to you.

More variety of shops	71%
Better quality of shops	53%
Easier parking	37%
More leisure facilities	25%
Better places to eat and drink	23%
Better leisure facilities	18%
Better bus service	16%
Improved public spaces	16%
More cafes/restaurants	13%
More places to eat and drink	13%

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

What percentage of retail space in Fareham Town Centre is occupied?

In July 2014, 91% of the shops were occupied, which represents a 1% increase from last year.

What percentage of people are claiming Jobseeker's Allowance?

In April 2014, 0.9% of working age residents in Fareham were claiming Jobseeker's Allowance. The average for the South East for this period was 1.7%.



A Safe and Healthy Place to Live and Work

What is this priority about?

We will work with others to continue to provide an environment where people of all ages feel safe. We will also ensure that measures are in place to protect the health and safety of people who live, work or visit the Borough.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- Work with our Community Safety Partnership to continue to reduce anti-social behaviour and crime and disorder in Fareham.

What else are we doing?

Reducing crime and disorder

- Providing CCTV coverage across the Borough in partnership with Gosport Borough Council.
- Providing community lighting for the safety of pedestrians on the public highway, parks and open spaces.

Protecting the health and safety of people

- Controlling pests and preventing the spread of infectious diseases.
- Collecting stray dogs and encouraging responsible dog ownership.
- Controlling the pollution of air, land and water.
- Ensuring businesses comply with food safety and health and safety legislation.
- Licensing and checking of premises, vehicles and people to ensure activities are undertaken and provided safely.
- Using powers to ensure residents live in satisfactory housing conditions.
- Ensuring public safety and protecting the community against the consequences of major incidents.

- Providing an emergency out-of-hours service.
- Protecting public health and preventing nuisance.

Managing highways, traffic and parking

- Assisting Hampshire County Council to manage traffic and keep the highways safe.
- Managing car parks and residents' parking schemes, applying traffic regulations, and taking action against parking offences.



Promoting good health

- Working with Fareham and Gosport Clinical Commissioning Group to improve access to health facilities.

Ensuring new and existing buildings are safe

- Ensuring building works comply with building regulations and safety standards.
- Providing residents with pre-application advice on construction related projects.
- Providing a 24 hour emergency response service for unsafe buildings.
- Ensuring the safe demolition of buildings.

How happy are you with our services? How are we doing?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. Do you agree or disagree that the police and Fareham Borough Council are successfully dealing with crime, anti-social behaviour and neighbour nuisance?

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
37%	55%	7%	1%

2. How much of a problem are the following?

Teenagers hanging around in public places

Not a problem at all	Not a very big problem	A fairly big problem	A very big problem
22%	62%	13%	2%

People using or dealing in drugs

Not a problem at all	Not a very big problem	A fairly big problem	A very big problem
52%	40%	6%	2%

People being drunk or rowdy in public places

Not a problem at all	Not a very big problem	A fairly big problem	A very big problem
35%	54%	8%	2%

Abandoned or burnt out cars

Not a problem at all	Not a very big problem	A fairly big problem	A very big problem
78%	21%	1%	0%

Vandalism, graffiti and other deliberate damage to property or vehicles

Not a problem at all	Not a very big problem	A fairly big problem	A very big problem
38%	53%	8%	1%

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

Has there been a reduction in the level of crime and disorder?

In 2013/14, the crime and disorder rate decreased by 5% when compared to the same period for 2012/13.



How well does the Fareham Community Safety Partnership's performance compare with other similar partnerships in Hampshire?

In 2013/14, Fareham's Community Safety Partnership was ranked 3rd out of the 14 Community Safety Partnerships in Hampshire.

What percentage of places for eating out or shopping for food have rating of satisfactory, good or very good (3* or above)?

In 2013/14, 94% of businesses were rated satisfactory, good or very good, an increase of 3% on the same period last year.

Provide Leisure and Cultural Opportunities

What is this priority about?

We will provide opportunities for residents and visitors of all ages to socialise with other members of our communities; participate in arts and entertainment activities and improve their fitness and health.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- provide community facilities in the Western Wards including a swimming pool, cemetery, allotments, parkland and sports pitches;
- modernise community centres and sports pavilions giving priority to Fareham Town;
- develop new and improved parks, play areas and sports facilities.

What else are we doing?

Providing leisure and cultural opportunities

- Providing a balanced programme of arts and entertainments activities at Ferneham Hall.
- Providing play equipment to meet the needs of the local community.
- Providing swimming, indoor sport and fitness facilities at Fareham Leisure Centre.
- Providing opportunities for residents and visitors to the Borough to explore the local history of the area.



How happy are you with our services?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. How happy are you with each of the following in your local area?

Children's play areas

Very happy	Fairly happy	Fairly unhappy	Very unhappy
24%	66%	8%	2%

Community Centres

Very happy	Fairly happy	Fairly unhappy	Very unhappy
28%	63%	7%	2%

Sport facilities including pitches, tennis courts and bowling greens

Very happy	Fairly happy	Fairly unhappy	Very unhappy
18%	68%	10%	4%

2. How happy are you with each of the following?

Fareham Leisure Centre

Very happy	Fairly happy	Fairly unhappy	Very unhappy
36%	57%	6%	1%

Ferneham Hall

Very happy	Fairly happy	Fairly unhappy	Very unhappy
35%	59%	5%	1%

Westbury Manor Museum

Very happy	Fairly happy	Fairly unhappy	Very unhappy
31%	63%	4%	1%

How many people have watched a performance at Ferneham Hall?

In 2013/14, approximately 57,500 people watched performances at Ferneham Hall.

How many people visited Westbury Manor Museum?

In 2013/14, approximately 26,500 people visited the Museum, a decrease of 3,600 visitors on the previous year.

How many people visited Fareham Leisure Centre?

In 2013/14, approximately 709,000 people visited Fareham Leisure Centre, a decrease of 15,000 people on the previous year.



How well are we doing?

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

What percentage of adults in the Borough regularly exercise?

In 2013/14, 38% of adults in Fareham took part in sport and active recreation. This is a 6% increase on the previous year.

A Balanced Housing Market

What is this priority about?

We will work with our partners to ensure that the residents of Fareham have access to good quality housing that is affordable and offers a choice of tenures. We will take action to prevent homelessness and help people to secure good quality accommodation. We will support vulnerable people to access housing suitable for their needs and help them to keep their tenancies going.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- enable the provision of 500 new affordable homes throughout the Borough by 2017;
- modernise and improve sheltered housing across the Borough, including the redevelopment of Collingwood House, Fareham.

What else are we doing?

Supporting and enabling an affordable housing market

- Enabling access to rented homes for people on low incomes and people who are homeless or vulnerable.
- Ensuring that there is enough land for housing development across the Borough.
- Ensuring that all sectors of the community are able to be housed appropriately.
- Working with landlords to maintain housing standards.
- Offering advice and grants to help reduce energy costs.
- Providing home safety and security checks.
- Providing grants to adapt homes to enable people with disabilities to live independently.

Preventing homelessness

- Providing advice and assistance to prevent homelessness.
- Ensuring that good temporary accommodation is available for homeless people in priority need.



Providing access to affordable housing

- Providing affordable homes for people in housing need.
- Providing a support and advice service to the Council's tenants.
- Repairing and improving the Council's housing.
- Consulting and involving the Council's tenants in the way the service is delivered.

Maintaining the borough's rented housing stock

- Assessing local housing conditions.
- Providing advice on the legal standards for rented housing.
- Improving standards of Houses in Multiple Occupation (HMOs).
- Reducing the level of hazards under the Housing Health and Safety Rating System.
- Improving home energy ratings under the Standard Assessment Procedure (SAP).
- Bringing empty properties back into use.
- Reducing the number of vulnerable households living in sub-standard homes.
- Working closely with private sector landlords to improve house conditions and standards of management and maintenance.

How happy are you with our services?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. Do you agree or disagree with the following statements:

There are enough opportunities for young people to rent or buy a home of their own in Fareham.

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
4%	43%	40%	14%

There are enough opportunities for young families to rent or buy a home of their own in Fareham.

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
4%	46%	38%	12%

There are enough opportunities for older people to rent or buy a home in Fareham.

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
7%	62%	22%	9%

2. Should the Council be doing more to build new affordable* homes for local people?

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
29%	39%	23%	9%

*Affordable housing is provided by the Council or Housing Association at less than market rents. This also includes shared ownership properties whereby around 50% of the house is purchased and the other 50% rented.

Tenant Satisfaction Survey

We aim to provide a high quality repairs service for tenants of the Council's housing. Each tenant is provided with a reply paid satisfaction survey card to be completed after a repair has been carried out.

How satisfied are tenants with the responsive repairs service?

In 2013/14, 99.0% of the tenants who replied were satisfied overall with the Council's responsive repairs service, an increase of 0.5% on the previous year.



How are we doing?

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

How many new affordable homes have been provided?

In 2013/14, 44 new affordable homes were provided.

How long does it take to re-let Council homes?

In 2013/14, the average re-let time was approximately 28 days compared to 26 days in 2012/13.

How much of the Council's housing stock meets the Decent Homes Standard?

99.11% of the Council's housing stock meets the Decent Homes Standard.

Strong and Inclusive Communities

What is this priority about?

We will give people greater influence and power over the decisions that affect their lives and build more inclusive communities by providing easy and affordable access to information and services provided by the Council.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- tackle the underlying causes of deprivation through projects such as the Fareham Park 'Gateway' Project;
- focus on customer needs and satisfaction through improved communications and targeted service delivery.

What else are we doing?

Building stronger communities

- Providing opportunities for local people to get involved in their neighbourhoods.
- Ensuring customers can make their views known to the Council.

Building inclusive communities

- Making sure all customers can access the Council's services.

