

# FAREHAM

BOROUGH COUNCIL

## AGENDA FOR THE EXECUTIVE

**Date:** Monday, 7 September 2020

**Time:** 6.00 pm

**Venue:** Microsoft 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 Miss S M Bell, Leisure and Community

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 03 August 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. Leisure and Community**

**Key Decision**

**(1) Fareham Lottery (Pages 11 - 18)**

A report by the Director of Leisure and Community.

**9. Planning and Development**

**Key Decision**

**(1) Local Development Scheme (Pages 19 - 40)**

A report by the Director of Planning and Regeneration.

**10. Policy and Resources**

**Key Decision**

**(1) Covid 19 Economic Recovery Plan (Pages 41 - 56)**

A report by the Director of Planning and Regeneration.

**(2) Covid 19 Emergency Revised 2020/21 Budget (Pages 57 - 78)**

A report by the Deputy Chief Executive Officer.

**(3) Parking Service Review** (Pages 79 - 116)

A report by the Director of Leisure and Community.

**(4) Osborn Road Multi Storey Car Park** (Pages 117 - 162)

A report by the Deputy Chief Executive Officer.

**(5) Covid 19 Impact on Daedalus Faraday Business Park Investment Project**  
(Pages 163 - 186)

A report by the Director of Planning and Regeneration.



P GRIMWOOD  
Chief Executive Officer

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

27 August 2020

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# FAREHAM

BOROUGH COUNCIL

## Minutes of the Executive

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

**Date:** Monday, 3 August 2020

**Venue:** Virtual Meeting - M S Teams

**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:**

R H Price, JP, for items 10(1), 10(2), 10(3) and 11(1)



**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence given for this meeting.

**2. MINUTES**

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

**3. EXECUTIVE LEADER'S ANNOUNCEMENTS**

The Executive Leader announced that in May 2020 Fareham Borough Council was awarded around £104,000 in European funding to support the safe reopening of high streets and the local economy. A comprehensive economic recovery action plan is currently being drafted for the September Executive; however, ahead of this, work to encourage the public back into the town centre, and district centres, has already begun.

The Executive Leader stated that, as part of this, the Council has launched a campaign to Shop Local and Eat Local to help encourage shoppers and diners back onto the high street. The Executive Leader also stated that a press release will be issued tomorrow morning and a marketing campaign will include:

- Social media banners
- Posters (car parks and key locations)
- Bus stop posters

The reach of the campaign will broaden further over the next couple of weeks with flags due to be installed in the non-pedestrianised area of West Street within the next couple of weeks and new graphics on some of our refuse vehicles by the middle of August.

**4. DECLARATIONS OF INTEREST**

There were no declarations of interest made at this meeting.

**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**

There were no references from other Committees made at this meeting.

**8. POLICY AND RESOURCES**

(1) Covid-19 Recovery Plan (Objectives and Framework)

RESOLVED that the Executive agrees the 'Recovery Objectives' and 'Recovery Framework' for COVID-19.

**9. HOUSING**

(1) Nitrate Credits for Fareham Housing Schemes

RESOLVED that the Executive notes the content of the report and the approach to nitrate neutrality for Fareham Housing developments.

**10. LEISURE AND COMMUNITY**

(1) Christmas Lights Switch On - Alternative Proposals for 2020

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) to an alternative proposal, as set out in the report, to recognise the switching on of Fareham's Christmas lights in Fareham Town Centre, as a result of the Covid-19 pandemic and the Government restrictions currently in place; and
- (b) to free parking between 12 noon and 6.00pm in the Pay and Display car parks within the Town Centre, on each day that the festive market is in situ, and when parking charges apply.

(2) The naming of Fareham's new Arts and Entertainment Venue

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) that the preferred names for the new Arts and Entertainment Venue of: The Quay Fareham, The Kiln Fareham, The Tannery Fareham and Fareham Live, go forward to a public consultation exercise ; and
- (b) that the name "Fernehham" is incorporated into future options for the naming of rooms and areas within the remodelled venue.

(3) Covid-19 Community Recovery Plan

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive approves the Covid-19 Community Recovery Plan and the following actions therein:

- i) to support our Community Centres and Sports Clubs through this challenging period, a special grants programme be considered to assist them with the additional expenses being accrued at this time. This scheme will be presented in a separate report to the Executive;
- ii) the Leisure Centre contract, regarding the agreed capital investment and the duration of the contract, be reviewed. The results of this review will be presented in a separate report to the Executive;
- iii) an assessment of the Council's Arts and Entertainment project, including its capital costs and current business plan be carried out. The results of this review will be presented in a separate report to the Executive;
- iv) youth projects are likely to face additional costs when they finally reopen their facilities. As the Youth Activity Fund for the year has yet to be paid out, it offers an opportunity for the Council to distribute the funding to best support the Youth Projects;
- v) to build on the lessons learnt from the pandemic and to reflect these changes in the future service level agreements with our voluntary organisations;
- vi) to work closely with our voluntary organisations to understand more fully the issues at hand and identify longer term solutions to the provision of the Food Bank;
- vii) to develop alternative proposals to replace the Christmas Lights Switch-On event. These proposals will be presented in a separate report to the Executive;
- viii) in order to encourage smaller craft stands to the Fareham and Portchester markets, those traders not eligible for the discretionary business grant to receive free pitch hire until Christmas 2020; and
- ix) to present a separate report to the Executive recommending the establishment of a community lottery in Fareham.

## **11. STREETSCENE**

### **(1) Covid-19 Public Spaces Recovery Plan**

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive approves the Covid 19 Public Spaces Recovery Plan as detailed in the report.

## **12. PLANNING AND DEVELOPMENT**

- (1) Works to Property at Bridge Road, Sarisbury Green

RESOLVED that the Executive authorises the use of sufficient funds for the 'Direct Action' set out in this report to be undertaken under Section 219 of the Town & Country Planning Act 1990 to ensure compliance with the Section 215 Notice issued under the provisions of the Town and Country Planning Act 1990.

### **13. POLICY AND RESOURCES**

- (1) Capital and Treasury Management Outturn 2019/20

RESOLVED that the Executive:

- (a) approves the General Fund capital programme for 2019/20 to be financed as set out in this report;
- (b) agrees that the additional expenditure incurred, amounting to £67,363 be financed retrospectively from unallocated capital resources; and
- (c) notes the treasury management activity for 2019/20.

### **14. EXCLUSION OF PUBLIC AND PRESS**

RESOLVED that 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.

### **15. LEISURE AND COMMUNITY**

- (1) Covid-19 Impact on Leisure Centres

RESOLVED that the Executive:

- (a) agrees to proceed with the capital expenditure of £6.81 million to enhance the Leisure facilities at both centres, but particularly at Fareham Leisure Centre;
- (b) agrees the principle of the COVID -19 recovery deal proposed within the report between Fareham Borough Council and Everyone Active up to the amount of £1.83 million to enable the reopening of Fareham and Holly Hill Leisure Centres; and
- (c) delegates authority to the Director of Leisure and Community and the Deputy Chief Executive Officer to agree minor amendments to the deal following consultation with the Executive Member for Leisure and Community.

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



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Leisure and Community
<b>Subject:</b>	<b>Fareham Lottery</b>
<b>Report of:</b>	Director of Leisure and Community
<b>Corporate Priorities:</b>	Strong, safe, inclusive and healthy communities

**Purpose:**  
This report presents the options for introducing a Community Lottery across the Borough of Fareham.

**Executive summary:**

At the meeting of the Executive on 3 August 2020, it was agreed as an action within the COVID-19 - Community Recovery Plan that a report would be presented to the Executive recommending the establishment of a Community Lottery in Fareham.

A Community Lottery is a weekly draw within a community that raises money for local good causes.

Many local authorities have established a Community Lottery for their area. Some are run 'in house' with responsibility for the approval of good causes, promotion of the Community Lottery and overseeing of payments carried out by designated Officers.

Others have nominated their Community and Voluntary Sector (CVS) organisation to undertake this function. In these cases, a proportion of the income raised from the Community Lottery is allocated to the CVS to cover staffing costs.

Both options have a financial cost at a time when expenditure is being carefully considered. However, a Community Lottery would raise much needed funds for the charities and community groups that support our communities, when many are meeting their greatest financial challenges as a result of COVID-19 implications.

**Recommendation/Recommended Option:**

It is recommended that the Executive:

- (a) considers option 2 - to establish a Community Lottery for Fareham and;
- (b) nominates One Community to continue to promote and support it.

**Reason:**

1. The Community Lottery offers the opportunity for the community and voluntary sector to easily raise additional funds, which is likely to be a lifeline at this time of financial uncertainty.
2. Option 2 offers the most sustainable solution to establishing a Community Lottery in Fareham.

**Cost of proposals:**

The cost of Option 2 is a one-off capital cost of £9,040 which can be met from existing budgets.

**Background papers: COVID-19 Community Recovery Plan (3 August 2020 Executive)**

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Fareham Lottery
<b>Briefing by:</b>	Director of Leisure and Community
<b>Portfolio:</b>	Leisure and Community

#### INTRODUCTION

1. Over the last five years, many local authorities across the country have established localised Community Lotteries. These are set up to support community projects in the local area, operating on the principle of raising money within the community for the community.
2. Several local authorities within Hampshire have initiated their own Community Lottery, including Gosport, Havant and Rushmoor Borough Councils.

#### HOW COMMUNITY LOTTERIES WORK

3. Community Lotteries are a simple and effective way to raise funds. Local good causes such as charities and community groups can receive up to 50 percent of a £1 ticket value by encouraging those purchasing local Community Lottery tickets, either online or through the Community Lottery call centre, to select their organisation as the primary recipient.
4. In 2015, Gatherwell, an external organisation based in Oxford, became the first online lottery provider for local authorities and in 2019 were awarded the 'Lottery Operator of the Year' award by The Lotteries Council.
5. Gatherwell has worked in collaboration with many local authorities to create, launch and manage their Community Lottery. Gatherwell can set up the lottery process, provide a website for the lottery with pre-formatted pages, a dedicated telephone call centre and ongoing advice to the local authority on how to sustain ticket sales. In return for these services, Gatherwell receives 17% of all ticket sales to cover their administrative costs.
6. A weekly prize draw is operated by Gatherwell, with each ticket costing £1. A total of 60% of the ticket value goes to local good causes (50% to the local good cause selected by the player at the time of purchase, and 10% secured by the Local Authority to resource their Community Fund). The remainder of the ticket price comprises an allocation of 20% for prize money and 20% for administration and VAT costs.
7. Each ticket purchased has a 1 in 50 chance of winning a prize. The amount of prize money offered for differing quantities of matching numbers is set at a constant figure of £25,000 for 6 matching numbers, £2,000 for 5 matching numbers, £250 for 4 matching numbers and £25 for 3 matching numbers. There is a prize of 3 x extra tickets for

matching two numbers. If the income generated from the weekly lottery is insufficient to cover the prize money, any shortfall is covered by prize money insurance that is included in the set-up cost.

It is both the Local Authority and the good causes' responsibility to continue to promote the lottery to potential players. Neither, however, has direct involvement in the transfer of monies, as all ticket purchases and payments are made either online or through Gatherwell's call centre.

## HOW DO TICKET NUMBERS AND PRIZES WORK?

- Each ticket is made up of 6 numbers/digits. Each digit must be in the range 0-9 and the same digit can appear more than once. To win a prize you must match at least 2 numbers in a row starting from either left or right, for example if the winning ticket number was 092582, all tickets starting 09XXXX will win a prize and all tickets ending XXXX82 will win a prize. If you match all 6 numbers in the correct order you will win £25,000. If you match two numbers, rather than winning a payment, you win 3 extra tickets.

Number of matches	Prize	Matching patterns	Odds
6	£25,000	✓✓✓✓✓✓	1,000,000:1
5	£2,000	✓✓✓✓✓x x✓✓✓✓✓	55,556:1
4	£250	✓✓✓✓xx xx✓✓✓✓	5,556:1
3	£25	✓✓✓xxx xxx✓✓✓	556:1
2	3 extra tickets	✓✓xxxx xxxx✓✓	56:1

i ✓ is a match x is not.  
 So ✓✓✓✓✓✓ is 6 matches and xxxxxx is no matches

- There are occasional national promotional draws alongside the weekly draw, for example a national prize draw to win one of five entertainment bundles. There is also the option to purchase a Community Lottery gift voucher, with options of £5, £10, £20, £30 and £50.
- The draw takes place every Saturday night, with results posted on the Community Lottery website as well as on Facebook and Twitter.

## GOOD CAUSE REGISTRATION

- Charities, community groups, associations and other 'not-for-profit' organisations operating within the Borough can register free of charge to become a 'Good Cause'. Schools may apply for extra-curricular activities that do not form part of the core offer provided by the school and that benefit the wider community. Churches and faith groups may only apply for projects that are open to the wider community and where the primary aim of the project is not to promote any particular religion or faith.

12. As well as receiving their own Community Lottery page, Good Causes are given access to their own dashboard to monitor ticket sales. They are also provided with templates to easily create branded posters and marketing materials featuring their own logo to promote themselves as a Good Cause with the Borough Community Lottery and encourage people to become supporters.
13. Groups that are not eligible to become a Good Cause include Political Parties, groups who are engaged in campaigning for a political purpose or cause, organisations that do not benefit residents within the Borough, individuals, organisations that aim to distribute a profit and organisations with no established management committee/board of trustees.
14. When registering as a Good Cause, groups agree to actively promote the Community Lottery, aim for at least 20 ticket sales in the first four weeks, maintain a minimum of 20 supporters at any one time and provide a copy of their constitution on request.
15. Although normally the Local Authority is not able to stop or start any licence within a minimum of 7 days' notice, if fraudulent or illegal activity is suspected, the licence to run the entire Community Lottery would be withdrawn immediately.

#### **REQUIREMENTS OF THE LOCAL AUTHORITY**

16. Local Authorities are required to provide an initial fee of £5,000 to Gatherwell to cover the cost of establishing the lottery. This fee also acts as prize money insurance, in case ticket sales are not adequate to cover the winnings required.
17. In addition to this cost, a minimum of two senior Council Officers must be licensed with the Gambling Commission at a cost of £740. These licences must be renewed on a five-yearly basis. The licensed Council Officers would be expected to oversee the approval of organisations that wish to be listed as a 'good cause', in addition to authorising both the Gambling Commission lottery return and the monthly payment of the good causes.

#### **LOCAL AUTHORITIES' EXPERIENCES**

18. Both Gosport and Havant Borough Councils have established community lotteries recently, using very different approaches. Gosport Borough Council's scheme launched in June 2018. The Council paid the fees to Gatherwell and then handed the project in its entirety to Gosport Voluntary Action, their designated Community and Voluntary Sector organisation. This approach had the benefit of utilising existing community links to identify good causes and promote the lottery. The Gosport scheme currently has 55 good causes listed.
19. Gosport Voluntary Action identified that the ongoing support of the Community Lottery was excessively demanding of staff time, and as a result employed a Community Lottery Lead for 5 hours per week and PR support for a further 2 hours per week, in addition to utilising support from volunteers.
20. In its first year, the Gosport Community Lottery generated £38,000 in total for Gosport Borough Council, with £6,000 of this being allocated to their Community Fund and approximately £5,000 to cover staff costs. Please note that Gosport Voluntary Action chose to vary their allocations to 40% to good causes and 20% to the Community Fund and to cover their staffing costs.

21. Havant Borough Council launched their Community Lottery in March 2018 and opted to identify and support the local good causes themselves. Havant currently has 81 good causes listed. In their first year, Havant raised £37,000 for good causes in addition to £15,000 for their Community Fund.
22. Havant's Community Lottery is run by their Community Development Team, with one Lead Officer who carries out the role in addition to other duties, with support provided by the other members of the team.
23. Havant employees identified that, following the initial launch, there was a need to continue to encourage the good causes to promote the lottery, as one tenth of those registered had failed to be selected by a customer as a primary recipient during the ticket purchase. There was also increasing demand for the Council to work with local businesses to secure 'bolt-on' prizes which would make the Community Lottery more attractive for those considering buying tickets.

## **RESOURCE IMPLICATIONS**

24. Taking account of the information provided from Havant Borough Council and Gosport Voluntary Action, the resource requirement for Fareham Borough Council to run a successful Community Lottery internally has been calculated as £3,959 (198 hours for a Grade 4 officer) for the initial establishment and launch of the lottery, and a further 10 hours per week, or £9,900 per annum for a Grade 4 officer to continue its promotion. These costs are in addition to the £5,000 set-up fee required from Gatherwell.
25. These costs would only apply to the first year. Future years may be able to be funded from ticket sales, although the amount of income from this source is not guaranteed. A growth item would therefore need to be agreed in case insufficient funds were raised from ticket sales to cover the salary required.
26. As officers holding the gambling licences (or Personal Management Licences) within the Local Authority are required to be of a senior level, adoption of a Community Lottery scheme would necessitate increased responsibility for certain senior employees.
27. An alternative option exists in following the approach adopted by Gosport Borough Council and handing the set-up and operation of the lottery to our Community and Voluntary Sector service, One Community. This has the advantage of eliminating the requirement for Council employees to hold costly Personal Management Licences, as charitable organisations only require a Lottery Raffle Licence at a fee of £40 per year.
28. Due to the identified employee implications of this project, and the fact that this work is not included in their current Service Level Agreement with the Council, it would be anticipated that this project would not be undertaken by One Community without funding to secure additional resource during the set-up period.

## **OPTIONS**

29. Below are three options for consideration, together with associated costs, for establishing a Community Lottery in Fareham:

## Option 1

Establish a Community Lottery for Fareham and run it internally. This would cost a total of £9,699 in one-off set up fees, including employee costs, the payment to Gatherwell and associated licence fees. In addition, ongoing staffing costs of £9,900 per annum, plus £740 every 5 years for the Gambling Licences would need to be met. These costs would need to be identified as a growth item (or potentially funded from ticket sales).

## Option 2

Establish a Community Lottery for Fareham and nominate One Community to continue to promote and support it, with their employee costs covered by reducing the amount received by good causes to 40%. This option would cost the Council £5,040 in set up fees, which includes the £5,000 payment to Gatherwell and the £40 Lottery Raffle Licence fees. In addition to this, the anticipated budget required to cover resource costs for the set-up period is a maximum of £4,000, although the final figure would be subject to the approval of One Community's Board of Trustees.

The total set-up costs can be seen in the table, below.

<b>Cost</b>	<b>Amount</b>
Set up	£5,040
Initial resource costs	£4,000

The distribution of funding for this option can be seen in the table below, using a figure for anticipated total ticket sales of £60,000 as a baseline.

Allocation direct to good causes	40%	£24,000
Allocation to Gatherwell for administration and VAT	20%	£12,000
Allocation to Community Fund	10% +	£6,000
Allocation to One Community for resource costs and Lottery Raffle Licence Fee	10% or less	£6,000
Allocation for prize money	20%	£12,000

An overview of the Community Lottery process has been discussed with One Community, whose response has been very positive.

### **Option 3**

Reject the idea of a Community Lottery for Fareham, due to the resource implications and associated costs, which would result in no additional cost to the Council.

### **RISK ASSESSMENT**

30. There are no significant risks associated with this report.

### **CONCLUSION**

31. The establishment of a Community Lottery would necessitate an amount of financial outlay. However, at a time of significant financial challenges for charities and the voluntary sector, its ability to generate funds could be a lifeline for them.
32. Option 2, to nominate One Community to run and support a Community Lottery for Fareham, would eliminate ongoing costs to the Council whilst ensuring identified financial benefits for the community.

### **Enquiries:**

For further information on this report please contact Lindsey Ansell, Director of Leisure and Community (Ext. 4567) or Claire Benfield, Leisure and Community Officer (Ext 4495).

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Planning and Development
<b>Subject:</b>	<b>Local Development Scheme</b>
<b>Report of:</b>	Director of Planning and Regeneration
<b>Corporate Priorities:</b>	Providing Housing Choices
	Protect and Enhance the Environment
	Strong, Safe, Inclusive and Healthy Communities
	Maintain and Extend Prosperity
	Leisure Opportunities for Health and Fun
	Dynamic, Prudent and Progressive Council

**Purpose:**  
To approve the Local Development Scheme (2020) for adoption.

**Executive summary:**  
Local Planning Authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS). The purpose of the Fareham Borough LDS is to set out the timetable for producing the Fareham Borough Local Plan Review and the Authority Monitoring Reports (AMR).

An up-to-date LDS ensures that the community and other interested parties are aware of the programme for preparing the Fareham Local Plan 2036 and importantly when there will be opportunities to respond to consultations on it.

The timetable set out in the LDS aims for the adoption of the Fareham Local Plan 2036 in Autumn/Winter 2021, with the next stage of the process being a consultation on the publication version of the local plan in Autumn 2020. This will be the version which takes into account the outcomes of previous consultations undertaken in 2017, 2019 and 2020 and is the version we propose to submit to the Secretary of State.

**Recommendation/Recommended Option:**  
It is recommended that the Executive agrees:

(a) to adopt the Fareham Borough Local Development Scheme (August 2020) as set out in Appendix A to the report; and

(b) that the Director of Planning and Regeneration is authorised to make any necessary minor changes to the Local Development Scheme, providing that these do not change the overall direction, shape or emphasis of the document, prior to the document being published on the Council's website.

**Reason:**

To meet the Council's statutory responsibility for setting out an up-to-date timetable for the production of the Fareham Local Plan 2036, so that local communities and interested parties can keep track of progress.

**Cost of proposals:**

The nature of the work involved in the Local Plan Review creates peaks and troughs of expenditure. A cyclical budget has therefore been prepared to forward fund the work needed to meet the timetable for the Fareham Local Plan 2036. This will involve some draw down from reserves which will be repaid in subsequent years.

**Appendices:**                      **Appendix A:** Fareham Borough Local Development Scheme (August 2020)

**Background papers:** None

**Reference papers:** None

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Local Development Scheme
<b>Briefing by:</b>	Director of Planning and Regeneration
<b>Portfolio:</b>	Planning and Development

#### INTRODUCTION

1. Local planning authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS). The LDS provides the timetable for the preparation of the Fareham Local Plan 2036 (the new Local Plan), as well as the Authority Monitoring Reports. The purpose of producing an LDS is to ensure that local communities and interested parties are kept up to date with the programme for preparing the Local Plan and importantly when there will be opportunities to respond to consultations on it.
2. The existing LDS was adopted in March 2019, following changes to national policy and guidance, which included a new methodology for the calculation of housing need. Since this LDS was adopted the Council undertook an Issues and Options Consultation in Summer 2019 in which residents and interested parties were asked to comment on a number of topics including how the Borough could best meet the need for additional housing and which natural landscapes should be protected from development. In addition, work began on re-assessing all previously known sites which have not advanced through the planning system and identifying additional sites to meet the new level of need.
3. The outcomes of the Issues and Options consultation and further technical work informed a new Supplement to the 2017 Draft Local Plan. The supplement contained a revised Development Strategy, proposals for additional housing sites and new policies on development and the natural environment. The Consultation on the supplement took place from January to the end of February 2020. The results of the consultation, together with the responses from the consultation on the draft local plan in 2017 informing the next stage of local plan preparation.

#### NEED TO UPDATE CURRENT LOCAL DEVELOPMENT SCHEME

4. In addition to the changes to national planning policy and guidance impacting on the preparation of the local plan, the outbreak of the Coronavirus (COVID-19) and the subsequent national lockdown and social distancing requirements has affected the preparation of the Local Plan. Government guidance recognised that 'the current public health guidelines have had a profound impact on how local planning departments can

operate' and whilst Fareham's planning officers have been able to work remotely, it is inevitable that there has been an impact on the speed of delivery. In addition, it is recognised that the Council's ability to undertake effective consultation, ensuring all interested parties are able to engage during a time of restricted contact has been significantly affected. Therefore, as it is important that any consultations take place at a point in time when either restrictions are lifted, or alternative measures can be put in place, the Council has found it necessary to revise the timetable of the Local Plan.

5. In July 2020, with the lessening of restrictions, the Government published new guidance for local authorities relating to the undertaking of consultations to take into account social distancing requirements, providing clarity on how the council could proceed with the next stage of consultation on the Local Plan.
6. The revised timetable demonstrates the Council's intention to deliver an up to date Local Plan which is consistent with the 2019 National Planning Policy Framework and which will be submitted for examination in the spring/summer 2021. It is considered that this will represent a realistic timetable which, subject to no major changes in Government guidance or requirements and the Council's ability to undertake thorough consultations, will be achievable.
7. The Council is aware of two current Government consultations; one on a White Paper entitled 'Planning for the Future' suggesting amendments to planning and development processes, and the other on a technical consultation entitled 'Changes to the Current Planning System' which includes a revised standard methodology for calculating housing need. The new methodology could change Fareham's housing need as well as the need figures for neighbouring authorities, which may have consequences for the level of unmet need in the sub-region. Depending upon when the changes are introduced from this technical consultation, there may be implications for the submission of the plan, and subsequent stages.
8. The revised timetable for the Fareham Local Plan 2036 is set out as follows:

Autumn 2020	Consultation on Publication Local Plan
Winter 2020/2021*	Submission of Plan to Secretary of State
Estimated: Spring/Summer 2021	Examination
Estimated: Autumn/Winter 2021	Adoption

\*subject to the outcome of the technical consultation on 'Changes to the current planning system' and proposed changes to the standard methodology.

9. The new timetable will mean that the anticipated adoption of the Local Plan is now scheduled to take place in late 2021, however, the Council has little control over the length of the examination phase which is managed by the Planning Inspectorate from submission of the Plan to the Secretary of State. Should this phase be concluded sooner than is estimated in the timetable, then adoption of the Plan could accordingly be undertaken sooner.
10. The Fareham Local Plan 2036 will enable the Council to plan for up-to-date housing, employment and other needs, as well as taking account of the changes to the NPPF and other new planning guidance and legislation. The Local Plan Review will also enable the Council to simplify the current Local Plan by preparing a new Local Plan that is clearer, more concise and more engaging for local communities.

**Enquiries:**

For further information on this report please contact Gayle Wootton, Head of Planning Strategy and Economic Development. (Ext. 4328)



# **Fareham Borough Local Development Scheme**

August 2020

## Further Information and Contacts

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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](mailto:planningpolicy@fareham.gov.uk)

Address: Planning Strategy  
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 available on the Council's website: [www.fareham.gov.uk/planning](http://www.fareham.gov.uk/planning)

**Please note:**

This Local Development Scheme was adopted by the Fareham Borough Executive on XXX.

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

## REQUIREMENT FOR A LOCAL DEVELOPMENT SCHEME

- 1.1 Local Planning Authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS) to provide a timetable for the preparation of a Local Plan and any other Local Development Documents
- 1.2 Legislation<sup>1</sup> states that a Local Development Scheme must specify:
- The Local Development Documents which are to be Development Plan Documents;
  - The subject matter and geographical area to which each development plan document relates;
  - Which Development Plan Documents, if any, are to be prepared jointly with one or more other local planning authorities;
  - Any matter or area in respect of which the authority has agreed (or proposes to agree) to the constitution of a joint committee (with other Local Planning Authorities); and
  - The timetable for the preparation and revision of the Development Plan Documents;
  - The timetable for the preparation of the Authorities' monitoring reports.
- 1.3 The Planning Practice Guidance (PPG) requires the LDS to be kept up-to-date and be made publicly available, so that local communities and interested parties can keep track of Local Plan progress.
- 1.4 This LDS supersedes the Council's previous LDS published in March 2019. This LDS sets out an up-to-date timetable for the stages of the Local Plan 2036. This is set out in Appendix 1.

## FAREHAM LOCAL PLAN 2036

- 1.5 A new Fareham Local Plan 2036 is being produced to set the overall strategy for future development and growth in the Borough. It will include policies by which to determine planning applications and will allocate sites to meet housing and employment needs. The new Local Plan will cover the period 2020-2036 and, once adopted, replace the existing Core Strategy (Part 1) and Development Sites and Policies Local Plan (Part 2). However at this stage it is not the intention to review the Welborne Plan. Further information about the emerging Fareham Local Plan 2036 and the timetable for its production is available in Section 3 of this document.
- 1.6 The development of a new Local Plan provides the Council with the opportunity to prepare a new Plan that is clearer, more concise and more engaging for local communities, which is based on up to date social, economic and environmental evidence, and is conformity with all recent new planning legislation, policy, guidance and relevant case law. It will also address a new time horizon to 2036 which reflects current evidence on housing need and is consistent with the end date of the

<sup>1</sup> Section 15 of the Planning and Compulsory Purchase Act (2004 (as amended by the Localism Act 2011) with further requirements and guidance set out in the Town and County Planning (Local Planning) (England) Regulations 2012.

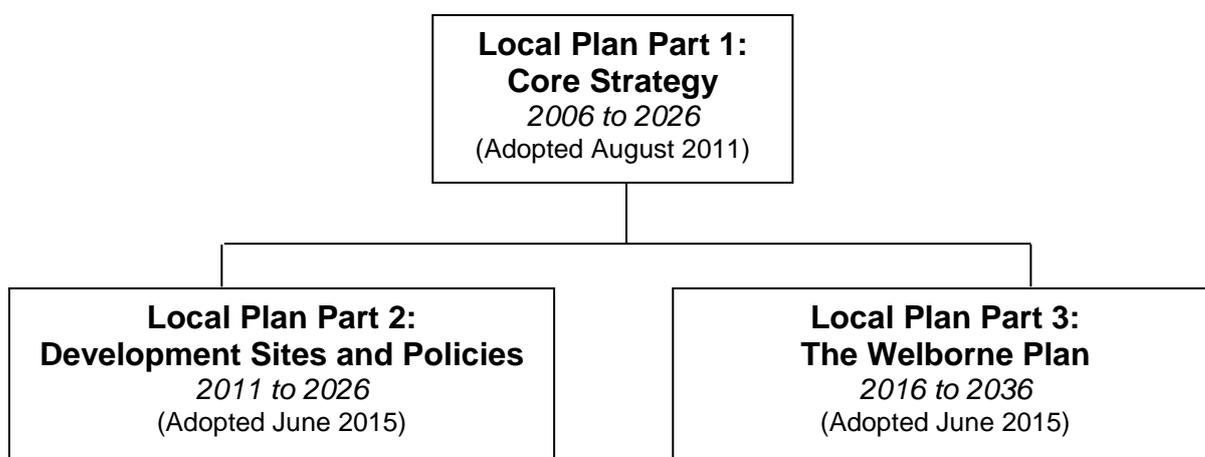
For further information please contact [planningpolicy@fareham.gov.uk](mailto:planningpolicy@fareham.gov.uk)

Welborne Plan.

## 2 Fareham's Development Plan Documents

### ADOPTED LOCAL PLAN

- 2.1 Local Plans set out a Local Planning Authority's planning strategy, policies and proposals and guide development decisions. The current adopted Fareham Borough Local Plan is combined of three parts, all of which have been through an independent public examination conducted by the Planning Inspectorate.
- 2.2 The diagram below illustrates the current hierarchy of the three Local Plan documents that comprise the adopted Fareham Local Plan.



- 2.3 Alongside this the Hampshire Minerals and Waste Plan (2013) also forms part of Fareham's Development Plan<sup>2</sup>. Should any neighbourhood plans be made, they will also form part of the development plan and apply to their relevant designated neighbourhood areas.
- 2.4 The three parts of the existing adopted Local Plan all apply to different geographical areas of the Borough;
- Local Plan Part 1 applies to the whole Borough;
  - Local Plan Part 2 applies to the whole Borough apart from Welborne;
  - Local Plan Part 3 applies only to Welborne.

### SUPPLEMENTARY PLANNING DOCUMENTS

- 2.5 Supplementary Planning Documents (SPDs) are typically produced to provide more detailed guidance on how a particular policy (or policies) should be implemented. SPDs are not subject to independent examination and the full timetables for the preparation of SPDs are not required to be included in the LDS.
- 2.6 To date the Council has adopted the following Supplementary Planning Documents:

<sup>2</sup> The Hampshire Minerals and Waste Plan is produced by Hampshire County Council and is available at: <http://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>  
For further information please contact [planningpolicy@fareham.gov.uk](mailto:planningpolicy@fareham.gov.uk)

- **Affordable Housing SPD** (adopted December 2005)  
This SPD provides guidance for developers, house builders and the public about the operation of Policy H10 (Affordable Housing of the Local Plan Review 2000). Although the policy has been replaced by CS18 in the Core Strategy of 2011. An updated SPD is currently in production which, when adopted, will accompany the formal withdrawal of the 2005 SPD.
- **Residential Car and Cycle Parking Standards** (adopted 2009).  
This document sets out the standards and key requirements that developers are expected to follow when providing parking for new residential developments.
- **Non-Residential Parking Standards SPD** (adopted September 2015)  
This SPD sets out the standards and key requirements for parking provision that developers will be expected to provide for new non-residential developments.
- **Design Guidance (Excluding Welborne) SPD** (adopted December 2015)  
This SPD provides further visual guidance to Policy CS17: High Quality Design of the Core Strategy and sets out Fareham Borough Council's aspirations for high quality design to householders, developers and other interested parties. The guidance is intended to make the planning application and permission process clearer for all interested parties, particularly applicants.
- **Welborne Design Guidance SPD** (adopted January 2016)  
This SPD expands on the design principles in the Welborne Plan by explaining and illustrating what the Council expects in the design of Welborne. The Guidance is intended to be used by applicants in the preparation of planning applications for Welborne and by the Council to help assess planning applications at Welborne.
- **Planning Obligations SPD (excluding Welborne)** (adopted April 2016)  
This SPD 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.

## HAMPSHIRE MINERALS AND WASTE PLAN

- 2.7 The Hampshire Minerals and Waste Plan is the principal document for the management of minerals and waste in the administrative areas of the Hampshire Authorities and sets out the long-term spatial vision and strategy for sustainable minerals and waste development in Hampshire up to 2030. The plan was adopted in October 2013 and forms part of the Borough's Development Plan, alongside the adopted Local Plan.

## NEIGHBOURHOOD DEVELOPMENT PLANS

- 2.8 Neighbourhood Development Plans (NDPs), once 'made' by the Local Planning Authority, form part of the Development Plan for the Borough. At the time of writing, there are no made NDPs in the Borough of Fareham. In July 2019 the Council's Executive approved the designation of a proposed Warsash Neighbourhood Forum and Neighbourhood area. The Forum is therefore in the plan-preparation stage.. In July 2019 the Titchfield NDP was taken to referendum having been found, subject to modifications, sound by an inspector, however the plan was not adopted as it unsuccessful at referendum. Further details of Neighbourhood Planning in Fareham

can be found at <https://www.fareham.gov.uk/planning/neighbourhoodplanning.aspx>.

## **OTHER RELEVANT DOCUMENTS**

### **Authority Monitoring Report**

2.9 Authority Monitoring Reports (formerly Annual Monitoring Reports) have been produced by Fareham since 2005, and published on the Council's website. The purpose of the Authority Monitoring Report (AMR) is established in legislation and should provide annual updates on the following:

- the timetable for local plan document preparation as set out in the Local Development Scheme;
- details of any policies in the current local plan which are not being implemented and the reason for this;
- details of any neighbourhood plans;
- information regarding Community Infrastructure Levy;
- information collected for monitoring purposes.

### **Statement of Community Involvement**

2.10 The Statement of Community Involvement (SCI) explains the different ways in which the Council will involve the local community in planning. It is intended to 'signpost' the opportunities for anyone wishing to make a contribution to planning for shaping Fareham's future. The SCI sets the standards and approach the Council takes to involve stakeholders and the community in the production of Local Development Documents as well as the handling of planning applications.

