

FAREHAM

BOROUGH COUNCIL

COUNCIL MEETING SUMMONS

Members of Fareham Borough Council are hereby summoned to attend a meeting of the Council to be held in the Council Chamber, Civic Offices, Fareham, on
FRIDAY, 21 FEBRUARY 2020, commencing at **5.00 pm**.

The Mayor: Councillor Pamela Bryant

The Deputy Mayor: Councillor Michael Ford, JP

Councillor Keith Barton	Councillor Geoff Fazackarley
Councillor Susan Bayford	Councillor Jim Forrest
Councillor Ian Bastable	Councillor Tiffany Harper
Councillor Susan Bell	Councillor Carolyn Heneghan
Councillor Fred Birkett	Councillor Connie Hockley
Councillor Jonathan Butts	Councillor Leslie Keeble
Councillor Trevor Cartwright, MBE	Councillor Gerry Kelly
Councillor Louise Clubley	Councillor Kay Mandry
Councillor Shaun Cunningham	Councillor Simon Martin
Councillor Peter Davies	Councillor Sarah Pankhurst
Councillor Tom Davies	Councillor Roger Price, JP
Councillor Steve Dugan	Councillor Katrina Trott
Councillor Tina Ellis	Councillor Nick Walker
Councillor Jack Englefield	Councillor Seán Woodward
Councillor Keith Evans	



1. Prayers

The meeting will commence with a short service of prayers.

2. Apologies for Absence

3. Minutes (Pages 9 - 18)

To confirm as a correct record the minutes of the Council Meeting held on 05 December 2019.

4. Mayor's Announcements

5. Executive Leader's Announcements

6. Executive Members' Announcements

7. Declarations of Interest

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

Members are reminded that in 2019, the Monitoring Officer granted a 3-year period of dispensation to all Members to enable discussion and a decision to be taken at item 15 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20.

8. Presentation of Petitions

To receive any petitions presented by a member of the Council.

Note: any petition so presented will be dealt with in accordance with the Council's petition scheme.

9. Deputations

To receive any deputations of which notice has been given.

10. Reports of the Executive

To receive, consider and answer questions on reports and recommendations of the Executive. Minutes of the meetings of the Executive and a schedule of individual Executive member decisions are appended.

(1) Minutes of meeting Thursday, 5 December 2019 of Executive (Pages 19 - 20)

(2) Minutes of meeting Monday, 16 December 2019 of Executive (Pages 21 - 26)

(3) Minutes of meeting Monday, 6 January 2020 of Executive (Pages 27 - 32)

(4) Minutes of meeting Monday, 3 February 2020 of Executive (Pages 33 - 38)

- (5) Schedule of Individual Executive Member and Officer Delegated Decisions (Pages 39 - 40)

11. Reports of Other Committees

To receive the minutes of the following Committees and to consider and answer questions on any reports and recommendations made.

- (1) Minutes of meeting Wednesday, 11 December 2019 of Planning Committee (Pages 41 - 48)
- (2) Minutes of meeting Wednesday, 22 January 2020 of Planning Committee (Pages 49 - 52)
- (3) Minutes of meeting Wednesday, 29 January 2020 of Planning Committee (Pages 53 - 56)
- (4) Minutes of meeting Tuesday, 28 January 2020 of Licensing and Regulatory Affairs Committee (Pages 57 - 60)

12. Reports of the Scrutiny Panels

To receive, consider and answer questions on reports and recommendations of the meetings of the Scrutiny Panels.

- (1) Minutes of meeting Monday, 16 December 2019 of Leisure and Community Scrutiny Panel (Pages 61 - 64)
- (2) Minutes of meeting Tuesday, 14 January 2020 of Policy and Resources Scrutiny Panel (Pages 65 - 68)
- (3) Minutes of meeting Thursday, 16 January 2020 of Health and Public Protection Scrutiny Panel (Pages 69 - 72)
- (4) Minutes of meeting Tuesday, 21 January 2020 of Planning and Development Scrutiny Panel (Pages 73 - 76)
- (5) Minutes of meeting Thursday, 30 January 2020 of Streetscene Scrutiny Panel (Pages 77 - 80)

13. Questions under Standing Orders with respect to meetings

To answer questions pursuant to the Council's Standing Orders 2.19 – 2.22 for this meeting.

14. Motions under Standing Orders with respect to meetings

Members will be informed, prior to the meeting, of any motion duly notified in accordance with Standing Orders 2.10 – 2.13 but received after print and dispatch of the agenda.

- (1) Update on Motion presented to Council on 14 June 2019 by Councillor R H Price, JP

To receive an update on the motion presented to Council on 14 June 2019 by Councillor R H Price, JP, in respect of the Citizen of Honour Awards.

- (2) Notice of motion received on the 05 February 2020 from Councillor R H Price, JP

"I propose that Fareham Borough Council resolves to take the following action regarding Fireworks;

1. To encourage all public firework displays within the Borough to be advertised fully in advance of the event, allowing residents to take precautions for their animals and vulnerable people.
2. To actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risk.
3. To encourage local suppliers of fireworks to stock "quieter" fireworks for public display.
4. To write to the UK government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays. This letter to be copied to the Local Government Association asking for their support to obtain this legislative change."

- (3) Notice of Motion received on the 06 February 2020 from Councillor Mrs K K Trott

"I propose that Fareham Borough Council calls upon the Secretary of State for Housing, Communities and Local Government to review the way Councils can use the proceeds from the 'Right to Buy' policy, in order to facilitate the provision of more, much needed, Affordable homes including those for Social Rent."

15. Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21

- (1) Suspension of Standing Order 2.29 and 2.30

To consider suspending the provision of Standing Order 2.29 to allow the Executive Leader of the Council to speak on the matters referred to in items 15(2) and 15(3) for longer than five minutes and the spokesman for the Opposition Group to speak for not more than ten minutes; and to consider suspending the provisions of Standing Order 2.30 to allow the Executive Leader of the Council to speak on the matters referred to in items 15(2) and 15(3) more than once to respond to points raised in debate.

- (2) Report to the Executive - 03 February 2020 (Pages 81 - 90)

The Minutes of the meeting of the Executive held on 03 February 2020, presented to Council at its meeting on 21 February 2020 at item 10(4) contained recommendations on the revenue budget and the level of Council

Tax for 2020/21.

(Note: a copy of the report to the Executive is included in this Agenda pack)

If Members accept the Executive's recommendations, formal approval will be sought of the following matters:

- (a) the capital programme and financing of £64,246,000;
- (b) an overall revised revenue budget for 2019/20 of £9,319,200;
- (c) a revenue budget for 2020/21 of £9,606,500;
- (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 17-20;
- (e) a council tax for Fareham Borough Council for 2020/21 of £165.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (f) an unchanged Council Tax Support scheme for 2020/21.

Please note: The Local Government Finance Settlement has not yet been agreed and will not be finalised until after 24th February 2020 at the earliest. In order to enable Council Tax bills to be issued within the statutory timescale, the Council will be asked to further approve:

- (g) that authority be delegated to the Section 151 Officer, following consultation with the Executive Member for Policy and Resources, to amend the budget, as set out in this report, to reflect any necessary changes brought about as a result of the Final Local Government Finance Settlement 2020/21.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, there will be a recorded vote on the budget decision.

- (3) Council Tax for 2020/21 for Fareham Borough Council, Hampshire County Council, Hampshire Police and Crime Commissioner and Hampshire Fire and Rescue Service

Having made the necessary calculations in relation to its own budget, the Council must proceed to set the Council Tax for 2020/21 taking account of the amounts in precepts issued to the Council by Hampshire County Council, the Police and Crime Commissioner and Hampshire Fire Authority. These precepts will not be issued before the publication of this agenda and will therefore be reported at the meeting, with provisional figures being given for those that are not yet approved.

In order to enable Council Tax bills to be issued within the statutory timescale, it is recommended that the Council agrees to delegate authority to the Deputy

Chief Executive Officer to amend the Council Tax 2020/21, in the event that any of the precepting authorities change their precept calculation from that expected and reported at the Council meeting.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 there will be a recorded vote on the budget decision.

(Note: a schedule will be circulated at the meeting for approval, showing the formal calculations the Council must make, incorporating any figures recommended by the Executive. Members will also be advised of the wording of the formal resolution they must adopt to set the Council Tax for 2020/21, taking account of the requisite calculations and the precepts of Hampshire County Council, the Police and Crime Commissioner and Hampshire Fire Authority).

16. Housing Revenue Account Budget and Capital Plans 2020/21 (Pages 91 - 102)

The minutes of the meeting of the Executive held on 03 February 2020, presented to Council at its meeting on 21 February 2020 at item 10(4), contained recommendations on the Housing Revenue Account Spending Plans including the Capital Programme for the years 2019/20 to 2023/24. If Members accept the Executive's recommendations, formal approval will be sought of the following matters:

- (a) rents be approved for Council Dwellings as set out in paragraph 18 of that report with effect from 01 April 2020;
- (b) rents for Council garages be increased by 4.0% with effect from 01 April 2020;
- (c) the revised budget for 2019/20 be approved; and
- (d) the base budget for 2020/21 be approved;

(Note: a copy of the report to the Executive is included in this Agenda pack)

17. Treasury Management Strategy and Investment Strategy 2020/21 (Pages 103 - 126)

The minutes of the meeting of the Executive held on the 03 February 2020, presented to Council at its meeting on 21 February 2020 at item 10(4) of this agenda, contained recommendations that the Treasury Management Strategy and Investment Strategy 2020/21 be submitted to Council for approval. If Members accept the Executive's recommendation, formal approval will be sought that the Council approves the Treasury Management Strategy and Investment Strategy 2020/21.

(Note: a copy of the report to the Executive together with the Treasury Management Strategy and Investment Strategy 2020/21 are included in this agenda pack).

18. Capital Programme and Capital Strategy 2020/21 (Pages 127 - 148)

The minutes of the meeting held on 06 January 2020, presented to Council at its meeting on 21 February 2020 at item 10(3) contained recommendations on the Capital Programme and Capital Strategy 2020/21. If Members accept the Executive's recommendations, formal approval of the Capital Programme and Capital Strategy for 2020/21 will be sought.

(Note: a copy of the report to the Executive, together with the Capital Programme and Capital Strategy for 2020/21, is included in this Agenda pack.)

19. Approval of Pay Policy Statement 2020/21 (Pages 149 - 168)

The minutes of the meeting of the Executive held on 06 January 2020, presented to Council at its meeting on 21 February 2020 at item 10(3) contained a recommendation that the updated Pay Policy, annexed to the Medium-Term Finance Strategy, be submitted to Council for approval. If Members accept the Executive's recommendation, formal approval will be sought that the Council approves the updated Pay Policy Statement 2020/21.

(Note: a copy of the report to the Executive, together with the updated Pay Policy Statement for 2020/21, is included in this Agenda pack)

20. Change to Audit and Governance Committee Meeting Date

The Council is asked to consider a revised date for the Audit and Governance Committee in March 2020 and agree that the meeting be moved from Monday 16 March to Monday 23 March, commencing at 6pm.

21. Appointments to Committees (Pages 169 - 176)

In accordance with its Standing Orders, the Council is invited to consider a report on the appointment of committees and the allocation of seats following the nominations of political groups.

22. Appointments to Outside Bodies

Council is asked to re-appoint a representative to Citizens Advice Fareham and a Deputy to South East Employer's Local Democracy and Accountability Network for Councillors.

At the end of the Council meeting, Members are invited to remain in the Council Chamber for a brief informal meeting concerning the selection of the Deputy Mayor for 2020/21.



P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

12 February 2020

For further information please contact:
Democratic Services, Civic Offices, Fareham, PO16 7AZ
Tel:01329 236100
democraticservices@fareham.gov.uk

FAREHAM

BOROUGH COUNCIL

Minutes of the Council

Date: Thursday, 5 December 2019

Venue: Council Chamber - Civic Offices

PRESENT:

Mrs P M Bryant
(Mayor)

M J Ford, JP
(Deputy Mayor)

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



1. PRAYERS

The meeting was opened with Prayers led by the Mayor's Chaplain, Father Roger Jackson of St Peter and St Paul's Church, Fareham.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K A Barton, T Davies, J Englefield, G Fazackarley, J Forrest and Mrs K Mandry.

3. MINUTES

RESOLVED that that the Mayor be authorised to sign as a correct record the Minutes of Council meeting held on 24 October 2019

4. MAYOR'S ANNOUNCEMENTS

The Mayor announced that her next tea party will be held on the 9 January when Santander will be giving a talk on Cyber Security and Scam Information. The tea party on 6 February will include a talk by David Lockett MBE on the History of Lockett's Travel.

On the 29 February at 7pm there will be a Leap Year Supper at Portchester Parish Hall where there will be a talk by Richard Newman on the History of Bursledon Brickworks and a Call My Bluff quiz.

The Mayor announced that she had great pleasure in accepting an invitation from the First Sea Lord to greet the new aircraft carrier Prince of Wales as she arrived in her Home port at Portsmouth recently and was now honoured and thrilled to have been invited to attend her Commissioning Ceremony next Tuesday which she has accepted.

5. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader announcements made at the meeting.

6. EXECUTIVE MEMBERS' ANNOUNCEMENTS**Executive Member for Health and Public Protection****Fareham Community Hospital**

Councillor T M Cartwright MBE, the Executive Member for Health and Public Protection, announced that he recently attended the Fareham Locality Patient Group meeting at the Hospital where one of the items on the Agenda was a

dialysis service. The Executive Member was pleased to inform Council that the Finance Director of the NHS Trust confirmed that dialysis would take place at the hospital. The alteration works have been agreed and work started on the 18th November with a finish towards the end of January 2020. In February 2020, initial staff training will take place followed by patient access.

The other announcement at the meeting was that the NHS is looking at its pricing structures at the hospital to make it more competitive. This is excellent news and we can look forward to additional services taking place in the future.

Executive Member for Streetscene

Climate Change Working Group

Councillor S D Martin, the Executive Member for Streetscene, took the opportunity to provide a brief update on the progression of the Council's work on the climate change agenda.

Since the last Council meeting, the inaugural meeting of the Climate Change Working Group has recently been held, and in particular the Working Group considered and agreed the group's Terms of Reference. These Terms of Reference cover the role and membership of the group, the broad scope of work to be progressed, reporting arrangements, meeting arrangements and resources.

Next key steps include the appointment of a part-time Climate Change Officer. The post has been advertised internally and it is envisaged that an appointment will be made shortly, resulting in a dedicated resource being available to progress the Council's work from mid-January onwards.

A scoping report will be created setting out the detailed scope of work to be undertaken by the Council, including mitigating the effects of climate change through carbon reduction planning, and also climate change adaptation and resilience work. It is envisaged that this report will be presented to the Policy & Resources Scrutiny Panel to be held in early March 2020, followed by consideration by the Executive in either April or May 2020.

Regular updates on the progression of the Council's work on climate change will be made available on the Council's website, given the wider public interest in the matter.

Councillor Martin also announced the retirement of James Clark, the Manager and Registrar of Portchester Crematorium, after 31 years of service. Mr Clark joined the Crematorium in 1983 as a trainee administrator and is only the 3rd Registrar to hold the position. Councillor Martin wished Mr Clark well in his retirement.

7. DECLARATIONS OF INTEREST

Councillor R H Price JP declared a pecuniary interest in respect of item 18 on the agenda as he owns a property immediately adjacent to a development

site. Councillor R H Price JP left the chamber as soon as the development sites were listed and took no further part in the discussion.

Councillor I J Bastable declared a non-pecuniary interest in respect of item 18 on the agenda as he has a friend who lives adjacent to the Brook Lane site.

Councillor Miss S M Bell declared a non-pecuniary interest in respect of item 18 on the agenda as she is a Council appointed Trustee of Portchester Parish Hall which has an interest in land at Moraunt Drive.

Councillor N J Walker declared a non-pecuniary interest in respect of item 18 on the agenda as he is the Chairman of Portchester Parish Hall Board of Trustees which has an interest in land at Moraunt Drive.

Councillor T M Cartwright, MBE, declared a non-pecuniary interest in respect of item 18 on the agenda as he is pre-determined on applications relating to those applications for Warsash sites.

Councillor J G Kelly declared a non-pecuniary interest in respect of item 18 on the agenda as he is a Council appointed Trustee of Portchester Parish Hall which has an interest in land at Moraunt Drive.

Councillor S D T Woodward declared a non-pecuniary interest in respect of item 18 on the agenda as the owner for the Funtley site is known to him and the owner of Egmont Nursery site is also known to him.

Councillor M J Ford declared a non-pecuniary interest in respect of item 18 on the agenda as he is pre-determined on applications relating to those applications for Warsash sites.

8. PRESENTATION OF PETITIONS

There were no petitions presented at this meeting.

9. DEPUTATIONS

There were no deputations given at this meeting.

10. REPORTS OF THE EXECUTIVE

(1) Minutes of meeting Monday, 4 November 2019 of Executive

RESOLVED that the Minutes of the Executive held on Monday 4 November 2019 be received.

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

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

11. REPORTS OF OTHER COMMITTEES

- (1) Minutes of meeting Wednesday, 16 October 2019 of Planning Committee

RESOLVED that the Minutes of the Planning Committee held on Wednesday 16 October 2019 be received.

- (2) Minutes of meeting Wednesday, 13 November 2019 of Planning Committee

RESOLVED that the Minutes of the Planning Committee held on Wednesday 13 November 2019 be received.

- (3) Minutes of meeting Monday, 25 November 2019 of Audit and Governance Committee

RESOLVED that the Minutes of the Audit and Governance Committee held on Monday 25 November 2019 be received.

12. REPORTS OF THE SCRUTINY PANELS

- (1) Minutes of meeting Thursday, 17 October 2019 of Streetscene Scrutiny Panel

RESOLVED that the Minutes of the Streetscene Scrutiny Panel held on Thursday 17 October 2019 be received.

- (2) Minutes of meeting Monday, 21 October 2019 of Leisure and Community Scrutiny Panel

RESOLVED that the Minutes of the Leisure and Community Scrutiny Panel meeting held on Monday 21 October 2019 be received.

- (3) Minutes of meeting Wednesday, 23 October 2019 of Policy and Resources Scrutiny Panel

RESOLVED that the minutes of the Policy and Resources Scrutiny Panel meeting held on Wednesday 23 October 2019 be received.

- (4) Minutes of meeting Thursday, 31 October 2019 of Health and Public Protection Scrutiny Panel

RESOLVED that the Minutes of the Health and Public Protection Scrutiny Panel meeting held Thursday 31 October 2019 be received.

- (5) Minutes of meeting Thursday, 7 November 2019 of Housing Scrutiny Panel

RESOLVED that the Minutes of the Housing Scrutiny Panel meeting held on Thursday 7 November 2019 be received.

13. QUESTIONS UNDER STANDING ORDER 17.2

There were no Questions received for this meeting.

14. MOTIONS UNDER STANDING ORDER 15

There were no Motions received at this meeting.

15. APPOINTMENTS TO OUTSIDE BODIES

(1) Solent Growth Forum

In considering this item it was AGREED that Councillor Mrs S M Bayford be appointed as the Council's Representative on the Solent Growth Forum.

16. ANNUAL REVIEW OF THE CORPORATE STRATEGY 2017-2023

RESOLVED that the Council:

- (a) notes the results of the annual review of the Corporate Strategy; and
- (b) approves the updates to the Corporate Strategy.

17. COUNCIL TAX DISCOUNT SCHEME

RESOLVED that the Council approves:

- (a) the approach for the proposed policy for up to 100% of the Council Tax for properties occupied by Care Leavers under 25 years of age, to be considered as irrecoverable (Section 10 of Appendix A to the report); and
- (b) the latest discretionary reductions and premiums set out in Section 9 of Appendix A to the report for:
 - (i) 0% discount for properties which are unoccupied and unfurnished for less than 2 years (Class C);
 - (ii) 0% discount for properties requiring major works to render them habitable (Class D);
 - (iii) 100% to 300% Long Term Empty property premiums for properties which have been unoccupied and unfurnished for more than 24 months.

18. ANNUAL REVIEW OF CONSTITUTION

A revised Appendix C – Scheme of Delegation to Officers was tabled in respect of this item.

In respect of the draft Scheme of Delegation to Officers at Appendix C, Councillor R H Price proposed that paragraph 2.17 be removed and this was seconded by Councillor S Cunningham.

During debate on this item, Councillor S D T Woodward confirmed the 12 sites relating to the planning applications as referred to in the report, following which Councillor Price sought legal advice in respect of his Declaration of Interest as one of the applications relates to a site adjacent to his address.

The Solicitor to the Council advised that as specific sites had been mentioned, any Declaration of Interest which any Member had concerning a site, or sites, would need to be declared.

Councillor R H Price declared a pecuniary interest as he owns a property immediately adjacent to a development site. Councillor R H Price left the Chamber for the remainder of this item and took no part in the discussion or vote.

As Councillor R H Price had proposed the amendment but had left the Chamber and was unable to take part in discussion, Councillor S Cunningham proposed the Amendment that paragraph 2.17 be removed.

In accordance with the advice received from the Solicitor to the Council, non-pecuniary declarations of interests were made by the following Councillors, as detailed at item 7:

Councillor I J Bastable
Councillor Miss S Bell
Councillor N J Walker
Councillor T M Cartwright
Councillor G Kelly
Councillor S D T Woodward
Councillor M J Ford

The amendment proposed by Councillor S Cunningham was debated and at the request of Councillor S Cunningham a recorded vote was taken on the amendment and, having been seconded by Councillor Mrs K K Trott, it was LOST with 19 voting in favour, 3 voting against and 1 abstention.

(Councillors S Cunningham, G Kelly and Mrs K K Trott voting in favour, Councillors I J Bastable, Mrs S Bayford, Miss S Bell, F W Birkett, J E Butts, T Cartwright, Mrs L Clubley, P Davies, S Dugan, Mrs T Ellis, K D Evans, M J Ford, Miss T Harper, Mrs C L A Hockley, L Keeble, S D Martin, Miss S Pankhurst, N J Walker and S D T Woodward voting against and Councillors Mrs C Heneghan abstaining).

During debate on the recommendations as laid out in the report, Councillor P Davies proposed an amendment to paragraph 2.17 that wording be inserted after the fifth word in the first sentence, as underlined:

“Authority to determine planning applications, in specific planning application circumstances and as determined by the Planning Committee, following due consideration of any further material planning considerations and amendments to and/or additional planning conditions and amendments to and/or additional heads of terms in related planning obligations where necessary, to address any likely significant effects identified through appropriate assessments where:....”

This amendment was seconded by Councillor Bastable, however during debate on this item, Councillor Bastable retracted his seconding and therefore without a seconder, the Motion FELL.

Councillor S D T Woodward proposed an Amendment to paragraph 2.17 that the paragraph be amended to specify that that once the 12 planning applications had been dealt with, the delegation in the Constitution be removed.

Having been seconded by Councillor T Cartwright, the Amendment was CARRIED unanimously.

RESOLVED that the Council approves:-

- (a) the amendments to the Standing Orders with Respect to Meetings, as set out in Appendix B to the report;
- (b) the amendments to the Scheme of Delegation to Officers as set out in Appendix C to the report, to include the amended wording to be inserted into paragraph 2.17 that once the 12 planning applications had been dealt with, the delegation in the Constitution be removed;
- (c) the addition of the Anti-Bribery Policy in Part 5 of the Constitution; and
- (d) the deletion of the Part 3 – Chapter 12 – Deputation Scheme.

19. CHANGE TO COUNCIL MEETING DATE

RESOLVED that the Council agrees a revised date for the Council meeting in February 2020 and that the meeting be moved from Friday 28 February to Friday 21 February commencing at 5pm.

20. APPOINTMENTS TO COMMITTEES

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

(The meeting started at 5.00 pm

and ended at 6.11 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Thursday, 5 December 2019

Venue: Collingwood Room - Civic Offices

Present:

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

Also in attendance:



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 04 November 2019 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader Announcements made at this meeting.

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 made at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

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

8. POLICY AND RESOURCES

(1) Acquisition of Commercial Property in Havant

RESOLVED that the public and representatives of the press be excluded from the meeting in order to debate issues covered in the confidential Appendix.

Having considered the confidential Appendix, the meeting moved back into public session.

RESOLVED that the Executive approves:

- (a) the purchase of the property, as detailed in confidential Appendix A, as a commercial investment; and
- (b) that subject to the approval of (a), to delegate authority to the Director of Planning and Regeneration to carry out all ancillary matters to give effect to the resolution.

