



# BOROUGH OF RUSHMOOR

To the Mayor and Members of the Council,

**YOU ARE HEREBY SUMMONED** to attend a Meeting of the Council to be held at the Council Offices, Farnborough on **Thursday, 23rd February, 2023 at 7.00 pm** for the transaction of the business set out on the Agenda given below.

## A G E N D A

1. **MINUTES** – (Pages 1 - 6)

To confirm the Minutes of the Ordinary Meeting of the Council held on 8th December, 2022 (copy attached).

2. **MAYOR'S ANNOUNCEMENTS** –

3. **STANDING ORDER 8 - QUESTIONS** –

To receive any questions by Members submitted in pursuance of Standing Order 8 (3).

#### 4. **MAYOR-ELECT AND DEPUTY MAYOR-ELECT 2023/24 –**

At its meeting on 30th January 2023, the Corporate Governance, Audit and Standards Committee considered the nominations for Mayor-Elect and the Deputy Mayor-Elect for 2023/24 and made the following recommendations:

- (i) That Cllr C.P. Grattan be selected as Mayor-Elect for the Municipal Year 2023/24; and
- (ii) That Cllr Mara Makunura be selected as Deputy Mayor-Elect for the Municipal Year 2023/24.

#### 5. **RECOMMENDATIONS OF THE CABINET AND COMMITTEES –**

To consider the recommendations of the Cabinet and Corporate Governance, Audit and Standards Committee in relation to the following item(s):

##### 1) **Annual Capital Strategy 2023/24 – (Pages 7 - 22)**

To receive a report from the Corporate Governance, Audit and Standards Committee (copy attached – Annex 1) which recommends the approval of the Council's Capital Strategy for 2023/24 to 2025/26, including the Prudential indicators for capital finance for 2023/24. Cllr Peter Cullum, Chairman of the Corporate Governance, Audit and Standards Committee will introduce this item.

##### 2) **Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2023/24 – (Pages 23 - 58)**

To receive a report from the Corporate Governance, Audit and Standards Committee (copy attached – Annex 2) which recommends the approval of the Treasury Management Strategy and Non-Treasury Investment Strategy for 2023/24. Cllr Peter Cullum, Chairman of the Corporate Governance, Audit and Standards Committee will introduce this item.

##### 3) **Revenue Budget, Capital Programme and Council Tax Level – (Pages 59 - 96)**

To receive a report from the Cabinet (copy attached – Annex 3) which recommends the approval of the Revenue Budget, Capital Programme and Council Tax Level, including a recommendation on the Council Tax Support Scheme for 2023/24. Cllr D.E. Clifford, Leader of the Council will introduce this item.

##### 4) **Constitution Updates – (Pages 97 - 154)**

To receive a report from the Corporate Governance, Audit and Standards Committee, incorporating recommendations from the Development Management Committee (copy attached – Annex 4) which sets out proposed updates to the Council's Constitution, together with a summary of amendments since the last major review. Cllr Peter Cullum, Chairman of the Corporate Governance, Audit and Standards Committee will introduce this item.

6. **THE COUNCIL TAX 2023/24 – (Pages 155 - 158)**

To fix the level of Council Tax for the financial year 2023/24 taking into account precepts of Hampshire County Council, the Police and Crime Commissioner for Hampshire and Hampshire Fire and Rescue Authority. (A copy of the appropriate draft resolution is attached – Annex 5).

7. **QUESTIONS FOR THE CABINET –**

To receive any questions by Members to Cabinet Members submitted in accordance with the Procedure Note.

8. **REPORTS OF CABINET AND COMMITTEES – (Pages 159 - 190)**

To receive and ask questions on the Reports of the following Meetings (copy reports attached):

<b>Cabinet</b>	17th January, 2023 7th February, 2023
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**Committees**

Corporate Governance, Audit and Standards	28th November, 2022
Development Management	18th January, 2023
Corporate Governance, Audit and Standards	30th January, 2023

9. **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE AND POLICY AND PROJECT ADVISORY BOARD – (Pages 191 - 198)**

To note the Reports of the following meetings (copy reports attached):

Overview and Scrutiny Committee	1st December, 2022
Policy and Project Advisory Board	31st January, 2023

P. SHACKLEY  
Chief Executive

Council Offices  
Farnborough  
Hampshire GU14 7JU

Wednesday 15 February 2023

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# BOROUGH OF RUSHMOOR

**MEETING OF THE BOROUGH COUNCIL** held at the Council Chamber, Council Offices, Farnborough on Thursday, 8th December, 2022 at 7.00 pm.

The Worshipful The Mayor (Cllr J.H. Marsh) (in the Chair)  
The Deputy Mayor (Cllr C.P. Grattan)

Cllr A. Adeola	Cllr Gaynor Austin
Cllr Jessica Auton	Cllr Mrs. D.B. Bedford
Cllr Jib Belbase	Cllr J.B. Canty
Cllr C.W. Card	Cllr Sue Carter
Cllr M.S. Choudhary	Cllr D.E. Clifford
Cllr P.I.C. Crerar	Cllr Jules Crossley
Cllr P.J. Cullum	Cllr K. Dibble
Cllr A.H. Gani	Cllr Michael Hope
Cllr Peace Essien Igodifo	Cllr L. Jeffers
Cllr Prabesh KC	Cllr Mara Makunura
Cllr Nadia Martin	Cllr S.J. Masterson
Cllr T.W. Mitchell	Cllr A.R. Newell
Cllr Sophie Porter	Cllr M.J. Roberts
Cllr M.L. Sheehan	Cllr M.D. Smith
Cllr Sarah Spall	Cllr C. Stewart
Cllr P.G. Taylor	Cllr M.J. Tennant
Cllr Nem Thapa	Cllr S. Trussler

Apologies for absence were submitted on behalf of Cllr Christine Guinness, Cllr Marina Munro and Cllr Jacqui Vosper.

Before the meeting was opened, the Mayor's Chaplain, Major Ted Benneyworth, led the meeting in prayers.

## 24. **MINUTES**

It was **MOVED** by Cllr D.E. Clifford; **SECONDED** by Cllr M.L. Sheehan and

**RESOLVED:** That the Minutes of the Meeting of the Council held on 6th October 2022 (copy having been circulated previously) be taken as read, approved and signed as a correct record.

## 25. **MAYOR'S ANNOUNCEMENTS**

- (1) The Mayor reported that he had been sad to receive news of the passing of Honorary Alderman Colin Balchin, who had passed away on 9th November. Alderman Balchin had served as a Councillor for 32 years and his loyal and distinguished service had been recognised by the Council in 2014 when he was made an Honorary Alderman. He would be long remembered, having left a

lasting legacy through his contribution to community life and the well-being of the Borough.