2.11 The progress of all documents within the Local Plan will be aided and informed by statutory periods of formal community involvement. As such, any consultation on a Local Plan, Supplementary Planning Document or a Planning Application will be carried out in accordance with an approved SCI.

2.12 The Council adopted a revised SCI in March 2017. This is available on the Council's website.

## 3 Fareham Local Plan 2036: Process and Preparation

### PROPOSED TIMETABLE

- 3.1 During the examinations of Local Plan Part 2 & Local Plan Part 3, the Council made a commitment to commence an early review of the Local Plan and reached Draft Local Plan stage (Regulation 18) in Autumn 2017.
- 3.2 Since 2017 there have been significant changes to national policy and guidance, particularly the 2018 National Planning Policy Framework and the calculation of housing need. These changes impacted on the preparation of the local plan, as the Council were required to meet additional housing need and this led to a change in the Local Plan timetable and the adoption of the existing LDS in 2019. Since the adoption of the 2019 LDS, the Council undertook an Issues and Options consultation during the summer of 2019 in which residents and interested parties were asked to comment on a number of topics including how the Borough could best meet the need for additional housing and which natural landscapes should be protected from development. In addition, work began on re-assessing all previously identified sites which had not advanced through the planning system, as well as identifying new potential sites which could meet the new level of need. The results of the 2019 consultation and the further technical work undertaken informed the Supplement to the Local Plan 2036 which was the subject of a Regulation 18 consultation in early 2020. As set out in the 2019 LDS, the resulting amended draft plan was due to reach Publication (Regulation 19) in Spring/Summer 2020.
- 3.3 It should also be noted that, alongside the ongoing work on the local plan, Natural England, the Government's adviser on nature conservation, updated its advice to planning authorities that the level of nitrates entering the Solent is having a significant impact on protected habitats and bird species. They advised that algal bloom is having a detrimental effect on the Solent, in part attributed to the increase in wastewater from new housing and therefore new developments should ensure that they do not add to existing nutrient burdens on the Solent. The Council recognised the importance of protecting the Solent and as a direct result of the new Natural England advice, no planning permissions have been granted for housing proposals that cannot demonstrate nitrate neutrality since February 2019. This has also affected the progress of local plan preparation as the Council have been working hard, in collaboration with other affected councils, the Environment Agency, Natural England and Southern Water to find a resolution to this problem which affects the deliverability of sites identified in the local plan.
- 3.4 The outbreak of the Coronavirus (COVID-19) and the subsequent national lockdown and social distancing requirements has affected many areas of the Council's services including the preparation of the Local Plan. Government guidance published in May 2020 recognised that 'the current public health guidelines have had a profound impact on how local planning departments can operate'<sup>3</sup> and it was recognised that the Council's ability to undertake an effective consultation during a time of such restricted contact was reduced.

<sup>3</sup> <https://www.gov.uk/guidance/coronavirus-covid-19-planning-update>  
For further information please contact [planningpolicy@fareham.gov.uk](mailto:planningpolicy@fareham.gov.uk)

In July 2020, with the lessening of restrictions, the Government published new guidance<sup>4</sup> for local authorities relating to the undertaking of consultations to take into account social distancing requirements.

- 3.5 In light of these impacts, a new LDS programme for the preparation and delivery of the Fareham Local Plan 2036 is set out in Table 1 below and is detailed in Appendix 1. The revised timetable demonstrates the Council's intention to deliver an up to date Local Plan which is consistent with the 2019 National Planning Policy Framework and which will be submitted for examination in the winter 2020/21. It is considered that this represents a realistic timetable which, subject to there being no major changes in Government legislation or requirements, and the Council's ability to undertake effective consultations, will be achievable.
- 3.6 The Council is aware of the current consultation on a revised standard methodology for calculating housing need, which could change Fareham's housing need as well as the need figures for neighbouring authorities, which may have consequences for the level of unmet need in the sub-region. Depending upon when the changes are introduced this may have implications for the submission of the plan, and subsequent stages.

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<sup>4</sup> [https://www.gov.uk/guidance/plan-making?utm\\_source=d51678d3-64d7-4ebc-85b4-a438cae6b730&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=daily](https://www.gov.uk/guidance/plan-making?utm_source=d51678d3-64d7-4ebc-85b4-a438cae6b730&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily)  
For further information please contact [planningpolicy@fareham.gov.uk](mailto:planningpolicy@fareham.gov.uk)

**Table 1: Fareham Local Plan 2036 Timetable**

Autumn 2017	Consultation on Draft Local Plan (Reg 18)
Summer 2019	Consultation on Issues and Options (Reg 18)
Winter 2019/2020	Consultation on Revised Development Strategy and additional allocations (Reg 18)
Autumn 2020	Consultation on Publication Local Plan (Reg 19)
Winter 2020/2021*	Submission of Plan to Secretary of State
Estimated: Spring/Summer 2021	Examination
Estimated: Autumn/Winter 2021	Adoption

\*subject to the outcome of the technical consultation on 'Changes to the current planning system' and proposed changes to the standard methodology.

## DUTY TO CO-OPERATE

- 3.6 The Council is legally obliged by section 33A(1) of the Planning & Compulsory Purchase Act 2004, (introduced through the Localism Act 2011) to demonstrate how it has co-operated with other authorities and statutory agencies in relation to cross boundary strategic matters and priorities. The 'Duty' is not a duty to agree, but every effort should be made to secure the necessary co-operation. Local Authorities produce a statement of compliance together with evidence of 'effective working' to present at Local Plan 'Examination', in order to demonstrate how they have complied with the Duty.
- 3.7 The main forum for joint working on strategic planning issues in South Hampshire is the Partnership for South Hampshire (PfSH), of which Fareham Borough Council is a member. The Spatial Position Statement published in June 2016 was a product of this co-operative working and in line with the requirements in the previous NPPF. Since the 2018 NPPF and associated guidance has been issued, and in response the PfSH Joint Committee agreed to work together under the Duty to Cooperate to produce a Statement of Common Ground. It is intended that this statement will cover relevant strategic issues and help facilitate each local planning authority's duty to cooperate when preparing its individual Local Plan. It is important to note that the work of PfSH is non-statutory and can only be implemented through the adoption of Local Plans.

## EVIDENCE BASE

- 3.8 In preparing the Local Plan, a range of 'evidence gathering' is 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, in particular policies. A range of evidence studies have been undertaken to inform the emerging Fareham Local Plan 2036 and will be made available at the relevant stages of plan preparation.

## SUSTAINABILITY APPRAISAL

- 3.9 All Local Plan documents are subject to on-going Sustainability Appraisal which informs the assessment and selection of options and outcomes. The Sustainability Appraisal must meet the requirements of the European Strategic Environmental Assessments (SEA) Directive (2201/42/EC). As such, the Sustainability Appraisal

and Strategic Environmental Assessment (SEA) are an integral part of the Local Plan preparation process. A Scoping Report was published prior to production of the Draft Local Plan and then the Draft Local Plan was supported by a Sustainability Appraisal and Strategic Environmental Assessment in Autumn 2017. An iterative Sustainability Appraisal process has continued alongside local plan preparation and the relevant reports will be made available at the various stages of plan preparation.

### **HABITAT REGULATIONS ASSESSMENT**

- 3.10 Habitat Regulations Assessments (HRA) is a requirement of the Conservation of Habitats and Species Regulations 2010 (as amended 2011 and 2018). The regulations will be addressed through the production of a Habitats Regulations Assessment – Screening Report for the Draft Plan, as undertaken in 2017, and a Habitats Regulations Assessment – Appropriate Assessment for the Publication Plan.
- 3.11 The HRA reports will assess the impacts of the Local Plan policies on sites and species designated under the European Directive (92/43/EEC The Habitats Directive). For the development of the Local Plan, the assessment is carried out in an iterative process as the HRA is, in turn used to inform the development of planning policies.
- 3.12 The sites and species designated under the Habitats Directive are also known as the 'Natura 2000' sites and include:
- Special Areas of Conservation (SAC)
  - Special Protection Areas (SPA)
  - Ramsar sites (which support internationally important wetland habitats listed under Ramsar Convention) are also included in the terminology 'Natura 2000'.

### **STRATEGIC HOUSING & EMPLOYMENT LAND AVAILABILITY ASSESSMENT (SHELAA)**

- 3.13 The NPPF requires Local Planning Authorities to prepare a Strategic Housing and Employment Land Availability Assessment (SHELAA) in support of a Local Plan. The purpose of the SHELAA is to identify developable land to meet the identified need for housing and employment over the Local Plan period. A new SHELAA will be published to accompany the consultation stages of the Local Plan.

### **COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE**

- 3.14 Fareham has an adopted Community Infrastructure Levy (CIL) charging schedule which came into force on 1<sup>st</sup> May 2013, following independent examination.
- 3.15 The Council has undertaken a partial review of the charging schedule in relation to Welborne. Details of which were published for the June 2020 Executive and was subject to consultation between Friday 19<sup>th</sup> June and Friday 31<sup>st</sup> July 2020. The Council intends to undertake a full review of its charging schedule, in accordance with regulatory requirements following the adoption of the Local Plan. The timetable will be published on the Council's website at the appropriate time.

## Appendix 1

### Timeline for preparing the Fareham Local Plan 2036 and the Authority Monitoring Reports

	2020			2021			
	Spring/Summer	Autumn	Winter	Spring	Summer	Autumn	Winter
<b>Fareham Local Plan Review 2036</b>	Preparation of Publication Plan	Publication Plan Consultation (Reg 19)	Submission of Plan to Secretary of State (Reg 22)	Examination (Reg 23, 24, 25)		Adoption (Reg 26)	
<b>Authority Monitoring Report</b>		Preparation	Publish			Preparation	Publish

## Glossary

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

**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 currently comprises the Local Plan (Parts 1, 2 and 3), and the Hampshire Minerals and Waste Plan. Following the production and programmed adoption of the new Fareham Local Plan 2036 it will comprise of the Fareham Local Plan 2036, the Welborne Plan (existing Part 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 Development Document (LDD)** – Local Development Documents are defined by the Town and Country Planning (Local Planning) (England) Regulations 2012 and include Local Plans, Supplementary Planning Documents (SPDs), the Statement of Community Involvement (SCI) and the Authority Monitoring Report (AMR).

**Local Development Scheme (LDS)** (*this document*) - A public statement / timetable of the Borough Council's programme for the production of Local Development Documents such as the Local Plan 2036 and Authority Monitoring Report.

**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 independent examination.

**National Planning Policy Framework (NPPF)**<sup>5</sup> - 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 councils can produce their own distinctive local and neighbourhood plans.

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<sup>5</sup> The NPPF is accessed at: <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

**Partnership for South Hampshire** - PfSH is a voluntary partnership of the unitary authorities of Portsmouth and Southampton; Hampshire County Council and district authorities of Eastleigh, East Hampshire, Fareham, Gosport, Havant, New Forest, Test Valley and Winchester. It has been established to deliver sustainable, economic-led growth and regeneration in south Hampshire.

**Planning Practice Guidance (PPG)<sup>6</sup>** - a web-based resource provided by the Ministry of Housing, Communities and Local Government which was launched in March 2014 and brings together planning guidance on various topics in one place.

**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)** – An appraisal of the economic, social and environmental impacts of policies and proposals. It incorporates Strategic Environmental Assessment (SEA) – see below. The SA Scoping Report identifies the information needed for the appraisal, and describes the methodology for undertaking sustainability appraisal.

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

**Town & Country Planning (Local Planning) (England) Regulations 2012** - Regulations which set out the statutory requirements for preparing local plans.

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<sup>6</sup> Planning Practice Guidance is accessed at: <http://planningguidance.planningportal.gov.uk/>



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	Covid-19 Economic Recovery Plan
<b>Report of:</b>	Director of Planning and Regeneration
<b>Corporate Priority:</b>	Maintain and extend prosperity Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

**Purpose:**

The purpose of this report is to set out the Council's Economic Recovery Plan in response to the Covid-19 pandemic.

**Executive summary:**

The Council's Economic Recovery Plan forms part of a Recovery Framework which was presented to the Executive on 3 August 2020.

The economic impacts resulting from the lockdown associated with Covid-19 is self-evident as more data and reports on the scale of the impact emerge each day. The consequences for the public finances, businesses and households have been and will continue to be severe and drawn out, although as yet not fully understood. Local Authorities can play a role in leading the way and respond to the challenge with imagination, determination and flexibility.

The Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic. It sets out recommendations on the actions required to guide the economic recovery of the Borough over the short-term (12-18 months).

The Plan includes a package of measures to be delivered by the Council and its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs.

The Plan aligns with economic actions that support the delivery of projects set out in the Council's Public Spaces, and Community recovery plans.

The Economic Recovery Plan is structured as follows:

*Part 1:* sets out a review, assessment and understanding of the impact of Covid-19 on the local economy;

*Part 2:* provides an economic recovery framework and priority interventions to address these impacts in the short-term (12-18 months), and

*Part 3:* sets out implications and scenarios for the long-term to build future resilience against the backdrop of wider structural shifts brought on by the pandemic.

Working with colleagues in PR and Marketing, the agreed text of the Plan will be designed to ensure it provides an accessible and effective communication document prior to it being shared with key partners and the business community.

**Recommendations:**

It is recommended that the Executive approves the Covid-19 Economic Recovery Plan and the following actions therein:

- (a) to agree the five priority action plan areas within the Businesses and sectors, Town Centre and District Centres, Investment Projects, People and Communities, and Consultation and Communications themes;
- (b) to note that £103,270 has been allocated to the Council to support the delivery of the European Union Development Fund's Opening High Streets Safely action plan;
- (c) to agree for £14,000 from the Economic Development budget in 2020/21 to support the delivery of the action plan;
- (d) to agree a growth budget allocation of £31,000 in 2021/22 for the delivery of the remaining themed action plans; and
- (e) to note that officers will identify and apply for eligible national and regional funding opportunities to minimise the growth budget allocation above and will review its internal budget allocations to steer, where possible, existing resources to help deliver the agreed actions.

**Reason:**

This report forms part of a Recovery Framework in response to the Covid-19 pandemic which was presented to the Executive on 3<sup>rd</sup> August 2020.

**Cost of proposals:**

The total cost of the recovery plan is £172,270 over the next two years. We have already secured external funding of £103,270 and have baseline budgets available to assist the projects of £38,000 over the next two years. This leaves a potential shortfall in funding for 2021/22 of £31,000. Although we will be actively seeking

other sources of external funding to help with the projects, approval of the full plan may result in the need for a one-year growth budget allocation of £31,000. Any new external funding secured or additional costs associated with economic recovery activity will be detailed in separate individual reports to be presented to the Executive.

**Appendices:** Appendix A - Economic Recovery Action Plan

**Background papers:** Fareham Economic Recovery Plan  
Fareham Data and Baseline Analysis Report

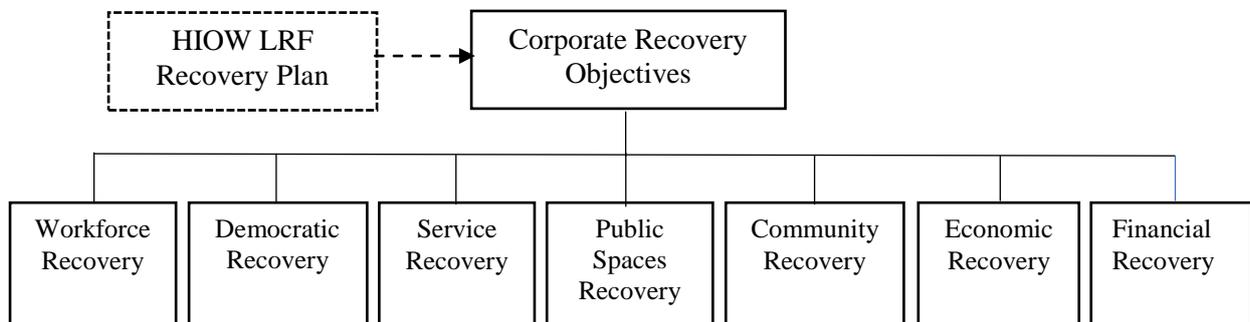
# FAREHAM

## BOROUGH COUNCIL

<b>Executive Briefing Paper</b>	
<b>Date:</b>	07 September 2020
<b>Subject:</b>	Covid – 19 Economic Recovery Plan
<b>Briefing by:</b>	Director of Planning and Regeneration
<b>Portfolio:</b>	Policy and Resources

### INTRODUCTION

1. The purpose of this report is to set out the Council’s Economic Recovery Plan in response to the Covid-19 pandemic. It forms part of a Recovery Framework (illustrated below) which was presented to the Executive on 3<sup>rd</sup> August 2020.



2. The report focuses on the impact of the pandemic on the Borough’s economy, businesses and communities and suggests actions that the Council might take to help the sector to recover over the coming months.
3. The Plan aligns with the Government’s National Recovery Plan which sets out a roadmap for how and when the UK will rebuild the economy in response to Covid-19; and the economic actions that support the delivery of projects set out in the Council’s Public Services, Community and Open Spaces recovery plans.
4. The Plan also includes other economic projects being considered by the Executive in September on the delivery of new industrial units at Faraday Business Park, investment in Osborn Road car park, and the proposed changes to the Council’s Car Parking Services.

## **SCOPE**

5. The Council's Economic Recovery Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic. The Plan sets out recommendations on the actions required to guide the economic recovery of the Borough over the short-term (12-18 months).
6. The following sets out a summary of the data and baseline analysis that has informed the recovery plan:

### **Fareham's Economy**

- One of the best places to live in England (2<sup>nd</sup> highest for Life Satisfaction)
- Population growth in recent years has been amongst the over 65 year olds
- Strong economy with high levels of employment and low levels of worklessness
- Strong technical base: aviation, civil engineering & marine, and public sector also important

### **Covid-19 Impacts on the Economy**

- Continued uncertainty at national and international level
  - Possible loss of between £213m [HM Treasury forecast] to £400m+ [Bank of England forecast] in the Fareham economy in 2020, but partial recovery in 2021
  - Largest impacts on manufacturing / construction / transport & retail; arts, leisure, recreation and accommodation & food most affected proportionately
  - Claimant count already trebled since February 2020 and 14,000 workers were furloughed
  - Unemployment in Fareham could rise to over 3,600 by the end of the year
  - Job vacancies in the Borough down by 70% from 12 months ago
7. The Recovery Plan includes a package of measures to be delivered by the Council and its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs. The Economic Recovery Plan is structured as follows:
    - *Part 1*: sets out a review, assessment and understanding of the impact of Covid-19 on the local economy;
    - *Part 2*: provides an economic recovery framework and priority interventions to address these impacts in the short-term (12-18 months), and
    - *Part 3*: sets out implications and scenarios for the long-term to build future resilience against the backdrop of wider structural shifts brought on by the pandemic.

8. Working with colleagues in PR and Marketing, the agreed text of the Plan will be designed to ensure it provides an accessible and effective communication document prior to it being shared with key partners and the business community.

## **CONTEXT**

9. The economic impacts resulting from the lockdown associated with Covid-19 is self-evident as more data and reports on the scale of the impact emerge each day. The consequences for the public finances, businesses and households have been and will continue to be severe and drawn out. Local Authorities need to lead the way and respond to the challenge with imagination, determination and flexibility.
10. The Council is also likely to face its own financial challenges. Covid-19 has resulted in widespread disruption to services which generate significant income streams, for example, car parks, trade waste and commercial property. Another report on this Executive meeting agenda proposes a new emergency budget to provide essential resources across a range of post Covid-19 recovery plans.
11. The UK Government, local and regional partners and Fareham Borough Council have been working effectively together to support the Borough's businesses.
12. For Non-Domestic Rates, the Government provided support by way of grants and reliefs for certain types businesses. Fareham was located £20.1m of funding for Small Business Grants and Retail, Hospitality and Leisure Grants and has so far paid £18.5m of that sum to 1,467 of the 1,597 possible eligible businesses.
13. A further £1,019,000 of funding was provided for a Discretionary Grant Scheme and we have already paid £770,000 to eligible businesses with a further £132,500 waiting to be approved in round 2 of the scheme.
14. Changes were also made to the Retail Relief Scheme expanding it cover Hospitality and Leisure type businesses and removing any limit on Rateable Value. This increased the relief awarded to businesses to £18.9m, including £230,000 given to childcare nurseries. This total package of relief has assisted 635 businesses.
15. Separately, the Government has also awarded £12.2 million of grants to self-employed residents, distributing this to 3,800 of the 5,300 eligible businesses at an average of £3,200 per grant.
16. The Council made the decision to re-open Fareham's Monday market and Portchester's Wednesday market in June to help stimulate those centres. To encourage stall holders to open, discretionary business grants have been provided and those not eligible for the grant will receive free pitch hire until Christmas.

17. The Economic Recovery Plan is the first of a two-staged economic development programme for the Borough. The plan focuses on actions for the next 18 months, outlining a number of measures to support businesses, people and communities hardest hit by the crisis.
18. The second-stage will be a more detailed Economic Development Strategy for Fareham, which will set out a longer-term plan vision for jobs, investment and sustainable growth. It is recognised that some of the actions within the Recovery plan are likely to form part of the longer-term Economic Strategy for the Borough, such as the Business Engagement Programme. They are included here due to the role they play in assisting economic recovery in the short-term.
19. As well as supporting the Government's national recovery plan, the wider economic and political implications of Brexit will also have impact on future business growth and the availability of the future workforce. This will be included within the new Economic Development Strategy.
20. The Council is central to supporting residents, businesses and visitors in these changing times. The Recovery Plan aims are:

**Short-term:** The focus is on actions for the next 12-18 months.

**Flexible and evolving:** The plan will be reviewed and updated regularly as impacts become clear.

**Multi-partner:** Recognising that delivery will require a multi-partner approach. The focus for the Council will be on delivering those actions where it is best placed to secure maximum impact and supporting partner agencies with the delivery of their priority actions.
21. The priorities are based on the assessment of local impacts and provide a strong foundation to create long-term stability, growth, investment and jobs for the people of Fareham. The Economic Recovery Plan outlines a programme of actions to mitigate the impacts of the crisis and take advantage of future opportunities.
22. The priorities and action plan (see Appendix A) are set out under five themes:
  - Businesses and Sectors
  - Town Centre and District Centres
  - Investment projects
  - People and Communities
  - Consultation and communications
23. The Economic Recovery Plan sets out a detailed and costed action plan for each of the priority themes. The Council has received £103,270 of European Regional Development Funding to support the actions for the Town Centre and

District Centre and will allocate a further £31,000 for the delivery of the remaining priority actions over an 18 month period. £24,000 of existing Council funding from the Economic Development and Public Relations & Marketing budgets will be allocated to projects in 2020/21.

24. A forecast funding profile is set out below.

FAREHAM BC ECONOMIC RECOVERY PLAN - SPEND 2020 TO 2022					
PRIORITY THEME	INDICATIVE COSTS	EXTERNAL FUNDING SECURED	FBC FUNDS (*)	BUDGET SPEND 2020/21	BUDGET SPEND 2021/22
<b>EXPENDITURE</b>					
Businesses and Sectors	£39,000	£0	£39,000	£14,000	£25,000
Town Centre and District Centres	£103,270	£103,270	£0	£103,270	£0
Investment Projects	£5,000	£0	£5,000	£0	£5,000
People and Communities	£15,000	£0	£15,000	£0	£15,000
Consultation and Communications	£10,000	£0	£10,000	£10,000	£0
<b>SUB-TOTAL</b>	<b>£172,270</b>	<b>£103,270</b>	<b>£69,000</b>	<b>£127,270</b>	<b>£45,000</b>
<b>INCOME</b>					
ERDF Re-Opening High Streets Safely Funding				£103,270	£0
Economic Development Revenue Budget				£14,000	£14,000
PR & Marketing Budget				£10,000	£0
<b>BALANCE / GROWTH REQUEST</b>				<b>£0</b>	<b>£31,000</b>

\*subject to successful bidding for external funding

25. The Council is recruiting a new Economic Development service lead officer who will have responsibility for the delivery of the Recovery Plan, including the ERDF funded projects. They will identify and apply for eligible national and regional funding opportunities to minimise the growth budget allocation above and will review its internal budget allocations to steer, where possible, existing resource to help deliver the agreed actions.

26. Any new external funding secured or additional costs associated with economic recovery activity will be detailed in separate individual reports to be presented to the Executive, as the Recovery Plan is implemented.

## CONCLUSION

27. This report sets out the Council's Economic Recovery Plan in response to the Covid-19 pandemic. It forms part of a Recovery Framework which has been presented to the Executive.

28. The Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic.

29. The Plan includes a package of measures to be delivered by the Council and

its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs.

**Enquiries:**

For further information on this report please contact Richard Jolley, Director of Planning and Regeneration (Ext. 4388) or Gayle Wootton, Head of Planning Strategy and Economic Development (Ext. 4328)

## Appendix A : Fareham’s Economic Recovery Plan: An Action Plan for Sustainable Recovery

### Businesses and Sectors

Applying national forecasts to the Borough, the local economy could lose between £271 million to £413 million of its value by the end of 2020. The Council has been successful in distributing over £18 million in Covid-19 business grants and the Recovery Plan builds on support to businesses to survive through the crisis. The focus will be to support those businesses affected by the crisis to continue to recover.

The Council will also deliver schemes to support companies with sustainable business plans to start-up (including building on the increase in homeworking) and thrive. This includes supporting businesses in key technical sectors (e.g. aviation, construction and transport) to enable them to emerge stronger, more diverse and more resilient. The Council will focus support on sectors and activities that can best support sustainable growth, increase job creation and accelerate both recovery and the decarbonisation of the local economy.

Objectives and Outcome	Council Actions	Indicative Resources	Working with
<ul style="list-style-type: none"> <li>• <b>Ensure businesses are aware of and access national, regional and sub-regional support programmes</b></li> <li>• <b>Influence regional (LEP, County Council) support programmes to meet local business needs</b></li> <li>• <b>Support businesses in the Borough to start-up, invest and thrive within clean, high-value and growing sectors.</b></li> </ul> <p><b>Key Outcome - Business failure rate minimised and jobs safeguarded</b></p>	Review and assess the impact of national support measures on Fareham businesses	In-House Finance and Economic Development Teams	Solent LEP
	Improve signposting and access to business support programmes (e.g. web-based platform)	In-House Finance and Economic Development Teams	HIOW Recovery Group
	Research project and business survey to assess the local impact of Covid-19 on local businesses, and identify future business support needs	£10,000 (potential to secure sector funding from LEP)	Neighbouring authorities (PfSH)
	Ensure future sector support interventions (developed by HIOW) are designed to meet the growth and development needs of key local sectors	In-House Economic Development	Chamber of Commerce
	Provide on-going advice and guidance on available business support programmes to the Council’s business tenants	In-House Economic Development and Property Teams	Fareham College Fareham Innovation Centre

	In response to national government focus on green, clean growth, research and procure a partner to design and implement a pilot 'Green Growth' programme for businesses (e.g. supporting local construction companies to deliver energy efficient retrofit programme)	£10,000 (potential to secure LEP / HCC or other national grant funding)	
	Support and work with key partners to help market and promote Daedalus as the Solent region's premier centre of excellence for aviation, aerospace, marine, engineering and advanced manufacturing	£4,000 (potential to secure LEP or other national grant funding)	
	Encourage greater local trading amongst local companies, for example Meet-the-Buyer events, and continue to participate in the Federation of Small Businesses 'Small Business Engagement Accord' to encourage a more proactive approach to engaging with local businesses	In-House Economic Development and Procurement Teams plus £10,000 (potential to secure funding via LEP / HCC)	
	In partnership with Solent LEP, design and implement a local entrepreneurship plan to build resilience among pre-start-ups and the self-employed and encourage, support and generate more start-ups in Fareham	£5,000 (potential LEP funding)	
	Investigate the role of the Council in working with private sector investors to improve business connectivity through increased ultrafast broadband provision	In-House Economic Development	

## Town Centre and District Centres

Despite high street stores coming out of lockdown during June, figures from retail experts Springboard reveal that footfall across UK retail centres fell by 56.6% in June compared to the same month in 2019. The Council will support its town and district centres to survive, grow and continue to be assets to the local community. The focus will be on designing and implementing a package of support (primarily under the European Regional Development Fund *Opening High Streets Safely Funding programme*) to safely reopen Fareham town centre and other district centres, including Portchester; to support retail businesses to trade; and to build confidence amongst consumers and shoppers.

Objectives and Outcome	Council Actions	Indicative Resources	Working with
<ul style="list-style-type: none"> <li>• <b>Support the town and district centres to recover as retail destinations under the following priority themes:</b></li> <li>- <b>Boosting business and consumer confidence</b></li> <li>- <b>Business support and digital development</b></li> <li>- <b>Streetscape and public realm</b></li> <li>- <b>Re-imagining the town centre</b></li> <li>- <b>Town centre information and intelligence</b></li> </ul> <p><b>Key Outcome - Fareham town centre and other district centres re-open and thrive through providing a safe and</b></p>	Implement the ERDF Open High Streets Safely Fund Action Plan including; <ul style="list-style-type: none"> <li>• Communications and public information activity to safely reopen town and district centres,</li> <li>• Place branding, marketing and showcasing of the town centres,</li> <li>• Temporary additional communications team support to help manage Covid-19 messaging,</li> <li>• Improved data collection and intelligence,</li> <li>• Business support programme for independent retailers</li> </ul>	£103,270 Secured external funding – ERDF Re-opening High Streets Safely Fund	Solent LEP  H1OW Recovery Group  Chamber of Commerce  Local retailers  Private sector digital providers
	Work with local retailers to ensure the Council's proposed actions help businesses to survive and grow	In-House Economic Development and Communities Teams	
	Work with HCC to develop improved public realm, signage, designated safe spaces and a regular programme of themed pop up shops on the public highway	In-House Economic Development, Leisure & Community, and PR and Marketing Teams	

vibrant experience	Develop a business ambassadors programme to take on a mentoring / supervision role to provide training and leadership specifically to assist independent traders.	In-House Economic Development	
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## Investment Projects

The Council will review and assess the likely short-term impacts of the pandemic on the major development and regeneration projects in the Borough. These include: Welborne Garden Village; Fareham Town Centre (Including Ferneham Hall and Osborn Road Car Park); Daedalus Enterprise Zone (including Faraday Business Park) and Solent Airport.

Objectives and Outcome	Council Actions	Indicative Resource	Working with
<ul style="list-style-type: none"> <li>• <b>Secure economic development outcomes from the successful delivery of major development and regeneration projects in the Borough:</b> <ul style="list-style-type: none"> <li>○ Welborne Garden Village</li> <li>○ Daedalus (Including Faraday Business Park)</li> <li>○ Fareham Town Centre regeneration (including Ferneham Hall and Osborn Road Car park)</li> </ul> </li> <li>• <b>Ensure delivery mitigates the impact of Covid-19</b></li> </ul> <p><b>Key Outcome - Successful delivery of economic growth outcomes through implementation of major Investment projects in the Borough</b></p>	<p>In partnership with Solent LEP and Chamber of Commerce, undertake business research to assess the impact of C-19 on businesses investment at Daedalus (including the Solent Airport and Fareham Innovation Centre) to assess potential effect on future development and expansion plans</p>	<p>£5,000 (potential to secure match funding from partners)</p>	<p>Solent LEP</p> <p>Hampshire Chamber of Commerce</p>
	<p>Deliver new speculative industrial units at Faraday Business Park for existing businesses within the Borough to expand and offer new inward investment opportunities.</p>	<p>In-House Economic Development, Property and Finance Teams</p>	<p>Neighbouring authorities (PfSH)</p> <p>Fareham Innovation Centre</p>
	<p>Deliver investment in Osborn Road Car Park to provide upgraded parking facilities for the town centre retail offer and to serve the visitors attending new cultural events at Ferneham Hall</p>	<p>In-House Economic Development, Property and Finance Teams</p>	<p>Solent Airport</p> <p>Private sector investment partners</p>
	<p>On-going review of the Council's capital projects and programmes to ensure they include an economic and social value impacts and plans to create local construction jobs, apprenticeship and skills training opportunities, new jobs and business space</p>	<p>In-House Economic Development, Property, Procurement and Finance Teams</p>	
	<p>Work with private sector developers to assess how the demand for homeworking is being addressed; and review the potential for incorporating home working provision within new housing schemes.</p>	<p>In-House Economic Development and Planning Teams</p>	

## People and Communities

There were 505 postings for jobs in Fareham Borough in the week ending 5<sup>th</sup> July 2020. This was a 70% reduction in the number of vacancies compared with the same period in 2019. Analysis suggests that there could be up to 2,000 more unemployed residents in the Borough in 2020. The Action Plan will focus on developing employment and skills schemes to ensure local people (particularly young people) are able to access local jobs, including equipping people with skills for key sectors.

Objectives and Outcome	Council Actions	Indicative Resource	Working with
<ul style="list-style-type: none"> <li>• <b>Support employment support schemes which meet the needs of socio-economic groups most impacted by the pandemic</b></li> <li>• <b>Ensure all local residents are aware of and able to access appropriate support scheme</b></li> <li>• <b>Ensure that local residents have the skills to meet the existing and future needs of local businesses</b></li> <li>• <b>The Council is recognised as an exemplar employer for career progression</b></li> </ul> <p><b>Key Outcome - Unemployment and under-employment minimised including amongst the most disadvantaged socio-economic groups</b></p>	Participate in the Hampshire Careers Partnership to improve access and awareness to key vocational skills, apprenticeships and work experience for young people and vulnerable adults	In-House Economic Development	Solent LEP
	Ensure local providers design and deliver programmes to support people to find employment in those sectors that have grown during the crisis	In-House Economic Development	Hampshire County Council
	Work with colleges and training providers to promote apprenticeship recruitment in local businesses and investigate the application of the government's Kick Start programme, including at the Council.	In-House Economic Development and Human Resources Teams	HHOW Recovery Group
	Research project to identify and highlight the most prominent skills gaps and recruitment challenges faced by businesses in Fareham, specifically in key local sectors; to assess whether the right skills infrastructure and support is in place; and provide recommendations on what interventions are required to overcome these challenges.	£15,000 (potential to secure external research funding)	CEMAST Jobcentre Plus Fareham College
			Local training and skills providers

## Consultation and Communications

The Council will improve its business intelligence through more effective and proactive activities. This will include communicating the Economic Recovery Plan and actions to key partners and businesses, as well as designing innovative place marketing campaigns to ensure that people and business know that Fareham is open for business. The Borough Council will also continue to monitor evidence of the impact of the national and regional support to businesses in the Borough.

Objectives and Outcome	Council Actions	Indicative resources	Working with
<ul style="list-style-type: none"> <li>• <b>Understand and respond to local business needs through effective engagement</b></li> <li>• <b>Communicate Fareham’s recovery plans and action programme to key partners and the business community</b></li> </ul> <p><b>Key Outcome - The local business community has a strong voice on shaping recovery programmes and new Economic Development vision and strategy</b></p>	Launch the draft Economic Recovery Plan to key partners and the business community; and consultation with partners on the new Economic Development Strategy	£5,000 (design costs)  In-House Economic Development and PR & Marketing/Engagement & Consultation teams	Solent LEP  Neighbouring authorities (PfSH)  Hampshire Chamber of Commerce
	Hold Breakfast Briefings themed on key employment sectors and economic recovery priorities	In-House Economic Development	Fareham College
	Develop a Fareham business database to improve business intelligence and support future economic development activities and enhance communications with businesses across the Borough	£5,000 (database development)	Local businesses
	Design and implement a business engagement programme targeted at the top 20 private sector companies in the Borough (by size and growth potential)	In-House Economic Development	
	Maintain up-to-date local economic health trends and impacts dashboard with inputs from local businesses and key partners to assist future policy and programme planning	In-House Economic Development	

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Covid-19 Emergency Revised 2020/21 Budget and Financial Recovery Plan</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Dynamic, Prudent and Progressive Council

**Purpose:**  
The purpose of this report is to set out the Council's Finance Recovery Plan in response to the Covid-19 pandemic including the emergency revised budget for 2020/21.