(The meeting started at 4.00 pm
and ended at 4.08 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 16 December 2019

Venue: Collingwood Room - Civic Offices

Present:

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

Also in attendance:

R H Price, JP, for items 8(3), 10(1), 10(2) and 11(3)
Mrs K K Trott, for items 8(1) and 8(2)



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor S D Martin.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 05 December 2019 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader Announcements made at this meeting.

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 made at this meeting.

7. REFERENCES FROM OTHER COMMITTEESHousing Scrutiny Panel – 07 November 2019**Minute 10 – Draft Fareham Housing Greener Policy**

The Panel received a report from the Policy Officer on the draft Fareham Housing Greener Policy.

Members discussed the draft Fareham Housing Greener Policy at Appendix A to the report at length. It was requested that Officers explore ways of obtaining feedback from the Borough's Passivhaus tenants to assist with the Council's housing developments moving forward. Members also asked that Officers investigate the potential use of Greywater in new developments to reduce water consumption for Council tenants, Officers thanked Members for their feedback.

RESOLVED that the Housing Scrutiny Panel considered and commented on the draft Fareham Housing Greener Policy

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

8. HOUSING

(1) Draft Fareham Housing Greener Policy

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

RESOLVED that the Executive approves the draft Fareham Housing Greener Policy, as provided in Appendix A to the report, for publication.

(2) Approval of Draft Housing Allocations Policy

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

RESOLVED that the Executive:

- (a) notes the feedback received from the public consultation exercise, together with the proposed changes to the policy, as outlined in this report; and
- (b) adopts the Housing Allocations Policy, as attached at Appendix A of the report, to formally replace the current Allocations Policy (2014).

(3) Assheton Court, Portchester

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

RESOLVED that the Executive agrees:

- (a) the principle of seeking a redevelopment of the Assheton Court sheltered housing scheme;
- (b) the inclusion of a small area of the adjacent Long Stay East car park within any redeveloped design on the basis that no net loss in overall public car parking spaces will occur in the Council car parks at Portchester village centre;
- (c) that officers shall progress a Developed Design and planning application for a new Sheltered Housing Scheme; and
- (d) that £100,000 be allocated from the HRA Capital Development Fund, to progress the feasibility and design stage of the Assheton Court proposal.

9. HEALTH AND PUBLIC PROTECTION

(1) Public Spaces Protection Order

Revised pages 66 and 69 of the agenda pack were tabled at the meeting in respect of this item to reference the Equality Impact Assessment that has been undertaken in order to provide further information on the potential impact of the Public Spaces Protection Order.

RESOLVED that the Executive agrees to extend the Public Spaces Protection Order under section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 for a further 3 years.

10. PLANNING AND DEVELOPMENT

(1) Portchester Village Centre Regeneration Update

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

RESOLVED that the Executive:

- (a) notes the findings of the commercial prospect study and update on the emerging Transforming Cities Fund;
- (b) agrees that further work is undertaken by officers to ensure that up-to-date information on car park use is used to support work developing a detailed design car park scheme; and
- (c) agrees that Officers undertake a procurement exercise to develop and deliver a detailed scheme design to implement improvements to the southern public car parks and pedestrian linkages to the Portchester (Village) Centre, prior to consulting on a TRO in the summer of 2020.

(2) Draft Local Plan Consultation

With the agreement of the Executive Leader, this item was brought forward and heard as the first item on the agenda.

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

RESOLVED that the Executive:

- (a) approves the content of the consultation document on the Draft Local Plan; and
- (b) agrees that the Director of Planning and Regeneration be authorised to make any necessary minor amendments, following consultation with the Executive Member for Planning and Development, provided these do not change their overall direction, shape or emphasis.

11. POLICY AND RESOURCES

(1) Responsive Repairs for Fareham Borough Council owned properties

RESOLVED that the Executive agrees that, on the basis of being the most economically advantageous tenders, those bidders scoring 70% and above (based on their tender scores) are included in the framework agreement for each applicable trade contract.

(2) Arrangements for the 75th Anniversary of VE Day

RESOLVED that the Executive agrees:

- (a) that a commemorative seat to commemorate the 75th anniversary of VE Day be designed and installed at a location to be determined;
- (b) that once officers have researched options for where the seat can be located, delegated authority is given to the Executive Leader to determine the seat's final location;
- (c) to provide some financial support to enable Lee Flying Association and RCA to welcome aircraft pre-dating 1955 to visit Solent Airport over the VE weekend; and
- (d) that the project will be funded from existing budgets, to the sum of £12,000.

(3) Review of Citizen of Honour Award Scheme

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

The Executive considered the following motion which was presented to Council at its meeting on 25 July 2019 by Councillor R H Price, JP: "to change the method of selecting the Citizens of Honour and Young Citizens of Honour to ensure that: "all Members of the Council should have one vote in the adult category and one vote in the under 18 category and that there will be no more than two people selected in each category".

RESOLVED that the Executive:

- (a) agrees to limit the award to one Citizen of Honour and one Young Citizen of Honour for the years 2020 and 2021; and
- (b) did not support the motion as presented but did agree to ensure that all Members are positively encouraged to be involved in the Citizen of Honour selection process by commenting on the work of the nominees either by making representations at the Executive meeting or by making contact with Executive Members.

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

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 6 January 2020

Venue: Collingwood Room - Civic Offices

Present:

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

Also in attendance:

P J Davies, for item 9 (1)
J S Forrest, for item 9 (1)
R H Price, JP, for item 10 (5)



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 16 December 2019 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader announced that he and Councillor Miss S M Bell attended the final performance of Beauty and the Beast at Ferneham Hall and wished to place on record the Council's thanks and gratitude to all staff and volunteers who have worked there over the years, some of whom have worked at Ferneham Hall for the entire 38 years it was open. Members will be welcome to attend the re-opening in 2022.

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

Deputations were received in respect of item 10(1) - Beach Hut Site Rent Review, from Roy Pharoah, Anthony Pepper, Baz Marie, Andrew Slee and Percy O'Dell, Chairman of the Fareham Beach Hut Association.

7. REFERENCES FROM OTHER COMMITTEES**Leisure and Community Scrutiny Panel – 16 December 2019****Minute 6 – Remodelled Ferneham Hall Planning Application Design**

Members received a presentation by the Director of Leisure and Community which outlined the top-level designs for submission as part of the planning application for the remodelled Ferneham Hall. A copy of the presentation is attached to these minutes as Appendix A.

The Panel was pleased that initial concerns regarding the type of brick work to be used in the remodelling of Ferneham Hall had been reconsidered. Members very much preferred the revised concept designs that were put forward in the presentation and were particularly impressed with both the look of the new choice of brickwork and also the strong historic link that it will bring to the famous and distinctive red-tinged Fareham bricks that were used in the construction of London's Royal Albert Hall.

Members put forward their sincere thanks and gratitude to Officers for all the hard work that has been put into driving this project forward on such a tight schedule.

RESOLVED that the Leisure and Community Scrutiny Panel recommends the top-level designs, as outlined in the presentation, to the Executive for approval as part of the planning application to remodel Ferneham Hall.

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

8. LEISURE AND COMMUNITY

(1) Remodelled Ferneham Hall Planning Application

RESOLVED that the Executive:

- (a) noted the comments of the Leisure and Community Scrutiny Panel; and
- (b) approves the principle of the detailed design for the remodelled Ferneham Hall, as outlined in Appendix B to the report, and that this, including any minor alterations be submitted as part of a planning application.

9. PLANNING AND DEVELOPMENT

(1) Response to Transport for the South East's Consultation Draft Transport Strategy for the South East: Consultation Questionnaire

At the invitation of the Executive Leader, Councillors P J Davies and J S Forest addressed the Executive on this item.

RESOLVED that the Executive approves:

- (a) the Council's response to Transport for the South East's Consultation Draft Transport Strategy for the South East Consultation Questionnaire as outlined in paragraphs 13-38 of this report; and
- (b) subject to the amendment at paragraph 29 to include more detailed reference being made for opportunities for provision of rail stations, including at lower cost, that the Director of Planning and Regeneration be authorised to make any necessary minor amendments following consultation with the Executive Member for Planning and Development prior to the submission to TfSE's submission deadline (10th January 2020), provided they do not change the overall direction, shape or emphasis.

10. POLICY AND RESOURCES

(1) Beach Hut Site Rent Review

At the agreement of the Executive Leader, this item was brought forward on the agenda.

Deputations were received in respect of this item from Roy Pharoah, Anthony Pepper, Baz Marie, Andrew Slee and Percy O'Dell, Chairman of the Fareham Beach Hut Association.

During a debate on this item, the Executive Leader proposed an amendment to the recommendation to phase the increase over a 2 or 3 year period to enable an incremental increase in fees year by year. Following further debate, the Executive Leader proposed an annual increase of 5% starting from 01 April 2020.

RESOLVED that the Executive agrees an increase in beach hut site rents by 5% per annum.

- (2) Secure Access to the Western Side of the Solent Airport and provide further car parking for children's play area

RESOLVED that the Executive:

- (a) approves a capital budget of £250,000 to fund improvements to airside security at the West Gate entrance to the Solent Airport and provide further parking for the children's play area to the West of Daedalus Common; and
 - (b) agrees to delegate the award of contract to the Director of Planning and Regeneration following consultation with the Executive Leader.
- (3) Construction of Economic Hangars at Solent Airport Daedalus

RESOLVED that the Executive agrees:

- (a) the appropriate prudential; borrowing up to the maximum sum detailed in the confidential appendix and a capital budget to fund the construction of economic hangar provision at Solent Airport at Daedalus; and
 - (b) to delegate authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources to award the contract for the construction of the new hangars after a procurement exercise in accordance with the Council's Procurement and Contract Procedure Rules 2019.
- (4) Finance Strategy, Revenue Budget and Council Tax 2020-21

RESOLVED that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2019/20 to 2023/24, as set out at Appendix C to the report;

- (b) agrees to submit the updated Pay Policy annexed to the Medium-Term Finance Strategy at Annex C, to Council for approval;

Revenue Budgets

- (c) approves the revised 2019/20 general fund revenue budget, amounting to £9,319,200, as set out in Appendix A and B to the report; and
- (d) approves the base 2020/21 general fund revenue budget amounting to £9,606,500 as set out in Appendix A and B to the report.

(5) Fees and Charges 2020-21

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

RESOLVED that the Executive approves the fees and charges for 202/21 as set out at Appendix A, subject to the amendment to Beach Hut fees (see item 10(1)) being increased by 5% per annum.

(6) Capital Programme and Capital Strategy 2020-21

RESOLVED that the Executive:

- (a) endorses the draft Capital Strategy for 2020/21, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2019/20 to 2023/24, amounting to £92.5 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2020/21 to Council for approval.

(The meeting started at 6.00 pm
and ended at 7.28 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 3 February 2020

Venue: Collingwood Room - Civic Offices

Present:

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

Also in attendance:

R H Price, JP, for items 9(3) and 9(5)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

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

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader was pleased to announce that the Council has been successful in a bid to help tackle the issue of rough sleeping.

In 2019 the Council secured some short-term funding to increase the Outreach Service in Fareham with our partners at Two Saints, enabling them to employ 1.6FTE Outreach Workers, to complement the service they already provided in Fareham and Gosport. These posts have made a significant difference to the level of support provided to rough sleepers and have been key to getting some rough sleepers into more permanent homes.

As a result of this good work, and in partnership with Two Saints, Gosport Borough Council and the MHCLG, the Council has successfully secured funding of £141,450 for the next year.

The money will enable the excellent work of the Outreach workers to continue, and they will also be supplemented with two further posts; a Complex Needs Navigator and an Accommodation Procurement Officer.

This enhanced service will operate across Fareham and Gosport offering more intensive support and will focus particularly on assisting those leaving prison and those with complex needs such as substance misuse issues, mental health needs and behavioural challenges, to find and maintain suitable accommodation.

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 made at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

Policy and Resources Scrutiny Panel – 14 January 2020

Minute 7 – Finance Strategy Revenue Budget and Council Tax 2020/2021

The Panel considered a report by the Deputy Chief Executive Officer regarding the finance strategy, revenue budget and Council Tax 2020-2021 which was considered by the Executive at its meeting on 6 January 2020.

RESOLVED that the Panel recommended the Finance Strategy, Revenue Budget and Council Tax 2020-2021 to the Executive for endorsement at its meeting on 3 February 2020.

This item is listed at Agenda item 9(1) for consideration by the Executive

Minute 10 – Housing Revenue Account Budget and Capital Plans 2020/21

The Panel considered a report by the Deputy Chief Executive Officer on the Housing Revenue Account Budget and Capital Plans 2020-21 which will be considered by the Executive at its meeting on 3 February 2020.

RESOLVED that the Panel recommends the Housing Revenue Account Budget and Capital Plans 2020-21 for endorsement to the Executive at its meeting on 3 February 2020.

This item is listed at Agenda item 9(2) for consideration by the Executive

Planning Committee – 29 January 2020

Minute item 5 – Review of the Council's Pre-Application Planning Advice Service and Charges

Councillor T M Cartwright, declared a non-pecuniary interest in this item. This is due to him being the lead Member on Vanguard and has been involved with the pre-application charge service since its introduction in 2009.

Members discussed this at length, especially in relation to the continued free service for household pre-application planning advice. Members felt that continuing to provide a free service for householder applications was important as they felt that to try to charge for this would create more unnecessary work for Officers and would harm the Council's current service that they offer to residents.

Members expressed a concern over the proposed charges in relation to 10-49 dwellings as they felt that this may not be high enough and the Council would still not be able to recoup the costs involved with the type of pre-application work required. They expressed a view that they would like officers to undertake further time recordings of these types of pre-application advice over a 12-month period in order to establish whether the proposed charges need to be revised.

RESOLVED that the Planning Committee:-

- (i) note and support the proposals the Director of Planning and Regeneration is making to the Executive in respect of pre-application advice and charges; and

- (ii) asks that the Executive, at its meeting on 3 February 2020, considers the views of the Planning Committee in respect of the 10-49 dwellings in that they would like Officers to undertake more time recordings of these pre -applications over a 12 month period and consider if the proposed charges need to be revised thereafter.

8. PLANNING AND DEVELOPMENT

- (1) Review of the Council's Pre-Application Planning Advice Service and Charges

During discussion of this item it was clarified that the proposed charges for providing pre-application planning advice are exclusive of VAT.

RESOLVED that the Executive:

- (a) agrees the provision of pre-application planning advice based on the service specification set out in Appendix C;
- (b) notes that the proposed charges for providing pre-application planning advice are exclusive of VAT;
- (c) recommends the proposed increased charges for providing pre-application planning advice set out at Appendix D to Council for approval as part of the Council's budget;
- (d) notes that, subject to the approval of Council as set out in (b) above, the charges will come into effect for all pre-application planning advice requests received on or after the 1st April 2020; and
- (e) notes that a further report addressing charges in relation to listed building and heritage assets advice, planning performance agreements and design coding work (as set out within Paragraphs 37 and 46-50 of the Briefing Paper) will be presented to a future meeting of the Executive.

9. POLICY AND RESOURCES

- (1) Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21

A tabled item was presented in respect of this item to provide a revised page 38 of the agenda pack. The tabled item confirms the amount of the net rates payable from National Non-Domestic Rates for 2020/21 (after Transitional arrangements and reliefs) to be £43,435,037. A correction to the tabled item was noted to show that column 2 of the base budgets table relates to 2020/21.

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 21 February 2020:

- (a) the capital programme and financing of £64,246,000;

- (b) an overall revised revenue budget for 2019/20 of £9,319,200;
- (c) a revenue budget for 2020/21 of £9,606,500;
- (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 17-20;
- (e) a council tax for Fareham Borough Council for 2020/21 of £165.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (f) an unchanged Council Tax Support scheme for 2020/21

(2) Housing Revenue Account Budget and Capital Plans 2020/21

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 21 February 2020 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 18 with effect from 01 April 2020;
- (b) rents for Council garages be increased by 4.0% with effect from 01 April 2020;
- (c) the revised budget for 2019/20 be approved; and
- (d) the base budget for 2020/21 be approved.

(3) Insurance Services Tender

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

In accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, the meeting moved into private session on the grounds that the matter to be dealt with involved the likely disclosure of exempt information.

RESOLVED that the Executive agrees:

- (a) to award the contract to the winning insurer of each Lot, as set out in confidential Appendix A to the report, being the most economically advantageous tender received; and
- (b) that authority be delegated to the Deputy Chief Executive Officer to accept the finalised premiums and associated costs or make alternative arrangements in the event that the tender cannot be accepted by other participating local authorities.

At the conclusion of this item, the meeting moved back into public session.

(4) Treasury Management Strategy 2020/21

RESOLVED that the Executive:

- (a) endorses the draft Treasury Management Strategy and Investment Strategy for 2020/21, attached as Appendix A to the report; and
- (b) agrees to submit the report to Council for approval.

(5) Adoption of BT Telephone Box in Sarisbury Green

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

During discussion of this item it was agreed that the proposed allocation of £3,650 to bring the telephone box up to a good state of repair be reduced to £600.

RESOLVED that the Executive agrees that:

- (a) the Council adopts the red telephone box in Sarisbury Green in accordance with the conditions outlined in the report;
- (b) an allocation of £600 to bring the telephone box up to a good state of repair and secure it, and £500 per annum for maintenance and repair is set aside in the Community Funding Budget; and
- (c) notes the offer made by Sarisbury Residents' Association to paint the box this summer.

(The meeting started at 6.01 pm
and ended at 6.34 pm).

FAREHAM

BOROUGH COUNCIL

SCHEDULE OF EXECUTIVE MEMBER & OFFICER DELEGATED DECISIONS

The following decisions have been made by individual Executive Members since those reported at the meeting of Council on 05 December 2019:

Housing

Housing Software
02 December 2019
(Decision 2019/20 – 2143)

RESOLVED that the procurement of Civica's Housing Cx and Enhanced Repairs Module is approved.

Leisure and Community:

Community Funding Application – Warsash Neighbourhood Forum
22 January 2020
(Decision 2019/20 – 2163)

RESOLVED that the Community Fund Application in respect of Warsash Neighbourhood Forum be refused on the grounds that locality funding would be a more appropriate source to access to meet the set-up costs for the Forum.

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 11 December 2019

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor I Bastable (Vice-Chairman)

Councillors: T M Cartwright, MBE, P J Davies, K D Evans, M J Ford, JP, Mrs K Mandry, R H Price, JP and S Dugan (deputising for F Birkett)

Also Present: Councillor Mrs L E Clubley (Item 6 (2))



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor Birkett.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee meeting held on 13 November 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

Name	Spokesperson representing the persons listed	Subject	Supporting or Opposing the Application	Minute No/ Application No/Page No
ZONE 1 – 2.30pm				
ZONE 2 – 2.30pm				
Mr R Carter		90 GUDGE HEATH LANE – ERECTION OF DETACHED 2-BED DWELLING (ALTERNATIVE TO P/16/1357/OA & P/17/0707/RM TO REGULARISE ALTERATIONS TO PLOT 1)	Opposing	6(1) P/19/0759/FP Pg 10
Mr R Tutton (Agent)		-Ditto-	Supporting	-Ditto-
Mr B Jones		-Ditto-	-Ditto-	-Ditto-
Mr A Munton		LAND NORTH OF FUNTLEY ROAD – TWENTY-SEVEN	Supporting	6 (2) P/19/0864/RM Pg 23

		DWELLINGS, INTERNAL ROADS AND PARKING (LAYOUT ONLY)		
ZONE 3 – 2.30pm				

6. PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS

The Committee noted a report by the Director of Planning and Regeneration on development control matters, including information regarding new appeals and decisions.

(1) P/19/0759/FP - 90 GUDGE HEATH LANE PO15 5AY

The Committee received the deputations referred to in Minute 5 above.

The Committee's attention was drawn to the Update Report which contains the following information:-

Officers have consulted with Hampshire County Council (Flood Water Management) on the suitability of the French drain. HCC FWM have responded with the following advice:

"We have reviewed the documentation provided and summarised our views below. It should be noted that we would usually request more information if assessing a major planning application but given the size of the development, it is not felt appropriate for this situation.

Soakaways are shown to be unfeasible (as per the RGP report) due to the soil characteristics in the area and failure of the existing soakaways but this implies that the French drain will be ineffective as it is essentially a linear soakaway. While it should intercept overland flows successfully there remains the question over where the water will go from there. If there is no infiltration, the French drain will fill up with water and further overland flows will continue to flow towards the boundary.

Given the rest of the drainage system being provided within the housing area, this drain should only be taking overland flows from a very small area so there shouldn't be a huge amount of water heading towards it. Water would have always flowed downhill towards the existing properties and the new development would effectively intercept a lot of the flows, particularly at the lower return period.

There does not appear to be considerable amount of water that would be routed in this direction if the permeable paving functions as designed and from the information on site topography, there appears to be only a very small section of verge between the permeable paving and existing housing.

Overland flows on this section of verge would be minimal and shouldn't lead to adverse flooding issues.

It may be that a more appropriate measure than the French drain would be a small bund along the boundary that would still allow water to escape over time with evapotranspiration effects."

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to:

- i) The conditions in the report; and
- ii) An additional condition requiring precise details of position, height and width of the bund to be agreed with the Local Planning Authority, and then constructed on site within one month of the date of the decision notice,

Was voted on and CARRIED.

(Voting: 8 in favour; 0 against; 1 abstention)

RESOLVED that subject to:

- i) The conditions in the report; and
- ii) An additional condition requiring precise details of position, height and width of the bund to be agreed with the Local Planning Authority, and then constructed on site within one month of the date of the decision notice,

PLANNING PERMISSION be granted.

(2) P/19/0864/RM - LAND NORTH OF FUNTLEY ROAD FUNTLEY

The Committee received the deputation referred to in Minute 5 above.

At the invitation of the Chairman, Councillor Mrs Clubley addressed the Committee on this item.

The Committee's attention was drawn to the Update Report which contained the following information:-

The applicant has submitted revised plans to show minor amendments to the proposed layout including:

- *Repositioning of dwelling on Plot 4 and changes to car parking layout on that plot;*
- *Repositioning of Plots 6 – 8 and incorporation of verge on front of Plot 6.*

Final comments are awaiting from Hampshire County Council highways and as such the Officer recommendation is hereby amended to include an additional provision that it be subject to:

f) No objection being raised by the local highway authority Hampshire County Council.

Upon being proposed and seconded the Officer Recommendation to approve the reserved matter application subject to:

- a) The applicant providing a completed unilateral undertaking to the satisfaction of the solicitor to the Council pursuant to Section 106 of the Town and Country Planning Act 1990 to secure the proposed nitrogen mitigation solution;
- b) Members delegating to Officers the making of an Appropriate Assessment under the habitat regulations and that assessment concluding the development would not adversely affect the integrity of the designated sites;
- c) Officers consulting Natural England as the appropriate nature conservation body in relation to that Appropriate Assessment;
- d) Members delegating to Officers to impose any additional planning conditions including those necessary for mitigation purposes following the making of an Appropriate Assessment;
- e) No objection being raised by the lead local flood authority Hampshire County Council in response to the additional information provided by the applicant in relation to surface water drainage;
- f) The additional condition in the Update Report; and
- g) A further condition stating that the parking spaces shown on the approved plans shall be retained and kept available for parking at all times; and remove permitted development rights so that no carports or garages can be erected over the approved parking spaces unless planning permission has first been obtained for them.

Was voted on and CARRIED.

(Voting: 9 in favour; 0 against)

RESOLVED that, subject to:

- a) The applicant providing a completed unilateral undertaking to the satisfaction of the solicitor to the Council pursuant to Section 016 of the Town and Country Planning Act 1990 to secure the proposed nitrogen mitigation solution;
- b) Members delegating to Officers the making of an Appropriate Assessment under the habitat regulations and that assessment concluding the development would not adversely affect the integrity of the designated sites;
- c) Officers consulting Natural England as the appropriate nature conservation body in relation to that Appropriate Assessment;
- d) Members delegating to Officers to impose any additional planning conditions including those necessary for mitigation purposes following the making of an Appropriate Assessment;
- e) No objection being raised by the lead flood authority Hampshire County Council in response to the additional information provided by the applicant in relation to surface water drainage;
- f) The additional condition in the Update Report; and
- g) A further condition stating that the parking spaces shown on the approved plans shall be retained and kept available for parking at all times; and remove permitted development rights so that no carports or garages can be erected over the approved parking spaces unless planning permission has first been obtained for them.

Reserved Matter application be APPROVED.

(3) P/19/1206/FP - 52 NORTH WALLINGTON FAREHAM PO16 8TE

Upon being proposed and seconded, the Officer recommendation to grant planning permission was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that PLANNING PERMISSION be granted.