Enabling people to play an active part in society

- Helping vulnerable or disadvantaged people to become involved in community activities and use community facilities.
- Planning and providing community and leisure facilities.
- Providing grants to voluntary organisations.
- Ensuring that people who are eligible to vote are registered to vote.

Paying housing and Council Tax Support

- Providing a housing benefit and council tax benefits service.
- Investigating all allegations of benefit fraud.

How happy are you with our services?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

1. How well informed do you feel about each of the following?

Events going on in Fareham

Very well informed	Fairly well informed	Not well informed	Not well informed at all
17%	64%	15%	3%

Fareham Borough Council Services

Very well informed	Fairly well informed	Not well informed	Not well informed at all
14%	62%	20%	3%



Fareham Today magazine, produced three times a year and delivered to all households in the Borough, is one of the Council's main sources of communication with its residents.

2. How many times a year do you read Fareham Today?

Never	Once	Twice	3 times
6%	5%	8%	81%

3. What would be the best way to distribute Fareham Today in the future?

Online on our website	Through the door	By email
7%	84%	9%

4. Thinking about your experiences, how much do you agree or disagree with the following statements?

I found the Council welcoming

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
24%	67%	7%	2%

The Council is easy to contact

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
29%	61%	4%	1%

I was treated with respect

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
32%	63%	4%	1%

5. How would you prefer to be contacted in the future? Please only tick one option.

Phone	40%	Website	10%
Email	25%	Facebook	1%
Face-to-face	14%	Text	1%
Letter	10%	Twitter	0%



6. How have you contacted the Council in the last 12 months?

	Daily	Weekly	Monthly	Quarterly	Never
Website	0%	1%	3%	24%	73%
Letter	0%	0%	1%	14%	85%
Text	0%	0%	0%	2%	98%
Email	0%	1%	1%	23%	75%
Phone	1%	1%	4%	42%	51%
Face-to-face	1%	0%	1%	22%	76%
Facebook	0%	0%	0%	1%	99%
Twitter	0%	0%	0%	0%	100%

How are we doing?

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

How long does it take to deal with new Housing Benefit claims?

In 2013/14, it took an average of 17 days to process new claims, a decrease of 2 days on the previous year.

How long does it take to deal with new Council Tax Support claims?

In 2013/14, it took an average of 17 days to process new claims, a decrease of 2 days on the previous year.

Please note: Council Tax Support was first introduced in April 2013, so the comparison with 2012/13 is with Council Tax Benefit claims.

How much have we paid out in community funding?

In 2013/14, we paid out 23 grants worth £60,600 in community funding. This is a decrease of 13 grants, but an increase of £5,000 on the previous year.

A Dynamic, Prudent and Progressive Council

What is this priority about?

We will make clear decisions that can be understood by all. Action will be taken to improve our openness in decision-making. Above all our priority is to offer good value for money. We will do this by providing high levels of service that gain high levels of customer satisfaction. We will do this and still keep council tax levels low when compared to other district councils.

What do we aim to achieve?

The improvement actions that we aim to achieve by 2017 are to:

- maximise the value gained from assets that are owned by the Council;
- save money, raise income and work in partnership with others to achieve more for less and continue to minimise council tax increases.

What else are we doing?

Managing the Council's resources

- Publishing a statement of the Council's accounts.
- Maintaining effective financial control and internal audit.
- Maximising the rate of Council Tax collection.
- Preventing, detecting and investigating fraud and corruption.
- Putting plans in place to keep our services going in an emergency.

Ensuring transparent decision making

- Supporting elected and other members to carry out their role.
- Providing timely access to meeting papers and maximising decisions made in public.
- Setting rules and procedures to be followed by the Council and Committees when carrying out their business.

Encouraging local democracy

- Registering residents who are eligible to vote in elections.
- Organising elections.
- Reviewing boundaries and election arrangements.



Ensuring suitable measures are in place to bring about steadily improving services

- Demonstrating continuous improvement and achievement of value for money.
- Maximising partnership arrangements with other organisations to benefit the Borough.
- Reviewing services and achieving better value for money.

How happy are you with our services? How are we doing?

Your answers to our 2013 Residents' Survey helped to give a snap-shot of public satisfaction with various council services.

Band D Council Tax is £1,393.74 a year in Fareham. From this Fareham Borough Council only takes a sum of £140.22 to help fund your services. The majority of the Council Tax is passed on to the County Council, the Police and the Fire Authority.

1. Do you agree or disagree that Fareham Borough Council provides value for money?

Strongly agree	Tend to agree	Tend to disagree	Strongly disagree
23%	66%	9%	2%

2. Overall, how happy are you with your local area as a place to live?

Very happy	Fairly happy	Fairly unhappy	Very unhappy
54%	42%	2%	1%

3. Overall, how happy are you with the way that Fareham Borough Council runs things?

Very happy	Fairly happy	Fairly unhappy	Very unhappy
30%	61%	7%	1%

This year, Fareham Borough Council's share of the total Council Tax collected was frozen for the sixth consecutive year.

4. Which Council Tax option do you prefer?

- 14% said Council Tax should be raised in line with inflation each year.
- 28% said people who use services, e.g. sports pitches and off-street parking, should be asked to pay more for them, rather than raise Council Tax.
- 57% said the Council should strike a balance between increasing charges to service users and small increases in Council Tax.
- 2% said Council Tax should increase by more than inflation, to provide even better services.

There are a number of performance measures that are used to show whether the Council is delivering its vision. These include:

How much Council Tax due is collected?

The Council Tax collection rate for 2013/14 was 98.7%. This is an increase of 0.3% on the previous year.

How low is Fareham's Council Tax compared to other district councils in England?

For 2014/15, Fareham's Council Tax is the 5th lowest out of all 201 district councils in England.

How much of the Business Rates due are collected?

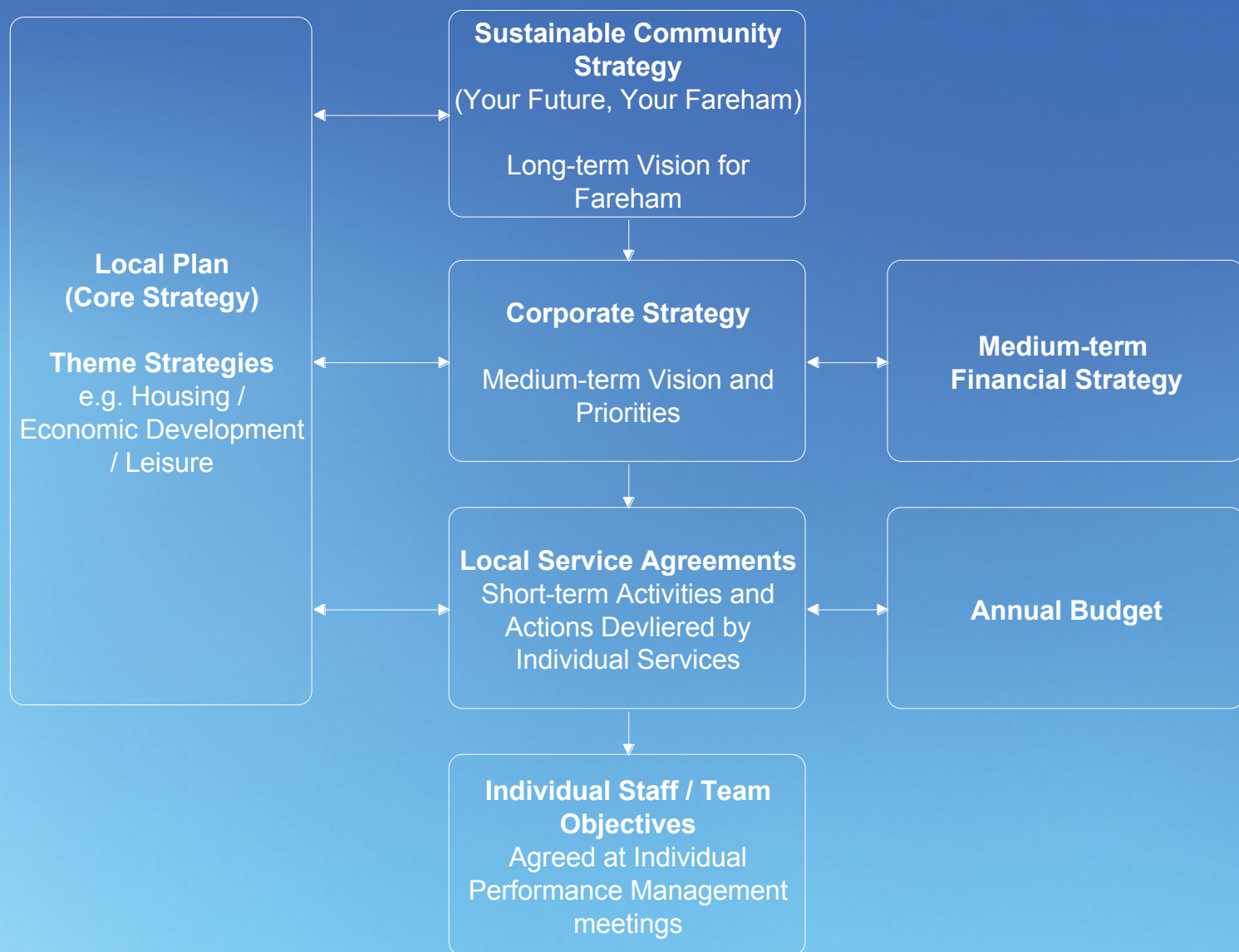
In 2013/14, 99.3% of the business rates due were collected. This is an increase of 1.2% on the previous year.

How many people turn out to vote at local elections?

In the last local election (May 2014), 38.9% of the registered electors turned out to vote at the Fareham Borough Council election. This was 2.9% above the average for England.