**Executive summary:**  
The Council's Finance Recovery Plan forms part of a Recovery Framework which was approved by to the Executive on 3 August 2020.

Covid-19 has had a significant impact on every aspect of life and society in our borough and it has led to logistical challenges, created financial difficulties and prompted community-wide concerns around health and well-being.

This report focuses on the impact of the pandemic on the Council's Financial position and suggests an emergency budget plan to enable the Council to meet its financial commitments through to the end of the financial year.

**Recommendation/Recommended Option:**  
It is recommended that the Executive approves:

- (a) the Covid-19 Finance Recovery Plan and actions contained therein (as set out from paragraph 55 of the report); and
- (b) recommends that the Council approves the following revised budgets:
  - i. the Emergency General Fund Revised Revenue budget for 2020/21;
  - ii. the use of £1,143,700 from the General Fund Revenue Reserve to balance the 2020/21 Revised Budget;
  - iii. the Emergency Housing Revenue Account Revised budget for 2020/21; and
  - iv. the Revised Capital Programme for 2020/21.

**Reason:**

This report forms part of a Recovery Framework in response to the Covid-19 pandemic which was approved by the Executive on 3 August 2020.

**Cost of proposals:**

The cost of the proposals is detailed in the report.

**Appendices:**                   **A: Emergency GF Revenue Budget Summary 2020/21**  
   **B: Emergency HRA Budget 2020/21**  
   **C: Revised Capital Programme**

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

Council Minutes 21 February 2020

Report to the Executive 3 February 2020 -Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21

Housing Revenue Account Budget and Capital Plans 2020/21

Treasury Management Strategy and Investment Strategy 2020/21

Capital Programme and Capital Strategy 2020/21

# FAREHAM

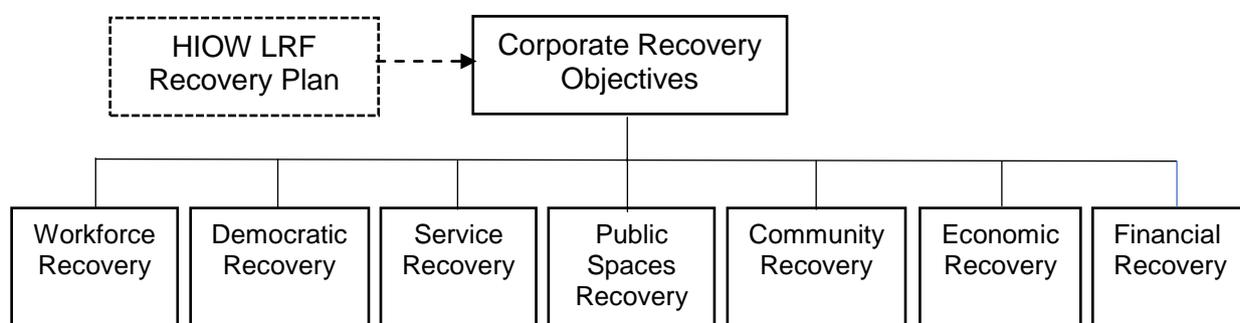
## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Covid-19 Emergency Revised 2020/21 Budget and Financial Recovery Plan
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Policy and Resources

### INTRODUCTION

1. The Council agreed the 2020/21 budget in February, but with the emergence of the COVID-19 pandemic, it became immediately evident that the Council’s financial position would be affected as measures were put in place to control the spread of the virus.
2. The Council’s emergency response plan was invoked and the financial impact has since been closely monitored. As the “response” phase has transitioned to recovery, a series of measures are being taken to mitigate the impact on the community and public spaces, the local economy, Council services and overall governance arrangements, which all have a financial consequence.
3. In light of this, an emergency budget review has been undertaken, and a broader range of measures are also proposed within the draft financial recovery plan, to help understand the medium-term financial impact of the pandemic, so that appropriate steps can be taken.



### FINANCIAL IMPACT OF COVID-19 PANDEMIC TO DATE

4. The approved 2020/21 budget was to break even for the year. However, the emergence of Covid-19 has fundamentally changed the financial position for a period of at least 3 months until the end of June 2020, and this has continued as lock down

measures were relaxed.

5. During this pandemic period, the Council has incurred approximately £260,000 of extra-ordinary costs, as remote working arrangements were mobilised, social distancing/control measures put in place, along with enhanced cleaning regimes, etc.
6. The crisis has also caused widespread disruption to those services which generate significant income streams, for example, car parks, trade waste, commercial property, etc. For example:-
  - a. Parking charges were suspended for 3 months
  - b. Demand for trade waste services ceased while businesses were closed
  - c. Commercial property tenants offered concessionary terms for paying rent
  - d. Reduced planning applications received
  - e. Market pitch fees were suspended while the markets were unable to fully trade
  - f. Treasury investment income was affected by adverse cash flows and reduced interest rates.
7. The impact of measures taken to support individuals and businesses were also evident in the Council's cash flow position, with relaxed payment terms, immediate payments to suppliers, suspended debt collection activities, etc all reducing the net cash available on a daily basis.
8. In some areas, however, there have been opportunities where costs have reduced, which go some way to mitigating the impact on the Council's budgets. Postponed or cancelled events, such as the local election, Fareham In Bloom, Access All Areas, together with reduced operating costs (e.g. waste tipping charges, cleaning public buildings, etc) have all contributed positively to the net budget.
9. In recognition of the potential scale of the impact, the financial management and governance arrangements have been strengthened, particularly in relation to
  - Cashflow monitoring
  - Service financial performance
  - Covid-19 response expenditure
  - Income collection and arrears performance
  - Government funding opportunities
10. Weekly monitoring and reporting to the S.151 Officer was instigated, together with a regular reporting structure to the corporate Covid-19 response group, led by the Chief Executive. These measures ensured a high degree of awareness and enabled the corporate team to closely manage the financial risks.

## **COVID-19 FUNDING**

11. The Government committed to support local authorities financially, recognising the key role they play in responding to the crisis and the impact that it has had on local service delivery. To date, £3.7bn of general support has been announced, and Fareham has received three tranches of funding, totalling £1,334,362.

12. Other funding for specific new burdens has also been individually announced. For example, a “new burdens” payment for administering the Small Business Grant and Retail, Hospitality and Leisure Grant schemes, Rough Sleeper support and High Street support funding.
13. The Government’s Job Retention Scheme was considered, which would involve furloughing some members of staff, but it was ultimately not accessed as staff either continued to provide services or were deployed to support other areas (in particular COVID-19 response work).
14. On 2 July 2020, the Chancellor of the Exchequer announced a scheme to reimburse councils for lost income from sales, fees, and charges. While detailed guidance on the scheme are still emerging, the broad approach is that councils will receive support of 75% of lost income in eligible service areas, after the first 5% of losses. Until the scope of the scheme and the scale of losses is known, this source of funding is difficult to quantify. However, using the losses projected in the emergency budget, the Council would expect to be reimbursed £1.06m.
15. The following table summarises the COVID-19 government funding for the 2020/21 year. It should be noted that the impact of the pandemic is expected to extend into 2021/22, but to date there has been no financial support proposed beyond 31<sup>st</sup> March 2020.

SUPPORT TYPE	£
General COVID Grant – Tranche 1	£33,966
General COVID Grant – Tranche 2	£1,156,628
General COVID Grant – Tranche 3	£143,768
Specific COVID Grants	£130,000
Loss of Income Reimbursed	£1,058,038
<b>Total Government Support</b>	<b>£2,522,400</b>

#### **EMERGENCY REVISED GENERAL FUND BUDGET 2020/21**

16. A full review of all income and expenditure has been undertaken to form the emergency budget, taking account of the extra-ordinary expenditure incurred, loss of service income and support arrangements for key partners and the Council’s supply chain.
17. The emergency general fund revised budget is set out in Appendix A and is summarised below.

## ACTUAL REVENUE BUDGET

	Budget 2020/21 £	Revised 2020/21 £	Variation £
Committees			
Licensing and Regulatory Affairs Committee	520,500	431,000	-89,500
Planning Committee	472,600	571,300	98,700
Executive - Portfolio Budgets			
- Leisure and Community	439,200	1,671,100	1,231,900
- Housing	1,468,500	1,580,600	112,100
- Planning and Development	1,584,800	1,663,000	78,200
- Policy and Resources	-987,400	-105,800	881,600
- Health & Public Protection	221,100	1,301,800	1,080,700
- Streetscene	5,101,900	5,456,200	354,300
<b>SERVICE BUDGETS</b>	<b>8,821,200</b>	<b>12,569,200</b>	<b>3,748,000</b>
Capital Accounting Budgets in Services	2,767,300	2,767,300	0
Other Budgets	-1,982,000	-2,063,900	-81,900
<b>NET BUDGET BEFORE COVID FUNDING</b>	<b>9,606,500</b>	<b>13,306,000</b>	<b>3,666,100</b>
Fees and Charges Reduction Funding	0	-1,058,038	-1,058,038
Government COVID Funding	0	-1,464,362	-1,464,362
	0	-2,522,400	-2,522,400
<b>NET BUDGET</b>	<b>9,606,500</b>	<b>10,750,200</b>	<b>1,143,700</b>
<b>Use of FBC Revenue Reserves</b>		<b>1,143,700</b>	

18. This indicates that the financial impact in the current year will be £3,666,100. Taking account of the funding support provided by Government (both monies received and anticipated through the income reimbursement scheme), this reduces to £1,143,700, which will need to be met from revenue reserves.
19. The following paragraphs explain the services where there have been large variations between the base and revised budgets.
20. **Leisure Centres** - The impact on the leisure centres will total almost £1.2m in lost revenue and payments to the contractor in order to reopen the 2 centres and allow them to continue to operate at a reduced capacity. A report was approved by the Executive on 3 August giving details of how the changes will operate and the financial implications.
21. **Off-street Car Parking** – With multi-storey car parks being shut and other car parks not collecting income from the start of lockdown the impact on car parking has been significant. The anticipated income for the financial year has reduced by almost half

with over £950,000 having been taken from the budget. There have also been some additional costs incurred in reopening the car parks and new measures being put in place to encourage social distancing by implementing one-way systems to and from the car park entrances.

22. **Investment Properties** – The changes to the investment properties budget is mainly loss of income from the shopping centre and market quay. Alternative payment arrangements have been agreed for some other commercial property tenants to assist with cashflows but it is anticipated that full rental income will continue to be received.
23. **Solent Airport and Daedalus** – Lower fuel sales, reduction in licence fees and reduced fees and charges due to flying being suspended have all contributed to this budget being reduced. Part of the reductions have been offset by lower purchases of fuel since lockdown.
24. **Waste and Recycling services** – While these services have been running throughout lockdown, some additional costs have been incurred due to alternative operational arrangements being put in place to protect the welfare of the teams. The operating restrictions have required more agency staff to be used and additional vehicles being hired to provide the service. There has also been an impact on the income where the value of recycled goods has dropped by large percentages and a number of trade waste customers have temporarily reduced or stopped the service they receive while they have not been trading.
25. **Planning Appeals** – Although not related to the COVID pandemic, the budget for planning appeals has increased for known appeals that will be taking place this financial year. The appeals in the pipeline include Newgate Lane North and South, Borderland Fencing, Tythe Barn and Newgate Lane/ Peel Common hearing.
26. **Housing Benefits Payments** – The budgets have been amended to reflect changes to the level of payments and subsequent grant received but also they reflect anticipated levels of reduced income from increased benefit debts along with anticipated bad debts.
27. **Homelessness** – At the end of March, the government wrote to every local authority in England asking them to accommodate all people sleeping rough or at risk of sleeping rough in order to prevent the spread of COVID-19. The budgets have been amended to reflect initial and ongoing changes to the level of payments arising as a result of this initiative.
28. **Local Land Charges** - The impact of Covid has seen the income budget reduce by over £60,000 although this has been slightly offset by some reduction in expenditure budgets where savings will be made.
29. **Elections** – As a result of the local elections being postponed for a year the budget reduce by £94,000. The main changes are no costs to hire venues and no pay to staff to run the elections.
30. **Other budgets** – This line covers all the non-service budgets and although there is a small change in the lines there are some large variances making up this figure. The interest on investments has reduced by £136,000 to reflect a drop in interest rates but also less money is available to invest due to a drop in income being received by the council. There will be an additional provision for bad debts of over £500,000 due to anticipated reductions in payments of council tax and business rates and also an

allowance for reduced rental income from commercial premises. New Homes Bonus will see an increase of over £240,000 due to additional money being received from the government. Finally, there will be additional income from earmarked reserves that is matching additional expenditure in services of over £450,000.

31. While the emergency budget focuses solely on the financial in 2020/21, Members should note that commitments have also been made which extend beyond this year, (in particular, the support arrangements for the two leisure centres, and some of the work within other Recovery Plans). It is also widely anticipated that some areas where income losses have been experienced will also extend into the following financial year, which are not reflected in the current Medium-Term Finance Strategy. This will be quantified as the budgets are prepared for 2021/22, but at this stage, a further significant drawing from reserves is anticipated, in the absence of additional government support.

### EMERGENCY HOUSING REVENUE ACCOUNT BUDGET 2020/21

32. A full review of income and expenditure in relation to the Housing Revenue Account (HRA) has also been undertaken, and the emergency HRA revised budget is set out in Appendix B.
33. The biggest impact arising from the COVID-19 pandemic has been seen on the cost of repair and maintenance works undertaken. This was severely curtailed during the lock down period, with only emergency works and void property renovations being undertaken, giving rise to a reduction in expenditure.
34. Arrangements were also put in place to support customers who struggled to pay rent during the lock down period, and this will continue throughout the rest of the financial year.
35. The revised HRA budget is summarised in the table below and set out in full detail in Appendix B:-

	<b>Budget 2020/21 £'000</b>	<b>Revised 2020/21 £'000</b>	<b>Variation £'000</b>
Income	-12,668	-12,142	526
Tenancy Management and Running Costs	3,352	3,517	165
Net Interest	1,681	1,697	16
Transfer to Debt Repayment Fund	1,140	1,140	0
<b>Net Income</b>	<b>-6,495</b>	<b>-5,788</b>	<b>707</b>
Revenue Repairs Expenditure	2,764	2,264	-500
Depreciation set aside into the Major Repairs Reserve	2,626	2,685	59
Revenue Contribution to Capital Programme	939	839	-100
<b>Transfer to(-)/from HRA Reserve</b>	<b>-166</b>	<b>0</b>	<b>166</b>

36. The rent income budget has been reduced to reflect a continuing trend in rising tenant rent arrears, with further impact being experienced as a result of changes in circumstances and financial stability for some of our tenants. There is currently a time lapse between some of those changes resulting in Universal Credit being paid to us which will mitigate some of the reduced income over the course of the whole financial

year. This will impact on the level of provision made at the end of the year for bad debts which is reflected in the higher budget figure for that area.

37. This budget also takes account of lost rent income for void properties being experienced for longer periods than we would usually expect. Void works are being completed, and properties being bought back into use, but with early restrictions in movement and new ways of working this turnaround time is now longer than in the past.
38. Within Management and Finance costs budget increases have been made for the increasing cost of utilities in areas such as sheltered housing and communal heating and lighting. The software cost budget has been increased to take full account of the overlap between the current system and the implementation of the new housing management system. The budget for protective clothing and equipment has been increased in the general administration and sheltered housing areas.
39. Additional cleaning regimes have been put in place and are expected to continue as we go forward through the autumn and winter months. The additional cost of these is reflected in the increased budget for communal cleaning.
40. The property repairs and maintenance area has seen a significant drop in expenditure incurred with external contractors in the early part of the year and a fall in demand for responsive repairs when only emergency works were being completed. Building Services have used their available resources and completed some void works using our own staff. As services return to a higher volume of call outs and contractor engagements for jobs expenditure has risen again, it is considered reasonable that expenditure in this area will be far below the original budgeted amount.
41. The proposed emergency budget maintains a clear set aside of reserves to repay the £49 million housing debt taken on in 2012, whilst maintaining a breakeven position for the financial year, reducing the base estimate budgeted surplus of £166,000.

## **CAPITAL PROGRAMME REVIEW**

42. On 3 February 2020, the Executive approved the 2020/21 capital programme of £32.7 million for the General Fund and Housing Revenue Account (HRA).
43. Details of actual capital expenditure in 2019/20 were reported to the July and August Executives and a total carry forward of £2.3 million was added to the capital programme bringing the total to £35.4 million for 2020/21.
44. As the economy has changed significantly since the Covid-19 pandemic, capital investment plans have been revisited to determine if the original business cases remain sound. In particular, the following major schemes have been or are currently being reviewed:
  - The review of the £12.35 million New Community, Arts and Entertainment Venue is currently underway and will be subject to a report due to be considered by the Executive in October.
  - Capital investment of £6.81 million at Fareham and Holly Hill Leisure Centres was reviewed at the 3 August 2020 Executive. Members agreed to proceed with the schemes to enhance the leisure facilities and help deliver the improved revenue projections.

- The £5 million construction of industrial/business units at Faraday Business Park at Solent Airport is subject to a separate report on this Agenda. The investment in new economic hangars is being reviewed as part of a wider review of airside hangarage with a report due to go to the October Executive.
45. All the other General Fund capital schemes have been reviewed with several being pushed back from the original time frame due to Covid-19. In particular, there have been delays with the consultation and procurement of the play area refurbishment programme and delays with implementing some of the ICT development programme. The Civic Offices Improvements programme has also been rephased with the replacement of the cooling plant a priority for 2020/21.
46. Capital schemes for the HRA have also been reviewed and the budget phasing for new housing schemes revised in line with current and anticipated development timings:
- The Highlands Road scheme has been subject to some delay over the period of lockdown but it is still hoped this scheme will be largely completed in the current financial year.
  - The tender process for development at Station Road is commencing very shortly and it is hoped that works may start here towards the end of the financial year.
  - Further feasibility works are due to be completed for Assheton Court along with the approved Stubbington Lane, Crossfell Walk and Queens Road schemes with development getting underway in 2021/22.
47. The following table summarises the updated capital programme for 2020/21 which now stands at £18.6 million with the detailed schemes for the revised 5-year programme in Appendix C.

	<b>Original Programme 2020/21 £</b>	<b>Updated Programme 2020/21 £</b>
Streetscene	0	30,100
Leisure and Community	12,289,300	6,097,300
Housing	749,900	500,000
Planning and Development	295,000	230,000
Policy and Resources	12,535,700	5,130,200
<b>Total General Fund</b>	<b>25,869,900</b>	<b>11,987,600</b>
Housing Revenue Account	6,821,700	6,662,000
<b>Updated Capital Programme</b>	<b>32,691,600</b>	<b>18,649,600</b>

48. The financing of the programme for 2020/21 is shown in the table below, with the largest funding sources being from borrowing and capital reserves.

<b>Source</b>	<b>General Fund £</b>	<b>Housing Revenue Account £</b>	<b>Total £</b>	
Borrowing	6,916,500	0	6,916,500	37%
Capital Reserves	779,700	4,684,000	5,463,700	29%
Contributions from Developers	2,222,400	20,000	2,242,400	12%

<b>Source</b>	<b>General Fund £</b>	<b>Housing Revenue Account £</b>	<b>Total £</b>	
Contributions from Revenue	1,194,000	840,000	2,034,000	11%
Government Grants	875,000	563,000	1,438,000	8%
Capital Receipts	0	555,000	555,000	3%
<b>Total Financing</b>	<b>11,987,600</b>	<b>6,662,000</b>	<b>18,649,600</b>	<b>100%</b>

## **FINANCE RECOVERY PLAN – 2020/21 AND BEYOND**

49. In light of the potential impact of the pandemic of the Council's financial position, a Financial Recovery Plan has been prepared, as part of the Recovery Framework (illustrated below) which was approved by the Executive on 3<sup>rd</sup> August 2020.
50. The plan sets out the approach to assessing the financial impact of the COVID-19, the steps that the Council can take to mitigate the risk and the actions that may be necessary to recover over the medium term.

### Scope and Context

51. The plan recognises that the Council's financial position could be affected as a result of the crisis, due to
- A reduction in the amount of revenue income collected;
  - Extra-ordinary costs incurred in delivering day to day services;
  - One-off/temporary expenditure to deliver specific recovery activities;
  - A contraction in the economy that changes demand for certain services;
52. The plan also recognises the key risks that have been identified by the HIOW LRF Recovery Co-ordinating Group (Finance Workstream). These are:-
- Investment and other income streams generally reduced, including council tax and business rates collection rates
  - The depth of the recession and its impact of key revenue sources (such as commercial property)
  - The broader issue of public finances in a recessionary period, and its impact on LA funding, NNDR and council tax
  - Exit strategy for homelessness / rough sleepers
  - Uninsured losses, litigation, claims and compensation events

### Key Areas of Financial Risk for FBC

53. The following table identifies the main areas where the FBC's financial position is likely to be affected.

FBC Finance Recovery Priorities	
RISK	CONSEQUENCE
Reduced income in services, particularly parking, commercial property and trade waste.	Revenue budget deficit
Additional costs to continue running day to day services, particularly in relation to Refuse/Recycling, Rough Sleepers and, generally, mobile ICT working arrangements.	Overspending against revenue budget, and significant one-off costs also unbudgeted.
Additional costs in response to COVID impacts. In particular, costs relating to supporting the economic recovery, increased demand for welfare services (provided by FBC and third parties)	Fixed term additional costs that would need to be funded from reserves (or external funding, like ERDF fund)
Slow rates of development impacting on CIL receipts	CIL funded capital schemes need alternative funding source
Viability of major capital investment plans affected by changing economic circumstances	Capital costs could significantly increase. Anticipated income generated may be lower and/or more volatile.
An increase in claims against the Council (e.g. property damage, public liability) during a recessional period	Higher claims levels, which increase insurance premiums and claims excesses funded from reserves.
Contract risks relating to existing and new services. In particular, the Leisure Centre Management contract, Arts/Entertainment venue contract, void maintenance, insurances, textile recycling	Higher contract costs or lower income received
Council tax and business rates collection rates reduced	Less funding for revenue budget
Public Sector funding review, could divert resources to other services that have played a large part in COVID response (NHS), or hard-hit services (Social Care, mental health services)	Less funding for revenue budget

54. Against the risks within services, there have been savings arising from the Council's response to the pandemic, which could present opportunities to mitigate some of the financial risks identified. For example:-
- a. Direct savings secured (or areas where income has grown) during response – can they be captured permanently?
  - b. New ways of working during response – where have we become more productive and how can we secure these improved ways of working permanently.
  - c. Can we target our recovery activities (e.g. in supporting the economy), in a way that improves our financial position in the longer term, rather than just get back to normal.

- d. When can we “switch off” recruitment premiums, in the recessionary period.

#### Recovery Plan Actions

55. The immediate financial impact has been observed in the current financial year, and it is imperative that the scale of this is assessed at the earliest opportunity, so mitigating actions can be taken where necessary. Ordinarily, this would be reflected in a revised budget in the winter, but this would limit the time available to respond.
56. **Action Taken:** *A review of all service income and expenditure has been carried out to form the Emergency Budget for 2020/21.*
57. In order to assess the financial impact in the medium term, an assessment of the economic outlook needs to be established. This will inform future investment decisions and the Medium-Term Finance Strategy.
58. **Action Proposed:** *Prepare a revised economic forecast, in consultation with the Council's Treasury Advisors.*
59. The capital programme contains a small number of significant schemes which are treated as “self-financed”, because the capital investment generates an increased revenue stream that is used to service debt or contribute to the Corporate Opportunities plan.
60. **Action Proposed:** *Capital investment plans are revisited in light of post-COVID19 economic and social circumstances, to determine if the business cases remain sound. In particular, this will apply to Leisure Centre improvement works, the New Arts and Entertainment venue, Speculative Industrial Units at Daedalus, Economic Hangars and Other Airside investment at Daedalus.*
61. The Council's approach to balancing the Medium-Term financial position, is set out in a Corporate Opportunities plan. There may be scope to accelerate some work in order to accelerate savings/income generating projects, to reduce the funding gap over the next 4 years. Once the scale of the financial challenge is known, it may also be necessary to introduce new projects
62. **Action Proposed:** *Undertake a review of the Opportunities Plan, to support the preparation of the Medium-Term Finance Strategy.*
63. Cross-cutting recovery plans have been prepared and these will set out the measures to be taken to support the recovery of the local community and economy. Service-specific recovery actions should also be considered as part of the financial planning process with a view to minimise income losses, or cost increases. These plans will be used to support the preparation of the Medium-Term Finance Strategy and the budget for 2021/22.
64. **Action Proposed:** *Support lead officers to ensure that the financial implications of all recovery plans are clear and are reflected in a revised Medium-Term Finance Strategy.*
65. **Action Proposed:** *Undertake a review of the Medium-Term Finance Strategy, for consideration by the Executive at its October meeting.*

## **CONCLUSIONS**

66. This report sets out the Council's Finance Recovery Plan in response to the Covid-19 pandemic and includes an emergency revised budget for 2020/21 in response to the effects of the pandemic on council services. It forms part of a Recovery Framework which is to be presented to the Executive
67. The report shows that there is an impact on council budgets, particularly in lost income of over £3.6million. However, government funding of over £2.5million means that the balance to be met from council reserves will be just over £1.1million for the 2020/21 financial year.
68. It is important to note that it is likely that the impact of the pandemic will be felt over more than the current financial year and that there will probably be a requirement to call on further use of reserves in the 2021/22 financial year.

### **Enquiries:**

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

**APPENDIX A****LICENSING AND REGULATORY AFFAIRS COMMITTEE**

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Hackney Carriage and Private Hire Vehicles	3,300	7,500	4,200
Licensing	-39,300	-31,600	7,700
Health and Safety	147,900	140,600	-7,300
Election Services	408,600	314,500	-94,100
	<u>520,500</u>	<u>431,000</u>	<u>-89,500</u>

**PLANNING COMMITTEE**

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Planning Applications	72,900	59,000	-13,900
Planning Advice	215,400	203,500	-11,900
Planning Enforcement	127,300	129,700	2,400
Planning Appeals	57,000	179,100	122,100
	<u>472,600</u>	<u>571,300</u>	<u>98,700</u>

**LEISURE AND COMMUNITY PORTFOLIO**

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Community Grants	292,400	341,300	48,900
Community Development	256,700	226,100	-30,600
Ferneham Hall	215,600	228,400	12,800
Fareham Leisure Centre	472,500	1,053,000	580,500
Holly Hill Leisure Centre	-75,200	541,000	616,200
Community Centres	268,200	272,300	4,100
	<u>1,430,200</u>	<u>2,662,100</u>	<u>1,231,900</u>

## HOUSING PORTFOLIO

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Housing Grants and Home Improvements	16,800	29,500	12,700
Housing Options	27,800	26,200	-1,600
Housing Benefit Payments	-121,100	50,300	171,400
Housing Benefit Administration	470,000	474,800	4,800
Homelessness	435,400	299,100	-136,300
Housing Advice	474,400	468,900	-5,500
Housing Strategy	221,000	229,500	8,500
Local Land Charges	-28,700	29,400	58,100
	<u>1,495,600</u>	<u>1,607,700</u>	<u>112,100</u>

## PLANNING AND DEVELOPMENT PORTFOLIO

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Flooding and Coastal Management	171,500	174,300	2,800
Transport Liaison	36,400	36,600	200
Tree Management	317,100	315,200	-1,900
Conservation & Listed Building Policy	29,400	28,400	-1,000
Local Plan	1,118,700	1,196,800	78,100
	<u>1,673,100</u>	<u>1,751,300</u>	<u>78,200</u>

## POLICY AND RESOURCES PORTFOLIO

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Democratic Representation and Management	1,165,500	1,153,300	-12,200
Commercial Estates	-491,400	-281,300	210,100
Investment Properties	-3,815,200	-3,330,400	484,800
Solent Airport and Daedalus	-47,700	267,500	315,200
Public Relations, Comms and Consultation	495,100	489,200	-5,900
Unapportionable Central Overheads	175,600	175,600	0
Corporate Management	997,000	901,300	-95,700
Economic Development	169,700	192,800	23,100
Local Tax Collection	951,900	914,100	-37,800
	<b>-399,500</b>	<b>482,100</b>	<b>881,600</b>

### **HEALTH & PUBLIC PROTECTION PORTFOLIO**

	<b>Base Estimate 2020/21 £</b>	<b>Revised Estimate 2020/21 £</b>	<b>Variation 2020/21 £</b>
Pest Control	39,900	45,400	5,500
Dog Control	25,100	24,600	-500
Food Safety	140,100	132,300	-7,800
Air Quality and Pollution	203,000	191,500	-11,500
Community Safety	348,300	345,600	-2,700
Emergency Planning	57,700	41,000	-16,700
Clean Borough Enforcement	101,200	165,200	64,000
Off-Street Parking	-818,300	232,400	1,050,700
Building Control	201,300	201,000	-300
	<b>298,300</b>	<b>1,379,000</b>	<b>1,080,700</b>

### **STREETSCENE PORTFOLIO**

	<b>Base Estimate</b>	<b>Revised Estimate</b>	<b>Variation</b>
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	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cemeteries & Crematorium	-7,500	-30,200	-22,700
Parks, Open Spaces and Grounds Maintenance	2,009,500	1,990,500	-19,000
Sports Pavilions, Pitches, Greens and Courts	443,600	458,600	15,000
Countryside Rangers	173,300	174,500	1,200
Allotments	8,400	8,300	-100
Street Cleaning	984,600	1,023,000	38,400
Public Conveniences	277,400	272,300	-5,100
Waste Collection	972,700	1,029,500	56,800
Trade Refuse	-65,100	18,300	83,400
Recycling	781,300	975,600	194,300
Green Waste	416,400	428,800	12,400
Street Furniture	103,100	102,800	-300
	<u>6,097,700</u>	<u>6,452,000</u>	<u>354,300</u>
<b>TOTAL</b>	<u>11,588,500</u>	<u>15,336,500</u>	<u>3,748,000</u>

## REVISED HRA REVENUE BUDGET 2020/21

	Base 2020/21 £'000	Revised 2020/21 £'000	Variation 2020/21 £'000
<b>Income</b>			
Rents - Dwellings	-11,067	-10,562	505
Rents - Garages	-340	-330	10
Rents - Other	-20	-20	0
Service Charges (Wardens, Extra Assistance, Heating)	-675	-648	27
Cleaning	-190	-197	-7
Grounds Maintenance	-109	-112	-3
Other Fees and Charges	-57	-61	-4
Leaseholder Service Charges and Insurance	-210	-212	-2
	<b>-12,668</b>	<b>-12,142</b>	<b>526</b>
<b>Management and Finance</b>			
General Administrative Expenses	1,814	1,837	23
Sheltered Housing Service	555	543	-12
Grounds Maintenance	235	235	0
Communal Cleaning	209	242	33
Communal Heating Services	120	135	15
Communal Lighting	30	45	15
Rents, Rates and Other Taxes	101	150	49
Corporate and Democratic Core	68	70	2
Corporate Management	102	80	-22
Unapportioned Overhead	20	20	0
Bad Debts Provision	13	65	52
Bad Debts Written off	50	60	10
Debt Management Expenses	35	35	0
	<b>3,352</b>	<b>3,517</b>	<b>165</b>
<b>Net Interest</b>			
Interest Payable and Similar Charges	1,795	1,795	0
Interest Earned on Internal Balances	-114	-98	16
	<b>1,681</b>	<b>1,697</b>	<b>16</b>
Transfer to Debt Repayment Reserve	1,140	1,140	0
<b>Net Expenditure</b>	<b>-6,495</b>	<b>-5,788</b>	<b>707</b>
Revenue Repairs Expenditure	2,764	2,264	-500
Depreciation set aside to Major Repairs Reserve	2,626	2,685	59
Revenue Contribution to Capital Programme	939	839	-100
<b>Transfer to (-) / from HRA Reserve</b>	<b>-166</b>	<b>0</b>	<b>166</b>

APPENDIX C

CAPITAL PROGRAMME 2020/21 to 2024/25

	Original 2020/21 £'000	Revised 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>STREETSCENE</b>							
Bus Shelters		0				309,300	309,300
Holly Hill Cemetery Extension		30,100					30,100
Play Area Safety Equipment and Surface Replacement		0				128,800	128,800
<b>STREETSCENE TOTAL</b>	<b>0</b>	<b>30,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>438,100</b>	<b>468,200</b>
<b>LEISURE AND COMMUNITY</b>							
<b>Buildings</b>							
New Fareham Arts Venue	5,558,500	2,000,000	8,923,400	1,000,000			11,923,400
Leisure Centres Capital Investment	6,330,000	3,968,000	2,361,000	275,000	206,000		6,810,000
Community Buildings Review		13,000					13,000
Whiteley Community Centre	40,000		40,000				40,000
	11,928,500	5,981,000	11,324,400	1,275,000	206,000	0	18,786,400
<b>Play Schemes</b>							
Play Area Improvement Programme	90,000		187,600	100,000			287,600
Fareham College Play Area	50,000		50,000				50,000
Abbey Meadows Play Area	100,000		100,000				100,000
Daedalus Common Play Area	100,000	100,000					100,000
	340,000	100,000	337,600	100,000	0	0	537,600
<b>Other Community Schemes</b>							
Footpath Improvements	4,500						0
Allotment Improvements	16,300	16,300					16,300
	20,800	16,300	0	0	0	0	16,300
<b>LEISURE AND COMMUNITY TOTAL</b>	<b>12,289,300</b>	<b>6,097,300</b>	<b>11,662,000</b>	<b>1,375,000</b>	<b>206,000</b>	<b>0</b>	<b>19,340,300</b>
<b>HOUSING</b>							
Disabled Facilities Grants	749,900	500,000	500,000	500,000	500,000	500,000	2,500,000
Empty Homes Strategy						41,400	41,400
<b>HOUSING TOTAL</b>	<b>749,900</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>541,400</b>	<b>2,541,400</b>
<b>PLANNING AND DEVELOPMENT</b>							
Car Parks: Surface Improvements	105,000	40,000	65,000	70,000	215,000		390,000
Car Parks: New Machines and Control Room Upgrade	190,000	190,000					190,000
<b>PLANNING AND DEVELOPMENT TOTAL</b>	<b>295,000</b>	<b>230,000</b>	<b>65,000</b>	<b>70,000</b>	<b>215,000</b>	<b>0</b>	<b>580,000</b>

	Original 2020/21	Revised 2020/21	2021/22	2022/23	2023/24	2024/25	Total
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	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>POLICY AND RESOURCES</b>							
<b>Replacement Programmes</b>							
Vehicles and Plant							
Replacement Programme	838,000	838,000	400,000	400,000	400,000	400,000	2,438,000
ICT Development Programme:	748,700	316,000	468,700	31,000			815,700
	1,586,700	1,154,000	868,700	431,000	400,000	400,000	3,253,700
<b>Operational Buildings</b>							
Civic Offices Improvement Programme	3,698,000	250,000	3,491,000				3,741,000
	3,698,000	250,000	3,491,000	0	0	0	3,741,000
<b>Property Developments</b>							
Faretec Air Conditioning	98,000	98,000					98,000
Solent Airport at Daedalus Schemes	7,153,000	3,628,200	6,318,400				9,946,600
Town Centre Hotel				8,035,000			8,035,000
	7,251,000	3,726,200	6,318,400	8,035,000	0	0	18,079,600
<b>POLICY AND RESOURCES TOTAL</b>							
	<b>12,535,700</b>	<b>5,130,200</b>	<b>10,678,100</b>	<b>8,466,000</b>	<b>400,000</b>	<b>400,000</b>	<b>25,074,300</b>
<b>GENERAL FUND TOTAL</b>							
	<b>25,869,900</b>	<b>11,987,600</b>	<b>22,905,100</b>	<b>10,411,000</b>	<b>1,321,000</b>	<b>1,379,500</b>	<b>48,004,200</b>
<b>HOUSING REVENUE ACCOUNT</b>							
Improvements to Existing Stock	2,461,000	2,542,000	3,015,000	3,015,000	3,157,300	3,306,600	15,035,900
Housing Management Systems	140,000	140,000					140,000
Acquisitions	1,200,000	1,200,000	1,200,000	1,200,000	1,100,000	1,500,000	6,200,000
New Builds	3,020,700	2,780,000	5,519,900	534,100			8,834,000
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>6,821,700</b>	<b>6,662,000</b>	<b>9,734,900</b>	<b>4,749,100</b>	<b>4,257,300</b>	<b>4,806,600</b>	<b>30,209,900</b>
<b>TOTAL CAPITAL PROGRAMME</b>							
	<b>32,691,600</b>	<b>18,649,600</b>	<b>32,640,000</b>	<b>15,160,100</b>	<b>5,578,300</b>	<b>6,186,100</b>	<b>78,214,100</b>



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Health and Public Protection
<b>Subject:</b>	<b>Parking Service Review</b>
<b>Report of:</b>	Director of Leisure and Community
<b>Corporate Priorities:</b>	Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

**Purpose:**

This report sets out the results of a detailed review of the Council's Parking Service, and provides options for the future delivery of the service.