(4) P/15/0260/DP/F - LAND NORTH OF CRANLEIGH ROAD AND WEST OF WICOR PRIMARY SCHOOL

The Committee's attention was drawn to the Update Report which contained the following information:-

The application lies within the Portchester West ward.

Upon being proposed and seconded the Officer recommendation to approve the variation request in respect of the Section 106 legal agreement and discharge of condition 13 of P/15/0260/OA, was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that the variation request in respect of the Section 106 legal agreement and the discharge of condition 13 of P/15/0260/OA be APPROVED.

(5) P/19/1096/TO - 4 CROFTON LANE FAREHAM PO14 3LR

Councillor Dugan addressed the Committee on this item and made a representation on behalf of the applicant. He left the room after he had made his representation and did not take part in the debate or vote on this item.

Upon being proposed and seconded the Officer recommendation to refuse the felling on one Monterey Pine tree was voted on and CARRIED.
(Voting: 5 in favour; 3 against)

RESOLVED that the felling of a Monterey Pine tree be REFUSED.

Reasons for Refusal

The felling of the Monterey pine would be harmful to the amenity and character of the area. No overriding arboricultural grounds have been provided to justify the removal of this healthy mature tree.

(6) P/19/1120/FP - 44 ANSON GROVE PORTCHESTER PO16 8JQ

Upon being proposed and seconded the Officer recommendation to grant planning permission was voted on and CARRIED.
(Voting: 8 in favour; 1 against)

RESOLVED that PLANNING PERMISSION be granted.

(7) Planning Appeals

The Committee noted the information in the report.

(8) UPDATE REPORT

The Update Report was tabled at the meeting and considered along with the relevant agenda item.

7. TREE PRESERVATION ORDERS

The Committee considered the confirmation of the following Fareham Tree Preservation Order(s), which have been made under delegated powers and to which no formal objection has been received.

Fareham Tree Preservation Order No.760 2019 – 41 Glen Road, Sarisbury Green.

Order served on 9 August 2019 for which there were no objections.

RESOLVED that Fareham TPO 760 is confirmed as made and served.

Fareham Tree Preservation Order 762 2019 – 8-10 Park Lane & 1 William Price Gardens, Fareham.

Order served on 13 September 2019 for which there were no objections.

RESOLVED that Fareham TPO 762 be confirmed as made and served.

(The meeting started at 2.30 pm
and ended at 4.58 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 22 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor I Bastable (Vice-Chairman)

Councillors: T M Cartwright, MBE, P J Davies, M J Ford, JP, Mrs K Mandry, R H Price, JP and Mrs C L A Hockley (deputising for F Birkett)

**Also
Present:**



1. APOLOGIES FOR ABSENCE

Apologies of absence was received from Councillors F Birektt and K D Evans.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee meeting held on 11 December 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

Name	Spokesperson representing the persons listed	Subject	Supporting or Opposing the Application	Minute Application No/Page No
ZONE 1 – 2.30pm				
Mr F Sykes (Agent)		15-17 MIDDLE ROAD PARK GATE SO31 7GH – CHANGE OF USE FROM CLASS A2 (ESTATE AGENT) TO CLASS A5 (HOT FOOD TAKEAWAY); SIDE AND REAR SINGLE- STOREY EXTENSIONS; INSTALLATION OF FIRST FLOOR DOOR; EXTERNAL STAIRCASE; INSTALLATION OF AIRCONDITIONING UNITS	Supporting	8 (1) P/19/1163/FP Pg 24
ZONE 2 – 2.30pm				

ZONE 3 – 2.30pm				
Mr B Middleton		48 EDWARD GROVE PORTCHESTER PO16 8JA – SIDE EXTENSION AND LOFT CONVERSION WITH LARGE REAR DORMER AND TWO FRONT FACING DORMERS, RAISED VERANDA AND STEPS	Supporting	8 (3) P/19/1203/FP Pg 51

6. SPENDING PLANS 2020/21

The Committee considered a report by the Deputy Chief Executive Officer on the spending plans for this Committee's services for 2020/21.

RESOLVED that the Committee: -

- (i) agreed the revised budget for 2019/20;
- (ii) agreed the base budget for 2020/21; and
- (iii) recommends to the budget to Full Council for approval.

7. ACTUAL REVENUE EXPENDITURE

The Committee considered a report by the Deputy Chief Executive Officer on the actual revenue expenditure for 2018/19 in respect of the services of which this Committee is responsible for.

During discussions on this report, it was highlighted that some of the information contained in Appendix A to the report was incorrect. It was agreed that an update version of the report would be circulated to the Committee, and a copy attached as Appendix A to these minutes.

RESOLVED that the Committee note the content of the report.

8. PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS

The Committee noted a report by the Director of Planning and Regeneration on the development control matters, including information regarding new appeals and decisions.

(1) P/19/1163/FP - 15-17 MIDDLE ROAD PARK GATE SOUTHAMPTON SO31 7GH

The Committee received the deputation referred to in Minute 5 above.

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to the conditions in the report, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(2) P/18/1437/FP - LAND TO WEST OF NORTHFIELD PARK UPPER CORNAWAY LANE PORTCHESTER PO16 8NF

The Committee's attention was drawn to the Update Report which contained the following information:-

The application has been withdrawn from the agenda at the request of the Planning Agent.

(3) P/19/1203/FP - 48 EDWARD GROVE PORTCHESTER PO16 8JA

The Committee received the deputation referred to in Minute 5 above.

Upon being proposed and seconded the officer recommendation to grant planning permission, subject to the conditions in the report, was voted on and CARRIED.

(Voting: 8 in favour; 0 against)

RESOLVED that, subject to the conditions in the report, PLANNING PERMISSION be granted.

(4) Planning Appeals

The Committee noted the information in the report.

(5) Update Report

The Update Report was tabled at the meeting and considered along with the relevant agenda item.

(The meeting started at 2.30 pm
and ended at 3.46 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 29 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor I Bastable (Vice-Chairman)

Councillors: F Birkett, T M Cartwright, MBE, P J Davies, K D Evans,
M J Ford, JP, Mrs K Mandry and Mrs K K Trott (deputising for R
H Price, JP)

**Also
Present:**



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor R H Price, JP.

2. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

3. DECLARATIONS OF INTEREST

In accordance with Standing Orders and the Council's Code of Conduct, Councillor T M Cartwright declared a non-pecuniary interest in Item 5 – Review of the Council's Pre-Application Planning Advice Service and Charges. This is due to him being the lead Member on Vanguard and has been involved with the pre-application charge service since its introduction in 2009.

4. DEPUTATIONS

There were no deputations made at this meeting.

5. REVIEW OF THE COUNCIL'S PRE-APPLICATION PLANNING ADVICE SERVICE AND CHARGES

Councillor T M Cartwright declared a non-pecuniary interest in this item. This is due to him being the lead Member on Vanguard and has been involved with the pre-application charge service since its introduction in 2009.

Members discussed this a length, especially in relation to the continued free service for household pre-application planning advice. Members felt that continuing to provide a free service for householder application was important as they felt that to try to charge for this would create more unnecessary work for Officers and would harm the Council's current service that they offer to residents.

Members expressed a concern over the proposed charges in relation to 10-49 dwellings as they felt that this may not be high enough and that the Council would still not be able to recoup the costs involved with the type of pre-application work required. They expressed a view that they would like officers to undertake further time recordings of these types of pre-application advice over a 12 month period in order to establish whether the proposed charges need to be revised.

RESOLVED that the Planning Committee:-

- (i) note and support the proposals the Director of Planning and Regeneration is making to the Executive in respect of pre-application advice and charges;
- (ii) asks that the Executive, at its meeting on 3 February 2020, considers the views of the Planning Committee in respect of the 10-49 dwellings in that they would like Officers to undertake more time

recordings of these pre-applications over a 12 month period and consider if the proposed charges need to be revised thereafter.

(The meeting started at 5.00 pm
and ended at 5.28 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Licensing and Regulatory Affairs Committee

(to be confirmed at the next meeting)

Date: Tuesday, 28 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor M J Ford, JP (Chairman)

Councillor T M Cartwright, MBE (Vice-Chairman)

Councillors: I Bastable, Mrs S M Bayford, Miss S M Bell, F Birkett, T Davies,
J S Forrest, Mrs K Mandry, Ms S Pankhurst, R H Price, JP and
K D Evans (deputising for Mrs P M Bryant)

**Also
Present:**



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs P Bryant, Councillor L Keeble and Councillor Mrs C Heneghan.

2. MINUTES

(1) Minutes of the Licensing and Regulatory Affairs Committee - 15 October 2019

RESOLVED that the minutes of the Licensing and Regulatory Affairs Committee meeting held on 15 October 2019 be confirmed and signed as a correct record.

(2) Minutes of meeting Tuesday, 10 December 2019 of Licensing Panel

RESOLVED that the minutes of the Licensing Panel held on 10 December 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that following the Licensing Panel held on 10 December 2019 in respect Ranchos steakhouse, an appeal has been submitted by the Applicant against the decision made by the Panel to refuse the application for a premises licence. The appeal to the Magistrates Court has been set for 09 April 2020.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting,

5. DEPUTATIONS

There were no deputations made at this meeting.

6. ACTUAL REVENUE EXPENDITURE 2018/19

The Committee considered a report by the Deputy Chief Executive Officer which provided details of the actual revenue expenditure for 2018/19 in respect of the services for which this Committee is responsible.

RESOLVED that the Licensing and Regulatory Affairs Committee notes the content of the report.

7. FEES AND CHARGES 2020/21

The Committee considered a report by the Deputy Chief Executive Officer which sets out the level of fees and charges for the Committee's services and seeks agreement for them before being recommended to Council for approval.

Following discussion in respect of the Street Trading Consent licences, it was proposed by Councillor R H Price, JP and seconded by Councillor J Forrest that no increase in fees be made at this time to any of the three Street Trading licences. On being put to the vote, the motion was declared LOST with only 2 members voting in favour.

RESOLVED that the Licensing and Regulatory Affairs Committee:-

- (a) agrees the fees and charges for 2020/21; and
- (b) recommends the fees and charges to Council for approval.

8. SPENDING PLANS 2020/21

The Committee considered a report by the Deputy Chief Executive Officer which sets out the overall level of revenue spending on the Committee's services. The report also seeks agreement for the revised revenue budget for 2019/20 and the base budget for 2020/21 before being recommended to Council for approval.

RESOLVED that, having reviewed the content of the report, the Licensing and Regulatory Affairs Committee:-

- (a) agrees the revised budget for 2019/20;
- (b) agrees the base budgets for 2020/21; and
- (c) recommends the budget to Council for approval

9. PRELIMINARY REVIEW OF WORK PROGRAMME 2019/20 AND DRAFT WORK PROGRAMME 2020/21

The Committee considered a report by the Head of Environmental Health which contained details of the position of the Committee's existing Work Programme for the current year in order to allow an early assessment of progress. It also gave background information to assist members in drawing up the Committee's Work Programme for 2020/21.

Members were advised that there is a statutory requirement for the Council to review its Licensing Policy every 5 years and that the current policy is due for renewal by early 2021. As part of the Council's Policy Framework, the draft policy will need to undergo a period of public consultation and be recommended by both the Committee and the Executive before being referred to Council for approval. The Committee therefore agreed that a report on the draft Licensing Policy be added to the agenda of the meeting scheduled to take place on 31 March 2020.

Members requested that a verbal update be provided at the meeting scheduled to take place on 16 June 2020 to inform Members of the outcome of the appeal made to the Magistrate's court by Rancho's Steakhouse against the Licensing Panel's decision to refuse the application for a premises licence.

Members also requested that the current position with regard to the 2018 Review of Parliamentary Constituency Boundaries be established so that the Committee could consider whether an update report should be added to the Work Programme for 2020/21.

RESOLVED that the Licensing and Regulatory Affairs Committee agrees that:

- (a) the progress on actions arising from the meeting of the Committee held on 15 October 2019, attached as Appendix A to the report, be noted;
- (b) having considered the Work Programme for 2019/20, attached as Appendix B to the report, an item in respect of the draft Licensing Policy be added to the agenda of the meeting scheduled to take place on 31 March 2020; and
- (c) having given initial consideration to the draft Work Programme for 2020/21, attached as Appendix C to the report:
 - (i) a verbal update be provided at the meeting scheduled to take place on 16 June 2020 to inform Members of the outcome of the appeal made to the Magistrate's court by Rancho's Steakhouse against the Licensing Panel's decision to refuse the application for a premises licence; and
 - (ii) the current position in respect of the 2018 Review of Parliamentary Constituency Boundaries be established so that the Committee can consider whether an update report should be added to the Committee's Work Programme for 2020/21.

(The meeting started at 6.00 pm
and ended at 6.20 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Leisure and Community Scrutiny Panel (to be confirmed at the next meeting)

Date: Monday, 16 December 2019

Venue: Council Chamber - Civic Offices

PRESENT:

Councillor Mrs C L A Hockley (Chairman)

Councillor Mrs L E Clubley (Vice-Chairman)

Councillors: Mrs S M Bayford, S Dugan and Mrs K K Trott

Also Present: Councillor Miss S M Bell, Executive Member for Leisure and Community



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor M J Ford, JP.

2. MINUTES

It was noted that the minutes to be agreed by the Panel were from the meeting held on 21 October 2019 and not as stated in the agenda pack.

RESOLVED that the minutes of the Leisure and Community Scrutiny Panel meeting held on 21 October 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. REMODELLED FERNEHAM HALL PLANNING APPLICATION DESIGN

Members received a presentation by the Director of Leisure and Community which outlined the top-level designs for submission as part of the planning application for the remodelled Ferneham Hall. A copy of the presentation is attached to these minutes as Appendix A.

The Panel was pleased that initial concerns regarding the type of brick work to be used in the remodelling of Ferneham Hall had been reconsidered. Members very much preferred the revised concept designs that were put forward in the presentation and were particularly impressed with both the look of the new choice of brickwork and also the strong historic link that it will bring to the famous and distinctive red Fareham bricks that were used in the construction of London's Royal Albert Hall.

Members put forward their sincere thanks and gratitude to all Officers concerned for the hard work that has been put into driving this project forward on such a tight schedule.

RESOLVED that the Leisure and Community Scrutiny Panel recommends the top-level designs, as outlined in the presentation, to the Executive for approval as part of the planning application to remodel Ferneham Hall.

7. EXECUTIVE BUSINESS

(1) Award of Contract - Leisure Centre Operator Contract

No comments were received.

(2) Community Fund Application - Portchester Bowling Club

No comments were received.

8. LEISURE AND COMMUNITY SCRUTINY PANEL PRIORITIES

The Chairman invited the Panel to consider the Scrutiny Priorities for the Leisure and Community Scrutiny Panel.

Members enquired whether there would be an update on Cams Alders and were advised that a report would be brought to the Panel in due course.

Members also requested whether feedback could be provided regarding the success of the Christmas lights this year. It was agreed that an update would be brought to the Panel once survey results have been received.

(The meeting started at 3.30 pm
and ended at 4.00 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Policy and Resources Scrutiny Panel (to be confirmed at the next meeting)

Date: Tuesday, 14 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: M J Ford, JP, T Davies, Mrs C L A Hockley and Mrs L E Clubley
(deputising for I Bastable)

**Also
Present:**



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor I Bastable.

2. MINUTES

RESOLVED that the minutes of the Policy and Resources Scrutiny Panel held on 23 October 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTION

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. BEACH HUT SITE RENT REVIEW

The Panel considered a report by the Director of Planning and Regeneration regarding a review of the Beach Hut Site Rent.

The Panel were tabled the decision notice from the Executive meeting held on 6 January 2020 where this item was considered and noted that decision made by the Executive at this meeting for a 5% increase per annum was different from the original recommendation as set out in paragraph 10 of the Executive report.

RESOLVED that the Panel notes the content of the report and has no comments to pass onto the Executive regarding this decision.

7. FINANCE STRATEGY , REVENUE BUDGET AND COUNCIL TAX 2020-2021

The Panel considered a report by the Deputy Chief Executive Officer regarding the finance strategy, revenue budget and Council Tax 2020-2021 which was considered by the Executive at its meeting on 6 January 2020.

RESOLVED that the Panel recommended the Finance Strategy, Revenue Budget and Council Tax 2020-2021 to the Executive for endorsement at its meeting on 3 February 2020.

8. FEES AND CHARGES 2020-21

The Panel considered a report by the Deputy Chief Executive Officer on the proposed Fees and Charges for 2020-21 which was considered by the Executive at its meeting on 6 January 2020.

RESOLVED that the Panel notes the content of the report and has no comments to pass onto the Executive regarding this decision.

9. CAPITAL PROGRAMME AND CAPITAL STRATEGY 2020-21

The Panel considered a report by the Deputy Chief Executive Officer on the Capital Programme and Capital Strategy 2020-21 which was considered by the Executive at its meeting on 6 January 2020.

RESOLVED that the Panel notes the content of the report and has no comments to pass onto the Executive regarding this decision.

10. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2020-2021

The Panel considered a report by the Deputy Chief Executive Officer on the Housing Revenue Account Budget and Capital Plans 2020-21 which will be considered by the Executive at its meeting on 3 February 2020.

RESOLVED that the Panel recommends the Housing Revenue Account Budget and Capital Plans 2020-21 for endorsement to the Executive at its meeting on 3 February 2020.

11. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which fall under the remit of the Policy and Resources Portfolio, including Executive Member decisions and Officer delegated decisions, that have taken place since the last meeting of the Panel on 23 October 2020.

The Panel considered the decisions shown at items 11 (1) to 11 (9) of the agenda.

RESOLVED that the Policy and Resources Scrutiny Panel considered the following items of Executive Business.

(1) Update to Regulation of Investigatory Powers (RIPA) Policy

No comments were received.

(2) Annual Review of the Corporate Strategy 2017-2023 and Local Service Agreements 2018-2019

No comments were received.

(3) Council Tax Discounts and Exemptions

No comments were received.

(4) Finance Monitoring Report 2019-20

No comments were received.

(5) Treasury Management and Capital Monitoring Report 2019-20

No comments were received.

(6) Acquisition of Commercial Property in Havant

No comments were received.

(7) Responsive Repairs for Fareham Borough Council owned properties

No comments were received.

(8) Arrangements for the 75th Anniversary of VE Day

No comments were received.

(9) Review of Citizen of Honour Award Scheme

Members addressed the Head of Democratic Services on this item and confirmed that they were in support of the decision taken by the Executive in respect of reducing the number of citizen of honour candidates and expressed an interest in having more input regarding the nominations of members of the public in their ward.

The Head of Democratic Services confirmed that she had noted members comments and that they would be taken into consideration for all future schemes.

12. SCRUTINY PRIORITIES

The Deputy Chief Executive Officer addressed the Panel on this item and updated the Panel on the items of business that were currently planned for the March 2020 meeting.

Members were given the opportunity to put forward any further items that they would like the Panel to consider. No further items were put forward for the Scrutiny Plan.

(The meeting started at 6.00 pm
and ended at 6.40 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Health and Public Protection Scrutiny Panel

(to be confirmed at the next meeting)

Date: Thursday, 16 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor G Fazackarley (Chairman)

Councillor Ms S Pankhurst (Vice-Chairman)

Councillors: Mrs P M Bryant, Mrs T L Ellis, Miss T G Harper and J G Kelly

Also Present: Councillor T M Cartwright, MBE, Executive Member for Health and Public Protection (for item 8)



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor K A Barton.

2. MINUTES

RESOLVED that the minutes of the Health and Public Protection Scrutiny Panel held on 31 October 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OR ADVICE OR DIRECTIONS

Councillor Ms S Pankhurst declared a non-pecuniary interest in respect of item 6 on the agenda as she is employed by the NHS 111 service.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. SCRUTINY OF MENTAL HEALTH SERVICE PROVISION

Councillor Ms S Pankhurst declared a non-pecuniary interest in respect of this item as she is employed by the NHS 111 service.

A report by the Fareham and Gosport Clinical Commissioning Group was tabled at the meeting for consideration. The report was received in response to the Panel's invitation to the Clinical Commissioning Group to attend the meeting to provide Members with information regarding the provision of mental health services in Fareham. A copy of the report is attached to these minutes as Appendix A.

Councillor Mrs P M Bryant left the meeting during this item.

Members discussed and raised questions on the content of the report for clarification.

RESOLVED that the Fareham and Gosport Clinical Commissioning Group be thanked for attending the meeting to present a very interesting and informative report.

7. EXECUTIVE BUSINESS

(1) Public Spaces Protection Order

There were no comments received for this item.

8. EXECUTIVE MEMBER UPDATE

The Panel received a verbal update from Councillor T M Cartwright, MBE, Executive Member for Health and Public Protection on Local Strategic Health issues and Police and Public Protection matters.

Local Strategic Health Issues

The £58m redevelopment of Queen Alexandra Hospital (QAH) to improve Accident & Emergency provision is progressing well and has progressed into the final planning stage. Options being considered for the redevelopment include an extension to the existing hospital, building on the North car park or building on the West car park. Assurances have been given that none of these options will result in a reduction in the current level of car parking provision at the hospital.

Progress is being made with plans to utilise Fareham Community Hospital to provide kidney dialysis and it is hoped that patients will soon be able to start using this service.

Councillor Cartwright attended a recent meeting of the Fareham and Gosport Clinical Commissioning Group's Community Engagement Panel. Discussion at this meeting included the future direction of the committee, which is not clear at this time, and details of an ongoing survey being undertaken in connection with GP services.

Councillor Cartwright also attended a local Patient Group where various practices across the Borough provided reports. The Managing Director for the Fareham and Gosport Clinical Commissioning Group also gave a presentation at the meeting which covered spending levels on a number of key service areas and outlined plans for dealing with the £15m overspend on the current financial year.

Police and Public Protection

The two new town centre security officers will be taking up their new roles on the 27 January. They will work in partnership with other agencies in tackling the town centre issues.

The next Police and Crime Panel will take place on 07 February. The main topic for consideration will be the pre-cept and it is likely that the Police & Crime Commissioner will want to take up the maximum increase available.

Hampshire County Council will be taking back responsibility for the delivery of the Supporting Families Programme. This is very disappointing as Fareham has run the programme very successfully for a number of years.

RESOLVED that the Executive Member be thanked for providing the update on local strategic health issues and Police and Public Protection matters.

9. HEALTH AND PUBLIC PROTECTION SCRUTINY PANEL PRIORITIES

Members were invited to consider the Scrutiny priorities for the Health and Public Protection Panel.

Following discussion in respect of the items proposed for the agenda of the next meeting, it was agreed that the update on the changes to on street parking arrangements following the transfer of responsibility to Hampshire County Council would be postponed to a meeting later in the year. This is so that the Panel can pre-scrutinise proposals that will be put forward in a report to the Executive in June that outline measures to be put in place to deal with the impact that the changes have had. As the existing meeting date schedule for the Panel did not provide an opportunity for the pre-scrutiny of this report to take place within the required timescale, it was agreed that the meeting scheduled for 23 June 2020 would be brought forward to 19 May 2020.

RESOLVED that the meeting of the Panel scheduled to take place on 23 June 2020 be brought forward to 19 May 2020.

(The meeting started at 6.00 pm
and ended at 7.31 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning and Development Scrutiny Panel (to be confirmed at the next meeting)

Date: Tuesday, 21 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor T Davies (Chairman)

Councillor P J Davies (Vice-Chairman)

Councillors: K A Barton, J E Butts, J S Forrest and N J Walker

**Also
Present:**



1. APOLOGIES FOR ABSENCE

There were no apologies of absence received at this meeting.

2. MINUTES

It was AGREED that the Minutes of the Planning and Development Scrutiny Panel held on the 30 August 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. AUTHORITY MONITORING REPORT

The Panel received a report from the Planning Strategy Manager on the Council's annual Authority Monitoring Report (AMR) which covers the period from the 01 April 2018 to the 31 March 2019.

Officers explained the main areas of interest within the report and asked Members for their comments on how the document could be improved or amended prior to publication.

Members discussed the wording of paragraph 4.6 on page 21 suggesting that Officers give some thought to adding an explanation on viability in order to provide a better understanding as to why some sites would be unviable had they included Affordable Housing.

A suggestion was also made by the Panel to amend the wording on page 27 to reference the current and future CIL receipts earmarked to help fund the remodelling of Ferneham Hall.

Members also suggested some minor grammatical changes that need to be made before publication.

The Panel raised several questions concerning the Eastern Solent Coastal Partnership's (ESCP) work and asked that further information be provided to the Panel, particularly around the tactical asset management work that the partnership undertakes in relation to health and safety. The Director of Planning and Regeneration addressed the Panel suggesting that the Panel discuss the potential for the ESCP attending a future meeting during item 8 – Planning and Development Scrutiny Panel Priorities.