- (2) The Mayor informed Members that former Councillor Pat Devereux had passed away on 5th December. She had spent the last few years of her life living in Brighton close to her family. Mrs Devereux had been elected to the Council in 1987 for Empress Ward and had served for nineteen years. She had been Mayor of the Borough in 1995/96 and had also served on Hampshire County Council. The Council's thoughts and sympathies were with her family.
- (3) On Sunday 13th November, the Mayor and Deputy Mayor had attended several wreath laying services and Services of Remembrance. The Mayor expressed appreciation to all Councillors and officers who had supported these important commemorative events.
- (4) On 1st December, the Mayor had hosted a reception in partnership with the Garrison and the Deputy Lieutenant for Surrey, Shahid Azeem, where a statement of goodwill and collaboration had been signed between Rushmoor and Rawalpindi, the home of the Pakistani Army. The event had marked the roles and importance that Aldershot and Rawalpindi played with their respective armies.
- (5) On Monday 5th December, the Mayor's Christmas Coffee Morning had been held at the Council Offices and had raised £218 for the Mayor's charities. The Mayor thanked all who had supported the event.
- (6) The Community Carol Service event, organised jointly by the Council, HQ Aldershot Garrison, Aldershot Town Football Club, Aspire Defence and Grainger, was to take place the following day, Friday 9th December, at the Royal Garrison Church of All Saints, Aldershot. In addition to the carol service at 6.30 pm, the event would include a giant snow globe, a brass band, food stalls and family entertainment from 5.00 pm. All were invited to attend.
- (7) The Mayor reported that Honorary Alderman John Debenham had been in touch to wish everyone a Merry Christmas and he wished to be remembered to the Council. Alderman Debenham, who had been a former Leader and Mayor of the Borough, reported that he was healthy and living at Knellwood.
- (8) The Mayor informed Members that his Charity Quiz night would be held at 7.00 p.m. on Friday 27th January at the Council Offices to raise funds for his charities. Further information would be circulated soon.
- (9) The Mayor reported that Ms Catriona Herbert, Corporate Manager – Legal Services, would be leaving the Council on 23rd January 2023, having been with the Council for just over four years. He thanked her for her service to the Council.
- (10) Also leaving the Council was Mr Andrew Colver, Head of Democracy and Community, after a very impressive 38 years of service for the Council.

Mr Colver had joined the Council in Summer 1984 as a Committee Assistant, progressing to the position of Head of Member Services and later Head of Democratic Services. Once a Head of Service, his responsibilities had expanded and he had led several different teams and services over the years. These had included the community safety team, building and property services, facilities and energy management, corporate policy, corporate communications, customer services and community development. However, the one constant had been Andrew's leadership of the Democracy Team and Electoral Services.

Mr Colver had excelled in the delivery and modernisation of the Council's elections and had been instrumental in developing a range of elections projects to increase voter engagement and turnout. In particular, there had been projects for early voting, internet voting and working to improve arrangements for military service electors.

In 2012, Mr Colver had been awarded an OBE for services to Local Government and this had been very much in recognition of the outstanding contribution he had made in the elections field.

More recently, Mr Colver had taken a leading role in the Council's response to the Covid Pandemic, successfully and tirelessly co-ordinating activity between the Council and its health and community partners. He had also taken a central role in supporting and leading arrangements for Rushmoor's international links and visits.

The Council thanked Mr Colver for his commitment to Rushmoor with a round of applause.

At this point, further votes of thanks were made by the Leader of the Council, Cllr Clifford and Cllr Dibble.

Mr Colver thanked Councillors and Officers for their good wishes.

## 26. **STANDING ORDER 8 - QUESTIONS**

The Mayor reported that no questions had been submitted under Standing Order 8.

## 27. **RECOMMENDATION OF THE CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE**

### **Protocol for the selection of Mayor and Deputy Mayor**

Cllr. P.J. Cullum introduced the Report of the Corporate Governance, Audit and Standards Committee meeting held on 28th November 2022, which recommended the approval of several changes to the protocol for the selection of the Mayor and Deputy Mayor. It was **MOVED** by Cllr. P.J. Cullum; **SECONDED** by Cllr Jessica Auton – That approval be given to the changes set out in the Report.

There voted **FOR: 34; AGAINST: 0; ABSTAINED: 2** and the Recommendation was **DECLARED CARRIED.**

28. **APPOINTMENT OF INTERIM EXECUTIVE HEAD OF FINANCE AS SEC 151 OFFICER**

Members were informed that the Council had a statutory requirement to appoint a Section 151 Officer (Chief Finance Officer) with responsibility for the administration of the financial affairs of the Council. Under the Officer Employment Procedure Rules, the designation of an officer as the Council's Section 151 Officer was made by the Council, and this report sought approval to designate the new Interim Executive Head of Finance as S151 Officer following the departure of the current Interim Executive Head of Finance.

**RESOLVED:** That the new Interim Executive Head of Finance, **MR. SIMON LITTLE** be appointed as the Council's Section 151 Officer from 3rd January, 2023.

29. **QUESTIONS FOR THE CABINET**

The Mayor reported that four questions had been submitted for response by Members of the Cabinet.

The first question had been submitted by Cllr Peace Essien Igodifo for response by the Operational Services Portfolio Holder regarding the measures the Council was taking to prioritise enforcement of housing standards in the Borough in the light of the recent death of Awaab Ishak as a result of prolonged exposure to mould in his home environment.

In response, Cllr M.L. Sheehan detailed the procedures currently in place and assured Members that Council officers would act swiftly in implementing them.

The second question had been submitted by Cllr Jules Crossley for the Major Projects and Property Portfolio Holder on opposition from local residents to the potential loss of trees in Farnborough town centre as a result of the Farnborough Civic Quarter Development.

In response, Cllr M.J. Tennant stated that the planning application for the Farnborough Civic Quarter was a live application and was subject to scrutiny and that it was, therefore, not appropriate to comment on this at this time. It was confirmed that the Rushmoor Development Partnership was committed to minimising the loss of trees as a result of the development and that the scheme demonstrated an overall net gain of biodiversity.

The third question had been submitted by Cllr Sophie Porter for the Operational Services Portfolio Holder on the number of prosecutions brought by the Council since 2010 against housing associations or private landlords in relation to mouldy and damp properties in the Borough.

In response, Cllr M.L. Sheehan stated that, whilst the Council had not instigated any prosecutions since 2010, the Private Housing Team had offered advice and, where required, taken enforcement action, including the issue of prohibition notices.



The fourth question had been submitted by Cllr Sophie Porter for the Operational Services Portfolio Holder on what steps the Council was taking to respond to the poor quality of Armed Forces family houses within the Borough.

In response, Cllr M.L. Sheehan stated that issues relating to military accommodation would be treated the same as any other housing in the Borough. It was confirmed, however, that there had not been many complaints received historically from military personnel and that the communications strategy in this respect would be reviewed to increase awareness.

