

AGENDA FOR THE EXECUTIVE

Date: Monday, 3 July 2023

Time: 6.00 pm

Venue: Collingwood Room - Civic Offices

Executive Members:

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

Councillor I Bastable, Streetscene

Councillor Miss J Burton, Health & Public Protection

Councillor D G Foot, Housing

Councillor S D Martin, Planning and Development

Councillor Mrs S M Walker, Leisure and Community

1. Apologies for Absence

2. Minutes (Pages 5 - 8)

To confirm as a correct record the minutes of the meeting of the Executive held on 19 June 2023.

3. Executive Leader's Announcements

4. Declarations of Interest

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

5. Petitions

6. Deputations

To receive any deputations, of which notice has been lodged.

7. References from Other Committees

To receive any references from the committees or panels held.

Matters for Decision in Public

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

8. Housing

Key Decision

(1) Fareham Housing Void Property Works and Improvements Contract
(Pages 9 - 18)

A report by the Head of Housing Delivery.

9. Leisure and Community

Key Decision

(1) Fareham Town Centre Festive Lighting Scheme - Award of Contract
(Pages 19 - 50)

A report by the Director of Leisure and Community.

10. Planning and Development

Key Decision

(1) The payment of monitoring fees in association with planning obligations
(Pages 51 - 56)

A report by the Director of Planning and Regeneration.

(2) Local Development Scheme (Pages 57 - 74)

A report by the Director of Planning and Regeneration.

11. Policy and Resources

Key Decision

(1) Osborn Road multi-storey car park (Pages 75 - 82)

A report by the Director of Planning and Regeneration.

(2) Biodiversity Net Gains: Projects on Council owned land (Pages 83 - 96)

A report by the Director of Planning and Regeneration.

Non-Key Decision

(3) General Fund & Housing Revenue Outturn 2022/23 (Pages 97 - 114)

A report by the Head of Finance and Audit.

(4) Capital & Treasury Management Outturn 2022-23 (Pages 115 - 134)

A report by the Head of Finance and Audit.

(5) Lease of Open Space, Warsash Recreation Ground (Pages 135 - 144)

A report by the Director of Planning and Regeneration.



A WANNELL
Chief Executive Officer

www.fareham.gov.uk

23 June 2023

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

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 19 June 2023

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
I Bastable, Streetscene
Miss J Burton, Health & Public Protection
D G Foot, Housing
S D Martin, Planning and Development
Mrs S M Walker, Leisure and Community

Also in attendance:

N R Gregory, for item 8(2)
Ms S Pankhurst, for item 8(2)



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 Monday 05 June 2023 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader announcements.

4. DECLARATIONS OF INTEREST

Councillors S D T Woodward and Mrs S M Walker declared disclosable pecuniary interests for item 8(1) on the agenda as they are Trustees on the BurrIDGE Community Association Management Board. They both left the room during this item and did not take part in the discussion.

Councillor Miss J Burton declared a personal interest for item 8(1) as she is a Council appointed Trustee on the BurrIDGE Community Association Management Board.

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**Daedalus Scrutiny Panel – 19 June 2023**Minute 7 – Airport Investment Programme

The Daedalus Scrutiny Panel considered a report by the Head of Strategic Sites on the updated Investment Programme for Solent Airport at Daedalus.

RESOLVED that Members requested that the Executive take account of their comments as follows:

- (a) support the recommendation as set out in the Executive report 19 June 2023;
- (b) strongly support the proposal to add a 2000 litre towable bowser to the tender specification for the JetA1 replacement vehicle to supply unleaded aviation fuel and improve the competitive advantage for the airport; and

- (c) strongly support the recommendation to increase the Capital Programme allocation for AGL to £2,800,000 with the Council's Daedalus Vision and Outline Strategy.

This was considered at item 9(1) on the agenda.

8. LEISURE AND COMMUNITY

(1) Voluntary Sector Support Fund - Burr ridge Community Association

Councillors S D T Woodward and Mrs S M Walker declared disclosable pecuniary interests in respect of this item as they are Trustees on the Burr ridge Community Association Management Board. They both left the room during this item and did not take part in the discussion.

Councillor Miss J Burton declared a personal interest in respect of this item as she is a Council appointed Trustee on the Burr ridge Community Association Management Board.

RESOLVED that the Executive approves the following:

- (a) the award of £30 from the Voluntary Sector Support Fund to fund Burr ridge Community Association's first year of membership to Action Hampshire; and
- (b) the award of £372 from the Voluntary Sector Support Fund to fund Burr ridge Community Association's access to specialist governance support from Action Hampshire when required.

9. POLICY AND RESOURCES

(1) Solent Airport Investment Programme

The comments of the Daedalus Scrutiny Panel were taken into account in considering this item.

At the invitation of the Executive Leader, Councillor N R Gregory and Ms S Pankhurst addressed the Executive on this item.

RESOLVED that the Executive agrees that:

- (a) the Capital Programme allocation for Taxiway Maintenance of £2,700,000 be reduced to £1,700,000;
- (b) the Capital Programme allocation for £1,100,000 for the Aeronautical Ground Lighting System be increased to £2,800,000;
- (c) the Capital Programme allocation of £25,000 for installation of self-fuelling facilities be removed;
- (d) the Capital Programme allocation of £400,000 for aircraft parking be removed;

- (e) £25,000 be added to the Capital Programme for essential repairs to bring Hangar P back into use;
- (f) £165,000 be added to the Capital Programme for new airport fuel supply assets;
- (g) £380,000 be added to the Capital Programme for immediate improvements to the Visual Control Room at the Control Tower on safety grounds; and
- (h) the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, be delegated authority to award contracts for each of the above Schemes.

(The meeting started at 6.00 pm
and ended at 6.27 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Housing
Subject:	Fareham Housing Void Property Works and Improvements Contract
Report of:	Head of Housing Delivery
Corporate Priorities:	Providing Housing Choices

Purpose:

To seek Executive approval for a 6-month extension to the existing Void Property Works and Improvement Contract with Mountjoy Ltd, with potential for a further 6-month extension should it be required.

Executive summary:

Mountjoy Ltd. are the contractor currently employed to undertake void works to Council homes, as well as some other planned improvement works such as kitchen and bathroom replacement.

The original contract was entered into on 01 May 2019 and the current arrangement will expire on 30 April 2024.

During 2023 there have been many changes to the social housing landscape. This includes new amendments to the Social Housing Regulation Bill (also referred to as Awaab's Law), increasing focus by the Regulator of Social Housing relating to matters of repair, and the ongoing implications of cost increases coupled with the introduction of a 7% rent cap.

In May 2023 an internal review commenced to look at the existing void process. The review is aimed at ensuring an appropriate standard of void works takes place alongside good quality customer service, whilst also improving efficiency and identifying opportunities to reduce the financial impacts of the void process.

As part of the ongoing review there is already recognition that elements of the existing contract approach will need to change. This together with the lead in times required for a new contract means it is not practical to complete a new tender, contract appointment and mobilisation before 30 April 2024.

A limited time extension to the existing arrangement with Mountjoy is sought to ensure this essential function of the Council's Housing service can continue, whilst allowing for improvements to the void process (and any associated cost savings) to be properly considered and incorporated as part of a new contract arrangement.

Recommendation:

It is recommended that authority be delegated to the Chief Executive Officer, following consultation with the Executive Member of Housing, to enter into an extension/rollover of the existing Void Property Works and Improvements Contract with Mountjoy Limited, for a period of 6 months, with authority delegated for a further 6 month extension should it be required.

Reason:

To ensure void repair works are delivered to the lettable standard effectively and efficiently, and to continue to provide improvements and disabled adaptations to occupied Council homes whilst a new tender pack and procurement exercise is concurrently prepared (incorporating any changes required following the internal review) so that a new contract can apply from 31 October 2024, or by 30 April 2025 at the latest.

Cost of proposals:

Further detail around the cost implications is provided in Confidential Appendix A. The 2023/24 costs of providing void and improvement works are incorporated in existing budgets.

Appendices:

A: Confidential Appendix A - Fareham Housing Void Property Works and Improvements*

* By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules.

* It is not in the public interest to publish this information as it would harm the Council's ability to conduct future procurement activity in accordance with national procurement legislation and to achieve best value in the consideration of bids received. If cost indicators were disclosed the future tender exercise could be adversely affected, potentially resulting in the submission of unaffordable or undeliverable bids and remove the necessary element of market competition that drives best value principles.

Background papers: NONE

Reference papers: Executive Report 04 February 2019 (Void Property Works and Component Improvement Package Works Contract 2019 to 2022)

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Fareham Housing Void Property Works and Improvements Contract
Briefing by:	Head of Housing Delivery
Portfolio:	Housing

INTRODUCTION

1. Each year in the region of 120 to 150 Council homes will become vacant, these are referred to as 'voids'. The reasons for properties becoming void are due to terminations of tenancy, death of tenants, and repossessions. As a landlord, the Council has a responsibility to maintain the properties to an appropriate standard prior to re-occupation.
2. Fareham Housing also provides kitchen and bathroom modernisations to its occupied stock. This demand comes either direct from customers who feel that an upgrade is due, via the Responsive Repairs operatives who determine that components are beyond economical repair, or via findings from a Stock Condition Survey.
3. Fareham Housing also provide disabled adaptations to its stock. The demand comes either direct from tenants or via Hampshire County Council's Occupational Therapy Departments. Minor disabled adaptations are undertaken by Responsive Repairs operatives.

BACKGROUND

4. Mountjoy Ltd. currently provide void and planned improvement works on behalf of the Council. This is by a contract arrangement that began in May 2019 following agreement by the Council's Executive on 04 February 2019. The contract arrangement was for an initial period of three years, with subsequent ability to extend for a further two years.
5. The ability to extend the contract by two years was utilised, this recognising that the contract arrangement and service provision was working well at that time, and also to provide some stability following the Covid-19 pandemic and with regard to the turbulent market conditions and rising costs prevalent during 2021 and 2022.

RECENT AND EMERGING CHANGES

6. Within the last year the wider landscape on social housing has and is changing.

7. In March 2023 the Social Housing (Regulation) Bill received its third reading in the House of Commons. The final regulations are expected to increase expectations and standards for social landlords relating to the conditions of homes, with elements of this Bill often referred to as Awaab's Law. This does not just relate to issues around damp and mould, but also other standards and hazards.
8. Recent years have also seen a significant rise in costs for materials and labour, and the implications of this to the Housing Revenue Account (HRA) has and will be compounded by rental receipts not tracking inflation (due to the cost-of-living crisis and rent caps).
9. Officer analysis of our void process and timescales has also recognised an opportunity to reduce average void periods, which are currently high, but that this must be done in a manner that still maintains the current good void standard, and customer satisfaction.
10. An internal review is underway to understand what changes should be made to the void process; both internal procedures before and after and contractor is involved, and the expectations of a contractor undertaking works. This is aimed at improving the efficiency of the void process but to also ensure appropriate consideration is given to the wider changes mentioned in paragraphs 7 and 8. At this juncture it would be imprudent to move ahead with a new tender exercise without first incorporating potential positive changes and improvements to the overall process. To do so would either cause the Council to enter into a contract which ultimately fails to achieve the required standards over the next 3-5 years, or would commit the Council to two procurement exercises in quick succession, a significant duplication and a waste of resources.

THE NEXT CONTRACT

11. Work is already underway to understand some of the changes that need to be incorporated into the revised/new contract arrangement. This includes: -
 - Specification updates (for example when materials/finishes are no longer available)
 - New additions to the Schedule of Rates used
 - Invoicing process
 - Managing sub-contractors
 - Predicted contract value
 - Performance criteria (including void turnaround times)
12. This list is not exhaustive, and the ongoing internal review will identify further factors to be included in the tender documents for the next contract.
13. The lead in times for a contract of this value and complexity are significant. In summary this includes (a) extensive tender documents to be prepared; (b) the open tender process undertaken and assessed; (c) the award of contract (which will require Executive approval); and (d) ensuring all matters are prepared and ready for mobilisation (including allowing for potential transition to a different contractor). To achieve this in advance of 30th April 2024 would mean that officers would be unable to properly consider and incorporate any changes in the void process or approach which will arise from the internal review underway and emerging regulations.
14. The next contract and associated tender pack can be finalised following this internal review and consideration of costs, with the intention that a contractor be appointed (following an open tender exercise) in a timely manner to follow on from the proposed

interim approach (i.e. contract extension/rollover).

INTERIM APPROACH - EXISTING CONTRACT EXTENSION/ROLLOVER

15. The interim approach (intended ahead a full new contract arrangement) will be for 6 months, albeit the recommendation of this report seeks delegated approval for a further 6 months period to ensure appropriate contingency can be utilised if required (for example if unexpected matters delay the tender period, or additional relevant factors are introduced to national regulations).
16. Discussions have already taken place with the Council's Financial Services Procurement Manager, and Legal services. The mechanism for the contract rollover will be agreed in conjunction with them and in consultation with Mountjoy Ltd.
17. A 6-month extension to the existing contract arrangement is expected to fall within the parameters of regulation 72(1)(f) of the 2015 Public Contracts Regulations (Modification of contracts during their term) as the amounts payable to the contractor will be less than 15% or the original contract sum and the works threshold of £5,336,937.
18. In the unlikely event that the further 6-month extension is needed (taking the total contract extension to up to 12 months) then a further consideration of procurement risk will be undertaken and where appropriate, ahead of the extension, a notice published in accordance with the Public Contracts Regulations setting out the justification for the further extension.

FINANCIAL IMPLICATIONS

19. The current budget takes account of the cost of void repair work and in the Housing Revenue Account business plan projections. The financial implications of the proposals contained in this report will be reflected in the HRA budget proposals for 2024/25.

CONCLUSION

20. The rollover of the existing contract arrangement with Mountjoy Ltd. will allow Fareham Housing to maintain the void and improvement service for Council homes and customers, whilst giving sufficient time for necessary internal reviews to complete. This is necessary to ensure that the next (i.e. new) contract arrangement will improve efficiency and maintain quality of the void process, have a sustainable impact to the HRA, and that it appropriately addresses emerging national regulations.

Enquiries:

For further information on this report please contact Robyn Lyons on (01329) 824305

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

Document is Restricted

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Leisure and Community
Subject:	Fareham Town Centre Festive Lighting Scheme – Award of Contract
Report of:	Director of Leisure and Community
Corporate Priorities:	Leisure Opportunities for Health and Fun Maintain and Extend Prosperity

Purpose:

This report seeks to award the contract following tenders received for a festive lighting scheme for Fareham Town Centre for a 5-year duration commencing August 2023.

Executive summary:

Responsibility for the organisation and management of events in Fareham Town Centre comes under the Leisure and Community portfolio.

Part of these responsibilities include the organisation of the Christmas light switch on which takes place towards the end of November each year. This event sees the Mayor of Fareham turning on the Christmas lights as the culmination of entertainment and activities that take place beforehand. Historically, the event has attracted thousands of people into the Town Centre.

The contract for installing and maintaining the festive light display, that commenced in August 2018, expires in August 2023.

This report seeks approval to enter into a new 5-year contract for the design, supply, installation and maintenance of a festive lighting scheme for Fareham Town Centre.

Recommendation/Recommended Option:

It is recommended that the Executive agrees that:

- (a) the tender submitted by the contractor ranked 1st, as set out in confidential Appendix A to the report, being the most advantageous tender received, be accepted and the contract awarded to the company and;
- (b) the contractor ranked 2nd, as set out in confidential Appendix A to the report, is appointed as the reserve bidder.

Reason:

To provide a new and improved festive lighting scheme for Fareham Town Centre.

Cost of proposals:

The cost for providing a new and improved festive lighting scheme are presented in the confidential Appendix A and can be met from the Town Centre Management Surplus budget.

Appendices:

A: Confidential Tender Evaluation Matrix**

B: Confidential Design Illustrations (preferred bidder)**

**** Appendix A and B: Tender Evaluation Matrix and Preferred Bidder Report (Confidential) – By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules.**

It is not in the public interest to publish this information as it would harm the Council's ability to conduct procurement activity in accordance with national procurement legislation and to achieve best value in the consideration of bids received, which are supplied under an obligation of confidence in relation to their financial and technical content. If bidders' submissions were disclosed their ability to compete for work would be adversely affected by the disclosure of the detail of their competitive bids and could result in the submission of unaffordable or undeliverable bids / remove the necessary element of market competition that drives best value principles.

Background papers: None

Reference papers: Report to the Executive Member for Leisure and Community – June 2018. Festive Lighting Scheme – Award of Contract.

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Fareham Town Centre Festive Lighting Scheme – Award of Contract
Briefing by:	Director of Leisure and Community
Portfolio:	Leisure and Community

INTRODUCTION

1. Responsibility for the organisation and management of events in Fareham Town Centre falls under the Leisure and Community portfolio.
2. Part of these responsibilities include the organisation of the Christmas light switch on event which takes place towards the end of November each year. This event sees the Mayor of Fareham turning on the Christmas lights as the culmination of entertainment and activities that take place beforehand. Historically, the event has attracted thousands of people into the Town Centre.
3. The contract for setting up and maintaining the festive light display expires in August 2023. Due to some elements of the scheme becoming uneconomical to repair, it was agreed that a new 5-year contract for the design, supply, installation and maintenance of a festive lighting scheme for the Town Centre would be tendered.

PROPOSAL

4. An invitation to tender for the scheme was issued on 15 March 2023 via the South – East Business Portal.
5. The tender specification required tenderers to submit designs which complimented the style and scale of the Town Centre and the various styles of lighting columns. Tenderers were also required to provide a price for the purchase of the existing lights which would then be offset against their tender submission price.
6. The festive lighting scheme covers key town centre areas including, West Street and its Performance Podium, Vannes Parade, Harper Way, Station Roundabout and Westbury Manor Museum.
7. Following changes to SSE regulations, the Council can no longer have tree lights powered by nearby columns and therefore asked tenderers to put forward an alternative solution for lighting the trees in the Civic Gardens and in West Street. SSE do not allow the tethering of columns to anything else, such as trees or nearby buildings. They explained that tethering is a health and safety risk in the event of one column or tree falling, which could result in trailing live electrics.

EVALUATION PROCESS

8. On the 28 April 2023, 6 tenders were received and unsealed by the Procurement Team. The tender price details are presented in confidential Appendix A.
9. The contract document defined a pre-determined scoring mechanism whereby tenders are assessed on price, service and quality. This also included environmental considerations to support the Council's commitment to becoming carbon neutral by 2030.
10. The tender submissions were evaluated, and the scores weighted as specified in the invitation to tender. The scores and ranking of all tenders received are represented in confidential Appendix A.
11. Tenderers were asked to provide a cost for hiring the scheme and a cost for purchasing the scheme. The hire option was discounted due to the fact that it resulted in a higher cost over the 5-year period.
12. The contract length is 5 years, which is extendable by 1 or 2 years, at the Council's discretion.
13. Based on the evaluation of the tenders received, 6 bids have been ranked in order of economic value and design.
14. The most advantageous supplier, which achieved the highest overall combined score, is recommended for the award of the contract. A copy of the preferred design visuals is represented in confidential Appendix B.