RESOLVED that the Panel: -

- (a) provided comments and raised questions for clarification on the AMR for 2018/19, as set out in Appendix A to the report;
- (b) notes that the Director of Planning and Regeneration make the necessary changes to the wording of paragraph 4.6 on page 21 to provide an explanation on viability and its impact on the Affordable Housing completions data, add reference on page 27 to the CIL receipts earmarked for the remodelling of Ferneham Hall, along with the suggested minor grammatical changes to the AMR 2018/19, prior to publication, providing that these do not change the overall direction, shape or emphasis of the document, and do not raise any significant issues; and
- (c) notes that the report will be published, subject to the changes at (b), on the Council's website.

7. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which falls under the remit of the Planning and Development Portfolio, including individual Executive Member decisions, that have taken place since the last meeting of the Panel on the 30 August 2019.

The Panel considered the decisions shown at item 7(1) to 7(5)

RESOLVED that the Planning and Development Scrutiny Panel considered the following item of Executive Business:

(1) ESCP Agreement 2019

No comments received.

(2) Interim Nitrogen Mitigation Solution

Members raised concerns that little appeared to have moved forward in resolving the issues surrounding a solution to Nitrogen Mitigation since this report went to the Executive in September 2019. Officers advised that although a solution has not yet been achieved, a great deal of work is being undertaken by Officers from Fareham, working together with other affected Local Authorities, with the Partnership for South Hampshire (PfSH) being the main driving force for this work in order to allow authorities to share expertise and knowledge.

(3) Portchester Village Centre Regeneration Update

No comments were received.

(4) Draft Local Plan Consultation

No comments were received.

(5) Transport for SE Consultation Response

No comments were received.

8. PLANNING AND DEVELOPMENT SCRUTINY PANEL PRIORITIES

Members of the Panel considered the Scrutiny Priorities for the Planning and Development Scrutiny Panel and discussed possible items for future meetings. The Panel suggested the following items for consideration; an update on the Nitrogen Mitigation and the Eastern Solent Coastal Partnership (ESCP).

Members raised further concerns around the social and economic impact that the unresolved Nitrogen Mitigation issues are having within the Borough and surrounding areas. The Director for Planning and Regeneration suggested the Partnership for South Hampshire (PfSH) be informed of the Panels concerns surrounding the social and economic impacts on the Borough.

RESOLVED that the Panel: -

- (a) considered the Scrutiny Priorities for the Planning and Development Portfolio;
- (b) requested that an update on the Nitrogen Mitigation and the Eastern Solent Coastal Partnership (ESCP) be scheduled for future meetings: and
- (c) ask officers to inform PfSH of their concerns surrounding the social and economic impacts of the unresolved Nitrogen Mitigation issues on the Borough.

(The meeting started at 6.00 pm
and ended at 7.25 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Streetscene Scrutiny Panel (to be confirmed at the next meeting)

Date: Thursday, 30 January 2020

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Miss T G Harper (Chairman)

Councillor G Fazackarley (Vice-Chairman)

Councillors: J E Butts, Mrs L E Clubley, L Keeble, Mrs K Mandry and
R H Price, JP

Also Present: Mrs K K Trott (Item 6)



1. APOLOGIES FOR ABSENCE

There were no apologies of absence received at this meeting.

2. MINUTES

RESOLVED that the Minutes of the Streetscene Scrutiny Panel meeting held on the 17 October 2019 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. CLEAN NEIGHBOURHOODS AND ENVIRONMENT

The Panel received a report from Mick Gore, Public Spaces Operations Manager on the performance of the Council's street cleansing operation.

At the invitation of the Chairman Councillor K K Trott joined in discussions during this item.

Members discussed the report in detail focussing on each heading in turn. The figures within the report across the cleansing service largely showed a positive outlook.

Members did raise concerns that the changes in how residents access the Hampshire County Council, Household Waste Recycling Centres from the 01 April 2020 could potentially lead to an increase in fly-tipping across the borough.

The Panel asked several questions about enforcement and discussed how enforcement directly effects the cleansing service. Officers advised that enforcement is the responsibility of the Health and Public Protection Scrutiny Panel.

Potential future topics for consideration by Health and Public Protection Scrutiny Panel were identified as: -

- Litter and fly-tipping on private land and how this can be enforced;
- Whether legislation which governs the Council's powers to issue Fixed Penalty Notices to people that allow their dogs to foul in public areas is fit for purpose; and

- Litter bins not being used appropriately with larger deposits, particularly around coastal areas which can become an eyesore during peak summer season. What enforcement powers does the Council have to deal with this matter?

Members also enquired about the action taken by the DVLA regarding untaxed vehicles on the highway. Officers advised they would investigate this further and circulate the information to members.

RESOLVED that the Panel: -

- (a) scrutinised the information set out in the report; and
- (b) ensure the Chairman of the Health and Public Protection Scrutiny Panel is advised about the queries relating to enforcement powers.

7. EXECUTIVE BUSINESS

There were no items of Executive business for the Panel to consider at this meeting.

8. STREETSCENE SCRUTINY PANEL PRIORITIES

The Chairman asked Members of the Panel to consider the Scrutiny Priorities for the Streetscene Portfolio.

RESOLVED that the Panel considered the Scrutiny Priorities for Streetscene.

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

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 February 2020

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21
Report of:	Deputy Chief Executive Officer and Section 151 Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report seeks final confirmation of the recommendations to be made to Council, on 21 February 2020, in respect of the revenue budget, capital programme and council tax for 2020/21.

Executive summary:

On 6 January 2020, the Executive reviewed the Council's overall finance strategy and considered proposals relating to the capital programme, revenue budgets and the council tax for 2020/21. This report updates the Council's budgets to reflect the decisions taken on 6 January 2020.

The capital programme for the years 2019/20 to 2023/24 will be £64,246,000.

The revenue budget for 2020/21 will be £9,606,500. With retained business rates and grants estimated to be £2,456,665 and a deficit to be paid to the collection fund of £47,033, the total amount due from the council tax payers will be £7,196,868.

Taking these changes into consideration, the council tax for 2020/21 will be £165.22 per Band D property. This represents an increase from the council tax set for 2019/20 but would be within the referendum limit set by the Government.

Recommendation/Recommended Option:

It is recommended that the Executive approves and recommends to the meeting of the Council to be held on 21 February 2020:

- (a) the capital programme and financing of £64,246,000;
- (b) an overall revised revenue budget for 2019/20 of £9,319,200;
- (c) a revenue budget for 2020/21 of £9,606,500;
- (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 17-20;
- (e) a council tax for Fareham Borough Council for 2020/21 of £165.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (f) an unchanged Council Tax Support scheme for 2020/21.

Reason:

To allow the Council to approve the Council Tax for 2020/21.

Cost of proposals:

Not applicable

Appendices: **A:** Overall Total Budget for 2020/21

Background papers: None

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 February 2020
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21
Briefing by:	Deputy Chief Executive Officer and Section 151 Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. On 6 January 2020 the Executive reviewed the Council's overall finance strategy and considered proposals relating to:
 - The capital programme for 2019/20 to 2023/24;
 - The revised revenue budget for 2019/20;
 - Fees and charges for 2020/21;
 - The revenue budget for 2020/21; and
 - The council tax for 2020/21.
2. The purpose of this report is to update the Council's spending plans to take account of the decisions taken by the Executive in relation to these various issues.

THE CAPITAL PROGRAMME 2019/20 TO 2023/24

3. The capital programme for the General Fund for the period 2019/20 to 2023/24 as reported to the 6 January 2020 Executive meeting was £63,396,400. In addition, two new schemes were approved at the January Executive for the following:
 - Secure Access to the Western Side of Solent Airport and further parking for the Children's Play Area - £250,000
 - Construction of Economic Hangars at Solent Airport - £600,000
4. The updated programme is shown in the following table:

	£000s
Streetscene	729
Leisure and Community	20,071
Housing	3,048
Planning and Development	580
Policy and Resources	39,818
TOTAL	64,246

5. It is anticipated that the programme will be financed from the following sources:

	£000s
Capital Receipts	41
Grants and Contributions	17,898
Capital Reserves	4,512
Revenue	3,943
Borrowing	37,852
TOTAL	64,246

6. The programme and projected resources indicate that, by 31 March 2024, there could be a small surplus of capital resources of £6.6 million, which represents a contingency of 10.3% on the overall capital programme.
7. Importantly, the surplus assumes an estimate of future capital receipts as well as continued revenue contributions towards capital investment, totalling £18 million. In the event that these resources do not materialise, the programme will become partly unfunded.

REVISED BUDGET 2019/20

8. In January, the Executive considered in detail the revised budget for 2019/20, which totalled £9,319,200 which is an increase of £652,800 when compared to the base budget for the current year.

SERVICE BUDGETS 2020/21

9. The following table shows the service budgets resulting from the decisions of the Executive on 6 January 2020.

	Base Budget 2020/21 £
Committees	
Licensing and Regulatory Affairs Committee	520,500
Planning Committee	472,600
Executive - Portfolio Budgets	
- Leisure and Community	453,800
- Housing	1,468,500
- Planning and Development	1,584,800
- Policy and Resources	-1,002,000
- Health and Public Protection	221,100
- Streetscene	5,101,900
Accounting Adjustments in Service Portfolios	2,767,300

SERVICE BUDGETS

11,588,500

OTHER BUDGETS 2020/21

10. Following decisions made at the January Executive a minor change has been made to the Other Budgets total which will now be -£1,982,000.

THE OVERALL BUDGET POSITION FOR 2020/21

11. Taking account of the information referred to in the preceding paragraphs, the overall total budget for 2020/21, detailed in Appendix A, is confirmed as £9,606,500 which is £940,100 above the base budget for 2019/20; and 287,300 above the revised budget above.

THE AUTUMN STATEMENT AND GOVERNMENT SUPPORT

12. In the 2015 Autumn Statement the Government announced a four-year funding settlement in order to give some certainty to financial planning through to 2019/20.
13. Under the proposals, in 2018/19 and 2019/20, Fareham's Revenue Support Grant would be zero leaving only support from business rates and council tax available to fund revenue services.
14. The Finance Settlement 2017 announced a Fair Funding Review that commenced in January 2018 with a view to implementing the new arrangements from the 2020/2021 financial year. With the General Election in December 2019 the review was delayed with a proposal to take effect from the 2021/22 financial year. Instead the provisional settlement announced on 20/12/19 was that Fareham's Revenue Support Grant would again be zero
15. In the Local Government Finance Settlement 2019 the referendum limits for local authorities were set out and council tax increases that exceed 2% would trigger a referendum. However, the government has also allowed shire districts to raise their council tax by a maximum of £5 when compared to the previous level, before a referendum is triggered.
16. With the outcome of this review unclear, it is important that the Council continues to identify and secure cash-releasing efficiencies each year in order to maintain the high level of service currently provided and continue to achieve its corporate priority to minimise council tax increases.

SPENDING RESERVE

17. The spending reserve exists to cover unforeseen changes in revenue expenditure.
18. The current balance on the reserve stands at £5,526,100 which is £3,100,100 over the minimum required balance of 5% of Gross Expenditure as set out in the approved Medium Term Finance Strategy.

19. The Finance Strategy covers the period through to 2022/23 and is showing a projected shortfall of £1.5m in the final 3 years of the strategy. It would be prudent, and it is recommended, that the remaining surplus over the minimum 5% is left in the spending reserve in order that a balanced budget can be set for the next 4 years.
20. This position will be reviewed once the outcome of the Fair Funding Review is known for the 2021/22 financial year.

COUNCIL TAX AND NATIONAL NON-DOMETIC RATE BASE

21. The council tax base for 2020/21 is 43,559.3 Band D equivalent properties.
22. The net rates payable from National Non-Domestic Rates for 2020/21 (after Transitional arrangements and reliefs) is £43,435,037.

COUNCIL TAX FOR 2020/21

23. With a net budget for 2020/21 of £9,606,500, government support of £2,456,665 and the need to make a payment into collection fund balances of £47,033, the Executive recommends a council tax increase for 2020/21 of £5. This is shown in the following table:

	Base Budget 2019/20	Base Budget 2020/21	Variation
	£	£	£
Total Budget	8,666,400	9,606,500	940,100
Less:			
Government Support	-1,897,692	-2,456,665	-558,973
Collection Fund deficit	106,236	47,033	-59,203
Total due from Council Tax Payers	6,874,944	7,196,868	+321,924
Council Tax base	42,909.6	43,559.3	
Council Tax (Band D)	£160.22	£165.22	
Cash Increase	+ £5.00	+ £5.00	

24. The proposed council tax increase is within government referendum limits.
25. The overall income from taxpayers of £7,196,868 represents approximately 15% of the gross spend by the council for 2020/21 of £46.8million.

ASSURANCE STATEMENT BY THE CHIEF FINANCIAL OFFICER (CFO)

26. Section 25 of the Local Government Act 2003 states that when the Council sets a budget for the forthcoming financial year, the CFO must report to the authority on the robustness of the budgets and the adequacy of the financial reserves.
27. The CFO is able to confirm that the Council's co-ordinated finance strategy allows the availability of resources to finance both capital and revenue expenditure to be considered at the same time. It provides the necessary

flexibility to allow resources to be allocated to both capital and revenue and this has enabled the delivery of balanced budgets for both capital and revenue.

28. The CFO can also confirm the robustness of the approved budgets and therefore major variations in expenditure and income are not anticipated. However, a risk assessment has been carried out to highlight the impact of possible variations in the level of expenditure and income and by maintaining the spending reserve at a minimum of 5% of gross expenditure, resources should be in place to meet any variations that cannot be met from within the Council's overall budget.

COUNCIL TAX SUPPORT 2020/21

29. All billing authorities are responsible for developing their own means-tested schemes, called Local Council Tax Support, to assist working-age people on low incomes pay their council tax. The Government has continued to prescribe in legislation the support to be provided to pensioner-age claimants.
30. Legislation requires that Local Council Tax Support schemes are considered by Full Council on an annual basis even if no major changes are to be made. In previous years the Council has agreed and implemented a scheme based on the following principles:
- Every working-age claimant should pay something towards their council tax
 - The amount of Council Tax Support to be capped to a Band C for those claimants living in larger properties
 - All non-dependents (such as adult sons or daughters living in the claimant's property) should pay something towards the household's council tax bill
 - Provide additional financial support to the most vulnerable claimants (such as those receiving a War Pension or who are severely disabled)
31. For 2020/21, it is proposed to retain these key principles and to administer an unchanged scheme.
32. There are currently 3,940 households in the borough receiving Council Tax Support. The caseload and expenditure for the current financial year can be seen below:

	Number of claimants	Cost of Council Tax Support
Pension-age caseload	1,977	£1,911,208
Working-age caseload (vulnerable group)	825	£853,182
Working-age caseload (employed)	332	£168,8103
Working-age caseload (other*)	806	£603,400
Total	3,940	£3,536,600

*In receipt of an out-of-work benefit such as Job Seekers Allowance or Income Support

33. It is anticipated that an unchanged Council Tax Support scheme for 2020/21, which provides the same level of assistance and protection to claimants as the current scheme, will continue to be contained within available resources.

RISK ASSESSMENT

34. While all spending plans can be met from within existing resources, growing financial pressures increase the risk that spending plans exceed desirable levels.
35. With the Fair Funding review being delayed until the 2021/22 financial year the future funding support for Fareham remains uncertain. Any changes as a result of the review and the Business Rate Reset are very likely to affect the Council's finances and it remains an important part of the overall Medium Term Finance Strategy to retain sufficient balances to cater for the unexpected in these uncertain times.
36. The council will continue to explore opportunities to increase income sources for the Council as well as review other opportunity plans in order that balanced budgets can be made in future years.

CONCLUSION

37. In making a recommendation to Council on the council tax for 2020/21, the Executive has evaluated the Council's overall financial position in relation to existing commitments, the level of resources and the projected financial position in the future; not just the overall budget position for next year.

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

ACTUAL REVENUE BUDGET

	Budget 2019/20 £	Revised 2019/20 £	Budget 2020/21 £
Committees			
Licensing and Regulatory Affairs Committee	516,800	517,300	520,500
Planning Committee	485,700	666,900	472,600
Executive - Portfolio Budgets			
- Leisure and Community	633,000	773,500	453,800
- Housing	1,379,200	1,310,000	1,468,500
- Planning and Development	-333,400	1,695,900	1,584,800
- Policy and Resources	-667,000	-523,600	-1,002,000
- Health and Public Protection	2,151,600	276,000	221,100
- Streetscene	4,903,500	5,226,000	5,101,900
Accounting Adjustments in Service Portfolios	2,232,800	2,767,300	2,767,300
SERVICE BUDGETS	11,302,200	12,709,300	11,588,500
Capital Charges	-2,390,300	-2,927,700	-2,927,700
Direct Revenue Funding	1,125,000	1,125,000	1,510,000
Minimum Revenue Position	905,700	809,800	1,134,300
Interest on Balances	-515,900	-557,800	-695,700
Portchester Crematorium Contribution	-150,000	-160,000	-165,000
New Homes Bonus	-820,900	-820,900	-459,900
Contribution from Reserves	-789,400	-858,500	-378,000
OTHER BUDGETS	-2,635,800	-3,390,100	-1,982,000
BUDGET TOTAL	8,666,400	9,319,200	9,606,500
NET BUDGET	8,666,400	9,319,200	9,606,500

	Budget 2019/20 £	Revised 2019/20 £	Budget 2020/21 £
NET BUDGET	8,666,400	9,319,200	9,606,500
GOVERNMENT SUPPORT			
Non-Domestic Rates	-1,897,692	-2,550,492	-2,456,665
Revenue Support Grant	0	0	0
	1,897,692	2,550,492	2,456,665
 COLLECTION FUND BALANCE (+Deficit/- surplus)	 106,236	 106,236	 47,033
 AMOUNT DUE FROM COUNCIL TAX PAYERS	 6,874,944	 6,874,944	 7,196,868
 COUNCIL TAX BASE	 42,909.4		 43,559.3
 COUNCIL TAX PER BAND D PROPERTY	 £160.22		 £165.22
 CASH INCREASE	 £5.00		 £5.00
 PERCENTAGE INCREASE	 3.22%		 3.12%

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 February 2020

Portfolio:	Policy and Resources
Subject:	Housing Revenue Account Budget and Capital Plans 2020/21
Report of:	Deputy Chief Executive Officer and Section 151 Officer
Corporate Priorities:	Providing Housing Choices

Purpose:

This report seeks Executive approval for the revised budget for the Housing Revenue Account for 2019/20, the base budgets and rent increases for 2020/21.

Executive summary:

The Executive recommended, and the Council approved, in February 2019, the base budget and rent increase for 2019/20, for Housing Revenue Account (HRA) services.

This report sets out the Housing Revenue Account revised budget for 2019/20 and base budget for 2020/21 along with the capital programme and financing for the years 2019/20 to 2023/24. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 1 April 2020.

The Council has adopted a new Affordable Housing Strategy during 2019 and the stock condition survey has been completed. Together, these have informed revisions to the 2020/21 revenue and capital budgets and those for future financial years as part of business planning for the Housing Revenue Account.

Council budgets are susceptible to change in the level of expenditure and income caused by factors inside and outside the Council's control. A risk assessment has been carried out to indicate the effect on housing balances of changes in the level of expenditure and income. This can be used to estimate the account balances needed to provide a prudent level of reserves and a working balance.

Recommendation/Recommended Option:

It is recommended that the Executive approves and recommends to the meeting of the Council to be held on 21 February 2020 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 18 with effect from 1 April 2020;
- (b) rents for Council garages be increased by 4.0% with effect from 1 April 2020;
- (c) the revised budget for 2019/20 be approved; and
- (d) the base budget for 2020/21 be approved.

Reason:

To allow the Council to approve the Housing Revenue Account budgets for 2020/21.

Cost of proposals:

As detailed in the report.

Appendices:

- A: Capital Programme and Financing**
- B: Examples of Rent**
- C: Fees and Charges**
- D: Detailed Revenue Budgets**

Background papers: None

Reference papers:

- (a) Executive 4 February 2019 – Housing Revenue Account Spending Plans including Capital Programme 2018/19
- (b) Executive 10 July 2019 – General Fund and Housing Revenue Account Outturn 2017/18
- (c) Executive 6 January 2020 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax – Appendix A Medium Term Finance Strategy
- (d) Executive 3 December 2018 – Fareham Housing Development Sites
- (e) Executive 7 October 2019 – Fareham's Affordable Housing Strategy
- (f) MHCLG - Guidance on Rents for Social Housing February 2019

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 February 2020
Subject:	Housing Revenue Account Budget and Capital Plans 2020/21
Briefing by:	Deputy Chief Executive Officer and Section 151 Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2019/20 and 2020/21 for the Executive to consider. On 6 January 2020, the Executive approved the Council's Finance Strategy for 2020/21 and later years. The budget guidelines contained within the Strategy have been used as a basis for the Housing Revenue Account (HRA) spending plans.
2. In October 2019 the Council adopted a new Affordable Housing Strategy. The purpose of the strategy is 'to provide more affordable homes, ensuring they are the right homes in the right places for those in need of affordable housing.' The strategy includes three key objectives :
 - To deliver more affordable homes through the planning system
 - To ensure those homes are the right homes in the right places and that they are truly affordable for those that need them
 - To directly deliver more affordable homes by Registered Providers and Fareham Housing, especially targeting those in greater need
3. A stock condition survey has been completed in 2019 and a new asset management system has been commissioned to enable an informed programme of works to be formulated and implemented over the coming years.
4. Together these have informed revisions to the 2020/21 revenue and capital budgets and those for future financial years as part of Business Planning for the HRA.

CAPITAL PROGRAMME

5. The five-year capital programme has been updated and is summarised in the following table. More details of the capital schemes and its financing can be found in Appendix A.

Year	£'000
2019/20	7,386
2020/21	6,822
2021/22	5,450
2022/23	4,239
2023/24	5,252
Total	29,149

6. The capital programme was included in the Capital Strategy that was approved at the 6th January Executive.
7. The capital budget for 2019/20 has been reduced by £1,213,000 to reflect a reduction in planned capital works and the correct phasing of construction works at Bridge Road and Highlands Road.
8. The major schemes in 2019/20 and 2020/21 are 5 new houses at Bridge Road, 18 new flats at Highlands Road, 16 new sheltered housing flats at Station Road along with acquisitions of existing homes and improvements to existing stock.
9. The financing of the capital programme is from the Major Repairs Reserve, Revenue Contributions to Capital Outlay, the Capital Housing Development Fund and 1-4-1 capital receipts from Right to Buy sales.
10. In addition to these internal resources a grant bid of £1,278,000 has been approved by Homes England in respect of the Highlands Road development (£71,000 per social rented property) and £270,000 in respect of the Bridge Road development (£41,000 per affordable rented property and £75,000 per social rented property).
11. There are currently four further potential development sites as set out in the table below. These have been reported to the Executive and approved in principle for further feasibility and preliminary actions to be undertaken before final schemes are presented for approval.

Site
Assheton Court redevelopment (Portchester) Sheltered housing scheme to provide 60 – 70 sheltered flats
Stubbington Lane (Hill Head) 11 No. one, two and three bed houses for Shared Ownership and Affordable Rent
Coldeast Scout Hut Site (Park Gate) 7 No. one and two bed apartments for Shared Ownership/Starter Homes.
Wynton Way (Fareham North West)

12. Future developed design reports will detail estimated cost and funding arrangements

along with the process toward to appointment of an appropriate contractor. New build Fareham Housing homes could be funded from a combination of the following: -

- a) Capital Development Fund
- b) Right to Buy initial receipts and Right to Buy 1-4-1 receipts;
- c) Section 106 monies for the purpose of affordable housing provision; (not combined with Right to Buy 1-4-1 receipts)
- d) Homes England grant funding (not combined with Right to Buy 1-4-1 receipts); and/or
- e) Additional borrowing on the Housing Revenue Account.

13. Although the increased opportunity for borrowing to enable future development is positive there needs to be caution highlighted. The additional available funds are borrowing, and any additional debt will need to be serviced without undermining the financial stability of the Council's HRA. Careful consideration of the borrowing implications along with flexibility in how the various funding sources are used will be required.

REVENUE BUDGETS

14. The following table summarises the Housing Revenue Account base and revised budgets for 2019/20, and the base budget for 2020/21. A more detailed breakdown is provided in Appendix D.