30. **REPORTS OF CABINET AND COMMITTEES**

**RESOLVED:** That the Reports of the following meetings be received:

Cabinet	11th October 2022
Cabinet	15th November 2022
Corporate Governance, Audit and Standards Committee	26th September 2022
Development Management Committee	12th October 2022
Development Management Committee	9th November 2022

31. **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE AND POLICY AND PROJECT ADVISORY BOARD**

**RESOLVED:** That the Reports of the Policy and Project Advisory Board meetings held on 21st September 2022 and 23rd November 2022 and the Overview and Scrutiny Committee meeting held on 20th October 2022 be noted.

The meeting closed at 8.18 pm.

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**COUNCIL MEETING – 23RD FEBRUARY 2023**

**AGENDA ITEM NO. 5 (1)**

**ANNUAL CAPITAL STRATEGY 2023/24**

A report from the meeting of Corporate Governance, Audit and Standards Committee held on 30th January 2023.

**1 INTRODUCTION**

- 1.1 This report sets out the proposed Capital Strategy for the year 2023/24 to 2025/26, including the Prudential indicators for capital finance for 2023/24.
- 1.2 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.3 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.4 The Council follows best practice by adhering to the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017* (the CIPFA Code), incorporating any subsequent revised guidance. Subsequently the Council approves both a Capital Strategy and the related Treasury Management Strategy before the start of each financial year.

**2 PURPOSE**

- 2.1 The purpose of the Capital Strategy is to give an overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.2 The purpose of investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.3 The second main function of the Capital Strategy is to set the Prudential indicators for affordable, prudent and sustainable capital investment.

2.4 Appendix 1 sets out the Capital Strategy for 2023/24 to 2025/26 and fulfil key legislative requirements as follows:

- The **Capital Strategy** sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in accordance with CIPFA's Code of Practice on Treasury Management, the CIPFA Prudential Code and MHCLG guidance on local government investments.

2.5 These policies and parameters provide an approved framework within which officers undertake the day-to-day capital, treasury and non-treasury investment activities.

### **3 SCOPE**

3.1 This report covers the Council's capital management activities as set out in paragraphs 2.1 to 2.3 above. A summary of Treasury Management and commercial investments and the Council's borrowing requirements to fund the Capital strategy are set out. Prudential indicators are identified to set measures for affordability, prudent and sustainable. The funds invested consist of short-term cash available due to timing of income and expenditure, prudential borrowing and the Council's capital receipts.

3.2 The Council has incurred prudential borrowing of £105.4m in relation to its capital expenditure. Further borrowing to support the financing of its approved capital programme in 2022/23 will also be required. It therefore commences the year 2023/24 in a position where its investment holdings continue to remain significant, but it also carries some accumulating debt. In so far as future expenditure is not supported by Capital Receipts there will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

3.3 In November 2020 the Public Works and Loan Board (PWLB) issued new Lending Terms that were subject to further clarification in August 2021. This makes it a condition of access to the PWLB funding that Local Authorities have no intention to buy investment assets primarily for yield in the current and following two financial years. No expenditure has been incurred on the acquisition of such assets since November 2020 and the Council does not plan to incur expenditure on investment assets primarily for yield within the capital programme. The s151 Officer is required on application to the PWLB to submit strategic capital and financial plans covering a 3-year period.

3.4 Careful observation of the "gross debt v capital financing requirement" indicator will need to be undertaken progressively throughout the financial year.

3.5 Where a material change occurs to the attached strategies during the year a revised strategy will be presented to full council before the change is implemented.

#### **4 RECOMMENDATIONS**

4.1 The Council is recommended to approve the Capital Strategy for 2023/24 to 2025/26 and Prudential Indicators for 2023/24 at Appendix 1.

P.J. CULLUM  
CHAIRMAN OF THE CORPORATE GOVERNANCE, AUDIT AND  
STANDARDS COMMITTEE

**CAPITAL STRATEGY 2022/23****1 INTRODUCTION**

- 1.1 This capital strategy is a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed, and the implications for future financial sustainability.
- 1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report

**2 CAPITAL EXPENDITURE AND FINANCING**

- 2.1 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £20,000 (land and buildings) and £10,000 (plant, vehicles and equipment) are not capitalised and are charged to revenue in year. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred
- 2.2 In 2023/24, the Council is planning capital expenditure of £19.3m as summarised below:

**Table 1: Prudential Indicator: Estimate of Capital Expenditure in £ millions**

	<b>2021/22 Actual</b>	<b>2022/23 Forecast **</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
General Fund services	9.06	25.5	45.0	11.0	1.5
<b>TOTAL</b>	9.06	25.5	45.0	11.0	1.5

\*\* The forecast for 2022/23 is based the revised capital programme for 2022/23 and reflects the estimated out turn on all projects.

## APPENDIX 1

- 2.3 The main General Fund capital projects in 2023/24 includes Regeneration activity across 2 main sites - Union Yard (Aldershot) and The Meads (Farnborough). The capital programme for 2023/24 includes a further £11.6m of regeneration expenditure including loans to Rushmoor Homes Ltd of £5.9m.
- 2.4 In November 2020 the Public Works and Loan Board (PWLB) issued new Lending Terms that were subject to further clarification in August 2021. This makes it a condition of access to the PWLB funding that Local Authorities have no intention to buy investment assets primarily for yield in the current and following two financial years. No expenditure has been incurred on the acquisition of such assets since November 2020 and the Council does not plan to incur expenditure on investment assets primarily for yield within the capital programme.
- 2.5 The Council's capital programme is predominantly historically financed through prudential borrowing. The Council has adopted a strategy to generate capital receipts to as far as possible mitigate the current financing position given forecast level of prudential borrowing set out in the Treasury Management Strategy.
- 2.6 Several assets have been identified for disposal (subject to market appraisal) that would generate future capital receipts. The Council's Regeneration scheme in Farnborough (Civic Quarter) will require an approach to financing that will bring in capital receipts to provide funding for the infrastructure requirements and to facilitate and cash flow the wider site development.
- 2.7 Whilst the Council has undertaken an initial assessment of the potential capital receipts, there is considerable uncertainty around the timing and value therefore at this stage have not been included in the projections for capital receipts.
- 2.8 **Governance:** For service led capital projects Service managers prepare working papers to include projects in the Council's capital programme in line with the budget development timeline. The Finance service calculate the financing cost (which can be nil if the project is fully externally financed) so that the full cost of the project is understood. Larger property and regeneration projects are managed through the Council's regeneration and Property and Major Works programmes. These projects undergo scrutiny and review by the Project Board at different stages (e.g. feasibility, design, planning, due diligence) and costs and financing are reviewed by the finance service. All projects to be recommended for inclusion in the Capital programme appraised by the Executive Team before being included in the draft budget. The final capital programme is then presented to Cabinet early February and to Full Council in late February each year.