**Executive summary:**

The on-street parking enforcement Agency Agreement with Hampshire County Council was terminated, at the County Council's request, on 31 March 2020.

In order to prepare for this change, the Executive agreed to a wide-ranging review of the Parking Service. This took place during 2019 with desk research, parking surveys and a public consultation feeding into the analysis. The detailed results of the review can be found in Appendix A.

A new General Enforcement Team has been created and was fully operational by 01 April 2020, at which point the Council was no longer responsible for on-street parking.

In response to the Covid-19 pandemic, charging for town centre car parks ceased between 25 March and 1 June 2020. This resulted in lost income of just over £300,000, placing further financial pressure on the Council.

The proposals for the future are outlined in the report and have the potential to generate a significant new revenue stream for the Council which will help to offset the costs of the parking service, including major improvements to Osborn Rd Multi-Storey Car Park, as well as contributing to the £1.5 million shortfall in the Council's medium term financial plan.

**Recommendations:**

That the Executive approves:

- a) A pay-by-app option be introduced for all pay and display car parks in the Borough;
- b) new pay-on-foot machines be procured for Osborn Road, Fareham Shoppers and Market Quay car parks and a budget of £250,000 be allocated for this purpose;
- c) a charge of £3 be introduced to all coastal car parks in the Borough covering a period of 4 hours;
- d) new solar powered pay-and-display machines be procured for the coastal car parks and a budget of £75,000 be allocated for this purpose;
- e) Meon Shore car park be upgraded with improved surfacing and marked bays at a cost of £40,000;
- f) dragon's teeth and height barriers be installed in Monks Hill and Salterns car parks at a cost of £23,000;
- g) a consultation exercise on a Traffic Regulation Order (TRO) be undertaken outlining any required changes to parking restrictions; and
- h) authority be delegated to the Director of Leisure and Community in consultation with the Executive Member for Health and Public Protection to conduct TRO consultations in free car parks where the limited time waiting limit is deemed too long.
- i) authority be delegated to the Director of Leisure and Community, and the Deputy Chief Executive in conjunction with the Executive Member for Health and Public Protection to determine any potential concessionary arrangements in individual car parks.

**Reason:**

The introduction of daytime charging in coastal car parks would help fund future parking improvements as well as helping the Council to respond to the financial challenges it faces.

**Cost of proposals:**

The creation of a new General Enforcement Team has saved £91,300 in annual employee costs. Redundancy costs of approximately £90,000 were met through existing budgets. The provision of new payment equipment at car parks will cost £325,000, with upgrades to coastal car parks costing £63,000. £190,000 to allow the upgrading of the ageing parking infrastructure was approved as part of the Capital Strategy by the 6 January 2020 Executive. The additional £198,000 required would be funded from the Council's reserves, to be paid back through the new revenue streams identified within the report. If approved, the additional charging could generate up to £900,000 a year. Future improvements to Osborn Road multi storey car park and other car parks would also be funded from this income.

**Appendices:** A: Detailed Parking Review Results  
B: Alternative charging options

**Background papers:** Survey results

**Reference papers:** Report to the Executive on 4 March 2019 entitled "Parking Enforcement"

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Parking Service Review
<b>Briefing by:</b>	Director of Leisure and Community
<b>Portfolio:</b>	Health and Public Protection

#### INTRODUCTION

1. This report sets out the results of a detailed review of the Council's Parking Service, and puts forward options for the future delivery of the service.

#### BACKGROUND

2. The Council owns 44 off-street car parks providing approximately 4,400 spaces at different locations across the Borough. The majority are free, with only the 17 car parks based in Fareham Town Centre being chargeable. The other car parks are based along the coast and at smaller district shopping areas such as Portchester and Stubbington.
3. From 2007, the Council was also responsible for on-street parking enforcement (i.e. traffic warden duties). This service was undertaken on behalf of Hampshire County Council via an Agency Agreement. The agreement allowed Fareham Borough Council to recover the costs of on-street enforcement through revenue generated by Penalty Charge Notices (PCN), residents' permits and dispensations.
4. In order to undertake both off-street and on-street parking enforcement, the Council employed a team of 8 Civil Enforcement Officers plus a manager.
5. In early 2019 Hampshire County Council gave notice that it intended to terminate the Agency Agreement at the end of March 2020. This meant that Fareham Borough Council would no longer be responsible for any aspect of on-street parking enforcement, including the management of residents permits.
6. This decision was reported to the Executive on 04 March 2019 and it was agreed that, in the light of such a major change to the Council's Parking Service, a detailed review should be undertaken to determine future options.
7. The results of this review are set out in Appendix A.

8. The Covid-19 pandemic has further intensified the financial challenges faced by the Council. Amongst other local responses, charging in town centre car parks ceased between 25 March and 01 June 2020. Approximately £150,000 a month was lost in off-street parking income during this time, with just over £300,000 being lost in total.
9. Whilst charging has now recommenced in the town centre, parking income will likely be negatively impacted for the foreseeable future as people continue to observe social distancing measures, resulting in less visits to the town centre.

## **SUMMARY OF THE RESULTS**

10. The overall aim of the review was to ensure that residents could benefit from improved off-street parking choices and a more responsive enforcement service, whilst delivering new revenue streams for the Council.
11. The review included research into the charging regimes of comparable councils as well as the latest parking technologies. It also included a consultation exercise on customers parking preferences, plus usage surveys in the town centre and coastal car parks.
12. It was also necessary to review the future size and structure of the Council's car parking team, given the loss of on-street enforcement responsibilities. This provided an opportunity to look at the possibility of merging the roles of car parking enforcement and environmental enforcement (i.e. dog control, littering etc).
13. The main results of the review are as follows:-
14. *Town Centre Parking income has seriously declined:* Income from parking charges dropped by nearly a quarter from approximately £2.50m in 2011/12 to £1.88m in 2019/2020.
15. *We offer good value:* Inner and outer car park charges have not risen since 2010 and 2008 respectively. Parking in the town centre is generally good value when compared to other Hampshire Councils, particularly if visiting for a number of hours in our 'outer' car parks.
16. *Daytime charges should not change:* Based on comparisons, there was scope for increasing charges, particularly in the outer car parks. However, in order to continue to support the vibrancy of the town centre, particularly as it recovers from the impact of Covid-19, it is proposed that charges should be maintained at their current level.
17. *Customers want more payment options:* Whilst we already offer a number of ways to pay for parking, many customers expressed a wish to be able to make payment by phone app within the public survey. It is proposed that this service is introduced in all of the Council's Pay-and-Display car parks.
18. *Season tickets and permits are complicated and hard to enforce:* The old system of Season Tickets; Blue Badge Parking; Employee and Tenant Parking is complicated and difficult to enforce. Many Councils now manage these digitally without the need for paper permits. It is proposed that, in future, season tickets are managed electronically, improving the user experience. Parking officers will have all the ticket data on their handheld devices making enforcement much simpler. This would be achieved by minor modifications to the current permit system and met within existing budgets.

19. *There is a high level of failure demand:* Out-of-date infrastructure (e.g. cameras, barriers and ticket machines) in Market Quay, Osborn Road and Fareham Shoppers car parks have resulted in a high level of failure demand (i.e. tickets not working). This creates additional work for officers and impacts on the customer experience. It is proposed to introduce the latest pay-on-foot technology to these car parks on a phased basis.
20. The preferred approach is one that combines ticketless and ticketed technology. Drivers visiting Fareham and parking in barrier car parks would have their number plate read with the barrier raising automatically on entrance. When leaving, visitors would type their number plate into a payment machine, make payment and then drive out as the barrier automatically raises on exit. If for any reason the number plate was not read on entrance, a barcode ticket would automatically be issued. These ticket types are much more reliable than the magnetic strip tickets that are currently issued by existing ticket machines.
21. *Many Councils charge for parking in the evening:* A number of Councils within Hampshire charge for evening parking in their town or city centres. Market Quay car park is well used during the evening and the results of the public survey show that people are willing to pay for the convenience of its location. Both Osborn Road Multi-Storey and Ferneham Hall car parks will increase in use once the remodelled Ferneham Hall opens. Therefore, a small evening charge at Market Quay, Osborn Road Multi-Storey and Ferneham Hall car parks could be a reasonable approach to take, and would generate significant income for the Council.
22. However, as the Council is committed to supporting the rejuvenation of town centre businesses following the impact of Covid-19, it is not proposed to introduce a charge at this time. Evening charges may be considered again in the future.
23. *Blue Badge Parking should remain free:* Other councils are beginning to introduce charges for disabled parking. It is not proposed to introduce such a fee in Fareham.
24. *Parking at District Centres e.g. Portchester and smaller car parks should remain free:* Most Councils within Hampshire do not charge at district centres, and there would potentially be a significant impact on local traders if this was introduced.
25. *Some designated waiting times are too long:* Some free car parks allow prolonged stays, potentially impacting on the availability of spaces. It is proposed that the limited waiting time allowed be reduced in car parks that currently allow longer stays e.g. 24 hours.
26. *Introduce charging for coastal car parks:* All councils on the South Coast (from Cornwall to Kent), apart from Fareham, charge in their coastal car parks. There is an expectation that people pay when parking by the coast, and are willing to do so.
27. The introduction of charging would help encourage greater turnover at busy car parks during the peak summer months. Issues such as motorhomes using the car parks as holiday destinations would also be tackled through updated parking conditions restricting overnight parking. Waiting restrictions would be placed on the Warsash Road car park to help keep spaces free for those wanting to visit local shops. Additional restrictions in car parks located close to coastal car parks within the Borough will be assessed on a case-by-case basis.

28. It is proposed to introduce a charge of £3 for 4 hours between 10am and 6pm (allowing local dog walkers time to walk their dogs in the morning and evening with no parking fee). This compares well with neighbouring Gosport, which charges between £3.50 and £4.00 for 4 hours parking and Hayling Island which costs £5.80. Other charging prices were assessed but they did not provide the right balance between being competitive with other local Councils, offering value to the customer and income to the Council.
29. Based on the parking surveys conducted, this proposal could generate up to £900,000 income per year. The purchase of the solar powered pay-and-display machines would cost approximately £75,000. There would also be some additional costs associated with cash collection and maintenance of the machines.
30. Condition surveys of the coastal car parks were conducted and a number of potential improvements were identified. The installation of height barriers and dragon's teeth, would aid enforcement and help contain parking within the designated areas in both Monks Hill and Salterns car parks. This proposal would cost £23,000.
31. Improvements to the shingle surface, the clear marking of parking bays and the replacement of the tired wooden barriers at the western end of Meon Shore car park would improve user experience and aid enforcement. This proposal would cost £40,000.
32. Discussions with English Heritage are currently taking place to confirm agreement requirements for any changes made to the charging regime at Portchester Castle car parks.
33. Discussions are also taking place with St Mary's Church, Portchester about the proposals within this report, but it should be noted that a number of churches within the Borough do not have their own car park facilities.

#### **THE ENFORCEMENT TEAM**

34. As stated above, it was necessary to review the future size and structure of the Council's car parking team, given the loss of on-street parking enforcement responsibilities. Members will be aware that such a restructure falls under the responsibility of the Chief Executive Officer in his role as Head of Paid Service.
35. The first phase of the restructure was to split the Parking Enforcement Team into an off-street team of 4 officers and an on-street team of 4 officers, which took place late in 2019. The officers working within the on-street team were then offered the opportunity to transfer to the private parking contractor appointed by the County Council. No officers wished to transfer, resulting in redundancy costs of approximately £90,000.
36. The second phase of the restructure involved a review into the possibility of merging the roles of off-street car parking enforcement with environmental enforcement. Issues linked to environmental enforcement, such as littering and dog fouling, have long been priorities for our residents. More recently, many residents and businesses have also expressed concerns about anti-social behaviour in Fareham Town Centre linked to drug misuse, many of which have an environmental impact (e.g. drug paraphernalia littered in the town centre).

37. The review identified that whilst the two Environmental Enforcement Officers worked hard to tackle these issues, the limited level of resourcing meant that it was impossible to provide a responsive and effective service 7 days a week. As a result, it was decided to merge the roles of the Parking Enforcement Team and Environmental Enforcement Officers to create a General Enforcement Team of 6 people plus a manager.
38. The second restructure took place in early 2020 creating a General Enforcement Team. The timing of the restructure meant that there was sufficient time for the new team to become operationally effective before the removal of on-street enforcement in April.
39. Led by the Parking Manager, the team now provides the Council with a more resilient and flexible approach to enforcement, with a good level of parking and environmental enforcement across the Borough 7 days a week.
40. The team are also working closely with the officers involved in the town centre security trial with a view to including these security duties in their future role, as the security activity has been very well received by Fareham residents. They also played an important role, supporting the Police to enforce restrictions during the Coronavirus lockdown, providing guidance to the public and speaking to any people breaking the rules. This experience has given the Enforcement Officers a good grounding in many of the additional face-to-face enforcement duties they intend to take on.
41. In addition to providing a more effective enforcement service, the new approach has resulted in employee savings of £91,300 per year.

## **FINANCIAL IMPLICATIONS**

42. It is important to recognise that the review of the parking service has been undertaken at a time when the Council faces a shortfall of £1.5 million in its medium term financial plan. In addition, the impact of the Covid-19 emergency is placing further pressure on the Council's finances. An "opportunities plan" has been compiled to identify new ways of generating income to reduce the shortfall, and the parking review is a key element of that plan.
43. The termination of the Agency Agreement also presented the Council with additional costs to meet, which have largely been offset by the annual reduction in staffing costs.
44. The proposals within this report include one off costs of approximately £325,000 to pay for the new parking machinery, £63,000 for improvements to coastal car parks and then approximately £900,000 in potential additional revenue. The new revenue stream would be used to pay back the one off costs as well as contributing to the overall costs of improving parking facilities (see below). The revenue stream would also make a significant contribution to closing the £1.5 million gap in the Council's future finances.

## **CAR PARK IMPROVEMENTS**

45. A separate report is included on today's Executive Agenda regarding the long-term future of Osborn Road Multi-Storey Car Park. Following extensive testing and advice from structural engineers, it is proposed that the car park is remodelled to guarantee a good level of town centre parking for the foreseeable future. This will require a significant level of capital investment and will complement the Civic Quarter Masterplan and remodelled Ferneham Hall.

46. Condition surveys of all the Borough's Council owned car parks were conducted towards the end of 2019. They identified a number of car parks (excluding coastal car parks) that required a limited amount of maintenance such as re-lining, to continue to ensure a good level of parking provision. This work has now been completed.
47. Future improvements to all car parks will include electric car charging points and this will be reported to a future meeting of the Executive once the necessary research has been undertaken.

## **EQUALITIES**

48. An Equalities Impact Assessment regarding the proposals in this report has been completed. It did not identify any significant impacts on residents and visitors. Blue Badge parking would remain free in coastal car parks and disabled spaces would continue to be clearly marked. Both the new coastal and pay-on-foot payment machines would need to demonstrate their accessibility when procured. The pay by phone options, also provide alternatives for those not wanting to use the coastal payment machines.
49. Economically disadvantaged visitors would still be able to park at the coast for free before 10am and after 6pm. It must also be remembered that the Council's proposed coastal charge provides better value to the customer when compared to those levied by other local Councils.

## **CLIMATE CHANGE AND CARBON REDUCTION IMPACT**

50. The Government's strategy is to move away from petrol and diesel cars to electric cars. As such, there will still be a need for adequate car parking provision in the Borough in the future. The main impact of this report is to provide a significant new revenue stream which can be used to fund future improvements to the Council's car parks. Such improvements could include electric charging points and solar panels to provide energy to any car park infrastructure.
51. Specifically, the report includes a recommendation to purchase solar powered pay-and display machines for coastal car parks.
52. Initially, the proposals in the report would increase journeys by the General Enforcement Team as they would need to visit the coastal car parks for enforcement purposes. However, in the medium term, as the Council gradually replaces its fleet of diesel vehicles with electric vehicles, these carbon emissions would be significantly reduced.

## **Scrutiny Panel**

53. A draft version of this report was presented to the 24 August Policy and Resources Scrutiny Panel. Members acknowledged the need to secure new revenue streams. The Panel recommended an alternative charging scheme be considered by the Executive. This can be found at Appendix B, alongside a number of alternative options and the projected financial impact each would have on projected parking income.
54. Members of the Policy and Resources Scrutiny Panel recommended that all payment methods, including cash, continued to be offered to customers. The provision of a range of payment options, including cash, will be included in future procurement specifications.

55. The Panel requested that the coastal pay machines be fitted with multiple language options. This is a facility that will be explored and included in the specification for the solar powered pay-and-display machines, subject to the cost not being prohibitive.

### **NEXT STEPS**

56. If the proposals outlined in the Parking Services Review are approved, the Council would need to consult on updated Traffic Regulation Orders for daytime charging at the coastal car parks. Procurement of the new pay-on-foot systems and the pay-and-display machines for the coastal car parks would begin immediately.
57. A further review will be undertaken after the first full year of operation to measure the effectiveness of the new arrangements.

### **CONCLUSION**

58. This report has set out the results of a detailed review of the Council's Parking Service, and has put forward options for the future delivery of the service.
59. A new General Enforcement Team has been created and was fully operational by 1<sup>st</sup> April 2020, at which point the Council was no longer responsible for on-street parking. They played an important role in supporting lockdown restrictions during the Covid-19 emergency.
60. The proposals for the future have the potential to generate a significant new revenue stream for the Council which will help to offset the costs of the parking service, including major improvements to Osborn Rd Multi-Storey Car Park, as well as contributing to the £1.5 million shortfall in the Council's medium term financial plan.

### **Enquiries:**

For further information on this report please contact Roy Brown, Project Coordinator. (Ext 4489)



Fareham Borough Council  
Parking Review

## 1. Aims and Methodology

### Introduction

This document outlines the findings of the Council's review into parking provision and enforcement which took place between May 2019 and May 2020. It analyses options for future provision and outlines preferred options.

### Why conduct a review?

- Hampshire County Council took back 'on-street enforcement' in April 2020, considerably reducing Fareham Borough Council's income (£250,466 in 2018/19).
- This added to the Council's overall projected funding shortfall.
- An Opportunities Plan has been prepared to address this shortfall, as well as building in some capacity for future pressures and uncertainties.
- The Opportunities Plan includes a review of parking and enforcement.

### What were the aims of the parking review?

On 4 March 2019, the Executive agreed to the following review scope: -

- Identify the level of off-street enforcement required from April 2020 onwards;
- Explore whether other enforcement opportunities for CEOs could be introduced;
- Explore options for charging in non-town centre car parks;
- Explore options for cashless payments;
- Identify the most appropriate car park machinery (i.e. barriers and pay machines) for Osborn Road, Fareham Shoppers and Market Quay car parks; and
- Identify the level of back office support needed.

### What was the methodology?

The parking review was conducted between May 2019 and May 2020. In order to cover the broad scope of the review several methods were used: -

- Research of comparator Councils in Hampshire and along the South Coast;
- Research into parking machinery technology e.g. cashless and ticketless parking;
- Engagement sessions with CEOs and Parking Manager;
- Parking preference survey (May-June);
- Evening town centre evening car park usage counts (June); and
- Coastal Parking Surveys (July and August).

The following part of the report outlines the findings of the review.

## 2. What does parking in Fareham look like?

### Car Parks

- We have 44 off-street Council-controlled car parks, providing approximately 4,378 spaces across the Borough.
- The majority are free, with only the 17 town centre car parks currently chargeable.
- Of these, 1 is a “premium” car park (Market Quay), 9 are “inner” (equivalent to short stay), and 7 are “outer” (equivalent to long-stay) car parks.
- 3 of the chargeable car parks (Osborn Road, Market Quay and Fareham Shoppers) have pay-on-foot parking machines.
- The remaining chargeable car parks have pay-and-display machines.

### Ticket types and permits

- A variety of season ticket options for parking in the outer car parks are available to the public.
- Council employees based at the Civic Offices can park in either Osborn Road, Multi-Storey or Lysses open air car park.
- Organisations leasing space at the Civic Offices have individual agreements for the provision of parking permits for their employees. Permits are also provided to Citizens Advice employees and volunteers.
- Blue badge holding residents are able to register for free parking in Osborn Road Multi-Storey car park and can park for free in all the pay and display car parks.
- Shopmobility is based at Osborn Road and approximately 100 people a month benefit from free parking when hiring a mobility scooter there.

### Parking usage and charging income

- Since 2011/12, income and usage has declined in nearly all Fareham’s town centre car parks, except for Fareham Shopper’s Multi-Storey car park which has seen a marginal increase.
- Osborn Road Multi-Storey experienced the biggest drop in income from £759,987 in 2011/12 to £424,547 in 2019/20.
- As Chart 1 shows, income from charging declined by nearly 24% overall, from approximately £2.50m in 2011/12 to £1.88m in 2019/20.



- Whilst the long-term picture is one of decline, between 2014/15 and 2018/19 Market Quay, Lysses and Malthouse Lane car parks all experienced small increases in income. However, each saw a reduction in income in 2019/20. The closure of car parks at the end of March 2020, due to Covid-19, would have only had a very minor impact on overall long term figures.
- Although lower than in 2011/12, income for the outer car parks has also remained relatively stable during the last 6 years.

### **Reasons for decline**

- A combination of factors has likely contributed to the drop in off-street parking usage and income.
- Firstly, there was a 33% reduction in overall footfall within the town centre between 2013 and 2018.
- This reflects national trends and is partly linked to restricted household incomes and the growth of online shopping.
- Local factors such as the opening of Whiteley Shopping in 2013 and the closure of stores such as M&S and Argos have also likely contributed.
- One of the most significant factors was the opening of Quay Street Tesco in 2011. The store offers 560 spaces with the first 30 minutes of parking free. Up to 3 hours of parking is also free subject to a £3 spend in store.

### **Off-Street Penalty Charge Notice (PCN) income**

- Income from off-street Penalty Charge Notices (PCNs) in car parks, decreased by 64% (£68,355) from £106,733 in 2011/12 to £38,378 in 2019/20.

### **Reasons for decline**

- This reduction is in part linked to the decrease in people parking in the town centre.
- It also reflects the change in working practices resulting from the Parking Service's 2014 Vanguard intervention.
- CEOs now engage with customers and make decisions based on the facts set out in front of them, instead of automatically issuing a PCN.
- Around 163 PCNs a week were issued before the intervention. This reduced to an average of 110 after the intervention.
- This lowered the amount of challenges received, from an average of 45 a week to just 23 a week, also reducing the time spent processing appeals and responding to customers.

### 3. What do our residents want from parking in the Town Centre?

#### Consultation

- Residents and visitors to the town centre were asked about their parking preferences in a survey that ran from 29 May to 26 June 2019. Nearly 800 people took part.

#### What is parking like in Fareham now?

The following themes emerged from the responses:

- The closeness of the car parks to facilities and shops is clearly the biggest driver of people choosing inner car parks.
- 91% of respondents would prefer the flexibility to pay when they leave (pay-on-foot) rather than pay and display.
- 66% of respondents would possibly stay longer if they could pay on foot.
- Respondents would like a range of payment options with cash, contactless, chip & pin and 'pay by phone app's being the most popular.

#### Options explored

- Based on the survey results, more pay-on-foot parking could encourage longer stays in the town centre.
- However, this must be balanced against the significantly higher capital costs of pay-on-foot systems.
- Osborn Road, Fareham Shoppers and Market Quay car parks have the level of use required to justify pay-on-foot machines.
- We could extend payment options to respond to resident needs i.e. introduce a pay-by-app option for pay-and-display car parks.
- This would help reduce the level of cash collection required and the need for the customer to carry cash.
- These systems have convenience charges that range from 10p-30p per parking session, depending on the supplier.
- These can either be absorbed within the Council's charge (e.g. 10p of £1.00 would go the app supplier) or added on to the parking charge for the user to pay (e.g. a £1 parking charge would cost them £1.10)

#### Recommended approach

- Introduce a pay-by-app option for all pay-and-display car parks.

#### 4. A high-level of parking machinery failure

##### Parking Machinery Failures

- Machine malfunctions in the Council's pay-on-foot car parks (Osborn Road, Fareham Shoppers and Market Quay) create a high level of failure demand.
- For example, the parking control room received 397 daytime calls regarding parking failures during May 2019.
  - 50% were for Market Quay
  - 40% were for Osborn Road Multi-Storey
  - 10% were for Fareham Shoppers Multi-Storey
- The majority of the calls relate to:
  - Barriers not raising on entry or exit
  - Tickets not working when put into the payment machine
- Parking failures also contribute to approximately 68% of all calls to the Council's Out-Of-Hours Service.
- Of these, 85% are calls regarding parking failures at Market Quay.

##### What is causing the failures?

- The pay-on-foot ticketing machines, barriers and cameras are old and prone to failure.
- The Automatic Number Plate Recognition (ANPR) cameras are not recognising number plates.
- The magnetic strips that store information on tickets create a high level of failure demand. This is because they are easily wiped e.g. by being kept close to a mobile phone in a person's pocket.
- The age of the machines means that maintenance and repairs are becoming more difficult.

##### Options explored

- **Option 1:** Replace the pay-on-foot machines (barriers, cameras and ticket machines) in the Osborn Road, Fareham Shoppers and Market Quay car parks with Pay-and-Display machines.
- The new machinery would cost approximately £125,000 in total.
- This would greatly reduce the amount of failure demand caused by machine failures.
- It would increase the level of off-street parking enforcement needed as pay-on-foot parking generally enforces itself.
- Residents prefer pay-on-foot parking and it may discourage longer stays in the town centre.
- **Option 2:** Replace the pay-on-foot machines (barriers, cameras and ticket machines) with newer and more reliable pay-on-foot technology.
- The tickets would use barcodes which have a much lower failure rate.
- The new ANPR cameras would be able to read number plates more accurately and be more able to cope with different weather conditions, smudge marks on the number plates and certain letters and numbers that trouble older models.

- Market research shows that new parking machines for Osborn Road, Fareham Shoppers and Market Quay car parks would cost approximately £250,000.
- Although more expensive, this would reduce complaint calls to the Council and better meet the preference of the majority of our customers, who generally prefer to pay-on-foot.

**Recommended approach**

- Introduce new pay-on-foot machinery in Osborn Road, Fareham Shoppers and Market Quay car parks.

## 5. Charging Periods

### What is parking like in Fareham now?

- Fareham parking charges are applicable from 8am to 6pm Monday to Saturday and from 10.30am to 4pm on Sundays and Bank Holidays in all the inner town centre car parks.
- Parking is free on Sundays and Bank Holidays in the outer car parks.

### How do we compare with other Councils?

- There are a range of charging times used across Hampshire.
- The majority of town centre short stay car parks (60%) charge from 8am to 6pm as Fareham does.
- A further 6% charge from 8am until 7pm.
- Portsmouth charges 24 hours in popular areas such as Guildhall Walk, as does Southampton.
- A number of Councils charge for evening parking in some or all of their central car parks:
  - Rushmoor (£1.00 single charge)
  - Basingstoke & Deane (£2.00 single charge)
  - Southampton (£2.00 single charge)
  - Portsmouth (hourly charging with £1.60 for first hour)

### Options explored

- Based on evidence from the comparator councils, introducing a modest evening charge for parking in the town centre would be a reasonable approach to take.
- A single charge of £1.50 for evening parking (6pm onwards), would fairly reflect the offer of the town and compares well to other centres that charge for evening parking.

#### £1.50 evening charging at Market Quay car park

- Market Quay's high level of use during the day and the results of the public survey show that people are willing to pay for the convenience of this car park.
- Market Quay is also the busiest car park in the evenings and would be the most appropriate car park to start charging in.
- This may have an impact on the night-time economy, however, visitors would have a choice of other non-chargeable inner car parks if they did not want to pay the fee.
- This proposal could generate the Council up to £70,000 per year.

#### £1.50 evening charging in all inner car parks

- Market Quay was the only 'inner' car park that was really well used when surveyed in the evening.
- Despite a performance at Ferneham Hall on one of the nights, numbers in Osborn Multi-Storey and Ferneham Hall car parks were low. However, it is anticipated that numbers will increase when the remodeled venue opens.

- Based on the parking survey, this proposal could generate the Council up to £95,000 per year.
- Some of the inner car parks are pay and display, meaning Enforcement Officer shifts would need to end later to ensure adequate enforcement.
- Technology is available that would allow validated parking for users of Ferneham Hall e.g. receive discounted parking.

#### **£1.50 in all town centre car parks**

- During the evening surveys, all the town centre car parks except Market Quay and Trinity Street were quiet.
- A number of cars parked in the outer car parks had residents parking permits in their windows and it is likely that other residents park there overnight.
- Based on the parking survey results, this proposal could generate the Council up to £130,000 income per year.

#### **Support for town centre businesses**

- The income generated would help the Council to tackle its financial challenges.
- However, the Covid-19 pandemic has had a significant impact on town centre businesses, including those in the night-time economy.
- The introduction of an evening charge at this time may impact on their businesses as they try to recover and adapt to the new retail, hospitality and leisure environment.
- It would be appropriate to look again at options for evening charging when town centre businesses have had time to re-establish themselves following the Covid-19 pandemic.

#### **Recommended approach**

- Do not introduce town centre evening charging at this time.
- Re-assess the potential for the introduction of evening charging at a later date.

## 6. Short stay/inner parking charge levels

### What is parking like in Fareham now?

- The Council's inner car parks charge £1 an hour during chargeable dates and times.
- Our premium car park, Market Quay charges £1.50 an hour during chargeable dates and times.

### How do we compare with other Councils?

- There are a variety of charging levels across Hampshire ranging from £0.40 for the first hour (Rushmoor, Peabody Rd) to £1.80 (Portsmouth, Ashby Place).
- Table 1 below shows that the average hourly charge for inner/short stay parking is £1.06, marginally more expensive than Fareham's inner rate.

**Table 1: Short Stay Parking Charge Comparisons**

<b>Council charging</b>	<b>30 mins</b>	<b>1 hour</b>	<b>2 hours</b>	<b>3 hours</b>	<b>4 hours</b>	<b>5 hours</b>
<b>Hampshire Average</b>	£0.50	£1.06	£1.86	£2.95	£4.09	£5.68
<b>Hampshire Highest</b>	£0.50	£1.80	£3.10	£4.20	£5.60	£6.00
<b>Hampshire Lowest</b>	£0.20	£0.40	£0.50	£1.00	£1.30	£1.50
<b>Eastleigh</b>	n/a	£1.50 - £1.60	£2.60	£3.60	£4.40	£5.40
<b>Fareham Inner</b>	N/A	£1.00	£2.00	£3.00	£4.00	£5.00
<b>Fareham Premium (Market Quay)</b>	N/A	£1.50	£3.00	£4.50	£6.00	£7.50

- Eastleigh has a comparative town centre offer to Fareham. Its short stay car parks are considerably more expensive (between £1.50 and £1.60 for the first hour) than Fareham's inner car parks.
- Fareham's premium car park, Market Quay is relatively expensive when compared to other Council car parks in Hampshire, however, its high level of use shows that people will pay for the convenience of parking close to shops and facilities.
- Gosport, New Forest, Rushmoor and Basingstoke offer a limited amount of free off-street parking in their town centres. Basingstoke offers free parking for the first hour.
- Modelling shows that adopting the same approach would reduce Fareham's income from parking charges by approximately 50%.

**Options explored**

- Based on the charging level evidence from comparator car parks, there is little scope to increase the charges for our inner car parks.

**Recommended approach**

- Maintain the current charging levels for inner car parks at this time.

## 7. Long stay/outer parking charging levels

### What is parking like in Fareham now?

- There are six outer car parks in Fareham town centre. These charge 70p per hour up to five hours, with five hours and above costing £3.50.

### How do we compare with other Councils?

- Fareham's outer car parks offer very good value to visitors.
- Table 2 below shows that 70p is the lowest charge for the first hour of any comparable car park in the County.

**Table 2: Long Stay Parking Charge Comparisons**

	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours
<b>Hampshire Average</b>	£1.12	£1.87	£2.60	£3.37	£4.49	£5.74
<b>Hampshire Highest</b>	£1.60	£2.60	£3.50	£4.50	£8.00	£12.00
<b>Hampshire Lowest</b>	£0.70	£1.30	£1.80	£2.00	£2.50	£3.50
<b>Eastleigh</b>	£0.90- £1.50	£2.60	£3.60	£4.40	£5.40	£8.50
<b>Fareham</b>	£0.70	£1.40	£2.10	£2.80	£3.50	£3.50

- This value to the customer increases the longer they park.
- For example, the average long stay charge for 5 hours in Hampshire is £4.49 and in Eastleigh is it £5.40, whereas in Fareham it is £3.50.

### Options Explored

- Fareham's relatively low charges indicate that a minor increase in the hourly charge for parking in the outer car parks would be reasonable.
- A 10p increase in the hourly charge for outer car parks could generate the Council up to £51,000 a year.
- A charge increase may have an impact on the level of footfall in the western end of West Street and the High Street as these areas are primarily served by outer car parks. This would not be helpful in view of the difficulties caused by Covid -19.

### Recommended approach

- Maintain the current charging levels for outer car parks at this time.

## 8. Town Centre Season Tickets and Permits

### What is parking like in Fareham now?

- Fareham's season ticket prices have not risen since 2010 and cost £520 per year for a full-time pass.
- Income from season tickets sales increased from around £60,000 in 2011/12 to £124,521 in 2019/20.
- Fareham's season ticket system is complicated with 418 ticket variations.
- The vast majority of purchases are for full time tickets (Monday-Saturday).
- Season tickets are often bulk purchased by town centre employers for use by their employees.
- Due to the number of cars involved and turnover of users, registration plates are not recorded for these purchases. This leaves the system vulnerable to abuse and difficult to enforce.