CLIMATE CHANGE CONSIDERATION

15. Environmental factors were an element included within the tender specification for this contract to support the Council's commitment to becoming carbon neutral by 2030, with preference given to lighting which utilises energy efficient products, using non-toxic and recyclable materials.
16. Tenderers were asked to provide details of any carbon reduction plans or actions they have undertaken to reduce the carbon footprint of their operations. Measures proposed by the preferred bidder included using High Quality LED lights (HQL's) which are 50% more efficient than the previous type of LED lighting, whilst being 10% brighter. The preferred bidder has 50% of its lease vehicles which are either hybrid or fully electric for visiting sites and transporting materials. They also recycle products and use recycled materials, such as aluminium frames, when creating new festive lighting displays.
17. The current scheme uses approx. 2,000kWh over the festive lighting period which is 7 weeks from around 20 November until 05 January when the scheme is illuminated from 4pm to 11pm each day. The preferred bidder, based on the same timings, will use approx. 1,008kWh.
18. Environmental considerations were scored within the evaluation process and are presented in confidential Appendix A.

RISK ASSESSMENT

19. Many of the standard and identifiable risks initially presented in this type of project have been negated through the Councils rigorous and structured procurement process.
20. Regular monitoring will take place and a series of onsite meetings will be held throughout the contract period to reduce potential risks.
21. The decorations will be stored securely when not in use and will be testing annually to ensure longevity of the scheme.
22. A 24- hour emergency call out service will be provided when the scheme is in situ.

FINANCIAL IMPLICATIONS

23. The works and charges associated with this contract can be financed from the Town Centre Management Surplus budget.

CONCLUSION

24. Six valid tenders were received. It is recommended that the most advantageous tender received, ranked 1st in confidential Appendix A to this report, be accepted and a contract awarded.
25. The preferred bidder uses the latest HQL LEDs lights which are 50% more efficient than the previous type of LED lighting, whilst being 10% brighter, resulting in a much lower energy consumption.
26. The preferred bidder is an independent provider of festive lighting with an account manager based locally with a good call out procedure and out of hours service.
27. The preferred lighting scheme design option uses a warm white and cool white colour palette as illustrated in confidential Appendix B. The performance podium will continue to be the festive centrepiece of the scheme with high impact motifs on the surrounding light columns lining the pedestrianised area and surrounding streets, whilst considering the different needs and uses of each part of the town.
28. The scheme will also be extended slightly due to feedback received from some businesses based at the Western end of West Street. An additional 4 decorative motifs will be added to the light columns between the Aldi Supermarket and Station Roundabout.

Enquiries:

For further information on this report please contact Emma Bowler (01329 824440) Leisure and Community Manager.

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

Document is Restricted

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

Document is Restricted

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Planning and Development
Subject:	The payment of monitoring fees in association with planning obligations
Report of:	Director of Planning and Regeneration
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report sets out a proposal for developers to pay a fee to the Council for monitoring obligations contained within planning obligations (Section 106 legal agreements).

Executive summary:

When planning permission is granted, especially for larger developments, they are often subject to a planning obligation. A planning obligation is a legal agreement, typically between the Council and a landowner. Planning obligations secure a wide range of matters which include requiring the payment of financial contributions or requiring the provision of facilities or infrastructure on and/or off-site.

The Council monitors the requirements of all planning obligations to ensure that the obligations contained therein are fulfilled to required timescales. There is an ongoing requirement on the Council to monitor all financial contributions collected, how they are spent and to publish an Annual Statement setting out this information.

The cost of monitoring planning obligations is borne by Fareham Borough Council at the present time. The Government advice is clear that Councils can charge a fee to cover their costs of monitoring planning obligations. Many local authorities in South Hampshire charge a fee to carry out such monitoring.

This report sets out proposals for charging a monitoring fee for planning obligations.

Recommendation:

It is recommended that the Executive approves the introduction of a monitoring fee of £500 for:

- (a) each type of obligation (i.e. head of term, financial and non-financial); and
- (b) each obligation (i.e. covenant, restriction or requirement) contained within the planning obligation, as set out in paragraphs 14-16 of the Executive Briefing Paper, with effect from 1 August 2023.

Reason:

The proposal will enable the Council to recover its costs of monitoring planning obligations. This approach is consistent with Government guidance.

Cost of proposals:

The proposals will reduce the cost to this Council of monitoring planning obligations to ensure they have been complied with.

Background papers: None

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	The payment of monitoring fees in association with planning obligations
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. When planning permission is granted for new development (particularly new housing or major proposals) the applicant is often required to enter into a planning obligation (commonly referred to as 'Section 106', 'S106' as well as a planning legal agreement). Section 106 is the relevant section of the Town and Country Planning Act 1990 which gives local planning authorities the power to enter into planning obligations.
2. Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Mitigation can take many forms including:
 - a financial contribution which is pooled with other financial contributions to deliver off-site mitigation;
 - provision of land or facilities on a development site in a particular way by a specified timescale (e.g. the provision on-site of an equipped play area before 50 dwellings are occupied);
 - a financial contribution for the future ongoing maintenance of on-site facilities;
 - Provision of off-site infrastructure by a specified timescale (e.g. providing a footpath link across adjacent land before 100 dwellings are occupied).
3. Each planning obligation can contain a number of individual 'obligations' which the party implementing a development must meet (each of the four bullet points listed at paragraph 2 above for example represents an 'obligation' placed on a developer). Furthermore, each contribution may be broken into phased payment with each payment requiring monitoring or there may be a number of covenants, restrictions and requirements sought in connection with each individual obligation, with each one requiring separate monitoring. Planning obligations run with the land, are legally binding and enforceable. Whilst the onus is on developers to ensure they meet all the requirements contained within the planning obligations, the Council separately monitors the requirements of each planning obligation.
4. The Council is also under a duty to annually report information on the monetary and non-monetary contributions sought and received from developers for the provision of infrastructure to support development in Fareham. This is set out in the Council's Infrastructure Funding Statement.

5. The following report sets out proposals for introducing a fee for monitoring and reporting on planning obligations.

THE PRINCIPLE OF INTRODUCING A MONITORING FEE

6. Through the advice contained within the national 'Planning Practice Guidance', the Government position is as follows:

'Authorities can charge a monitoring fee through section 106 planning obligations, to cover the cost of monitoring and reporting on delivery of that section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. Monitoring fees should not be sought retrospectively for historic agreements.'

'Fees could be a fixed percentage of the total value of the section 106 agreement or individual obligation; or could be a fixed monetary amount per agreement obligation (for example, for in-kind contributions). Authorities may decide to set fees using other methods. However, in all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. Authorities could consider setting a cap to ensure that any fees are not excessive. Authorities must report on monitoring fees in their infrastructure funding statements.'

7. Historically, other LPAs have sought monitoring fees in their planning obligations, secured under contract and custom. Recently, the Government has introduced provisions into the Community Infrastructure Levy Regulations 2010 which recognise that payments of monitoring fees can be secured as planning obligations.
8. The Council does not currently have a published set of monitoring fees which it applies to all developments. As a result, the cost of monitoring and reporting on planning obligations is borne by this Council.

WHAT DOES THE MONITORING OF PLANNING OBLIGATIONS INVOLVE?

9. The monitoring of planning obligations is primarily undertaken by the Development Management Service. The spending of financial contributions is monitored by Finance working with the relevant Service to which the contribution relates. The reporting and publishing of information relating to the Council's collection and expenditure of developer contributions is undertaken by the Planning Strategy Service working closely with Finance.
10. From start to finish, the process can involve many officers across the Council and can therefore be resource intensive. The monitoring of planning obligations involves:
 - Recording the details of all the planning obligations within the Council's databases;
 - Recording the triggers for all obligations within the Council's databases;
 - Monitoring the progress of the development to identify when contributions are due to be paid (this includes site visits to monitor development progress);
 - Monitoring the progress of the development to ensure infrastructure/ facilities have been delivered on site in accordance with the timescales required by the planning obligation;
 - Invoicing for financial contributions and ensuring they are paid in line with the obligation;

- Recording how financial contributions are spent by the Borough Council;
- Ensuring details which are required to be submitted under the planning obligation have been submitted; and
- Publishing detailed information on the collection and spending of financial contributions in spreadsheets and the Infrastructure Funding Statement on the Council's website annually.

WHAT ARE OTHER HAMPSHIRE AUTHORITIES DOING?

11. If this Council is to introduce monitoring fees, it is required to set the fees in line with the broad guidance set out in the Planning Practice Guidance quoted earlier in this report.
12. Officers have been undertaking assessments of the amount of time currently spent on the monitoring and reporting on planning obligations. In addition, a review has been undertaken of the charges applied by other local authorities within Hampshire. A summary of those charges is set out below:

Local Authority	Financial obligation	Non-financial obligation
Gosport Borough Council	5% of cost of planning obligation. Total monitoring fee capped at £10,000 per each legal agreement	No charge
Portsmouth City Council	£310 for each obligation with a commencement trigger £620 for each obligation with a future trigger	£620
Havant Borough Council	5% of cost per obligation. Total monitoring fee capped at £12,205 per each legal agreement	£846 per each obligation
South Downs National Park	£440 per each obligation	£440 per each obligation
Hampshire County Council	£500 per each obligation. Total monitoring fee capped at £10,000 per each legal agreement	£500 per each obligation
Southampton City Council	£289 per each obligation	£289 per each obligation
No distinction made between financial and non-financial obligations		
Eastleigh Borough Council	Fixed charges based on scale of development. Ranges from a £500 monitoring fee for a residential scheme of 1-3 dwellings up to £10,000 for a scheme of 500+ dwellings.	
New Forest National Park	Charge based on scale of development. Ranges from £295 per each obligation for a residential scheme of 1-5 dwellings to £531 per each obligation for a scheme of 50+ dwellings. Total monitoring fee cap per legal agreement agreed on a case-by-case basis.	

13. There are a wide range of approaches towards monitoring fees amongst the Hampshire authorities. In light of the level of work involved and the number of Officers and Services

involved, it is considered appropriate to secure a monitoring fee for both financial and non-financial obligations.

14. Based on the amount of Officer time spent across Council Services monitoring and reporting on planning obligations, it is recommended that a monitoring fee of £500 is introduced for (a) each type of obligation i.e. head of term (financial and non-financial) and (b) for each obligation i.e. covenant, restriction or requirement contained within the planning obligation. The level of the monitoring fee should be index linked to RPI and updated every April.
15. The monitoring fee will be secured as part of the Section 106 planning obligation and would be payable upon execution of the planning obligation. The Council would similarly expect the relevant monitoring fees to be included in any planning obligation, whether by way of agreement or unilateral undertaking presented in connection with any planning appeal.
16. The fee for monitoring financial obligations is proposed to be capped at £10,000 per agreement/unilateral undertaking. It is not considered appropriate to introduce a cap for non-financial obligations due to their nature and content.
17. There are also instances where obligations require further details to be submitted to and approved by the Council. Where there is a requirement for further details to be submitted, it would be appropriate for the Council to recover its full costs for assessing and approving any such details. The fee for undertaking this work will need to be agreed on a case-by-case basis.
18. Lastly it is recommended that the following exception to the monitoring fee would apply:

any payment secured towards the Solent Recreation Mitigation Strategy or any subsequent scheme of a similar nature. The reason for this is that financial contributions secured to deliver the Strategy already contain an element towards monitoring contributions (which in turn is undertaken by other bodies, not Fareham Borough Council).

CONCLUSION

19. The approval of a monitoring fee enables the Authority to recover its costs for monitoring compliance with planning obligations within future Section 106 legal agreements. The fees would relate to the monitoring of both financial and non-financial obligations. In setting a proportionate and reasonable fee, the proposed fees have been benchmarked against those that other local planning authorities in Hampshire are charging.

RECOMMENDATION

20. That the Executive approve the introduction of a monitoring fee of £500 for (a) each type of obligation (i.e. head of term, financial and non-financial) and (b) for each obligation (i.e. covenant, restriction or requirement) contained within the planning obligation, as set out in paragraphs 14-16 of this Executive Briefing Paper, with effect from 1 August 2023.

Enquiries:

For further information on this report please contact the Head of Development Management, Lee Smith (lsmith@fareham.gov.uk) 01329 824427

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 Jul 2023

Portfolio:	Planning and Development
Subject:	Local Development Scheme
Report of:	Director of Planning and Regeneration
Corporate Priorities:	All Corporate priorities apply

Purpose:
To approve the Local Development Scheme (2023) for adoption.

Executive summary:

Local Planning Authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS). The purpose of the Fareham Borough LDS is to set out the planning strategy work programme for the year ahead including the production of the Supplementary Planning Documents (SPDs), the Community Infrastructure Levy (CIL) Charging Schedule and the Statement of Community Involvement. An up-to-date LDS ensures that the community and other interested parties are aware of the planning documents that the Council will produce and the timescale for their production.

Recommendation:

It is recommended that the Executive agrees:

- (a) to adopt the Fareham Borough Local Development Scheme (July 2023) as set out in Appendix A to this report; and
- (b) that the Director of Planning and Regeneration, following consultation with the Executive Member for Planning and Development, is authorised to make any necessary minor changes to the Local Development Scheme, providing that these do not change the overall direction, shape or emphasis of the document, prior to the document being published on the Council's website.

Reason:

To meet the Council's statutory responsibility for setting out an up-to-date timetable for the production of development plan documents.

Cost of proposals:

Costs will be met within existing budgets.

Appendices: **Appendix A:** Fareham Borough Local Development Scheme
(July 2023)

Background papers: **None**

Reference papers: **None**

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Local Development Scheme
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. Local planning authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS). The purpose of producing an LDS is to ensure that local communities and interested parties are kept up to date with the programme for preparing planning documents and importantly when there will be opportunities to respond to consultations on it.
2. The existing LDS was adopted in June 2021, and since then the Fareham Local Plan 2037 has been submitted, examined, and adopted. This LDS sets out the planning strategy work programme for the year ahead to support the delivery and implementation of the Fareham Local Plan 2037 which includes the production of Supplementary Planning Documents (SPDs), the Community Infrastructure Levy (CIL) Charging Schedule and the Statement of Community Involvement.

NEED TO UPDATE CURRENT LOCAL DEVELOPMENT SCHEME

3. Following the adoption of the Fareham Local Plan 2037, the Council is now working on a suite of planning documents to support the implementation and delivery of the new local plan and it is necessary to update the LDS to reflect this.
4. The timetable for the production of documents to support the delivery and implementation of the Fareham Local Plan 2037 is set out as follows:

CIL Charging Schedule Review	November 2023
Planning Obligations SPD	October 2023
Self and Custom Build SPD	November 2023
Biodiversity Net Gain SPD	October 2023
Affordable Housing SPD	March 2024
Fareham Town Centre Regeneration SPD	Dec 2024
Statement of Community Involvement (SCI)	August 2024

This represents the work programme for the period July 2023 to December 2024. This will be reviewed in 2024 to set out further programmes of work.

Enquiries:

For further information on this report please contact Kirstin Clow, Interim Head of Planning Strategy. (Tel: 01329 824368)

Fareham Borough Local Development Scheme

July 2023



Further Information and Contacts

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

Telephone: 01329 236100

Email: planningpolicy@fareham.gov.uk

Address: Planning Strategy
Fareham Borough Council
Civic Offices
Civic Way
Fareham
Hampshire
PO16 7AZ

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

Please note:

This Local Development Scheme was adopted by the Fareham Borough Executive on 3rd July 2023.

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

Contents

	Page No.
1. INTRODUCTION	1
Requirement for a Local Development Scheme	1
Development Plan Documents	1
Supplementary Planning Documents	1
2. THE DEVELOPMENT PLAN FOR FAREHAM	3
Fareham Local Plan 2037	3
Local Plan Part 3: Welborne	3
Hampshire Minerals and Waste Plan	3
Community Infrastructure Levy	3
Supplementary Planning Documents	3
Neighbourhood Development Plans	5
Other Relevant Documents	5
3. TIMETABLE	7
CIL Charging Schedule Review	7
Planning Obligations SPD	7
Self and Custom Build Housing SPD	7
Biodiversity Net Gain SPD	8
Affordable Housing SPD	8
Fareham Town Centre Regeneration SPD	8
Statement of Community Involvement	9
GLOSSARY	10

1 Introduction

REQUIREMENT FOR A LOCAL DEVELOPMENT SCHEME

- 1.1 Local Planning Authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS) to provide a timetable for the preparation of a Local Plan and any other Local Development Documents.
- 1.2 Legislation¹ states that a Local Development Scheme must specify:
- The Local Development Documents which are to be Development Plan Documents;
 - The subject matter and geographical area to which each development plan document relates;
 - Which Development Plan Documents, if any, are to be prepared jointly with one or more other local planning authorities;
 - Any matter or area in respect of which the authority has agreed (or proposes to agree) to the constitution of a joint committee (with other Local Planning Authorities); and
 - The timetable for the preparation and revision of the Development Plan Documents;
 - The timetable for the preparation of the Authorities' monitoring reports.
- 1.3 The Planning Practice Guidance (PPG) requires the LDS to be kept up-to-date and be made publicly available, so that local communities and interested parties can keep track of Local Plan progress.
- 1.4 This LDS supersedes the Council's previous LDS published in June 2021.

DEVELOPMENT PLAN DOCUMENTS

- 1.5 The Development Plan for Fareham comprises the Fareham Local Plan 2037, The Local Plan Part 3: Welborne Plan and the Hampshire Minerals and Waste Plan. This is set out in more detail in Section 2.
- 1.6 The Fareham Local Plan 2037 was adopted on the 5th of April 2023 and, on this basis, is considered to be up to date. Housing and affordable housing delivery, progress of other Local Plans within PFSH and neighbour authority housing need figures will be monitored and may indicate the need for an early review. However, there is no current timetable for starting a review of the Local Plan at this stage.

1.7 OTHER DOCUMENTS

Other documents, such as Supplementary Planning Documents (SPDs), Community Infrastructure Levy and Statement of Community Involvement support the Development Plan Documents by providing further guidance and detail. They are not

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

required to be included within the LDS as they do not form part of the Development Plan.

1.8 However, these other document types are essential in effectively supporting the implementation of the Local Plan. This LDS sets out a planning work programme for the Council from July 2023 until August 2024 to cover the following documents:

- The Community Infrastructure Levy (CIL) Charging Schedule
- Supplementary Planning documents (SPDs)
- Statement of Community Involvement (SCI)

2 The Development Plan for Fareham

FAREHAM LOCAL PLAN 2037

- 2.1 The Fareham Local Plan 2037 was adopted on 5 April 2023. The Plan covers the period 2021-2037 and replaced the Local Plan Part 1: Core Strategy and Local Plan Part 2: Development Sites and Policies.

