

FAREHAM

BOROUGH COUNCIL

AGENDA FOR THE EXECUTIVE

Date: Monday, 6 July 2020

Time: 6.00 pm

Venue: Teams - Virtual Meeting

Executive Members:

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

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

Councillor F Birkett, Housing

Councillor K D Evans, Planning and Development

Councillor S D Martin, Streetscene

1. Apologies for Absence

2. Minutes (Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Executive held on 02 March 2020.

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. References from Other Committees

To receive any references from the committees or panels held.

Matters for Decision in Public

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

8. Planning and Development

Key Decision

(1) Hook Lake Coastal Management Study (Pages 11 - 24)

A decision by the Director of Planning and Regeneration.

9. Policy and Resources

Non-Key Decision

(1) General Fund and Housing Revenue Account Outturn 2019/20 (Pages 25 - 40)

A report by the Deputy Chief Executive Officer.

(2) Local Authority Discretionary Grant Awards (Pages 41 - 52)

A report by the Deputy Chief Executive Officer.



P GRIMWOOD
Chief Executive Officer
www.fareham.gov.uk
26 June 2020

For further information please contact:
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FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 2 March 2020

Venue: Collingwood Room - Civic Offices

Present:

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

Also in attendance:

J S Forrest, for item 9(2)
R H Price, JP, for item 9(2)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the meeting held on 06 January 2020 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader announcements.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

There were no deputations submitted at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

The Panel received a report along with a supporting presentation delivered by the Head of Leisure and Community on the proposed Fareham Leisure Centre Planning Application which is due to be taken to the Executive for consideration on the 02 March 2020. The Panel was delighted with the overall design proposals and agreed that these alterations will be a great improvement, particularly to the Fareham Leisure Centre.

The Panel was also pleased with the retention of the hedge line between Park Lane and the extension to the car park as this is a mature hedge row with some large trees.

Members queried the choice of cladding, asking why brick or other types of cladding had not be considered. Officers explained that by using a mixture of cladding and brick helps to create a design that responds to the existing leisure centre, which reflects the natural setting of the park.

The key points from the Panel's discussions were that it wanted improvements to be as Carbon Neutral as possible and for Solar Panels to be considered as part of the improvement works.

The Chairman thanked Officers for their hard work in progressing this planning application to this stage.

RESOLVED that the Panel: -

- (a) considered the contents of the report and presentation; and
- (b) ask the Executive to consider that Carbon Neutrality and the early installation of Solar Panels be a priority within the planning application at their meeting on the 02 March 2020.

This item is listed at Agenda item 8(1) for consideration by the Executive.

8. LEISURE AND COMMUNITY

(1) Fareham Leisure Centre Planning Application

A revised page 12 of the agenda pack was tabled at the meeting to provide greater clarification in respect of the costs of the proposals.

The comments of the Leisure and Community Scrutiny Panel were taken into account during the consideration of this item (see minute 7).

RESOLVED that the Executive:

- (a) considered the comments of the Leisure and Community Scrutiny Panel;
- (b) considered the principle of the detailed design for Fareham Leisure Centre as outlined in Appendix A to the report; and
- (c) agrees that this, including any minor alterations, be submitted as part of a planning application.

9. POLICY AND RESOURCES

(1) Provision of upgraded power supplies at Faraday Business Park, Daedalus

RESOLVED that the Executive:

- (a) approves the capital budget as outlined in the confidential Appendix A to the report to provide additional power infrastructure to Faraday Business Park; and
- (b) delegates authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, to award the contract(s) for the installation of the power upgrade after a procurement exercise in accordance with the Council's Procurement and Contract Procedure Rules 2019.

(2) Climate Change and Carbon Reduction

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

During the discussion on this item, Councillor S D Martin proposed two additional recommendations, (e) and (f) which would add to the wording of the Terms of Reference as set out in Appendix A.

RESOLVED that the Executive notes the content of the report and approves:

- (a) the scope of works to be undertaken on climate change and carbon reduction by the Climate Change Working Group, as set out in the Executive Briefing Paper;
- (b) the principle of commissioning the Greening Campaign to work with communities within the borough;
- (c) a working budget of £10,000, funded from revenue reserves, to support the work needed to deliver the initial actions and projects proposed;
- (d) the inclusion of climate change and carbon reduction impacts in Committee Reports and Executive Decisions in the new municipal year;
- (e) that the Terms of Reference for the Climate Change Working Group include the additional wording: "Acting as the Member Champion on climate change matters, Councillor Martin will be the recipient of any informal proposals arising from elected Members for carbon reduction planning or other climate change work. Councillor Martin will present any such proposals to the Working Group to allow these to be investigated and considered in more detail, in order to determine whether they should form part of any formal climate change proposals presented to the Policy and Resources Scrutiny Panel and the Executive for consideration and decision"; and
- (f) that the Members' Newsletter will include updates on the progress of the Climate Change Working Group and that this be added to the Terms of Reference.

(3) Capital Expenditure at Faretec, Cams Estate Business Park

RESOLVED that the Executive approves a capital budget to refurbish the air conditioning system and undertake minor building upgrade works at Faretec at the Cams Estate Business Park, as set out in the confidential Appendix A to the report.

(4) Citizen of Honour Nominations 2020

RESOLVED that the Executive agrees that:

- (a) candidate 6 is selected from the attached nominations at Confidential Appendix A to be formally recognised as the Citizen of Honour 2020;
- (b) candidate 20 is selected from the attached nominations at Confidential Appendix B to be formally recognised as the Young Citizen of Honour 2020; and

- (c) that the persons listed as numbers 6 and 20 in the confidential Appendices A and B of the report be selected for the annual Citizen of Honour and Young Citizen of Honour Awards 2020.

(The meeting started at 6.00 pm
and ended at 6.35 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 July 2020

Portfolio:	Planning and Development
Subject:	Hook Lake Coastal Management Study
Report of:	Director of Planning and Regeneration
Strategy/Policy:	Fareham Borough Council Corporate Strategy 2017-2023
Corporate Objective:	Protect and enhance the environment

Purpose:

To seek approval to undertake a project to identify viable habitat creation options, to develop outline designs and produce a business case for delivering new habitat at Hook Lake, to help meet the Regional Habitat Compensation Programme (RHCP) targets in the Solent and South Downs (SSD) Area. The project will also provide opportunity to investigate additional broader outcomes important to Fareham Borough Council and the wider Fareham community, not just in relation to the environment, but also to enhance amenity, improve access and community health and wellbeing.

Executive summary:

Hook Lake is located to the south of Warsash, on the eastern side of the River Hamble (Appendix A). The area is important environmentally, hosting national and international environmental designations including the Solent and Southampton Water Special Protection Area (SPA) and Ramsar site, the Lee-on-the-Solent to Itchen Estuary Site of Specific Scientific Interest (SSSI) and Hook-with-Warsash Local Nature Reserve (LNR).

The existing site, owned and managed by Hampshire County Council, comprises approximately 39 ha of coastal grazing marsh and 4 ha of reedbed habitat and the frontage is popular with locals and tourists due to its abundance of wildlife and network of footpaths passing through the reserve, including the Solent Way.

The aim of the study is to identify options to create compensatory intertidal habitat at Hook Lake, as recommended in the River Hamble to Portchester Strategy (RHPS) (2016) and the North Solent Shoreline Management Plan (2010).

This project will help to meet the targets of the Solent and South Downs (SSD) Regional Habitat Compensation Programme (RHCP) to deliver compensatory intertidal habitat which is a legal requirement of the North Solent Shoreline Management Plan (NSSMP) Imperative Reasons of Overriding Public Interest (IROPI) agreement and Statement of Case.

Funding is already secured for the study from Environment Agency Grant-in-Aid.