### How do we compare with other Councils?

- Fareham's season tickets offer very good value to users.
- A variety of season ticket regimes and charges are in place across Hampshire. As can be seen in Table 3, Fareham's annual charge of £520 is relatively low.

**Table 3 – Season Ticket Cost Comparisons**

<b>Council</b>	<b>Annual Season Ticket Price</b>
<b>East Hampshire</b>	£900
<b>Eastleigh</b>	£910 - £1,480
<b>Hart</b>	£753-£1,200
<b>Rushmoor</b>	£840-£1440
<b>Gosport</b>	£480
<b>Fareham</b>	£520

- The majority of Councils within Hampshire manage their season tickets through digital systems such as, MIPERMIT.
- Customers benefit from a simple registration and payment system without the need for a permit in their car window.
- Season ticket information and registrations are linked to the handsets of CEOs making it easier to enforce.

**Options Explored**

- Based on the comparison information, there is potential scope for an increase in Fareham's Season Ticket charges.
- A 10% increase in the cost of season tickets could generate the Council up to £10,000 a year.
- As a large proportion of season tickets are purchased by town centre businesses, the price increase may have an adverse impact on their operations, particularly as they recover from the impact of Covid-19.
- A simplified range of permit options combined with a digital permit system linked to enforcement officers' handheld devices would aid enforcement.

**Recommended approach**

- Maintain the season ticket prices at this time.
- Introduce a digital permit system with simplified purchasing options for the customer and easily accessible information for Civil Enforcement Officers (CEO).
- This could be achieved by making minor changes to the current season ticket processing software, which could be met within current budgets.

## 9. Blue Badge Parking

### What is parking like in Fareham now?

- All disabled residents with Blue Badges can apply for free parking in the Council's pay-on-foot car parks.
- They are also allowed to park for free in the pay-and-display car parks.
- Approximately £89,000 worth of Blue Badge parking occurred in pay-on-foot car parks during 2018/19.
- Though difficult for Enforcement Officers to prove, there is likely to have been some misuse within the scheme e.g. people sharing blue badges amongst family and friends.
- The Government extended the scheme in August 2019 to include people with "hidden disabilities" e.g. learning disabilities, autism and mental health conditions. However, an increase in demand for Blue Badge parking has not taken place yet.

### How do we compare to other Councils?

- Rushmoor is the only Council in Hampshire that charges blue badge holders for off-street parking.
- However, there are a growing number of Councils across the country that do so.

### Options Explored

- Based on the growing number of Councils that do charge for Blue Badge parking, this could be a reasonable approach for Fareham to take.
- Charging for Blue Badge parking in the Council's pay-on-foot car parks could generate the Council up to £89,000 a year.
- There are considerable equality considerations, and a detailed equalities impact assessment that would need to be completed at an early stage.

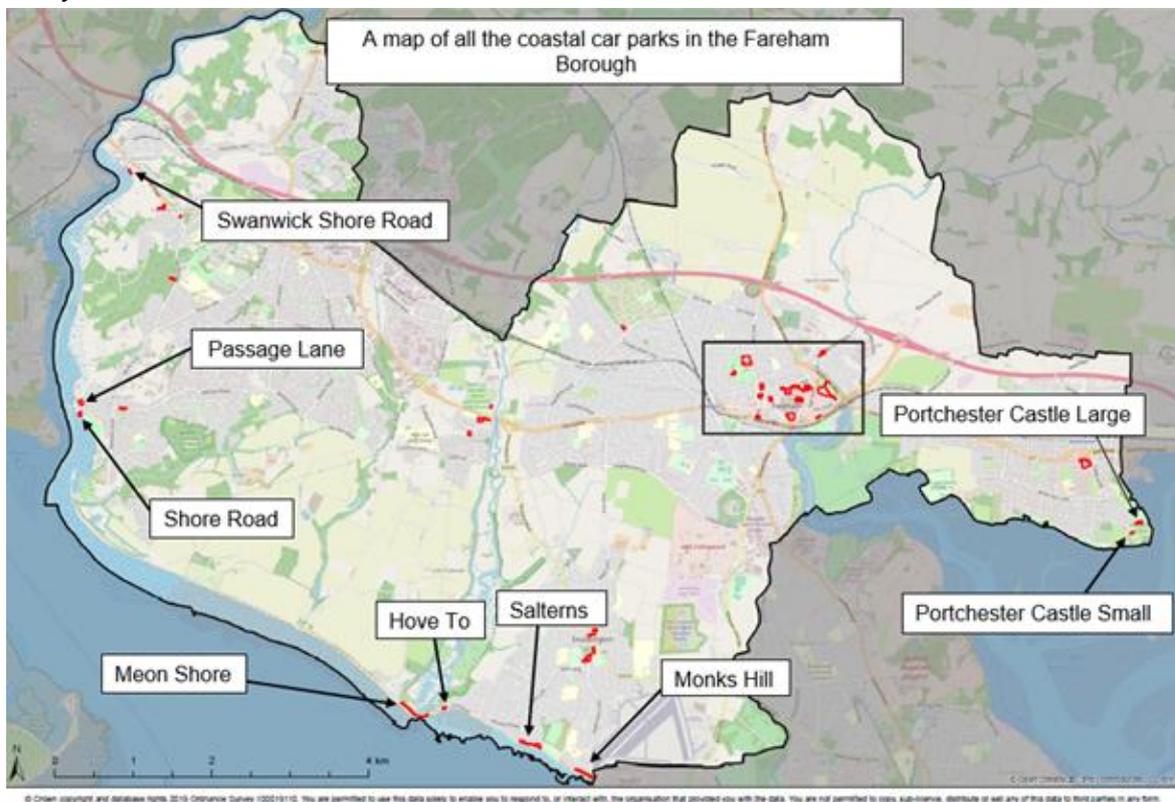
### Recommended Approach

- Do not introduce any charges for Blue Badge Parking at this time.
- Include Blue Badge permits in the proposed digital permit system to aid enforcement.

## 11. Coastal Parking

### What is parking like in Fareham now?

- Fareham has 9 coastal car parks, providing 598 spaces free of charge throughout the year:



- The car parks surveys conducted in June and August 2019 showed a high level of use in all of the car parks, with some used as a base for water sports e.g. kite surfers in Salterns.
- Some car parks have issues with motorhomes parking for long periods of time e.g. Monks Hill - essentially, using them as a free holiday location and blocking residents from using the spaces.
- Current parking conditions allow vehicles to park for up to 7 days in most coastal car parks.
- The high volume of parking in both of the Portchester Castle car parks, means that many residents have difficulty in finding a space.

### How do we compare with other Councils?

- All councils on the South Coast (from Cornwall to Kent), apart from Fareham, charge for some or all of their coastal car parks.
- This level of charging indicates that people generally expect to pay at coastal car parks.
- This is supported by feedback from the Enforcement Officers who cited many examples of people approaching them asking, "Where can I pay for a ticket?"

- Of the charging car parks of other councils, 85% do so throughout the year, with only 15% operating seasonal charges. The most common seasonal charge is from 1 April to 31 October.
- The majority of coastal car parks charge by the hour. Table 4 below shows that the average charge for the first hour is £1.27. The first hour costs between 60p and £1 in Lee-on-the-Solent and 80p in Hamble.

	1 Hour	2 Hours	3 Hours	4 Hours
<b>South Coast Average</b>	£1.27	£2.35	£3.53	£4.40
<b>Gosport/Lee-on-the-Solent</b>	£0.60 - £1.00	£1.00-£2.00	£2.70-£3.00	£3.50-£4.00
<b>Hamble</b>	£0.80	£1.60	£2.20	£2.90
<b>Hayling Island</b>	£1.40	3.90	£4.30	£5.80

### Options Explored

- Fareham's position as the only Council on the South Coast that does not charge in any of its coastal car parks means that introducing a charge would be a reasonable approach to take.
- It is probable that a significant proportion of the users of the coastal car parks are not residents of the Borough e.g. kite surfers at Salterns Park. By not charging, it can be argued that Fareham residents are subsidising their hobbies via Council Tax payments.
- A modest charge of £3 for 4 hours between 10am and 6pm could be introduced which offers good value compared to car parks in neighbouring boroughs e.g. between 50p and £1 cheaper than Gosport for 4 hours.
- Based on the parking surveys conducted, this proposal could generate the Council up to £900,000 per year.
- Higher price points could theoretically create more income e.g. £4 for 3 hrs then free all day parking, could generate an additional £100,000 annually on paper.
- However, surveying shows that most people park at our coastal car parks park for between 1-2 hrs.
- Higher price points would put Fareham on a par with Southsea Seafront, a large tourist destination and make us more expensive than neighbouring Gosport.
- Though difficult to predict by how much, this would likely greatly impact on visitor numbers making the actual increase in income significantly lower than £100,000.
- It would also be hard to argue that we are offering good value to our residents.
- The proposed charging times mean that residents will still be able to park and walk their dogs for free in the designated beach areas in the mornings and evenings.
- The solar powered pay-and-display machines required for the coastal car parks would cost approximately £75,000.
- Improvements to the surfacing and bay marking at Meon Shore car park would improve user experience and aid enforcement at a cost of £40,000.
- Installing height barriers and dragon's teeth in both Monks Hill and Salterns car parks would aid enforcement and ensure parking remains within the designated areas at a cost of £23,000.

- There would also be some additional costs associated with cash collection. However, the introduction of a pay-by-app service would reduce the need.
- This additional income would help fund an enhanced level of enforcement in the coastal car parks.
- The income could also fund improvements to the car parks e.g. interpretation boards and cycle racks.
- The updated parking conditions would also help tackle motorhomes using the car parks as a holiday destination.
- Introducing limited time parking conditions in Warsash Road car park would help keep spaces free for those wanting to visit local shops.
- Charging, coupled with limited wait times will encourage turnover at busy car parks such as the two at Portchester Castle, allowing more people to use them.

### **Recommended approach**

- Introduce a £3 charge for 4 hours between 10am and 6pm at coastal car parks.
- Monitor the level of usage during the peak summer months following the introduction of charging, identifying car parks where an increase in the number of spaces may need to be explored.

## 12. District Centres and Smaller Car Parks

### What is parking like in Fareham now?

- Fareham does not charge for any of the car parks in the Borough's District Centres e.g. Portchester or any of the smaller car parks that service other parts of the Borough.

### How do we compare with other Councils?

- There are no charges in the majority of the district centre and smaller car parks across Hampshire. Those that do charge, tend to be in village centres within rural areas e.g. Wickham Square.

### Options Explored

- Based on the evidence from the comparator councils and the potential impact on traders based in district and smaller centres, introducing charges would not be reasonable at this time, particularly following the Covid-19 pandemic.

### Recommended approach

- Maintain current policy of not charging in district and smaller car parks.

### 13. Waiting times in non-charging car parks

#### What is parking like now?

- All surface car parks are open 24 hours a day (although patrols will only operate for restricted hours) unless circumstances require overnight closure.
- There are a range of designated waiting times in the various free car parks across the Borough with some currently allowing a stay of up to 7 days.
- This could potentially impact on the turnover of vehicles and the availability of spaces as some vehicles will take up a space for a prolonged period of time.

#### Options Explored

- Reducing the limited waiting time allowed in car parks that allow parking of 24 hours or more is the simplest and most effective way to ensure spaces remain free.

#### Recommended approach

- Reduce the limited waiting time allowed in all car parks that currently allow longer stays e.g. 24 hours or more.

## 14. Parking and Streetscene Enforcement

### Parking Enforcement Team

- Parking enforcement is carried out 7 days a week.
- The Parking Office in Osborn Road Multi-Storey car park has a control room equipped with intercom and screens showing live video from payment machines and barriers.
- Back office support and control room cover is provided by the Licensing Team.
- The Out-of-Hours Team also provide evening cover for parking enquiries and failures (e.g. barriers not raising).
- Prior to a restructure at the end of 2019, the team consisted of 8 Enforcement Officers (EOs).
- Overseen by the Parking Manager, each team of four was split into two EO 'beats':
  - **Beat 1** covered the town centre: spending the majority of their time dealing with on-street parking issues e.g. illegal parking on double yellow lines
  - **Beat 2** enforced across the rest of the Borough: spending most of their time in the off-street car parks.
- They often saw incidents of littering, dog fouling and graffiti but had limited scope to act.
- There was a high level of on-street enforcement, particularly within the town centre.
- The transfer of on-street enforcement back to Hampshire County Council in April 2020, meant it was impossible to justify the same level of CEO cover.
- However, the lack of on-street enforcement created potential for incorporating other elements of enforcement within the officers 'beats' e.g. enforcing responsible dog ownerships and littering.

### Streetscene Enforcement

- There was a team of two Streetscene Enforcement Officers (EOs)
- Their main enforcement responsibilities included:
  - Litter
  - Dog fouling
  - Fly tipping
  - Graffiti
  - Abandoned vehicles
- EOs issued Fixed Penalty Notices (FPNs) for environmental offending, such as littering, and specific offences related to dog control orders, such as failing to remove dog foul and any breaches of a Public Space Protection Order.
- The EOs also occasionally moved on rough sleeper encampments.
- The EOs worked closely with the Community Safety Team to deal with issues linked to rough sleeping and anti-social behaviour in the town centre.
- The EOs supported management when visiting illegal Gypsy and Traveller encampments.

### Environmental enforcement issues are important to residents

- The importance of considerate dog control to residents is evidenced by the high number of consultation responses and support expressed by residents for dog control PSPOs aimed at tackling dog fouling and encouraging responsible dog ownership.
- The high number of attendees to recent town centre Community Action Team (CAT) meetings on the topic of drug misuse shows that this is a serious concern for many residents and businesses.
- In response, the 7 October 2019 Executive approved the 12-month pilot of a Town Centre Security Scheme with two uniformed security officers on foot within the town centre for 37 hours per week at various, flexible times.

### Meeting enforcement demand

- As shown in Table 5, the previous level of environmental enforcement resource struggled to match the level of enquiries received by the Council.

<b>Table 5: Enforcement Activity April 2019 to August 2019</b>					
<b>Activity</b>	<b>Customer reports to Council</b>	<b>Enforcement Actions</b>			
		<b>Verbal</b>	<b>Written</b>	<b>Fixed Penalty Notice</b>	<b>Vehicle removed</b>
<b>Fly Tipping</b>	61	3	2	3	
<b>Littering</b>	83	6		1	
<b>Dog Fouling</b>	20	2	3	2	
<b>Abandoned Vehicles</b>	167				4
<b>PSPO (More than 4 dogs on leads)</b>	0		1	3	

- Whilst the Council's two Streetscene Enforcement Officers worked hard to tackle these issues, the limited level of resourcing meant that it was impossible to provide a responsive and effective service 7 days a week.

## Options Explored

- A number of options to enforcement were explored prior to April 2020, aimed at providing responsive and cost-effective enforcement services.
- The options below considered 4 CEOs within the Parking Team being offered, at the end of 2019, an opportunity to transfer to the private sector on-street enforcement provider appointed by Hampshire County Council.
- **Option 1:** Having no parking enforcement would have saved £232,562 in annual salary costs, although there would be significant redundancy costs.
- Penalty Charge Notice income would disappear (off-street currently generates £50,000 a year).
- Parking would become a free-for-all across the Borough.
- It would be very difficult to provide adequate cover for the parking control room, making it hard to resolve parking failures.
- There could be a disproportionate impact on blue-badge holders if there are no spaces due to abuse.
- **Option 2:** A minimal parking enforcement team of 4 CEOs and the Parking Manager would cost £141,262 in annual salaries.
- The low number of CEOs means that there would be some periods with little or no enforcement cover across the Borough e.g. during holidays and sickness.
- There would still have been issues in providing adequate cover for the control room.
- The rota requirements would have likely impacted on retention and recruitment.
- **Option 3:** Combining the Parking and Enforcement Streetscene Teams into a General Enforcement Team of 6 CEOs and 1 Parking Manager would save the Council £91,300 in salary costs.
- This is the minimum number of officers needed to ensure reasonable enforcement cover across the Borough.
- There would be good capacity for PCN income.
- This approach offered greater flexibility and resilience to deal with fly-tippers, encampments, dog fouling, drug paraphernalia in the town centre etc.
- Lessons could be learned from the pilot Town Centre Security Scheme, with the potential for the CEOs to take on the security scheme duties in the future.

### **Recommended approach**

- Create a General Enforcement Team of 6 CEOs overseen by the current Parking Manager.
- The team would deal with the following enforcement issues:
  - Off-street parking
  - Environmental:
    - Littering
    - Dog fouling and control
    - Flytipping
    - Abandoned Vehicles
  - Public Spaces Protection Orders (PSPO)
  - Gypsy and Traveller encampments
- The Parking Manager would also become responsible for elements of licensing enforcement.
- Back office support e.g. processing appeals and covering the parking control room would be provided by the Licensing Team.

### **Recommended approach implementation**

- The new Enforcement Team were trained and operational prior to 1 April 2020.
- They have taken on both off-street parking and environmental enforcement duties.
- The Team has provided a good level of enforcement cover across the Borough 7-days a week.
- Enforcement Officers played a critical role in supporting the Police to ensure that Covid-19 government guidance was adhered to in public places, whilst restrictions were in place.
- They have worked closely with the security team as part of the Town Centre Security Trial, learning the best approaches to dealing with anti-social behaviour.

### 15. Preferred Option Summary

<b>Solution</b>	<b>Costs</b>	<b>Annual Saving</b>	<b>Annual Income</b>
<b>Introduce pay-by-app option for all pay-and-display car parks</b>	£0.10-£0.30 per transaction		
<b>Create General Enforcement Team of 6 CEOs &amp; 1 Parking Manager</b>	Salary £194, 526	Salary savings £91,300	
<b>Replace all pay-on-foot machinery with new more reliable equipment</b>	£250,000		
<b>Introduce coastal parking charges of £2 for 4 hours</b>	Pay and Display Machinery  £75,000		£900,000
<b>Improve Meon Shore surfacing and parking markings</b>	£40,000		
<b>Install height barriers and dragon's teeth in Monks Hill and Salterns Car Park</b>	£23,000		



**Parking Service Review**  
**Alternative Charging Scenarios**  
**07 September 2020**

**Introduction**

The Policy and Resources Scrutiny Panel held on 24 August 2020 recommended that the Executive consider an alternative charging schedule to that detailed within the Executive report dated 07 September 2020. These options are presented below with details of the projected financial impact for the Council:

**Charging Options**

Table 1 contains details of the income projections for the charging schedule proposed within the Executive report alongside those proposed by the Scrutiny Panel and a number of potential variations for consideration.

A range of charging periods are adopted by other Council's throughout the country who charge in coastal car parks. Two additional charging period options have therefore been included within the table for consideration.

<b>Table 1: Alternative Charging Options</b>		
<b>Charging Option</b>	<b>Annual Income Potential</b>	<b>Income comparison to recommended option</b>
<b>Recommended Option:</b>  <b>Charge from 10am – 6pm</b> <ul style="list-style-type: none"> <li>• £3 for 4 hours</li> <li>• £6 for up to 8 hours</li> </ul>	£900,000	N/A
<b>Scrutiny Panel Recommendation:</b>  <b>Charge from 10am – 6pm</b> <ul style="list-style-type: none"> <li>• £1 for 1 hour</li> <li>• £2 for 2 hours</li> <li>• £3 for up to 4 hours</li> <li>• £6 for up to 8 hours</li> </ul>	£583,000	- £317,000

<b>Variation 1:</b>  <b>Charge from 10am – 6pm</b> £1 for 1 hour £3 for up to 4 hours £6 up to 8 hours	£741,000	- £159,000
<b>Variation 1a</b>  <b>Variation 1 but ...</b> <b>Charge from 10am - 8pm</b>	£801,000	- £99,000
<b>Variation 1b</b>  <b>Variation 1 but...</b> <b>Charge from 8am - 8pm</b>	£870,000	- £30,000

The above figures have been calculated using data compiled as part of a public consultation exercise in 2019 regarding car park usage throughout the Borough.

There is a significant drop in income in the Scrutiny Panel recommendation and Variation 1 when compared to the original proposal because a considerable number of people parking within the Borough car parks stay for up to an hour, with up to 2 hours being the second most popular length of stay. Charging less for these stays will therefore result in less income being received from parking charges.

Some spaces remain empty for several hours in some car parks, so it cannot be assumed that every space is filled for every hour of the day in every car park up to 6pm. The figures above take account of current usage in each calculation.

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Osborn Road Multi-Storey Car Park</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	A Dynamic, Prudent, Progressive Council. Maintain and Extend Prosperity.

**Purpose:**  
To outline a proposal to extend the life of, and modernise, the Osborn Road Multi Storey Car Park.

**Executive summary:**

The Osborn Road Multi Storey Car Park (MSCP) was constructed in 1973, providing nearly 40% of the town centre parking spaces. The car park is now reaching the end of its useful life and options have been considered to determine the future of the asset.

Due to the fundamental changes occurring in town centres and, in particular, high streets across the UK, coupled with the shift from combustion to electric vehicles, it is very difficult to predict the parking requirement beyond 5-10 years.

An option for a permanent replacement has been considered, but in light of the uncertainties surrounding the future demand, alternative options have been explored and the recommended approach is to undertake a full refurbishment of the car park, with works to improve the structural integrity of the building for up to 15 years.

If agreed, the work would be progressed on a similar time frame to the new arts and entertainment venue in the town centre. Together, this construction work would represent a significant investment by Fareham Borough Council in the town centre.

**Recommendations:**

It is recommended that the Executive agrees that:

- (a) the outline proposal for the refurbishment of Osborn Road Multi Storey Car Park be approved; and
- (b) the car park scheme be added to the capital programme.

**Reason:**

The Osborn Road MSCP provides a large proportion of the town's car parking spaces and is approaching the end of its useful life. The options put forward will ensure that the town centre parking supply continues to meet demand.

**Cost of proposals:**

The estimated cost of the refurbishment is £5.5m and would be financed through borrowing. The cost of finance would be met from increased parking income and proposals for this are the subject of a separate report on this agenda.

**Appendices:**                    **A: Stride Treglown Stage 2 Concept Design Proposals**  
   **B: Summary Cost plan for the Refurbishment Works**  
   **C: Proposed Decorative Brickwork Illustration**

**Background papers:**    **Initial design papers, survey reports**

**Reference papers:**        **None**

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Osborn Road Multi Storey Car Park
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. The Osborn Road Multi Storey Car Park (MSCP) was constructed in 1973, providing over 800 “pay on foot” parking spaces over six decks. It is also the location of the Council’s car parking control office, and the Shopmobility service for the town centre.
2. A review was undertaken in 2012, which identified the schedule of maintenance and repair work that was required. It also identified the need for regular inspection to be carried out, to ensure that the car park remained structurally sound for the following five years.
3. While this approach has ensured that the car park continues to provide a large proportion of the parking in the town centre, it has become more evident that the car park offer is no longer suited to the demands of current and future users. A review was commissioned in 2019, and this report presents options for the car park’s future.
4. The MSCP is a significant asset to the town centre, providing nearly 40% of all town centre off street parking, and is ideally located for visitors to Fareham Shopping Centre, Fareham library, Civic Quarter public services and public amenities such as the new arts and entertainment Venue. It also provides spaces for town centre workers, some of which are based in the Civic Offices.
5. The Council’s Corporate Strategy recognises the importance of promoting economic vitality across the borough and the need for attractive, vibrant town and district centres to support this. The Strategy states: -
  - *Priority 4: Maintaining and Extending Prosperity. We will commence the regeneration of Fareham Town Centre, which will include the provision of new homes, improvements to retail, leisure and entertainment facilities and changes to parking provision.*
6. A parking survey, undertaken in 2018 identified that the Osborn Road car park is rarely used to its full capacity, and that demand could be fully met through the provision of approximately 500 spaces in that location.

7. Good progress is being made to deliver a new £12m arts and entertainment venue, which will replace Ferneham Hall, with construction due to commence in the Winter 2020/21. It is therefore timely to consider the requirement for acceptable parking provision which meets modern standards, to support the new venue.

#### **EXISTING PARKING OFFER WITHIN THE MSCP**

8. The car park was designed at a time when parking requirements were very different to today. Vehicles were much smaller, electric vehicles were not in use, accessibility arrangements were less relevant and issues within society (such as rough sleeping, drug misuse, etc) were not considered through design.
9. Expectations of multi storey car park users today are of a much higher standard, and some of the best, modern facilities reflect this, with
  - a. spaces that are big enough for modern day vehicles;
  - b. a good supply of accessible spaces for customers with disabilities, or young children;
  - c. readily available electric vehicle charging points;
  - d. access/exit routes that are well-lit, clean and inherently safe; and
  - e. a design that discourages misuse.
10. In contrast, the Osborn Road MSCP does not provide the most welcoming customer experience, with spaces that are unsuitable for larger cars, and a décor which is functional but unwelcoming. The car park also has a history of attracting anti-social behaviour, which deters users, particularly after dark.

#### **STRUCTURAL INTEGRITY AND USEFUL LIFE OF THE MSCP**

11. The car park was constructed by the British Lift Slab company in 1973 using an innovative method of construction at the time, where the slab is jacked up into position. This eased the construction process and the inclusion of ramp parking increased the efficiency of the structure.
12. Regular investment up until 2012 ensured that the concrete structure remained in good order. However, with the condition of the structure deteriorating it was agreed to implement a programme of basic maintenance and inspection every six months to maintain and monitor the car park for a period of five years.
13. Maintenance over this period included the removal of loose material with the treatment of any exposed steelwork to reduce corrosion and ensured that the structure continued to be reported as safe.
14. The construction standards for concrete multi storey car parks have now been updated and the lift slab approach is generally recognised as being flawed, if not strengthened by other means. The other issue raised through the inspections was the risk of a falling section of concrete onto a member of the public. Considering these concerns, the frequency of the inspection and maintenance visits have been increased over the last year. This is supplemented by visual monitoring between each survey by the Council's parking and property teams.

15. The current view is that without significant investment, the car park has a useful life of less than 2 years.

## **ECONOMIC CONSIDERATIONS**

16. Town centre economies have, for a number of years, been experiencing a significant level of change. As the online retail economy continues to grow rapidly, the traditional role of the high street as the place for people to do their shopping is reducing. At the same time, recreational uses on the high street, including bars and coffee shops, hair and beauty provision, services and leisure activities, have seen an increase as high streets continue to adapt to the changes in demand.
17. It is widely expected that the structural change in the role of high streets will continue throughout the coming years, and this is likely to have a direct impact on the scale and type of parking required, and the way in which it needs to function for the benefit of town centre visitors, workers and residents.
18. Also relevant to the future of the Osborn Road MSCP, is the adjacent new arts and entertainment venue, to replace Ferneham Hall. Once complete, the range of uses in the venue will be greater, as will the number of evening performances across a wide range of genres. The new venue is expected to attract a much larger number of visitors and the primary car park to serve them is likely to be the MSCP. Consequently, the purpose of the car park is likely to range from being mainly a daytime facility as a shoppers/workers' car park, to one which also has a more prominent role to service the evening economy of the town.
19. Discussions with the Shopping Centre owners and the new arts and entertainment venue operator have both indicated that a plentiful supply of good quality day and evening car parking in that vicinity is very important in supporting the services they offer.

## **OPTIONS**

20. In order to develop the proposal for the future of the Osborn Road MSCP, the following options have been explored.
21. **Do nothing:** It was necessary to consider the implications of taking no action in relation to the car park, and simply continuing with the monitoring regime currently in place. This option has been rejected as the structural integrity of the car park is approaching the end of its useful life and will therefore require it to be permanently closed. Given the significant parking provision that the MSCP offers the town centre, there would be an immediate shortfall in provision that would be detrimental to the town centre economy.
22. **Maintain and repair to minimum standards:** This option was considered as a viable option and would preserve the car park for potentially 5-10 years. Whilst this would minimise the level of capital investment required, it would not address any of the shortcomings of the existing structure in relation to meeting customers' expectations.
23. **Demolish and replace in the current location:** This option would provide an opportunity to deliver a modern car park facility which meets the latest parking standards and customer expectations and would deliver these in a prime town centre location. This option is inevitably the highest cost option but would provide a large number of parking spaces for the next 40+ years. This option does, however, have a number of drawbacks, beyond the cost of providing it, in particular:
  - a. The car park would be designed at a time when the town centre is experiencing a

structural change, and there is a high risk that the provision would either be excessive, or simply not meet the needs of the town centre in the latter decades of its useful life; and

- b. as it supplies a large number of parking spaces to the town centre and potentially the new arts and entertainment venue, the temporary removal would leave a significant shortfall in supply for a period of 2+ years. At a time when the UK economy is fragile, this could have long lasting implication for the town centre economy.

24. **Demolish and Re-provide in an Alternative Location:** Alternative locations with good access to the town centre amenities are inevitably limited. The favoured alternative location would be Lysses car park, but due to the proximity of the conservation area, along with the land levels and accessibility, it is not an ideal alternative. Initial design work suggested that capacity on this site could, at the very most, be increased by 400 spaces, which would only go part of the way to replacing the Osborn Road MSCP. It would also be a very challenging option in planning terms. For comparison purposes, modelling this option considered a low-cost steel framed construction, as it would likely be the most cost-effective way of meeting current need.
25. **Upgrade the Existing MSCP:** This option would involve significant improvement to the existing structure of the car park, as well as improvements to the access routes (lifts and stairwells), fascia treatment to preserve the structural integrity and improve appearance, resurfacing and relining to modern day vehicle standards and improved connectivity to the surrounding amenities. This option would preserve the life of the car park for 15+ years and achieve many of the benefits of a full re-provision, but with a significantly lower capital investment. Clearly this option also needs to be considered alongside the life expectancy of the structure, which is much shorter than a full rebuild option.
26. When assessed against the objective of providing sufficient, good quality and modern car parking in the town centre in the most cost effective way, the final option “Upgrade the Existing MSCP” is felt to be the preferred option, and further work was undertaken to explore this in detail.

#### **UPGRADING THE EXISTING MULTI-STOREY CAR PARK**

27. To explore this option further, work has been undertaken by a design team appointed by the Council, comprising architectural, structural engineering and quantity surveying expertise.
28. The outcome of the feasibility work undertaken by the team is attached in Appendix A. In summary, the scope of work that could be undertaken to upgrade the car park is set out below.
29. The traditional method to strengthen a car park of this type would involve large steel supports throughout the structure, but advancements in technology offers a new solution using carbon fibre which would reduce the encroachment into individual parking spaces.
30. The second key piece of work would be to make the concrete structure safe from loose/falling material with the removal of defective material, treatment of corroded steelwork and finished with a concrete repair system.
31. To improve the appearance of the car park decks and prolong the life of the structure,

all surfaces including decks would be coated in a protective covering. The existing lighting would be upgraded to LED with revised controls. These works would provide significant improvements to the user experience of the car park compared to the existing arrangements.

32. In conjunction with these works, the layout of the parking spaces would be revised, so that all spaces could accommodate larger, modern cars. Improvements would also be made to walkways on the vehicle decks, to improve the safe movement of pedestrians.
33. The existing main staircase and lift provision in the South East corner of the car park would be upgraded, with new finishes to the lift cars, new door finishes and new call buttons inside and outside the lifts. The control systems would also be upgraded to reduce failure, but it would be possible to retain and overhaul the main plant.
34. A further lift with staircase access would be provided for public use on the North East corner, adjacent to the main entrance of the new arts and entertainment venue, with paving improvements to improve and direct pedestrian flow from the car park to the venue.
35. The external façade of the North and Eastern sides of the building would be enhanced with a safe cladding system which would enclose the existing openings to reduce the ingress of rain and improve security and safety. In association with this work we will look to eliminate areas that allow access to the roof area parapets. The design of the cladding system could also be created to integrate well with the brickwork pattern of the adjacent new arts and entertainment venue and modernise the appearance of the car park within the vicinity. An illustration of this has been marked Appendix C.
36. Upgrades are planned to the car park control system and CCTV. Additional security shutters will be provided to the vehicle entrance which with the recently installed shutters to the pedestrian entrances which will look to secure the complete car park when closed.
37. A ready supply of 12 electric vehicle charging points would be initially provided, with the option available to increase this number in the future.
38. The Shopmobility provision would be retained at the basement level.
39. Options would need to be explored to identify possible alternative locations for the Car Parking Control Office. For example, space may be identified at the Council's Depot or within the Civic Offices.
40. Finally, the refurbishment option has allowed for approximately 2,790sqm of solar photovoltaic panels on the top deck of the car park. This could generate around 300kW of power and could potentially be sufficient to meet all power requirements for the car park, and also export excess power generated to the National Grid, or adjacent premises.

## **SUMMARY OF OPTIONS**

41. In light of the structural issues and general condition of the car park, some form of action must be taken if the car park is to remain available for use. Given the importance of the MSCP to support the town centre economy, particularly bearing in mind how fragile it is likely to be in the short to medium term, the option of minimal maintenance

was also discounted.

42. The option to demolish and rebuild the car park in its current location is the highest cost option, but also has the longest life expectancy of 40-50 years, whilst meeting the expected standard for modern day parking. However, in light of the changing nature of town centres, coupled with a fundamental shift away from combustion-based vehicles over the life of the car park, there is a risk that the car park may not be best suited for the modern vehicle in 20 years' time.
43. The option to substantially refurbish the car park would extend the life expectancy to the mid 2030's and offer a much-improved customer experience whilst ensuring that the structural integrity is maintained. Over the extended life of the car park, anticipated changes to the town centre, parking requirements, and a shift away from combustion engines is likely to be well progressed, which would inform the longer-term approach to parking provision beyond mid-2030's.
44. A comparison of the costs and life expectancy associated with the viable options is shown below.

	<b>Refurbishment</b>	<b>Demolish and re-build in current location</b>
<b>Number of spaces provided</b>	500	500
<b>Estimated scheme cost</b>	£5.5m	£14m
<b>Construction period</b>	12-18 months	18-24 months
<b>Life expectancy</b>	Up to 15 years	40-50 years
<b>Average Capital cost per year of life</b>	£367k-£550k pa	£280-350k pa
<b>Capital expenditure per space per year</b>	£734 - £1,100	£560 - 700

45. As can be seen, the relative capital cost of each option are very different, and whilst the new build option is marginally more cost effective on this basis, the refurbishment option achieves a broadly similar outcome and allows the changing demand for parking spaces to become well established before concluding the most suitable longer term option, beyond the 2030's.

## **PROGRAMME**

46. If it is agreed in principle to proceed with the refurbishment option, the following steps to construction would be pursued.

<b>Sept</b>	<b>Autumn</b>	<b>Spring</b>	<b>Summer</b>	<b>Autumn</b>	<b>Autumn</b>
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2020	2020	2020/21	2021	2021	2022
Approve scheme in principle	Appoint: - Design team - Structural Advisor - Project Manager	Finalise design (RIBA 1-4)  Submit Planning application	Seek approval to proceed  Procure contractor	Commence works	Completion of all works

47. This preliminary timescale would enable the car park to be refurbished on a similar timescale to the completion of the new arts and entertainment venue. It is, however, subject to detailed design and structural review, which could result in the completion date being prolonged.
48. In addition to the normal Design Team appointments, the Council would also appoint an Expert Structural Advisor, to oversee the project design and construction, to ensure that the outcomes, in particular the life expectancy and safety standards, are achieved.
49. It is likely, and preferable, that the work could be undertaken in phases, allowing the car park to remain partially operational during the construction period. Close co-operation with the contractors responsible for the delivery of the arts and entertainment venue would also be necessary, to minimise conflict and disruption to nearby residential properties.