Strategic Framework



FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Policy and Resources
Subject:	Land Adjoining 268 Brook Lane
Report of:	Director of Finance and Resources
Strategy/Policy:	Asset Management
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

To ask the Executive to reconsider the matter of disposal of land adjoining 268 Brook Lane which came before it on 4 November 2013 in view of legal representations relating to the previous decision.

Executive summary:

The Executive on 4 November 2013 considered a report which sought their views on the renewal or otherwise of the then current 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green, which has since been extended to the 9 October 2014, having regard to the consideration of an earlier report on this matter by the Executive on 7 January 2013.

The Executive was advised that following an informal meeting with the ward Councillors at which a division of the land adjoining 268 Brook Lane was suggested, both interested parties (numbers 266 and 268 Brook Lane) agreed a compromise arrangement, subject to an independent valuation of the land.

Following the decision one of the parties to the compromise arrangement has via their solicitors submitted representations on the validity of the decision. Following advice from the Southampton and Fareham Legal Services Partnership it is now necessary to ask the Executive to consider the matter again.

Recommendation/Recommended Option:

- (a) That the decision made by the Executive on 4 November 2013 is reconfirmed and progressed;
- (b) The parties are given until 30 September 2014 to confirm in writing their acceptance of the main terms of sale as set out in the confidential Appendix E;
- (c) If either party is not prepared to agree to the terms of sale without further negotiation or condition the Council will withdraw its offer and will reserve the right to dispose of the land to the other party on the terms set out in the confidential Appendix E or as it sees fit; and

(d) The Solicitor to the Council be given delegated authority to take all ancillary actions to give effect to this resolution.

Reason:

To ask the Executive to reconsider the matter in view of a potential legal challenge to the previous decision.

Cost of proposals:

The Council will receive a capital receipt from the sale of the land.

- Appendices:**
- A:** Report to the Executive 4 November 2013 – Land adjoining 268 Brook Lane, Sarisbury Green.
 - B:** Decision No.326
 - C:** Compromise arrangement plan
 - D:** Consultation Comments and Officer Responses
 - E:** Confidential Appendix setting out terms for the disposal of the land adjoining 268 Brook Lane.
(NOT FOR PUBLICATION by virtue of Paragraph 1 & 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

Background papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Land Adjoining 268 Brook Lane

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Executive on 4 November 2013 considered the report attached as Appendix A which sought their views on the renewal or otherwise of the 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green which has been extended to the 9 October 2014 having regard to the consideration of an earlier report on this matter by the Executive on 7 January 2013.
2. The Executive was advised that following an informal meeting with the ward Councillors at which a division of the land adjoining 268 Brook Lane was suggested, both interested parties (numbers 266 and 268 Brook Lane) agreed to the suggested compromise arrangement, subject to an independent valuation of the land.
3. After considering the report the Executive resolved to approve the compromise arrangement to offer, for disposal, the land adjoining 268 Brook Lane, Sarisbury Green, subject to an independent valuation of the land and that the area of land shown hatched on the plan attached as Appendix B be ring-fenced for offer of disposal to the owners of 266 Brook Lane with the remainder of the strip of land being ring-fenced for offer of disposal to the owners of 268 Brook Lane, following the termination of the then existing licence on 9 April 2014.
4. Following the meeting of the Executive letters were sent to both parties setting out the main terms for disposal. The main terms are contained in Confidential Appendix E together with details of the independent valuation of the land.
5. One of the parties to the compromise arrangement has via solicitors submitted representations regarding the validity of the decision. After advice received from the Southampton and Fareham Legal Services Partnership certain procedures were undertaken and it is now necessary to ask the Executive to consider the matter again.

LEGAL CONSIDERATIONS

6. The Briefing Paper attached as Appendix A refers in paragraph 10 to the provisions of Section 123 of the Local Government Act 1972 (“the 1972 Act”). This provision sets out considerations that the Council must consider when disposing of land in certain circumstances. However this provision does not apply to disposal of land which was acquired for planning purposes unless and until an application under Section 106A of the Town & Country Planning Act 1990 (“the 1990 Act”) is approved to discharge the obligation on the basis that the land acquired for the stated purposes is no longer a requirement as it “no longer serves a useful planning purpose”. On discharge of the planning obligation the land can be sold under the general power contained in Section 123 of the 1972 Act. Section 233 of the 1990 Act is then no longer engaged as the land is no longer held for planning purposes and is available for disposal as being surplus to the authority’s requirements. Such application under Section 106A of the 1990 Act has been made to the local planning authority and the decision to approve granted with the formal decision notice discharging the 106 Agreement being issued on 5th June 2014 under planning reference P/14/024/OD.
7. Under Section 123 of the 1972 Act an authority may dispose of land held by them ‘in any manner they wish’ although the consent of the Secretary of State is required where the consideration for the disposal is ‘less than best that can reasonably be obtained’. Section 123 (2A) of the 1990 Act is not engaged as the land is not open space (i.e. land being used for public recreation) as it remains subject to an exclusive (albeit an extended) licence which entitles the licensees to use it until 9 October 2014.
8. The Crichel Down Rules need to be addressed as the land could have been acquired compulsorily and the threat of compulsion should be assumed. The rules give rise to an obligation to offer the land back to the former owner at market value. Having taken Counsel’s advice and considered the application of the rules it is advised that such an offer back is no longer feasible due to the passage of time and the previous owner whereabouts being undetermined. Successors in title do not enjoy the same rights as the original owner in this regard.
9. The land is owned by the Council subject to various covenants. These will transfer to subsequent owners.
10. As landowner the Council can manage the land and dispose of it to such person and in such manner and subject to such conditions as are deemed expedient to secure the best use and value of the land in accordance with the provisions of Section 123 of the 1972 Act.
11. The Council has no obligation to retain or sell; all options may be considered and are solely at the Council’s discretion. If it was to dispose of the land to a third party it must accord with the provisions of Section 123 of the 1972 Act as set out above. This provision also provides that the Secretary of State’s permission is required if a disposal is for less than the best consideration reasonably obtainable. However due to the small value of the land the Council can in essence dispose of it as it sees fit for a sum based on an open market valuation.

12. Both potential parties to the proposed disposal have sent a number of communications to the Council (some via their respective legal representatives and some in person) in advance of the meeting on 1st September that they wish to be considered. An appendix is attached which sets out a summary of their main comments and the officer response to each point raised. These comments are a material consideration for members in making a final decision as to how to proceed with this matter and should be considered when reaching a decision on this matter, together with all other relevant considerations as land holder in this regard.
13. Members should note that they are not bound to follow their previous decision of 4 November 2013 and must consider this matter afresh. They are not however disbarred from pursuing the option put forward in November as their preferred option in this case; with a fall back decision in the event that a division of the land cannot be achieved within a reasonable time (see conclusion below).

FINANCIAL IMPLICATIONS

14. If the land were disposed of the Borough Council would receive a one-off consideration from the purchaser(s).

CONCLUSION

15. The Executive decision of 4 November 2013 must be reconsidered in light of a challenge received to that decision. This report sets out the basis for a proposed disposal of the land that is the subject matter of the report.
16. It is proposed that the decision of the Executive made on the 4 November 2013 is reconfirmed and progressed and the land is offered to the two parties in accordance with the main terms detailed in Confidential Appendix E. If either party is not prepared to agree to the terms of sale without further negotiation or condition by 30 September 2014 the Council will withdraw its offer and will reserve the right to dispose of the land to the other party or as it sees fit.
17. Any sale should be subject to conditions relating to the maintenance of the land, other standard covenants to protect the public interest which may be required and subject to the pre-existing covenants already registered against or affecting the Council's land title.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 4 November 2013

Portfolio: Policy and Resources
Subject: Land Adjoining 268 Brook Lane, Sarisbury Green
Report of: Director of Finance and Resources
Strategy/Policy: Asset Management

Corporate Objective: A dynamic, prudent and progressive Council

Purpose:

To seek the view of the Executive on the renewal or otherwise of the current 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green which will terminate on 9 April 2014 having regard to the consideration of a report on this matter by the Executive on 7 January 2013.

Executive summary:

The Executive on 7 January 2013 received a report on the options regarding a strip of land adjoining 268 Brook Lane, Sarisbury Green. The report & decision notice are attached as Appendix A. Following consideration of the report the Executive resolved "that the land is not disposed of, allowing the current licence arrangements to continue". As the 3 year licence will terminate on 9 April 2014 the Executive is asked to reconsider the options for the future use/ownership of this land, so that appropriate arrangements can be put in place once the current licence expires. Views are sought on whether the options contained in the 7 January 2013 report should be reconsidered which includes the granting of a new licence on payment of an appropriate licence fee.

Recommendation:

That the view of the Executive is sought on the options regarding the future of the land adjoining 268 Brook Lane, Sarisbury Green following the termination of the existing licence on 9 April 2014.

Reason:

To obtain the view of the Executive on the future of the land adjoining to 268 Brook Lane, Sarisbury Green.

Cost of proposals:

If it was decided to dispose of the land or continue with the licence arrangement the legal costs would be the responsibility of the purchaser or licensee.

Appendices A: Report to the Executive 7 January 2013 and Record of Executive Decision- Disposal of Land Adjoining 268 Brook Lane, Sarisbury Green

B: Brook Lane Plan

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 4 November 2013

Subject: Land Adjoining 268 Brook Lane, Sarisbury Green

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. The Executive on 7 January 2013 considered a report on the options regarding a strip of land adjoining 268 Brook Lane, Sarisbury Green. The report and decision notice are attached as Appendix A. The Executive resolved that the land was not disposed of which allowed the current licence arrangements to continue.
2. The 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green as shown on the plan attached as Appendix B will terminate on 9 April 2014. This report invites the Executive to consider the options for the future use/ownership of the land so that appropriate arrangements can be made in readiness for the expiry of the current licence arrangement.