Recommendation:

It is recommended that the Executive:

- (a) approves commencement of the Hook Lake Coastal Management Study; and
- (b) agrees that the Director of Planning and Regeneration, is given delegated authority to procure and deliver the works, subject to the award of contract being made through an Individual Decision by the Executive Member for Planning and Development.

Reason:

Across the SSD area there has been a reduction in European Designated Sites (Natura 2000), either via the direct encroachment of new coastal defences or through coastal squeeze, resulting from the combination of rising sea levels and 'Hold the Line' (HTL) SMP policies. The SSD RHCP Annual Review Report (2017), completed as part of the progress review and strategic update for the RHCP, calculated the intertidal habitat losses as, 435ha of saltmarsh and 75ha of mudflat, over the next 100 years.

The habitat compensation targets set for Epoch 1 (2005-2025) have mostly been met, primarily from Medmerry in West Sussex, but there is still 20 ha of saltmarsh habitat short. The habitat creation targets for Epoch 2 (2026-2055) are set as 149ha of saltmarsh and 70 ha of mudflat.

The creation of new compensatory intertidal habitat through the RHCP will help to offset these losses and is a legal requirement of the North Solent SMP IROPI agreement and Statement of Case. To ensure that the regional Flood and Coastal Erosion Risk Management (FCERM) programme can continue to be delivered without delay, compensatory habitat must be in place in advance for all FCERM schemes that will encroach and/or cause coastal squeeze damage to European Sites (Natura 2000 sites). Without provision of this compensatory habitat, many future FCERM schemes across the North Solent SMP area, will not have their Habitat Regulations Assessment approved, preventing planning and marine licence consents from being granted and therefore future FCERM schemes will not be able to progress.

Hook lake has been identified as a key high priority habitat compensation site to create up to 40.5 ha of saltmarsh and mudflat compensatory habitat to meet the Epoch 1 deficit and some of Epoch 2 (2026-2055).

The existing defences at Hook Lake have a residual life of 10-20 years. Given the present poor condition of the seawall, ad-hoc maintenance would be insufficient to mitigate health and safety risks associated with potential localised structure failure in the future. The Environment Agency (EA) currently maintains these however, they are not legally or contractually obliged to continue maintaining assets in the system and there is an intent to look at withdrawing maintenance in the short term.

The Hook Lake coastal management study and associated scheme are included in the EA's Capital Grant Programme. Funding for the study was approved by the EA in December 2019.

Cost of proposals:

Total estimated budget cost of proposals is indicated in confidential Appendix B.

Appendices:

A: Location Plan

B: Confidential – Estimated Cost of Proposals

C: Project Timeline

Background papers: None.

Reference papers: North Solent SMP: Minutes of Executive meeting 08/11/2010

River Hamble to Portchester Coastal Flood Risk &
Management Strategy proposed for Adoption: Minutes of
Executive Meeting 20/04/2015

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 July 2020
Subject:	Hook Lake Coastal Management Study
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. Fareham Borough Council's (FBC) coastal team, the Eastern Solent Coastal Partnership (ESCP), propose to undertake a study to investigate compensatory intertidal habitat creation options at Hook Lake, Fareham.
2. The project will identify viable habitat creation options, develop outline designs and produce a business case for delivering the scheme through to detailed design and construction. The project will also provide opportunity to investigate additional broader outcomes important to Fareham Borough Council and the wider community, not just in relation to the environment, but also to enhance amenity, improve access and community health and wellbeing.

LOCATION

3. The site is located to the south of Warsash, on the eastern side of the River Hamble in Fareham, Hampshire (Appendix A). The frontage is popular with locals and tourists due to its abundance of wildlife and network of footpaths through the reserve, including the Solent Way footpath.

BACKGROUND

4. Across the Solent and South Downs (SSD) area there has been a reduction in European Designated Sites (Natura 2000), either via the direct encroachment of new coastal defences or through coastal squeeze, resulting from the combination of rising sea levels and 'Hold The Line' (HTL) Shoreline Management Plan (SMP) policies.
5. The SSD Regional Habitat Creation Programme (RHCP) Annual Review Report (2017), completed as part of the progress review and strategic update for the RHCP, summarises the intertidal habitat losses expected throughout the remainder of Epoch 1 (2005-2025) and in Epochs 2 (2025-2055) and 3 (2055-2105) of the 100-year SMP period. By the end of Epoch 3, the negative balance in saltmarsh and coastal grazing habitats in the SSD area is predicted to be -435 ha and -76 ha respectively.
6. The creation of new compensatory intertidal habitat through the RHCP will help to offset

these losses and is a legal requirement of the North Solent SMP IROPI agreement and Statement of Case. To ensure that the regional Flood and Coastal Erosion Risk Management (FCERM) programme can continue to be delivered without delay, compensatory habitat must be in place in advance for all FCERM schemes that will encroach and/or cause coastal squeeze damage to European Sites (Natura 2000 sites).

7. The existing defences consist of a concrete sea wall and a barrier beach with a shingle spit, which have a residual life of 10-20 years. Given the present poor condition of the sea wall, ad-hoc maintenance would be insufficient to mitigate health and safety risks associated with potential localised structure failure.

LINKS TO STRATEGIES

8. This site falls within two Policy Units in the North Solent SMP (2010). The policy for the frontage inside the estuary is No Active Intervention (NAI) in Epoch 1, Managed Realignment (MR) in Epoch 2 and HTL in Epoch 3 and the policy for the open coast frontage is NAI with localised HTL for cross-Solent National Grid operational assets. The SMP Appropriate Assessment identifies areas of wetland habitat within the Solent European Marine Sites that would be lost as a consequence of HTL policies, due to coastal squeeze. The Environment Agency has a legal obligation under the Birds and Habitats Directive (Directive 2009/147/E and Council Directive 92/43/EEC) to provide compensatory habitat for the losses that have been identified.
9. The site falls within Option Development Unit (ODU) 25 of the River Hamble to Portchester Strategy (2015). The Strategy makes recommendations to maintain the existing defence and undertake further studies during Epoch 1, before a phased implementation of a regulated tidal exchange or a managed realignment scheme to create new intertidal habitat from 2030.
10. Following the strategic update of the SSD RHCP, the site at Hook Lake is considered high priority in order to help meet RHCP targets for saltmarsh habitat during Epoch 1 (up to 2025). The Hook Lake site could deliver up to 40.5 hectares of intertidal habitat. Without provision of these 40.5 hectares of compensatory habitat, many projects delivering the North Solent SMP policies will not have their Habitat Regulations Assessment approved and therefore will not be able to progress.
11. The proposed study falls under the Fareham Borough Council Corporate Strategy 2017-2023. Specifically, the Corporate Objective to: Protect and Enhance the Environment.

LEGAL IMPLICATIONS

12. The land is owned by Hampshire County Council (HCC) and the reserve managed by the Hampshire Countryside Service.
13. HCC as landowner has contributed staff time to help develop proposals for the study and have committed to contribute data and time moving forward.
14. Any future works following the study will be carried out under the Land Drainage Act 1991, or Coast Protection Act 1949, where Fareham Borough Council have permissive powers to act in the public interest; doing so only when there is:
 - a clear economic benefit;
 - an appropriate engineering solution can be achieved; and,

- no contravention of environmental legislation.

ENVIRONMENTAL IMPLICATIONS

15. The area is important environmentally, hosting national and international environmental designations including the Solent and Southampton Water Special Protection Area (SPA) and Ramsar site, the Lee-on-the-Solent to Itchen Estuary Site of Specific Scientific Interest (SSSI) and Hook-with-Warsash Local Nature Reserve (LNR).
16. The existing site comprises approximately 39 ha of coastal grazing marsh and 4 ha of reedbed habitat and the frontage is popular with locals and tourists due to its abundance of wildlife and network of footpaths passing through the reserve, including the Solent Way footpath.
17. The Hook Lake site could deliver up to 40.5 hectares of saltmarsh and mudflat habitat.
18. Potential impacts on the site shall be assessed so that the impacts of the scheme do not adversely affect the natural environment. This will be assessed through the study and normal consenting process in consultation with the relevant environmental bodies.