THE LOCAL PLAN PART 3: WELBORNE PLAN

- 2.2 The Local Plan Part 3: Welborne Plan remains part of the Development Plan.

HAMPSHIRE MINERALS AND WASTE PLAN

- 2.3 Alongside this the Hampshire Minerals and Waste Plan (2013) also forms part of Fareham's Development Plan². This is the principal document for the management of minerals and waste in the administrative areas of the Hampshire Authorities and sets out the long-term spatial vision and strategy for sustainable minerals and waste development in Hampshire up to 2030. The plan was adopted in October 2013 and forms part of the Borough's Development Plan, alongside the adopted Local Plan.

COMMUNITY INFRASTRUCTURE LEVY

- 2.4 The ability for a local planning authority to charge the levy came into effect from April 2010, and the Council adopted CIL in April 2013. Fareham Borough Council formally approved a Revised Community Infrastructure Levy (CIL) Charging Schedule on 10 June 2021 to start from 15 June 2021.
- 2.5 To support the Fareham Local Plan 2037, a revised CIL Charging Schedule is being developed. The Charging Schedule was consulted on between 17th March and 1st May 2023 with submission for examination expected later in May 2023. Currently, adoption of the revised CIL rates is proposed for Autumn 2023.

SUPPLEMENTARY PLANNING DOCUMENTS

- 2.6 Supplementary Planning Documents (SPDs) are typically produced to provide more detailed guidance on how a particular policy (or policies) should be implemented. SPDs are not subject to independent examination and the full timetables for the preparation of SPDs are not required to be included in the LDS.
- 2.7 To date the Council has adopted the following Supplementary Planning Documents:
- **Affordable Housing SPD** (adopted December 2005)
This SPD provides guidance for developers, house builders and the public about the operation of Policy H10 (Affordable Housing of the Local Plan Review 2000). Although the policy has been replaced by CS18 in the Core Strategy of 2011 and

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

then Policy HP5 of the Fareham Local Plan 2037. An updated SPD is currently in production which, when adopted, will supersede this SPD.

- **Residential Car and Cycle Parking Standards** (adopted 2009).
This document sets out the standards and key requirements that developers are expected to follow when providing parking for new residential developments.
- **Non-Residential Parking Standards SPD** (adopted September 2015)
This SPD sets out the standards and key requirements for parking provision that developers will be expected to provide for new non-residential developments.
- **Design Guidance (Excluding Welborne) SPD** (adopted December 2015)
This SPD provides further visual guidance to Policy CS17: High Quality Design of the Core Strategy and sets out Fareham Borough Council's aspirations for high quality design to householders, developers and other interested parties. The guidance is intended to make the planning application and permission process clearer for all interested parties, particularly applicants.
- **Welborne Design Guidance SPD** (adopted January 2016)
This SPD expands on the design principles in the Welborne Plan by explaining and illustrating what the Council expects in the design of Welborne. The Guidance is intended to be used by applicants in the preparation of planning applications for Welborne and by the Council to help assess planning applications at Welborne.
- **Planning Obligations SPD (excluding Welborne)** (adopted April 2016)
This SPD sets out the mechanisms that will be used in mitigating the impacts of development as well as specific guidance on the different types of planning obligations and levels and type/tenure of affordable housing that may be sought. An updated SPD is currently in production which, when adopted, will supersede this SPD.

2.8 Further SPDs are currently in production to provide further guidance in relation to policies in the Fareham Local Plan 2037:

- **Planning Obligations SPD**
This SPD will set out the mechanisms that will be used in mitigating the impacts of developments, and when adopted, will supersede the 2016 Planning Obligations SPD.
- **Biodiversity Net Gain SPD**
This SPD will provide additional guidance to developers, planning applicants and borough residents on how to provide 10% minimum Biodiversity Net Gain in accordance with Policy NE2: Biodiversity Net Gain. Due to emerging nature of guidance on BNG it is possible that this SPD may require a second round of consultation. This is shown under the relevant table in Section 3 below.
- **Self and Custom Build Housing SPD**
This SPD will provide additional guidance in relation to Policy HP9: Self and Custom Build Homes, for developers, planning applicants and borough residents.

- **Affordable Housing SPD**

This SPD will provide guidance for developers, house builders and the public about the operation of Policy HP5: Provision of Affordable Housing of the Fareham Local Plan 2037. When it is adopted, it will accompany the formal withdrawal of the 2005 Affordable Housing SPD.

- **Fareham Town Centre Regeneration SPD**

This SPD will provide guidance for developers, key partners and the public about the regeneration of Fareham town centre. It will provide further detail on Policy BL1 and redevelopment proposals including retail, leisure, housing and public realm improvements.

NEIGHBOURHOOD DEVELOPMENT PLANS

2.9 At the time of writing, there are no made NDPs in the Borough of Fareham.

OTHER RELEVANT DOCUMENTS

Authority Monitoring Report

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

- the timetable for local plan document preparation as set out in the Local Development Scheme;
- details of any policies in the current local plan which are not being implemented and the reason for this;
- details of any neighbourhood plans;
- information regarding Community Infrastructure Levy and Section 106 funding (taken from the Council's Infrastructure Funding Statement³);
- information collected for monitoring purposes.

Statement of Community Involvement

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

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

3

http://www.fareham.gov.uk/PDF/planning/local_plan/FarehamBoroughCouncilInfrastructureFundingStatement19-20.pdf

For further information please contact planningpolicy@fareham.gov.uk

- 2.13 The Council adopted a revised SCI in March 2017. This is available on the Council's website. The SCI will be updated and is due for adoption late summer 2024.

3 Timetable

CIL Charging Schedule Review

	2022		2023											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Draft Charging Schedule preparation														
Consultation on proposed modifications and evidence base														
Preparation and submission for Examination														
Examination														
Inspectors Report														
Adoption														

Planning Obligations SPD

	2022		2023											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Preparation of draft														
Approval for formal consultation														
Public Consultation														
Analysis/consideration of responses														
Approval and adoption by Council														

Self and Custom Build Housing SPD

	2023												2024		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Preparation of draft															
Approval for formal consultation															
Public consultation															
Analysis/consideration of responses															
Approval and adoption by Council															

Biodiversity Net Gain SPD

	2023												2024			
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April		
Preparation of draft	■	■														
Approval for formal consultation			■	■						■	■					
Public consultation			■	■						■	■	■				
Analysis/consideration of responses					■	■	■	■	■	■	■	■	■			
Approval and adoption by Council											■	■	■	■		

Affordable Housing SPD

	2023						2024							
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Preparation of draft	■	■	■											
Approval for formal consultation				■	■									
Public consultation					■	■								
Analysis/consideration of responses							■	■						
Approval and adoption by Council									■					

Fareham Town Centre Regeneration SPD

	2023				2024											
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Preparation and background	■	■	■													
Early consultation and Engagement			■	■	■	■										
Preparation of SPD					■	■	■	■								
Approval for formal consultation								■	■	■						
Consultation									■	■	■					
Analysis/consideration of responses											■	■	■			
Adoption															■	■

Statement of Community Involvement

	2023						2024							
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Preparation of SCI														
Consultation														
Analysis/consideration of responses														
Adoption														

Glossary

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

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

Development Plan – the development plan sets out the parameters for all development in the Borough. It currently comprises the Fareham Local Plan 2037, the Welborne Plan (existing Part 3) and the Hampshire Minerals and Waste Plan.

Local Development Document (LDD) – Local Development Documents are defined by the Planning and Compulsory Purchase Act 2004 and set out the local authority's policies to the development and use of land in their area. They include the Local Plan and Supplementary Planning Documents (SPDs).

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

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

National Planning Policy Framework (NPPF)⁴ - sets out the Government's planning policies for England and how these are expected to be applied. It sets out the Government's requirements for the planning system and provides a framework, within which local people and their councils can produce their own distinctive local and neighbourhood plans.

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

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

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

⁴ The NPPF is accessed at: <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Policy and Resources
Subject:	Osborn Road multi-storey car park
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Maintain and extend prosperity

Purpose:

An update on progress and a request to delegate authority to award a contract for the demolition of the existing Osborn Road multi-storey car park and construction of a new surface car park.

Executive summary:

A scheme has now been developed to provide a new surface car park on the site of existing Osborn Road multi-storey car park. This report updates members on the scheme and requests delegated authority to award a contract for these works.

Recommendation:

It is recommended that the Executive:

- (a) notes the progress on the project to date;
- (b) approves that delegated authority to award contracts for these works be given to the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources.

Reason:

To support the regeneration of Fareham town centre and to be a key driver of further development and investment.

Cost of proposals:

The proposed costs remain unchanged from the previously approved budget of £1.96 million for the demolition of Osborn Road multi-storey car park and the provision of the smaller surface car park.

Separately, it is anticipated that the scheme will result in an annual revenue saving of approximately £75,000 in terms of the electricity usage for the operation of the car park.

Appendices: A: Carbon Impact Assessment

Background papers: Report to the Executive 16 May 2022 – Regeneration of Fareham town centre, including Fareham Live and Osborn Road multi-storey car park

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Osborn Road multi-storey car park
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

BACKGROUND

1. On the 16 May 2022 the Executive considered a report on the regeneration of Fareham town centre including Fareham Live and Osborn Road multi-storey car park.
2. Recommendations were made and approved for preparation of a Town Centre Masterplan Supplementary Document (SPD), appointment of a contractors for the construction of Fareham Live, a revised budget for the Fareham Live project and a revised proposal to replace the existing multi-storey car park with a surface car park at a cost of £1.96 million.
3. This report updates members on the progress with the proposals to demolish the existing Osborn Road multi-storey car park and construct a replacement surface car park on the site.

DESIGN

4. The design has been developed by an appointed professional team to provide a car park that achieves modern parking standards and makes the best use of the available space.
5. The layout has been developed to reduce the impact of the new car park on the adjacent Grade II Listed Buildings, locally listed buildings and the Osborn Road Conservation Area
6. Vehicle access will be retained directly onto Osborn Road. Pedestrian access will be provided on two points on the south side to Fareham Shopping Centre and one point on the north-east corner to link to the northern entrance to Fareham Live.
7. The car park will be split into two levels stepping down to take account of the level change of the site with a separating retaining wall.
8. The design has 132 standard car parking bays and these will be to the current standard size of 5 metres long x 2.5 metres wide. In addition, the car park will have 7 accessible

bays which will be of the regulation size with transfer zones to the side and rear of the bay.

9. The current provision of accessible car park bays is based on historic use of the Shopmobility scheme. With changing shopping habits and the results of COVID-19 the facility only operates on 4 days per week with an average of 9 users per days. Details on the new operation of Shopmobility are provided below.
10. To ensure sufficient accessible parking is available in this area the current spaces to the north and adjacent to Fareham Live will be increased from 2 to 19 as part of the Fareham Live project.
11. Rather than provide parent and child parking facilities in the new surface car park alternative facilities have been provided Fareham Shopping Centre multi-storey car park which offer the benefit of covered spaces as well as lift access directly into the Fareham Shopping Centre.
12. As with the current multi-storey car park, no motorbike parking will be provided in the new surface car park as adequate provision is made elsewhere in the town centre such as in Market Quay or Civic Way South Car Park.
13. No allowance has been made for cycle parking which is provided elsewhere in the town centre closer to the facilities, such as near the library or in West Street near the Job Centre.
14. Following the opening of the new surface car park, it is planned to install eight electric vehicle (EV) charging points and two further points for accessible bays. A potential later phase would see the installation of a further eight additional charging points if and when sufficient demand has been identified.
15. There is also the potential to construct two large banks of photovoltaic cells on a canopy frame over part of the car park. The generated electricity would be used on site to serve the lighting, CCTV, ticket machines and EV charging points, with on-site battery storage to balance the generation and demand.
16. Landscaping will be enhanced with new planting to eastern and western boundaries. The large area of surface to the northern vehicle entrance will be reduced with additional soft landscaping. Whilst three trees will be removed to the northern edge due to their proximity to the structure, five new trees will be planted by way of replacement and six further trees planted on the eastern boundary.

DEMOLITION AND CONSTRUCTION

17. The first phase of the works will be the decommissioning of the existing multi-storey car park and the demolition of the structure. This will be disruptive and will require road and footpath closures for the duration of the works to ensure the public safety. The closures will need to be carefully planned with our neighbours and the successful contractor to minimise disruption.
18. The demolition works will generate a considerable amount of dust. Officers will ensure that the successful contractor puts in place measures to reduce the amount of dust generated.
19. Once the demolition is completed and the construction phase entered, the level of closures will be reduced. Whilst these works will generate noise this will be managed

with various control measures.

PROJECT COSTS

20. Current cost projections show that the demolition and construction of the new car park can be completed for agreed budget of £1.96 million, but with some concern remaining over the cost of PV canopies that were not included within the original cost projection.

TOWN CENTRE PARKING

21. Car parking use and patterns in the town centre have changed considerably post COVID-19. A recent car park survey in March 2023 showed peak occupancy of town centre car parking spaces of just over 50%. The most recent projections for use of the new surface car park indicate an occupancy level of just below 70% at peak times.
22. To ensure the maximum availability of parking for shoppers and town centre visitors it is planned that any Fareham Borough Council staff members with authorised parking will be relocated to outer town centre car parks.

SHOPMOBILITY

23. This service is run by Communities First Wessex with the service currently based on the ground floor of Osborn Road multi-storey car park and will be relocating to a vacant unit in Fareham Shopping Centre near to the B&M store.
24. Fareham Shopmobility plan to include a service for those unable to walk to the Shopmobility Shop, or have someone that can collect the scooter for them, whereby it is brought to them if required. Users will need to be parked in the Fareham Shopping Centre car park to be able to access this service. This service may potentially be extended to other car parks in the future, but would be subject to volunteers' availability and demand.
25. Free parking will be available for Blue Badge scheme holders who are Fareham residents in the nearby Fareham Shopping Centre car park. Other Blue Badge holders can use this car park at a charge, or park for free in pay and display car parks within the town centre.

PLANNING

26. Planning Committee considered planning application P/23/0083/FP on Wednesday 24 May 2023 and permission was granted for the demolition of the existing multi-storey car park and construction of a replacement surface car park.

PROJECT PROGRAMME

27. Based on current information the provisional programme for these works is as follows.

Activity	Period
Tender Process	June / July 2023
Tender Award	August 2023
Contract Start	October 2023

Hand over of new car park	Early 2024 – date to be confirmed on Contractor Appointment
---------------------------	---

28. To achieve the programme, it is proposed that delegated authority be given to the Director of Planning and Regeneration following consultation with the Executive Member for Policy and Resources to award a contract for demolition of the multi-storey car park and the construction of the new surface car park.

CLIMATE CHANGE CONSIDERATIONS

29. To reduce the carbon impact of the construction phase; when the current multi-storey building is demolished, we will work with the successful contractor to maximise the amount of recycled material used. It is estimated that over 90% of the existing material will be recovered and used as recycled material.
30. Osborn Road Car Park produced 55.6 tCO₂e in 2022/23 and accounted for 20% of the Council’s Scope 2 emissions. It also cost the Council £87,116 in electricity use. It is estimated that the redeveloped site will use around 10% of the energy that the current multi-storey car park uses. This would reduce the carbon footprint of the site significantly and provide the Council with an estimated reduction in the annual electricity cost of the site of around £75,000 based on 2022/23 prices.
31. More detailed analysis can be found in the Carbon Impact Assessment set out in Appendix A.

CONCLUSION

32. These proposals provide a new car park that will support the regeneration of Fareham town centre, alongside the development of Fareham Live.

Enquiries:

For further information on this report please contact Ian Cousins, Property Manager (01329) 824835.

Osborn Road Car Park Redevelopment

Carbon Impact Assessment

Osborn Road Multi-Storey Car Park Emissions

1. The Council owns several public car parks which contribute to the Council's Scope 2 electricity emissions. Osborn Road multi-storey car park is the largest emitter of all the car parks.

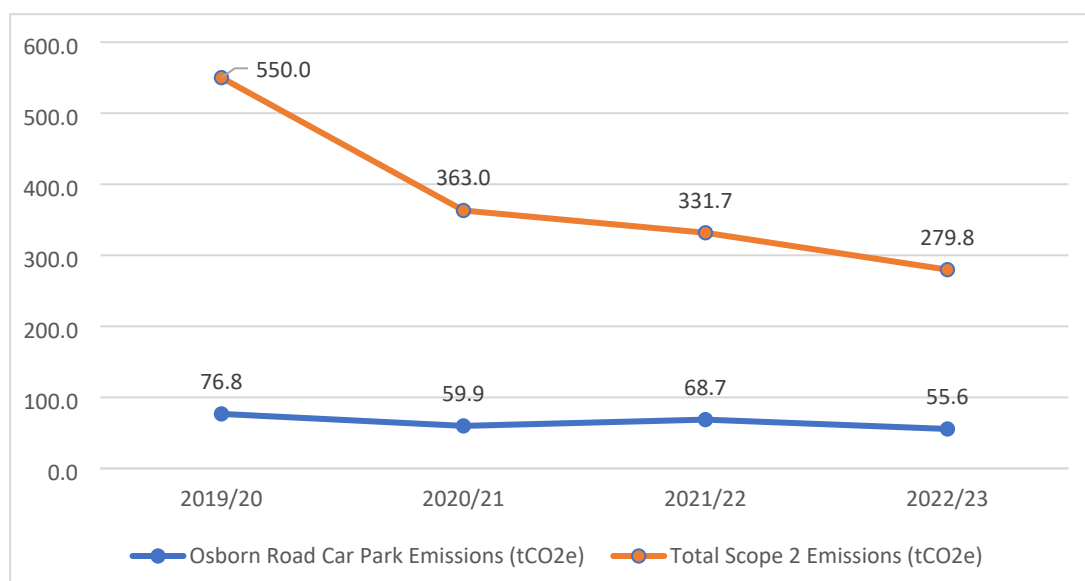
Carbon Footprint Scopes

2. To calculate the Council's carbon footprint, three scopes are defined for reporting purposes:
 - Scope 1 – These are all direct emissions released from the activities of an organisation. For example, fuel combustion from fleet vehicles;
 - Scope 2 – These are any indirect emissions from electricity purchased and used by the organisation. For example, the emissions linked to the lighting in the Car Parks;
 - Scope 3 – These are any other indirect emissions from the activities of the organisation, occurring from sources that we do not own or do not control. This is the greatest share of the carbon footprint, covering emissions such as those associated with our leisure centres and community centres.