	Base Budget 2019/20 £'000	Revised Budget 2019/20 £'000	Base Budget 2020/21 £'000
HOUSING REVENUE ACCOUNT			
Income	-12,321	-12,388	-12,668
Tenancy Management & Running Costs	2,892	3,155	3,352
Net Interest	1,669	1,681	1,681
Transfer to Debt Repayment Fund	1,140	1,140	1,140
	-6,620	-6,412	-6,495
Revenue Repairs Expenditure	2,705	2,736	2,764
Depreciation set aside into the Major Repairs Reserve	2,538	2,626	2,626
Revenue Contribution to Capital Programme	1,377	1,050	939
Transfer to(-)/from HRA Reserve	0	0	-166

15. The income budget has been revised to include the leaseholder revenue repair service charge payments that are collected. The rent income budget has also been reduced to reflect a growing trend in tenant rent arrears. This will impact on the level of provision made at the end of the year for bad debts.
16. Within Tenancy Management and Running Costs, along with employment cost increases, budget increases have been made for the increasing cost of utilities and the property insurance premium, as well as higher software costs for the new housing ICT systems.
17. The proposed budgets also include a clear set aside of reserves to repay the £49 million housing debt taken on in 2012 when the government changed the national subsidy scheme to a self-financing scheme. These loans become repayable in 35 to 45 years.

18. A summary of all the reserves projected to the end of 2019/20 is set out below:

Reserve	Purpose of Reserve	2018/19 Closing Balance £'000	2019/20 Transfers In £'000	2019/20 Transfers Out £'000	2019/20 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	1,302	0	0	1,302
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	0	0	1,500
Debt Repayment Fund	To repay debt	2,280	1,140	0	3,420
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	280	0	0	280
Total Revenue Reserves		5,362	1,140	0	6,502
Major Repairs Reserve	To fund capital expenditure on HRA assets	1,838	2,626	2,626	1,838
Housing Capital Development Fund	To fund new developments	3,391	0	2,225	1,166
1:4:1 Receipts	To fund 30% of costs of new acquisitions	1,613	737	450	1,900
Total Reserves		12,204	4,503	5,301	11,406

RENTS

19. In February 2019, after a consultation exercise, the Government issued a Direction to the Rent Standard 2019 along with a Policy Statement on Rents for Social Housing from 1 April 2020 onwards. This permits annual rent increases on both general needs and sheltered housing properties at social and affordable rent of up to CPI (at September of the previous year) + 1 percentage point from April 2020 for a period of at least five years. This rent charge increase will also continue to apply to shared-ownership properties.
20. Following the annual reductions of 1% that have been applied since April 2016 the Council is now able to increase rents, with CPI being at 1.7% in September 2019 and an increase of 2.7% to be achieved from April 2020.
21. Rents for Council garages are not covered by the Government's direction applying to dwellings. It is therefore proposed that garage rents for 2020/21 increase by 50p per week (4.0%).
22. Examples of proposed rents can be seen in Appendix B and the effect on the total rents collected can be seen in Appendix D.

FEES AND CHARGES

23. The current fees and charges for the HRA and the charges for 2020/21, approved at the 7 January 2019 Executive, are set out in Appendix C.
24. The statutory charge is subject to the control and advice of Government. The current level of charge has been set at the maximum allowed.

RISK ASSESSMENT

25. The following list of potential risks indicates that it is essential to preserve the account balance held for the Housing Revenue Account. Reserves are held so the Council can:
- Continue to manage and maintain homes
 - Improve and redevelop estates
 - Cover any unexpected expenditure
 - Take advantage of new opportunities to meet housing needs
 - Repay the debt
 - Meet the challenges of any change in Government policy
26. Key risks include changes to the rent policy, an increase in arrears, and other increases in void properties and in the cost of repairs. In particular, if the Government amend their current rent policy so that rents will continue to reduce post 2020, this will put further pressure on the HRA finances.

Examples of Potential and Actual Changes	Effect on Expenditure in Year £'000	Effect on Income in Year £'000
Change in rent policy to decrease rents by 1% beyond 2020		120
Loss of income if void rate rises to 2.5% from 1.26%		140
Increase of 10% on supplies and service costs	41	
Increase of 10% in the depreciation charge	262	
Increase on rent arrears by 10%	60	
Increase of 10% in cost of responsive repairs	276	

Enquiries:

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

CAPITAL PROGRAMME AND FINANCING

Housing Capital Programme Improvements to Existing Stock	2019/20	2020/21	2021/22	2022/23	2023/24
£	£	£	£	£	£
Improvements	1,404,400	1,546,000	2,035,000	2,103,400	2,182,400
Voids	600,000	600,000	724,000	748,600	777,000
Modifications	500,000	275,000	281,000	286,600	292,300
Housing Management System	69,000	110,000			
Stock Condition Survey	17,000				
Asset Management System	10,000	30,000			
Vehicles	50,000	40,000			
Acquisitions and New Builds					
Acquisitions	1,500,000	1,200,000	1,100,000	1,100,000	2,000,000
New Build – Bridge Road	1,043,100	115,900			
New Build – Highlands Road	2,092,200	1,394,800			
New Build – Station Road	100,000	1,410,000	1,310,000		
New Build – Assheton Court		100,000			
TOTAL CAPITAL EXPENDITURE	7,385,700	6,821,700	5,450,000	4,238,600	5,251,700
Funded by:					
Improvements to Existing Stock					
RCCO					
Major Repairs Reserve	-2,650,400	-2,601,000	-3,040,000	-3,138,600	-3,251,700
Acquisitions and New Builds					
RCCO	-1,050,300	-938,700	-800,000	-770,000	-1,400,000
1-4-1 Capital Receipts	-450,000	-783,000	-723,000	-330,000	-600,000
Capital Receipts		-600,000	-600,000		
Capital Development Fund	-2,225,000	-1,160,000	-87,000		
Homes England Grants	-1,010,000	-539,000			
Other Grants and Contributions		-200,000	-200,000		
TOTAL FUNDING	-7,385,700	-6,821,700	-5,450,000	-4,238,600	-5,251,700

HRA EXAMPLES OF RENT

	Property Type	2019/20 Actual Rent £	2020/21 Proposed Rent £	Change per week £	Change per week %
Foster Close	1 Bed Flat	79.44	81.58	2.14	2.70
Grebe Close	2 Bed Bungalow	105.73	108.58	2.85	2.70
Collingwood Court	1 Bed Flat	99.36	102.04	2.68	2.70
Foxbury Grove	2 Bed Flat	88.67	91.06	2.39	2.70
Garden Court	1 Bed Maisonette	79.44	81.58	2.14	2.70
Sicily House	2 Bed Maisonette	86.02	88.34	2.32	2.70
Fairfield Avenue	3 Bed House	103.04	105.82	2.78	2.70
Churchill Close	3 Bed House (shared owner)	89.83	92.25	2.42	2.70
Jubilee Court	4 Bed House	117.75	120.93	3.18	2.70
Average for total stock		89.53	91.95	2.42	2.70
Garages		12.50	13.00	0.50	4.0

FEES AND CHARGES

	Notes	Fee 2019/20 £	Fee 2020/21 £	% Increase
Sales of Council Houses				
Maximum legal and administration fees in connection with granting a service charge loan	Statutory Charge	100.00	100.00	NIL
Recharge of Officer time in agreeing any consent to freeholders	Fee per occurrence	100.00	100.00	NIL
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	50.00	50.00	NIL
Rechargeable works	These will be assessed individually at the time the work is carried out.			
Sheltered Accommodation for the Elderly – Guest Room Charges				
Single occupancy per night	Inclusive of VAT	9.25	10.00	8.1
Per couple per night	Inclusive of VAT	13.25	15.00	13.2
Collingwood Court per room	Inclusive of VAT	23.50	25.00	6.4
Sylvan Court per room	Inclusive of VAT	23.50	25.00	6.4
Baths	Inclusive of VAT	2.00	2.00	NIL
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.00	5.00	NIL
Keys – Fob		8.00	8.20	2.5
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.60	0.60	NIL
Dry		0.50	0.50	NIL

DETAILED REVENUE BUDGET

	Base 2019/20 £'000	Revised 2019/20 £'000	Base 2020/21 £'000
Income			
Rents - Dwellings	-10,928	-10,820	-11,067
Rents – Garages	-321	-331	-340
Rents – Other	-18	-20	-20
Service Charges (Wardens, Extra Assistance, Heating)	-637	-660	-675
Cleaning	-197	-192	-190
Grounds Maintenance	-104	-109	-109
Other Fees and Charges	-62	-52	-57
Leaseholder Service Charges and Insurance	-54	-204	-210
	-12,321	-12,388	-12,668
Expenditure			
Tenancy Management & Running Costs			
General Administrative Expenses	1,526	1,611	1,814
Corporate and Democratic Core	44	66	68
Corporate Management	74	104	102
Corporate Management	0	20	20
Communal Heating Services	86	120	120
Communal Lighting	25	30	30
Rents, Rates and Other Taxes	73	100	101
Communal Cleaning	224	224	209
Grounds Maintenance	204	243	235
Sheltered Housing Service	538	539	555
Bad Debts Provision	13	13	13
Bad Debts Written off	50	50	50
Debt Management Expenses	35	35	35
	2,892	3,155	3,352
Long Term Debt Management			
Interest Payable	1,795	1,795	1,795
Interest Earned on Internal Balances	-126	-114	-114
Transfer to Debt Repayment Fund	1,140	1,140	1,140
Property Repairs and Maintenance			
Revenue Repairs Expenditure	2,705	2,736	2,764
Depreciation	2,538	2,626	2,626
Revenue Contribution to Capital Programme	1,377	1,050	939
Surplus(-)/Deficit for Year	0	0	-166

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 February 2020

Portfolio:	Policy and Resources
Subject:	Treasury Management Strategy 2020/21
Report of:	Deputy Chief Executive Officer and Section 151 Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report considers the draft Treasury Management Strategy and Investment Strategy for 2020/21, prior to its submission to the Council for approval.

Executive summary:

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Investment Strategy. The document for 2020/21 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

In the past 12 months, the Council's **investment** balance has ranged between £12 million and £24 million, and similar levels are expected to be maintained in the forthcoming year. The majority of the Council's investments is expected to be invested in short-term unsecured bank deposits and money market funds with approximately £12m available for longer-term investment.

Borrowing levels are expected to increase to a projected £72.5 million at the end of 2020/21 to fund the capital programme. The Council has previously raised all of its long-term borrowing from the Public Works Loan Board (PWLb) but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Strategy has therefore been revised to say the Council will now look to borrow any further long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

Recommendation:

It is recommended that the Executive:

- (a) endorses the draft Treasury Management Strategy and Investment Strategy for 2020/21, attached as Appendix A to this report; and
- (b) agrees to submit the report to Council for approval.

Reason:

In accordance with the Code of Practice for Treasury Management in the Public Services and guidance from the Department of Communities and Local Government (DCLG), the Treasury Management Strategy and Investment Strategy have to be approved by full Council.

Cost of proposals:

Not applicable

Appendices: **A:** Treasury Management Strategy and Investment Strategy 2020/21

Background papers: None

Reference papers:

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services 2017

CIPFA The Prudential Code 2017

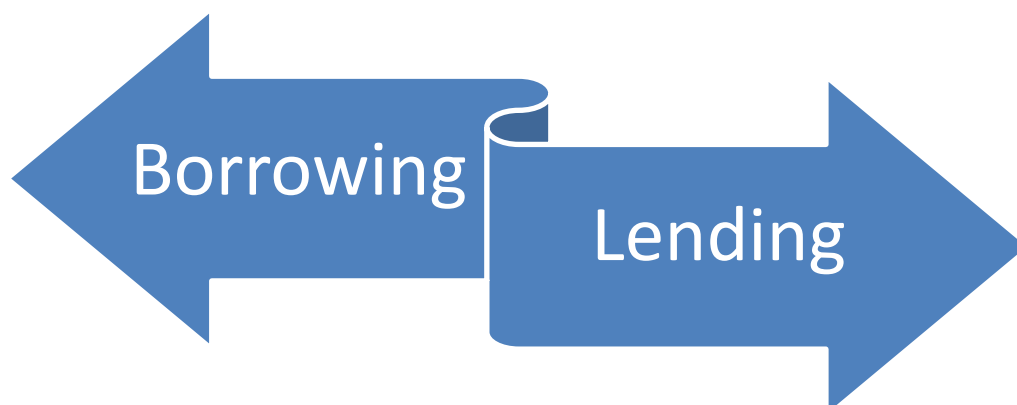
Statutory Guidance on Local Government Investments issued under section 15(1)(a) of the Local Government Act 2003 from the Ministry of Housing, Communities and Local Government (MHCLG)

Template for Treasury Management Strategy and Investment Strategy 2020/21 provided by Arlingclose (the Council's current Treasury Advisers)

FAREHAM

BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2020/21



INTRODUCTION

WHAT IS TREASURY MANAGEMENT?

1. Treasury Management is defined as:

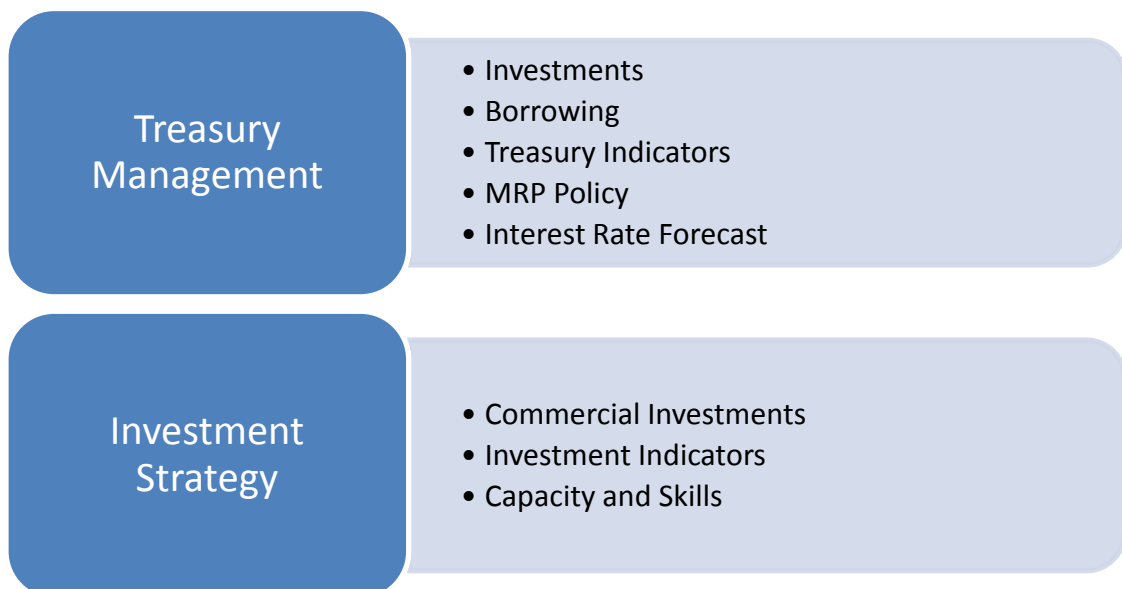
The management of the organisation's cash flows, its banking, money market and capital market transactions;

the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. There are two aspects to the treasury management service:
 - a) To ensure the cash flow is adequately planned, with **cash being available when it is needed**. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
 - b) To ensure the cash flow meets the Council's **capital plans**. These capital plans provide a guide to the **borrowing need** of the Council. Essentially this is the longer term cash flow planning to ensure that the Council can meet its capital spending requirements. The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CONTENT OF THE TREASURY MANAGEMENT AND INVESTMENT STRATEGIES

3. These strategies set out the expected approach to treasury management and investment activities for 2020/21. It covers two main areas:



4. The content of the Strategies is designed to cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

REPORTING REQUIREMENTS

5. The Council receives and approves three main reports each year in relation to Treasury Management, which incorporate a variety of policies, estimates and actuals. The three reports are:



6. The Executive Committee is responsible for the implementation and monitoring of these reports whilst the Audit and Governance Committee is responsible for the effective scrutiny of the treasury management strategy and policies.

TREASURY MANAGEMENT STRATEGY

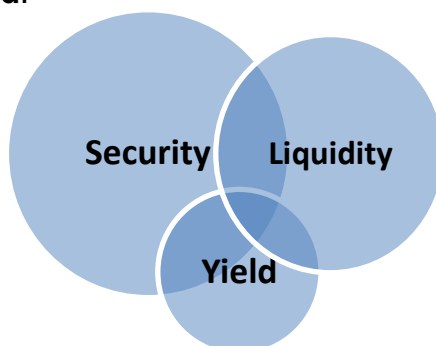
INVESTMENTS

Current Portfolio Position

7. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £12 million and £24 million, and similar levels are expected to be maintained in the forthcoming year.

Treasury Investment Strategy

8. The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.



9. The Council's objective when investing money is to strike an appropriate balance between **risk and return**, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
10. If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to **negative interest rates** on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
11. Given the increasing risk and very low returns from short-term unsecured bank investments, the Council where practical and reasonable, aims to further **diversify into more secure and/or higher yielding asset classes**. This is especially the case for the estimated £12m that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds.
12. Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's **business model** for managing them. The Council aims to achieve value from its internally managed treasury investments by a business

model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

13. The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Credit Rating	Banks Unsecured	Banks Secured	Government
UK Govt	n/a	n/a	£Unlimited 50 years
AAA	£2m 5 years	£4m 20 years	£4m 50 years
AA+	£2m 5 years	£4m 10 years	£4m 25 years
AA	£2m 4 years	£4m 5 years	£4m 15 years
AA-	£2m 3 years	£4m 4 years	£4m 10 years
A+	£2m 2 years	£4m 3 years	£2m 5 years
A	£2m 13 months	£4m 2 years	£2m 5 years
A-	£2m 6 months	£4m 13 months	£2m 5 years
BBB+	£1m 100 days	£2m 6 months	£1m 2 years
None	£1m 6 months	n/a	£4m 25 years
Pooled Funds	£4m per fund		

14. Investment limits are set by reference to the lowest published **long-term credit rating** from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
15. Summary of counterparty types:
- Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
 - Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-

in. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- c) **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- d) **Pooled Funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term **Money Market Funds** that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

- 16. The Council may also invest its surplus funds in corporates (loans, bonds and commercial paper issued by companies other than banks), registered providers (loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing and registered social landlords, formerly known as Housing Associations) and real estate investment trusts, subject to meeting the minimum credit rating criteria and time limits recommended by the Council's treasury advisers.

Operational Bank Accounts

- 17. The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £4m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk Assessment and Credit Ratings

- 18. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
 - no new investments will be made,

- any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
19. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

20. The Council understands that credit ratings are good, but not perfect predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above credit rating criteria.
21. The following **internal measures** are also in place:
- Investment and borrowing decisions formally recorded and endorsed using a Counterparty Decision Document.
 - Monthly officer reviews of the investment and borrowing portfolio and quarterly reviews with the Chief Executive Officer.

Investment Limits

22. The Council’s revenue reserves available to cover investment losses are forecast to be £13 million on 31st March 2020. In order to minimise risk, in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be **£4 million**. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as summarised in the table below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£4m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£4m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£4m per country
Unsecured investments with Building Societies	£2m in total
Money Market Funds	£20m in total

Liquidity Management

23. The Council uses a purpose-built cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

BORROWING

Current Portfolio Position

24. The Council's treasury position at 31 March 2019, with forward projections are summarised below.

£'000	2019/20 Revised	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Debt at 1 April	45,510	60,510	72,510	83,510
Expected change in debt	15,000	12,000	11,000	0
Gross Debt at 31 March	60,510	72,510	83,510	83,510

25. Debt at 31 March 2020 is projected to be lower than estimated last year due to the use of internal borrowing rather than borrowing externally to fund the capital programme.

Borrowing Strategy

26. The Council's main objective when borrowing money is to strike an appropriately low risk balance between **securing low interest costs** and achieving **certainty of those costs** over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary

objective.

27. Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
28. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short term to either **use internal resources**, or to **borrow short-term** loans instead.
29. By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and **reduce overall treasury risk**. The benefits of internal borrowing or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.
30. Our treasury advisers will assist the Council with this '**cost of carry**' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
31. The Council has previously raised all of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Council will now look to borrow any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.
32. Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
33. In addition, the Council may borrow further short-term loans to cover unexpected cash flow shortages.

Sources of Borrowing

34. The approved sources of long-term and short-term borrowing are:
 - Public Works Loan Board (PWLB) and any successor body.
 - Any institution approved for investments.
 - Any other bank or building society authorised to operate in the UK.
 - Any other UK public sector body.
 - UK public and private sector pension funds (except the Hampshire County Council Pension Fund).
 - Capital market bond investors.
 - UK Municipal Bonds Agency plc (see below) and other special purpose

companies created to enable local authority bond issues.

35. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - Hire purchase
 - Private Finance Initiative
 - Sale and leaseback
36. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
37. **Short-Term and Variable Rate Loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.
38. **Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.
39. **Borrowing Limits:** These have been set as part of the Capital Strategy for 2020/21.

TREASURY MANAGEMENT INDICATORS

40. The Council measures and manages its exposures to treasury management risks using the following indicators.
41. **Principal sums invested for longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the year end will be:

£M	2019/20 Revised	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Limit on principal invested beyond year end	15	15	15	15

42. The limit has increased from last year by £5 million to reflect the increase in investments in long term pooled funds.

43. **Maturity structure of borrowing:** This treasury indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

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

44. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.
45. **Housing Revenue Account (HRA) ratios:** As a result of the HRA Reforms in 2012, the Council moved from a subsidy system to self-financing and was required to take on **£49.3 million** of debt. The table below shows additional local indicators relating to the HRA in respect of this debt.

	2019/20 Revised	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
HRA Debt £'000	49,268	49,268	49,268	49,268
HRA Revenues £'000	12,338	12,668	13,019	13,361
Number of HRA Dwellings	2,391	2,400	2,407	2,445
Ratio of Debt to Revenues %	3.99:1	3.89:1	3.78:1	3.69:1
Debt per Dwelling £	£20,606	£20,528	£20,469	£20,151
Debt Repayment Fund £'000	£3,420	£4,560	£5,700	£6,840

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

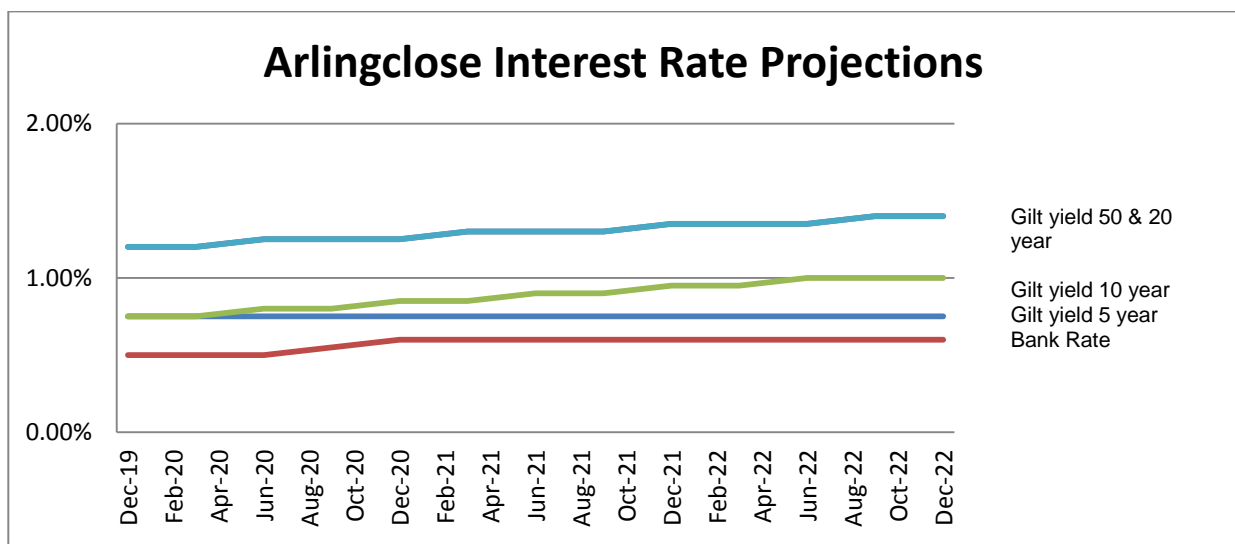
46. Where the Council finances capital expenditure by debt, it must **put aside resources to repay that debt** in later years. The amount charged to the revenue budget for the repayment of debt is known as **Minimum Revenue Provision (MRP)**.
47. The Council is required to set an annual policy on the way it calculates the prudent provision for the repayment of General Fund borrowing. The main policy adopted is that MRP will be determined by charging the expenditure over the **expected useful life** of the relevant assets on an **annuity basis** starting in the year after the asset becomes operational. This calculation will be reviewed on a case by case basis depending on the circumstances and with a view to minimising the impact on the council tax payer.
48. Where expenditure is on an asset which will be held on a short-term basis (up to 5 years), no MRP will be charged. However, the capital receipt generated by the

sale of the asset will be used to repay the debt instead.