FINANCIAL IMPLICATIONS

19. At present, the scheme sits within the Environment Agency's (EA) capital programme and the most up to date Partnership Funding (PF) calculator gives a raw funding score of 18%. Typically, schemes need to demonstrate a 100% or above adjusted partnership funding score (taking account of secured contributions) to be eligible for Grant in Aid (GiA). However, given that the habitat creation scheme is required to fulfil SSD RHCP objectives and legal requirements for habitat creation, the scheme is eligible for GiA (via moderation) even if the partnership funding score for the scheme does not meet the 100% threshold.
20. Funding for the study was approved by the EA in December 2019 allocated over a three-year period.
21. The allocation for the year 2019/20 has already been claimed upfront.
22. There are opportunities for efficiencies in this scheme as environmental work would be undertaken in-house by our environmental experts, which includes a Coastal Project Engineer who was previously on secondment to HBC from Natural England (NE). The landowner, HCC, has already contributed staff time to help develop proposals for the study and have committed to contribute data and time moving forward.
23. The ESCP have been pioneering a more open approach since it formed in 2012 by truly working with others to facilitate place shaping and place making through the delivery of its projects.
24. When delivering our projects, we identify additional objectives shared with our partners rather than just constructing flood defences. This in turn enables opportunities to secure additional funding and enhancements to the projects being delivered. As part of this study, broader outcomes and additional funding will be investigated in order to deliver as wide a range of objectives as possible which not only delivers important habitat but also looks to improve the area for the community in terms of amenity, recreation, access, heritage and community health and well-being.

PARTNER ENGAGEMENT

25. A Project Board will be set up to agree key project decisions and will comprise representatives from FBC, the EA, the study consultant (when appointed) and with additional support from FBC legal and financial assurance officers. The Project Board is accountable for the success of the project and will provide overall guidance and direction.
26. A steering group will be set up with a number of key partners and interested parties along this frontage including FBC, the EA, HCC, River Hamble Harbour Authority, Natural England and Historic England.
27. An Engagement Plan is being developed as a live document that outlines a framework for engagement with project partners and interested parties throughout the development of the study.
28. A mapping exercise took place in February 2020 with the ESCP project team, FBC Planning, HCC estates and Countryside Team and the EA, to identify potential partners and interested parties and gauge their level of interest in and support of the project to help plan engagement going forwards.
29. Early engagement with statutory consultees and key interested parties will be vital for the success of the project and targeted stakeholder engagement activities will be key.
30. The ESCP project team will integrate and collaborate with the FBC communications team throughout delivery of the study. Members will be kept up to date through papers and briefings as required.

PROCUREMENT

31. A Procurement Strategy to procure professional services for the study has been prepared and it is recommended that the Director of Planning and Regeneration is given delegated authority to procure and deliver the works, subject to the award of contract being made through an Individual Decision of the Executive Member for Planning and Development.

PROJECT TIMELINE

32. The current high-level project timeline is included in Appendix C.

CONCLUSIONS

33. The approval of the commencement of the Hook Lake Coastal Management Study by the Executive will allow the EA funded study to identify options for intertidal habitat creation to offset habitat losses as a result of SMP policies which is a legal requirement of the North Solent SMP IROPI agreement and Statement of Case. The project will also provide opportunity to investigate additional broader outcomes important to Fareham Borough Council and the wider community, not just in relation to the environment, but also to enhance amenity, improve access and community health and wellbeing.

Enquiries:

For further information on this report please contact Sam Box, Policy Team Leader, Eastern Solent Coastal Partnership samantha.box@havant.gov.uk .

APPENDIX A – Study Area



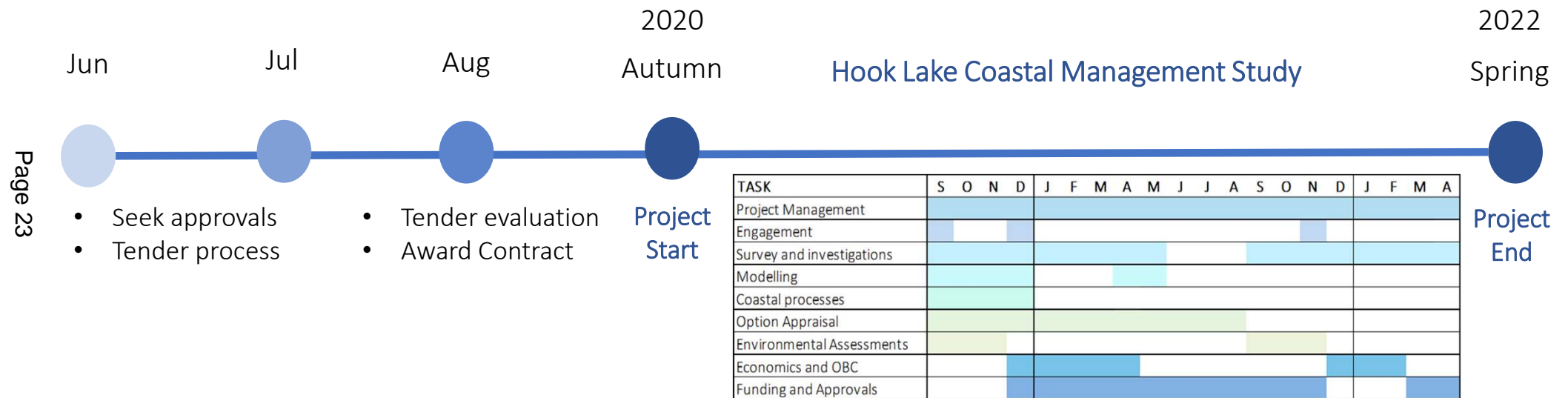
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

APPENDIX C – Timeline



EASTERN SOLENT | COASTAL PARTNERSHIP



FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 July 2020

Portfolio:	Policy and Resources
Subject:	General Fund and Housing Revenue Account Outturn 2019/20
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report provides the Executive with details of the actual revenue expenditure for 2019/20 for the General Fund and Housing Revenue and Repairs Account and seeks approval for the completion, in 2020/21, of the 2019/20 expenditure programmes set out in the briefing paper contained in the report.

Executive summary:

The General Fund actual revenue expenditure for 2019/20 totals £9,938,410 which represents an overall overspend of £619,210 when compared to the revised budget.

However, additional funding income from business rates and grants linked to business rates of £441,365 reduced the overspend to £177,845. This overspend will need to be financed from reserves.

Also, it has not been possible to complete a number of expenditure programmes in 2019/20 and approval is sought to complete two programmes where expenditure had already been committed during 2020/21, at a cost of £100,600. When the use of the reserves in 2019/20 to complete these programmes is taken into account the final contribution from reserves for the year is £278,445.

The final figures for the Housing Revenue and Repairs Account (HRA) in 2019/20 show that the HRA revenue reserve has reduced by £429,000 against a revised breakeven budget. Overall, total HRA Reserves have increased by £759,000.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the carry forward of £100,600 to fund the completion of the committed General Fund expenditure programmes in 2020/21, as contained in this report;

- (b) approves the carry forward of £1,663,000 for the HRA Capital Programme to re-align budget and expenditure phasing and to support the forthcoming programme for 2020/21; and
- (c) notes the contents of the report.