Current Impact of Osborn Road Car Park on the Council's Carbon Footprint

3. Figure one below shows the carbon footprint of Osborn Road car park over the past four years and its relation to the Council's overall Scope 2 footprint.

Figure 1: Osborn Road Car Park Carbon Footprint



- The car park has seen a 28% reduction in emissions since 2019/20 but still produced 55.6 tCO₂e in 2022/23. In 2022/23 the car park accounted for 20% of the Council’s total Scope 2 carbon footprint.
- The main cause of the car parks emissions is the electricity that is required to power the car parks lighting. The electricity cost of the car park in 2022/23 was £87,116.

Carbon Emissions Associated with the Construction Phase of the Redevelopment

- To reduce the carbon impact of the construction phase; when the current multi-storey building is demolished, we will work with the successful contractor to maximise the amount of recycled material used. It is estimated that over 90% of the existing material will be recovered and used as recycled material.

Effect of the Redeveloped Osborn Road Car Park on the Council’s Carbon Footprint

- As the redeveloped car park will be a surface car park, the number of lights at the site will reduce significantly compared to what is currently at the multi-storey car park. The lighting will be LED and therefore, will be considerably more efficient than the existing lighting.
- It is estimated that the redeveloped site will use around 10% of the electricity consumption that the current site uses. This would mean that the car park’s footprint would reduce to around 5 tCO₂e per year. The reduction in electricity consumption would also provide a significant financial benefit with the annual electricity cost of the car park estimated to reduce by around £75,000 based on 2022/23 prices.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Policy and Resources
Subject:	Biodiversity Net Gain – Projects on Council owned land
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Protect and Enhance the Environment Strong, Safe, Inclusive and Healthy Communities Leisure Opportunities for Health and Fun Dynamic, Prudent and Progressive Council

Purpose:

To consider the provision of Biodiversity Net Gain projects on land owned and maintained by Fareham Borough Council.

Executive summary:

The recently adopted Fareham Local Plan 2037 Policy NE2 sets out a requirement for new development to provide, as a minimum, 10% biodiversity net gain. It is recognised the challenges which some applicants, particularly small to medium developers and the Council's own development schemes, may face in achieving this and this report proposes a solution in which the Council develops a series of Biodiversity Net Gain projects on its land to enable the permission of suitable, sustainable development whilst securing valued biodiversity improvements within the borough.

Recommendation:

It is recommended that the Executive agrees:

- (a) to the principle of using the Council's land assets for the creation of Biodiversity Net Gain (BNG) Units through the delivery of a range of habitat related projects;
- (b) that, following consultation with the Executive Member for Policy & Resources, authority be delegated to the Director of Planning and Regeneration to agree an annual programme of Council sites to be used for the purposes of securing Biodiversity Net Gain Units; and

(c) that, following consultation with the Executive Member for Policy & Resources, authority be delegated to the Director of Planning and Regeneration to enter into unilateral undertakings given by the Council as landowner to the Local Planning Authority to commit Council owned land for a minimum period of 30 years for the purposes of securing Biodiversity Net Gain projects.

Reason:

To ensure the implementation of the Fareham Local Plan 2037 via the delivery of off-site Biodiversity Net Gain units on Council land and to realise commercial opportunities on Council assets.

Cost of proposals:

The cost of the proposals will be met from existing budgets. If the Council permits the provision of BNG Units, all future related costs will be allocated and recharged on a full cost recovery basis as detailed in paragraph 32, Table 1 of the Executive Briefing Paper to the planning applicant.

There will be no additional costs to the Council and over the medium to longer term there may be efficiencies related to the management and maintenance of the Council's land.

Appendices: **A: Map of Fareham BNG Projects**

B: BNG Projects Process

Background papers: **None**

Reference papers: **Fareham Borough Council Local Plan 2037**
Draft Biodiversity Net Gain Supplementary Planning
Document

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Biodiversity Net Gain - Projects on Council owned land
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. This report outlines the requirement for new development to provide a 10% Biodiversity Net Gain in accordance with Policy NE2 of the Fareham Local Plan 2037 and seeks Executive approval to implement a solution to enable development whilst securing valued Biodiversity Net Gain within the Borough. This would be achieved through the utilisation of Council land for the creation of Biodiversity Units which would be used to support both private and public sector development.
2. The report has been written to reflect current government guidance and legislation. The Council will continue to monitor emerging information and will ensure procedures are updated to take any new guidance and legislation into account.

BACKGROUND

Planning Strategy and Development Management

3. The Council's Corporate Strategy recognises the importance of protecting and enhancing the Borough's natural environment. In line with this, the Fareham Local Plan, adopted in April 2023 contains Policy NE2 Biodiversity Net Gain (BNG). This policy states that

'development of one or more dwellings or a new commercial/leisure building should provide at least 10% net gains for biodiversity from the existing baseline value of the site' and that these net gains 'should be maintained for a minimum of 30 years'.

4. In addition, the Council has recently consulted on a draft BNG Supplementary Planning Document. This provides further guidance and advice on how to implement Policy NE2.

5. Policy NE2 Biodiversity Net Gain in the Fareham Local Plan 2037 is based upon the following Government legislation, national policy and guidance.
6. Paragraph 179b in the National Planning Policy Framework (NPPF) states that Local Plans should:

'promote the conservation, restoration and enhancement of priority habitats, ecological networks and the protection and recovery of priority species; and identify and pursue opportunities for securing measurable net gains for biodiversity'.
7. The Environment Act 2021 sets out a requirement that planning permission, for qualifying development, will be subject to a deemed condition requiring biodiversity net gain of at least 10% to be delivered and maintained for a minimum period of 30 years. This is referred to as mandatory BNG.
8. The Government has advised that these mandatory provisions will come into force at some point in November 2023 for large sites. They also advised a delay on the introduction of mandatory BNG for small sites until April 2024 and Nationally Significant Infrastructure Projects (NSIPs) until November 2025.
9. BNG will be measured using a metric issued by DEFRA. The most recent metric issued is Metric 4.0. The metric is based on assessing habitat against set criteria to establish the unit value of a site. It can be used to:
 - assess the baseline condition of a site;
 - assess biodiversity net gains or losses through the development process;
 - test different proposals for BNG - such as creating or enhancing habitat on-site or off-site;
 - calculate the value of habitats created for off-site BNG.
10. It is expected that statutory instruments, regulations, and guidance for mandatory BNG will be issued in the near future for large sites.
11. In advance of the introduction of mandatory BNG, Local Plan Policy NE2 already requires the provision of BNG for one or more new dwellings or new commercial/leisure buildings. This requirement is referred to as non-mandatory BNG.
12. The Council has a number of live planning applications which will now need to address the requirements of Policy NE2. Many of these outstanding applications may require off-site solutions as the provision of BNG on site is challenging for the smaller sites in question. It is therefore important that off-site BNG solutions are identified and available within an appropriate timeframe to ensure housing (and other) delivery is not adversely impacted.
13. The draft SPD sets out the off-site solutions which could be available to provide off-site BNG. These include meeting the BNG requirement on other suitable land the developer/applicant own themselves or purchasing equivalent BNG units from other

landowners. This means the BNG requirement for the development is calculated and the relevant number of appropriate units are purchased to secure BNG improvements on the off-site land.

Biodiversity Net Gain Projects

14. In order to address the requirements of Policy NE2 and provide a solution for the provision of off-site BNG, it is proposed that the Council utilise Council owned land to provide sites for the delivery of BNG projects.
15. The types of projects that have potential to be delivered on Council owned land could include:
 - creating a wildflower meadow;
 - improving under-storey planting beneath existing woodland;
 - additional woodland planting;
 - orchard creation; and
 - grassland enhancement.
16. The projects on Council owned land would be selected and refined with ecological supported provided by the Hampshire County Council Ecologist.
17. This proposal would realise value from otherwise 'sensitive' Council land alongside providing both a long-term sustainable solution to the provision of off-site units for both mandatory and non-mandatory BNG. In the short term it would ensure there was an effective solution for applicants and developers who have outstanding applications and require off-site solutions in order for permission to be issued.
18. Aside from third party developers/applicants this proposal would support the delivery of Council projects for housing and commercial schemes such as Daedalus. The provision of off-site BNG is likely to be required to support both these Council programmes.

Potential Opportunity Sites and the Site Selection Process

19. Fareham Council officers have worked closely with an ecologist from Hampshire County Council to consider Council sites which may be suitable to support BNG projects.
20. A total of 382 sites were initially reviewed. A scoping exercise was undertaken to identify sites with the most potential to support the creation of BNG units. These sites would provide a broad spread of locations across the Borough.
21. From this list of potential opportunity sites, further due diligence and detailed scoping will be undertaken to identify a small number of sites on which to undertake the first BNG projects in the Borough.
22. The number of sites required to deliver the first BNG projects will be determined in conjunction with the Development Management and Asset Management Services. This will be based on the likely number of BNG units required and the geographical

spread of the development sites across the borough. A key principle of BNG, where units are provided off site, is proximity to the development site and this will also help to determine which Council sites may be selected to deliver BNG. Officers will seek to select the most appropriate sites to serve the greatest number of developments. Officers will also seek to ensure the sites initially selected are fully utilised before considering using more.

23. Appendix A provides a map which includes both the potential Council land available for BNG provision and the current live planning applications which may require off-site BNG. This spatial distribution will inform the first sites which could come forward to deliver off-site BNG.

24. Prior to being committed a due diligence process will be run by the Asset Management Service to ensure that they can legally be used for BNG and the specific projects proposed. This will also consider if the sites could be used for a highly value alternative. This is however unlikely as most are protected open spaces.

Implementation: Phase One Non-Mandatory BNG

25. The implementation of this project would be in two phases with Phase One relating to non-mandatory BNG.

26. It is proposed that the Council introduce an Off-Site BNG Contribution for all applications which require off-site BNG where the applicants do not have a solution available. This would help to meet the needs for smaller sites and developers who require off-site BNG provision but cannot deliver it independently. It enables a simple solution to support smaller scale development.

27. This contribution would be secured at point of planning permission and would be payable at the point of implementation. The contribution required would be based on the cost of providing the required BNG units (or part thereof) for the scheme to meet the necessary off-site provision.

28. The contribution would then fund the delivery of the required number of BNG units on Council-owned land. Appendix B provides a process chart for the delivery and implementation of Phase One.

Implementation: Phase Two Mandatory BNG

29. Phase Two will be based on the introduction of mandatory BNG through secondary legislation. Currently it is not clear what the detailed implementation requirements will be. Officers are monitoring the situation and will design an appropriate process to meet the mandatory scheme when this is released.

30. In the interim, Phase One would ensure that the requirements of Local Plan Policy NE2 are able to be met. The Council can continue to both support development and ensure planning permissions can be granted with limited delay.

Unit Costing

31. It is intended to set a standard contribution cost based on the costs of delivering, monitoring and maintaining the BNG units for the required 30-year timeframe. This contribution would seek to recover all the costs associated with the BNG unit.
32. The contribution cost would ensure the recovery of costs incurred to the Council in providing, maintaining and monitoring the BNG projects. There would be no element of profit within the costing as this is not permitted under current government guidelines. Table 1 below shows the costs which the contribution calculation would be based upon. Clearly, this is an important aspect of the project as the Council do not want there to be a shortfall and effectively be funding projects. Estimated costings will be kept under review.

Table 1: BNG Costs Calculation

Design Costs
Council Staff
Consultant Ecologist
Delivery Costs
Council Staff
Consultant Ecologist
Contractors
Materials
Equipment
30-Year Management & Maintenance Costs
Council Staff
Contingencies/replacement planting
Equipment
30 Year Monitoring Costs
Council Staff
Consultant Ecologist
Contingencies
Additional Council Costs
Legal Fees
Community consultation/ engagement & information
Finance and accounting
Project Management & Planning
Reporting

Monitoring Framework

33. To ensure robust monitoring is in place, a database would be set up to record both the Council BNG sites and any planning permission issued with a BNG Contribution payment attached.

34. The Council sites would be mapped with baseline information included as below:

- Site boundary
- Address
- Details of potential BNG projects

35. As a site is bought forward for BNG delivery, a more detailed baseline site assessment and BNG project plan would be developed. The GIS database would then be updated to include:

- BNG units available
- Lifetime of the BNG unit
- Details of the specific BNG projects identified

36. Each project will be subject to a 30-year maintenance and monitoring plan to ensure the ongoing delivery of the BNG to meet the requirements of Policy NE2, and will be the responsibility of the Council, as landowner, to deliver. This will be undertaken in conjunction with advice from HCC Ecology and with results included within the database.

37. Planning permissions will be monitored and mapped within the same dataset. When a planning permission is granted that includes a requirement for off-site BNG, the site would be entered into a GIS database and mapped with relevant details attached. These details are likely to include as a minimum:

- Permission reference
- Site boundary
- Address
- Date permission issued / expiry date
- BNG unit requirement to be provided
- BNG habitat type of provision required
- Expiry date of BNG requirement

38. If a permission expires without being implemented, it would be removed from the database. This process would allow the Council to be informed by likely requirements and ensure projects are identified to meet the relevant need.

39. The Council intends to report on BNG provision through the Authority Monitoring Report. This would include annual updates on:

- the BNG contributions secured;
- the BNG contributions collected;
- the BNG units delivered; and
- the headline results of the monitoring condition surveys of the BNG habitats.

40. BNG requires habitats are secured for at least 30 years, which means they must be managed and monitored over this time period. As such, ensuring a robust audit trail and monitoring system is essential. This is addressed in the design of the monitoring for Phase One Implementation detailed above.

41. Beyond Phase One (i.e. mandatory BNG), details of the requirements and mechanisms for management and monitoring have not yet been issued by the government.
42. Guidance suggests that Natural England are developing a standard management and monitoring plan template. It is expected that this requirement will form part of the forthcoming regulations.
43. It is recognised that this work may require additional Council resources. The Government has committed to funding all new burdens on local authorities arising from the Environment Act. DEFRA is working with DLUHC in this respect, and it is expected that announcements regarding the requirement and resourcing of this new burden will be made ahead of the national implementation of mandatory BNG in November 2023.
44. Officers are monitoring the situation to ensure any and all potential funding is applied for in a timely manner.

Council Led Projects: Fareham Housing and Daedalus

45. It is intended to identify land to support the requirement for off-site BNG for Fareham Housing. The Council's Planning Strategy and Housing Delivery Services have liaised to understand the delivery trajectory of Council-owned sites allocated in the Fareham Local Plan 2037.
46. The Council's Planning Strategy and Asset Management Services have also liaised to understand the quantum of development being brought forward at Daedalus, which has a Strategic Employment Allocation in the Local Plan 2037. Officers have been working with Asset Management and the Streetscene Services to identify land within the Council's ownership which could be used to provide BNG opportunities which can be safeguarded to support the delivery of development at Daedalus.

Legal Implications

Phase One: Non-Mandatory BNG

47. Under Phase One the Council as landowner and supplier of land for Biodiversity Net Gain would provide a unilateral undertaking under section 106 of the Town and Country Planning Act 1990 (to the Council as Local Planning Authority).
48. This would provide a commitment to managing the identified land for the purposes of BNG for a minimum period of 30 years. This planning obligation gives certainty to developers and the Council (as Local Planning Authority) that the land in question can be relied upon for Biodiversity Net Gain and that it will be maintained for a minimum period of 30 years. A S106 agreement unilateral undertaking would be required for each parcel of land the Council wishes to use for the provision of off-site BNG units related to the BNG off-site contribution.
49. The individual planning contributions would be secured separately via the development management process.

Phase Two: Mandatory BNG

50. Secondary legislation and government guidance is yet to be released. This will provide the details on the legal framework for mandatory BNG. Council Officers will monitor the situation as it evolves and develop the process for Phase Two to meet the necessary requirements.
51. There may also be opportunities for the sale of BNG units to developers with schemes in adjoining boroughs.

Financial Implications

52. The projects would be delivered on Council land, which is currently maintained and managed from existing Council budgets. As BNG projects are delivered, both the cost of the project itself and the ongoing maintenance and management would be covered by the contribution secured. This could have efficiencies for the wider Council budget in relation to longer term open space management.
53. The proposal would also ensure there is a cost-effective solution for off-site BNG available for Council led schemes at Daedalus and Fareham Housing.

Climate Change Considerations

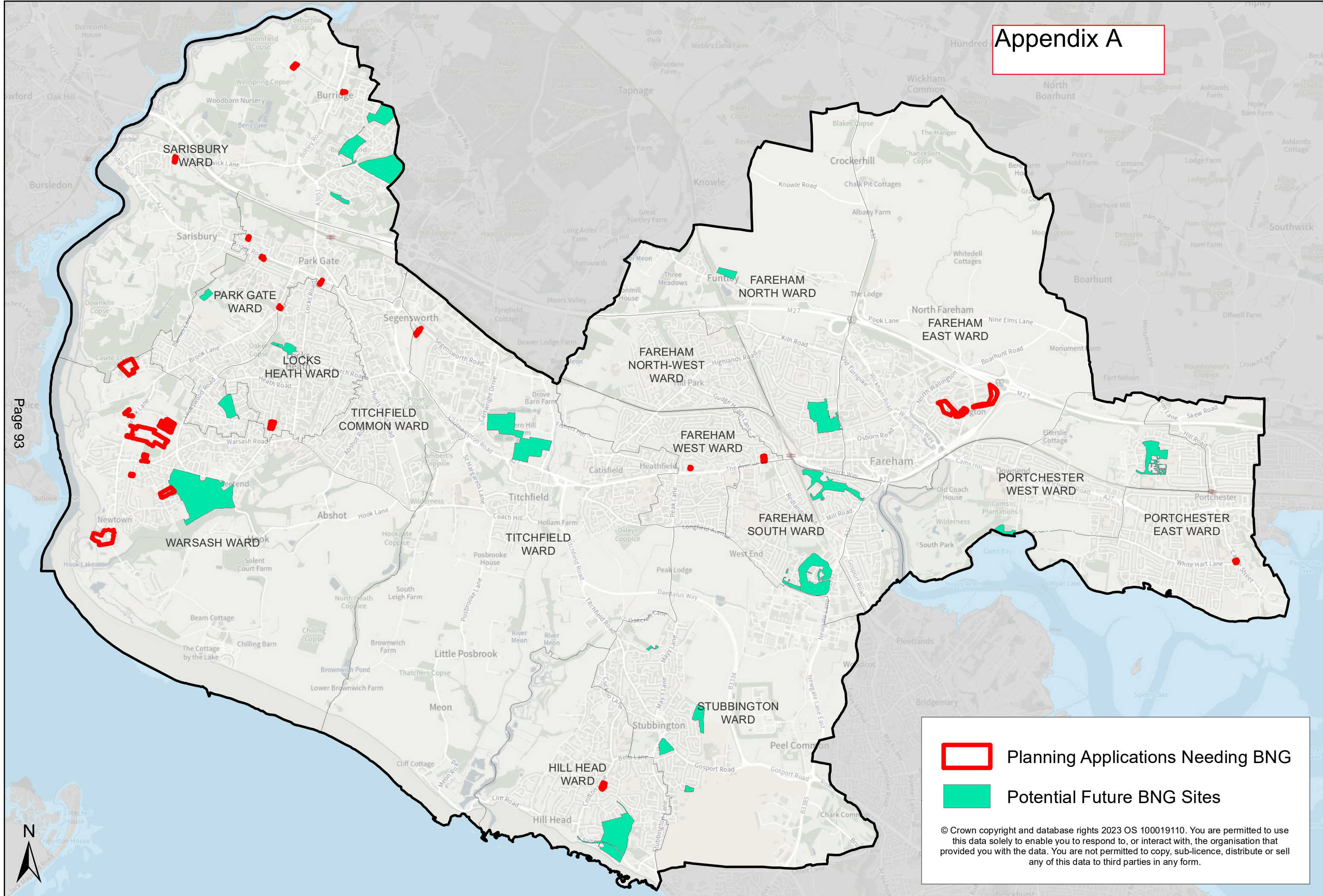
54. The BNG projects could have the potential to contribute to wider Council objectives related to carbon capture, reduction and offsetting. This is in recognition of the Council's commitment to becoming carbon neutral in its operations by 2030. The amount of carbon captured and therefore potentially available for carbon offsetting is subject to final details and the scope of the projects. Ongoing work across the relevant council departments will be maintained to ensure the benefits of carbon capture and storage are realised and appropriately reported
55. By their very nature the BNG projects also have the potential to contribute to more general climate change mitigation and adaptation, such as reducing surface water runoff during heavy rainfall events thus minimising flood risk and by creating more resilient landscapes and ecological networks which are able to withstand and adapt to increased seasonal variability associated with a changing climate.