### **FINANCIAL IMPLICATIONS**

50. The proposal to refurbish the Osborn Road MSCP would require a capital investment of £5.5m, as shown at Appendix B. Whilst the initial cost report indicated a higher figure than this, opportunities have already been identified to reduce the cost through a value engineering exercise, (for example through the choice of cladding systems, tailoring the scope of work on each floor, etc).
51. It is proposed that this project would be financed from borrowing, with repayments of the debt finance being met by a proportion of the overall parking charges raised throughout the Borough. A report elsewhere on the Executive agenda sets out proposals to revise the car park charging arrangements, and if approved, the increase in income would be sufficient to accommodate the debt finance costs of this proposal, as well as help to meet the £1.5 million shortfall in the Council's medium term financial plan.
52. In addition, the provision of a significant amount of solar PV panels, would greatly reduce the utility costs of operating the car park, and the feed-in tariff (a payment made to households or businesses generating their own electricity) derived from this addition would also contribute towards the debt financing arrangements.

### **RISK CONSIDERATIONS**

53. A full project risk assessment would be undertaken as part of the detailed design, and throughout construction preparation/delivery. However, at this stage, the potential risks are as follows: -
- a. that the budget estimate is insufficient, affecting the viability of the proposal;

- b. that the life expectancy of up to 15 years cannot be assured; resulting in further extensive works in the interim period;
  - c. that the structural enhancement does not perform as well as expected, resulting in the car park having to close; and
  - d. that the funding source, identified for this project, is insufficient, putting further pressure on the Council's revenue/capital budget.
54. These risks will be actively considered by Officers through the design phase and presented to Members as part of the final project approval to proceed.

## **CONCLUSION**

55. The Osborn Road MSCP plays a significant role in meeting today's demand for parking in the town centre. However, considering its condition a significant investment in the asset is required to ensure safe and improved usage for up to 15 years.
56. Taking account of the changing demand for parking in town centre locations, coupled with a shift from combustion to electric vehicles over the next decade or two, the option to undertake a significant refurbishment of the car park is preferred.
57. This is a cost-effective option which extends the asset life of the car park and enables the "structural" change in demand for parking to take place, before a long-term solution is put in place. At the same time, it will bring the car park up to modern standards, become a much more attractive and inviting facility for users and complement the new arts and entertainment venue once it is complete.

## **APPENDICES**

Appendix A - Stride Treglown Stage 2 Concept Design Proposals

Appendix B - Summary Cost plan for the Refurbishment Works

Appendix C - Proposed Decorative Brickwork Illustration

### **Enquiries:**

For further information on this report please contact Ian Cousins, Property Manager (Ext 4835)

**STRIDE TREGLOWN**  
**FAREHAM**  
BOROUGH COUNCIL

**OSBORN ROAD MULTI STOREY CAR PARK**  
PROPOSED REFURBISHMENT

STAGE 2 CONCEPT DESIGN

MAY 2020



# Site Analysis

## Existing External Photos



View along Osborn Road



View from north west



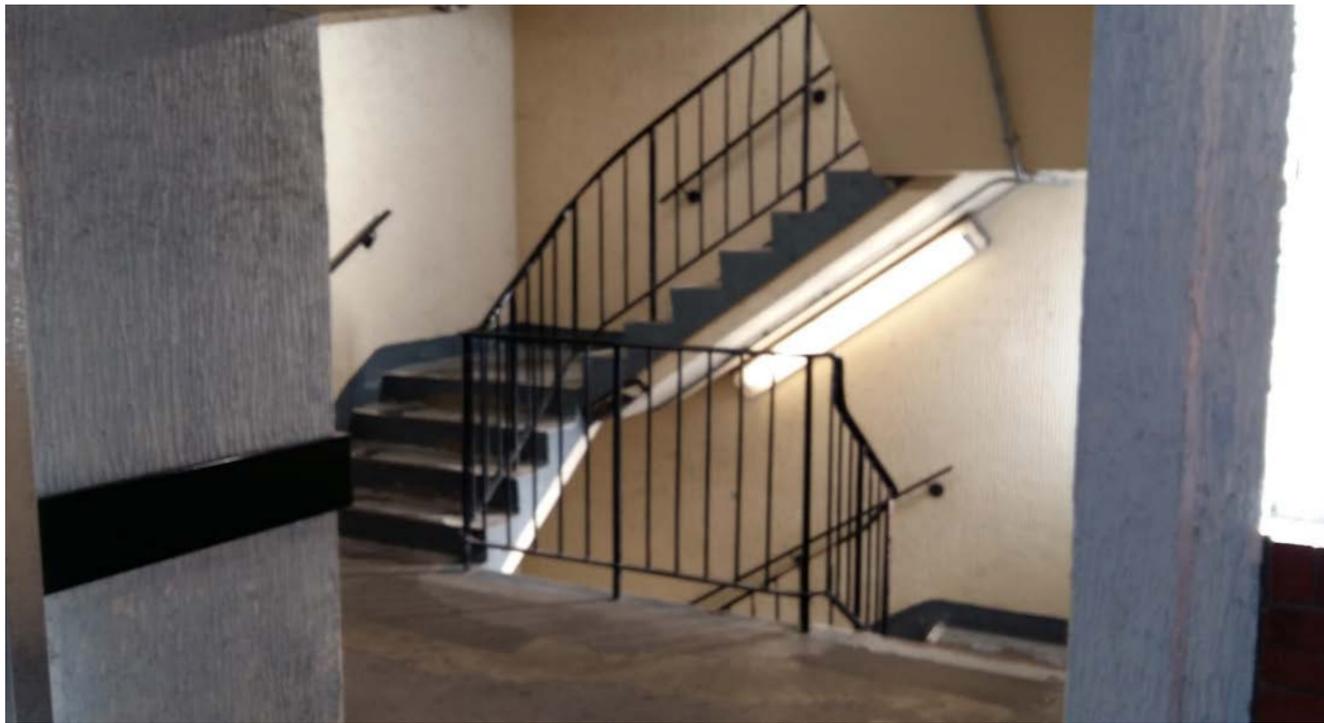
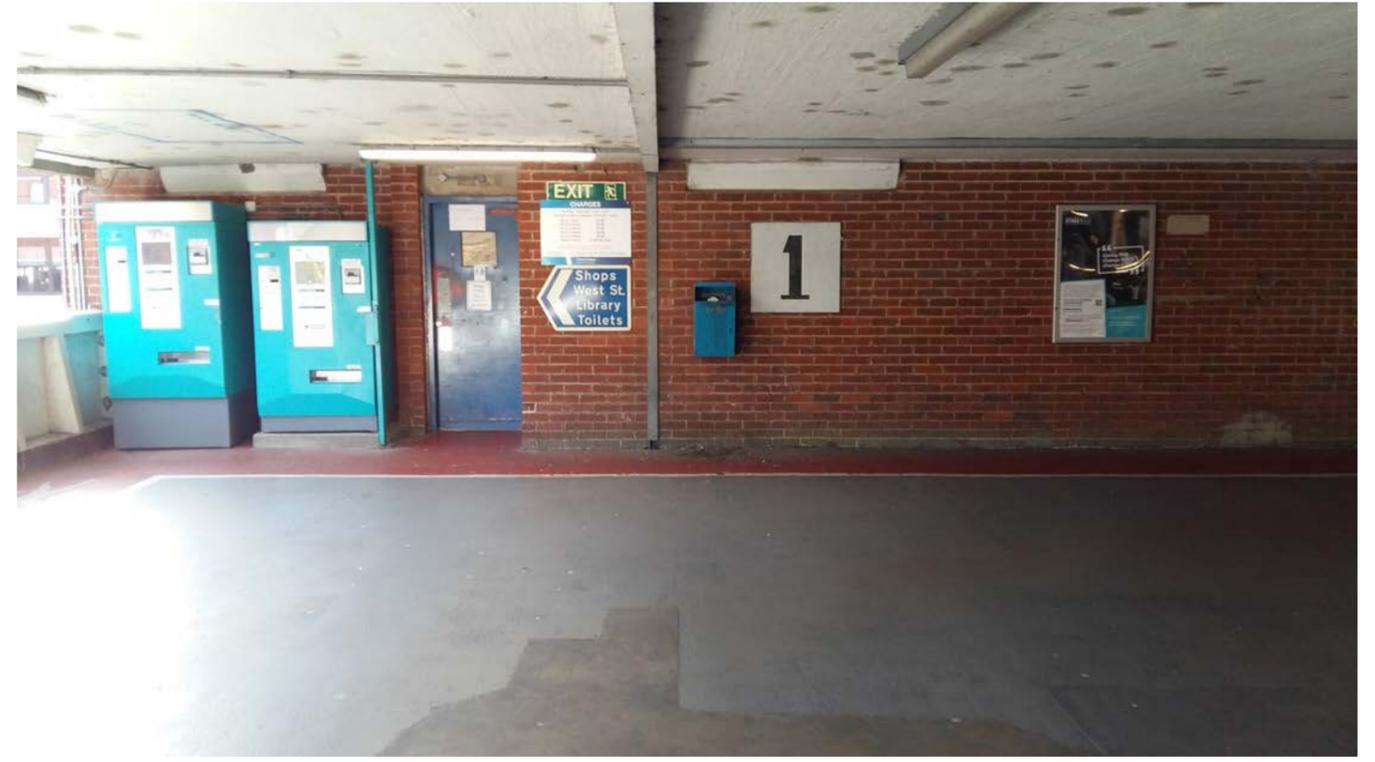
View along west elevation



Entrance (north elevation)

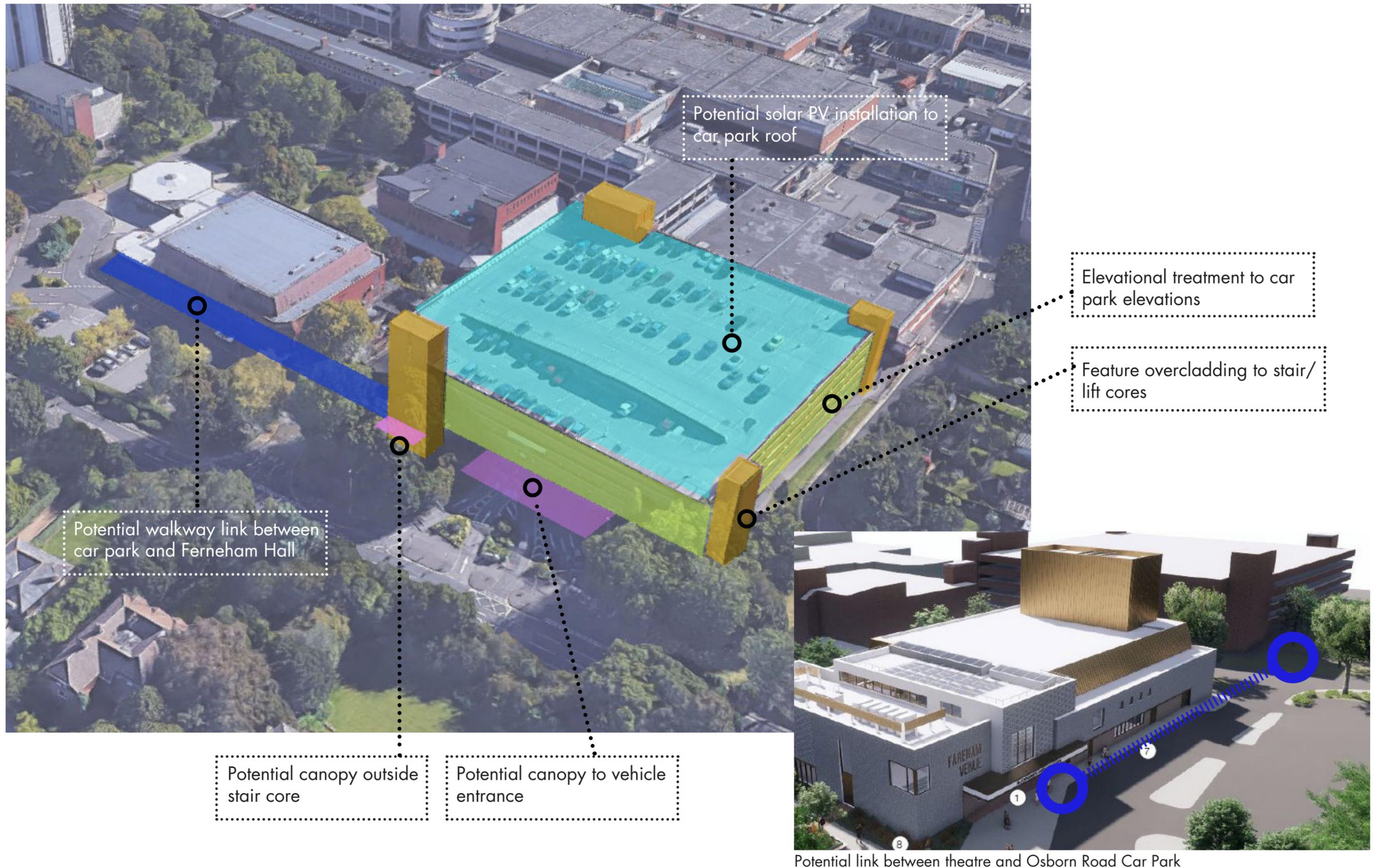
# Site Analysis

## Existing Internal Photos



# Site Analysis

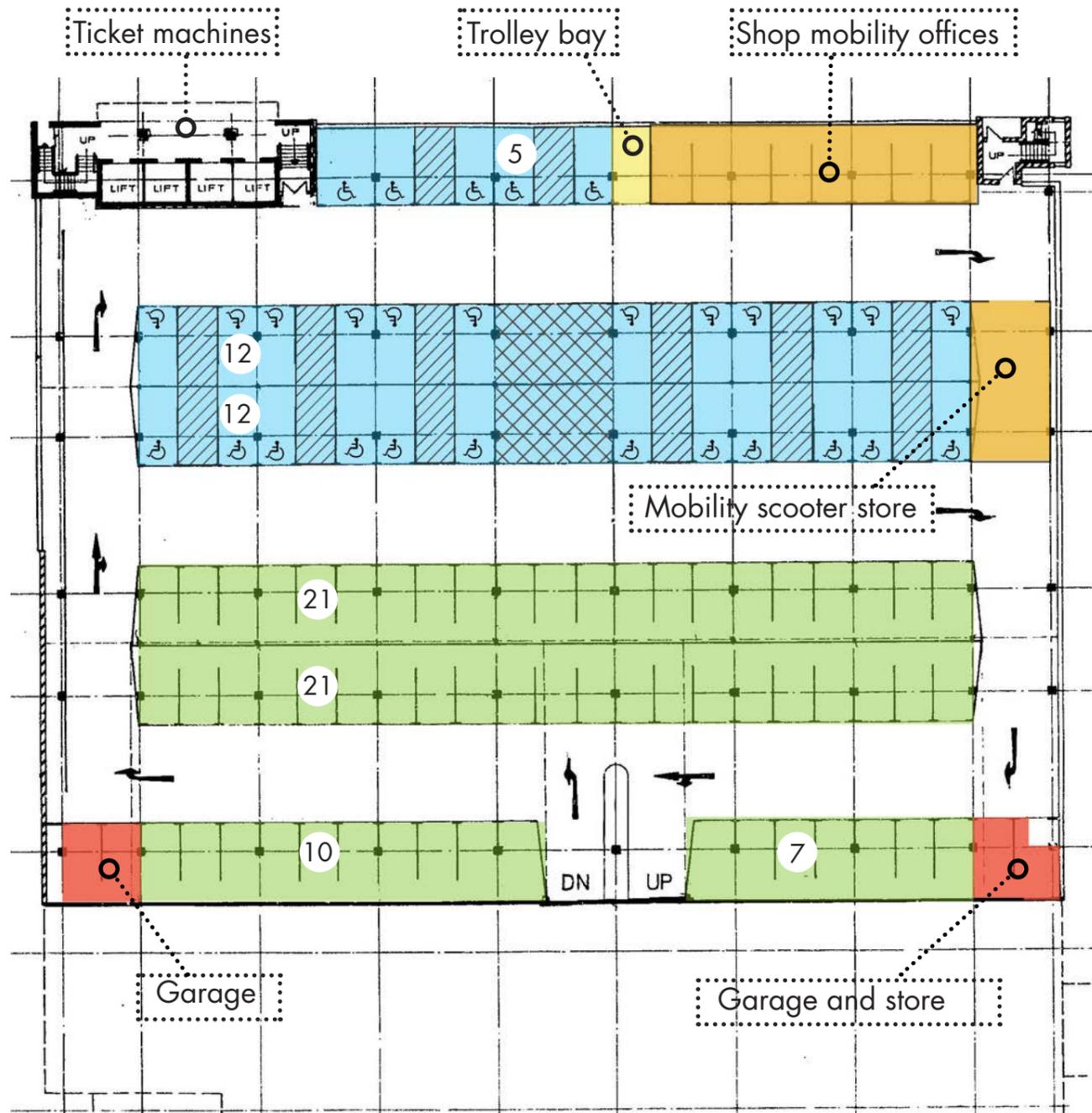
## Constraints and Opportunities



# Existing Floor Plans

There are currently 806 car spaces within the existing car park. This includes 63no. Disabled bays and 6no. Parent/ Child bays

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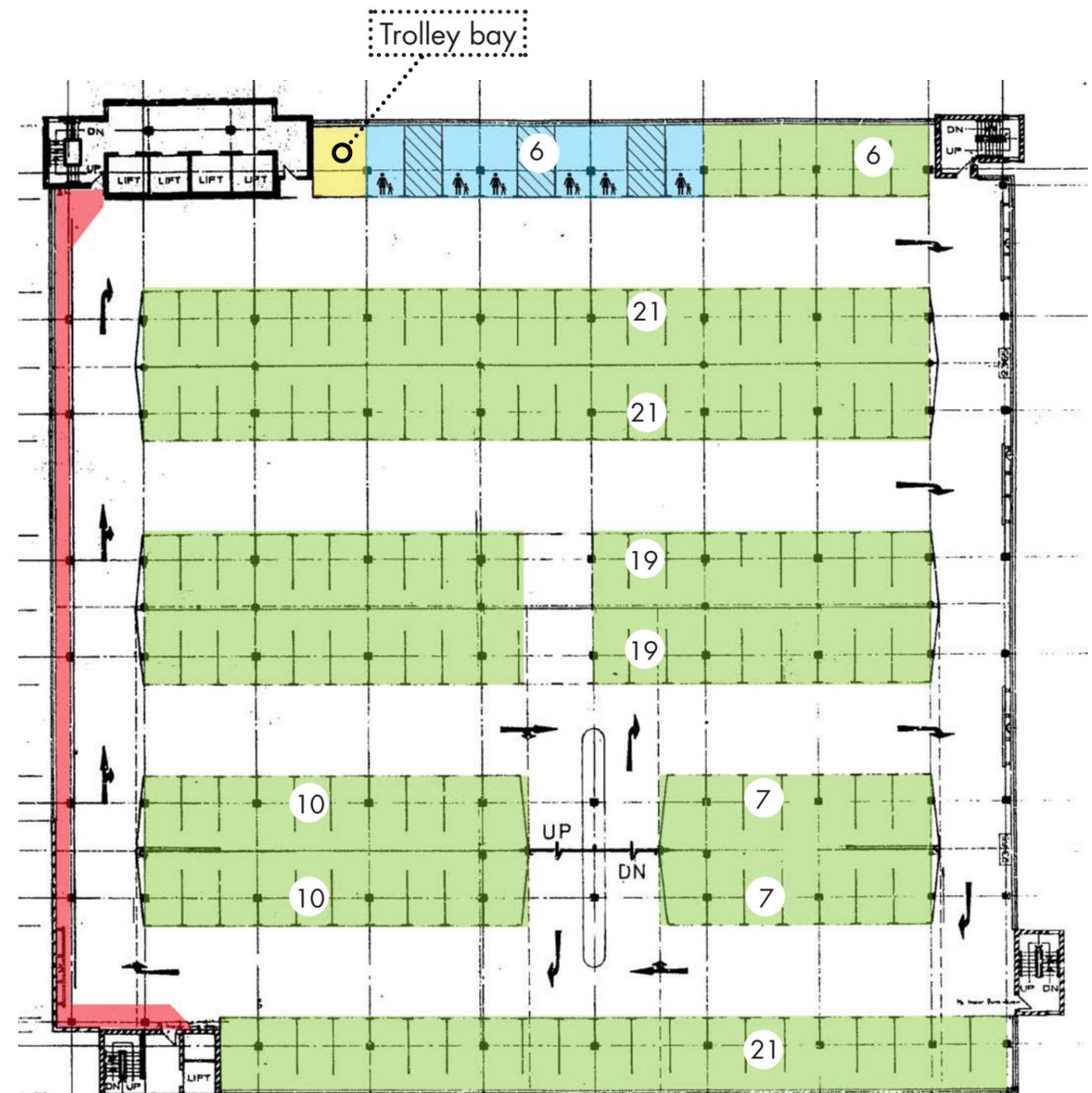


Level 0 - 16.00

**Car Park Numbers:**

- 59 Standard spaces
- 29 Disabled spaces
- Pedestrian walkway

Total: 88 spaces



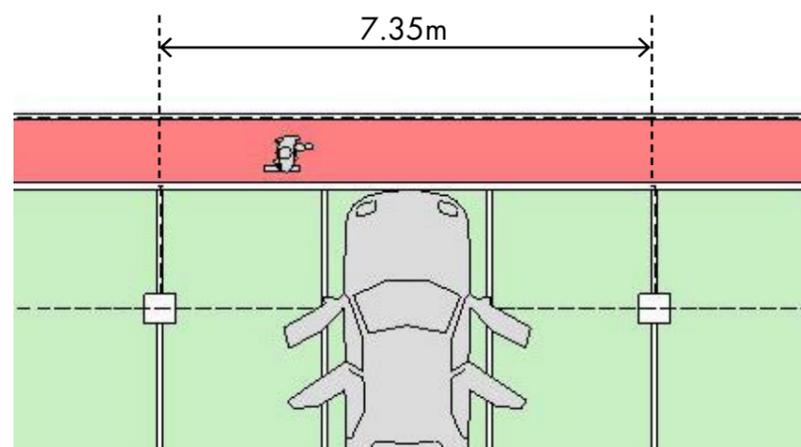
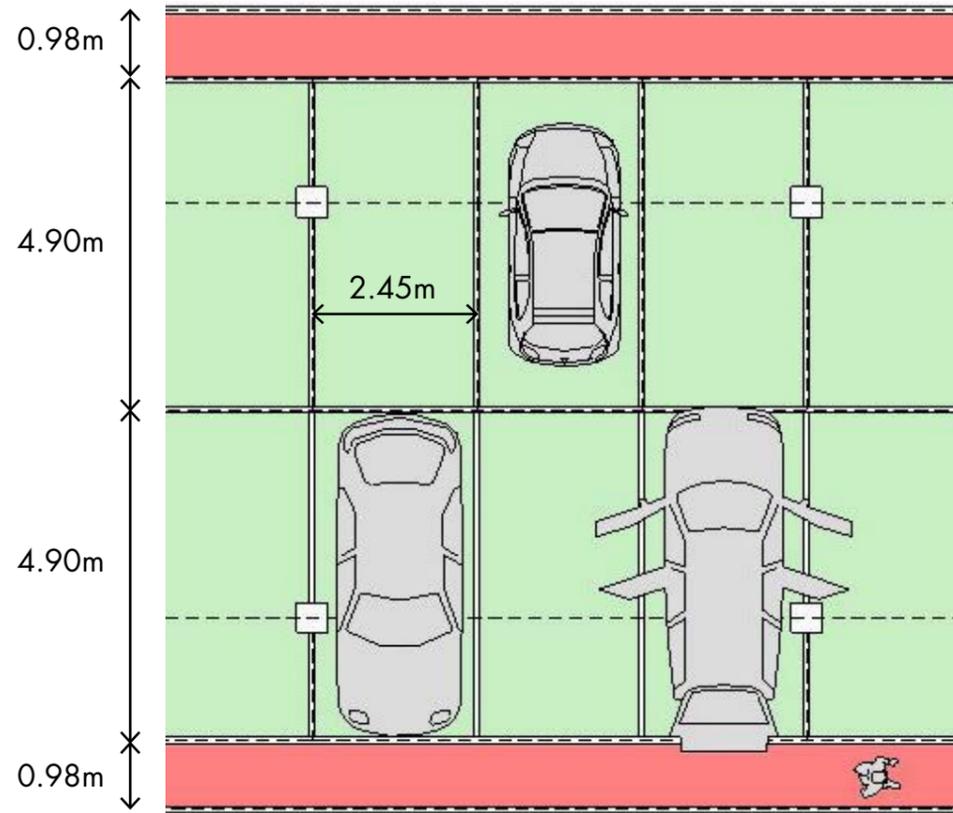
Level 3 - 23.65

**Car Park Numbers:**

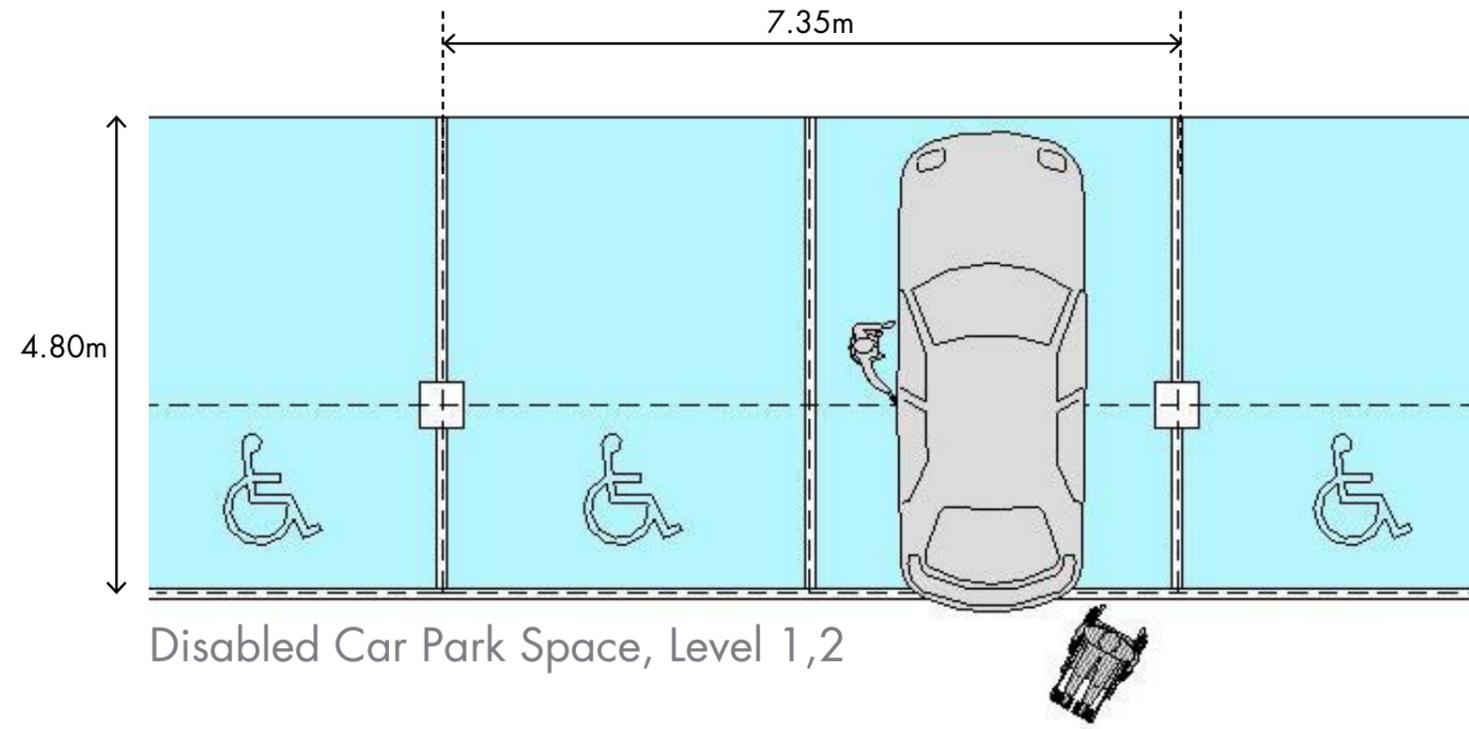
- 141 Standard spaces
- 6 Parent/ Child spaces

Total: 147 spaces

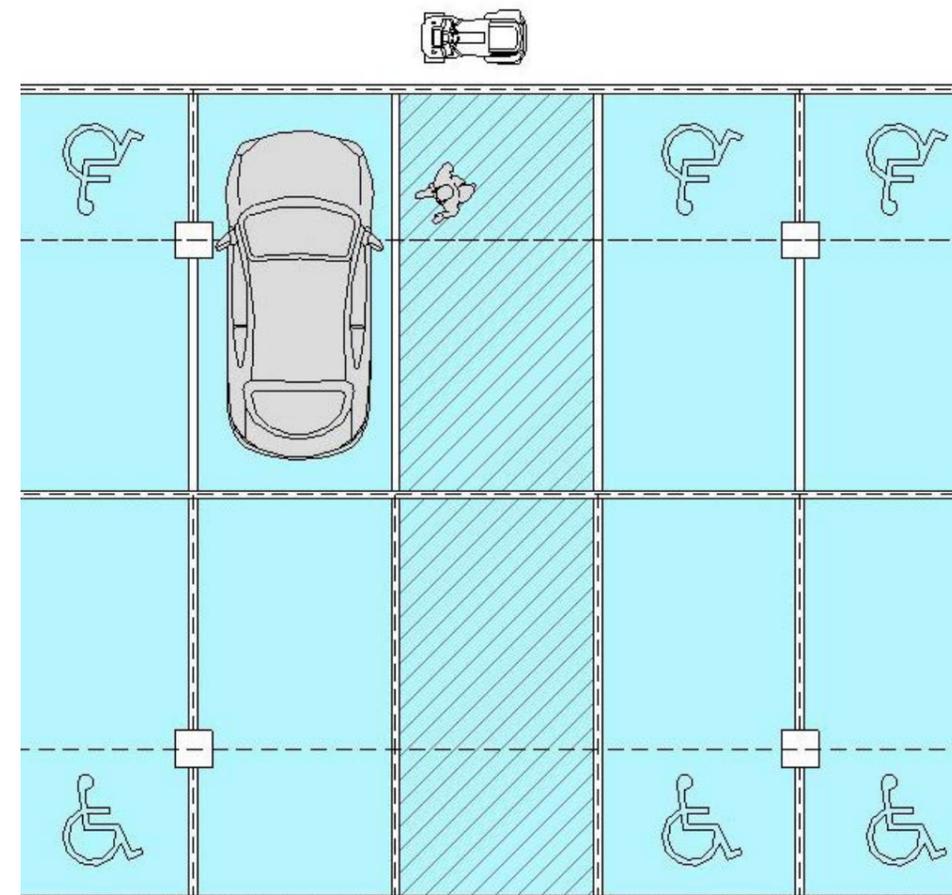
# Existing Car Parking



Standard Car Park Space



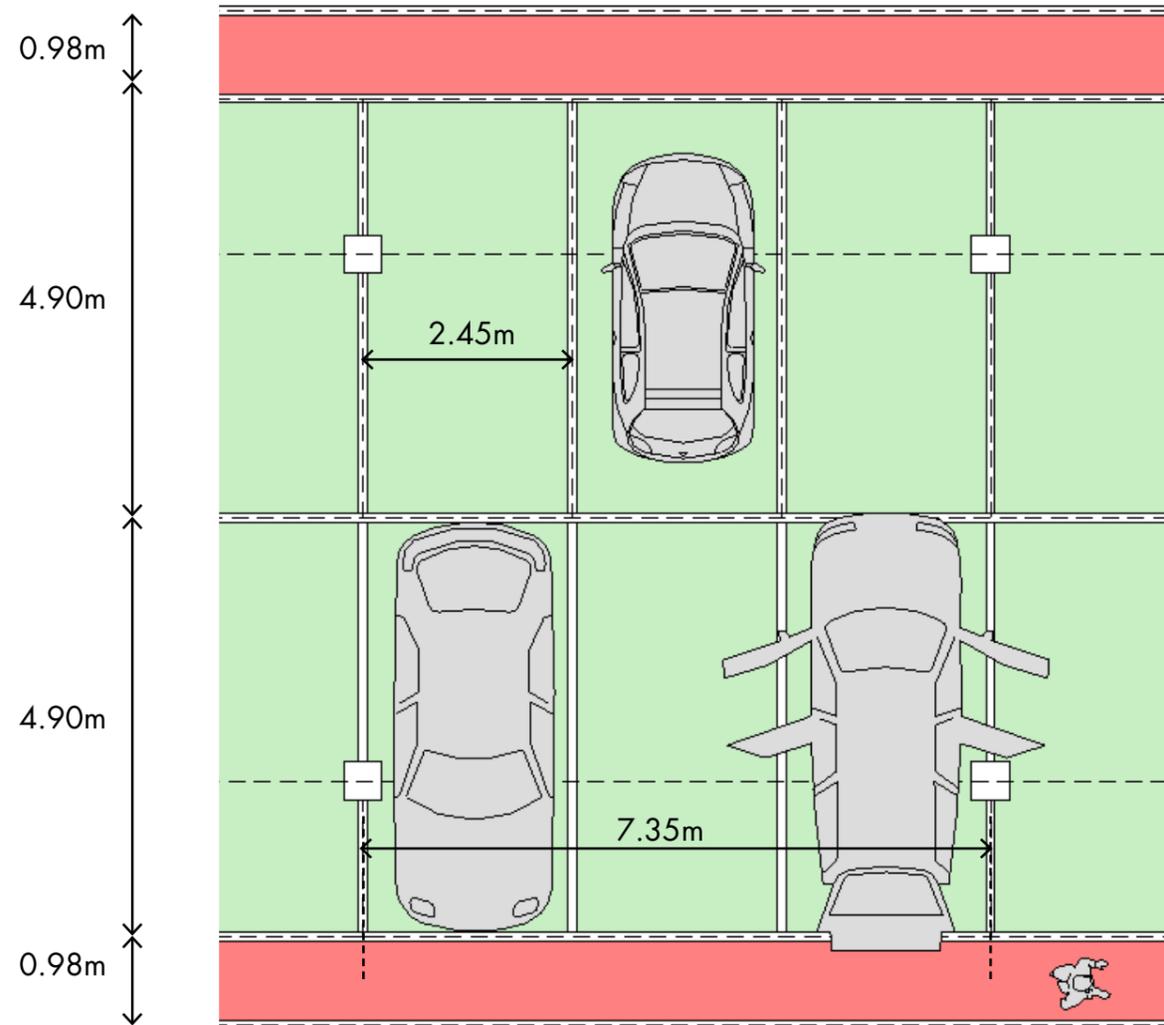
Disabled Car Park Space, Level 1,2



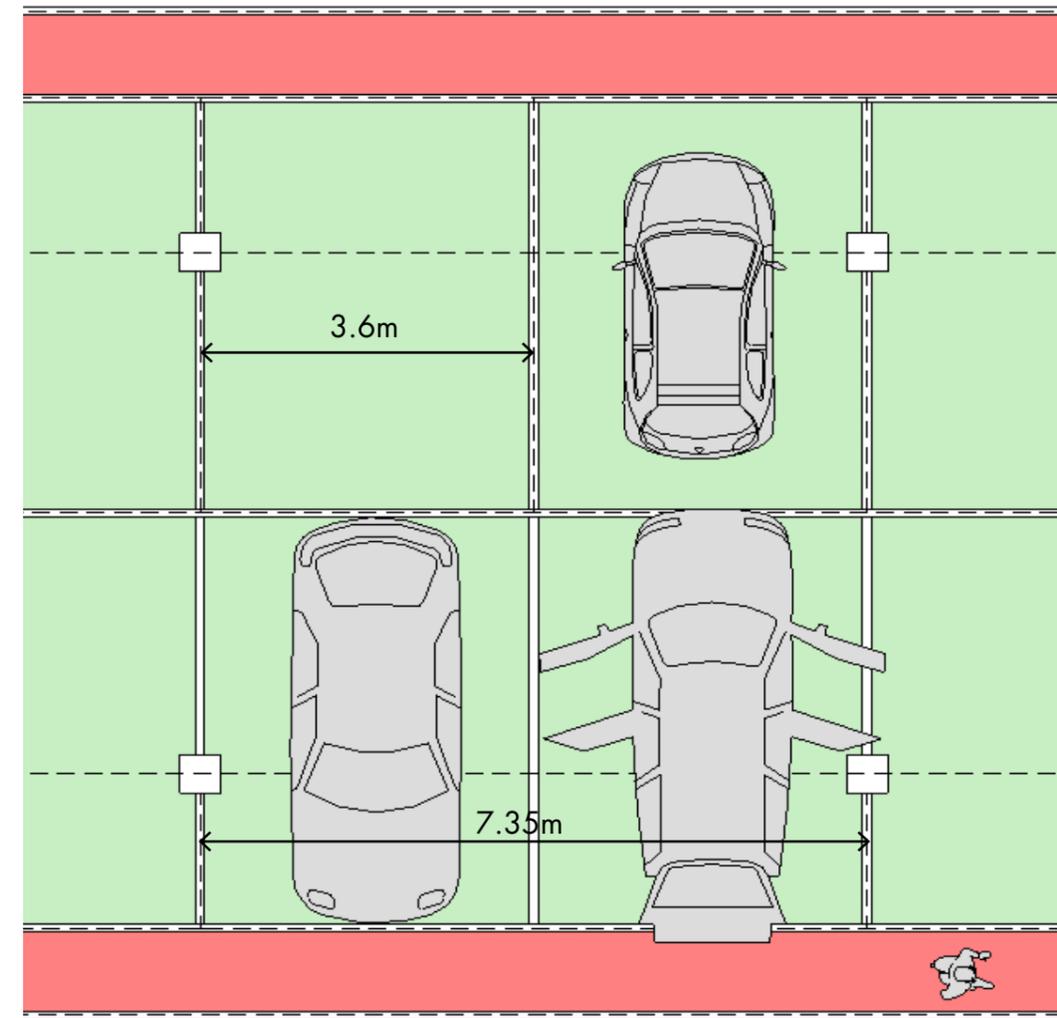
Disabled Car Park Space, Level 0

# Proposed Car Parking

Following an early Stakeholder meeting with the car park manager, it was explained that the size of the current parking bays is restrictive and causes problems for entry and egress and opening doors when drivers are getting in and out of the vehicles. The preference is therefore to provide 2 spaces per structural bay instead of 3 to suit modern/ larger vehicles. The current overall parking numbers would appear to support this while keeping within an accepted, reduced provision.