Reason:

To enable the completion of the General Fund expenditure programme for 2019/20 and to ensure that the balances on the Housing Revenue and Repairs Accounts at 31 March 2020 will be available in future years and that 2020/21 budgets are sufficient to meet the level of work programmed

Cost of proposals:

There are no additional costs relating to the recommendations.

Appendices:

A: Actual General Fund Service Expenditure to 31 March 2020

B: Detailed Housing Revenue and Repairs Account to 31 March 2020

Background papers: None

Reference papers:

Report to the Executive 4 February 2019 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20.

Report to the Executive 4 February 2019 Housing Revenue Account Budgets and Capital Plans 2019/20.

Report to Executive 6 January 2020 Finance Strategy, Revenue Budget and Council Tax 2020/21 (included a revised revenue budget for 2019/20).

Report to the Executive 3 February 2020 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21 (included a revised revenue budget for 2019/20).

Report to the Executive 3 February 2020 Housing Revenue Account Budgets and Capital Plans 2020/21 (included a revised revenue budget for 2019/20).

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 July 2020
Subject:	General Fund and Housing Revenue Account Outturn 2019/20
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the outturn position for the General Fund along with the Housing Revenue and Repairs Accounts for the financial year 2019/20. The report compares the actual spend against the revised budgets that were approved by the Executive in February 2020.

EMPLOYEE EXPENDITURE 2019/20

2. The total 'cost of employment' budgets set for the General Fund and Housing Revenue Account for 2019/20 was £18,059,700. The actual expenditure for 2019/20 was £18,002,040 giving an underspend for the year of £57,660 or 0.3% when compared to the final budget.
3. There was an underspend from salaries and associated costs of £797,161 which has arisen from vacancies that have occurred during the year. These have been primarily offset by an increase in agency payments (£273,824), severance payments (£452,082) and recruitment costs (£13,595) that have been made during the year.

THE GENERAL FUND

4. The General Fund actual revenue expenditure for 2019/20 totals £9,938,410 and this represents an overall overspend of £619,210 when compared to the revised budget approved by the Executive in February. Extra funding was received in the year compared to the budget by £441,365 which will reduce this overspend position. However, there will need to be a transfer from reserves of £177,845 to fund the net overspend.
5. Later paragraphs of this report also set out details of a few expenditure programmes that were not completed in 2019/20 and approval is sought for these programmes to be completed in the current year. If these proposals are approved along with the financing adjustment, this will mean that the final position for the financial year will show a transfer from reserves of £278,445 which will be taken from the general fund reserve.

6. The following table summarises the position:-

ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2020			
	Revised Budget 2019/20 £	Actual 2019/20 £	Variation £
Committees			
Licensing & Regulatory Affairs	517,300	403,536	-113,764
Planning	666,900	831,880	164,980
Executive - Portfolio			
- Leisure and Community	758,900	1,035,885	276,985
- Health and Housing	1,310,000	1,256,574	-53,426
- Planning and Development	1,695,900	1,684,196	-11,704
- Policy and Resources	-509,000	-1,166,796	-657,796
- Public Protection	276,000	462,274	186,274
- Streetscene	5,226,000	5,139,688	-86,312
Total Service Budgets	9,942,000	9,647,237	-294,763
Less Accounting Adjustments	2,767,300	12,655,499	9,888,199
Other Budgets	-3,390,100	-12,364,326	-8,974,226
Net Budget	9,319,200	9,938,410	619,210
Financing	-9,319,200	-9,760,565	-441,365
Net Total	0	177,845	177,845
Adjust for:			
Carry Forwards	0	0	100,600
Final Position (Overspend)			278,445

7. The detailed position on each service is set out in Appendix A. The main reasons for the variations for key council services are set out in the following paragraphs of this report.

THE KEY COUNCIL SERVICES

8. 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 2019/20 £	Actual 2019/20 £	Variation £	
Income Budgets				
Investment Properties	-3,267,500	-3,554,834	-287,334	😊
Commercial Estates	-280,700	-474,677	-193,977	😊
Interest On Balances	-557,800	-603,316	-45,516	😊
Trade Waste	-104,400	-134,108	-33,708	😊
Local Land Charges	-33,000	-33,200	-200	😊
Housing Benefit Payments	-121,100	-32,038	89,062	😞
Parking Services	-823,900	-519,519	304,381	😞
Solent Airport and Daedalus	-655,400	-322,158	333,242	😞
Expenditure Budgets				
Local Plan	1,233,200	1,028,766	-204,434	😊
Homelessness	343,600	286,935	-56,665	😊
Parks, Open Spaces and Grounds Maintenance	1,647,700	1,606,268	-41,432	😊
Local Tax Collection	876,700	850,228	-26,472	😊
Street Cleansing	970,300	960,479	-9,821	😊
Planning Applications	249,500	318,943	69,443	😞
Planning Appeals	56,300	216,824	160,524	😞
Tree Maintenance	312,800	504,460	191,660	😞
Waste & Recycling Total	2,075,00	2,276,193	201,193	😞
Ferneham Hall	328,400	696,773	368,373	😞

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

- (a) **Investment Property income** was £287,000 above budgeted income, mainly due to an increase in rent from a new property that was purchased late in the financial year and after budgets were approved.
- (b) **Commercial Estates** showed an underspend of £193,000 which is mainly due to an increase in rents received of £50,000. There was also an underspend on the

Civic Quarter regeneration project which is funded from reserves. Some of the increase in income has been offset by additional spend on properties particularly in respect of business rates.

- (c) **Interest on balances** is showing as additional income received of £45,000. Interest rates continue to remain low and this impacts on the size of returns the Council receives. However, during the year changes to the types of investment made have resulted in higher returns as well as keeping in line with the treasury strategy.
- (d) **Trade Waste** achieved £34,000 higher income compared to budget for the year which is a result of taking on more customers during the year. There has also been a reduction in tipping charges against budget. There has also been a slight increase in spend on vehicle repairs and an increase in employee costs mainly in the use of agency staff.
- (e) **Local Land Charges** is showing an almost zero change over the budget for the year. Income was just £15,000 under the budget for the year which is due to changes in the way individuals access the service, many of which result in a lower or nil charge for the service they receive. The reduction in income has been offset by a reduction in the legal charge the service pays.
- (f) **Housing benefits payments** were £89,000 over the budget for the year. The amount paid out in benefits was less than anticipated by £321,000 which was offset by reduced income from grant received with a small amount due for prior year adjustments giving reduced income against budget of £481,000. There was also additional income from money owed due to overpaid benefits and there was a reduction in the bad debts provision for doubtful debts totalling £70,000.
- (g) **Parking Services** is showing a variation of just under £305,000 against the budget for the financial year. There was reduced income from users of the Council's car parks during the year of almost £137,000 against budget and a reduction against the previous financial year (£57,000) in a continuing trend of a reduction in usage of the car parks by paying users. Approximately £55,000 income was lost due to closing car parks as a result of the COVID19 situation at the end of the year. Expenditure on car park maintenance has also increased particularly in respect of the Osborn Road Multi Storey car park in keeping the building operational. There were also redundancy costs of over £116,000 due to the transfer of the on-street operations to HCC.
- (h) **Solent Airport and Daedalus** is showing an overspend of £333,000 for the financial year mainly due to increased maintenance costs including extra costs on waste removal. There has also been an increase in utilities costs. Additional purchases of fuel have partly been offset by fuel sales which has seen the income increase over the budget for the year.
- (i) The **Local Plan** service has seen less use of consultants in respect of the formulation of the local plan for which the work will continue through into 2020/21 financial year to the publication of the plan during 2020. Within the Local Plan heading there is also spend on the Welborne project which is currently mainly funded through grants.
- (j) The **Homelessness** service is showing an underspend of £57,000 mainly as a

result of grant that has been received during the year to assist with a growing nationwide problem with homelessness. Not all of this grant was spent during the year and has been moved to a homelessness reserve so that the grant can be used during 2020/21 on projects associated with reducing homelessness and providing housing advice for those in housing need.