49. No MRP will be charged in respect of assets held within the HRA, in accordance with MHCLG Guidance and capital expenditure incurred during 2019/20 will not be subject to a MRP charge until 2020/21.

INTEREST RATE FORECAST

50. The Council's treasury management advisers assist the Council to formulate a view on interest rates. The latest detailed economic and interest rate forecast provided by Arlingclose is attached at Annex 1.
51. The following graph and commentary gives the Arlingclose's central view on interest rates.



52. The Council's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.
53. Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

Other Items

54. The CIPFA Code requires the Council to include the following in its Treasury

Management Strategy.

55. **Policy on Apportioning Interest to the HRA:** On 28 March 2012, the Council borrowed £40 million from the Public Works Loan Board (PWLb) to buy itself out of the HRA subsidy System. The monies were borrowed by the General Fund on behalf of the HRA. The interest on these loans is charged to the HRA on a half-yearly basis at the rate charged by PWLB. A further £9.268 million was lent by the General Fund to the HRA to complete the buyout. Interest on this element is charged at the average weighted rate of the PWLB loans.
56. The unfunded HRA capital financing requirement is also charged to the HRA at the average weighted rate of the PWLB loans.
57. The General Fund credits the HRA with interest earned on HRA credit balances calculated on the monthly movement in reserve balances and applied at year end. The rate used is the weighted interest rate on General Fund investments and cash balances.
58. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Financial Implications

59. The budget for interest received in 2020/21 for the General Fund is £954,700 and the HRA is £114,000 and the budget for debt interest paid in 2020/21 is £259,000 for the General Fund and £1,794,900 for the HRA. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

60. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

INVESTMENT STRATEGY

61. The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
62. This investment strategy meets the requirements of statutory guidance issued by the Government in January 2018 and focuses on the third of these categories.
63. The Council does not currently have any service investments.

COMMERCIAL INVESTMENTS

64. The Council invests in local and some regional UK commercial property with the intention of making a profit that will be spent on local public services.
65. Since the Executive approval of a Commercial Property Investment Acquisition Strategy in January 2013, the Council has purchased commercial investment properties currently valued at **£39.6 million**, as summarised below, averaging a return of **6.9%**.

Property Type	Purchase Cost £'000	Current Value £'000
Retail	28,515	26,850
Commercial	10,121	10,650
Other	1,890	2,050

Total	40,526	39,550
--------------	---------------	---------------

66. The Council's total Commercial property portfolio, shown below, is valued at **£69.9 million** and includes Fareham Shopping Centre, Faretec and industrial estates at Palmerston Business Park and Newgate Lane.

Property Type	Current Value £'000
Retail	42,162
Commercial	18,411
Other	4,373
Office	3,759
Leisure	1,167
Total	69,872

67. In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
68. A fair value assessment of the Council's more recent commercial property purchases has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2019/20 year-end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
69. The Council assesses the risk of loss before entering into and whilst holding property investments. These risks are managed by ensuring:
- funds available for new purchases are disaggregated to limit the overall impact that any single investment would have on the Council's finances;
 - new purchases are only considered with existing tenants of "high quality" and sufficiently long tenancy term;
 - appropriate checks are carried out to ascertain the tenant's reliability;
 - other "due diligence" is undertaken to protect the Councils investment as far as possible such as checks on planning conditions, land contamination issues and planning policy issues.

Proportionality

70. The Council is dependent on profit generating investment activity to achieve a balanced revenue budget. The table below shows the extent to which the expenditure planned to meet the service delivery objectives is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Strategy.

£'000	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget
Gross service expenditure	44,754	47,851	48,342	48,975	49,174
Investment income	3,988	4,266	4,576	4,576	4,576
Proportion	8.9%	8.9%	9.5%	9.3%	9.3%

INVESTMENT INDICATORS

71. The Council has set the following quantitative indicators to assess the Council's total risk exposure as a result of its investment decisions.
72. **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses.

Total Investment Exposure	2018/19 Actual £'000	2019/20 Forecast £'000	2020/21 Forecast £'000
Treasury Management Investments	13,100	12,000	12,000
Commercial Investments	56,662	69,872	69,872
Total	69,762	81,872	81,872

73. **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Investments Funded by Borrowing	2018/19 Actual £'000	2019/20 Forecast £'000	2020/21 Forecast £'000
Treasury Management Investments	0	0	0
Commercial Investments	18,412	31,997	31,242
Total	18,412	31,997	31,242

74. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested.

Investments Net Rate of Return	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Treasury Management Investments	2.8%	3.4%	4.6%
Commercial Investments	6.1%	5.3%	6.2%
Total	5.4%	5.0%	5.9%

CAPACITY AND SKILLS

Training

75. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
76. Treasury management officers regularly attend training courses, seminars and conferences provided by the Council's treasury management advisers and CIPFA.
77. Property services officers also regularly attend training courses, seminars and conferences provided RICS (Royal Institution of Chartered Surveyors) accredited/approved providers.

Use of Treasury Management Consultants

78. The Council has appointed Arlingclose as treasury management advisers and receives specific advice on investment, debt and capital finance issues.
79. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
80. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

ARLINGCLOSE ECONOMIC AND INTEREST RATE FORECAST DECEMBER 2019

Economic Background

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21. The General Election has removed some uncertainty within the market, however following the expected Withdrawal Bill, uncertainties around the future trading relationship with the EU remain.

GDP growth rose by 0.4% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.1% from 1.2%. Services, construction and production added positively to growth, by 0.5%, 1.2% and 0.1% respectively, while agriculture recorded a fall of 0.1%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The headline rate of UK Consumer Price Inflation remained the same in November 2019 at 1.5% year-on-year, the same as October 2019, however continuing to fall from highs of 2.1% in July and April 2019 as accommodation services and transport continued to contribute to a level of inflation below the BOE target of 2%. Labour market data continues to be positive. The ILO unemployment rate continues to hold at historic lows at 3.8%, its lowest level since 1975. The 3-month average annual growth rate for pay excluding bonuses rose to 3.5% in November 2019 providing some evidence that a shortage of labour is supporting wages. However, adjusting for inflation this means real wages were only up by 0.9% in October 2019 and only likely to have a moderate impact on household spending.

Domestic inflationary pressures have abated, as domestic gas and electricity price freezes have taken effect until 2020. The price of oil has fallen through the year, despite a rise in prices in December 2019. The limited inflationary pressure from real wages will likely keep inflation below the Bank of England target of 2%. The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

The US economy has continued to perform relatively well compared to other developed nations; however, the Federal Reserve has started to unwind its monetary tightening through 2019. The Federal Reserve has cut rates three times to 1.5% - 1.75%, to stimulate growth as GDP growth has started to fall (to 2.1%).

The fallout from the US-China trade war continues which, risks contributing to a slowdown in global economic activity in 2019. Recent suggestions have been an initial

compromise and potential unwinding of tariffs; however, this can change quickly. Slow growth in Europe, combined with changes in leadership at the ECB and IMF has led to a change of stance in 2019. Quantitative easing has continued and been extended.

Credit Outlook

The recent Bank of England stress tests assessed all seven UK banking groups. The tests scenarios include deep simultaneous recessions in the UK and global economies that are more severe overall than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs. All seven banks passed the test on both a CET1 ratio and a leverage ratio basis. Major banks have steadily increased their capital for many years now. However, there are a number of shortcomings in the Bank's approach; timeliness as the results are over 11 months of out date when they are published, being based on end-2018 balance sheets; ringfencing, as the tests ignore the restrictions on transferring capital between ringfenced "retail" banks and non-ringfenced "investment" banks within the larger groups and; coverage – the tests should be expanded to cover a wider range of UK banks and building societies

The Bank of England will seek to address some of these issues in 2020, when Virgin Money/Clydesdale will be added to the testing group and separate tests will be included of ringfenced banks

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable

Underlying assumptions

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.

- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 January 2020

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2020/21
Report of:	Deputy Chief Executive and Section 151 Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report considers the Capital Strategy for 2020/21, prior to its submission to the Council for approval.

Executive summary:

Regulations require the Council to prepare and formally approve a Capital Strategy. The document for 2020/21 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

The Capital Strategy gives a high-level overview of how capital expenditure, capital financing, asset management and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The main highlights in the Capital Strategy are:

- i) The level of capital expenditure estimated for 2020/21 is £31.8 million. The current estimate is that £11.9 million of this will be met by new borrowing.
- ii) A high-level review of future funding requirements has identified a capital funding requirement of £196 million.
- iii) The Council's commercial property portfolio has an estimated value of £69.9 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2020/21 will be presented at the February meeting of the Executive.

Recommendation:

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2020/21, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2019/20 to 2023/24, amounting to £92.5 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2020/21 to Council for approval.

Reason:

To allow the Council to approve the Capital Strategy in accordance with the Prudential Code.

Cost of proposals:

As detailed in the report.

Appendices: **A:** Capital Strategy 2020/21 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers:

CIPFA Prudential Code 2017

Arlingclose Capital Strategy 2020-21 Template

Report to the Executive 4 February 2019, Treasury Management Strategy & Capital Strategy 2019/20

FAREHAM

BOROUGH COUNCIL

CAPITAL STRATEGY 2020/21



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INTRODUCTION

WHAT IS THE CAPITAL STRATEGY?

1. The Capital Strategy has been developed to meet the requirements of the CIPFA Prudential Code.
2. It gives a high-level overview of how **capital expenditure, capital financing, asset management and treasury management** activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
3. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future.

4. The Capital Strategy covers:

Capital Expenditure	<ul style="list-style-type: none">• Estimates of Capital Expenditure• Major Capital Schemes• Prioritisation
Capital Financing	<ul style="list-style-type: none">• External Sources• Own Resources• Debt and MRP
Asset Management	<ul style="list-style-type: none">• Asset Management• Asset Disposals
Treasury Management	<ul style="list-style-type: none">• Borrowing Strategy• Investment Strategy• Commercial Activities

5. The capital strategy compliments other Council strategies, including those in the diagram below:



PRUDENTIAL INDICATORS

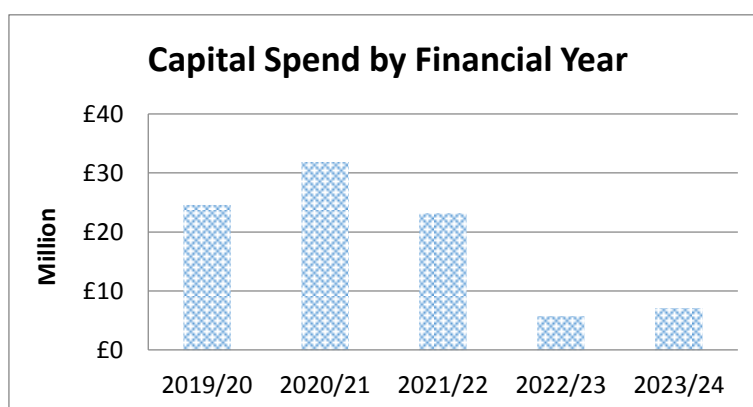
6. The objectives of the CIPFA Prudential Code aim to ensure that capital investment plans are **affordable, prudent and sustainable**, and that treasury decisions are taken in accordance with good professional practice.
7. To achieve these objectives, five prudential indicators are included in the capital strategy:
 - Prudential Indicator 1 - Estimates of capital expenditure and financing
 - Prudential Indicator 2 - The Council's borrowing need
 - Prudential Indicator 3 - Gross debt and the capital financing requirement
 - Prudential Indicator 4 - Limits to borrowing activity
 - Prudential Indicator 5 - Proportion of financing costs to net revenue stream

CAPITAL EXPENDITURE

8. Capital expenditure is where the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
9. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to the revenue account in year.

ESTIMATES OF CAPITAL EXPENDITURE

10. The Council agrees a rolling five-year capital programme each year consistent with the Medium-Term Finance Strategy and the resources available, along with any impact on the revenue budgets.
11. The capital programme for the period 2019/20 to 2023/24 has been updated to take account of re-phased schemes and newly approved schemes such as the new Community Arts and Entertainment Venue and investment property opportunities which has led to an overall increase in the capital programme.
12. The programme also includes a £190,000 investment into the Council's ageing technological infrastructure in its car parks supporting an improved user experience. In addition, two new play areas have been added at Abbey Meadows and Daedalus Common. Both schemes will cost £100,000 each and will be fully funded by developer contributions.
13. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £92.5 million in the 5-year capital programme as summarised below (detailed schemes are in **Annex 1**):



Prudential Indicator 1 - Estimates of Capital Expenditure

Capital Expenditure	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	Total £'000
Streetscene	276	0	0	0	453	729
Leisure and Community	767	12,289	6,106	429	480	20,071
Housing	757	750	500	500	541	3,048
Planning and Development	0	295	70	215	0	580
Policy and Resources	15,449	11,663	11,040	416	400	38,968
Total General Fund	17,249	24,997	17,716	1,560	1,874	63,396
HRA	7,362	6,846	5,450	4,239	5,251	29,148
Total Expenditure	24,611	31,843	23,166	5,799	7,125	92,544

MAJOR CAPITAL SCHEMES

14. The major General Fund capital schemes include commercial property acquisitions, the new Fareham Community Arts and Entertainment Venue and schemes at Solent Airport at Daedalus.
15. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 23 new homes at Highlands Road and Bridge Road, totalling £4.6 million over the forecast period and a £2.8 million sheltered housing scheme at Station Road.
16. Major schemes over £3 million are summarised in the table below:

Major Schemes	£'000
Commercial Property Acquisitions	14,025
New Fareham Arts Venue	12,350
Solent Airport at Daedalus	9,428
HRA Improvements	9,271
Town Centre Hotel	8,035
HRA New Builds	7,566
HRA Stock Acquisitions	6,900
Leisure Centres Capital Investment	6,810
Asset Replacement Programme (ICT, Vehicles etc.)	3,895
Civic Offices Improvements	3,765
Disabled Facilities Grants	3,007

GOVERNANCE AND PRIORITIES

17. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
18. All new potential capital schemes will only be considered if they make a clear contribution to the Council's objectives and priority actions or support the Council's Asset Management Plan.
19. The following factors need to be considered before a decision is made to include a new scheme in the capital programme:
 - On-going operational costs associated with the scheme;
 - Whole life costing implications of the scheme;
 - Cost of servicing the debt if the scheme is financed by borrowing;
 - Loss of investment interest if internal resources are used.

20. Where new capital schemes are included in the capital programme there will be a need to ensure that the necessary resources are in place to meet the full capital costs and the on-going revenue costs.
21. Efforts will be made to secure external (non-borrowing) sources of funding capital schemes. Internal capital resources will only be released to fund schemes once external sources of funding (such as developers' contributions, lottery grants, etc.) have been explored and rejected.
22. Capital schemes will normally be financed by use of capital reserves or external contributions. Borrowing will only be considered where there is a sound economic business case (e.g. for spend to save schemes) whereby borrowing costs are wholly offset by long term net revenue income or savings.
23. Resources allocated to particular capital projects but subsequently not required are returned to meet future corporate priorities rather than be retained for use by that service.
24. To ensure the Council is able to meet the financial challenges ahead, priority is given to the following:
 - Corporate priorities;
 - Providing for future liabilities;
 - Maintaining and protecting public assets;
 - Investing in the future by ensuring assets are sustainable, encourage economic growth and regeneration, and meet the needs of the community.
25. This is achieved by:
 - Building up finances for the future, such as the allocation of windfall income to the Capital Fund Account;
 - Maximising external funding opportunities to reduce the reliance on internal resources;
 - Effective project planning and management to ensure schemes are completed on time and within budget.

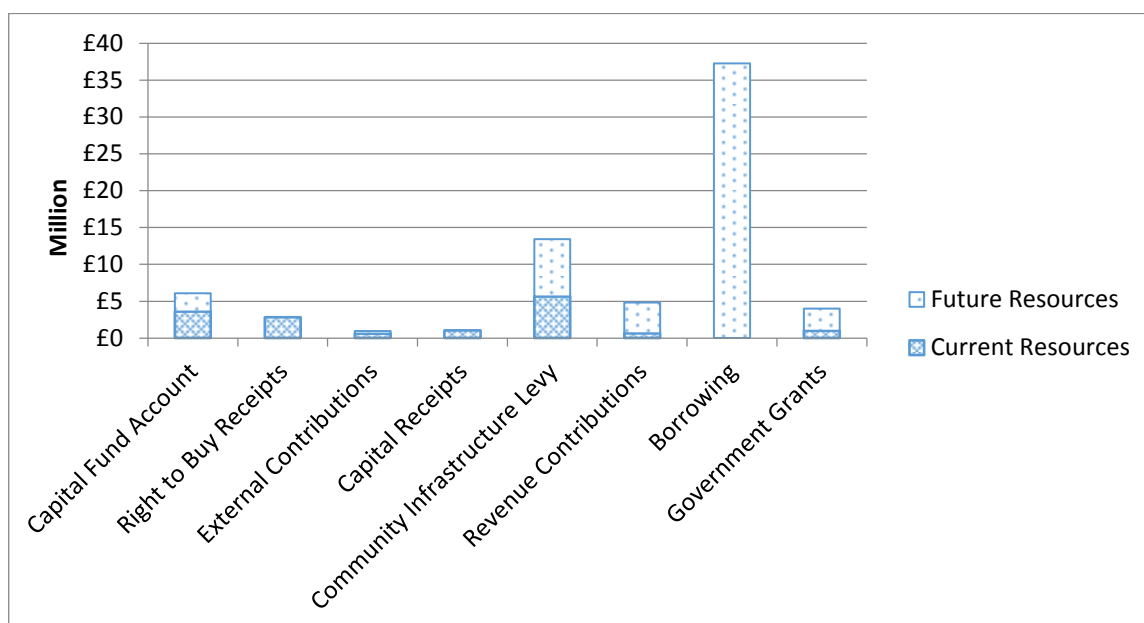
CAPITAL FINANCING

26. All capital expenditure must be financed, either from **external sources** (government grants and other contributions), the Council's **own resources** (revenue, reserves and capital receipts) or **debt** (borrowing and leases).
27. The planned financing of the above expenditure is as follows:

Prudential Indicator 1 - Estimates of Financing

Capital Financing	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	Total £'000
Capital Receipts	450	1,383	1,323	371	600	4,127
Grants & Contributions	2,950	8,209	6,806	929	953	19,847
Capital Reserves	5,229	8,190	3,550	3,139	3,252	23,360
Revenue	1,693	2,157	907	1,401	1,800	7,958
Borrowing	14,289	11,903	10,580	0	480	37,252
Total Financing	24,611	31,842	23,166	5,840	7,085	92,544

28. For the General Fund, total resources of **£70.3 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of approximately £6.9 million in 2023/24.
29. The chart below shows the different funding types split between current and future resources. Borrowing is the largest funding source financing 53% of the programme.



30. The forecast surplus of resources is limited and relies partly on resources that have not yet been secured (such as future capital receipts and grants as well as continued revenue contributions towards capital investment), totalling £18 million.
31. In the event that these resources do not materialise, other funding options will need to be investigated including borrowing, reliance on external funding or the programme scaled back.

32. It must also be borne in mind that the implications of some of the Council's priority actions and emerging capital spending pressures have not yet been quantified. Costs associated with approved schemes also remain provisional until tenders have been received.
33. Spending pressures in this respect include repair and refurbishment or replacement works to Council assets (for example, community and leisure facilities, public conveniences, car parks etc.) that have yet to be added to the capital programme.

DEBT AND MRP

34. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually by putting aside revenue resources to repay debt which is known as **Minimum Revenue Provision (MRP)**. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Minimum Revenue Provision	807	1,327	1,365	1,404	1,444
Future Capital Receipts	916	1,639	916	916	916

35. Borrowing costs (MRP and interest charges) for schemes funded by debt will be covered by revenue generating assets.
36. The MRP budget provision reflects the capital costs relating to commercial property purchases, and construction works at Solent Airport at Daedalus including the Innovation Centre extension and new general aviation and business hangars.
37. The Council's full MRP statement is available in the Council's Treasury Management Strategy.
38. The Council's cumulative outstanding amount of debt finance is referred to as the **Capital Financing Requirement (CFR)** and is another prudential indicator. The CFR increases with new debt-financed capital expenditure and reduces when MRP and capital receipts are used to replace debt.

39. The CFR indicator is a measure of the Council's underlying need to borrow for a capital purpose taken from the balance sheet. This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits.
40. The CFR is expected to increase by £10.6 million during 2020/21 mainly due to capital expenditure at Solent Airport at Daedalus and improvement works at the Council's leisure centres funded by debt. The Council's estimated CFR is as follows:

Prudential Indicator 2 - The Council's borrowing need

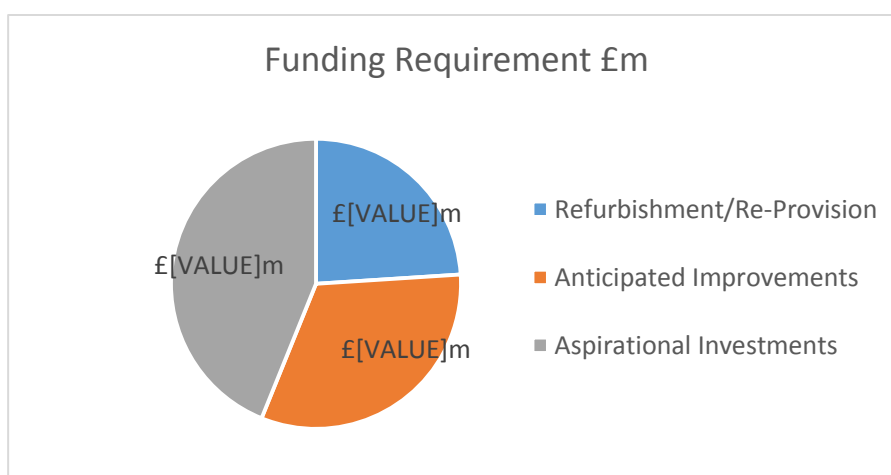
£'000	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
General Fund	52,864	63,440	72,655	71,251	70,287
HRA	51,141	51,141	51,141	51,141	51,141
Total CFR	104,005	114,581	123,796	122,392	121,428

ASSET MANAGEMENT

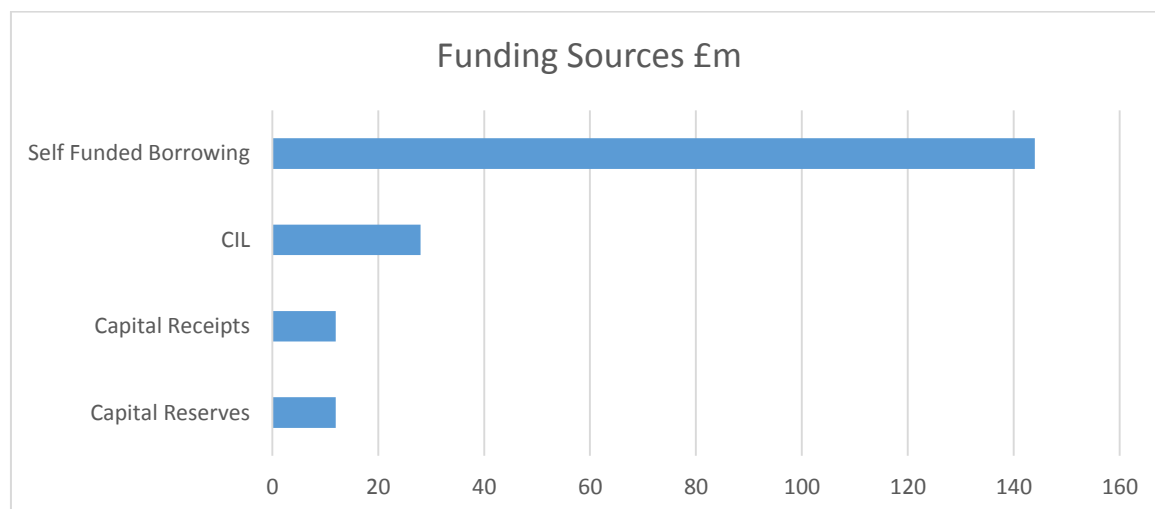
41. One of the Council's corporate priorities is 'a dynamic, prudent and progressive Council' and aims to 'undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets'.