## APPENDIX 1

Variation to capital bids and new capital bids can be received during the year, usually on the basis of a business case or in relation to urgent and unforeseen works.

- For full details of the Council's Capital Programme, including the project appraisals undertaken, see: Appendix 3, FIN Revenue Budget, Capital Programme and Council Tax, as presented to Cabinet on 17 February 2023.

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

**Table 2: Capital financing in £ millions**

	<b>2021/22 Actual</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
External sources	5.26	3.4	4.5	1.5	1.0
Own resources	0.4	0.1	4.0	9.5	0.5
Debt	3.4	22.0	36.5	0.0	0.0
<b>TOTAL</b>	<b>9.06</b>	<b>25.5</b>	<b>45.0</b>	<b>11.0</b>	<b>1.5</b>

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

**Table 3: Replacement of debt finance in £ millions**

	<b>2021/22 Actual</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Own resources	2.5	2.7	2.4	2.6	3.4

- The Council's full Minimum Revenue Provision statement is available in Appendix 3, FIN2302 - Annual Treasury Management Strategy and Non-Treasury Investment Strategy



2.11 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase to £157.9m during 2023/24. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions**

	<b>2021/22 Actual</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
General Fund services	125.2	147.2	183.7	183.7	183.7
MRP	-2.5	-2.7	-2.4	-2.6	-3.4
IFRIC 4 Lease Adjustment	-0.4	-0.4	-0.4	-0.4	-0.4
<b>TOTAL CFR</b>	<b>122.3</b>	<b>144.1</b>	<b>180.9</b>	<b>180.7</b>	<b>179.9</b>

2.12 **Asset management:** The Council uses experienced asset managers (currently Lambert Smith Hampton Investment Management (LSHIM)) to provide services to support the Council's property portfolio. A new fixed asset management module within the finance system Integra is planned to go live during 2023 and will support the review and delivery of the Council's asset management plan. The plan will help ensure that the Council's capital assets are properly maintained and developed and continue to contribute effectively to the delivery of the Council's services, support the local economy or provide income in line with expectations

2.13 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects for a further 2 years until 2024/25 (subject to guidance from Government). Repayments of capital grants, loans and investments also generate capital receipts. The Council is forecasting to receive the following capital receipts over the medium term. Paragraphs 2.5 to 2.7 reference the Council's position around capital receipts.

Table 5: Capital receipts in £ millions

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Asset sales	0	0.5	4.10	13.40	0.0
<b>TOTAL</b>	<b>0</b>	<b>0.5</b>	<b>4.10</b>	<b>13.40</b>	<b>0.0</b>

### 3 TREASURY MANAGEMENT

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to decisions taken in the past, the Council currently has £105.4m borrowing at an average interest rate of 0.19% and £41.8m treasury investments at an average rate of 2.45%.
- 3.3 **Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between lower-cost short-term loans (currently available at around 3.75%) and long-term fixed rate loans where the future cost is known but higher (currently 4.5% to 5.5%).
- 3.4 Projected levels of the Council's total outstanding debt (which comprises borrowing and leases are shown below, compared with the capital financing requirement (table 4).

**Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions**

Gross Debt and the Capital Financing Requirement in £ millions	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt (incl. leases)	105.4	127.4	163.9	163.9	163.9
Capital Financing Requirement	122.3	144.1	180.9	180.7	179.9
Difference	-16.9	-16.7	-17.0	-16.8	-16.0

3.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

3.6 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity, minimise credit risk and maintain Market in Financial Instrument Directive II (MiFID II) status. This benchmark is currently £114.3m and is forecast to rise to £174.6m over the next three years.

**Table 7: Borrowing and Liability Benchmark in £ millions**

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Outstanding borrowing	105.4	127.4	163.9	163.9	163.9
Investment minimum	-10.0	-10.0	-10.0	-10.0	-10.0
Investments held that can be redeemed	-4.8	-23.9	-23.9	-23.9	-23.9
Liability benchmark	114.3	141.8	171.9	174.6	174.6

3.7 The table shows that the Council expects to remain borrowed below its liability benchmark.

3.8 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external

debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

**Table 8: Prudential Indicators: Authorised limit and Operational Boundary for External Debt in £ millions**

	<b>2022/23 limit</b>	<b>2023/24 limit</b>	<b>2024/25 limit</b>	<b>2025/26 limit</b>
Authorised limit – total external debt	143.2	170.7	200.8	203.5
Operational boundary – total external debt	138.2	165.7	195.8	198.5

- Further details on borrowing are contained in the Treasury Management Strategy – Appendix 1 FIN2302 Annual Treasury Management Strategy and Non-Treasury Investment Strategy being considered at the meeting of Corporate Governance, Audit and Standards Committee on 30 January 2023

3.9 **Treasury Management Investment Strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

3.10 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

**Table 9: Treasury Management Investments in £ millions**

	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Near-term investments	2.0	2.0	2.0	2.0	2.0
Longer-term investments	21.9	21.9	21.9	21.9	21.9
<b>TOTAL</b>	<b>23.9</b>	<b>23.9</b>	<b>23.9</b>	<b>23.9</b>	<b>23.9</b>

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

- Further details on Treasury Investments are contained in the Treasury Management Strategy - Appendix 1 FIN2302 Annual Treasury Management Strategy and Non-Treasury Investment Strategy being considered at the meeting of Corporate Governance, Audit and Standards Committee on 30 January 2023.

- 3.12 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Executive Head of Finance and staff, who must act in line with the treasury management strategy approved by Full Council. Year-end report and half-yearly reports on treasury management activity are presented to Corporate Governance, Audit and Standards Committee. CGAS committee is responsible for scrutinising treasury management decisions.

#### 4 NON-TREASURY INVESTMENTS FOR SERVICE PURPOSES

- 4.1 The Council makes investments to assist local public services, including making loans to local businesses to promote economic growth, the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break-even / generate a profit after all costs.

- 4.2 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Executive Head of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on Service Investments are contained in the Investment Strategy: Appendix 2 FIN2302 Annual Treasury Management Strategy and Investment Strategy being considered at the meeting of Corporate Governance, Audit and Standards Committee on 30 January 2023

#### 5 COMMERCIAL ACTIVITIES

- 5.1 Between 2016 and 2021 in the context of central government financial support for local public services declining, the Council undertook some investment in commercial properties purely or mainly for financial gain. These investments were acquired and managed in line with the Council's Commercial property strategy. Total commercial investments for 2023/24 are forecast to be £132.1m, the portfolio providing a net return after all costs of 3.5%.

- 5.2 With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures for commercial investments include level of competition, barriers to entry/exit, and future market prospects. For commercial properties, risks include quality and financial security of tenants, building quality and relevance.