- (k) **Community Parks and Open Spaces** is showing an underspend of £41,000 mainly due to a reduction in maintenance of grounds during the year along with an increase in income from recharging third parties. This has been offset by an increase in the cost of repairing and maintaining the aging vehicle and plant fleet required to undertake the work.
- (l) **Local tax collection** is showing an underspend for the year of £26,000 which is mainly due to less demand on the hardship fund along with variations in employees costs due to vacancies.
- (m) **Street Cleansing** is showing a small underspend for the year of £10,000. There has been an increased spend on the cost of repairing vehicles along with additional costs for materials. These has been offset by reduced employee costs along with additional income from costs recovered from third parties.
- (n) **Planning Applications** is showing an increase against the budget mainly as a result of a fall in fee income (£52,000) due to fewer applications being received because of the nitrates issue. The budget had already been reduced by £100,000 at revised budget stage to reflect this issue. Other areas have shown an overspend in the use of consultants who have been working on specialist areas on major applications.
- (o) **Planning Appeals** during the year have shown an overspend of £161,000. Generally planning appeal costs are met by the individual parties involved but occasionally costs can be awarded against a party if they are judged to have acted unreasonably. There have been a number of high profile appeals during the year including Down End Road (£120,000), Land East of New Road (£39,000) and four other appeals totalling £24,000. The costs shown against these appeals are external legal and consultants costs and do not include officer time.
- (p) **Tree Maintenance** over the whole of the council is showing a spend of £520,473 against a budget of £312,800 which is an overspend of £207,673. This is largely due to the volume of tree work that has been undertaken during the year. In total, planned work (which also includes inspection costs, replanting works and general tree maintenance) cost around £212,000 for the year with 'good neighbour' work costing a further £64,000. Good neighbour work is work that is emanating from a customer request such as pruning back overhang which is encroaching onto another's land or trees that are blocking light. Other tree work including inspections, planting, urgent and general tree work cost an additional £87,000.
- (q) The **Waste and Recycling Service** is showing an overspend for the year of £201,000 which is mainly as a result of a large increase in the repair and maintenance of vehicles due to an aging fleet. There has also been an increase in the use of agency staff within the service mainly covering vacancies and other absences. The recycling services has also seen a reduction in income as the market for recycling has seen prices drop during the year including a reduction in the income received from HCC which has seen a drop from £244,000 in 2018/19

to £152,000 in 2019/20.

- (r) **Ferneham Hall** is showing an overspend for the year of £368,000. The main reason for the overspend is due to the redundancy costs arising from closing the hall of over £170,000. There was also a reduction in income from promotions and shows of £69,000 and reduced income from hiring the hall of £25,000. The pantomime took over a half of all income from shows during the year. The income from shows was partially offset by increased spend on promoter costs which are largely linked to ticket sales. There was also an increase on maintenance costs to the building during the year.

THE COUNCIL'S FUNDAMENTAL PARTNERSHIPS

10. The table below shows the end of financial year performance relating to the Council's element of each of the fundamental partnerships:-

Service	Budget 2019/20 £	Actual 2019/20 £	Variation £	
Building Control Partnership	198,200	185,072	-13,128	😊
Community Safety Partnership	193,600	187,638	-5,962	😊
Fareham & Gosport CCTV Partnership	160,700	161,313	613	😊
Project Integra	5,000	4,579	-421	😊
Portchester Crematorium Joint Committee	-160,000	-160,000	0	😊
Environmental Health Partnership	1,559,700	1,464,491	-95,209	😊

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

OTHER BUDGETS

12. These budgets are used where spend or income cannot be shown against a specific service. Most are accounting entries that ensure that items such as depreciation or other capital charges do not have an impact on the council tax or where a service provided is funded from reserves.

PROVISION FOR EXPENDITURE FUNDED FROM 2019/20 UNDERSPENDINGS

13. A proportion of work in the 2019/20 budgets has not been possible to complete during the financial year. However, whereas we would normally seek to request funding to carry forward a number of these budgets to next year, due to the overspend position this is being restricted to just those programmes where there is already a commitment for these to be delivered.
14. In order to minimise the financial burden of this work on the budget for the current year, it is proposed that an equivalent sum from the reserves is used in 2020/21 to allow for

their completion, as listed in the table below:

Description of Goods/Service	Cost £	Justification
Community Grants	50,600	Grants committed in 2019/20 but not paid over.
Local Plan (Regeneration)	50,000	One Public Estate Grant required for Regeneration in 2020/21
	£100,600	

15. Taking into account the carry forward proposals above this will result in a final transfer from reserves for the year of £278,445.

HOUSING REVENUE AND REPAIRS ACCOUNT

Revenue Account

16. On 3 February 2020, the Executive approved the revised breakeven budgets for the Housing Revenue and Repairs Account (HRA).
17. The HRA has recorded a deficit for 2019/20 of £428,607 as shown in the table below and in more detail at Appendix B. Rent income was slightly lower than the budget figure. Within Management and Finance expenditure was higher than anticipated due to factors that include Council Tax incurred on void properties and insurance excesses that have proved higher than anticipated. Capital Improvements are also higher than budgeted, although a large proportion of this is capital expenditure that is offset by a transfer from the Capital Development Fund, not reflected in the budget. This position is shown in the table below and detailed in Appendix B. £428,607 has been drawn from the HRA Revenue Reserve, while other Reserves have increased by £759,589.

	Actual 2018/19 £'000	Revised Budget 2019/20 £'000	Actual 2019/20 £'000
Income	-12,346	-12,388	-12,359
Management and Finance	4,891	4,836	4,957
Revenue Repairs	3,158	2,736	2,759
Capital Improvements	3,790	3,676	4,640
Surplus(-)/Deficit	-507	-1,140	-3
Transfer from Capital Development Fund	-129	0	-714
Transfer to Debt Repayment Fund	1,140	1,140	1,140
Transfer to Leaseholder Reserve	18	0	6
Transfer of Balance to(-)/from(+) Revenue Reserve	522	0	429

HRA Capital Programme

18. The table below summarises the capital spend in the year against the revised budget which shows a lower spend than anticipated on HRA Capital Improvements. This area of spend will be reviewed again over the coming year as the next detailed programme of works is compiled. The underspent budgets against Improvements and Modernisation and Other Works and Services are proposed to be carried forward to support the programme of works.
19. Expenditure classified as stock repurchase has included buying back eight properties to replenish our housing stock. New build schemes at Bridge Road and Highlands Road are progressing, with Bridge Road nearing completion at the end of the financial year and Highlands Road being well underway. The underspent budget is proposed to be carried forward as work is completed and construction on other schemes commences in 2020/21.

CAPITAL PROGRAMME	Budget 2019/20 £'000	Actual 2019/20 £'000	Carry over to 2020/21 £'000
HRA Improvements and Modernisations	2,505	2,154	351
Other Works and Services	146	113	33
New Builds	3,235	1,773	1,462
Stock Repurchase	1,500	1,683	-183
CAPITAL PROGRAMME - TOTAL	7,386	5,723	1,663

This spend has been funded as follows:

	£000
Use of Major Repairs Reserve to fund capital expenditure on HRA assets	2,155
Capital spend not increasing the asset value funded by the HRA Revenue Reserve	112
Homes England Grant funding to meet development costs	1,038
Capital Development Fund	714
1:4:1 Capital Receipts to meet development costs	20
1:4:1 Capital Receipts to meet acquisition costs	505
Revenue funding to meet acquisition costs	1,179
Total funding	5,723

HRA Reserves

20. A summary of reserves held by the HRA at the end of the year is set out below. HRA reserves have increased overall by £759,589.