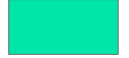
CONCLUSION

56. It is recommended, for the reasons set out in this Executive Briefing Paper, that the Executive approves the implementation of Biodiversity Net Gain projects on land owned and maintained by Fareham Borough Council.

Enquiries: For further information on this report please contact Kirstin Clow, Interim Head of Planning Strategy (Tel. 01329 824328).

Appendix A



-  Planning Applications Needing BNG
-  Potential Future BNG Sites

© Crown copyright and database rights 2023 OS 100019110. You are permitted to use this data solely to enable you to respond to, or interact with, the organisation that provided you with the data. You are not permitted to copy, sub-licence, distribute or sell any of this data to third parties in any form.

Appendix B

Stages	FBC Asset Management	FBC Streetscene/ Countryside	Ecologist (HCC)	FBC Planning Strategy
1	Identify potential sites for future pipeline			Ongoing: Enter sites and details of potential enhancement into monitoring database (links to on-going recording of planning applications and BNG payments)
2		Annually: Develop and update as required a selection of deliverable sites for a rolling 3-year period. Identify potential projects and prepare high level workplan/costing		
3				Annually: Advise Streetscene / Countryside of money available to spend on BNG enhancements and required number of BNG Units to be delivered.
		Annually: Produce detailed project plan for the coming year based on money collected and BNG units required (info from Planning strategy)		
	Annual agreement/ update on a 3-year rolling delivery programme of sites (Informed by money available and units required)			
4		Delivery of projects in accordance with project plan		
5		Provide spend data to Planning Strategy (and Finance? What frequency?)		Update monitoring database with spend data
6		Provide project delivery data to Planning Strategy		Update monitoring database with project delivery data + BNG units delivered
7		Monitoring of BNG projects on agreed timescales (annually / three yearly – TBC)		
8				Update monitoring database with BNG monitoring data
9				Annual reporting of BNG contributions collected and projects delivered (AMR)

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Policy and Resources
Subject:	General Fund & Housing Revenue Account Outturn 2022/23
Report of:	Head of Finance and Audit
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report provides the Executive with details of the actual revenue expenditure for 2022/23 for the General Fund and Housing Revenue and Repairs Account.

Executive summary:

The General Fund actual net revenue expenditure on services for 2022/23 totals £10,080,693 which is £1,111,007 less than the revised budgeted amount for the year. The main reasons for this are higher income in some areas, such as parking charge income, where recovery was quicker than anticipated or additional grant income was received. However, there have still been pressures on the budgets in the year, in particular for the homelessness and waste collection services.

Taking account of financing and non-service budgets, the final net budget outturn position requires a drawing from reserves of £744,267, compared to an anticipated £1,239,500 drawing set out in the revised budget agreed by the Executive in February 2022.

This reduced drawing from reserves will help protect the council's financial position going forward. Some trends in increased expenditure such as fuel prices have continued during 2022/23, income streams are still not all at the levels they were 5 years ago and the Government's financial support schemes are now disappearing. The Council's underlying financial position has therefore worsened and was highlighted in the Medium-Term Finance Strategy. A new Opportunities Plan is therefore in the process of being developed to help bridge the forecasted funding gap.

The final figures for the Housing Revenue and Repairs Account (HRA) in 2022/23 show that the HRA revenue reserve has been increased by £127,023. Overall, total HRA Reserves have decreased by £1.154 million.

Recommendation/Recommended Option:

It is recommended that the Executive notes the contents of the report.

Reason:

To enable the completion of the General Fund expenditure programme for 2022/23 and to ensure that the balances on the Housing Revenue and Repairs Accounts as at 31 March 2023 will be available in future years and that 2023/24 budgets are sufficient to meet the level of work programmed.

Cost of proposals:

There are no additional costs relating to the recommendations.

Appendices: **A:** Actual General Fund Service Expenditure to 31 March 2023

B: Detailed Housing Revenue and Repairs Account to 31 March 2023

Background papers: None

Reference papers: Report to Executive 10 January 2022 Finance Strategy, Revenue Budget and Council Tax 2022/23 (included a revised revenue budget for 2021/22).

Report to the Executive 7 February 2022 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2021/22 (included a revised revenue budget for 2021/22).

Report to the Executive 7 February 2022 Housing Revenue Account Budgets and Capital Plans 2022/23(included a revised revenue budget for 2021/22)

Report to Executive 9 January 2023 Finance Strategy, Revenue Budget and Council Tax 2023/24 (included a revised revenue budget for 2022/23).

Report to the Executive 6 February 2023 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2023/24 (included a revised revenue budget for 2022/23).

Report to the Executive 6 February 2023 Housing Revenue Account Budgets and Capital Plans 2023/24(included a revised revenue budget for 2022/23).

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	General Fund & Housing Revenue Account Outturn 2022/23
Briefing by:	Head of Finance and Audit
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the outturn position for the General Fund along with the Housing Revenue and Repairs Accounts for the financial year 2022/23.
2. This has been a difficult year for the Council's finances due to local and national impacts, including the impacts of the cost-of-living crisis. Particular financial pressures have included:
 - A continued recovery in the amount of revenue income collected in some areas, although some have not yet met pre-pandemic levels.
 - Additional costs incurred in delivering day to day services such as fuel and utilities.
 - A contraction in the economy that is changing demand for certain services.
 - Reduced Government one-off funding to offset the impact of national pressures, such as New Burdens Grants and discretionary housing grants.
3. This report details the resulting end of year position for both the General Fund and Housing Revenue and Repairs Accounts and compares the actual spend against the revised budgets.

EMPLOYEE EXPENDITURE 2022/23

4. The total 'cost of employment' budgets set for the General Fund and Housing Revenue Account for 2022/23 was £20,355,300. The actual expenditure for 2022/23 was £19,805,916 giving an underspend for the year of £549,384 or 2.70% when compared to the final budget.
5. There was an underspend from salaries and associated costs of £666,997 which has arisen from vacancies that have occurred during the year. These have been slightly offset by an increase in agency payments (£9,292), severance payments (£46,798), recruitment costs (£22,870) and other employee related expenses (training and medical

related) of £38,653 that have been made during the year.

THE GENERAL FUND OUTTURN POSITION 2022/23

6. The General Fund actual net revenue expenditure for 2022/23 totalled £10,080,693 which is £1,111,007 less than the budget approved by the Executive in February 2023. This reflects both an increase in the Council's service income as well as reduced expenditure in some service areas.
7. The overall position for the General Fund shows a spend of £778,694 over the revised which is reduced by £34,427 once the financing element is brought in leaving a final position of £744,267. However, it should be noted that the revised budget included a £1.2million provision from the General Fund Reserve which once applied would mean that £465,000 of reserves would be returned to the General Fund reserves. The Executive had agreed in January and February that this could be used to support the revenue budgets.
8. The actual position shown does not include any contribution from the General Fund Reserve Applying this use of reserves would remove the overspend and mean that the reserve would be better off at the end of the financial year than was anticipated.
9. The following table summarises the position:-

ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2023			
	Revised Budget 2022/23 £	Actual 2022/23 £	Variation £
Committees			
Licensing & Regulatory Affairs	639,200	658,621	19,421
Planning	729,400	706,129	-23,271
Executive - Portfolio			
- Health and Public Protection	803,400	488,740	-314,660
- Housing	2,370,900	1,917,517	-453,383
- Leisure and Community	43,600	-31,725	-75,325
- Planning and Development	1,853,500	1,412,429	-245,971
- Policy and Resources	114,000	-56,625	-170,652
- Streetscene	4,832,800	4,985,635	152,835
Total Service Budgets	11,386,800	10,080,693	-1,111,007
Accounting Adjustments	4,273,900	1,208,019	-3,260,981
Other Budgets	-4,673,400*	477,282	5,150,682
Net Budget	10,987,300	11,765,994	778,694
Financing	-10,987,300	-11,021,727	-34,427
Net Total	0	744,267	744,267

Final Position (Excess spend)			744,267
Use of General Fund Reserve			-744,267

**This includes the £1.2million General Fund Reserve provision*

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

OUTTURN POSITION FOR THE KEY COUNCIL SERVICES

11. The Council has a number of services that would be considered as major or demand led services as they have a large impact on the council tax and any major variation in these budgets could lead to unacceptable rises in council tax. The details are shown in the following table:-

Service	Revised Budget 2022/23 £	Actual 2022/23 £	Variation £	
Parking Services	-246,800	-455,601	-208,801	☺
Local Plan	1,019,600	855,936	-163,664	☺
Parks, Open Spaces and Grounds Maintenance	1,954,600	1,823,848	-130,752	☺
Commercial Estates	-789,000	-842,344	-53,344	☺
Interest on Balances	-828,000	-879,854	-51,854	☺
Planning Appeals	154,700	144,093	-10,607	☺
Investment Properties	-2,494,900	-2,504,539	-9,639	☺
Local Land Charges	-18,500	-27,301	-8,801	☺
Solent Airport and Daedalus	-460,800	-462,415	-1,615	☺
Housing Benefit Payments	44,800	45,398	598	☺
Trade Waste	-154,400	-134,038	20,362	☹
Tree Management	402,000	423,433	21,433	☹
Planning Applications	235,800	261,054	25,254	☹
Local Tax Collection	1,018,900	1,084,534	65,634	☹
Street Cleansing	1,045,000	1,150,017	105,017	☹
Homelessness	902,100	1,027,466	125,366	☹
Waste & Recycling Total	1,506,300	1,713,489	207,189	☹

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

- (a) **Parking Services** achieved almost £209,000 higher income compared to the budget for the year. The income budget was adjusted to reflect the actual level of income received for coastal and town centre parking as the service recovers from the pandemic and also took into account the effects from the cost of living crisis. Town centre parking income ended up at around £180,000 more than budgeted and coastal parking came in on budget for the year. Season ticket sales were also more than budgeted by £9,000. Employee and Premises costs were both under budget but these were offset by extra spend on supplies and services mainly on equipment purchases and bank charges.
- (b) The **Local Plan** service has seen an underspend of £163,000 of which £70,000 is due to staff vacancy savings. The plan was adopted on 5 April 2023 and the budgeted costs for publicity, promotion, additional legal works and venue hire weren't needed resulting in an additional saving of £43,000. The council also received some unbudgeted income for the Biodiversity Net Gain project and for works undertaken on behalf of the Partnership for South Hampshire.
- (c) **Parks, Open Spaces and Ground Maintenance** is showing an underspend of £131,000 mainly due to staff costs being below budget due to vacant posts and also less need for agency staff resulting in a saving against budget. These underspends have been offset by an increase in the cost of repairing and maintaining the aging vehicle and plant fleet required to undertake the work and increased fuel costs.
- (d) **Commercial Estates** showed additional net income of £53,000 which is mainly due to savings on repairs and maintenance of buildings along with savings on the use of consultants during the year.
- (e) **Interest on balances** is showing £52,000 more than the budget for the year. Interest rates during 2022/23 have been steadily increasing during the year to finish at a high of 4.25% which has meant that the Council has received more interest on its investments.
- (f) **Planning Appeals** during the year have shown an underspend of £10,600 against the revised budget. Generally planning appeal costs are met by the individual parties involved but occasionally costs can be awarded against a party if they are judged to have acted unreasonably. In 2022/23 there were 2 main appeals: these being Land at Newgate Lane East at a cost of £73,000 and land east of Cartwright Drive that cost £12,000. The costs shown against these appeals are external legal and consultants costs and do not include officer time.
- (g) **Investment Properties** was £10,000 above budgeted income. The rents received from the properties was £10,000 over the budgeted income with spend on property repairs being £25,000 over the budget although this was offset by savings on consultant fees of the same amount.
- (h) **Local Land Charges** is showing a £9,000 underspend against the revised budget. Income for the year was £5,000 under the budget for the year, and legal costs associated with providing the service were £14,000 less than budgeted.
- (i) **Solent Airport and Daedalus** is showing additional net income of £2,000 for the financial year. There was an increase in income due to the collection of service charges and a tenant on site for longer than budgeted. This slightly offset the increase in airport operations expenditure. The overall surplus for the service has

been reduced due to the write-off of some charges that have been deemed uncollectable. The surplus from this service will be used to offset prior year deficits.

- (j) **Housing benefits payments** were £1,000 over the budget for the year. The amount paid out in benefits was less than anticipated by £559,000 which was offset by reduced income from grant received with a small amount due for prior year adjustments giving reduced income against budget of £430,000. There was also additional income from money owed due to overpaid benefits and there was a reduction in the bad debts provision for doubtful debts totalling £128,000.
- (k) **Planning Applications** net expenditure was a reduction against the budget of just over £25,000. The income from planning applications was £36,000 over budget as the number of applications increased during the financial year but this was offset by a reduction in the income from the Welborne application where the income should be received in the current year. There was also additional spend on consultants and legal fees for advice on some larger applications.
- (l) **Trade Waste** is showing a £20,000 increase in spend compared to budget for the year. The income budget was increased slightly from budget by £6,000 but this has been offset by small increases in spend in relation to vehicles including repairs and fuel costs along with increased use of agency staff for the service.
- (m) **Tree Management** is showing an overspend for the year of just over £21,000. This is mainly due to the Ash Dieback tree programme that commenced in January 2022 with £32,000 being spent during the financial year. These works will continue to be an issue in future years as the majority of Ash trees in the borough will be affected. The rest of the tree works in the borough came in on budget. Several insurance claims were settled during the year at a cost of just under £7,000.
- (n) **Local tax collection** is showing an underspend for the year of just under £66,000 which is mainly due to variations in income received from summons costs and government grants that were £63,000 below the budget. There were savings in employees costs due to vacancies within the team but these were offset by additional spending on printing costs.
- (o) **Street Cleansing** is showing an overspend for the year of £105,000. The main reason for the overspend in this service area has been around the vehicles used to provide the service. Routine repairs and fuel have both seen an increase in spending during the year and this has been made worse by the requirement to hire vehicles to continue to provide the service when regular vehicles are not usable.
- (p) The **Homelessness** service is showing an overspend of £125,000. The service continues to experience extremely high levels of demand following the pandemic along with the impact of the war in Ukraine and continues to rely on bed and breakfast emergency accommodation. This area was overspent by £123,000 against revised budget which had already been increased to reflect the level of emergency accommodation being provided in this way. Some of the grant income that has been received will be carried over to the current financial year as it has not been spent during 2022/23. A very small underspend was recognised against the Rough Sleeping Initiatives grant funding for 2022/23 which will be returned to the Department for Levelling Up, Housing and Communities.

- (q) The **Waste, Recycling and Garden Waste Service** is showing an overspend for the year of £207,000. The main reason for this increase was around the vehicles used for the services that was showing an increase of £159,000 over the budget mainly due to repair and maintenance of vehicles due to an aging fleet along with additional fuel and hire costs. There was also an increase over budget of over £141,000 for employee expenses including agency staff and overtime. This has all been offset to some extent by increased income of £58,000 from the Garden Waste service and also additional recycling income of £54,000.

THE COUNCIL'S FUNDAMENTAL PARTNERSHIPS

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

Service	Revised Budget 2022/23 £	Actual 2022/23 £	Variation £	
Building Control Partnership	197,600	225,185	25,585	☹️
Community Safety & CCTV Partnership	250,100	173,181	-76,919	😊
Project Integra	8,000	7,805	-195	😊
Portchester Crematorium Joint Committee	-170,000	-170,000	0	😊
Environmental Health Partnership	1,592,000	1,554,441	-37,559	😊

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

OTHER BUDGETS

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

HOUSING REVENUE AND REPAIRS ACCOUNT

Revenue Account

16. On 6 February 2023, the Executive approved the revised budgets for the Housing Revenue and Repairs Account (HRA). At this time, it was estimated that the HRA would break even for the 2022/23 financial year. Income levels have exceeded the expenses and charges made to the HRA, and a surplus of £127,023 has been achieved, further replenishing the HRA Revenue Reserve. Other Reserves have decreased by £1.154 million. This is shown in the table below and detailed in Appendix B.
17. Actual rent income was higher than the revised budget figure, and the 2021/22 actual. The number of void properties has stabilised but remains at a high level. Rent arrears

have increased which had been anticipated as a result of the cost-of-living crisis and the bad debt provision budget had been increased to reflect this. Budgets were also increased to take account of higher utility costs within the HRA. Overall Management and Finance expenditure was lower than the revised budget.

18. Revenue repairs expenditure has risen during the year and was higher than the revised budget figure. This is partly due to cost inflation borne by the Fareham Housing team and our network of contractors and partly due to increased need and demand for works.
19. Capital Improvements are higher than budgeted overall with actual spend of works to homes being higher than the proportion of this budget allocated to that purpose. This has meant that when financing these capital programme schemes this year the sources have been met from the specific allocated fund but a much larger draw on the Major Repairs Reserve has been needed. We have been able to maintain the full contribution to the Debt Repayment Fund for this financial year. This position is shown in the table below and detailed in Appendix B.
20. The HRA has recorded a surplus for 2022/23 of £127,023 as shown in the table below and in more detail at Appendix B. The surplus of £127,023 has replenished the HRA Revenue Reserve, and other Reserves have also decreased by £1.154 million.