DETAILED OPTIONS

3. The options regarding the future of the land adjoining 268 Brook Lane as set out in the 7 January 2013 Executive report were as follows;

Option 1

4. *The Council could licence (or alternatively lease) the strip of land to an interested party (subject to a review of the fee or rental) on a longer term basis or could consider inviting bids from both interested parties for a licence or lease. Whilst the costs of preparing the documentation would be passed to the licensee/lessee there would still be an ongoing administration role for the Council.*

Option 2

5. *The land could be declared surplus to requirement and disposed of. If this approach was pursued the owners of 266 & 268 Brook Lane have expressed an interest in buying some/all of the land. It could also be of interest to the residents of 1 & 3 Highnam Gardens. Given the level of potential interest in the land officers suggest that the disposal is advertised locally and competitive bids sought. It is also proposed that the land is packaged in 2 parts - a road frontage section and a rear section (the road frontage section is shown cross hatched black on the inset of the plan attached as Appendix B). Any ongoing administration role would cease on the disposal of the land.*

6. *Whichever option is pursued an application to remove the original S106 planning condition would need to be made and it is recommended that this is applied for once a decision has been reached by the Executive. This will take approx 8 weeks as it follows the same process as a full planning application but once achieved will mean that the land is no longer constrained by the condition.*
7. *If the Executive were to declare the land surplus then six months notice will need to be served to bring the licence to an end.*
8. The above options are still relevant to the consideration of the future of the land adjoining 268 Brook Lane, Sarisbury Green. However if the land was declared surplus the giving of six months notice is no longer applicable as the licence will terminate on 9 April 2014. The approved plans for the house at 268 Brook Lane included an 1800mm high close boarded fence with concrete posts along the boundary of the site i.e. separating the development plot from the strip of land. If the land were disposed of to a party other than the current licensees then the fencing obligation (which runs with the application plot and hence would fall to the current owners of 268 Brook Lane) would need to be enforced.

INTEREST IN THE LAND

9. Following the meeting of the Executive on 7 January 2013 both parties who expressed an interest in the land were updated as to the decision. At that stage both confirmed their continued interest in the land. More recently both parties have been advised that a report was to be taken to the Executive and have confirmed their continued interest.

LEGAL CONSIDERATIONS

10. The land is owned by the Council without any onerous covenants. As landowner the Council can manage the land and dispose of it as it sees fit. It has no obligation to retain or sell, all options may be considered and are solely at the Council's discretion. If it was to dispose of the land to a third party it must accord with the principles within Section 123 Local Government Act 1972 and obtain best consideration reasonably obtainable but due to the small value of the land it can in essence dispose of it as it sees fit for a nominal but reasonably valued sum. The value of the land is a relative consideration when dealing with the land, there need not be a formal or elaborate tender process. The Council has no legal obligation to any other person in respect of who has any perceived "right" to the land.

RISK ASSESSMENT

11. If the Executive chooses to dispose of the land, then it would need to be subject to a successful application to remove the s.106 planning obligations, as referred to in paragraph 6 above. If the application to remove the condition was unsuccessful, any proposed disposal could not be progressed.

FINANCIAL IMPLICATIONS

12. If the land were to be licensed or leased an ongoing fee or rental would be received. If the land were disposed of the Borough Council would receive a one-off consideration from the purchaser(s).

CONCLUSION

13. In the light of the 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green terminating on 9 April 2014 the view of the Executive is sought on the options as set out in paragraphs 4 and 5 above.

FAREHAM

BOROUGH COUNCIL

2013/14
Decision No.
326

Record of Decision by Executive

Monday, 4 November 2013

Portfolio	Policy & Resources
Subject:	Land Adjoining 268 Brook Lane, Sarisbury Green
Report of:	Director of Finance & Resources
Strategy/Policy:	
Corporate Objectives:	

Purpose:

To seek the view of the Executive on the renewal or otherwise of the current 3 year licence of the land adjoining 268 Brook Lane, Sarisbury Green which will terminate on 9 April 2014 having regard to the consideration of a report on this matter by the Executive on 7 January 2013.

The Executive on 7 January 2013 received a report on the options regarding a strip of land adjoining 268 Brook Lane, Sarisbury Green. The report & decision notice are attached as Appendix A. Following consideration of the report the Executive resolved "that the land is not disposed of, allowing the current licence arrangements to continue". As the 3 year licence will terminate on 9 April 2014 the Executive is asked to reconsider the options for the future use/ownership of this land, so that appropriate arrangements can be put in place once the current licence expires. Views are sought on whether the options contained in the 7 January 2013 report should be reconsidered which includes the granting of a new licence on payment of an appropriate licence fee.

Options Considered:

The Executive Leader announced that following an informal meeting with the ward Councillors (Councillor B Bayford and Councillor Mrs M E Ellerton) at which an alternative division of the land was suggested, both interested parties (numbers 266 and 268 Brook Lane) have agreed to the suggested compromise arrangement, subject to an independent valuation of the land.

A revised plan showing the compromise arrangement was tabled at the meeting and is appended to these minutes. The hatched area on the plan represents the area of land to be ring-fenced for disposal to the owners of 266 Brook Lane with the remainder of the strip of land being ring-fenced for disposal to the owners of 268 Brook Lane.

Decision:

RESOLVED that the Executive approves the compromise agreement to offer, for disposal, the land adjoining 268 Brook Lane, Sarisbury Green, subject to an independent valuation of the land and that the area of land shown hatched on the revised plan be ring-fenced for offer of disposal to the owners of 266 Brook Lane with the remainder of the strip of land being ring-fenced for offer of disposal to the owners of 268 Brook Lane, following the termination of the existing licence on 9 April 2014.

Reason:

To obtain the view of the Executive on the future of the land adjoining to 268 Brook Lane, Sarisbury Green.

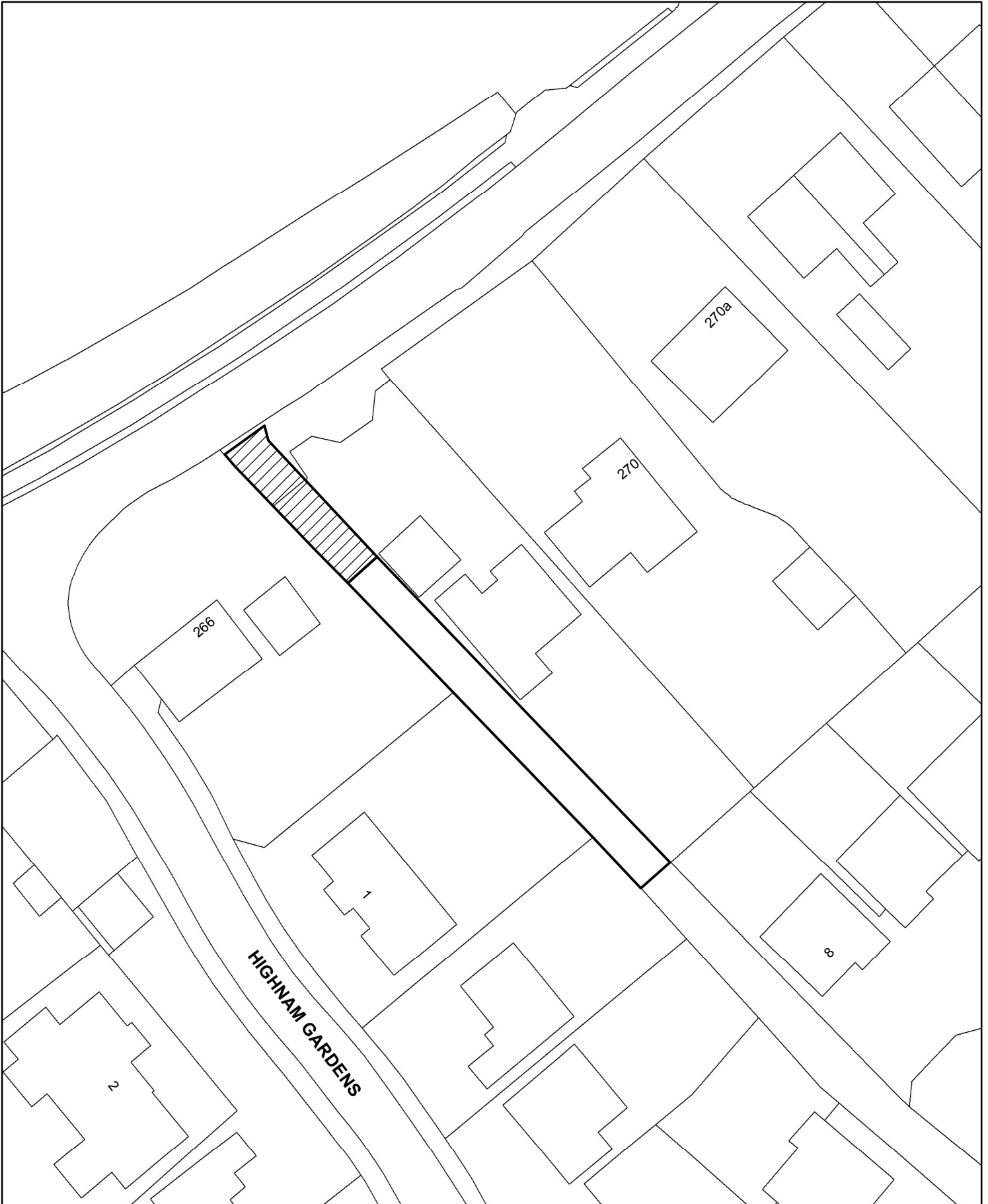
Confirmed as a true record:

Date: 6 November 2013

Councillor S D T Woodward
(Executive Leader)

FAREHAM

BOROUGH COUNCIL



Brook Lane

Scale 1:500

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FAREHAM

BOROUGH COUNCIL

Date: 1 September 2014

Subject: Land Adjoining 268 Brook Lane

Please refer to Executive Report xps-140901-r04-kbo

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

The following are consultation comments and officer responses

Consultation comment	Officer response
1) Acquisition for planning purposes under s.106 requires disposal to be considered under s.233 T&CPA 1990 rather than s123 LGA 1972.	This matter is addressed in the briefing paper above. The planning purpose has been lawfully discharged by application under s.106A of the TCPA 1990 and the land is therefor required to be disposed of under s.123 LGA 1972.
2) Mr and Mrs Worwood have made an offer to purchase the whole of the land at open market value with a covenant not to develop and subject to the trees remaining on site.	The Council notes this offer but the officer recommendation is to proceed with a division of the land as set out in this paper. This option is lawfully open to the Council under s.123 LGA 1972 which allows a Council to dispose of land 'in any manner it wishes'.
3) We note the offer to allow (the parties) to address the meeting yet you state the proposal is non negotiable. What purpose is therefor served in addressing the meeting?	The option being put forward by officer recommendation is not subject to prior negotiation. It is open to Members, having heard from all parties to any matter before the Executive to make a decision that departs from the officer recommendation if they so wish. The offer to address the Executive is subject to the normal operation of the Council's Constitution which allows a member of the public to address the meeting with the consent of the Chairman of that meeting and all parties to this matter are strongly encouraged to attend and make representation in relation to this matter if they so wish.