Reserve	Purpose of Reserve	2018/19 Closing Balance £'000	2019/20 Transfers In £'000	2019/20 Transfers Out £'000	2019/20 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	1,302	0	-429	873
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	2,762	-2,762	1,500
Major Repairs Reserve	To fund capital expenditure on HRA assets	1,838	2,634 ¹	-2,155	2,317
Capital Housing Development Fund	To fund new developments	3,391	0	-714	2,677
Debt Repayment Fund	To repay debt	2,280	1,140	0	3,420
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	280	6	0	286
1:4:1 Receipts	To fund 30% of costs of new acquisitions	1,613	802	-525	1,890
Total Reserves		12,204	7,344	-6,585	12,963

¹The transfer in of £2,634,000 is the in-year depreciation charge

21. The combined balance on all Housing Revenue Account reserves is £12,963,000.

RISK ASSESSMENT

22. An assessment of the risks and opportunities associated with this decision has been carried out and it is considered that there are no significant risks associated with this report.

CONCLUSION

23. This report outlines the financial position during 2019/20 for the General Fund and the Housing Revenue and Repairs Account.
24. The General Fund is showing a movement from reserves of £177,845 against the revised budget. Taking into account the proposed spending commitments to also be funded from reserves and the changes to financing the revenue budget, the contribution from the General Fund balance increases to £278,445.
25. The combined balance on all Housing Revenue Account reserves is £12,963,000 which is an increase of £759,589.
26. Members are asked to note the contents of the report and approve the carry forward balance and budgets in order that the agreed work can be completed in the current financial year.

Enquiries:

For further information on this report please contact Neil Wood. (Ext 4509)

APPENDIX A

ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2020

	Budget 2019/20 £	Actual 2019/20 £	Variation 2019/20 £
Licensing & Regulatory Affairs Committee			
Hackney Carriage and Private Hire Vehicles	2,700	10,617	7,917
Licensing	-39,900	-33,445	6,455
Health and Safety	146,800	143,567	-3,233
Election Services	407,700	282,797	-124,903
	<u>517,300</u>	<u>403,536</u>	<u>-113,764</u>
Accounting Adjustments in service	0	25,459	25,459
	<u>517,300</u>	<u>428,995</u>	<u>-88,305</u>
 Planning Committee			
Processing Applications	249,500	318,943	69,443
Planning Advice	235,700	211,137	-24,563
Enforcement of Planning control	125,400	84,977	-40,423
Appeals	56,300	216,824	160,524
	<u>666,900</u>	<u>831,880</u>	<u>164,980</u>
Accounting Adjustments in service	0	121,211	121,211
	<u>666,900</u>	<u>953,091</u>	<u>286,191</u>
 Leisure and Community			
Community Grants	392,400	289,900	-102,500
Community Development	244,900	228,024	-16,876
Ferneham Hall	328,400	696,773	368,373
Fareham Leisure Centre	-113,900	-110,187	3,713
Holly Hill Leisure Centre	-247,200	-257,632	-10,432
Community Centres	153,600	187,656	34,056
Westbury Manor Museum	700	1,351	651
	<u>758,900</u>	<u>1,035,885</u>	<u>276,985</u>
Accounting Adjustments in service	991,000	1,442,914	451,914
	<u>1,749,900</u>	<u>2,478,799</u>	<u>728,899</u>
 Health and Housing			
Housing Grants and Home Improvements	37,900	2,790	-35,110

Housing Options	46,200	33,364	-12,836
Housing Benefit Payments	-121,100	-32,038	89,062
Housing Benefit Administration	396,800	391,343	-5,457
Homelessness	343,600	286,935	-56,665
Housing Advice	436,100	415,782	-20,318
Housing Strategy	203,500	191,598	-11,902
Local Land Charges	-33,000	-33,200	-200
	<u>1,310,000</u>	<u>1,256,574</u>	<u>-53,426</u>
Accounting Adjustments in service	<u>27,100</u>	<u>211,260</u>	<u>184,160</u>
	<u>1,337,100</u>	<u>1,467,834</u>	<u>130,734</u>

Planning and Development

Flooding and Coastal Management	83,200	92,637	9,437
Public Transport	36,500	35,860	-640
Tree Management	312,800	504,460	191,660
Conservation & Listed Building Policy	30,200	22,473	-7,727
Local Plan	<u>1,233,200</u>	<u>1,028,766</u>	<u>-204,434</u>
	<u>1,695,900</u>	<u>1,684,196</u>	<u>-11,704</u>
Accounting Adjustments in service	<u>88,300</u>	<u>197,201</u>	<u>108,901</u>
	<u>1,784,200</u>	<u>1,881,397</u>	<u>97,197</u>

Policy and Resources

Democratic Representation and Management	1,134,500	1,068,678	-65,822
Commercial Estates	-280,700	-474,677	-193,977
Investment Properties	-3,267,500	-3,554,834	-287,334
Solent Airport and Daedalus	-655,400	-322,158	333,242
Public Relations, Comms and Consultation	492,100	422,094	-70,006
Unapportionable Central Overheads	175,600	0	-175,600
Corporate Management	943,600	732,632	-210,968
Economic Development	72,100	111,241	39,141
Local Tax Collection	<u>876,700</u>	<u>850,228</u>	<u>-26,472</u>
	<u>-509,000</u>	<u>-1,166,796</u>	<u>-657,796</u>
Accounting Adjustments in service	<u>587,900</u>	<u>8,535,646</u>	<u>7,947,746</u>
	<u>78,900</u>	<u>7,368,850</u>	<u>7,289,950</u>

Public Protection

Pest Control	38,300	38,603	303
Dog Control	24,500	23,757	-743

Food Safety	139,500	131,915	-7,585
Air Quality and Pollution	198,800	144,074	-54,726
Community Safety	355,000	306,359	-48,641
Emergency Planning	56,700	58,938	2,238
Clean Borough Enforcement	88,900	93,074	4,174
On-Street Parking	-37,100	2,334	39,434
Off-Street Parking	-786,800	-521,853	264,947
Building Control	198,200	185,073	-13,127
	276,000	462,274	186,274
Accounting Adjustments in service	77,200	679,711	602,511
	353,200	1,141,985	788,785
Streetscene			
Cemeteries & Closed Churchyards	-20,100	-37,720	-17,620
Parks, Open Spaces and Grounds Maintenance	1,647,700	1,606,268	-41,432
Outdoor Sport and Recreation	172,300	165,759	-6,541
Countryside Management	165,200	164,764	-436
Allotments	18,600	19,226	626
Street Cleansing	970,300	960,479	-9,821
Public Conveniences	215,300	203,147	-12,153
Household Waste	935,900	981,829	45,929
Trade Refuse	-100,400	-134,108	-33,708
Recycling	740,000	878,876	138,876
Garden Waste Collection	399,100	415,488	16,388
Street Furniture	82,100	47,790	-34,310
	5,226,000	5,271,797	45,797
Accounting Adjustments in service	995,800	1,309,988	314,188
	6,221,800	6,581,785	359,985
TOTAL - Before adjustments	9,942,000	9,779,346	-162,654
Total Adjustments	2,767,300	12,523,390	9,756,090
TOTAL - After adjustments	12,709,300	22,302,736	9,593,436
Other Budgets	-3,390,100	-12,364,326	-8,974,226
TOTAL including Other Budgets	9,319,200	9,938,410	619,210