FUTURE FUNDING REQUIREMENTS

42. To ensure that capital assets continue to be of long-term use, the Council has recently undertaken a high-level review of the future funding requirements for its land and buildings, excluding Council dwellings. This review covers a 30-year time frame and has identified a capital funding requirement **of £196 million** for refurbishing/re-provisioning existing assets, improving existing assets and aspirational investments as shown in the chart below:



43. The main funding source is self-funded borrowing supported by capital receipts, capital reserves and the community infrastructure levy, as illustrated in the following graph:



44. The high-level review has identified a substantial capital funding requirement. The Council will put in place a Council-wide plan which will set out the overall direction and framework for the management of its assets to help deliver the Council's priority actions and service delivery needs, now and in the future.

ASSET DISPOSALS

45. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.
46. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts as follows:

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Right to Buy Houses	900	900	900	900	900
Other Housing Property	16	16	16	16	16
General Fund Property	0	723	0	0	0
Total	916	1,639	916	916	916

TREASURY MANAGEMENT

47. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will

be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

48. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
49. At 31 March 2019, the Council had £45.5 million borrowing at an average interest rate of 2.87% and £13.1 million treasury investments at an average rate of 1.7%.
50. The Treasury Management Strategy and Investment Strategy for 2020/21 will be presented separately at the February meeting of the Executive.

BORROWING STRATEGY

51. The Council's main objective when borrowing is to achieve a low but sufficiently certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 3.5 to 4.5%).
52. Projected levels of the Council's total outstanding debt are shown below, compared with the capital financing requirement.

Prudential Indicator 3 - Gross debt and the capital financing requirement

	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Debt at 1 April	62,710	74,710	85,710	85,710	86,710
Capital Financing Requirement (CFR)	104,005	114,581	123,796	122,392	121,428

53. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

AFFORDABLE BORROWING LIMIT

54. The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and a lower "operational boundary" set as a warning level should debt approach the limit.

55. The operational boundary is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. This is the limit beyond which external borrowing is not normally expected to exceed.
56. The authorised limit represents the maximum amount of debt that the Council can legally owe. The limit provides headroom over and above the operational boundary for unusual cash movements.

Prudential Indicator 4 - Limits to Borrowing Activity

£'000	2019/20 Revised	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Operational Boundary	75,000	114,000	143,000	155,000	168,000
Authorised Limit	83,000	122,000	151,000	163,000	176,000

57. Further details on borrowing are in the Council's Treasury Management Strategy.

TREASURY INVESTMENT STRATEGY

58. The Council invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
59. The Council does not currently have service investments.

Treasury Investment Policy

60. The Council's policy on treasury investments is to prioritise security and liquidity over yield, which is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.
61. Money that will be held for longer terms is invested more widely, currently in property but could also include bonds and shares, to balance the risk of loss against the risk of receiving returns below inflation.

62. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy, and the Council may request its money back at short notice.
63. Further details on treasury investments are set out in the Council's Treasury Management Strategy.

Treasury Investment Risk Management

64. The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses.

Treasury Investment Governance

65. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Deputy Chief Executive Officer and staff, who must act in line with the treasury management strategy approved by Full Council.
66. Half-yearly reports on treasury management activity are presented to the Executive. The Audit and Governance Committee is responsible for scrutinising treasury management decisions and therefore is presented with the annual Treasury Management Policy for comment, and a half yearly-report on adherence to this Policy.

COMMERCIAL ACTIVITIES

Commercial Investments Policy

67. With central government financial support for local public services declining, the Council invests in commercial property to secure a financial gain. Total commercial investments that have been purchased in accordance with the Council's Commercial Property Investment Acquisition Strategy are summarised below and are currently valued at **£39.6 million** providing a net return of **6.9%**.

Property Type	Purchase Cost £'000	Current Value £'000
Retail	28,515	26,850
Commercial	10,121	10,650
Other	1,890	2,050
Total	40,526	39,550

68. The Council's total investment portfolio, shown below, is valued at **£69.9 million** and includes Fareham Shopping Centre, Faretec and industrial sites at Palmerston Business Park and Newgate Lane.

Property Type	Current Value £'000
Retail	42,162
Commercial	18,411
Other	4,373
Office	3,759
Leisure	1,167
Total	69,872

69. With financial return being a key objective, the Council accepts higher risk on commercial investment than with treasury investments. Investing in property is not risk-free, so it is important that any acquisitions reflect the Council's risk appetite in terms of maintaining the capital value of the asset in the long term, and extent to which rental income is guaranteed.
70. The principal risk exposures include vacancies and the resultant loss of income, added costs of holding a vacant property and cost of marketing and re-letting the property.
71. These risks are managed by ensuring:
- funds available for new purchases are disaggregated to limit the overall impact that any single investment would have on the Council's finances;
 - there is a mix of property types in the portfolio e.g. retail, industrial, etc.;
 - new purchases are only considered with existing tenants of "high quality" and sufficiently long lease terms;
 - appropriate checks are carried out to ascertain the tenant's reliability before the investment is made and periodically afterwards;
 - other "due diligence" is undertaken to protect the Council's investment as far as possible such as checks on planning conditions, land contamination issues and planning policy issues.
72. The majority of investments will be held for a medium to long term in order to achieve the required return and to justify the cost of the acquisition. However, as part of the investment decision, consideration is also given to the potential ways in which the Council could "exit" from the investment, such as sale to another investor, sale for redevelopment, etc. An investment only proceeds where there is a clear exit strategy, should it be required.

Commercial Investments Governance

- 73. The Executive approved a Commercial Property Investment Acquisition Strategy on 7th January 2013.
- 74. The steps taken before a decision to purchase a property are clearly documented and tested via a challenge process involving the Head of Property Services, Deputy Chief Executive Officer and the Executive portfolio holder for Policy Strategy and Finance.
- 75. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.
- 76. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

LIABILITIES

- 77. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £59.2 million as at 31 March 2019). It has also set aside provisions of £2.7 million mainly to cover **business rate appeals**.
- 78. Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Deputy Chief Executive Officer. The risk of liabilities crystallising and requiring payment is monitored by Finance and reported as necessary.
- 79. Further details on liabilities are given in the 2018/19 Statement of Accounts.

REVENUE BUDGET IMPLICATIONS

- 80. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable.
- 81. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator 5 - Proportion of financing costs to net revenue stream

	2019/20 Revised	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
General Fund Financing costs	326,000	573,000	739,000	971,000
General Fund Proportion of net revenue stream	3%	6%	8%	10%
HRA Financing costs	1,681,000	1,681,000	1,681,000	1,681,000
HRA Proportion of net revenue stream	14%	13%	13%	13%

82. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 30 years into the future. The Deputy Chief Executive Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

KNOWLEDGE AND SKILLS

83. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council also supports junior staff to study towards relevant professional qualifications including CIPFA.
84. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs **Arlingclose Limited** as treasury management advisers and a number of property consultants. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

CAPITAL PROGRAMME 2019/20 to 2023/24

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
STREETSCENE						
Bus Shelters	10.2				309.8	320.0
Holly Hill Cemetery Extension	250.7					250.7
Play Area Safety Equipment and Surface Replacement	14.6				143.6	158.2
STREETSCENE TOTAL	275.5	0.0	0.0	0.0	453.4	728.9
LEISURE AND COMMUNITY						
Buildings						
Community Arts and Entertainment Venue	457.0	5,558.5	6,005.5	329.0		12,350.0
Leisure Centres Capital Investment		6,330.0			480.0	6,810.0
Community Buildings Review	88.4					88.4
Whiteley Community Centre Refurbishment		40.0				40.0
	545.4	11,928.5	6,005.5	329.0	480.0	19,288.4
Play Schemes						
Play Area Improvement Programme	210.0	90.0	100.0	100.0		500.0
Fareham College Play Area		50.0				50.0
Abbey Meadows Play Area		100.0				100.0
Daedalus Common Play Area		100.0				100.0
	210.0	340.0	100.0	100.0	0.0	750.0
Other Community Schemes						
Footpath Improvements	12.1	4.5				16.6
Allotment Improvements		16.3				16.3
	12.1	20.8	0.0	0.0	0.0	32.9
LEISURE AND COMMUNITY TOTAL	767.5	12,289.3	6,105.5	429.0	480.0	20,071.3
HOUSING						
Disabled Facilities Grants	757.0	749.9	500.0	500.0	500.0	3,006.9
Empty Homes Strategy					41.4	41.4
HOUSING TOTAL	757.0	749.9	500.0	500.0	541.4	3,048.3
PLANNING AND DEVELOPMENT						
Car Park Improvements		295.0	70.0	215.0		580.0
PLANNING AND DEVELOPMENT TOTAL	0.0	295.0	70.0	215.0	0.0	580.0
POLICY AND RESOURCES						
Replacement Programmes						
Vehicles and Plant Replacement Programme	280.5	838.0	400.0	400.0	400.0	2,318.5
ICT Development Programme	362.0	748.7	60.0	16.0		1,186.7
	642.5	1,586.7	460.0	416.0	400.0	3,505.2

Operational Buildings

Civic Offices Improvement Programme	67.0	3,698.0				3,765.0
Depot Refurbishment Works	210.0					210.0
	277.0	3,698.0	0.0	0.0	0.0	3,975.0

Property Developments

Commercial Property Acquisition	14,025.0					14,025.0
Daedalus Schemes	504.5	6,378.0	2,545.2			9,427.7
Town Centre Hotel			8,035.0			8,035.0
	14,529.5	6,378.0	10,580.2	0.0	0.0	31,487.7

POLICY AND RESOURCES TOTAL

15,449.0	11,662.7	11,040.2	416.0	400.0	38,967.9
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GENERAL FUND TOTAL

17,249.0	24,996.9	17,715.7	1,560.0	1,874.8	63,396.4
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HOUSING REVENUE ACCOUNT

Improvements to Existing Stock	2,626.4	2,625.0	3,040.0	3,138.6	3,251.7	14,681.7
Acquisitions	1,500.0	1,200.0	1,100.0	1,100.0	2,000.0	6,900.0
New Builds	3,235.3	3,020.7	1,310.0			7,566.0

HOUSING REVENUE ACCOUNT TOTAL

7,361.7	6,845.7	5,450.0	4,238.6	5,251.7	29,147.7
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TOTAL CAPITAL PROGRAMME

24,610.7	31,842.6	23,165.7	5,798.6	7,126.5	92,544.1
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FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 January 2020

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Revenue Budget and Council Tax 2020/21
Report of:	The Deputy Chief Executive and Section 151 Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the, revised revenue budget for 2019/20 and 2020/21.

Executive summary:

This report gives the Executive the opportunity to consider the Council's 5-year financial forecasts as set out in the Medium-Term Finance Strategy (MTFS), revised service budgets for 2019/20 and proposed service budgets for 2020/21.

Revised General Fund Revenue Budget 2019/20

The revised general fund revenue budget for 2019/20 amounts to £12,709,300 for service budgets with other budgets totalling -£3,390,100 giving an overall position of £9,319,200 which shows an increase of £652,800 from the base budget for 2019/20.

General Fund Revenue Budget 2020/21

The proposed general fund budget for 2020/21 totals £11,582,500 for service budgets along with -£1,976,000 for other budgets giving an overall position of £9,606,500 which is an increase of £940,100 against the original budget for 2019/20.

5-Year Financial Forecasts

The 5-Year financial forecasts for 2019/20 to 2023/24 is predicting a funding shortfall by 2021/22. The Opportunities Plan approved last year is still predicted to address the shortfall and build in some capacity for future pressures and uncertainties.

Recommendation:

It is recommended that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2019/20 to 2023/24, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy at Annex C, to Council for approval;

Revenue Budgets

- (c) approves the revised 2019/20 general fund revenue budget, amounting to £9,319,200, as set out in Appendix A and B to the report; and
- (d) approves the base 2020/21 general fund revenue budget amounting to £9,606,500, as set out in Appendix A and B to the report;

Reason:

The proposed budgets and capital programme will continue to support delivery of the Council's services and corporate priorities whilst taking account of the continuing financial pressures.

The Medium-Term Finance Strategy forecasts a funding shortfall by 2021/22. An Opportunities Plan has been developed to address this and build in capacity for future pressures and uncertainties.

Cost of proposals:

As detailed in the report.

Appendices: A: General Fund Revenue Budget Summary 2019/20 and 2020/21
B: Detailed Draft Revenue Budgets by Service Portfolio 2019/20 and 2020/21
C: Medium Term Finance Strategy 2019/20 to 2023/24

Background papers: None

Reference papers:

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

Report to the Executive 8 July 2019 – General Fund and Housing Revenue Outturn 2018-19

Report to the Executive 4 November 2019 – Finance Monitoring Report 2019-20

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	06 January 2020
Subject:	Finance Strategy, Revenue Budget and Council Tax 2020-21
Briefing by:	The Deputy Chief Executive and Section 151 Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. This report provides an update on the financial forecasts for the next 5 years and makes recommendations on how the projected funding gaps can be mitigated.
2. It also brings together the revenue spending plans for the Council's services for the rest of the current year and for next year.

MEDIUM TERM FINANCE STRATEGY

3. The Medium-Term Finance Strategy, attached to this report as **Appendix C**, sets out the broad principles on which the management of the Council's finances are based and provides background information regarding the level of resources, the revenue budget and capital programme.
4. The Council's main priorities are to produce sustainable spending plans, maintain adequate reserves and to continue to minimise increases in the net revenue budget, such that increases in Fareham's proportion of the council tax does not exceed the prevailing inflation rate. Consequently, strict budget guidelines must be maintained.
5. The document focuses on the various issues that will impact on the Council's financial position, now and in the future. In the light of these issues, the current financial position has been reviewed and the projected position in future years, up to 2023/24, examined.
6. Based on existing spending plans and taking account of the known variations and revenue budget pressures in future years, the projected revenue budget for the life of the Strategy through to 2023/24 would indicate a funding gap of £489,000 by 2021/22, even if Council Tax is increased by £5 each year.
7. There are also a number of spending priorities, potential pressures and uncertainties for which no provision has been made in the projections which could cause a widening of the funding gap. Members are reminded that due to the gearing effect any increase in spending has a significant increase on the amount that has to be met from Council Tax

payers. For example, an increase in spending of 1%, increases the Council Tax by 7%.

OPPORTUNITIES PLAN

8. An Opportunities Plan, as summarised below, has therefore been developed which consists of a number of projects that have been identified to either reduce expenditure, increase income or safeguard the Council from future expenditure increases.
9. As part of the budget setting report for 2019/20 the Executive agreed the setting up of a Project Team at a cost of £600,000 over 2 years to be met from reserves. The table below shows the number of projects that the team and other officers have been working on and the latest projections of the potential savings that can be made.

Table 10 - Summary of Opportunities Plan				
Project Grouping	Number of Projects	Latest Projected Potential Savings (£)	Annual Savings Realised To Date (£)	Savings Built into Budgets as at 20/21 (£)
1. Service changes already in progress	17	320,700	276,400	227,900
2. Projects needing resources led by Project Team	8	1,051,300	6,000	0
3. Projects needing resources led by Head of Service	7	830,500	373,450	483,400
4. Projects achievable within current resources	6	391,200	82,687	0
5. Good Practice Projects	3	None expected	0	0
6. Projects to do as resources allow	16	Not costed	0	0
7. Other projects (additional to Plan)	12	29,500	9,500	0
Totals	69	£2,623,200	£748,037	£711,300

10. Savings to budgets from the Opportunities Plan totalling **£711,300** have already been built into the budget forecasts for 2018/19 to 2020/21.
11. To date 19 projects have been completed. The work will continue into 2020/21 with the team working with services to identify further opportunities to help provide savings or additional income to enable a balanced budget to be set in future years.

GENERAL FUND REVENUE BUDGETS

Revenue Budget 2019/20

12. The base net revenue budget set for 2019/20 set was £8,666,400, an increase of £225,900 on the previous year. This was part funded by a council tax increase of £5 which is the maximum allowable by the Government before a local referendum is needed.
13. Additional budget provision totalling £171,700 was carried forward for incomplete projects from 2018/19; this was fully financed from underspending in 2018/19.
14. The overall revised budget has increase from the base budget to £9,319,200. The budget reflects known changes that have occurred during the current financial year and as a result the service budgets have increased by £652,800.

15. Other budgets, such as investment income, contributions to capital, and movement in reserves, have been all changed, and the revised budget will increase to £9,319,200. Further information of how this is spread across portfolios is provided in Appendices A and B.

Revenue Budget 2020/21

16. The revenue budget for 2020/21 has been prepared as detailed in the Medium-Term Finance Strategy, as attached to Appendix C to this report. The proposed General Fund budget for 2020/21 totals £11,582,500 for service budgets along with -£1,976,000 for other budgets giving an overall position of £9,606,500 which is an increase of £940,100 against the original budget for 2019/20. This detailed in Appendices A and B.
17. The budget takes into account the predicted level of core funding resources that will be available for the year and builds in provisions for expected increases and decreases in expenditure and income in the year.
18. The budget also takes into account decisions made by the Executive during the year and the opportunities and pressures arising in the Council's key services.

GENERAL FUND CAPITAL PROGRAMME

19. The detailed General Fund capital programme for the period 2019/20 to 2023/24 is part of the Capital Strategy which is under a separate report on this agenda.

RISK ASSESSMENT

20. In considering the budgets and forecasts, there are a number of risks and uncertainties as set out in Section 6.3 in the Medium-Term Finance Strategy.
21. The Executive has previously agreed that the balance on the spending reserve should equate to at least 5% of gross revenue expenditure. A detailed assessment of need has been carried out, following guidance from the Chartered Institute of Public Finance and Accountancy (LAAP77), which indicates that this is an appropriate level to retain and should not be reduced. The budgets proposed will allow the Spending Reserve to be maintained at the required level.
22. Delivery of the Opportunities Plan aims to address the shortfalls forecast across the next 5 years plus build in some spare capacity for pressures not yet built in to the forecasts.
23. The Government's expectation and associated funding levels indicate that they believe that Fareham will continue to raise council tax by up to £5 next year with a spending review detailing future proposals commencing in 2021/22.
24. While the Council's capital resources are expected to exceed planned capital expenditure at the end of the programme period, future spending requirements could give rise to a very significant shortfall. It is therefore imperative that capital reserves are replenished whenever possible in order to meet the future spending needs.

Enquiries:

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

APPENDIX A

GENERAL FUND REVENUE BUDGETS SUMMARY 2019/20 AND 2020/21

a) Revised Budget 2019/20

	Budget 2019/20 £	Revised 2019/20 £	Variation Base to Rev £
Committees			
Licensing and Regulatory Affairs Committee	516,800	517,300	500
Planning Committee	485,700	666,900	181,200
Executive - Portfolio Budgets			
- Leisure and Community	633,000	773,500	140,500
- Housing	1,379,200	1,310,000	-69,200
- Planning and Development	-333,400	1,695,900	2,029,300
- Policy and Resources	-667,000	-523,600	143,400
- Health and Public Protection	2,151,600	276,000	-1,875,600
- Streetscene	4,903,500	5,226,000	322,500
Accounting Adjustments not included above	2,232,800	2,767,300	534,500
SERVICE BUDGETS	11,302,200	12,709,300	1,407,100
Capital Charges	-2,390,300	-2,927,700	-537,400
Direct Revenue Funding	1,125,000	1,125,000	0
Minimum Revenue Provision	905,700	809,800	-95,900
Interest on Balances	-515,900	-557,800	-41,900
Portchester Crematorium	-150,000	-160,000	-10,000
New Homes Bonus	-820,900	-820,900	0
Contribution to(+)/from(-) Reserves	-789,400	-858,500	-69,100
OTHER BUDGETS	-2,635,800	-3,390,100	-754,300
NET BUDGET	8,666,400	9,319,200	652,800

b) Base Budget 2020/21

	Budget	Budget	Variation
	2019/20	2020/21	Base to
	£	£	base
			£
Committees			
Licensing and Regulatory Affairs Committee	516,800	520,500	3,700
Planning Committee	485,700	472,600	-13,100
Executive - Portfolio Budgets			
- Leisure and Community	633,000	453,800	-179,200
- Housing	1,379,200	1,468,500	89,300
- Planning and Development	-333,400	1,584,800	1,918,200
- Policy and Resources	-667,000	-1,008,000	-341,000
- Health and Public Protection	2,151,600	221,100	-1,930,500
- Streetscene	4,903,500	5,101,900	198,400
Accounting Adjustments not included above	2,232,800	2,767,300	534,500
SERVICE BUDGETS	11,302,200	11,582,500	280,300
Capital Charges	-2,390,300	-2,927,700	-537,400
Direct Revenue Funding	1,125,000	1,510,000	385,000
Minimum Revenue Provision	905,700	1,134,300	228,600
Interest on Balances	-515,900	-695,700	-179,800
Portchester Crematorium	-150,000	-165,000	-15,000
New Homes Bonus	-820,900	-459,900	361,000
Contribution to(+)/from(-) Reserves	-789,400	-372,000	417,400
OTHER BUDGETS	-2,635,800	-1,976,000	659,800
NET BUDGET	8,666,400	9,606,500	940,100

DETAILED DRAFT REVENUE BUDGETS BY SERVICE PORTFOLIO
2019/20 AND 2020/21

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Committees			
Licensing and Regulatory Affairs Committee	516,800	517,300	520,500
Planning Committee	485,700	666,900	472,600
Executive - Portfolio Budgets			
Leisure and Community	633,000	773,500	453,800
Housing	1,379,200	1,310,000	1,468,500
Planning and Development	-333,400	1,695,900	1,584,800
Policy and Resources	-667,000	-523,600	-1,008,000
Health and Public Protection	2,151,600	276,000	221,100
Streetscene	4,903,500	5,226,000	5,101,900
NET EXPENDITURE	9,069,400	9,942,000	8,815,200

SUBJECTIVE ANALYSIS

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Employees	10,365,700	10,805,400	10,262,700
Premises-Related Expenditure	2,533,800	2,799,100	3,145,000
Transport-Related Expenditure	1,161,200	1,294,600	1,499,800
Supplies and Services	6,195,700	6,744,900	4,990,600
Third Party Payments	1,446,400	1,454,500	1,469,500
Transfer Payments	17,687,100	16,151,900	16,169,400
Support Services	3,242,100	3,149,000	3,029,100
Capital Charges	2,732,800	3,517,300	3,517,300
GROSS EXPENDITURE	45,364,800	45,916,700	44,083,400
Government Grants	-18,180,000	-17,093,800	-16,600,100
Other Grants & Reimbursements	-2,021,300	-2,502,400	-2,245,000
Customer & Client Receipts	-7,741,100	-7,622,100	-7,005,800
Rents	-5,966,600	-5,826,000	-6,597,400
Recharges to other Accounts	-153,600	-163,100	-153,600
GROSS INCOME	-34,062,600	-33,207,400	-32,601,900
NET EXPENDITURE	11,302,200	12,709,300	11,481,500

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2020/21

LICENSING AND REGULATORY AFFAIRS COMMITTEE

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Hackney Carriage and Private Hire Vehicles	2,700	2,700	3,300
Licensing	-39,900	-39,900	-39,300
Health and Safety	146,700	146,800	147,900
Election Services	407,300	407,700	408,600
	516,800	517,300	520,500

PLANNING COMMITTEE

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Planning Applications	60,000	249,500	72,900
Planning Advice	243,300	235,700	215,400
Planning Enforcement	126,000	125,400	127,300
Planning Appeals	56,400	56,300	57,000
	485,700	666,900	472,600

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2020/21

LEISURE AND COMMUNITY PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Community Grants	323,200	392,400	292,400
Community Development	191,400	259,500	256,700
Ferneham Hall	444,400	433,300	215,600
Fareham Leisure Centre	527,500	469,800	472,500
Holly Hill Leisure Centre	-65,500	-74,900	-75,200
Community Centres	271,500	269,800	268,200
	1,692,500	1,749,900	1,430,200

HOUSING PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Housing Grants and Home Improvements	38,500	37,900	16,800
Housing Options	45,800	46,200	27,800
Housing Benefit Payments	-114,100	-121,100	-121,100
Housing Benefit Administration	464,100	396,800	470,000
Homelessness	420,700	343,600	435,400
Housing Advice	436,900	436,100	474,400
Housing Strategy	212,000	230,600	221,000
Local Land Charges	-122,600	-33,000	-28,700
	1,381,300	1,337,100	1,495,600

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2020/21

PLANNING AND DEVELOPMENT PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Parking Strategy	-1,950,800	0	0
Flooding and Coastal Management	113,300	171,500	171,500
Transport Liaison	36,500	36,500	36,400
Tree Management	142,000	312,800	317,100
Conservation & Listed Building Policy	30,300	30,200	29,400
Local Plan	1,321,400	1,233,200	1,118,700
	-307,300	1,784,200	1,673,100

POLICY AND RESOURCES PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Democratic Representation and Management	1,091,500	1,135,500	1,165,500
Commercial Estates	-371,500	-274,100	-497,400
Investment Properties	-3,339,600	-3,267,500	-3,815,200
Solent Airport and Daedalus	-634,200	-75,100	-47,700
Public Relations, Comms and Consultation	497,700	492,100	495,100

Unapportionable Central Overheads	175,600	175,600	175,600
Corporate Management	1,042,200	943,600	997,000
Economic Development	43,400	72,100	169,700
Local Tax Collection	881,900	876,700	951,900
	<u>-613,000</u>	<u>78,900</u>	<u>-405,500</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2020/21

HEALTH & PUBLIC PROTECTION PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Pest Control	39,500	38,300	39,900
Dog Control	24,500	24,500	25,100
Food Safety	139,500	139,500	140,100
Air Quality and Pollution	202,400	198,800	203,000
Community Safety	329,500	355,000	348,300
Emergency Planning	56,700	56,700	57,700
Clean Borough Enforcement	88,900	88,900	101,200
On-Street Parking	-34,800	-37,100	0
Off-Street Parking	1,287,200	-709,600	-818,300
Building Control	198,800	198,200	201,300
	<u>2,332,200</u>	<u>353,200</u>	<u>298,300</u>

STREETSCENE PORTFOLIO

	Base Estimate 2019/20 £	Revised Estimate 2019/20 £	Base Estimate 2020/21 £
Cemeteries & Crematorium	-15,900	-14,800	-7,500
Parks, Open Spaces and Grounds Maintenance	1,787,900	1,977,300	2,009,500
Sports Pavilions, Pitches, Greens and Courts	557,000	496,900	443,600
Countryside Rangers	187,600	167,300	173,300
Allotments	20,400	18,600	8,400
Street Cleaning	993,300	1,035,900	984,600
Public Conveniences	254,000	257,500	277,400
Waste Collection	987,500	1,022,100	972,700
Trade Refuse	-103,100	-68,100	-65,100
Recycling	689,700	825,200	781,300
Green Waste	349,900	420,400	416,400
Street Furniture	105,700	83,500	103,100

	<u>5,814,000</u>	<u>6,221,800</u>	<u>6,097,700</u>
TOTAL	<u>11,302,200</u>	<u>12,709,300</u>	<u>11,582,500</u>

FAREHAM BOROUGH COUNCIL PAY POLICY STATEMENT

FINANCIAL YEAR 2020 - 21

1. Purpose

This Pay Policy Statement ("Pay Statement") is provided in accordance with the Localism Act 2011("Localism Act") and this will be updated in each subsequent financial year.