Existing Car Park Spaces  
(3 spaces per structural bay)



Proposed Car Park Spaces  
(2 spaces per structural bay)

# Proposed Car Park Numbers

## OPTION 1 - 579

Increase parking bay width and provide 2 car spaces per structural bay instead of 3 to suit larger, modern vehicles.

Apply to all levels:

Disabled spaces (2no. + 4%) : **25**

Electric spaces (2 for first 25-100 + 2 spaces for every 100 thereafter) :  $2 + (2 \times 5) = \mathbf{12}$

Parent/ Child spaces : to be confirmed (increased bay widths make any spaces suitable)

Subtotal : **37**

Balance of standard spaces : **542**

**Total : 579 spaces**

## OPTION 2 - 511

Increase parking bay width and provide 2 car spaces per structural bay instead of 3 to suit larger, modern vehicles.

Apply to levels 0-4;

Lower level 5/ rooftop parking to remain as current provision; Upper level roof to be allocated for PV installation

Disabled spaces (2no. + 4%) : **22**

Electric spaces (2 for first 25-100 + 2 spaces for every 100 thereafter) :  $2 + (2 \times 5) = \mathbf{12}$

Parent/ Child spaces : to be confirmed (increased bay widths make any spaces suitable)

Subtotal : **34**

Balance of standard spaces : **477**

**Total: 511 spaces**

# Proposed Floor Plan

## Typical Layout

Existing lifts to be refurbished

Trolley bay

Disabled, Parent/ Child, Electric vehicle parking bays - distribution and final location t.b.c

Parking bay widths increased to 2 per structural bay

Pedestrian crossing points

New pedestrian routes

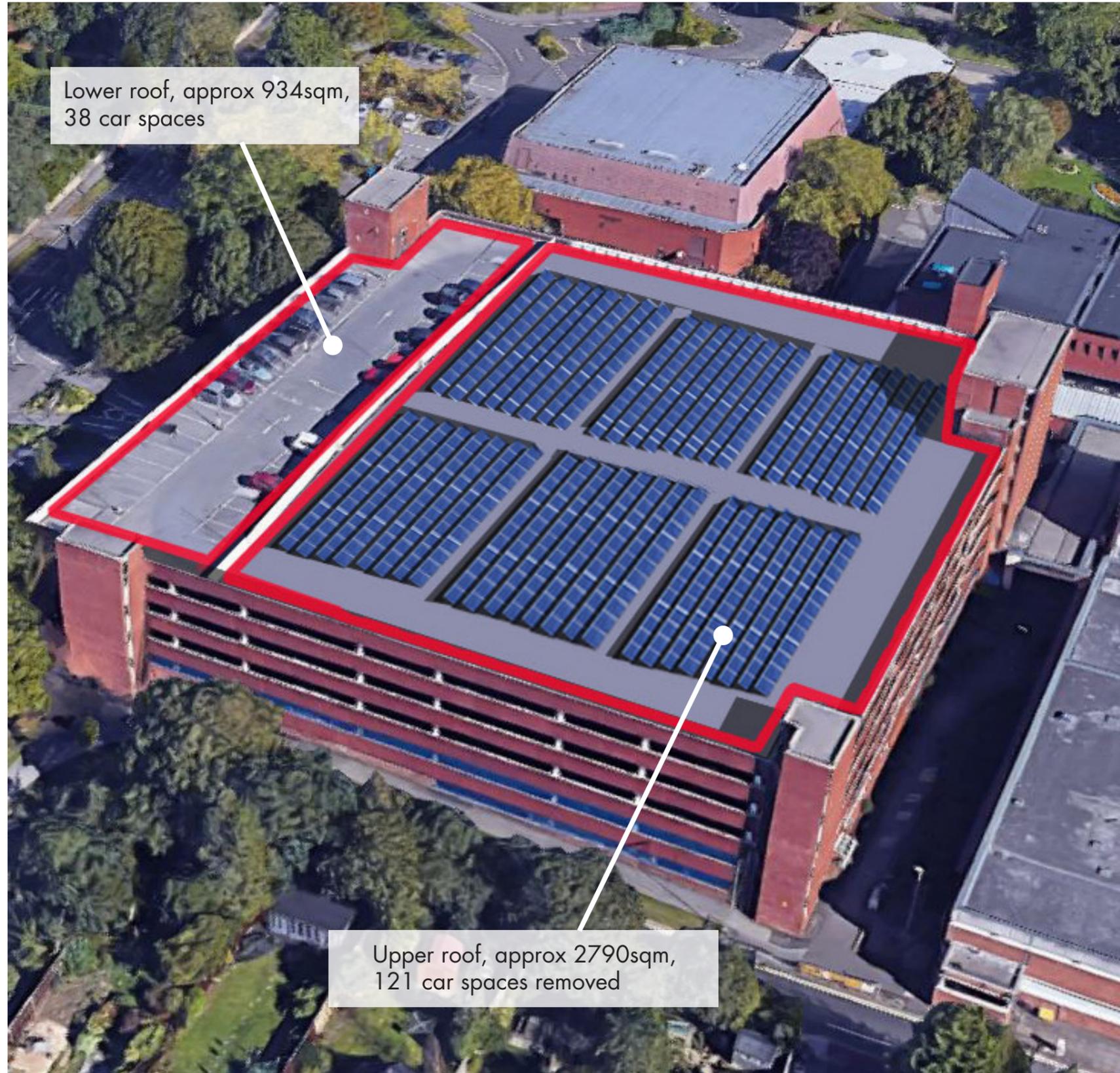
Existing pedestrian route

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Existing lift to be replaced



# Rooftop Solar PV Installation



Rooftop PV installation. Array shown for illustrative purposes, number and layout of panels t.b.c specialist



Remove parking and fix PV panels directly to roof

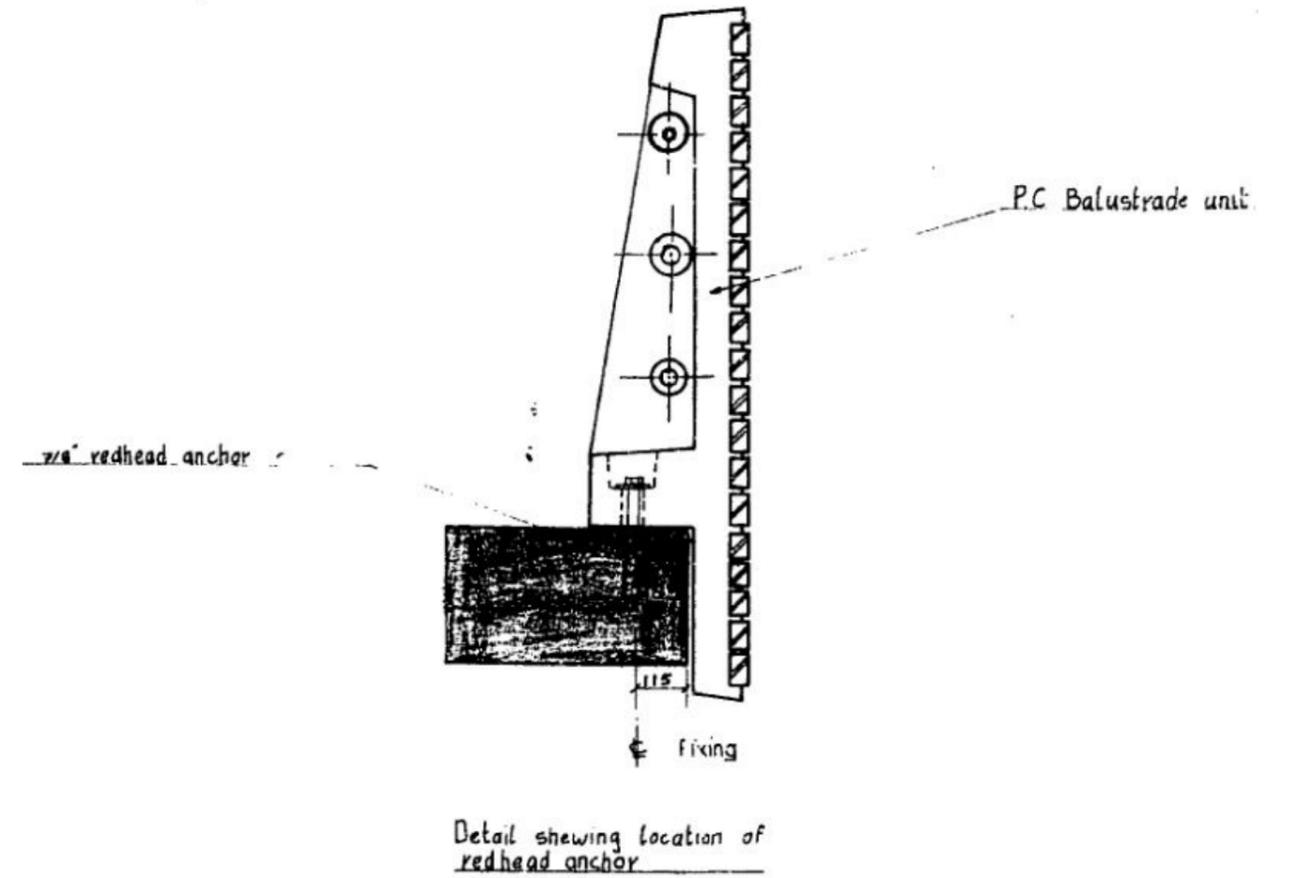
The PV panels could add value to the car park and improve the economic and environmental performance. The electricity generated from the PV panels could potentially generate approx 300kw of power and be used for:

- Car park lighting
- Electrical vehicle charge points
- Lifts
- Provision of electricity to adjacent developments, e.g Fareham BC offices, Library
- Exported to grid as income generator
- Street lighting
- On site energy storage

Subject to a full technical appraisal and review of the existing infrastructure, it may be possible to achieve a zero carbon car park

# Elevational Treatment

Proposed Studies - Brick clad concrete piers



Existing pre-cast concrete upstand with facing brick slips

Existing steel stanchions and pre-cast concrete upstands with facing brick slips

# Elevational Treatment

Proposed Studies - Brick clad concrete piers removed



Existing pre-cast concrete/ brick clad perimeter upstands removed and replaced with lightweight steel perimeter structure. Additional natural light provided inside car park.



# Elevational Treatment

## Proposed Studies - Option 1



View from Osborn Road

Existing pre-cast concrete/ brick clad perimeter upstands removed and replaced with lightweight, translucent 'veil'. Colours to reference decorative feature brickwork proposed for Ferneham Hall refurbishment

Building Regulations Part F states that naturally ventilated car parks require openings of 1/20th of the floor area of which at least 25% should be on each of two opposing walls.

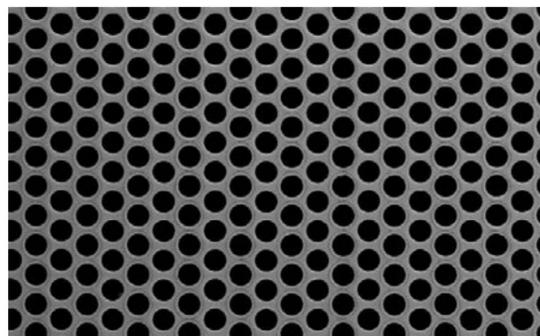
# Elevational Treatment

## Proposed Studies - Option 1



Corner view from Osborn Road

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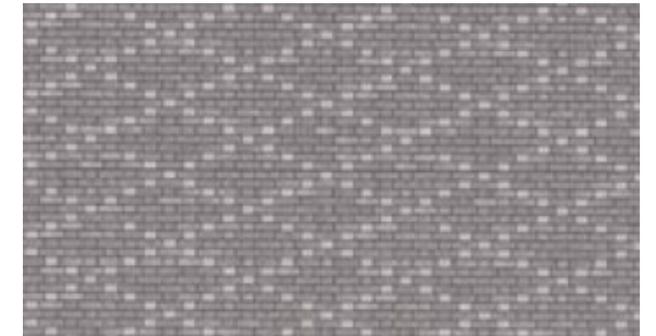


Perforated metal panels

Initial calculations (t.b.c by specialist) indicate that this rainscreen option relies on the removal of the upstands on the Osborn Road (north) and service road (east) elevation to provide the required area of ventilation and assumes no overcladding on the south elevation



Decorative brickwork proposed for Ferneham Hall



# Elevational Treatment

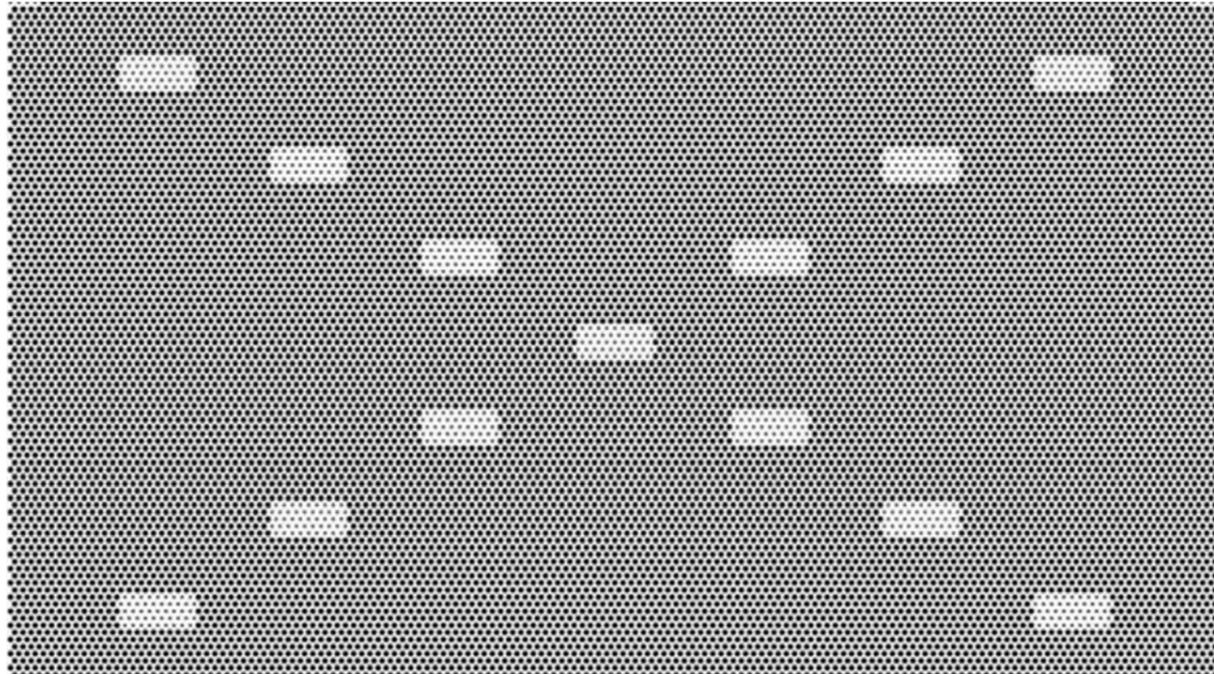
## Proposed Studies - Option 1



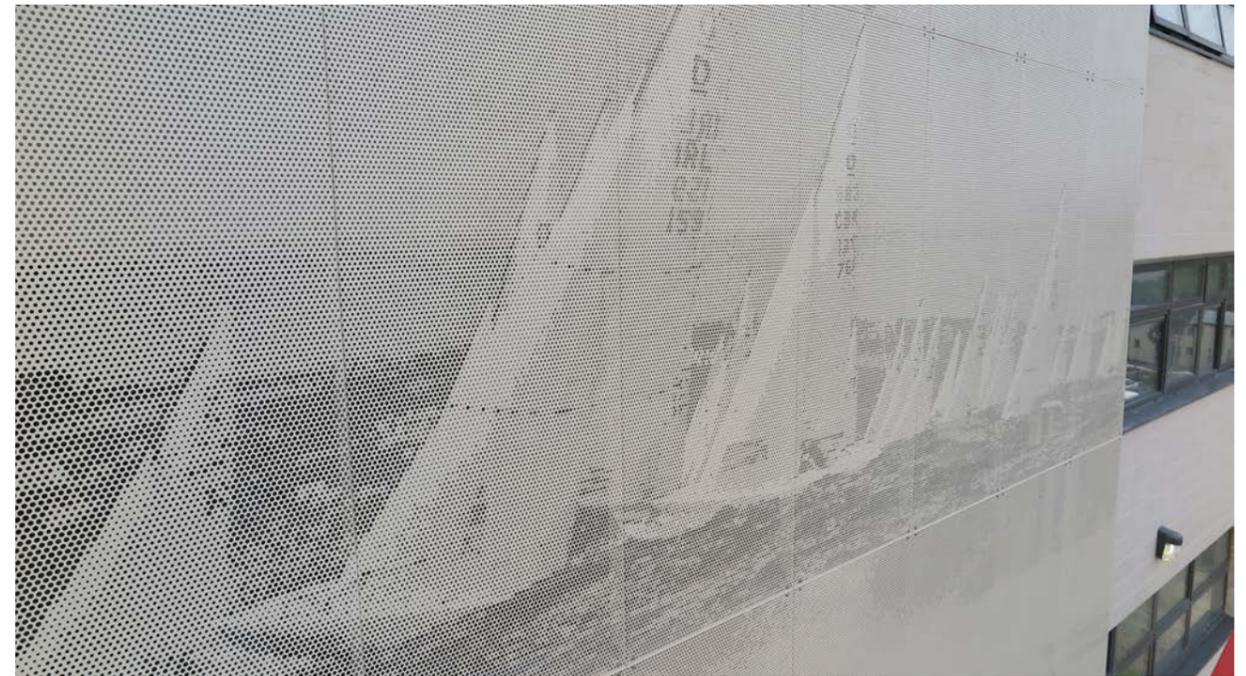
View from Osborn Road with trees in leaf

# Elevational Treatment

## Proposed Studies - Option 1 Technical Solutions



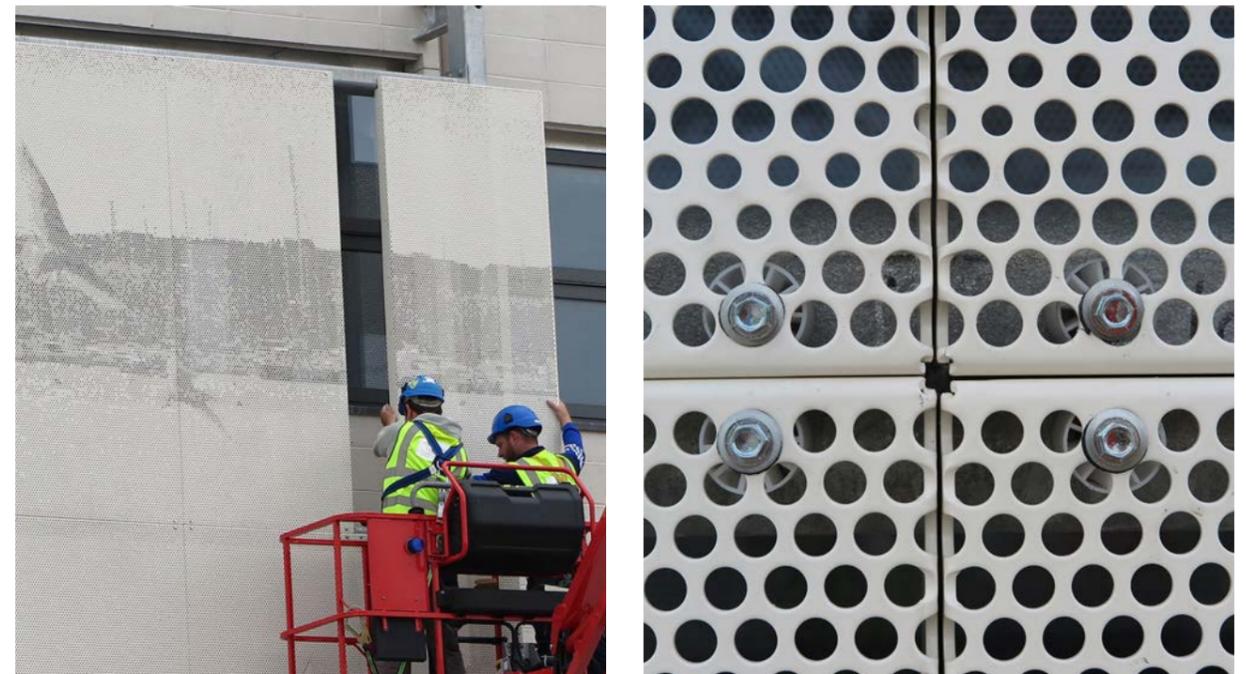
Mock up of potential panel design



Examples of similar installation



Examples of similar installation



We have consulted with cladding specialist, Graepels who are leading manufacturers of perforated metal. Their suggestion to achieve the desired pattern is to perforate the panels with 15mm diameter holes at a 20mm pitch. The brick pattern would then be achieved with a smaller, 8mm diameter hole at the same pitch. Guidance suggests that this design would provide a 50% open area to suit the ventilation requirements.

Each panel would be circa 3m x1m to suit the manufacturing apparatus and formed as a tray with folded sides to provide the required strength. They would be constructed from marine grade aluminium to suit the salt content in the Fareham air, with a light grey powder coated finish which would contrast with the dark background in the car park.

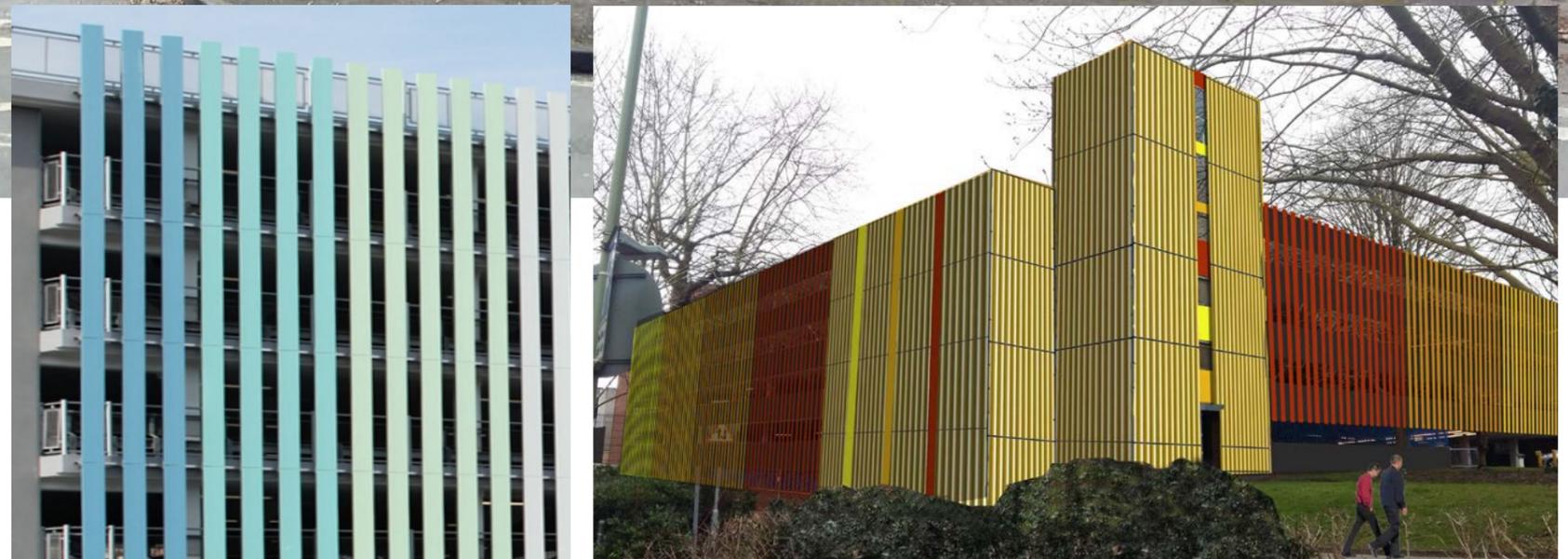
# Elevational Treatment

## Proposed Studies - Option 2a



Page 143

Existing pre-cast concrete/ brick clad perimeter upstands removed and overlaid with graduated colour louvre blades. Colours to reference decorative feature cladding proposed for Ferneham Hall refurbishment. Profile metal cladding to stair/ lift tower to match theatre fly tower



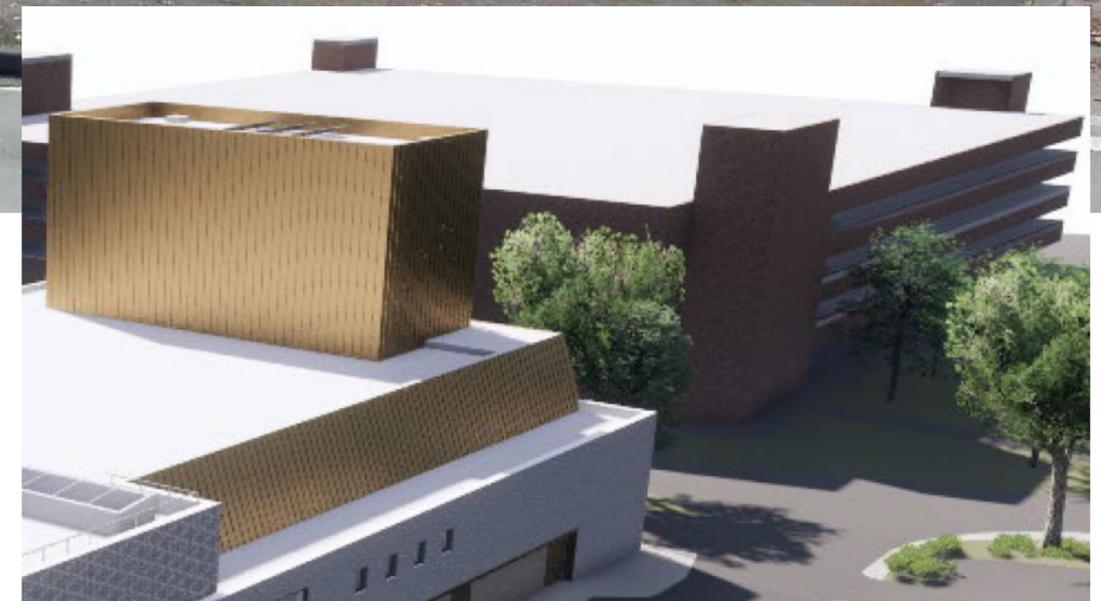
# Elevational Treatment

## Proposed Studies - Option 2b



Page 144

Existing pre-cast concrete/ brick clad perimeter upstands painted black and overlaid with graduated colour louvre blades. Colours to reference decorative feature cladding proposed for Ferneham Hall refurbishment. Profile metal cladding to stair/ lift tower to match theatre fly tower



# Elevational Treatment

Proposed Studies - Option 2b

Page 145



View from Osborn Road with trees in leaf  
(repeat blended colours main picture for comparison)



# Elevational Treatment

## Alternative Options



Existing pre-cast concrete/ brick clad perimeter upstands removed and replaced with lightweight, translucent 'veil'. Colours to reference decorative feature cladding proposed for Ferneham Hall refurbishment

# Elevational Treatment

## Alternative Options



Existing pre-cast concrete/ brick clad perimeter upstands painted black and overlaid with lightweight, translucent 'veil'. Colours to reference decorative feature cladding proposed for Ferneham Hall refurbishment



# Elevational Treatment

## Alternative Options



Overclad existing facade with staggered, graduated colour louvre blades. Colours to reference decorative feature cladding proposed for Ferneham Hall refurbishment



# Elevational Treatment

## Alternative Options



Overclad existing facade with staggered, graduated colour louvre blades. Colours to reference Fareham Borough Council core branding. Stair and lift core overclad with uniform colour panels



# Elevational Treatment

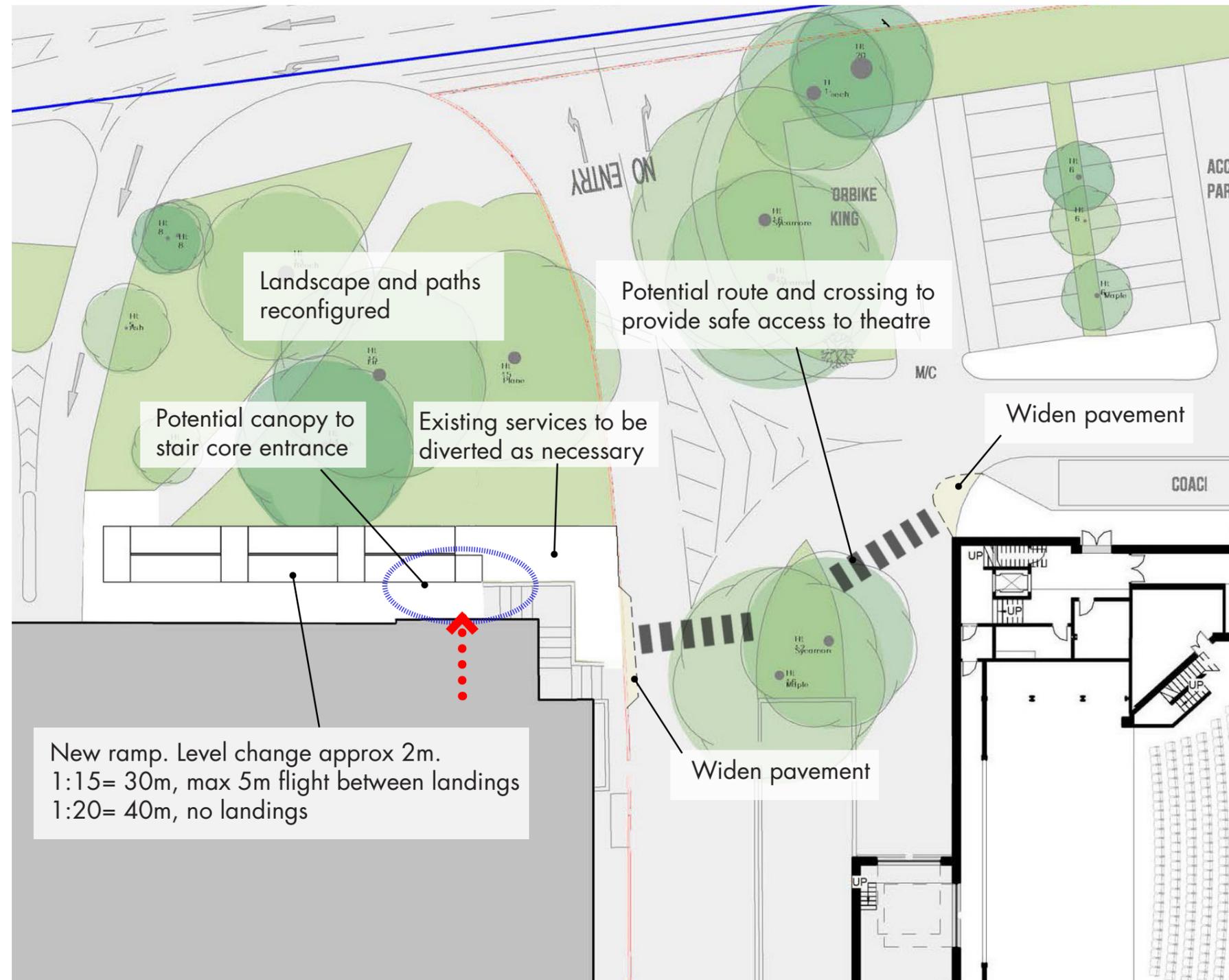
## Alternative Options



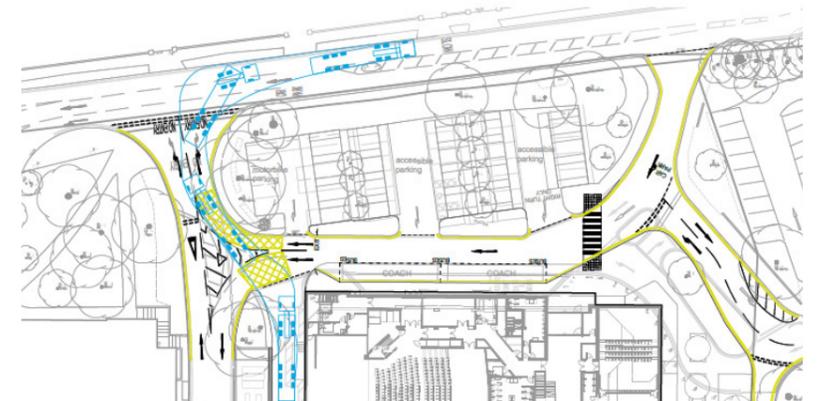
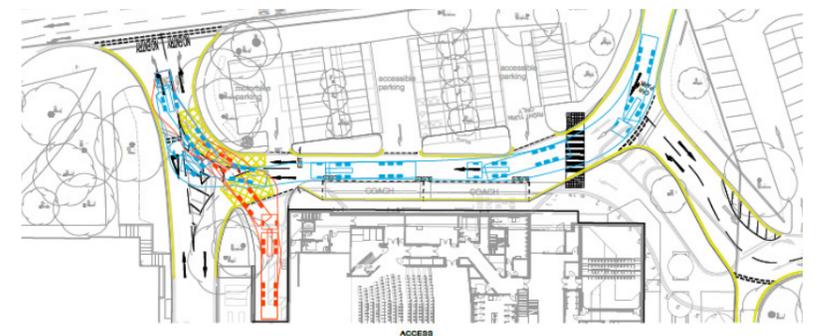
Overclad existing facade with staggered, graduated colour louvre blades. Colours to reference Fareham Borough Council core branding. Stair and lift core overclad with alternating colour panels