APPENDIX B

DETAILED HOUSING REVENUE AND REPAIRS ACCOUNT TO 31 MARCH 2020

	Actual 2018/19 £'000	Revised Budget 2019/20 £'000	Actual 2019/20 £'000
Income			
Rents - Dwellings	-10792	-10,820	-10,796
Rents – Garages	-313	-331	-330
Rents – Other	-28	-20	-20
Service Charges (Wardens, Extra Assistance, Heating)	-633	-660	-657
Cleaning	-182	-192	-191
Grounds Maintenance	-102	-109	-109
Other Fees and Charges	-53	-41	-39
Leaseholder Service Charges and Insurance	-52	-54	-61
Service Charges Repairs	-171	-150	-146
Other income	-20	-11	-10
	-12,346	-12,388	-12,359
Management and Finance			
General Administrative Expenses	1,803	1,611	1,971
Sheltered Housing Service	474	540	516
Grounds Maintenance	238	243	229
Communal Cleaning	202	224	225
Communal Heating Services	109	120	129
Communal Lighting	28	30	42
Rents, Rates and Other Taxes	78	99	137
Corporate and Democratic Core	70	67	68
Corporate Management	57	104	71
Unapportioned Overhead	322	20	0
Bad Debts Provision	62	13	66
Bad Debts Written off	62	50	53
Debt Management Expenses	31	35	27
Interest Payable and Similar Charges	1,795	1,795	1,818
Interest Earned on Internal Balances	-67	-114	-118
Pension Fund Adjustments	-373	0	-277
Revenue Repairs	3,158	2,735	2,759
Capital Improvements			
Depreciation	2,544	2,626	2,634
Revenue Contribution to Capital	1,228	1,050	2,006
Surplus(-)/Deficit for Year	-525	-1,140	-3

FAREHAM

BOROUGH COUNCIL

Report to the Executive 06 July 2020

Portfolio:	Policy and Resources
Subject:	Local Authority Discretionary Grant Awards
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Maintain and Extend Prosperity A dynamic, prudent and progressive Council

Purpose:

To note the award of grants made under the Local Authority Discretionary Grant Fund Scheme for Fareham Borough Council.

Executive summary:

On 2nd June 2020, the Executive Member for Policy and Resources approved a local scheme for the award of grants to businesses, as part of a wider support package announced by Government for businesses struggling with the impact of the COVID-19 pandemic.

The local scheme allows for grants of up to £5,000 to be awarded under delegated authority by the Deputy Chief Executive Officer, and grants above this amount and up to £10,000 to be awarded by the Executive Member for Policy and Resources.

The applications for grants under the scheme have been assessed, and are summarised below:-

	No.	Value
Grant paid, value up to £5,000	41	£137,500
Grants proposed, value between £7,500 - £10,000	60	£572,500
Grants proposed, subject to satisfactory evidence being received	12	£77,500
Grants proposed to market traders	22	£55,000
TOTAL GRANTS PAID	135	£842,500
FUNDING ALLOCATED		£1,019,000
Balance available		£176,500

Recommendations:

It is recommended that the Executive notes:-

- (a) the grants of up to £5,000, paid under delegated authority to 41 businesses, totalling £137,500, as set out in Appendices A;
- (b) the schedule of grants exceeding £5,000, totalling £572,500, that has been considered by the Executive Member for Policy and Resources, as set out in Appendix B;
- (c) the schedule of grants which are subject to satisfactory evidence or explanations being received, totalling £77,500, that has been considered by the Executive Member for Policy and Resources, as set out in Appendix C;
- (d) the proposal considered by the Executive Member for Policy and Resources that the regular traders at the Portchester and/or Fareham markets, as listed in Appendix D, are paid a total grant of £2,500 each in instalments; and.
- (e) the proposal considered by the Executive Member for Policy and Resources that the balance of funding to be used to award grants of up to £5,000, using the existing scheme details, until the funds are fully utilised.

Reason:

To enable the Council to pay discretionary grants to businesses, in accordance with Government guidance.

Cost of proposals:

The value of grants is £842,500 and is fully funded through a government grant of £1,019,000. The balance of the funding will be used to pay further grants of up to £5,000.

Confidential Appendices:

Appendix A: Schedule of grants paid, up to £5,000

Appendix B: Schedule of proposed grants, exceeding £5,000

Appendix C: Schedule of proposed grants, subject to the requisite evidence or explanations being provided.

Appendix D: List of proposed market traders to proposed to receive grant payments of £2,500 by instalment

Background papers: File of applications and supporting evidence

Reference papers: Report to the Executive Member for Policy and Resources for Decision, "Discretionary Business Grant Scheme", on 02 June 2020

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 July 2020
Subject:	Local Authority Discretionary Grant Awards
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. On 01 May the government extended its support package for businesses struggling due to the impact of the COVID-19 lockdown.
2. The Scheme was aimed at small and micro businesses in the borough who are incurring property related costs and who have not been eligible for other government support packages such as the Small Business and Retail, Hospitality and Leisure Grants Fund.
3. Local authorities were tasked with creating a local scheme which met the government requirements, while recognising the priority economic needs in their area when designing their local scheme. The Executive Member for Policy and Resources agreed the Fareham scheme on 2nd June 2020, and the scheme opened for applications on the same day.
4. This report sets out the results of the application process and the recommendations considered by the Executive Member for Policy and Resources.

APPLICATION PROCESS

5. A 2-week window for grant applications was opened on 2nd June, and publicity across social media and via press releases was used to encourage businesses to apply. We are grateful to local business representative groups (such as the Federation of Small Businesses, Business South), who shared the scheme amongst their members.
6. Expressions of interest had been gathered in the week preceding the application window opening and those businesses were sent the application link once the scheme was live.
7. Direct contact was made with businesses that had previously contacted the Council, in relation to the preceding business grants schemes (Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund) to ensure that there was a good level of awareness in the time available.

8. Direct contact was also made to 2 priority groups in the scheme: regular market traders and occupiers of shared offices, where they could be identified.
9. The application window closed on 16th June 2020, and the applications were assessed.

SUMMARY OF APPLICATIONS

10. The table below sets out the results of the grant applications;

	No.	Value
Applications eligible for a grant	101	£710,000
Applications which may be eligible subject to satisfactory evidence being received	12	£77,500
Applications declined	99	
Total number of applications received	212	£787,500

11. Where applications have been declined, this was largely a result of businesses that are run from peoples' homes (making up 39% of the declined applications). Other reasons included businesses not in the Fareham borough, no evidence of fixed property costs or revenue losses due to COVID-19 and a range of other specific reasons.
12. Under the scheme of delegation, the Deputy Chief Executive Officer (DCEO) can award grants from this scheme up to £5,000. Appendix A provides a list of all businesses that have received a grant payment, and is summarised below :-

	No. of businesses	Value
Grant of £2,500	27	£67,500
Grant of £5,000	14	£70,000
Total Grants paid under delegated authority to DCEO	41	£137,500

13. Businesses with higher property related costs were able to apply for a grant in excess of £5,000 up to a cap of £10,000. These grants needed approval from the Executive Member for Policy and Resources. Appendix B sets out the applications which were eligible for a grant exceeding £5,000, and this is summarised below:-

	No. of businesses	Value
Grant of £7,500	11	£82,500
Grant of £10,000	49	£490,000
Total Grants recommended	60	£572,500

14. There are still a few (12) applications where the true nature of the eligibility has yet to be ascertained, mainly due to missing evidence yet to be supplied. Provisional approval has therefore been sought from the Executive Member for Policy and Resources for grants to be paid to these applicants up to the value listed, subject to satisfactory evidence or explanations being obtained. Appendix C sets out these applications. The maximum value of grants that would be payable under this schedule is £77,500.
15. In addition to the above, the Executive Member for Policy and Resources has been asked to consider an additional schedule of payments to regular market traders.
16. The Government guidance on the Discretionary Grant Scheme was to make regular market traders who trade in the borough, a priority group under the scheme. These

businesses were covered by the local scheme and action was taken to contact the regular market traders from the Fareham and Portchester markets to encourage them to apply. However, only 3 applications were received, and these were considered not eligible, mostly on the basis that their fixed property costs were either at a domestic property or outside of the borough.