<p>4) It is (the Worwoods) preference to acquire all of the land to maintain the status quo.</p>	<p>Noted, however the officers recommended approach is to offer a division of the land to better meet the needs of all adjacent neighbours and not those of a single party to the matter. It is however open to the Executive to determine otherwise.</p>
<p>5) Under protest and only if the offer for purchase of the full site is rejected (the Worwoods) remain 'interested' in the purchase of part of the site as proposed.</p>	<p>Noted.</p>
<p>6) (Mr Whitewood) would be interested in acquiring the land adjoining (his) property on the terms referred to, and indeed all of the land if his neighbours do not wish to proceed.</p>	<p>Noted</p>
<p>7) I (Mr Whitewood) have written to the owners of 268 to enquire if they would be willing to amend the compromise agreement to move the rear boundary to be in line with the rearmost point of their garage.</p>	<p>Noted, however the officer recommendation is not open to negotiation unless varied by Members at the Executive meeting of 1st September 2014. If, following purchase, the land owners wish to engage in further negotiation for further sales or amendments between themselves they are of course open to do so subject to complying with any conditions attached to the sale.</p>
<p>8) I presume it is not possible for you as vendors to move the rear boundary as noted above?</p>	<p>See response to 7) above.</p>
<p>9) Query re delineation of front boundary with previous maps showing this as the kerbside of Brook Lane.</p>	<p>Any previous maps are defunct. The sale will proceed on a map agreed with the Council whose decision on the boundary of the land to be sold will be final and binding.</p>
<p>10) Eastleigh BC has written on behalf of HCC advising of their intention to extend pavements outside the property. This would affect the value of land as it would restrict the number of cars that can be parked there. It would seem silly to acquire the land from FBC only for it to be compulsorily purchased by HCC for footway works.</p>	<p>Noted, and officers are in contact with HCC regarding the footway scheme. It is unlikely to affect the extent of land which could be utilised for parking purposes. However the terms and conditions of sale stand and FBC do not value land based on what may or may not occur in the future. It is for the parties to the sale, as offered by FBC, to determine whether they wish to proceed or not on the terms and price offered and to take the risk on such matters.</p>
<p>11) Perhaps it would be reasonable to reapportion the land to allow room for the proposed pavement whilst at the same time moving the rear boundary back as suggested.</p>	<p>See response to 10 above. No variation in the sale proposals are currently recommended to the Executive.</p>

<p>12) The Executive Briefing Paper of 4 November 2013 stated that the land is not the subject of onerous covenants.</p>	<p>The Council acknowledge that the reference to there being no onerous covenants within the Briefing Paper dated 4 November 2013 was incorrect and this is rectified by the report to the Executive dated 1 September 2014.</p>
<p>13) The Worwoods have confirmed a large number of bats that seem to roost in the Hedge.....The Council as a matter of law must take this into account as a material planning consideration.</p>	<p>Noted. Prior to doing any works which would disturb or destroy the bats or their habitat and their feeding/roosting areas a licence would be required from Natural England. Without such a licence such works would be a criminal offence.</p>
<p>14) The Worwoods would wish to protect the trees between the strip of land and no 266.</p>	<p>There is a currently covenant in respect of the trees which prevents actions by 266 which would "injure maim or harm the hedge or any root thereof, subject only to the normal course of trimming but without altering the uniform size and appearance thereof". The enforceability of this covenant in the long term would depend upon the ownership of the adjoining land.</p>

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

Document is Restricted

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Policy and Resources
Subject:	Quarterly Financial Monitoring Report 2014/2015
Report of:	Director of Finance and Resources
Strategy/Policy:	Finance Strategy
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

This report provides comparative information on the Council's revenue and capital expenditure for the three months ended 30 June 2014. Members are invited to consider the financial performance in the quarter, 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 2014/15	Budget to 30 Jun 14	Actual to 30 Jun 14	Variation
	£000s	£000s	£000s	£000s
Service Budgets	13,027	7,303	6,721	-582
Non-Service Budgets	-3,511	-431	-454	-23
Net	9,516	6,872	6,267	-605

The main variations in spending to 30 June 2014 are within cost of employment (-£61,566 and housing benefits (-£271,009). Vacancies are the main reason behind the under spend on the cost of employment. Housing benefit payments are under the budget although this will be revised during the financial year.

Capital Programme	Budget 2014/15	Budget to 30 Jun 14	Actual to 30 Jun 14	Variation
	£000s	£000s	£000s	£000s
General Fund	19,091	1,647	392	-1,255
HRA	10,409	1,807	717	-1,090
Total	29,500	3,454	1,109	-2,345

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 final quarter 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 in the briefing paper accompanying the report.

Recommendation:

That the report on revenue and capital budget monitoring be noted.

Reason:

To provide members of the Executive with a summary of the Council's budgetary performance to 30 June 2014.

Cost of proposals:

Not applicable.

Background papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Quarterly Financial Monitoring Report 2014/2015

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. This report sets out, in detail, the variations between the budgeted and actual income/expenditure to 30 June 2014 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 nine months are shown in the following table:-

ACTUAL REVENUE EXPENDITURE TO 30 JUNE 2014

	Budget 2014/15 £	Budget to 30 Jun 14 £	Actual to 30 Jun 14 £	Variation £
Committees				
Planning	793,400	177,600	153,745	-23,855
Licensing & Regulatory Affairs	503,400	47,400	37,136	-10,264
Executive - Portfolio Budgets				
- Leisure & Community	1,754,000	373,400	339,261	-34,139
- Health & Housing	1,210,300	260,300	268,904	8,604
- Planning & Development	-587,800	-156,300	-155,058	1,242
- Policy & Resources	2,374,600	5,345,800	4,983,512	-362,288
- Public Protection	2,686,900	776,100	682,850	-93,250
- Streetscene	4,292,600	478,300	410,150	-68,150
SERVICE BUDGETS	13,027,400	7,302,600	6,720,500	-582,100
NON-SERVICE BUDGETS	-3,511,300	-430,500	-453,434	-22,934
NET BUDGET	9,516,100	6,872,100	6,267,066	-605,034

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 2014/15 £	Budget to 30 Jun 14 £	Actual to 30 Jun 14 £	Variation £	
Parking Services	-1,073,200	-63,100	14,251	77,351	
Commercial Estates	-2,377,500	-447,500	-441,656	5,844	
Local Tax Collection	1,162,900	190,500	178,385	-12,115	
Community Parks & Open Spaces	991,900	197,500	165,895	-31,605	
Street Cleansing	970,300	217,700	217,750	50	
Processing Planning Applications	267,700	49,700	49,160	-540	
Homelessness	337,300	118,500	150,186	31,686	
Land Charges	-162,000	-42,000	-48,002	-6,002	
Housing Benefits Payments	0	4,703,600	4,432,591	-271,009	
Waste Collection & Recycling Services	1,864,000	485,500	471,702	-13,798	
Trade Waste	-68,600	-491,300	-494,604	-3,304	
Ferneham Hall	386,900	123,000	112,725	-10,275	
Interest on Investments	-676,900	-76,500	-93,207	-16,707	
Cost of Employment	15,656,800	3,892,282	3,830,716	-61,566	







4. The main variations in the key services are detailed as follows:-
- Parking Services is showing a variation of £77,000 above the budget, which is mainly as a result of reduced income from users of the Council's car parks which is down on budget and also below the level for the same period during the last financial year.
 - Rents derived from commercial estates are less than expected, by £6,000. This is mainly due to vacant units in various of the Council's commercial properties and also new lettings on less favourable terms.
 - Housing benefits payments are currently £271,000 under 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. Expenditure will be offset by income at year end when Government Grant is received.

- (d) Interest on investments is higher than budgeted for the year due to more cash being available for investment than anticipated. This however will not last throughout the financial year as some of the larger capital projects will reduce this balance as they require funding throughout the year.
- (e) 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 3 months of the year, savings on salaries and wages have arisen, mainly as a result of employee vacancies. While this has been partly offset by the additional expenditure on agency employees, it is anticipated that there will be an overall saving in this area at the end of the year.