# Connectivity to Ferneham Hall

## Proposed ramp and road crossing



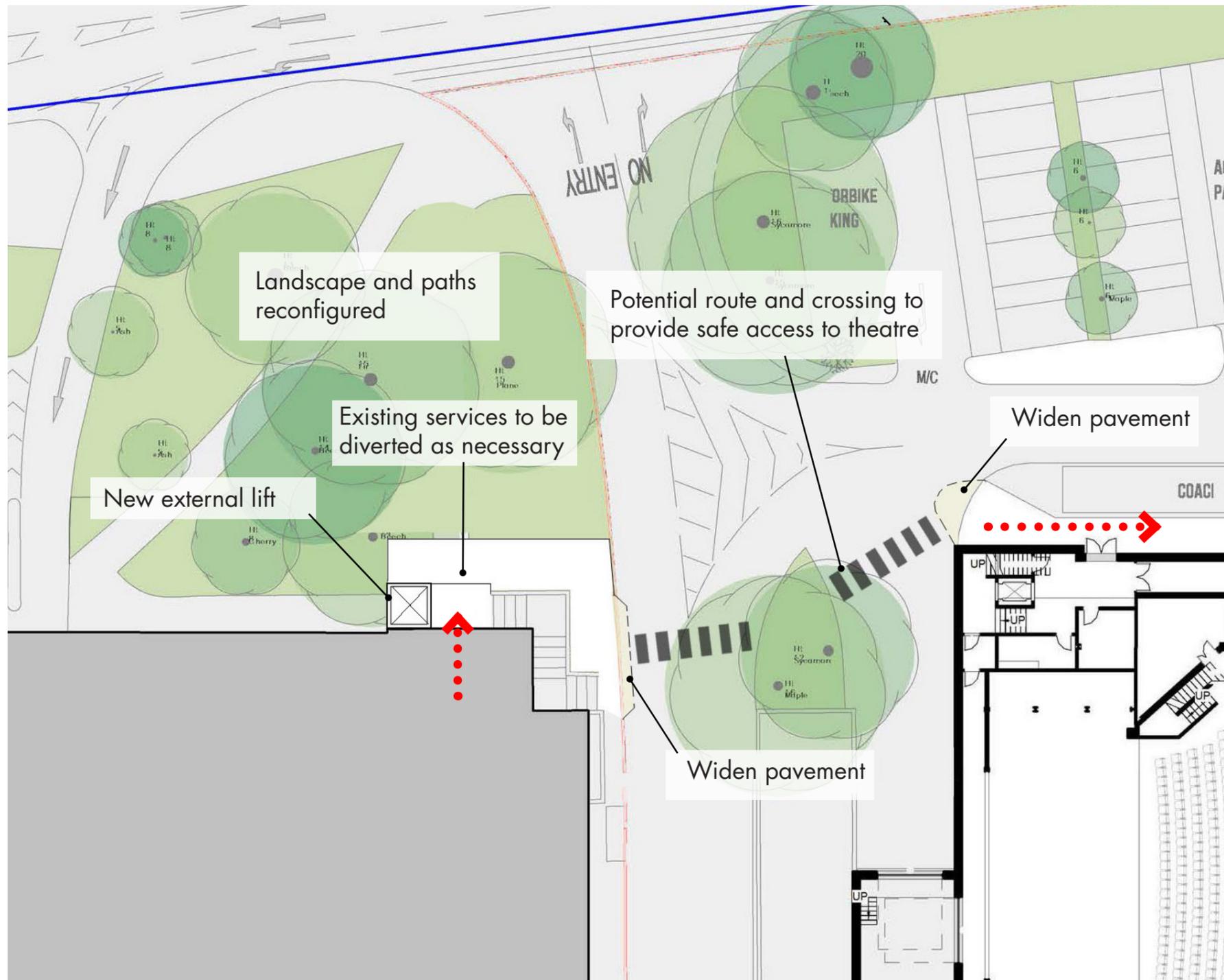
Page 151



Access between the north east stair/ lift core and Ferneham Hall involves crossing the service road which separates the two buildings. This would provide a more direct route but there are level changes and potential safety challenges to consider. It is proposed to provide a replacement lift within the existing stair core and a new wheelchair accessible ramp could be considered to address the level difference. There are existing below ground services in this area and consideration will be required about their diversion. A designated, pedestrian friendly and waymarked path across the service road could then be provided (subject to further vehicle tracking) in conjunction with enhanced landscaping.

# Connectivity to Ferneham Hall

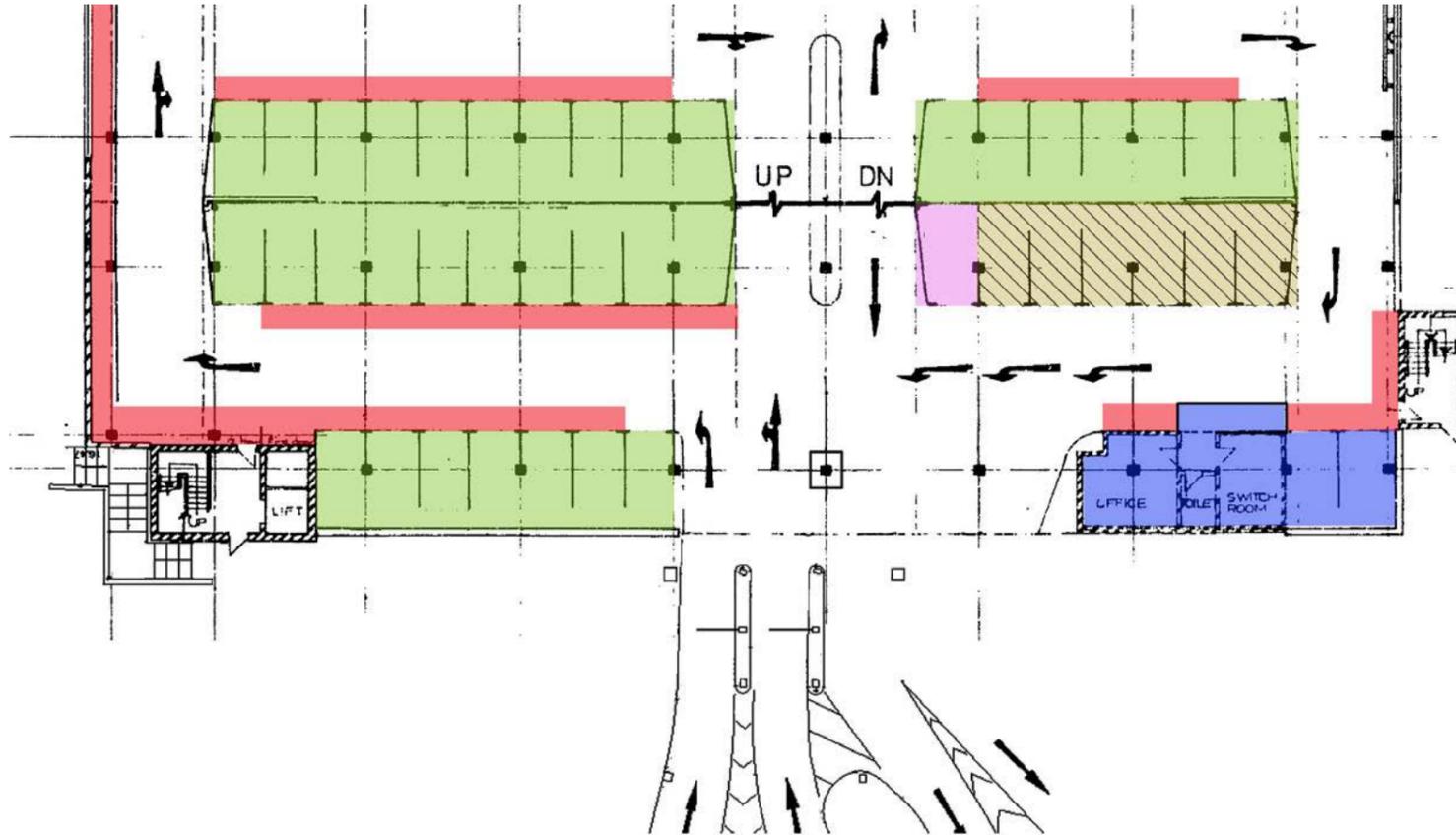
Proposed external lift and road crossing



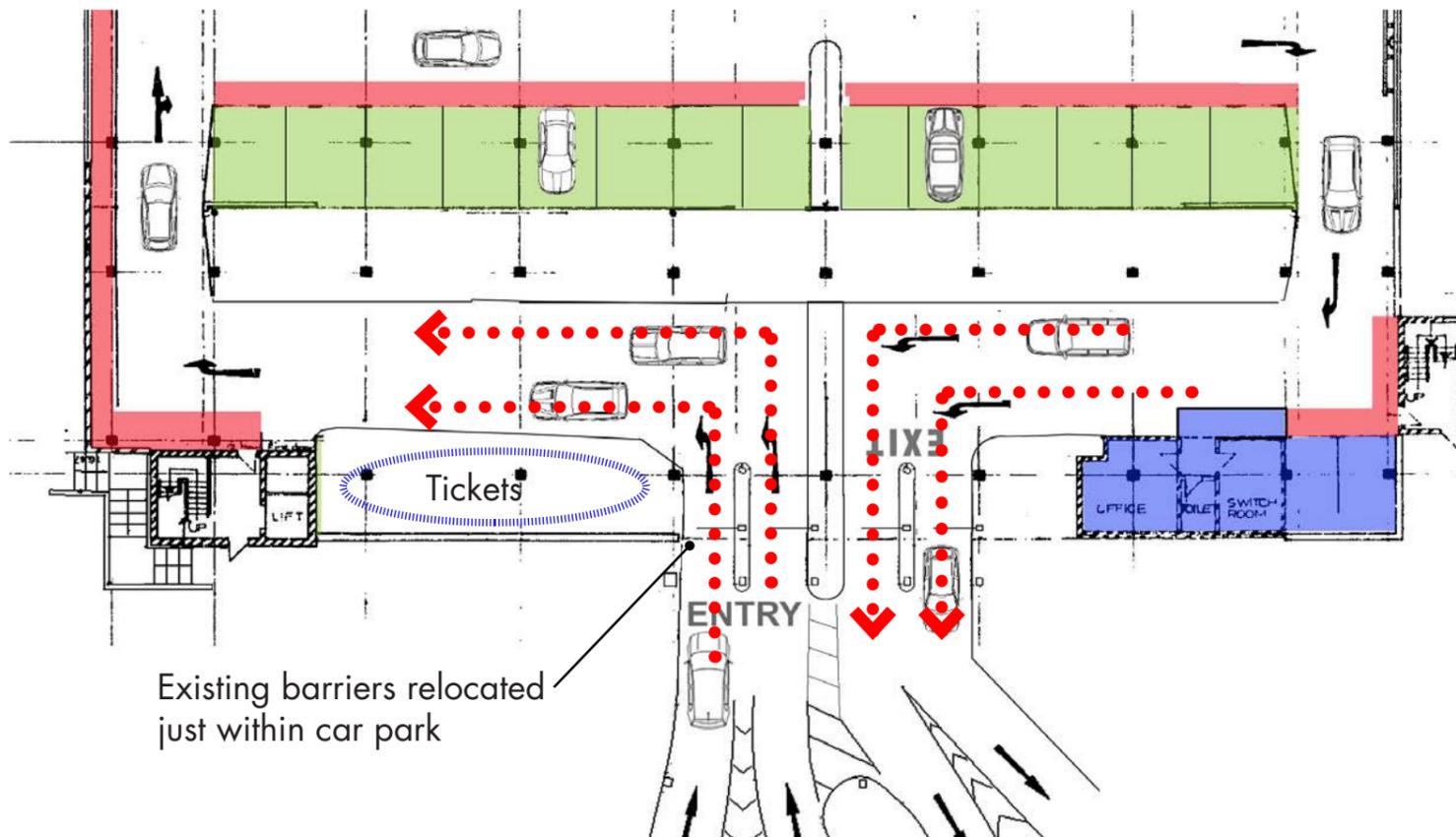
Page 152

As an alternative to a ramp, a new, additional external lift could be provided to address the level difference. There are potential concerns about susceptibility to vandalism with this option as well as ongoing running and maintenance costs.





Existing Entrance & Exit



Proposed Entrance & Exit

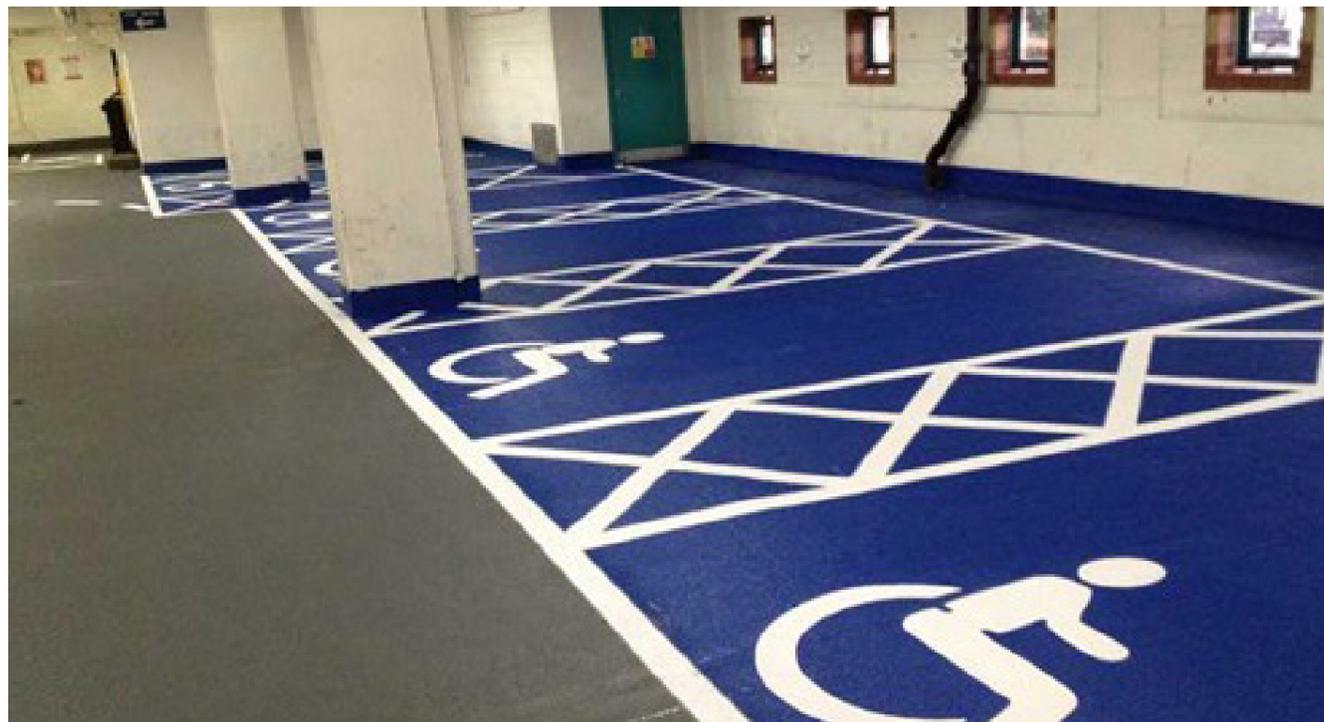
Relocate entrance and exit barriers slightly in-board of the front elevation to the car park to provide covered ticket collection and relieve potential queuing back up

Existing barriers relocated just within car park

# Signage Studies



Internal signage proposal



# Elevational Treatment

## Precedent Studies



**CONTACT**

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**SERVICES**

ARCHITECTURE  
BIM & DIGITAL DESIGN  
BRANDING & WAYFINDING  
BUILDING SURVEYING  
HISTORIC BUILDINGS & CONSERVATION  
INTERIOR DESIGN  
LANDSCAPE ARCHITECTURE  
MASTERPLANNING & URBAN DESIGN  
PRINCIPAL DESIGNER  
PROJECT MANAGEMENT  
SUSTAINABILITY DESIGN  
TOWN PLANNING

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EDUCATION  
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OFFICE & WORKPLACE  
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SPECIALIST LIVING  
STUDENT LIVING  
TECHNOLOGY & INNOVATION  
TRANSPORT

**OFFICES**

BATH  
BIRMINGHAM  
BRISTOL  
CARDIFF  
LONDON  
MANCHESTER  
PLYMOUTH  
SOLENT  
TRURO

FILE	ST_REPORT_A3_Landscape_190805	REVISION	
PROJECT	Pump House	1	X
CLIENT	ABP	2	X
STRIDE TREGLOWN JOB No.	153507	3	X
PREPARED BY	BAJ	4	X
CHECKED BY		5	X
DATE	13.12.2019	6	X
REVISION No.	A		

# STRIDE TREGLOWN



## Summary cost plan for upgrade of existing MSCP

Item	Description	Cost
1	Strengthening of the structure, repairs and treatment of the surfaces	985,000.00
2	External Cladding	1,195,000.00
3	Roof Surface and Drainage	250,000.00
4	Floor surface coating and markings	724,000.00
5	Staircase repairs and decoration	120,000.00
6	Signage	45,000.00
7	Electrical works and lighting replacement	350,000.00
8	Solar photovoltaic panels	750,000.00
9	Vehicle charging points	48,000.00
10	Provision of a new lift and refurbishment of existing	240,000.00
11	Entry control systems	100,000.00
12	Improvement to venue access	115,000.00
	<b>Sub Total</b>	<b>4,922,000.00</b>
13	Preliminaries, overhead and risk allowance etc	1,138,000.00
14	Technical design and Project Management	115,000.00
15	Value Engineering	-675,000.00
	<b>Total</b>	<b>5,500,000.00</b>



Proposed decorative brickwork illustration





# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 September 2020

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	Covid-19 Impact on Daedalus Investment Projects - Faraday Industrial / Business Units
<b>Report of:</b>	Director of Planning and Regeneration
<b>Corporate Priorities:</b>	A dynamic, prudent and progressive Council

**Purpose:**

As a result of the Covid-19 impact, and in light of a changing economy the proposed capital investments at Daedalus have been reviewed to help determine the future financial implications for the Council. This report addresses the proposed capital investment on Faraday Business Park.

**Executive summary:**

At the 7 January 2019 Executive it was agreed to fund the construction of new industrial / business units at Faraday Business Park and the appointment of a contractor for the development to be delegated to the relevant Director following consultation with the Executive Member for Policy and Resources.

**Recommendation:**

Following consideration of the potential impact(s) of Covid-19, it is recommended that the Executive agrees:

- (a) to continue funding of £5 million, as agreed by the Executive on the 07 January 2019, to construct new industrial/ business units at Faraday Business Park, and
- (b) the appointment of a contractor for the development is delegated to the Director of Planning and Regeneration following consultation with the Executive Member for Policy and Resources.

**Reason:**

To fund the further development of Daedalus in line with the adopted Vision generating a positive revenue for the Council.

**Cost of proposals:**

The capital budget for the proposed scheme is as approved on 7 January 2019.

**Appendices:**           **A:** Architect perspective view of development.  
                                  **B:** Confidential – Lambert Smith Hampton update addendum  
                                  to November 2018 report.

**Background papers:**

**Reference papers:**  
Daedalus Vision and Outline Strategy.  
Review of the Council’s Vision and Strategy for Daedalus.

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 September 2020
<b>Subject:</b>	Covid-19 Impact on Daedalus Investment Projects - Faraday Industrial / Business Units
<b>Briefing by:</b>	Director of Planning and Regeneration
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. At the 7 January 2019 Executive it was agreed to fund the construction of new industrial / business units at Faraday Business Park and the appointment of a contractor for the development to be delegated to the Director of Finance and Resources following consultation with the Executive Member for Policy and Resources.
2. This proposal was and remains in accordance with the Council's Vision for Daedalus – to provide a thriving employment led development.
3. Positive revenue generating schemes are required to cross subsidise airside operations and contribute to the Councils revenue income.
4. Since the Executive of the 7 January 2019 the project has been designed, obtained planning consent and the construction contract tendered.
5. It is forecast that the project continues to be deliverable within the original capital budget approved at Executive on 7 January 2019.
6. As a result of the Covid-19 pandemic this paper assesses any implications of Covid-19 on this proposal.

#### COVID-19 IMPLICATIONS

7. Covid-19 has impacted upon the global economy. The recovery will differ by sector and vary by region.
8. A dedicated report on Covid-19 impact and recovery proposals within the Borough is to be considered at this Executive meeting.
9. In accordance with the August Executive report on Covid -19 recovery Plan Objectives and Framework all major capital schemes are being reviewed.

## COVID-19 IMPACT ON TENANT MARKET AND DEMAND

10. The Council's property advisors have provided an update to their report of November 2018. They consider "a range between 10,000 – 20,000 sq ft to be the "sweet spot" to accommodate enquiries in the market". They further report "to date, with one or two exceptions, there has been no perceptible reduction in rents and lease terms in transactions they have been involved with" and that "the fundamental market principles still remain notwithstanding the Covid-19 implications, and we believe a speculative scheme at Faraday Business Park will be successful and attract occupiers within a realistic timeframe to achieve a viable and profitable outcome".
11. Practical completion of the units is programmed for Summer 2021 with a 10-month construction period allowing further time for businesses to recover and plan.
12. The Council has flexibility to either let or sell the completed units and has wider ability to be flexible on terms than commercial developers to the benefit of occupiers.
13. Existing businesses seeking to expand, or contract are having to look at locations outside of the Borough, whilst potential new occupiers are being frustrated by the lack of quality stock available.
14. The Stubbington Bypass is currently programmed to complete in late 2021/early 2022 improving road links to this area of the Borough.
15. Officers believe there is still a good level of demand for the proposed units.
16. The construction sector has rapidly adapted, and reports indicate numerous contractors' staffing levels are back at pre Covid-19 levels.

## RISK ANALYSIS

Risk	Description	Impact & Mitigation
<b>Capital cost is greater than £5 million</b>	Capital costs exceed approved budget of £5 million	<ul style="list-style-type: none"> <li>• Scheme has secured planning consent. The construction contract has been tendered with returns being within the approved budget.</li> <li>• Long term borrowing rates have continued to drop and are at an all-time low.</li> </ul>
<b>2<sup>nd</sup> peak of Covid-19 extends building contract and or costs</b>	A further lockdown impacts on construction contract, programme or costs	<ul style="list-style-type: none"> <li>• Mitigated via contracts.</li> </ul>

Risk	Description	Impact & Mitigation
<p><b>Market for the units has changed</b></p>	<p>Covid-19 impact on potential tenants or purchasers has reduced demand</p>	<ul style="list-style-type: none"> <li>• The Council's agents have provided an update to their report of January 2019. Whilst the full impact of Covid-19 on the commercial property market is still being assessed, lettings within the area have completed within the pandemic and interest levels are recovering quickly.</li> <li>• Practical completion of the units is programmed for Summer 2021 (with a 10-month construction period) allowing further time for businesses to recover and plan.</li> <li>• The Council has flexibility to either let or sell the completed units.</li> <li>• Council has wider ability to be flexible on terms than commercial developers to the benefit of occupiers.</li> <li>• Financial modelling has incorporated Covid-19 impact.</li> </ul>

## **FINANCIAL IMPLICATIONS**

17. Approximately £300,000 has been spent to date on designing the scheme, obtaining planning consent and tendering the construction contract.
18. The financial modelling remains based on funding the capital expenditure through prudential borrowing, but the assumptions have been revisited in light of Covid-19.
19. The financial model now includes prudent impacts for Covid-19 in addition to the original prudent impacts previously included for Brexit. Both impacts are over and above those forecast by the Council's agents.
20. With the bank base rate at an all-time low, prudential borrowing rates have also dropped since January 2019. Notwithstanding this the modelling has been re-run at the same cost of borrowing for the sake of comparison and further prudence.
21. Taking the above into account the payback period has extended from 12.5 years to 14 years which Officers believe represents a suitable return.
22. The construction will be closely monitored by Officers to mitigate risks throughout the development period.

## ALTERNATIVE OPTIONS FOR THE COUNCIL

23. Having secured planning consent the Council could:

- Delay construction until the impact of Covid-19 has been fully assessed or
- Market the site for a third party to build out.
- Phase the development.

Options	Issues	Financial Implications
<b>Delay construction</b>	<ul style="list-style-type: none"> <li>• Likely to result in higher capital cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased capital cost. Current estimates suggest circa 4% building cost inflation per annum which would be circa £0.20 million additional cost.</li> <li>• Revenue would be delayed. Opportunity to capitalise on current demand will be lost to competing schemes.</li> <li>• Risk of increase in number of competing schemes.</li> <li>• Risk of businesses not locating or relocating within the Borough due to lack of available premises.</li> </ul>
<b>Sale of vacant site to third party</b>	<ul style="list-style-type: none"> <li>• Council would lose revenue opportunity</li> <li>• Council would lose control of timing and quality of development</li> <li>• Council would lose proportion of development profit</li> </ul>	<ul style="list-style-type: none"> <li>• Council would not secure positive revenue flow.</li> <li>• Capital value would be less than those achievable if Council completes development themselves.</li> <li>• Funds have already been invested in the scheme securing planning consent and tendering of construction. This has de-risked the project.</li> </ul>

Options	Issues	Financial Implications
<p><b>Phased development</b></p>	<ul style="list-style-type: none"> <li>Phased delivery via two or more construction contracts will reduce immediate capital outlay</li> </ul>	<ul style="list-style-type: none"> <li>The Council's agents are of the belief that the scheme is too small to be phased and potential disruption could put Tenants off phase 1.</li> <li>The stand alone (F1) unit could be left out of the scheme but advice is this is likely to be the most marketable unit.</li> <li>Council's construction consultants have advised that phasing would result in: additional cut and fill works, 75% of the common areas would require constructing in phase 1, retendering of the construction contract leading to a delay to programme, increased costs per square foot, a splitting of liabilities between phases, additional interface works, an increase in construction programme and preliminary costs. Construction of a later phase would also disrupt the tenants on the first phase. The increased costs in phasing has been estimated at an additional £500,000.</li> </ul>

## CONCLUSIONS

24. This proposal has been presented to and is supported by the Daedalus Members' Working Group.
25. The Councils agents believe the fundamental market principles remain notwithstanding the Covid-19 impacts, and that a speculative scheme at Faraday Business Park will be successful and attract occupiers achieving a viable and profitable outcome.
26. The proposed units are suitable for a wide range of sectors.
27. The Council are forecast to make a better return by building the units than by selling the site with the benefit of the planning consent.
28. Construction of the units will allow the Council to assist businesses within the Borough and those wishing to locate into the Borough by providing new premises.
29. Phasing of the construction increases: costs, programme, disruption and will deter lettings of phase 1.
30. The recommendation is to proceed with construction of whole scheme as per Executive approval of 7 January 2019.

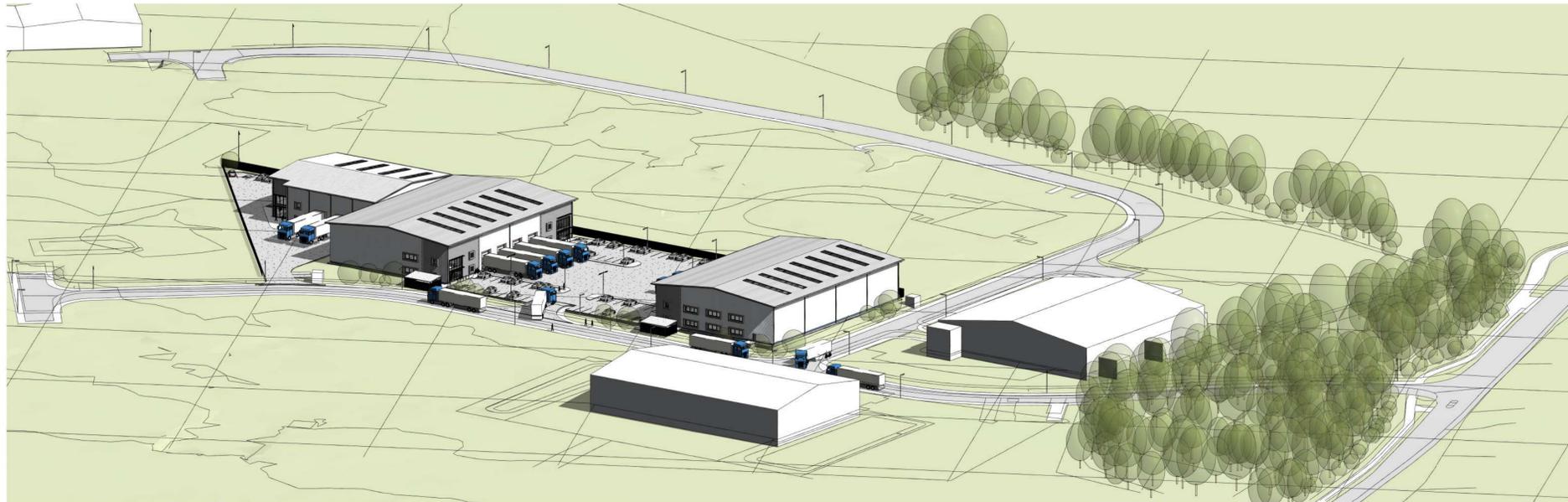
**Enquiries:**

For further information on this report please contact Grant Hobday. (Ext 4320)

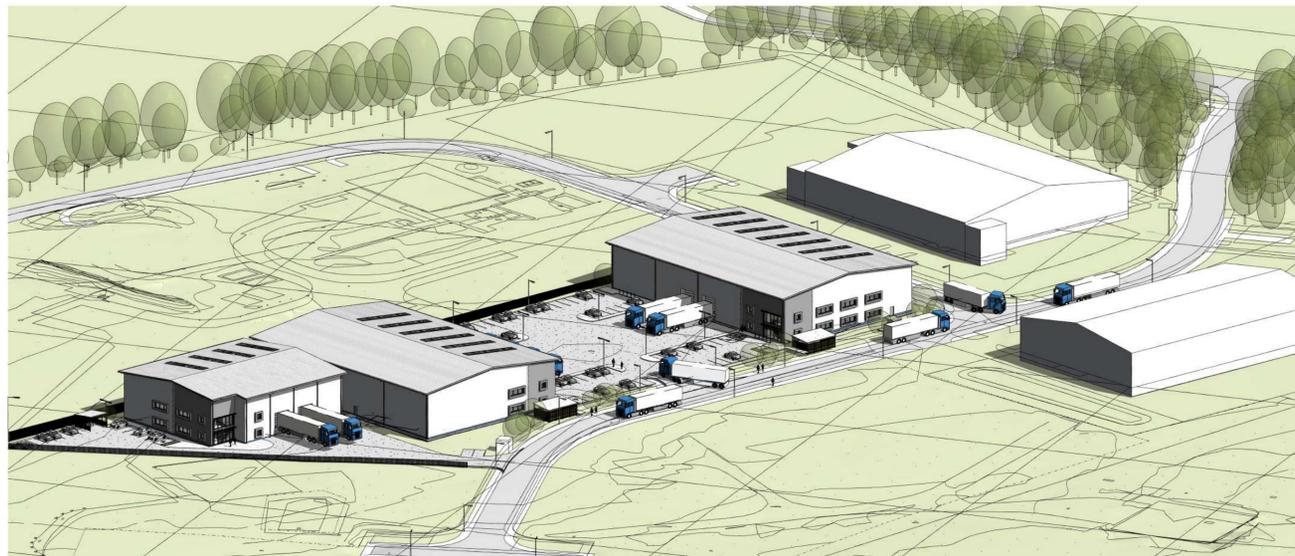
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 1. All boundaries, dimensions and levels are to be checked on site before construction and any discrepancies are to be reported to the Architect / Designer.  
 2. Partial Service: Any discrepancies with site or other information is to be advised to the Architect / Designer and direction or approval is to be sought before the implementation of the detail.  
 3. Block and site plans are reproduced under license from the Ordnance Survey.  
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 5. For the purpose of coordination, all relevant parties must check this information prior to implementation and report any discrepancies to the Architect / Designer.

Revisions:

Rev.	Date	Description
1	19/11/18	Amended as per comment re'vd 15/11/18.



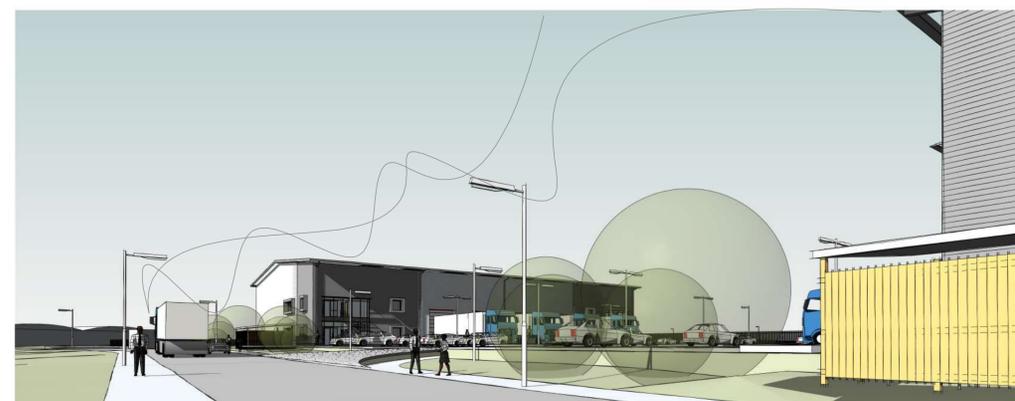
*Aerial View looking North*



*Aerial View looking East*



*Perspective View across yard*



*View along Spitfire Way*

APPENDIX A

**PRELIMINARY**

CLIENT

PROJECT  
 New Warehouse Development,  
 Faraday Business Park, Fareham

DRAWING  
 Plot 'F'. Proposed Perspective Views



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 Guildford  
 Surrey  
 GU1 4XA  
 Tel: 01483 560908  
 Fax: 01483 560660  
 Email: guilford@lewis-hickey.com

SCALE	SIZE	DATE	DRAWN	CHECKED
	A1	Nov '18	JeC	

PROJECT No.	DRAWING No.	REVISION
G4473	P_205	1



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

Document is Restricted