	Actual 2021/22 £'000	Revised Budget 2022/23 £'000	Actual 2022/23 £'000
Income	-12,900	-13,374	-13,819
Management and Finance	5,166	6,102	5,826
Revenue Repairs	3,065	3,296	3,553
Capital Improvements	3,499	3,470	3,582
Surplus(-)/Deficit	-1,170	-506	-858
Transfer from Capital Development Fund	-740	-519	-545
Transfer to Debt Repayment Fund	1,140	1,025	1,140
Transfer to Leaseholder and Capital Receipts Reserves	139	0	136
Transfer of Balance to(-)/from(+) Revenue Reserve	-631	0	-127

HRA Capital Programme

21. The table below summarises the capital spend in the year against the revised budget which shows a higher spend than anticipated on HRA Capital Improvements. This area of spend will be reviewed again over the coming year as the next detailed programme of works is compiled. The overspent budgets against Improvements and Modernisation and New Builds are proposed to be carried forward.

22. Expenditure classified as Acquisitions was for one former council home acquired from private ownership this financial year.
23. The new build scheme at Capella Close was fully completed during the year. Construction work commenced at Queens Road and continued at Sir Randal Cremer House in Portchester with works very near to completion at the end of the financial year. Work to enable approved development schemes at Coldeast Scout Hut and Assheton Court have also progressed during the year.

CAPITAL PROGRAMME	Budget 2022/23 £'000	Actual 2022/23 £'000	Carry over to 2023/24 £'000
HRA Improvements and Modernisations	3,000	4,940	-1,940
New Builds	3,954	4,220	-266
Acquisitions	283	103	180
Vehicles	40	0	40
Civica Asset management	15	15	0
CAPITAL PROGRAMME - TOTAL	7,292	9,278	-1,986

This spend has been funded as follows:

	£000
Use of Major Repairs Reserve to fund capital expenditure on HRA assets	4,756
Capital spend not increasing the asset value funded by the HRA Revenue Reserve	118
Homes England Grant funding to meet development costs	770
Capital Development Fund	545
S106 Developer Contributions	365
1:4:1 Capital Receipts to meet development costs	801
Other Housing Capital Receipts to meet acquisition costs	177
Borrowing	1,746
Total funding	9,278

HRA Reserves

24. A summary of reserves held by the HRA at the end of the year is set out below. HRA reserves have decreased overall by £1.154 million

25. Reserve	Purpose of Reserve	2021/22 Closing Balance £'000	2022/23 Transfers In £'000	2022/23 Transfers Out £'000	2022/23 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	1,210	127	0	1,337
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	3,553	-3,553	1,500
Major Repairs Reserve	To fund capital expenditure on HRA assets	1,993	2,919	-4,755	157
Capital Housing Development Fund	To fund new developments	545	0	-545	0

Debt Repayment Fund	To repay debt	5,700	1,140	0	6,840
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	484	189	-53	620
1:4:1 Receipts	To fund 40% of costs of new acquisitions and new build Station Road scheme	1,879	625	-801	1,703
Total Reserves		13,311	8,553	9,707	12,157

¹The transfer in of £2,919,254 is the in-year depreciation charge

26. The combined balance on all Housing Revenue Account reserves is £12,157 million.

RISK ASSESSMENT

27. An assessment of the risks and opportunities associated with this decision has been carried out and it is considered that there are no significant risks. However, the report does highlight there remain areas of concern within the Council's financial position in future years.

CONCLUSION

28. This report outlines the financial position during 2022/23 for the General Fund and the Housing Revenue and Repairs Account including effects of the cost-of-living crisis and how this could continue to influence spending in future financial years.
29. The General Fund is showing that there is a requirement for a contribution from reserves of £744,267 in order to balance the end of year accounts against the revised budget contribution of just over £1.2million. It is important not to underestimate the effect that the cost-of-living crisis could continue to have on services during the 2023/24 financial year as well as future years. With this in mind the reserves balance after the 2022/23 reduction will be closely monitored and the effect of this will be reviewed in the Medium-Term Finance Strategy later in 2023.
30. The combined balance on all Housing Revenue Account reserves is £12.157 million which is a decrease of £1.154m.
31. Members are asked to note the contents of the report in the context of the funding gap highlighted in the last Medium term Finance Strategy.

Enquiries:

For further information on this report please contact Neil Wood. (Tel 01329 824506)

APPENDIX A

ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2023

	Revised Budget 2022/23 £	Actual 2022/23 £	Variation 2022/23 £
Licensing & Regulatory Affairs Committee			
Hackney Carriage & Private Hire Vehicles	900	-34,252	-35,152
Licensing	4,900	-5,282	-10,182
Health and Safety	151,900	163,854	11,954
Election Services	481,500	534,300	52,800
	639,200	658,621	19,421
Accounting Adjustments in service	0	41,422	41,422
	639,200	700,043	60,843
Planning Committee			
Processing Applications	235,800	261,054	25,254
Planning Advice	212,900	172,039	-40,861
Enforcement of Planning control	126,000	128,943	2,943
Appeals	154,700	144,093	-10,607
	729,400	706,129	-23,271
Accounting Adjustments in service	0	208,622	208,622
	729,400	914,751	185,351

	Revised Budget 2022/23 £	Actual 2022/23 £	Variation 2022/23 £
Health and Public Protection			
Pest Control	71,500	58,223	-13,277
Food Safety	145,000	131,447	-13,553
Air Quality and Pollution	183,800	166,332	-17,468
Community Safety	250,100	173,181	-76,919
Emergency Planning	60,700	53,669	-7,031
Clean Borough Enforcement	246,000	270,729	24,729
Off-Street Parking	-246,800	-455,601	-208,801
Cemeteries	-104,500	-134,425	-29,925
Building Control	197,600	225,185	27,585
	<hr/> 803,400	<hr/> 488,740	<hr/> -314,660
Accounting Adjustments in service	138,900	280,780	141,880
	<hr/> 942,300	<hr/> 769,520	<hr/> -172,780
Housing			
Housing Grants and Home Improvements	37,900	23,128	-14,772
Housing Options	30,400	36,649	6,249
Housing Benefit Payments	44,800	45,398	598
Housing Benefit Administration	463,200	464,137	937
Homelessness	902,100	1,027,466	125,366
Housing Advice	712,300	153,915	-558,385
Housing Strategy	198,700	194,126	-4,574
Local Land Charges	-18,500	-27,301	-8,801
	<hr/> 2,370,900	<hr/> 1,917,517	<hr/> -453,383
Accounting Adjustments in service	46,500	555,510	509,010
	<hr/> 2,417,400	<hr/> 2,473,027	<hr/> 55,627
Leisure and Community			
Community Grants	286,300	242,093	-44,207
Community Development	282,100	305,463	23,363
Ferneham Hall	208,000	92,851	-115,149
Leisure Centres	-891,200	-841,038	50,162
Community Centres	158,400	168,906	10,506
	<hr/> 43,600	<hr/> -31,725	<hr/> -75,325
Accounting Adjustments in service	1,952,700	2,003,042	50,342
	<hr/> 1,996,300	<hr/> 1,971,317	<hr/> -24,983

	Budget 2022/23 £	Actual 2022/23 £	Variation 2022/23 £
Planning and Development			
Flooding and Coastal Management	116,000	50,090	-65,910
Public Transport	35,900	35,885	-15
Tree Management	402,000	423,433	21,433
Conservation & Listed Building Policy	66,900	66,548	-352
Sustainability & Biodiversity	18,000	-19,462	-37,462
Local Plan	1,019,600	855,936	-163,664
	<u>1,658,400</u>	<u>1,412,429</u>	<u>-245,971</u>
Accounting Adjustments in service	283,400	373,765	90,365
	<u>1,941,800</u>	<u>1,786,194</u>	<u>-155,606</u>
Policy and Resources			
Democratic Representation and Management	1,312,600	1,270,880	-41,720
Commercial Estates	-789,000	-842,344	-53,344
Investment Properties	-2,494,900	-2,504,539	-9,639
Solent Airport and Daedalus	-460,800	-462,415	-1,615
Public Relations, Comms and Consultation	635,600	587,278	-48,322
Unapportionable Central Overheads	-23,400	-11,633	11,767
Corporate Management	739,500	666,095	-73,405
Economic Development	175,500	155,492	-20,008
Local Tax Collection	1,018,900	1,084,534	65,634
	<u>114,000</u>	<u>-56,652</u>	<u>-170,652</u>
Accounting Adjustments in service	1,061,400	-4,115,470	-5,176,870
	<u>1,175,400</u>	<u>-4,172,122</u>	<u>-5,347,522</u>

	Budget 2022/23 £	Actual 2022/23 £	Variation 2022/23 £
Streetscene			
Parks, Open Spaces and Grounds Maintenance	1,954,600	1,823,848	-130,752
Countryside Management	184,900	183,243	-1,657
Street Cleansing	1,045,000	1,150,017	105,017
Public Conveniences	230,600	174,605	-55,995
Household Waste	1,114,100	1,238,575	124,475
Trade Refuse	-154,400	-134,038	20,362
Recycling	992,000	977,734	-14,266
Garden Waste Collection	-599,800	-502,819	96,981
Street Furniture	65,800	74,470	8,670
	<hr/> 4,832,800	<hr/> 4,985,635	<hr/> 152,835
Accounting Adjustments in service	986,100	1,860,348	874,248
	<hr/> 5,818,900	<hr/> 6,845,983	<hr/> 1,027,083
TOTAL - Before adjustments	11,191,700	10,080,693	-1,111,007
Total Adjustments	4,469,000	1,208,019	-3,260,981
TOTAL - After adjustments	<hr/> 15,660,700	<hr/> 11,288,712	<hr/> -4,371,988
Other Budgets	-4,673,400	477,282	5,150,682
TOTAL including Other Budgets	<hr/> 10,987,300	<hr/> 11,765,994	<hr/> 778,694

DETAILED HOUSING REVENUE AND REPAIRS ACCOUNT to 31 MARCH 2023

	Actual 2021/22 £'000	Revised Budget 2022/23 £'000	Actual 2022/23 £'000
Income			
Rents - Dwellings	-11,243	-11,712	-12,027
Rents – Garages	-348	-362	-375
Rents – Other	-19	-20	-6
Service Charges (Wardens, Extra Assistance, Heating)	-625	-650	-666
Cleaning	-175	-185	-175
Grounds Maintenance	-123	-128	-144
Other Fees and Charges	-45	-37	-38
Leaseholder Service Charges and Insurance	-69		-67
Service Charges Repairs	-220	-280	-213
Other income	-33	0	-108
	-12,900	-13,374	-13,819
Management and Finance			
General Administrative Expenses	2,675	2,492	2,864
Sheltered Housing Service	512	583	559
Grounds Maintenance	240	267	277
Communal Cleaning	224	247	201
Communal Heating Services	103	247	214
Communal Lighting	42	84	61
Rents, Rates and Other Taxes	306	186	252
Corporate and Democratic Core	74	82	79
Corporate Management	62	69	67
Unapportioned Overhead	0	0	12
Bad Debts Provision	-36	150	128
Bad Debts Written off	14	35	0
Debt Management Expenses	30	30	35
Interest Payable and Similar Charges	1,720	1,830	1,902
Interest Earned on Internal Balances	-119	-200	-205
Pension Fund Adjustments	-681	0	-620
	5,166	6,102	5,826
Revenue Repairs	3,065	3,296	3,553
Capital Improvements			
Depreciation	2,759	2,951	2,919
Revenue Contribution to Capital	740	519	663
Transfer to Debt Repayment Fund	1,140	1,025	1,140
Transfer to Leaseholder Reserve	124	0	136
Transfer to Capital Receipts Reserve	15	0	0
Contribution from Capital Development Fund	-740	--519	-545
Surplus(-)/Deficit for Year	-631	0	-127

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Policy and Resources
Subject:	Capital & Treasury Management Outturn 2022/23
Report of:	Head of Finance and Audit
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report provides the Executive with details of the capital and treasury management outturn for 2022/23 to comply with the reporting requirements of the Code of Practice for Treasury Management. The report also seeks approval for the proposed methods of financing the General Fund capital programme.

Executive summary:

Actual capital expenditure on General Fund schemes in 2022/23 was £6,202,287 (£12.1 million in 2021/22) compared with the revised capital programme of £9,932,800. The overall variance was £3,730,513. A detailed analysis of the variations is given in Appendix A to this report.

Total savings from individual projects of £44,017 were achieved, additional expenditure of £5,803 on others was incurred and a total of £3,692,299 will be carried forward into 2023/24. Details of the various methods used to finance this expenditure are set out in this report.

Full details of Treasury Management investment and borrowing activity in 2022/23 are also set out in this report and is summarised below:

	31 March 2022 Actual £'000	2022/23 Movement £'000	31 March 2023 Actual £'000
Total borrowing	53,199	8,137	61,336
Total investments	(22,189)	(2,643)	(24,832)
Net borrowing	31,010	5,494	36,504

Net interest received from investments in 2022/23 was £879,854 (£637,078 in 2021/22) and net interest paid on borrowing was £1,876,270 (£1,673,288 in 2021/22).

The overall investment property portfolio increased in value by £1.67 million and contracted income was approximately £4,480,000.

During 2022/23, the Council complied with its legislative and regulatory requirements of the Prudential Code.

Recommendation:

It is recommended that the Executive:

- (a) approves that the General Fund capital programme for 2022/23 be financed as set out in this report;
- (b) agrees that the additional expenditure incurred, amounting to £5,803 be financed retrospectively from unallocated capital resources; and
- (c) notes the treasury management activity for 2022/23.

Reason:

To provide the Executive with details of the capital and treasury management outturn in 2022/23 and to comply with the reporting requirements of the Code of Practice for Treasury Management.

Cost of proposals:

The necessary resources are available to finance the General Fund capital programme for 2022/23 including the additional expenditure of £5,803.

Appendices:

A: Capital Expenditure 2022/23

B: Economic Commentary by Treasury Advisors, Arlingclose

C: Prudential and Treasury Indicators 2022/23

Background papers: None

Reference papers:

Capital Programme and Capital Strategy 2023/24, Executive Committee, 6 February 2023

Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2022/23, Executive Committee, 6 February 2023

Treasury Management Strategy and Prudential Indicators 2022/23, Council, 25 February 2022

CIPFA Code of Practice for Treasury Management

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Capital & Treasury Management Outturn 2022/23
Briefing by:	Head of Finance and Audit
Portfolio:	Policy and Resources

INTRODUCTION

1. This report provides the Executive with details of the capital and treasury management outturn for 2022/23 to comply with the reporting requirements of the Code of Practice for Treasury Management.

GENERAL FUND CAPITAL OUTTURN REPORT 2022/23

2. The capital programme for 2022/23, approved in February this year for the General Fund was £9,932,800. The actual capital expenditure, detailed in Appendix A, was £6,202,287 (£12.1 million in 2021/22) giving an overall variation of £3,730,513. A summary, including savings and additional expenditure, is summarised in the table below.

Portfolio	Revised Budget £	Actual £	Savings £	Additional Expenditure £	Carry forward £
Health & Public Protection	9,400	9,400	0	0	0
Streetscene	37,100	33,690	0	0	3,410
Leisure & Community	5,472,500	3,047,502	0	5,803	2,430,801
Housing	1,889,300	1,429,346	0	0	459,954
Planning & Development	118,000	103,929	(18,371)	0	(4,300)
Policy & Resources	2,406,500	1,578,420	(25,646)	0	802,434
Total	9,932,800	6,202,287	(44,017)	5,803	3,692,299

SAVINGS AND ADDITIONAL EXPENDITURE

3. Total savings of £44,017 were recognised for the following schemes:
 - Salterns Recreation Ground Seawall Repairs - £18,371
 - ICT Development Programme - £14,314
 - Managed Hangarage at Solent Airport - £11,332

4. The scheme where additional expenditure of £5,803 was incurred was:
 - Play Area Improvement Programme - £5,803 to be funded from the Community Infrastructure Levy.

CARRY FORWARDS TO 2023/24

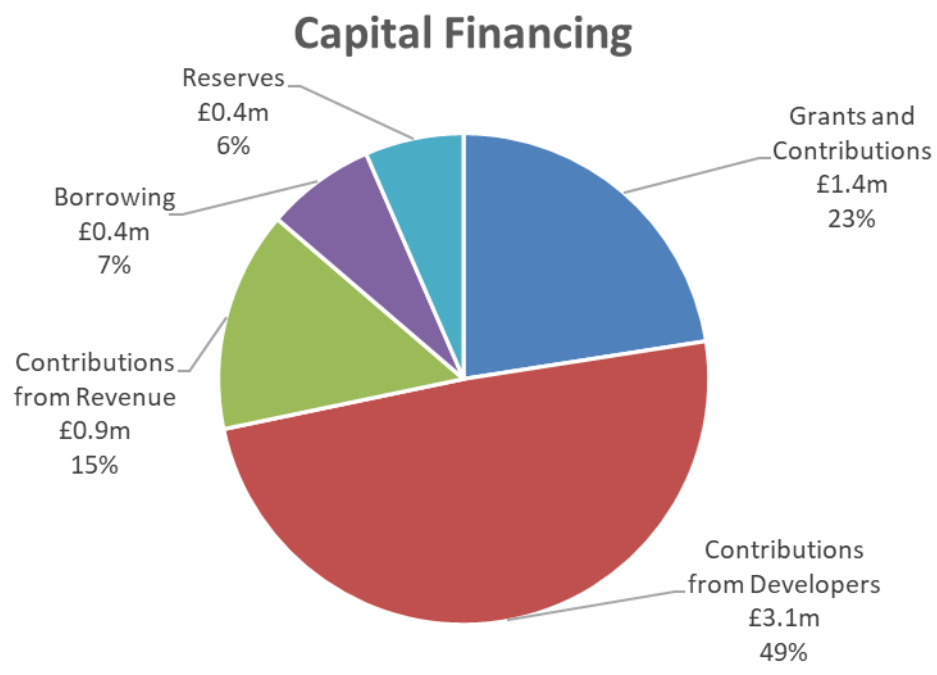
5. There are a number of schemes still in progress and a total net budget of £3,692,299 will be carried forward to 2023/24.
6. This includes £3,769,436 of budget carry forwards and £77,137 of expenditure incurred ahead of budget which will be carried forward to reduce next year’s budget.
7. The largest budget carry forwards are for Fareham Live £2,380,991 and Disabled Facilities Grants £377,130.

CAPITAL PROGRAMME 2023/24 TO 2027/28

8. The General Fund capital programme will be reviewed by officers in light of the slippage and re-phasing of works and an updated programme for 2023/24 to 2027/28 will be presented to the Executive as part of the Finance Strategy for 2024/25.