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 2014/15 £	Budget to 30 Jun 14 £	Actual to 30 Jun 14 £	Variation £	
Project Integra	25,000	0	0	0	
Community Safety Partnership	293,800	63,000	42,133	-20,867	
Fareham & Gosport CCTV Partnership	205,700	60,200	40,094	-20,106	
Portchester Crematorium Joint Committee	-150,000	0	0	0	
Environmental Health Partnership	1,353,700	356,900	341,200	-15,700	
Building Control Partnership	231,500	57,100	39,323	-17,777	

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

CAPITAL PROGRAMME

- 7. On 10 February 2014, the Executive approved the 2014/15 capital programme for General Fund services of £16.3m and £8.3m for the Housing Revenue Account (HRA), giving a combined total of £24.6m.
- 8. Details of actual capital expenditure in 2013/14 were reported to the Executive on 7 July 2014 and it was noted that the slippage on the capital programme for 2013/14 of £2.5m for General Fund and HRA services, would now be included in

the capital programme for 2014/15.

9. Since the capital programme was approved earlier in the year, a number of new schemes have been added to the 2014/15 programme giving a revised total of £29.5m:-

- Additional funding for Salterns Promenade - £40,000
- Coldeast Swimming Pool - £1m
- Depot Boundary Wall and River Repairs - £65,400
- Daedalus Innovation Centre Solar Panels - £60,000
- Matched Funding Grants for Community Groups - £34,800
- Additional funding for Bath Lane Changing Rooms - £44,000
- HRA New Build Housing Schemes - £1.1m






10. The following table sets out the updated capital programme for 2014/15 and has been used as the basis for monitoring progress to 30 June 2014:-

	Approved Programme £	2013/14 Slippage £	New Schemes £	Updated Programme £
Public Protection	0	0	0	0
Streetscene	36,100	79,300	0	115,400
Leisure & Community	3,432,300	940,800	1,118,800	5,491,900
Health & Housing	480,000	97,300	0	577,300
Planning & Development	75,000	36,300	0	111,300
Policy & Resources	12,283,000	386,500	125,400	12,794,900
Total General Fund	16,306,400	1,540,200	1,244,200	19,090,800
Housing Revenue Account	8,297,000	1,008,500	1,103,600	10,409,100
Updated Capital Programme	24,603,400	2,548,700	2,347,800	29,499,900

MAJOR CAPITAL SCHEMES

11. The Council has a number of major capital schemes where expenditure is in excess of £500,000. These schemes, with forecast budget to 30 June 2014, are detailed in the following table:-

Capital Scheme	Budget 2014/15 £	Budget to 30 Jun 14 £	Actual to 30 Jun 14 £	Variation £	
Daedalus	7,545,000	614,250	52,668	-561,582	☹
Commercial Property Investment Acquisition	4,110,300	0	0	0	☺
Collingwood Court Sheltered Housing	4,067,100	1,250,000	385,114	-864,886	☹
HRA Capitalised Repairs/Renewals	2,047,000	556,800	304,652	-252,148	☹
Palmerston Avenue New Build	1,813,400	0	25,849	25,849	☺
Fareham Leisure Centre Swimming Pool Refurbishment	1,500,000	0	0	0	☺
Coldeast Swimming Pool	1,006,700	0	3,500	3,500	☺

Coldeast Sheltered Housing	875,200	0	1,032	1,032	
Coldeast Close (Passivhaus)	836,500	0	0	0	
Housing Stock Repurchases	725,000	0	0	0	
Civic Offices Improvement Programme	558,100	0	2,241	2,241	
Coldeast Sports Pitch and Facilities	511,200	125,000	0	-125,000	

12. The main variations in the major schemes where expenditure is over £500,000 are detailed below:-

- (a) The Council's investment project at Daedalus is progressing well, with the delivery of an Innovation Centre at Daedalus on schedule for completion in March 2015. Works commenced on site in June and the steel frame was erected in July. Airfield improvements have been tendered such that work can commence in the autumn, and discussions are on-going with the HCA to identify a suitable location for new hangar space. The programme of work is being overseen by a Member Working Group, chaired by Cllr T Cartwright.
- (b) There has been no expenditure in quarter one for the Commercial Property Investment Acquisitions but negotiations are taking place on potential new properties.
- (c) Building works are progressing well at Collingwood Court but they are slightly behind schedule due to inclement weather earlier in the year. Practical completion is expected mid February 2015.
- (d) Expenditure to date for HRA Capitalised Repairs/Renewals is lower than profiled however the rate of expenditure is anticipated to increase over the next quarter as works completed during the first quarter are financially settled with the respective contractors.
- (e) Planning permission was granted in July for 16 x 1 bedroom flats at Palmerston Avenue. Works are projected to start on site in January 2015.
- (f) Works are progressing well at Fareham Leisure Centre. The main activity on the swimming pools and changing rooms will complete at the end of August at which time the temporary pool will be removed. The exterior cladding works will continue until mid-October. Payment will be made to the operator on completion of the works.
- (g) Balfour Beatty has been appointed as the design and build contractor for the Coldeast swimming pool. The spend forecast will be reviewed once the detailed programme is produced.
- (h) Planning permission was granted in April for the 36 x 1 and 2 bedroom flats for the Coldeast Sheltered Housing scheme. The scheme is currently at the pre-tender stage and is projected to start on site in April 2015.

- (i) Planning permission was granted in June for 6 x 2 bedroom houses for the Coldeast Close (Passivhaus) scheme. The houses will be built to rigorous standards and be extremely thermally efficient. The scheme is currently at the pre-tender stage and is projected to start on site in March 2015.
- (j) There have been no housing stock repurchases in the first quarter however one property was purchased in July at £108,000 with a further property due to complete in early September for £125,000 (awaiting end of tenancy for existing occupiers).
- (k) The Civic Offices Improvement Programme is progressing but is included in a corporate review of other opportunities for making improvements to the building.
- (l) Coldeast Sports Pitch and Facilities – The design and build contractor for the swimming pool will be constructing this within the project to provide the Coldeast swimming pool.

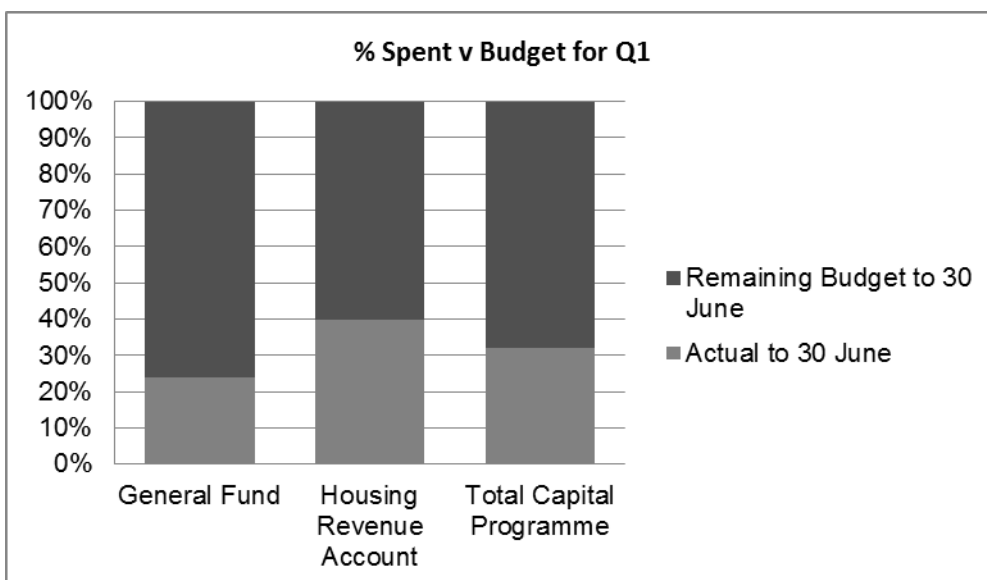
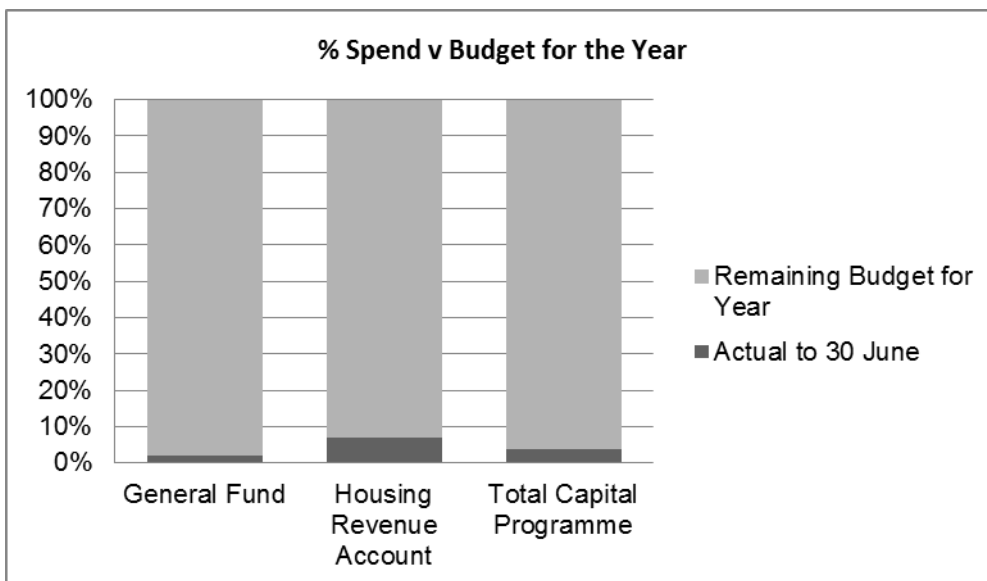
CAPITAL MONITORING

13. The following table provides summary information for the third quarter to 30 June 2014, for the schemes within each portfolio.