This Pay Statement sets out Fareham Borough Council's pay policies relating to its workforce for the financial year 2020-21, including the remuneration of its Chief Officers, lowest paid employees and the relationship between its Chief Officers and that of its employees who are not Chief Officers.

2. Definitions

For the purpose of this Pay Statement the following definitions apply:

Pay	includes base salary, charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.
Chief Officers	<p>refers to the following roles within the Council:</p> <p>Statutory Chief Officers:</p> <ul style="list-style-type: none"> • Chief Executive Officer, as Head of Paid Service • Director of Support Services, as Monitoring Officer • Deputy Chief Executive Officer, as Section 151 Officer <p>Non Statutory Chief Officers:</p> <ul style="list-style-type: none"> • Director of Planning and Regulation • Director of Leisure and Community
Deputy Chief Officers	Heads of Service who report directly to/or accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.
Lowest paid employees	refers to those employees employed within Grade1 of the Council's mainstream pay structure. This definition has been adopted because Grade1 is the lowest grade on the Council's mainstream pay structure.
Employee who is not a Chief Officer	refers to all employees who are not covered under the "Chief Officer" group above. This includes the "lowest paid employees". i.e. employees on Grade1.

3. Pay Framework and Remuneration Levels

3.1 General approach

The pay structure and pay scales have been designed to enable the Council to recruit and retain suitably qualified employees at all levels who are dedicated to fulfilling its corporate objectives and delivering services to the public whilst operating within an acceptable financial framework.

With a diverse workforce the Council recognises that its Pay Policy needs to retain sufficient flexibility to cope with a variety of circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. The decision to apply a market premium will be approved by the Head of HR and ICT and endorsed by the Chief Executive Officer.

The Chief Executive Officer, as Head of Paid Service, has delegated power to update the pay policy in line with establishment changes.

3.2 Responsibility for decisions on pay structures

The outcome of reviews into the local pay and grading structures covering all jobs are submitted to a meeting of Full Council for approval.

The Council's locally determined pay structures are based on the outcome of a job evaluated process and were implemented for the Chief Officers, Heads of Service and all other employees in April 2008. This followed a national requirement for all Local Authorities to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer to comply with employment legislation.

The pay structure for the Chief Executive Officer was established in 2008 having regard to the need to be fully competitive in the market and to be confident of attracting and retaining the highest calibre of employee to reflect the high level of organisational and corporate performance which the Council requires its Chief Executive Officer to deliver. Relevant labour market and comparative remuneration data was considered. This was reviewed in 2013.

3.3 Pay scales and grading framework

The **mainstream pay structure** for all employees below the level of Heads of Service was determined through a local process based on the outcome of a job evaluation scheme. The pay structure from 1 April 2019 consists of a pay spine of 44 points, comprising 11 grades containing 5 spinal column points with the exception of grade 1. Grade 1 is the lowest grade and 11 the highest. Each employee will be on one of the 11 grades based on their job evaluated role.

The **Chief Executive's** pay grade reflects the same principles as for all of the Council's pay structures consisting of 5 spinal column points.

The pay structure for **Chief Officers and Heads of Service** was determined through a local process that took into account market alignment with District Councils in Hampshire and the outcome of a job evaluated process. It followed the same principles as applied for the mainstream pay structure and consists of one pay grade for Chief Officers and three pay grades for Heads of Service with all grades containing 5 points.

The National Minimum Wage applies to those under 25 but Fareham's pay scales are not aged biased.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2019 is appended to this Statement (at [Annex A](#)).

3.4 Pay Awards and National Pay Awards

Pay awards are considered annually for all employees. The outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions in relation to the settlement of the annual pay award is normally applied. As it stands the pay award with effect from April 2020 has not been agreed.

If there is an occasion where the Council believes that the National Pay Settlement would distort the local pay structures alternative proposals will be developed, discussed with the trade unions and brought to Elected Members for formal approval.

4. Remuneration – level and element

4.1 Salaries of Chief Officers and Deputy Chief Officers

"Chief Officers" are identified at 2 above and constitute the Council's Corporate Management Team. They are all paid within the Council's pay structures as follows:

- a) Chief Executive Officer, as Head of Paid Service will be paid a salary within the grade range £114,621 to £132,664.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £81,330 to £93,412.

"Deputy Chief Officers" who are Heads of Service are all paid within the Council's pay structures and will be paid a salary within grade ranges £53,863 to £81,330.

Typically Chief Officers and Heads of Service have received the same percentage pay award as for all other employees.

Details of Chief Officer and Heads of Service remuneration have been published since 2010 on the Council's website.

4.2 "Lowest paid employees"

Each lowest paid employee will be paid a salary within the pay scales for Grade1 mindful of the need to meet the National Living Wage requirements.

A very detailed review of pay and grading was undertaken on this topic along with other parts of the grading structure and the review and recommendations were reported to Full Council in December 2014.

4.3 Bonuses and Performance related pay

There is no provision for bonus payments or performance related pay awards to any level of employee.

There is, however, an honorarium provision which may be awarded where an employee performs duties outside the scope of their post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous. All such payments are subject to approval by a Chief Officer (Member of Chief Executive's Management Team).

4.4 Other pay elements – Statutory Officers

The pay structure for Chief Officers does not take account of the clearly defined additional responsibilities in respect of the Section 151 and Monitoring Officer roles. Officers undertaking these roles receive payment equivalent to two spinal column points based on the incremental pay progression from the penultimate to maximum point of the pay grade for Chief Officers.

Provision for the recognition of the role of acting Head of Paid Service exists within the Chief Officers pay structure for up to two spinal column points on the same payment principle as for the Section 151 and Monitoring Officers.

These pay arrangements allow for flexibility in the allocation of the additional roles to Chief Officers and for the responsibilities to be rotated.

4.5 Charges, fees or allowances

Allowances or other payments, for example shift working, standby, etc. may be made to employees, below the level of Chief Officer, in connection with their role or the pattern of hours they work in accordance with National or Local collective agreements.

Expenses: The Council recognises that some employees incur necessary expenditure in carrying out their responsibilities, for example travel costs. Reimbursement for reasonable expenses incurred on Council business are paid in accordance with the Council's collective agreement and subsequent amendments to it.

Elections: The Chief Executive Officer has been appointed as the Council's Returning Officer for elections and he has appointed the Deputy Chief Executive Officer, Director of Leisure and Community and Head of Democratic Services as his Deputy Returning Officers. For performing elections duties the Returning Officer and Deputies receive a fee payable according to a scale of costs, charges and expenses set by the Hampshire and Isle of Wight Election Fees Working Party and allowed under the Local Government Act 1972.

Professional Subscriptions: The Chief Executive Officer and Chief Officers are entitled to receive payment for one subscription to a relevant professional body.

4.6 Benefits in kind

Benefits in kind are benefits which employees receive from their employer during their employment which are not included as part of their salary. Fareham has a technology scheme and car leasing scheme that employees have a choice to sign up for in lieu of salary. These benefits are reportable to HMRC and taxed accordingly.

4.7 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme (LGPS).

4.8 Severance payments

The Council already publishes its policy on discretionary payments on early termination of employment and flexible retirement as well as publishing its policy on increasing an employee's total pension. These policies are applied in support of efficient organisational change and transformation linked to the need for efficiencies and expenditure reduction.

Details of the Council's policies are published on the Council's website.

Redundancy payments are calculated using the statutory weekly pay calculator which gives the following entitlements:

0.5 week's pay for each full year worked when you are under 22

1.0 week's pay for each full year worked when you are between 22 and 41

1.5 week's pay for each full year worked when you are 41 or older

The council will apply weekly pay to the number of entitled weeks and has a local multiplier of 2.2 which is applied to the overall calculation.

No employee who has left the Council in receipt of a redundancy or severance package will be re-employed by the Council, in any capacity, unless there are exceptional business circumstances in which case approval is required from the Chief Executive Officer.

The government has commenced the process to enforce a cap on exit payments of £95,000 with the likely implementation date to be during 2020 following consultation.

4.9 New starters joining the Council

Employees new to the Council will normally be appointed to the first point of the salary scale for their grade. Where the candidate's current employment package

would make the first point of the salary scale unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different starting salary point within the grade may be considered by the recruiting manager in consultation with HR Services. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary scale within the grade.

5. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers".

This relates to the ratio of the Council's highest paid employee (falling within the definition of "Chief Officers") and the median earnings across the whole workforce as a pay multiple. By definition, the Council's highest paid employee is the Chief Executive Officer. The median average pay has been calculated on all taxable earnings for the financial year 2019-20, including base salary, allowances, etc.

Highest paid employee	£132,664
Median earnings for remainder of workforce	£24,313
Ratio	5.46

ANNEX A (to the Pay Policy Statement)**Fareham Borough Council - Pay Scales as at 01/04/2019**

Chief Executive Grades & Salary			Directors Grades & Salary	
Spinal Column Point	Annual Salary		Spinal Column Point	Annual Salary
1	£114,621		1	£81,330
2	£119,133		2	£83,942
3	£123,643		3	£86,987
4	£128,155		4	£90,141
5	£132,664		5	£93,412

Senior Management Grades & Salary scales								
Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary
	1	£71,627		1	£62,114		1	£53,863
	2	£74,135		2	£64,366		2	£55,817
1	3	£76,728	2	3	£66,701	3	3	£57,841
	4	£79,024		4	£69,120		4	£59,940
	5	£81,330		5	£71,627		5	£62,114

Local Pay Scales					
GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2018)	GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2018)
1	3	£17,364			
	4	£17,711			
	5	£18,065			
2	5	£18,065	7	26	£31,871
	6	£18,426		27	£32,829
	7	£18,795		28	£33,820
	8	£19,171		29	£34,838
	9	£19,554		30	£35,876
3	9	£19,554	8	30	£35,876
	10	£19,945		31	£36,956
	11	£20,344		32	£38,058
	12	£20,751		33	£39,204
	13	£21,166		34	£40,282
4	13	£21,166	9	34	£40,282
	14	£22,021		35	£41,395
	15	£22,911		36	£42,525
	16	£23,836		37	£43,696
	17	£24,313		38	£44,772
5	18	£25,295	10	38	£44,772
	19	£25,801		39	£45,909
	20	£26,632		40	£47,058
	21	£27,502		41	£48,229
	22	£28,323		42	£48,824
6	22	£28,323	11	42	£48,824
	23	£29,175		43	£49,930
	24	£30,050		44	£51,050
	25	£30,952		45	£52,197
	26	£31,871		46	£53,375

FAREHAM

BOROUGH COUNCIL

Report to Council

Date: **21 February 2020**

Report of: **Chief Executive Officer**

Subject: **APPOINTMENTS OF COMMITTEES AND ALLOCATION OF SEATS**

SUMMARY

This report provides details of the calculations for political balance relating to the allocation of seats on committees and panels, as required to be determined by the Council at its Annual meeting.

The report asks the Council to appoint the nominations of the political groups to committees and also to appoint the role of Chairman and Vice-Chairman for each committee.

RECOMMENDATION

It is recommended that the Council approves:

- (a) the committee functions and number of seats on each committee for the municipal year 2020-21, as listed at paragraphs 5, 6 and 7 of the report;
- (b) the allocation of seats to political groups for the municipal year 2020/21, as set out in Appendix A to this report;
- (c) the nominations of the political groups to seats on committees, deputies and spokesmen, for the municipal year 2020/21, as set out in Appendix B to this report; and
- (d) the appointment of a Chairman and Vice-Chairman for each committee for the municipal year 2020/21, as set out in Appendix B to this report.

INTRODUCTION

1. The Council is required by its Standing Orders to agree the functions and number of seats for its committees as well as the members to be appointed and the Chairman and Vice-Chairman for each committee.
2. Accordingly, the Council is now invited to agree the allocation of seats to its committees along with the nomination of deputies and the appointment of a Chairman and Vice-Chairman for each committee for the municipal year 2020/21. Such appointments will take effect from 24 February 2020.

FUNCTIONS AND NUMBER OF SEATS

Overview and Scrutiny

3. The Council is required by Standing Order 6.1 to appoint such committee or committees to undertake the function of overview and scrutiny as provided for in the Council's Constitution. Standing Order 6.3 similarly requires the Council to determine the number of members and standing deputies to be appointed.
4. The Council is reminded that following a Vanguard Intervention in Committee Services early last year, it was resolved at the meeting of the Council held on 11 October 2018 that the Scrutiny Board and the 5 Policy Development and Review Panels be disbanded and in their place, 6 Scrutiny Panels be created to undertake the scrutiny function of the Executive Portfolios and to assist the Council and Executive in delivering the corporate priorities.
5. The Council is therefore invited to confirm that the committees to be appointed for 2020/21 will be as set out below and that the number of members to be appointed is also as shown:
 - Policy and Resources Scrutiny Panel: 7 members + deputies
 - Leisure and Community Scrutiny Panel: 7 members + deputies;
 - Planning and Development Scrutiny Panel: 7 members + deputies;
 - Health and Public Protection Scrutiny Panel: 7 members + deputies;
 - Housing Scrutiny Panel: 7 members + deputies; and
 - Streetscene Scrutiny Panel: 7 members + deputies.

Appointment of Other Committees

6. The Council is reminded that it is required by the Licensing Act 2003 to appoint a committee to undertake certain licensing functions and that Standing Order 7.1 further requires the Council to appoint such committees as it considers necessary to carry out the non-executive functions of the Council. The Council is therefore invited to confirm the following committees to be appointed, the number of members and standing deputies and to allocate to those Committees such terms of reference and delegated powers as are contained in Part Two of the Council's Constitution:
 - Licensing and Regulatory Affairs Committee: 14 members;
 - Planning Committee: 9 members;
 - Appeals Committee: 5 members; and

- Audit and Governance Committee: 7 members.
7. Each political group shall appoint 2 deputy members to the Planning Committee and 1 deputy member to each of the remaining committees for which a seat has been allocated.
 8. Members are reminded that at its meeting on 26 April 2012, the Council agreed that the Audit and Governance Committee would be formed, from which a Standards Sub Committee could be called if necessary, to deal with any standards issues referred to it by the Monitoring Officer.

ALLOCATION OF SEATS

9. Section 5 of the Local Government and Housing Act 1989 provides the following principles which apply to the allocation of seats:
 - (a) that not all the seats on the body to which appointments are being made are allocated to the same political group;
 - (b) that the majority of seats on each Committee are allocated to a particular group if the number of persons belonging to that group is a majority of the authority's membership;
 - (c) that, subject to (a) and (b), when allocating seats to a political group, the total number of their seats across all the ordinary committees of the Council, must reflect their proportion of the authority's membership; and
 - (d) subject to (a) to (c), that the number of seats on each committee is as far as possible in proportion to the group's membership of the authority.
10. The Local Government and Housing Act 1989 requires that, once the Council has determined the allocation of Committee places between the political groups, the Council must then appoint the nominees of the political groups to the Committees.

POLITICAL PROPORTIONALITY

11. The political balance of the Council for municipal year 2020/21 is attached as Appendix A to this report.
12. The allocation of seats between the political groups for each committee shall be in accordance with the figures in Appendix A.

ADJUSTMENTS FOLLOWING CALCULATIONS

13. Each of the political groups is entitled to a certain number of seats on committees. This is based upon their percentage representation on the Council as a whole, as detailed in Appendix A.
14. There is a total of 77 seats to be allocated and the strict entitlement to seats on committees for each political group is shown as detailed in Appendix A.
15. Each of the political groups is only entitled to their proportion of seats and once this entitlement has been reached, a manual adjustment may be necessary.

16. Appendix A shows a rounded allocation of seats to each political group. This is then required to be manually adjusted to ensure that the number of seats allocated to a particular political group matches, and does not exceed, the strict entitlement.
17. The manual adjustments required are confirmed in the notes as detailed in Appendix A.

To assist the Council in this matter and in exercise of powers delegated to the Chief Executive Officer, the Head of Democratic Services has consulted with the leaders of the political groups prior to the meeting, with a view to agreeing the allocation of seats for 2020/21. Group Leaders have provided nominations to the places on committees to which their respective groups are entitled. The nominations of political groups to seats on committees is set out in Appendix B.

18. The Council is invited to confirm the allocation of seats for the next municipal year. However, if the Council is asked to consider alternative arrangements in appointing the committees and those arrangements do not comply with the provisions requiring political balance, members are reminded that such alternative arrangements would require the support of the Council with no member voting against.

CHAIRMEN AND VICE-CHAIRMEN

19. The Council is required by Standing Order 7.3 to appoint a Chairman and Vice-Chairman for each committee appointed.
20. The nominations are set out in Appendix B (indicated by the letters Ch and VC), to this report.

OPPOSITION SPOKESMEN

21. The minority group Leader may nominate a spokesman for each Executive portfolio area on which a seat is held by that group. The nominations of political groups to seats on committees is set out in Appendix B (marked as Xs), to this report.

Appendices: Appendix A – Allocation of Seats to Committees

Appendix B – Committee Nomination Schedule

Background Papers: None

Reference Papers: Local Government (Committees and Political Groups) Regulations 1990
Local Government and Housing Act 1989

Enquiries: For further information on this report please contact Leigh Usher. (Ext 4553)

APPENDIX A- Allocation of Seats to Committees

Political Group Balance Calculation

		Conservative 23 74.19%		Liberal Democrat 4 12.90%		Independent 4 12.90%	
Seats to be allocated		Strict Entitlement	Rounded	Strict Entitlement	Rounded	Strict Entitlement	Rounded
	77	57.13	57	9.94	10	9.94	10
Policy & Resources Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Leisure & Community Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Planning & Development Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Health & Public Protection Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Housing Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Streetscene Scrutiny Panel	7	5.19	5	1.13	1	0.45	0
Licensing & Regulatory Affairs	14	10.39	10	2.26	2	0.9	0
Planning Committee	9	6.68	7	1.45	1	0.58	0
Appeals Panel	5	3.71	4	0.81	1	0.32	0
Audit & Gov	7	5.19	5	1.13	1	0.45	0
Notional allocation			56		11		0
Adjustment Required			+1		-1		+10

Notes:

- (i) Under the calculation, the Conservative Group has notionally been allocated 56 seats on committees which is 1 short of the strict entitlement of 57 and therefore a manual adjustment of +1 is required.
- (ii) The Liberal Democrat Group has notionally been allocated 11 seats on committees which is 1 more than the strict entitlement of 10 and therefore a

- manual adjustment of -1 is required.
- (iii) Whilst there is a UKIP councillor, a group cannot be formed by a single member and so for the purposes of these calculations, the UKIP councillor will be treated as an independent member.
 - (iv) Therefore, there are 4 independent councillors who do not represent any political group. There is no strict entitlement calculation applicable to an independent member however, following the calculations and allocation of seats to political groups, the Council must appoint the non-group members to any seats not otherwise allocated. In doing this, the Council may allocate seats from those committees requiring a balancing adjustment.

Council Meeting 21 February 2020: Committee Nominations

	<i>Executive portfolio</i>	<i>Policy & Resources Scrutiny Panel</i>	<i>Leisure & Comm Scrutiny Panel</i>	<i>Planning & Dev Scrutiny Panel</i>	<i>Health & Public Protection Scrutiny Panel</i>	<i>Housing Scrutiny Panel</i>	<i>Streetscene Scrutiny Panel</i>	<i>Licensing & Reg Affairs</i>	<i>Planning Committee</i>	<i>Appeals</i>	<i>Audit & Governance</i>
No of seats>	6	5	5	5	5	5	5	11	7	4	5
Barton, K A			D	X	X					CH	
Bastable, I J		X				X		X	VC		D
Bayford, Mrs S M		CH	X					X		D	
Bell, Miss S	L&C							X			
Birkett, F W	H							X	X		
Bryant, Mrs P M					X			X			
Butts, J E				X			X				CH
Cartwright, T M	H&PP							VC	X		
Clubley, Mrs L E		D	VC				X				
Davies, P J				VC	D				X		X
Davies, T		X		CH				X			X
Dugan, S			X			VC			D		
Ellis, Mrs T L							D			X	X
Evans, K D	P&D							D	X		
Fazackarley, G				D	CH		VC				
Ford, M J		X	X					CH	X		
Harper, Miss T					X		CH				
Hockley, Mrs C L A		X	CH			X			D		
Mandry, Mrs K						CH	X	X	X		
Martin, S D	S										VC
Pankhurst, S					VC	X		X		VC	
Walker, N J		VC		X					CH		
Woodward, S D T	P&R										
Totals		6	5	5	5	5	5	10	8	3	5
Adjustment	+1	+1							+1	-1	

Appointments to Committee Nominations
Appendix B

		<i>Policy & Resources</i>	<i>Leisure & Comm</i>	<i>Planning & Dev Scrutiny Panel</i>	<i>Health & Public Protect</i>	<i>Housing Scrutiny Panel</i>	<i>Streetscene Scrutiny Panel</i>	<i>Licensing & Reg Affairs</i>	<i>Planning Committee</i>	<i>Appeals</i>	<i>Audit & Governance</i>
No of seats>		1	1	1	1	1	1	2	1	1	1
Forrest, J				Xs			D	X	D		D
Kelly, G		Xs		D	Xs	D					X
Price, R H		D	D				Xs	X	X		
Trott, Mrs K K			Xs		D	Xs		D	D		
Totals		1	1	1	1	1	1	2	1	0	1
Adjustment	-1									-1	

Independent Councillors:

NB. up to 10 seats to be allocated

		<i>Policy & Resources</i>	<i>Leisure & Comm</i>	<i>Planning & Dev Scrutiny Panel</i>	<i>Health & Public Protect</i>	<i>Housing Scrutiny Panel</i>	<i>Streetscene Scrutiny Panel</i>	<i>Licensing & Reg Affairs</i>	<i>Planning Committee</i>	<i>Appeals</i>	<i>Audit & Governance</i>
No of seats>	10	0	1	1	1	1	1	2	0	2	1

Cunningham, S				X	X			X			
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Englefield, J M			X			X	X				
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Heneghan, Mrs C								X		X	X
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Keeble, L										X	
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Totals		0	1	1	1	1	1	2	0	2	1
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