These risks are managed by:

- Assessment of the relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
- Assessment of exposure to particular market segments to ensure adequate diversification
- Appointment of external advisor to manage designated commercial property investments
- Use of further external advisors if considered appropriate by the Executive Head of Finance
- Full and comprehensive report on all new investments to Cabinet
- Continual monitoring of risk across the whole portfolio and specific assets

5.4 With the introduction of revised PWLB lending terms the Council can confirm it has no intention to acquire investment assets primarily for yield in the current and following two financial years.

5.5 The Council will during 20223/24 revise its strategy to increasingly focus its commercial activities on housing and regeneration in line with the new code

5.5 **Governance:** Decisions on the day-to-day management of commercial investments are made by the Head of Service responsible for the Council's Property and Estates functions in line with the criteria and limits as set out in the Council's constitution. Property and most other commercial investments are also capital expenditure and will therefore also be approved as part of the capital programme approval process or as a result of a specific proposal or business case considered by the Cabinet and Council.

- Further details on Commercial Investments and limits on their use are contained in of the Investment Strategy: Appendix 2 FIN2302 Annual Treasury Management Strategy and Investment Strategy being considered at the meeting of Corporate Governance, Audit and Standards Committee on 30 January 2023.

## 6 LIABILITIES

6.1 In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit. It has also set aside funds to cover risks of Business Rate Appeals.

- 6.2 **Governance:** Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Executive Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by Finance and reported quarterly to committee. New liabilities exceeding £2m are reported to full council for approval/notification as appropriate.

**7 REVENUE BUDGET IMPLICATIONS**

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

**Table 10: Prudential Indicator: Proportion of Financing Costs to Net Core Revenue Stream in £ million**

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Financing Costs	2.0	2.2	2.5	2.5	3.2
Proportion of Net Core Revenue Stream	17.1%	19.1%	20.2%	22.4%	29.1%

Note: The indicator above shows that the proportion of financing costs to the net core revenue stream increases significantly from 2026/27. This is due to (a) the estimate of retained business rates being reduced down to the current baseline level and (b) the impact gross financing cost includes interest costs of the regeneration programme that in the construction phase are likely to be capitalised and from 2025/26 will be supported by income from the regeneration assets.



- 7.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Interim Executive Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because the net budget demand on the Council and the risks within the programme have been reviewed and are within the Council's risk appetite and tolerances.

### 8 KNOWLEDGE AND SKILLS

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Executive Head of Finance is a qualified accountant (Chartered Institute of Public Finance and Accountancy) with 20 years' experience of local government finance, the Property and Estates Service and Regeneration teams include permanent and contract resources who are appropriately qualified and including and number of Chartered Surveyors). The Council pays for staff to study towards relevant professional qualifications including CIPFA, ACT (treasury) and RICS..
- 8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and Lambert Smith Hampton Investment Management Ltd (LSHIM) as commercial property consultants as required depending on the nature of the professional advice sought This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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**COUNCIL MEETING – 23RD FEBRUARY 2023**

**AGENDA ITEM NO. 5 (2)**

**ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY INVESTMENT STRATEGY 2023/24**

A report from the meeting of Corporate Governance, Audit and Standards Committee held on 30th January 2023.

**1 INTRODUCTION**

- 1.1 This report sets out the proposed Treasury Management Strategy and Non-Treasury Investment Strategy for the year 2023-24, including the borrowing and investment strategies and treasury management indicators for capital finance for 2023-24 and the Minimum Revenue Provision Statement.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires approval of a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 The CIPFA Treasury Management Code of Practice 2021 Edition, requires the Authority to have a separate Non-Treasury Investment Strategy (Appendix 2) which must be approved before April 2022.
- 1.4 Local authorities are also required by regulation to 'have regard to' the provisions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) 2021.

**2 PURPOSE**

- 2.1 The primary purpose of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's low risk approach, pursuing optimum performance while ensuring that security of the investment is considered ahead of investment return. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure.
- 2.2 The secondary function of the treasury management operation is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure the Council can meet its capital spending

obligations. The management of longer-term cash may involve the arrangement of long and/or short-term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing).

- 2.3 Accordingly, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: *“The management of the Council’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*.
- 2.4 The primary purpose of non-treasury investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.5 The secondary function of investment management is to generate potential returns and monitor performance of returns on a regular basis.
- 2.6 The purpose of the indicators is to set a framework for affordable, prudent and sustainable capital investment.
- 2.7 The appendices (1 to 3) set out the Treasury Management Strategy, Investment Strategy and Minimal Revenue Provision Statement for 2023-24 and fulfil key legislative requirements as follows:

#### Appendix 1

- The **Treasury Management Strategy** which sets out how the Council’s treasury operation will support capital decisions taken during the period, the day-to-day treasury management and the limitations on activity through treasury prudential indicators, in accordance with CIPFA’s Code of Practice on Treasury Management and Prudential Code;
- The **Annual Borrowing Strategy** which sets out the Council’s objectives for borrowing together with the approved sources of long and short-term borrowing and;
- **Annual Treasury Management Investment Strategy** which sets out the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss, in accordance with CIPFA’s Code of Practice on Treasury Management.

#### Appendix 2

- The **Non-Treasury Investment Strategy** sets out the Council’s investment decisions taken during the period and monitors performance and security, in accordance with MHCLG Investment Guidance.

### Appendix 3

- The Council's **Minimum Revenue Provision (MRP) Statement**, which sets out how the Council will pay for capital assets through revenue each year, as required by the Local Government Act 2003 (Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003).

2.8 These policies and parameters provide an approved framework within which officers undertake the day-to-day capital, treasury and non-treasury investment activities.

## **3 SCOPE**

3.1 This report covers the Council's treasury management and investment activities as set out in paragraphs 2.1 to 2.5 above. The funds invested consist of short-term cash available due to timing of income and expenditure, prudential borrowing and the Council's capital receipts.

3.2 Arlingclose advice continues to indicate that the Council should diversify investment risk (spreading smaller amounts over an increasing number of counterparties) wherever possible.

3.3 The Council incurred no prudential code borrowing in 2021-22 in relation to its capital expenditure. Borrowing to support the financing of its approved capital programme in 2023-24 however will be required. The Council therefore commences 2023-24 in a position where its investment holdings continue to remain significant but also carries significant and accumulating debt. There will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

3.4 Careful observation of the "gross debt v capital financing requirement" indicator will need to be undertaken progressively throughout the financial year.

3.5 Where a material change to the attached strategies occurs during the year a revised strategy will be presented to Full Council before the change is implemented.

## **4 RECOMMENDATIONS**

4.1 The Council is recommended to approve:

- (i) Approval of the Treasury Management Strategy 2023-24, Annual Borrowing Strategy 2023-24 attached at Appendix 1, and
- (ii) Approve Annual Non-Treasury Investment Strategy attached 2023-24 at Appendix 2; and
- (iii) Approval of the Minimum Revenue Provision (MRP) Statement set out in Appendix 3.