CAPITAL FINANCING

9. The various methods used to finance the capital expenditure in 2022/23 are set out in the chart below.



10. The largest funding source for the capital programme was contributions from developers (49%) for Fareham Live, the Play Area Improvement Programme and Bus Shelters, totalling £3.1 million. Other grants and contributions funded a total of 23% of the programme, contributions from revenue 15%, borrowing 7% and capital reserves funded the remaining 6%.

SIGNIFICANT SCHEMES

11. Capital expenditure of £2,929,209 was incurred at **Fareham Live** during 2022/23. The construction project commenced in August 2022 and although the spend through 2022/23 wasn't in line with expectations the project is currently on track to be completed during the 2023/24 financial year.
12. A total of £674,043 has been spent on schemes at **Solent Airport at Daedalus**. Expenditure included £341,919 at Faraday Business Park for the fit out of Units 15 and 16, £187,057 for Aeronautical Ground Lighting and Performance Based Navigation and £93,668 on Managed Hangarage.
13. The **Vehicles and Plant Replacement programme** incurred expenditure of £363,968. This included two second-hand refuse vehicles, a ride on mower, a sweeper and fire truck for Solent Airport.
14. A total of 185 **Disabled Facilities Grants** totalling £1,272,870 were awarded in the year. These were fully funded from government grants.
15. A total of £298,084 has been spent on the **ICT Development Programme**. Expenditure included telephony upgrade, PC upgrades and laptops.

TREASURY MANAGEMENT OUTTURN REPORT 2022/23

16. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (the CIPFA Code) requires the Council to approve a treasury management annual report after the end of each financial year. This report fulfils the Council's legal obligation to have regard to the CIPFA Code.
17. The Council's Treasury Management Strategy 2022/23 was approved by full Council on 25 February 2022. The Council has borrowed and invested large sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
18. The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 25 February 2022.
19. An economic commentary by the Council's Treasury Advisor, Arlingclose, can be found in Appendix B.

LOCAL CONTEXT

The treasury management position as at 31 March 2023 and the year-on-year change is shown in the table below.

	31 March 2022 Actual £'000	2022/23 Movement £'000	31 March 2023 Actual £'000
Long-term borrowing	40,000	8,000	48,000
Short-term borrowing	13,199	137	13,336
Total borrowing	53,199	8,137	61,336
Long-term investments	(11,889)	1,257	(10,632)
Short-term investments	0	(9,000)	(9,000)
Cash and cash equivalents	(10,300)	5,100	(5,200)
Total investments	(22,189)	(2,643)	(24,832)
Net borrowing	31,010	5,494	36,504

Note: the figures in the table are from the Balance Sheet in the Council's statement of accounts, but are adjusted to exclude operational cash, accrued interest and other accounting adjustments.

20. The Council pursued its strategy of keeping borrowing and investments below their underlying levels, known as internal borrowing, in order to reduce risk and keep interest costs low.
21. CIPFA's Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

BORROWING ACTIVITY

22. At 31 March 2023, the Council held £61.3 million of loans, an increase of £8.1 million on the previous year. The year-end borrowing position is shown in the table below.

	Balance on 31 March 2022 £'000	Balance on 31 March 2023 £'000	Average Rate
Long-term borrowing	40,000	48,000	3.55%
Short-term borrowing	10,000	10,000	2.58%
Portchester Crematorium	3,199	3,336	1.34%
Total borrowing	53,199	61,336	

23. The Council holds investments from Portchester Crematorium Joint Committee which are treated as temporary loans.
24. As outlined in the treasury strategy, the Council's main objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
25. The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% to 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to

control this by raising interest rates.

26. A new HRA Public Works Loan Board (PWLB) rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15th March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is available from 15th June 2023, initially for a period of one year.

INVESTMENT ACTIVITY

27. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2022/23 the Council's investment balances ranged between £20 million and £42 million due to timing differences between income and expenditure. The year-end position is shown in the table below.

	Balance on 31 March 2022 £'000	Balance on 31 March 2023 £'000	Average Rate
Externally Managed Pooled Funds	11,889	10,632	3.83%
Money Market Funds	9,000	5,200	4.09%
Banks	1,300	2,000	3.73%
Local Authorities	0	7,000	4.30%
Total Investments	22,189	24,832	

28. In previous years, opportunities to invest with other local authorities were available which are seen as low risk investments with reasonable rates.
29. Both the CIPFA Code and government guidance require 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. 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 risk of receiving unsuitably low investment income.

EXTERNALLY MANAGED POOLED FUNDS

30. £12 million of the Council's investments are invested in externally managed strategically pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular income and long-term price stability. These funds generated an income return of £458,000.
31. 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 medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three-to five-year period total returns will exceed cash interest rates.
32. The Department for Levelling Up, Housing & Communities (DLUHC) published a consultation on the International Financial Reporting Standard 9 (IFRS 9) pooled investment fund statutory override, for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and

2024/25 financial years.

33. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account. The Council therefore treats these gains and losses in accordance with these Regulations.

INTEREST RECEIVED AND PAID

34. Bank Rate increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023.
35. The net interest received in 2022/23 was £879,854 (£637,078 in 2021/22) against a revised budget £828,000 for the General Fund. Net interest paid for the Housing Revenue Account was £1,670,992 (£1,673,288 in 2021/22) against a revised budget of £1,630,000.

COMMERCIAL PROPERTY INVESTMENTS

36. The definition of investments in CIPFA's Treasury Management Code covers all the Council's financial assets as well as other non-financial assets which the Council holds primarily for financial return.
37. Since the Executive approval of a Commercial Property Investment Acquisition Strategy in January 2013, the Council has purchased 10 commercial investment properties, as summarised below.

Property Type	Purchase Cost £'000	Value at 31 March 2022 £'000	Value at 31 March 2023 £'000
Retail	27,783	21,745	21,785
Commercial (Industrial)	10,100	11,730	11,740
Other (Healthcare)	1,890	2,210	1,960
Total	39,773	35,685	35,485

38. Since March 2022 the value of this portfolio has decreased by £0.2 million. Contracted income during this financial year was £2,393,000 per annum (compared to £2,715,000 in 2021/22).
39. The Investment portfolio has effectively maintained its value. Five of the properties saw moderate increases in value, whilst the other 5 saw moderate reductions in value. The upshot was a minimal decrease in the value of the entire portfolio. The cyclical nature of property and key lease events have had an effect on the value of the portfolio, but these are set against wider changes in the property market as commented on below. Examples of lease events are a new letting to B&M, of a previously vacant unit, which will commence following works to put the unit into repair.
40. Throughout the past 12 months any debts arising from the investment portfolio have continued to be managed closely.
41. The Council's total investment property portfolio is shown in the table below. Rising

interest rates, pressures of inflation, uncertainty in respect of future prices of utilities and the rising cost of living have all been features of a UK economy which has been unpredictable and uncertain in the last year. This has resulted in a softening of yields as the property market has deteriorated in the last year.

42. Our whole portfolio is relatively well-balanced and the general economic situation has had a different impact on the respective asset types. Our retail exposure is limited on the High Street and focused on out-of-town locations, with this performing better. The property type 'commercial' is predominantly made up of industrial premises and our industrial ground lease portfolio. The industrial sector remains strong, however, there has again been a softening of yields.

Property Type	Value at 31 March 2022 £'000	Value at 31 March 2023 £'000	Movement £'000
Retail	34,045	33,790	(255)
Commercial	23,682	25,245	1,563
Other	4,388	4,109	(279)
Office	4,740	5,370	630
Leisure	1,481	1,492	11
Total	68,336	70,006	1,670

43. The overall investment property portfolio has increased in value by £1.67 million (increase of £8 million in 2021/22). Contracted income was approximately £4,480,000 per annum (compared to £4,775,000 in 2021/22).
44. Property valuations are undertaken annually, to ensure that the Council's balance sheet reflects the current opinion of the value of the Council's assets. Fluctuations in value do not represent actual gains or losses, but do indicate market sentiment, which is often linked to rental income levels and lease terms and conditions.

PRUDENTIAL AND TREASURY INDICATORS

45. During 2022/23, all treasury management activities complied fully with the CIPFA Code and the Council's approved Treasury Management Strategy. Appendix C shows the actual prudential and treasury indicators for 2022/23.

SUMMARY

46. This report gives details of General Fund capital and treasury management outturn in 2022/23 in accordance with the reporting requirements set out in the CIPFA Code of Practice for Treasury Management.

RISK ASSESSMENT

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

Enquiries:

For further information on this report please contact Caroline Hancock (01329 824589).

APPENDIX A

CAPITAL EXPENDITURE 2022/23

	Budget £	Actual £	Savings £	Additional Expenditure £	Carry over to 2023/24 £
HEALTH AND PUBLIC PROTECTION					
CCTV Cameras	9,400	9,400			0
HEALTH AND PUBLIC PROTECTION TOTAL	9,400	9,400	0	0	0
STREETSCENE					
Bus Shelters	20,000	5,944			14,056
Play Area Safety Equipment and Surface Replacement	17,100	27,746			(10,646)
STREETSCENE TOTAL	37,100	33,690	0	0	3,410
LEISURE AND COMMUNITY					
Buildings					
Fareham Live	5,310,200	2,929,209			2,380,991
Community Buildings Review	80,000	30,190			49,810
	5,390,200	2,959,399	0	0	2,430,801
Play and Parks Schemes					
Play Area Improvement Programme	82,300	88,103		5,803	0
	82,300	88,103	0	5,803	0
LEISURE AND COMMUNITY TOTAL	5,472,500	3,047,502	0	5,803	2,430,801
HOUSING					
Home Improvements					
Disabled Facilities Grants	1,650,000	1,272,870			377,130
	1,650,000	1,272,870	0	0	377,130
Enabling					
Gordon Road Acquisition	163,400	132,746			30,654
Sea Lane, Stubbington - Self Builds	75,900	23,730			52,170
	239,300	156,476	0	0	82,824
HOUSING TOTAL	1,889,300	1,429,346	0	0	459,954
PLANNING AND DEVELOPMENT					
Car Parks					
Car Parks: Surfacing	20,000	24,300			(4,300)
	20,000	24,300	0	0	(4,300)
Coastal Protection					
Salterns Recreation Ground Seawall Repairs	98,000	79,629	(18,371)		0
	98,000	79,629	(18,371)	0	0
PLANNING AND DEVELOPMENT TOTAL	118,000	103,929	(18,371)	0	(4,300)

	Budget £	Actual £	Savings £	Additional Expenditure £	Carry over to 2023/24 £
POLICY AND RESOURCES					
Replacement Programmes					
Vehicles and Plant Replacement Programme	494,700	363,968			130,732
ICT Development Programme	399,700	298,084	(14,314)		87,302
	894,400	662,052	(14,314)	0	218,034
Operational Buildings					
Civic Offices Improvement Programme	200,000	79,654			120,346
Depot Asset Management Works	224,500	17,252			207,248
	424,500	96,906	0	0	327,594
Property Developments					
Osborn Road Multi-Storey Car Park	100,000	105,000			(5,000)
166 Southampton Road Repairs	100,000	40,419			59,581
	200,000	145,419	0	0	54,581
Solent Airport at Daedalus Schemes					
Faraday Business Park	352,700	341,919			10,781
Site Wide Investment	279,900	31,265			248,635
Aeronautical Ground Lighting and Performance Based Navigation	150,000	187,057			(37,057)
Taxiway Maintenance	0	20,134			(20,134)
Managed Hangarage	105,000	93,668	(11,332)		0
	887,600	674,043	(11,332)	0	202,225
POLICY AND RESOURCES TOTAL	2,406,500	1,578,420	(25,646)	0	802,434
GENERAL FUND TOTAL	9,932,800	6,202,287	(44,017)	5,803	3,692,299

ECONOMIC COMMENTARY BY TREASURY ADVISORS ARLINGCLOSE APRIL 2023

Economic background: The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and

February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

Financial markets: Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

Credit review: In June Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.

Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

PRUDENTIAL, TREASURY AND COMMERCIAL INVESTMENT INDICATORS 2022/23

PRUDENTIAL INDICATORS

1) Capital Expenditure

The Council's capital expenditure and financing is summarised as follows:

Capital Expenditure and Financing	2022/23 Revised £'000	2022/23 Actual £'000	Difference £'000
Health & Public Protection	9	9	0
Streetscene	37	34	3
Leisure & Community	5,473	3,048	2,425
Housing	1,889	1,429	460
Planning & Development	118	104	14
Policy & Resources	2,406	1,578	828
Total General Fund	9,932	6,202	3,730
HRA	7,292	9,279	(1,987)
Total Expenditure	17,224	15,481	1,743
Capital Receipts	1,349	1,383	(34)
Capital Grants/Contributions	8,543	5,584	2,959
Capital Reserves	4,023	5,428	(1,405)
Revenue	1,177	893	284
Borrowing	2,132	2,193	(61)
Total Financing	17,224	15,481	1,743

2) Capital Financing Requirement

The Council's Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

£'000	2021/22 Actual	2022/23 Revised	2022/23 Actual	2022/23 Difference
General Fund	60,245	55,513	55,234	279
HRA	51,054	52,733	53,118	(385)
Total CFR	111,299	108,246	108,352	(106)

The CFR decreased by £3,053 year on year as capital expenditure financed by debt was lower than the in-year minimum revenue provision payment (MRP) and transfers from capital receipts.

3) Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement. This is a key indicator of prudence.

£'000	2022/23 Revised	2022/23 Actual	Difference
Capital Financing Requirement	108,246	108,352	(106)
Less: Gross Debt	50,200	61,336	(11,136)
Under/(Over) Borrowing	58,046	47,016	(11,242)

Total debt remained below the Capital Financing Requirement during the period.

4) Operational Boundary and Authorised Limit for External Debt

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. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

The **authorised limit** is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

£'000	2022/23 Revised	2022/23 Actual	Complied
Operational Boundary	135,000	61,336	✓
Authorised Limit	143,000	61,336	✓

5) Financing Costs as % of Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

	2022/23 Revised	2022/23 Actual	Difference
General Fund	5%	6%	1%
HRA	13%	16%	3%

TREASURY MANAGEMENT INDICATORS

The Council measures and manages its exposures to treasury management risks using the following indicators.

1) 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 insured to final maturities beyond the period end were:

£M	2022/23 Revised	2022/23 Actual	Complied
Principal sums invested > 364 days	14	11	✓

2) Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper limits on the maturity structure of fixed rate borrowing were:

Maturity structure of borrowing	Upper Limit	2022/23 Actual	Complied
	%	%	
- Loans maturing within 1 year	50	22	✓
- 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	78	✓

3) 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.

	2022/23 Revised	2022/23 Actual	Difference
HRA Debt £'000	49,268	49,268	-
HRA Revenues £'000	14,228	13,819	(409)
Number of HRA Dwellings	2,419	2,401	(18)
Ratio of Debt to Revenues	3.46:1	3.57:1	0.11
Debt per Dwelling £	£20,369	£20,520	£151
Debt Repayment Fund £'000	£6,840	£6,840	-

COMMERCIAL INVESTMENT INDICATORS

The Council measures and manages its exposures to commercial investments using the following indicators.

1) Proportionality

The Council is dependent on profit generating investment activity to achieve a balanced revenue budget. The table below shows the proportion of expenditure funded by investment income.

£'000	2021/22 Actual	2022/23 Revised	2022/23 Actual
Gross service expenditure	46,686	45,915	46,245
Investment income	4,645	4,463	5,668
Proportion	9.9%	9.7%	12.3%

2) Total Risk Exposure

This indicator shows the Council's total exposure to potential investment losses.

Total Investment Exposure	2021/22 Actual £'000	2022/23 Revised £'000	2022/23 Actual £'000
Treasury Management Investments	22,189	15,000	24,832
Commercial Investments	68,336	68,336	70,006
Total	90,525	83,336	94,838

The variation in the revised to actual is due to a higher level of investments held than anticipated at year end, partly due an increase in capital receipts.

3) 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	2021/22 Actual £'000	2022/23 Revised £'000	2022/23 Actual £'000
Treasury Management Investments	0	0	0
Commercial Investments	30,272	29,479	29,479
Total	30,272	29,479	29,479

4) 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	2021/22 Actual	2022/23 Revised	2022/23 Actual
Treasury Management Investments	3.2%	4.1%	4.4%
Commercial Investments	5.0%	3.5%	5.1%
Total	4.6%	3.7%	5.0%

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 July 2023

Portfolio:	Policy and Resources
Subject:	Lease of Open Space, Warsash Recreation Ground
Report of:	Director of Planning and Regeneration
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report seeks authority to publish a notice under Section 123 of the Local Government Act 1972 (as amended) in a local newspaper, which specifies that the Council is proposing to grant a lease for a period of 10 years on a small section of open space at Warsash Recreation Ground to allow a Telecommunications Mast and associated apparatus to be erected.

The report also seeks delegated authority to the Executive Member for Policy and Resources to consider any representations received in response to the published notice, to determine whether the public interest in granting the lease outweighs any negative impacts raised in representations received, and to therefore decide whether to grant the lease to install telecommunications apparatus on Warsash Recreation Ground.

Executive summary:

Mobile network coverage has been provided in Warsash for many years by a roof top base station at Warsash Maritime Academy in Newtown Road. The site owner is looking to dispose of part of the site for residential development. The redevelopment of part of the Warsash Maritime academy site will involve the demolition of the building where the roof top station is currently located.

The companies that deliver mobile telephone coverage/internet services have highlighted that to avoid the creation of a large 'coverage gap' in Warsash, a new mast must be provided prior to the removal of the existing apparatus.

Fareham Borough Council, in its capacity as the local planning authority, received an application to install a 20m high telecommunications mast and associated apparatus at the Warsash Recreation Ground on Osborne Road, in July 2021. For the reasons set out in the Executive Briefing Paper, the telecommunications operator is entitled to proceed to undertake the works from a planning perspective.

The Council has subsequently been approached in their capacity as landowner of the proposed site to grant a lease for the telecommunications mast and associated apparatus.

The Government has granted extensive powers to mobile service providers, to

enable them to install their apparatus on third party land. The relevant legislation is The Electronic Communications Code 2017 (known as 'The Code'). In short, requests from mobile services providers are difficult to resist and to achieve this the prejudice caused must outweigh the public benefit of having access to a choice of a high-quality telecoms network and not be capable of monetary compensation.

The Council has commissioned specialist legal advice who have advised that the likelihood of resisting this request is very low. Given the above, the terms of the lease have been provisionally agreed in principle but prior to granting this the Operator has accepted the Council will need to comply with the provisions of Section 123 of the Local Government Act 1972 (as amended). This requires the Council to advertise the intention to grant a lease of Open Space for two consecutive weeks in a local newspaper and to consider comments received in response to assess any positive or negative impacts of the proposals.