	Budget 2014/15 £	Budget to 30 Jun 14 £	Actual to 30 Jun 14 £	Variation £
Public Protection	0	0	0	0
Streetscene	115,400	0	0	0
Leisure & Community	5,491,900	866,700	159,566	-707,134
- Buildings	3,226,900	468,700	5,500	-463,200
- Play & Parks	364,200	69,000	0	-69,000
- Outdoor Recreation	1,491,900	328,400	47,830	-280,570
- Grants to Community Groups	34,800	0	25,000	25,000
- Other Community Schemes	374,100	600	81,236	80,636
Health & Housing	577,300	120,000	144,542	24,542
- Home Improvement Loans	548,200	120,000	142,817	22,817
- Enabling	29,100	0	1,725	1,725
Planning & Development	111,300	0	5,055	5,055
- Environmental Improvements	20,000	0	0	0
- Car Parks	91,300	0	5,055	5,055
Policy & Resources	12,794,900	660,827	82,649	-578,178
- Fareham Town Centre	58,000	0	0	0
- Vehicles & Plant	108,500	25,000	0	-25,000
- ICT	277,800	21,627	27,740	6,113
- Depot	123,200	0	0	0
- Civic Offices	558,100	0	2,241	2,241
- Commercial Property Acquisition	4,110,300	0	0	0
- Daedalus	7,545,000	614,200	52,668	-561,532
- Other Schemes	14,000	0	0	0
Total General Fund	19,090,800	1,647,527	391,812	-1,255,715

Housing Revenue Account				
- Capitalised Repairs/Renewals	2,047,000	556,800	304,652	-252,148
- New Build	8,317,100	1,250,000	411,995	-838,005
- Other HRA Schemes	45,000	0	0	0
Total Housing Revenue Account	10,409,100	1,806,800	716,647	-1,090,153
Total Capital Programme	29,499,900	3,454,327	1,108,459	-2,345,868

14. The graphs below show the actual expenditure to 30 June 2014 as a percentage of the programme for the equivalent period and for the whole year. 32% of the capital programme has been spent compared to the profiled budget for the first quarter of the year.
15. Only 4% has been spent compared to the budget for the year. The budgets will be reviewed and re-phased where applicable as part of the budget setting process.



RISK ASSESSMENT

16. Whilst it would be too early to draw very firm conclusions regarding the final revenue and capital budget position for 2014/15 after three 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.
17. 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 quarter of the financial year are unlikely to continue throughout the whole of the financial year.
18. 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.
19. The Council's expenditure and income are monitored by officers throughout the year and these projections will be updated each quarter, as part of the budget monitoring reports. Known spending pressures will be reflected in the Finance Strategy for 2015/16 that will be presented to the Executive at its meeting in October. The budget that will reflect the revised position will be reported to the Executive in December.
20. There remains a concern with the speed of the economic recovery, which is continuing to affect some Council services. Those particularly affected includes services whose income is reliant on the business sector such as commercial rents and trade waste. There is also a continuing impact on services such as car parking where income levels have been reducing over the last couple of years and are continuing to reduce in the current financial year with increasing competition from other shopping centres. Finally there is an impact on services affected by benefit changes with increased demand on the homelessness, benefits and council tax services.

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.

Reference Papers:

- (a) 10 February 2014 Executive Report - Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2014/15.
- (b) 10 February 2014 Executive Report - HRA Spending Plans including the Capital Programme for 2014/15.

(c) 7 July 2014 Executive Report - Actual Capital Expenditure and Financing 2013/14.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 01 September 2014

Portfolio:	Policy and Resources
Subject:	Treasury Management Monitoring Report 2014/15
Report of:	Director of Finance and Resources
Strategy/Policy:	Finance and Treasury Management Strategies
Corporate Objective:	A dynamic, prudent and progressive council

Purpose:

This report summarises the Council's investment activity up to 30 June 2014 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 A 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 June 2014 along with the Treasury and Prudential Indicators.

The overall position is set out in the following table:

Investments	Externally Managed £m	Internally Managed £m	Call Accounts £m	Total £m
At 1 April 2014	10.0	18.0	12.8	40.8
New	4.0	9.0	30.1	43.1
Repaid	4.0	4.0	26.4	34.4
At 30 June 2014	10.0	23.0	16.5	49.5

The actual fixed term investments are set out in Appendix A with more detailed information set out in the briefing paper.

The minimum credit rating criteria for counterparties has been reviewed due to anticipated regulatory changes in the banking sector. It is recommended that the Treasury Management Strategy for 2014/15 is updated to take into account the changes.

Performance for the first quarter of the year for the Treasury and Prudential Indicators are shown in detail in Appendix B. During the financial year to date the Council has operated within the treasury limits and Prudential Indicators.

Recommendation:

That the treasury management monitoring report be noted and that the minimum credit ratings for counterparties in the Treasury Management Strategy 2014/15 are updated in light of anticipated regulatory changes in the bank sector.

Reason:

To inform the Executive of the Council's investment, borrowing and repayment activity up to 30 June 2014.

Cost of proposals:

Not applicable.

Appendices:

A: Externally & Internally Managed Investments (Confidential Appendix)

B: Q1 Treasury and Prudential Indicators

C: Treasury and Prudential Indicators Explained

Background papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date: 01 September 2014

Subject: Treasury Management Monitoring Report 2014/15

Briefing by: Director of Finance and Resources

Portfolio: 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 activities regularly. This report therefore ensures this Council is implementing best practice in accordance with the Code.
2. The total amount of fixed term investments and call accounts as at 30 June 2014 was £49.5 million, as summarised below. The movements during the year for fixed term investments are detailed in Appendix A.

Investments	Externally Managed £m	Internally Managed £m	Call Accounts £m	Total £m
At 1 April 2014	10.0	18.0	12.8	40.8
New	4.0	9.0	30.1	43.1
Repaid	4.0	4.0	26.4	34.4
At 30 June 2014	10.0	23.0	16.5	49.5

3. The increase in funds of £8.7 million during the first quarter was mainly due to the timing of precept payments, receipts of grants and progress on the Capital Programme.

INVESTMENT STRUCTURE

4. The structure of the investments at 30 June is shown in the table below. Over the past few years, most investments have been held on short periods to mitigate the risks that have been seen during the recession. At the same time, officers have actively sought to spread investments across a wider range of counterparties rather than operating at the upper limit for investments to limit the exposure to financial loss.
5. Throughout this period of uncertainty, officers have been taking advice from the Council's retained treasury advisers, Capita Asset Services, to ensure that decisions are taken in light of the latest facts at the time. This has given rise to

lower interest rates being secured but this is the lowest priority consideration compared to the security of investments and the liquidity of cash flow.

6. The Council's fixed term investments are partly managed externally by Tradition UK Ltd. The role of the broker is to determine the most appropriate investment option within criteria set by the Council. All cash transfers are made by Council officers and Executive approval has been given for the allocation of up to £13 million to the externally managed portfolio. This retains sufficient funds within the direct management of officers, while still ensuring that maximum yield is achieved from the longer term investments.
7. The investment structure is sufficient to meet the capital programme and other large cash outflows.

Investment Structure	External £m	Internal £m	Call £m	Total £m
For periods of less than 1 month	1.0	0	14.5	15.5
For periods of 1 to 3 months	0	5.0	0	5.0
For periods of 3 to 6 months	3.0	6.0	2.0	11.0
For periods of 6 to 12 months	2.0	12.0	0	14.0
For periods of 1 to 2 years	4.0	0	0	4.0
Total Investments at 30 June 2014				
Investments for periods < 365 days	6.0	23.0	16.5	45.5
Investments for periods 365+ days	4.0	0	0	4.0

8. To increase the liquidity of the Council's investments, call accounts with Nat West, Santander, HSBC and a new account with Svenska Handelsbanken are being used. These accounts offer quick access to funds however they do attract a lower rate of interest than some of the fixed term investments shown in the table above.
9. The balance within each call account as at 30 June 2014 is set out in the following table:-

Call Accounts	£m
NatWest	1.5
Santander – 95 Day Notice	2.0
Santander	3.0
Svenska Handelsbanken	4.0
HSBC	6.0
Total	16.5

ECONOMIC BACKGROUND AND OUTLOOK

10. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded during 2013 and the first quarter of 2014 to surpass all expectations, propelled by recovery in consumer spending and the housing market.
11. Forward surveys are currently very positive in indicating that growth prospects are also strong for the rest of 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very

encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established.

12. One drag on the economy has been that wage inflation has been significantly below CPI inflation, so disposable income and living standards were being eroded, (although income tax cuts had improved this to some extent). However, recent falls in inflation have created the potential for the narrowing of this gap and it could narrow further during this year, especially if there is also a recovery in growth in labour productivity (leading to increases in pay rates).
13. With regard to the US, the main world economy, it faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although labour force participation rates remain lower than ideal.
14. As for the Eurozone, concerns subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international un-competitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

INTEREST RATES

15. The base rate has remained at 0.5% since March 2009. Capita Asset Services undertook a review of its interest rate forecasts in May, after the Bank of England's Inflation Report. However, more recent developments to the Bank of England's forward guidance have necessitated a second updating in this quarter carried out on 30 June. This latest forecast now includes a first increase in Bank Rate in quarter 1 of 2015 (previously quarter 4 of 2015).
16. Investment rates available in the market have been broadly stable during the quarter and have continued at historically low levels as a result of the ultra-low Bank Rate and other extraordinary measures such as the Funding for Lending Scheme. Actual investment income for 2013/14 was £770,881 with the budget for 2014/15 set at £676,900 for the General Fund and HRA.

BORROWING

17. The Council's external long term borrowing amounted to £40.4 million as at 1 April 2014. This is as a result of the HRA reforms (£40m) and the Hampshire County Council interest free loan for Portchester Community Centre (£0.4m). It is anticipated that borrowing will be required later in the year for the Daedalus capital scheme.
18. The Council has taken out ten £4 million loans from the PWLB with duration of between 40 and 50 years at an average interest rate of 3.50% as detailed in the table below:-

Repayment Date	Loan Amount	Interest Rate
30/09/2052	£4m	3.52%
30/09/2053	£4m	3.51%
30/09/2054	£4m	3.51%
30/09/2055	£4m	3.51%
30/09/2056	£4m	3.50%
30/09/2057	£4m	3.50%
30/09/2058	£4m	3.50%
30/09/2059	£4m	3.49%
30/09/2060	£4m	3.49%
30/09/2061	£4m	3.48%
Total	£40m	3.50% average

19. Interest payable for 2014/15 is budgeted at £1,870,900 and will be met by the HRA. £1,400,400 relates to the PWLB loans and £470,500 for interest on internal borrowing between the General Fund and the HRA.