P.J. CULLUM  
CHAIRMAN OF THE CORPORATE GOVERNANCE, AUDIT AND  
STANDARDS COMMITTEE

## TREASURY MANAGEMENT STRATEGY 2023-24

### 1 INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial 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 successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code. The Corporate Governance Audit and Strategy Committee is the nominated Committee responsible for the effective scrutiny of the Treasury Management Strategy and policies.
- 1.3 Investments held for service purposes or for commercial profit are considered in a separate part of this report, the Investment Strategy at **Appendix 2**.
- 1.4 This strategy covers:
- External context
  - Current borrowing and investment portfolio position
  - Annual Borrowing Strategy
  - Annual Investment Strategy
  - Performance Indicators

### 2 EXTERNAL CONTEXT

#### **Economic background (6 January 2023)**

- 2.1 The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

## APPENDIX 1

- 2.2 The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022, this followed the 0.75% rise in November which was the largest single rate hike since 1989 and the eighth successive rise since December 2021. The December decision was voted for by a 63 majority of the Monetary Policy Committee (MPC), with one of the two dissenters voting for no change at 3.0% rise and the one for just a larger rise of 0.75% rise.
- 2.3 The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 2.4 The UK economy contracted by 0.3% between July and September 2022, but the BoE forecasts Gross Domestic Product(GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.
- 2.5 CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%. However, the BoE has stated it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.
- 2.6 The labour market remains tight for now, with the most recent statistics showing the unemployment rate fell to 3.7%, driven mostly by a shrinking labour force. Earnings were up strongly in nominal terms by 6.1% for both total and regular pay but factoring in inflation means real pay for both measures was (2.7)%. Looking forward, the MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.



- 2.7 Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25 - 4.5%. This rise follows the fourth successive 0.75% rise in a pace of tightening that has seen rates increase from 0.25 - 0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.
- 2.8 Inflation has been rising consistently in the Euro Zone since the start of the year, hitting an annual rate of 10.6% in October 2022 before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of just 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.5% in December, following two consecutive 0.75% rises taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

### **Credit outlook:**

- 2.9 Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.
- 2.10 CDS price volatility has been higher in 2022 compared to 2021 and this year has seen a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.
- 2.11 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.
- 2.12 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

2.13 However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

### **Interest rate forecast (December 2022)**

2.14 The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

2.15 While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

2.16 Yields are expected to remain broadly at current levels over the medium-term, with 5,10 and 20 year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

2.17 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.

2.18 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 2.73%, and that new long-term loans will be borrowed at an average rate of 4.75%.

## **3 LOCAL CONTEXT**

3.1 On 31 December 2022, the Council held £100.0m of short-term borrowing, long-term liabilities of £1.7m and £27.9m of investments. This is set out in further detail below in table 3. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

## APPENDIX 1

Balance sheet (Capital Expenditure, Gross Debt and Capital Financing Requirement summary)	2021-22 Actual £m	2022-23 Forecast £m	2023-24 Budget £m	2024-25 Estimate £m	2025-26 Estimate £m
Debt (incl. leases)	101.7	115.4	128.7	128.2	128.0
Capital Financing Requirement	121.6	144.3	171.0	171.0	171.0
Difference	19.9	28.1	42.3	42.8	43.0
Investments	36.1	31.9	31.9	31.9	31.9

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 The Council has an increasing CFR due to the capital programme, stable level of investments and will therefore be required to borrow up to £27m over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2023-24 and following two financial years.
- 3.5 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as in the table above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 3.6 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

## APPENDIX 1

Liability Benchmark	2021-22 Actual	2022-23 Forecast	2023-24 Budget	2024-25 Estimate	2023/24 Estimate
Outstanding borrowing	100.0	115.0	128.0	128.0	128.0
Investment minimum	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Investments held that can be redeemed	(36.1)	(36.1)	(31.9)	(31.9)	(31.9)
Liability benchmark	73.9	73.1	86.1	86.1	86.1

- 3.7 Following on from the medium-term forecasts in the table above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £27m the first year, minimum revenue provision on new capital expenditure based on a 50-year asset life and income, expenditure and reserves all increasing by inflation of 4.25% a year.

Existing Investment & Debt Portfolio	Actual Portfolio at 31-Dec-22	Average Rate %
<b><u>External Borrowing</u></b>		
Local Authorities	100.0	0.63
<b>Other Long-term Liabilities</b>		
Leases	1.7	
<b>Total Gross External Debt</b>	<b>101.7</b>	
<b><u>Treasury Investments</u></b>		
<b>Managed In-house</b>		
Money Market Funds	6.0	0.97
<b>Managed Externally</b>		
CCLA LAMIT Property Fund	3.9	5.03
M&G Investments Strategic Corporate Bond Fund	5.0	2.53
UBS Multi-asset Fund	2.0	4.31
Kames Diversified Monthly Income Fund	4.0	2.21
Columbia Threadneedle Investments	5.0	4.55
Schroder Income Maximiser Fund	2.0	4.61
<b>Total Investments</b>	<b>27.9</b>	<b>2.73</b>
<b>Net Debt</b>	<b>73.8</b>	

## 4 CURRENT BORROWING & INVESTMENT PORTFOLIO POSITION

- 4.1 The Guidance on Local Government Investments in England gives priority to security and liquidity, and the Council's aim has been to achieve a yield commensurate with these principles. The Council continues to follow Arlingclose advice in the knowledge that whilst long-term interest rate forecasts remain low it should generate enhanced returns with counterparties other than banks and to invest across a diverse investment portfolio.

4.2 During 2021-22 the Council has generated returns from existing long-term pooled fund investments together with diversification within the Council's investment portfolio. The Council held the following investments on 31 December 2022:

- £22.2m in pooled funds (providing a balance across a range of 6 different types of funds).
- Various temporary investments of minor amounts held in Money Market funds all for durations of 6 months or less

The table above illustrates the Council's investment and debt portfolio position as at 31 December 2022.

## 5 ANNUAL BORROWING STRATEGY 2023-24

5.1 The Council currently holds £100.0m of loans, representing no change the previous year, as part of its previous strategy for funding prior years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £27m in 2023-24.

5.2 Capital expenditure in 2022-23 financial year includes expenditure on the Union Yard regeneration project. Prudential borrowing will therefore be required in order to achieve overall financing. The Council will incur some further borrowing during 2023-24 in order assist in the financing of its capital programme.