Recommendation:

It is recommended that the Executive:

- (a) authorises the publication of a notice under Section 123 of the Local Government Act 1972 (as amended) in a local newspaper for two consecutive weeks; and
- (b) agrees to delegate authority to the Executive Member for Policy and Resources to consider any representations received in response to the notice referred to in recommendation (a) above, to determine whether the public interest in granting the lease outweighs any negative impacts raised in representations received, and therefore to decide whether to grant the lease to install telecommunications apparatus on Warsash Recreation Ground.

Reason:

There are limited grounds for objection to the proposed mast under The Electronics Communications Code 2017, but the Council must observe the provisions of S.123 of the Local Government Act 1972.

Cost of proposals:

Having taken specialist legal and property advice the Council has provisionally agreed in principle subject to public notice and consideration of representations, terms for a 10 year Lease to Waldon Telecoms Limited at a rent of £1,200 per annum and a one-off payment of £4,000 as a "build disturbance payment". Professional fees will also be covered, as well as the cost of advertising the S.123 notice.

Appendices: **Appendix A** Photos and Plans of Proposals

Background papers: None

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 July 2023
Subject:	Lease of Open Space, Warsash Recreation Ground
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. Fareham Borough Council (in its capacity as the Local Planning Authority) were approached by Waldon Telecom Limited (on behalf of EE Limited and Hutchison 3G UK) in July 2021 to install a Telecommunications Mast at the Warsash Recreation Ground.
2. The proposed works comprise the installation of telecommunications apparatus on the southern edge of Osborne Road. The apparatus includes a number of cabinets at ground level and a 20-metre-high monopole mast with transmission dishes. Plans and photo illustrations of the proposed scheme are attached at Appendix A. This document formed part of the operator's application to the Council in 2021 (under planning reference P/21/1227/PA).
3. Coverage for the area is currently provided by a rooftop installation on the nearby Warsash Maritime Academy in Newtown Road. The installation will need to be removed shortly when the site is redeveloped.
4. The operators have highlighted that to avoid the creation of a large 'coverage gap' in Warsash, a new mast must be provided prior to the removal of the existing apparatus. No existing installations would provide coverage to this area. A new site within the area is required to replicate and enhance mobile coverage/services across Warsash.
5. As well as providing continued network coverage in Warsash, the new mast at Osborne Road would accommodate 5G high-speed broadband. The mast will also provide coverage for the Emergency Services Network, giving first responders priority access to life saving data, images and information on the frontline.
6. An application seeking approval for the siting and appearance of the telecommunications apparatus at the Recreation Ground was submitted to the Council in July 2021. On 9 September 2021, the Council issued a notice refusing to give approval for the siting and appearance of the apparatus. The Council considered that the harm to the visual appearance of the area, the residential amenity of neighbouring properties and the enjoyment of a valued community facility, outweighed the benefits of positioning the telecommunications apparatus here.

7. Following receipt of the Council's decision notice, Waldon Telecom Limited challenged whether the Council were entitled to refuse the application. The basis of their challenge was that the relevant planning legislation requires that decisions on applications such as these must be made within 56 days of receipt. They believed the Council had made its decision on day 57 and were therefore out of time.
8. On reviewing the process, the Council established that the computer system it used to produce the timescales for deciding applications such as this, had 'counted' the 56 days starting the day after the application was received; the relevant planning legislation requires that counting should begin on the date of receipt.
9. Having thoroughly reviewed the matter, the Council accepts it has made an error in how it dealt with the application under planning, in that it did issue its formal decision notice after the 56-day period. As the decision on the application was made outside of the 56-day period, the Council's planning decision to refuse the application does not stand. In planning terms, the telecommunications operators are entitled to proceed with the monopole and associated cabinets shown on the application submitted in July 2021 (under planning reference P/21/1227/PA).

THE COUNCIL IN ITS CAPACITY AS LANDOWNER

10. The Council has now received a request from the Operator to grant a lease on the small section of the Warsash Recreation Ground that the mast and associated apparatus would be sited upon as it is the landowner. Set out below are the relevant matters which must be considered when telecommunication operators seek to site telecommunications apparatus on the Council's land. The Executive Briefing Paper further sets out the publicity the Council is required to undertake if it is to grant a lease for a period in excess of 7 years.

The Electronic Communications Code 2017

11. To ensure that a mobile network can be developed and delivered across the UK as quickly and effectively as possible, the Government has granted extensive powers to mobile service providers to enable them to install their apparatus on third party land. The relevant legislation is The Electronic Communications Code 2017 (known as 'The Code').
12. The Government expects mobile service providers to reach agreement with landowners to erect telecommunications apparatus but, if this is not the case, the Courts can compel landowners to accept the apparatus on their land. There are very limited cases where landowners have been able to prevent apparatus being erected. The cases that have gone to Court have predominantly been decided in favour of the operators as the threshold to successfully oppose is so high. Successfully defended cases have been on the grounds that firm development proposals would not proceed if a lease were granted and financial compensation could not be provided.
13. The grounds for objecting to the proposed mast under The Code are two-fold and both need to be satisfied. Paragraph 21 of The Code covers this:

Part 1: Does the prejudice caused outweigh the public benefit of having access to a choice of a high-quality telecoms network? And;

Part 2: Can the prejudice caused be compensated by money?

14. Any objection to the proposals of the operator would therefore have to override the

benefit to the public of having a mobile network and not be capable of monetary compensation.

15. When contacted by Waldon Telecom Limited, the Council appointed a specialist legal advisor and surveyor with expertise in Code matters to act on their behalf. As part of this process various concerns were raised with the Operator but none of these were considered sufficient to overcome Paragraph 21 of The Code. Accordingly, the terms of a new lease were provisionally negotiated with completion of a lease being subject to the Council complying with its obligations under S.123 of the Local Government Act and determining any representations in accordance with the legislation.

Proposed Lease Terms

16. Following negotiations between the Telecoms Operator and the Council's appointed consultants, Heads of Terms have been drawn up 'in principle' for a proposed lease. A term of 10 years has been agreed at an annual rent of £1,200 per annum and a one-off payment of £4,000 for disturbance. It has been confirmed that these lease terms are best value from a financial viewpoint. However, it is clear there is no significant financial advantage to the Council in proceeding with the lease as the sums involved are low.
17. There is a Restrictive Covenant on the Warsash Recreation Ground which states: "*Not to erect or permit to be erected any building other than a pavilion or otherwise as required for use of the property as a recreation ground*". This has been raised with the Operator and legal advice sought by the Council which has shown that the Courts are unlikely to see this as a qualifying reason for objection to the mast. The Telecommunications Operator has agreed to provide an indemnity policy in respect of the Restrictive Covenant. This would not preclude a claim being made against the Council but would provide protection.

S.123 of The Local Government Act

18. This is the stage the Council has reached. A Council cannot dispose of any land forming part of an open space without complying with Section 123 of The Local Government Act 1972. This requires a notice of the intention to dispose to be advertised for two consecutive weeks in a local newspaper. A 'disposal' of land is defined as a 'Lease over 7 years' so is slightly misleading. The Council is not selling the Land, but the operator will have rights to renew the lease at the end of the 10 years.
19. Following advertisement, the Council will:
 - i) consider the comment/objection in its own right but only in relation to the impact on the use of the open space. For the avoidance of doubt the landowner cannot consider objections on the proposed mast raised on the following basis:
 - a. visual appearance/design of mast
 - b. altering the character of the local area
 - c. loss of property value
 - d. outlook from nearby properties
 - e. the potential for relocation
 - ii) weigh it up in the context of the Code rights, and

(iii) make a decision on the proposed disposal of land in accordance with the legal tests as set out in s.123 and the Code.

RECOMMENDATIONS

20. Given the above it is recommended that the Council proceeds to advertise in accordance with S123 of The Local Government Act 1972 and authority is given for this with a delegated authority to the Executive Member for Policy and Resources to consider the representations and to decide whether to grant the lease.

Enquiries:

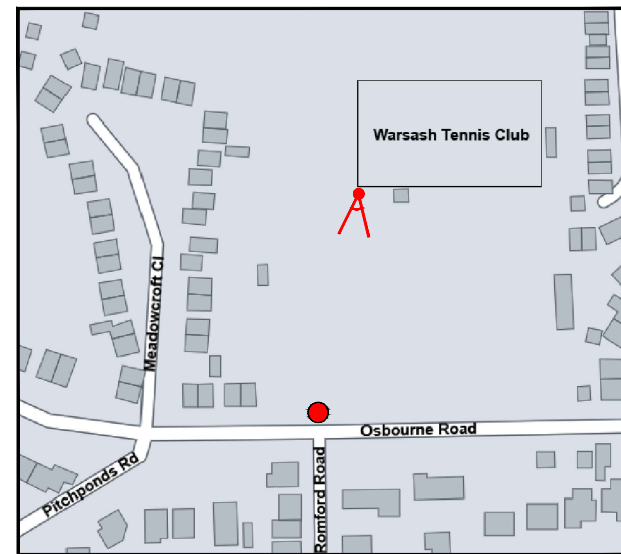
21. For further information on this report please contact Steven Farndell, Head of Asset Management (07585 204206)



Existing



Proposed



● Site Location
 ▲ Camera location, field of view and direction.

Camera location:	Warsash Recreation Ground: SW corner of Tennis Courts E: 449669 N: 105753
Camera - site distance:	92m
Camera focal length (ref: 35mm full frame)	61mm
Date/Time taken	31/08/2021 14:10

Structure: 20m high Phase 7 Valmont Monopole with wraparound cabinet (1.6 x 0.75 x 1.6m). Colour RAL6009

Antennas: 3No. apertures 795 x 395 x 220 centred at 19.55m AGL
 3No. apertures 795 x 395 x 220 centred at 18.25m AGL
 3No. apertures 1500 x 500 x 170 centred at 16.60m AGL
 3No. apertures 1500 x 500 x 170 centred at 14.60m AGL

Cabinets: 1No. Link/AC Mk5 (1.2 x 0.6 x 1.6m)
 1No. Komodo cabinet (1230w x 480d x 1540h)
 1No. Bowler cabinet (1.9 x 0.66 x 1.82m)
 1No. H3G BBU cabinet (size TBC)
 1No. Wiltshire cabinet (2.0 x 0.75 x 1.6m)
 1No. EE BBU cabinet (size TBC)

Note: All cabinets coloured green RAL6009

Dishes: Proposed 2No. 600Ø transmission dishes mounted at c/1 12.86m on monopole.

Ancillaries: All ancillaries are housed within cabinets.

Feeders: Feeders & fibre run from cabinets to antennas, and cabinet interconnection cables all run in underground ducts and within the body of the monopole.

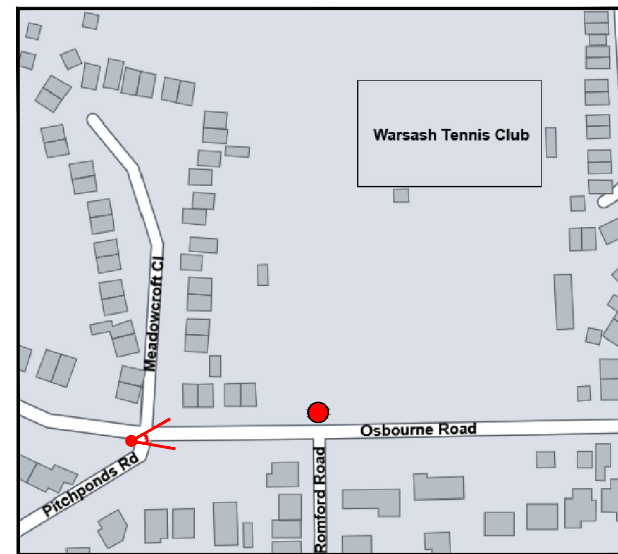
<p>WALDON TELECOM PHOENIX HOUSE PYRFORD ROAD WEST BYFLEET SURREY KT14 6RA</p> <p>TEL : 01932 411011 FAX : 01932 411012</p>					SITE No. 93269 SITE NAME WARSASH RECREATION GROUND		
					MBNL No. FHM065 TITLE PHOTOMONTAGE SHEET 1 OF 3		
					ADDRESS OSBOURNE ROAD SOUTHAMPTON HAMPSHIRE		
					POST CODE SO31 9GG	DRAWING No. 93269-PM-01	
ISS. JOB No. DESCRIPTION		Revid Date Appd Date		SCALE: As Shown			
DRAWN AS CHECKED NA APPROVED JB	DATE 06/09/21 DATE 06/09/21 DATE 06/09/21						



Existing



Proposed



● Site Location
 ▲ Camera location, field of view and direction.

Camera location:	Junction of Pitchponds Rd. and Osbourne Rd. (SW side) E: 449563 N: 105652
Camera - site distance:	90m
Camera focal length (ref: 35mm full frame)	60mm
Date/Time taken	31/08/2021 14:07

Structure: 20m high Phase 7 Valmont Monopole with wraparound cabinet (1.6 x 0.75 x 1.6m). Colour RAL6009

Antennas: 3No. apertures 795 x 395 x 220 centred at 19.55m AGL
 3No. apertures 795 x 395 x 220 centred at 18.25m AGL
 3No. apertures 1500 x 500 x 170 centred at 16.60m AGL
 3No. apertures 1500 x 500 x 170 centred at 14.60m AGL

Cabinets: 1No. Link/AC Mk5 (1.2 x 0.6 x 1.6m)
 1No. Komodo cabinet (1230w x 480d x 1540h)
 1No. Bowler cabinet (1.9 x 0.66 x 1.82m)
 1No. H3G BBU cabinet (size TBC)
 1No. Wiltshire cabinet (2.0 x 0.75 x 1.6m)
 1No. EE BBU cabinet (size TBC)

Note: All cabinets coloured green RAL6009

Dishes: Proposed 2No. 600Ø transmission dishes mounted at c/1 12.86m on monopole.

Ancillaries: All ancillaries are housed within cabinets.

Feeders: Feeders & fibre run from cabinets to antennas, and cabinet interconnection cables all run in underground ducts and within the body of the monopole.

waldon
 WALDON TELECOM
 PHOENIX HOUSE
 PYRFORD ROAD
 WEST BYFLEET
 SURREY
 KT14 6RA
 TEL : 01932 411011
 FAX : 01932 411012

ISS.	JOB No.	DESCRIPTION	Revd	Date	Appd	Date
A	93269	ISSUED FOR PLANNING: PHOTOMONTAGE	AS	06/09/21	JB	06/09/21
DRAWN	AS	CHECKED	NA	APPROVED	JB	
DATE	06/09/21	DATE	06/09/21	DATE	06/09/21	

SITE No.	93269	SITE NAME	WARSASH RECREATION GROUND
MBNL No.	FHM065	TITLE	PHOTOMONTAGE SHEET 2 OF 3
ADDRESS	OSBOURNE ROAD SOUTHAMPTON HAMPSHIRE		
POST CODE	SO31 9GG	DRAWING No.	93269-PM-02
SCALE:	As Shown	PURPOSE OF ISSUE:	PLANNING
		ISSUE	A

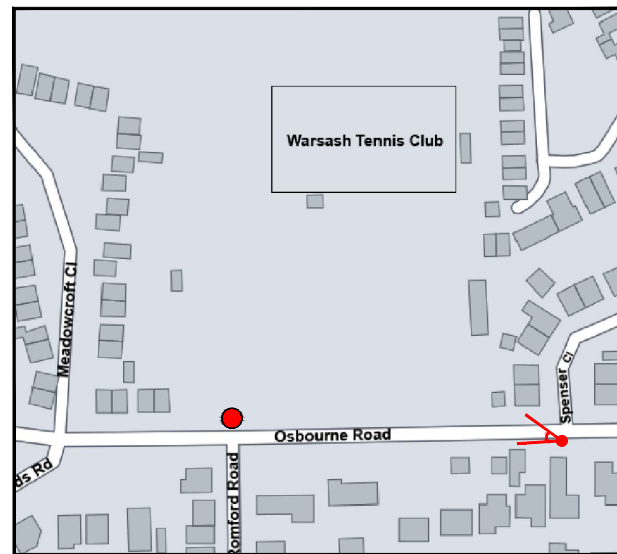




Existing



Proposed



● Site Location
 ↗ Camera location, field of view and direction.

Camera location:	Junction of Osbourne Rd. & Spenser Cl. (South side) E: 449778 N: 105659
Camera - site distance:	130m
Camera focal length (ref: 35mm full frame)	61mm
Date/Time taken	31/08/2021 14:17

Structure: 20m high Phase 7 Valmont Monopole with wraparound cabinet (1.6 x 0.75 x 1.6m). Colour RAL6009

Antennas: 3No. apertures 795 x 395 x 220 centred at 19.55m AGL
 3No. apertures 795 x 395 x 220 centred at 18.25m AGL
 3No. apertures 1500 x 500 x 170 centred at 16.60m AGL
 3No. apertures 1500 x 500 x 170 centred at 14.60m AGL

Cabinets: 1No. Link/AC Mk5 (1.2 x 0.6 x 1.6m)
 1No. Komodo cabinet (1230w x 480d x 1540h)
 1No. Bowler cabinet (1.9 x 0.66 x 1.82m)
 1No. H3G BBU cabinet (size TBC)
 1No. Wiltshire cabinet (2.0 x 0.75 x 1.6m)
 1No. EE BBU cabinet (size TBC)

Note: All cabinets coloured green RAL6009

Dishes: Proposed 2No. 600Ø transmission dishes mounted at c/1 12.86m on monopole.

Ancillaries: All ancillaries are housed within cabinets.

Feeders: Feeders & fibre run from cabinets to antennas, and cabinet interconnection cables all run in underground ducts and within the body of the monopole.

waldon
 WALDON TELECOM
 PHOENIX HOUSE
 PYRFORD ROAD
 WEST BYFLEET
 SURREY
 KT14 6RA
 TEL : 01932 411011
 FAX : 01932 411012

ISS.	93269	ISSUED FOR PLANNING: PHOTOMONTAGE	AS	06/09/21	JB	06/09/21
ISS.	JOB No.	DESCRIPTION	Revd	Date	Appd	Date
DRAWN	AS	CHECKED	NA	APPROVED	JB	
DATE	06/09/21	DATE	06/09/21	DATE	06/09/21	

SITE No.	93269	SITE NAME	WARSASH RECREATION GROUND
MBNL No.	FHM065	TITLE	PHOTOMONTAGE SHEET 3 OF 3
ADDRESS	OSBOURNE ROAD SOUTHAMPTON HAMPSHIRE		
POST CODE	SO31 9GG	DRAWING No.	93269-PM-03
SCALE:	As Shown	PURPOSE OF ISSUE:	PLANNING
		ISSUE	A