17. It was therefore proposed to provide additional support to this group of businesses as an exception to the approved scheme on the following basis:
 - All 22 identified regular market traders in the borough to receive a grant at the minimum level of £2,500.
 - The grants to be paid instalments in line to reflect the nature of pitch fees being incurred.
18. The total cost of this proposal was £55,000 and it would meet one of the priority criteria set in the local scheme to support “businesses that support the vitality of the town centre”. The list of businesses which would benefit from this proposal is given in Appendix D.

CONCLUSION

19. The Local Authority Discretionary Grant scheme has generated a good level of interest from local businesses, and if the recommended grant awards are agreed, will provide over £1m of financial support to micro/small local businesses in Fareham. The proposals are summarised below:-

	No.	Value
Grant paid, value up to £5,000	41	£137,500
Grants proposed, value between £7,500 - £10,000	60	£572,500
Grants proposed, subject to satisfactory evidence being received	12	£77,500
Grants proposed to market traders	22	£55,000
TOTAL GRANTS PAID	135	£842,500
FUNDING ALLOCATED		£1,019,000
Balance available		£176,500

20. Assuming that the proposed grants are paid, then there will be a small balance of funding available for further grants to be awarded. Officers are conscious that the application window may have resulted in some businesses being unable to apply on time and it is therefore recommended that the balance of funding is used to support other businesses that come forward in the coming months, using the same scheme criteria as before, but limiting the maximum grant to £5,000.

Enquiries:

For further information on this report please contact Elaine Hammell, Head of Finance and Audit. (Ext 4344)

FAREHAM

BOROUGH COUNCIL

Date:	06 July 2020
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Subject:	Approval of Discretionary Grant Applications
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Briefing by:	Deputy Chief Executive Officer
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NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Schedule of grants paid, up to £5,000 (with changes highlighted)

FBC Ref	Business Name	Amount of Grant
13	Food Lynx Limited	£5,000
61	Arctic Air Conditioning & Refrigeration Ltd	£5,000
87	Tut's Grill	£5,000
98	Retro Foods Ltd	£5,000
102	Age Concern Hampshire	£5,000
107	Best Foot Forward	£5,000
120	Coastline Facilities Support Services Ltd	£5,000
125	Lee Godbold Ltd	£5,000
136	Growing Places @ Merryfields	£5,000
155	Jigsaw Preschool	£5,000
162	Red Barn Community Preschool	£5,000
179	The Nail Lounge	£5,000
194	Knight Shaw Ltd	£5,000
196	Gibbs Precision Eng Ltd	£5,000
204	Luna Acrobatics and Aerial Arts Ltd	£5,000
6	LR Animation Studios Ltd	£2,500
25	Redacted	£2,500
29	Euronav Ltd	£2,500
34	The Moving on Project Ltd	£2,500
37	Watermark PR	£2,500
38	Tangled Hair salon	£2,500
42	Psion Consulting Ltd	£2,500
44	Angelfish Creative Design Ltd	£2,500
50	Apex Mechanical Service Ltd	£2,500
74	Hawthorn Commercial Services Ltd	£2,500
78	Simply Event Photos Ltd	£2,500
81	Associated Quality Services Ltd	£2,500
88	Mem-Star Rugged Ltd	£2,500
97	Alfred Thomas Consultancy Ltd	£2,500
139	Pario Consulting Ltd	£2,500
143	The Comfort Centre Ltd	£2,500
187	Automated Cutting Solutions Ltd	£2,500
203	Newteam Services Ltd	£2,500
206	Y Services for Young People	£2,500
156	The Friday Night Charity	£2,500
146	Hair At-Mandys	£2,500
148	Solent Cafe2U Ltd	£2,500
84	The Tasty Teapot Waffaholic	£2,500
5	Redacted	£2,500
30	Redacted	£2,500
70	Redacted	£2,500
161	Redacted	£2,500
197	Fareham Nomads Swimming Club	£2,500
		£145,000

Schedule of proposed grants, exceeding £5,000

FBC Ref	Business Name	Amount of Grant
7	F One Technologies Ltd	£10,000
24	Precision Creative and Media Ltd	£10,000
31	Botley Motor Body Repair Ltd	£10,000
40	Dwinex Sheet Metal Ltd	£10,000
41	Itchen Electrical Services Ltd	£10,000
47	Mobilise Group Ltd	£10,000
55	Clover Financial Solutions Ltd	£10,000
56	DBS Maintenance Ltd	£10,000
69	Time Out Childcare Group Ltd	£10,000
83	Allspeed Signs & Graphics Ltd	£10,000
89	Andean Signs Ltd	£10,000
93	PJB Engineering Ltd	£10,000
105	Alliants Ltd	£10,000
108	GSB Fabrications Ltd	£10,000
109	Protech Engineering (Fareham) Ltd	£10,000
111	Howes Precision Hydraulics Ltd	£10,000
113	Hopscotch Day Nurseries (Titchfield) Ltd	£10,000
114	Tekkers IT Solutions Ltd	£10,000
115	Corporate Events International	£10,000
116	First Exhibition Services Ltd	£10,000
117	Rotarylogic Ltd	£10,000
118	Ocean International Freight Services Ltd	£10,000
119	DWA Claims Ltd	£10,000
129	Liteup Events Ltd	£10,000
134	BW Seacat Ltd	£10,000
140	Hampshire Chamber of Commerce	£10,000
141	Prosig Ltd	£10,000
142	Digits Industries Ltd	£10,000
145	Matrix Business IT Ltd	£10,000
147	Total Design Joinery Ltd	£10,000
149	Funkidories Ltd	£10,000
152	PHVC Ltd	£10,000
153	Direct Protect Ltd	£10,000
158	Stubbington Green Dental Practice	£10,000
159	Ellis Electrical Ltd	£10,000
168	Sinoscan UK Ltd	£10,000
171	Flexitec Structures Ltd	£10,000
181	Pipeline Technology Ltd	£10,000
182	Solent Welding & Fabrication Ltd	£10,000
186	IDC Electrical (Southern) Ltd	£10,000
195	Pixies Day Nursery and Pixies Too Ltd	£10,000
200	Easyskinz Ltd	£10,000
205	Singletons Transport Ltd	£10,000

FBC Ref	Business Name	Amount of Grant
207	GMS Design Ltd	£10,000
211	Vida Dentistry Ltd	£10,000
166	B&M Furniture Ltd	£10,000
193	Kings Road Dental Surgery	£10,000
11	T S Marine Ltd	£7,500
14	Barrett & Page Ltd	£7,500
20	Prosperity Independent Financial Advisors & Stockbrokers Ltd	£7,500
23	FAB Accountants Ltd	£7,500
36	Southern Marquees Ltd	£7,500
48	AV Charters	£7,500
49	The Rainbow Centre for Conductive Education Ltd	£7,500
71	Unique Carpentry & Building Services Ltd	£7,500
73	Griffin Fire & Training Ltd	£7,500
165	Marine Resources Recruitment Ltd	£7,500
176	Lit Gifts Ltd	£7,500
		£552,500

**Schedule of proposed grants,
subject to the requisite evidence or explanations being provided**

FBC Ref	Business Name	Maximum Amount of Grant
123	Redacted	£10,000
198	Redacted	£10,000
216	Mystic Vapor Ltd	£10,000
59	Redacted	£7,500
110	Redacted	£7,500
135	Redacted	£7,500
209	Serenity Dental	£5,000
209b	Redacted	£5,000
190	Redacted	£5,000
184	Rowe Sparkes Partnership Ltd	£2,500
		£70,000

List of Market Traders proposed to receive grant payments of £2,500 by instalment

Name of Market Trader	
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted
Redacted	Redacted