5.3 In order to manage the risk associated with borrowing to fund capital expenditure on 15 November 2022 Cabinet agreed new capital principles:

- All new capital investment priorities should be funded from either capital receipts or external sources (grants)
- The financing of new capital investment should focus on ensuring borrowing is limited to the lowest possible value

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

## APPENDIX 1

- 5.5 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is more cost effective to borrow in the short-term to either use internal resources, or to borrow short-term loans instead. The Council is anticipating undertaking refinancing of some of its existing debt portfolio as it becomes due and move a proportion of the debt to longer-term more stable interest rates.
- 5.6 By adopting this approach, the Council is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk. The benefits of internal/short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years, however long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023-24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 5.7 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 5.8 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 5.9 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 5.10 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are summarised below:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - Money market loans (long term & temporary)
  - Any bank or building society authorised to operate in the UK
  - UK Local Authorities
  - UK public and private sector pension funds (except the Local Government Pension Scheme administered by Hampshire County Council)
  - Capital market bond investors
  - UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues.
  - Lottery monies

5.11 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

5.12 The Council has previously raised the majority of its borrowing from Local Authorities, but it continues to investigate other sources of finance, that may be available at more favourable rates.

5.13 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment if the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

5.14 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators in Section 7.

## 6 [ANNUAL TREASURY MANAGEMENT INVESTMENT STRATEGY 2023-24](#)

6.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. As at 31 December 2022 the Council's investment balance stood at £27.4m. The Council estimates that the level of investment held in Money Market Funds (MMFs) will increase to £10m at the financial year end. In future years the Council estimates to hold on average £25m.

- 6.2 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 6.4 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to maintain a diverse range of secure and/or higher yielding asset classes during 2023-24. The Authority expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 6.5 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 6.5 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 6.6 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown. The schedule of approved counterparties is underpinned by a detailed list of named counterparties. This list is maintained within Financial Services for treasury management operational purposes.



Sector	Time limit Years	Counterparty Limit £m	Sector Limit £m
Local authorities & other government entities	25	10	Unlimited
Money market funds*	N/a	7	30
Strategic pooled funds	N/a	5	30

\* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise, the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

- 6.7 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 6.8 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 6.9 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 6.10 Investments may be made with banks or any public or private sector organisations that meet the above credit rating criteria. The Council may also invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management adviser.
- 6.11 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 6.12 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £2 million on 31 March 2023. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £7 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries. Detail of investment limits are given in table 4 above.
- 6.13 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify the Council of changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made with that entity
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 6.14 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 6.15 **Liquidity management:** The Council reviews cash flow daily to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.
- 6.16 **Other Information on the Security of Investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 6.17 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not reflected in general credit-ratings. In these circumstances, where the Council feels the whole market has been affected, it will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

## 7 TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 7.1 The Treasury Management Code requires that local authorities set a number of indicators for treasury management performance, which have been set as below. A voluntary measure for credit risk as set out in paragraph 7.2
- 7.2 **Credit Risk (Credit Score Analysis):** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

The advice from Arlingclose is to aim for an average A-, or higher, average credit rating, with an average score of 7 or lower. The scores are weighted according to the size of our deposits (value-weighted average) and the maturity of the deposits (time-weighted average).

Credit risk indicator	Target
Portfolio average credit rating	A-
Portfolio average credit score	7.0

- 7.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount cash available within a rolling three-month period, without additional borrowing

Liquidity risk indicator	Target
Total cash available within 3 months	£1m

- 7.4 **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£500,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£500,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

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

Maturity Structure	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 7.6 **Principal Sums Invested for Periods Longer than a Year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Principal Sums Invested	2023-24	2024-25	2025-26
Limit on principal invested beyond year end at any one time	£90m	£90m	£90m

### 8 RELATED MATTERS

8.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.

8.2 **Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk, and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

8.3 **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Executive Head of Finance believes this to be the most appropriate status.

- 8.4 **Investment Training:** The investment training needs of the Council's treasury management staff are assessed on a continuous basis, discussed as part of the staff development reviews and reviewed as the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

- 8.5 **Financial Implications - Investments:** The budget for investment income in 2023-24 is £1.25m (gross of borrowing interest), based on an average investment portfolio of £30m at interest rates ranging from 0.01% liquid MMF and other short-term investments to 6.9% on the highest yielding long-term pooled investment fund. Performance of investments against budget will be reviewed on an ongoing basis and as part of our quarterly budget monitoring process.

- 8.6 **Financial Implications - Borrowing:** The budget for interest costs in relation to borrowing in 2023-24 is £4.6m (not including IFRIC 4 lease accounting interest). It is determined using the current average rate of interest on borrowing incurred for 2022-23 and taking into account recent interest rate movements and the borrowing strategy. The Council's actual borrowing at the end of 2023-24 is estimated to be in the region of £127m

- 8.7 **Other Options Considered:** The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Executive Head of Finance continues to believe that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain

## APPENDIX 1

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

### Arlingclose Economic and Interest Rate Forecast – December 2022

#### **Underlying assumptions:**

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short-term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.



**Forecast:**

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

**PWLB Standard Rate (Maturity Loans)**

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

### ANNUAL NON-TREASURY INVESTMENT STRATEGY 2023-24

#### 1 INTRODUCTION

- 1.1 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
  - to support local public services by lending to or buying shares in other organisations (**service investments**), and
  - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

#### 2 SERVICE IMPROVEMENTS: LOANS

- 2.1 **Contribution:** The Council lends money to its subsidiaries, local businesses, and its employees to support local public services and stimulate local economic growth. The Council is a funding partner of Farnborough International Limited. The loans have enabled the development of the Farnborough International exhibition and conference centre. Expanding the exhibition and conferencing capabilities in Farnborough brings increased economic capacity to the Borough and is a reinvestment in local business. The Council established a Wholly Owned Company (WOC) subsidiary, Rushmoor Homes Limited (RHL), in April 2020. The Council will lend to RHL at a commercial rate to enable procurement of property.
- 2.2 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

## Loans for service purposes in £ millions

Category of Borrower	2021-22	2022-23	2023-24
	Actual £m	Forecast £m	Estimate £m
Local businesses	6.7	6.7	6.7
Subsidiaries & Partnerships	0.7	1.2	3.0
Employees	0.1	0.1	0.1
<b>Total</b>	<b>7.5</b>	<b>8.0</b>	<b>9.8</b>

- 2.3 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 2.4 **Risk assessment:** The Council assesses the risk of loss before entering into lending agreements and whilst holding service loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help meet and how these will evolve over-time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Executive Head of Finance. All loans will be subject to contract agreed by the Corporate Manager – Legal Services. All loans must be approved by full Council and will be monitored by the Executive Head of Finance.
- 2.5 **FIL loan interest deferral:** The Council has two loan agreements with FIL. As reported to members in the Revenue Budget Monitoring Report for P1 (FIN2115) the Council and the other funding consortium funding partners as part of the original FIL loan agreed to defer interest payments to provide cashflow support to Farnborough International Limited (FIL) following the cancellation of the 2020 Airshow. A revised Intercreditor Agreement was signed during 2021 that includes the capitalisation of interest and deferral of repayments to the public sector funding partners by 2 years. The first loan repayments will now be due in June 2026 with a further payment in June 2028. Therefore, the Council will not receive the full payment of interest covering the period from March 2020 to March 2022 until March 2024 subject to the covenant agreements within the agreement being met.