STRATEGY COMPLIANCE

20. The Council's Treasury Management Strategy Statement for 2014/15, which includes the Annual Investment Strategy 2014/15, was approved by the Council on 21 February 2014. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

21. The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs but also to seek out value available in higher rates in periods up to 2 years with highly credit rated financial institutions.

22. The compliance with the various elements of the strategy are set out in the following table:-

Compliance on Individual Elements	Yes/No	Notes
Borrowing only up to "supported" level	Yes	No borrowing this quarter
All investments with approved institutions	Yes	Treasury management advisors provide updated list of approved institutions weekly
All individual investments within prescribed financial limits	Yes	There are currently 6 institutions where the total investment is at the maximum level. They are Lloyds Bank (£8m limit), Barclays Bank and HSBC, (£6m limit), Skipton BS, West Brom BS and Principality (£2m limit).

CHANGES TO THE TREASURY MANAGEMENT STRATEGY

23. In order to minimise the risk to investments, the Council applies minimum acceptable credit ratings of counterparties for inclusion on the lending list.
24. There are continuing regulatory changes in the banking sector designed to see greater stability and lower risk and will result, in the future, in the Government not needing to provide financial support should an institution fail.
25. As a result of this, Capita Asset Services anticipate that there will be a withdrawal of sovereign support which will affect the credit ratings applied to institutions. This will mean that the key ratings used to monitor counterparties from the main rating agencies (Fitch, Moody's and Standard & Poor's) will be short term and long term ratings only. Viability, financial strength and support ratings previously applied will effectively become redundant.
26. The Treasury Management Strategy Statement for 2014/15 currently states:

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

	Fitch	Moody's	Standard and Poor's
Short Term	F1	P-1	A-1
Long Term	A	A2	A
Viability/Financial Strength	bb-	C-	-
Support	3	-	-

27. As a result of the anticipated changes, it is recommended that the Viability/Financial Strength and Support ratings are removed and only the Short Term and Long Term ratings are used. All other criteria remains as previously approved.

COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

28. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordable limits) were approved by the Executive at its meeting on 10 February 2014.
29. Performance for the first quarter of the year is shown in Appendix B and the purpose of each indicator is explained in more detailed in Appendix C. During the financial year to date the Council has operated within the treasury and prudential indicators.

RISK ASSESSMENT

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

Reference Papers:






10 February 2014 Executive Report - Treasury Management Strategy and Prudential Indicators 2014/15

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of the Local Government Act 1972.

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Appendix B

2014/15 Prudential and Treasury Indicators - Quarter 1 Performance

Indicator	Description	Approved Indicators 2014/15	Quarter 1 Position	Performance Rating
Aff.1	Affordability Measure: Financing Costs as a percentage of net revenue streams			
1a	Overall Position	3%	2.5%	
1b	General Fund	-12%	-3.3%	
	Housing Revenue Account	14%	15.5% (estimated)	
Aff.2	Affordability Measure: Incremental impact of capital investment on Council Tax and Housing Rents			
2a	Council Tax increases, borrowing costs only	£2.70	No unsupported borrowing undertaken, therefore no effect on rent or council tax increases	
2b	Housing Rent increases, borrowing costs only	£0.56		
Aff.3	Affordability Measure: Capital Expenditure (£'000s)	Estimate to 30 Jun 14	Actual to 30 Jun 14	
	General Fund	£1,647	£392	
	Housing Revenue Account	<u>£1,807</u>	<u>£658</u>	
	Total Capital Expenditure	£3,454	£1,050	
Aff.4	Affordability Measure: External Debt Level (£'000s)			
	Authorised limit, comprising	£73,000	Long term external debt is £40.4m and short term debt is £1.582m	
	- borrowing	£69,000		
	- other long term liabilities	£4,000		
	Operational boundary, comprising	£50,000		
	- borrowing	£48,000		
	- other long term liabilities	£2,000		
Aff.5	Affordability Measure: Capital Financing Requirement (£'000s)			
	General Fund CFR closing balance in the year	£54,016 £211	No anticipated change to the planned position for CFR items	
	HRA CFR closing balance in the year	£53,805		

Indicator	Description	Approved Indicators 2014/15	Quarter 1 Position	Performance Rating
Pru.1	<p>Prudence Measure: Gross Debt and Capital Financing Requirement (CFR), (£'000s)</p> <p>Gross External Borrowing level</p> <p>CFR (for last, current and next 2 years)</p> <p>Has measure been achieved?</p> <p>Memorandum Item: Prudence margin</p>	<p>£44,204</p> <p>£213,099</p> <p>Achieved</p> <p>£168,895</p>	<p>£41,982</p> <p>£213,099</p> <p>Achieved</p> <p>£171,117</p>	☺
Pru.2	<p>Prudence Measure: Adoption of the CIPFA Treasury Management Code of Practice</p> <p>Has the Code been adopted in its entirety?</p>	Yes	Yes	☺
Pru.3	<p>Prudence Measure: Upper Limits to fixed and variable interest rate exposure</p> <p>Upper limit to variable interest rate exposures</p> <p>Upper limit to fixed interest rate exposures</p>	<p>25%</p> <p>100%</p>	All investments are fixed rate except 4% which are semi variable and linked to LIBOR rates	☺
Pru.4	<p>Prudence Measure: Maturity structure of borrowing</p> <p>Loans maturing within 1 year</p> <p>Loans maturing within 1 - 2 years</p> <p>Loans maturing within 2 - 5 years</p> <p>Loans maturing within 5 - 10 years</p> <p>Loans maturing in over 10 years</p>	<p><u>Upper Limit</u></p> <p>25%</p> <p>25%</p> <p>25%</p> <p>50%</p> <p>100%</p>	No borrowing undertaken in Quarter 1	☺
Pru.5	<p>Prudence Measure: Total Principal sums invested for periods of more than 364 days (£'000s)</p> <p>Upper Investment Limit for the year</p>	£16,000,000	<p>£4m 1-2 years</p> <p>£0m 2-3 years</p> <p>£0m 3-4 years</p>	☺

Details of the Treasury and Prudential Indicators

This appendix explains each of the prudential indicators, as defined in the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in Public Service Code of Practice.

Affordability

Aff.1: Financing costs as a percentage of net revenue stream

This compares the total principal and net interest payments on external debt less interest and investment income to the overall total revenue spending of the authority. The indicator must be calculated separately for the General Fund and Housing Revenue Account (HRA).

Aff.2: The incremental impact of capital investment on the Council Tax and Housing Rents

This indicator requires the General Fund net revenue streams to be converted into an estimated Band D Council Tax for each of the next three years. This will mean making assumptions on the levels of Government grant and Non Domestic Rates expected as well as the Council Tax base and spending plans. Only the element of any increase/decrease in Council Tax that relates to the Council's capital investment plans is reported in the indicator. A similar indicator must be calculated for average weekly rents in the HRA.

Aff.3: Capital expenditure

This indicator reports the Council's capital expenditure for the current year.

Aff.4: External debt

This indicator reports on the external debt limits (made up of borrowing and other long term liabilities). The two limits set are:-

The *authorised limit*. This is the maximum amount the authority allows itself to borrow.

The *operational boundary*. This reflects the most likely (prudent) but not worst case scenario of the debt position of the authority. This is also an "upper" limit, so does not reflect the expected external debt level for the Council on a day to day basis, but should link directly to capital spending plans, the capital financing requirement and daily cash-flows.

There may be occasions when the operational boundary for borrowing is temporarily breached - for example, if a capital receipt is not received on the due date. Such breaches must be monitored to identify trends, but do not need to be reported. On very rare occasions, the authorised limit may be breached and this must be reported to members.

Aff.5: The Capital Financing Requirement (CFR)

This indicator reports the actual capital financing requirement (CFR) for the General Fund and HRA. The CFR comprises the sum of the value of fixed assets (land, buildings etc), deferred charges (spending on assets not owned by the Council, such as capital grants to housing associations) and other capital accounts on the balance sheet (revaluation reserve and capital adjustment account). By adding these values together, the total represents a good approximation of how much capital investment has been funded from borrowing.

Prudence

The aim of this category of indicator is to ensure that medium and long term borrowing is only for capital purposes and that authorities are not taking out long term borrowing to fund revenue spending.

Pru.1: Gross external borrowing and the capital financing requirement

This indicator is used to compare the gross external borrowing against the total capital financing requirement (see Aff.5 above) for current year plus any additions to the total capital financing requirement for the coming year and two following years. The gross external borrowing figure should always be the lower figure.

Pru.2: Adoption of the CIPFA Treasury Management Code of Practice

The Code requires an explicit statement from the Authority that it has adopted the above Code published by the Chartered Institute of Public Finance and Accountancy, in full.

Pru.3: Upper limits to fixed and variable rate exposures

This indicator sets upper limits on the amount of net borrowing (total borrowing less investments) with fixed interest rates and variable interest rates for a three year period. By applying these thresholds, the exposure to fluctuations in interest rates can be controlled.

Pru.4: Maturity structure of borrowing

This indicator sets upper and lower limits on the amount of borrowing due to be repaid in a given period on fixed rate borrowing. The purpose of this indicator is to ensure that the Council has a balanced portfolio of debt, avoiding any major peaks and troughs over the life of the total debt.

Pru.5: Total principal sums invested for periods of more than 364 days

This sets a limit on the amount of money than can be invested for more than one year.

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

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