3 SERVICE INVESTMENTS: SHARES

- 3.1 **Contribution:** The Council invests in the shares of its subsidiary Rushmoor Homes Limited and holds a financial share in a development partnership, Rushmoor Development Partnership (RDP), as vehicles which can be used to support development in housing and regeneration and support local public services and stimulate local economic growth.
- 3.3 The Rushmoor Development Partnership (RDP) was established to assist the Council to redevelop sites in Farnborough and Aldershot. In particular, it directly contributes to the delivery of the following Place Making strategic objective which underpins the Vision: “Great Places to Live – to make Aldershot and Farnborough town centres great places to live with a wide variety of quality new homes attractive to a diverse range of people”
- 3.4 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

**Shares held for service purposes in £’s**

Category of company	2022-23 Forecast £	2023-24 Estimate £
Subsidiaries and Partnerships	100	100

- 3.5 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding shares in line with paragraph 41 of *Capital Finance: Guidance on local government investment (third edition)*
- 3.6 The Council has good knowledge of the RDP intended developments. RDP is effectively a closed market, and it will provide development in accordance with agreement between the Council and the developer. Competition has effectively been evaluated at the time of the creation of RDP. The Council considers that RDP (an LLP) is an appropriate mechanism to undertake development. Hence, the barriers to entry have been lifted (by creation of RDP) and barriers to exit are eliminated because RDP has a specific set of defined initiatives and project plans from the RDP need to be agreed by the Council.
- 3.8 The Council used three external advisors regarding the potential for creation and development of the WOC and development of the RDP. These three advisors are Freeths (legal and financial advice), Regenco (housing and economic advice) and Arlingclose (treasury management and financial advice).

## APPENDIX 2

- 3.9 The Council observes strict procedure regarding its procurement of external advisors. They are appointed utilising specific competitive tendering procedure processes, relevant to the category of advice and guidance that is sought. Maintenance of the quality of advice is reviewed within the relatively frequent tender engagement process.
- 3.10 In the circumstances of RDP no credit ratings have been used.
- 3.11 The RDP Investment Team will monitor developments undertaken by the RDP to ensure minimisation of risk. Developments would not be agreed if there were considerations that insufficient financial return would be delivered. The developer would not participate in any venture that did not deliver financial return. Both partners are insistent on the creation of specific and clearly defined development plans for all sites. Experience and advice from the developer is paramount to assess and monitor risk for each development.
- 3.12 **Liquidity:** RDP funds will be committed for an estimated period of 10 years.
- 3.13 **Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

## 4 COMERCIAL INVESTMENTS: PROPERTY

- 4.1 **Contribution:** The Council has investments in local and regional commercial and residential property with the intention of making a profit that will be spent on local public services.
- 4.2 In November 2020 the Public Works and Loan Board (PWLB) issued new lending terms (subsequently clarified in August 2021) making it conditional that Local Authorities have no intention to buy investment assets primarily for yield in the current and follow two financial years. To access this facility the Council revised its capital programme and will not be acquiring any further investment assets primarily for yield.

## Property held for investment purposes in £millions

Property by type	31-Mar-22 Actual		
	Purchase Cost £m	Gains / (Losses) £m	Value in Accounts £m
Industrial Units	51.8	7.5	59.3
Offices	36.6	(3.9)	32.7
Retail	31.6	(4.9)	26.7
Caravan Park	0.3	3.1	3.4
Petrol Stations	2.3	0.3	2.6
Waste Recycling	1.0	0.2	1.2
Mixed Use	0.2	0.2	0.4
Other	0.3	-	0.3
<b>Total</b>	<b>124.1</b>	<b>2.5</b>	<b>126.6</b>

Property by type	31-Mar-23 Expected		
	Purchase Cost £m	Gains / (Losses) £m	Value in Accounts £m
Industrial Units	51.8	-	59.3
Offices	35.9	-	32.1
Retail	31.6	-	26.7
Caravan Park	0.3	-	3.4
Petrol Stations	2.3	-	2.6
Waste Recycling	1.0	-	1.2
Mixed Use	0.2	-	0.4
Other	0.3	-	0.3
<b>Total</b>	<b>123.9</b>	<b>-</b>	<b>126.0</b>

The change in office purchase cost and value in the accounts relates to the sale of Wellesley House in December 2022

- 4.4 **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
- 4.5 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

- 4.6 Should the 2021/22 year-end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to Full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 4.7 *Where value in accounts is below purchase cost:* The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council will therefore take mitigating actions to protect the capital invested. These actions include:
- Quarterly review of the portfolio
  - Consideration of advice from the Council's commercial property advisers by the Council's Property Investment Advisory Group (PIAG). Currently is agreed that the best course of action is to hold the majority of the assets as values will increase over the long term and most assets within the portfolio are considered sound with strong covenants/dependable income streams. Assets identified for disposal will be taken forward to market.
- 4.8 **Risk assessment:** The Council assesses the risk of loss before entering and whilst holding property investments by:
- Assessment of the relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
  - Assessment of exposure to particular market segments to ensure adequate diversification
  - Use of external advisors if considered appropriate by the Executive Head of Finance
  - Full and comprehensive report on all new investments to Cabinet
  - Continual monitoring of risk across the whole portfolio and specific assets
- 4.9 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert into liquid asset at short notice and will be subject to market conditions in terms of timescales involved. However, to ensure that invested sums could be accessed when they are needed the portfolio will be regularly reviewed and prioritised to ensure that commercial property could be sold as a going concern within a period of six months.

## 5 LOAN COMMITMENTS AND FINANCIAL GUARANTEES

- 5.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
- 5.2 The Council has contractually committed £6.8m of loans to RHL for 2023-24 and £2.9m for 2023/24.

### 6 PROPORTIONALITY

- 6.1 The Council has become increasingly dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Strategy. Should it fail to achieve the expected net profit, the Council has earmarked reserves available to cover any immediate shortfall in income. The Head of Service responsible for the Council's property and estates functions would review the cause of any shortfall and identify any actions needed to ensure the income shortfall is mitigated or remedied.
- 6.2 With the introduction of the revised PWLB lending terms, the Council has no intention to purchase investment assets primarily for yield in the current and following two financial years. With no further expenditure planned on investment assets primarily for yield the proportion of investment to Gross service expenditure will fluctuate as a result of changes in investment income from existing holdings and changes in Gross service expenditure.

### 7 BORROWING IN ADVANCE OF NEED

- 7.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.
- 7.2 The Council may, in supporting the delivery of the Council's Capital Programme, borrow in advance of need where it is expected to demonstrate the best longer-term value for money position. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated (ie: the cost of holding does not outweigh the benefits of early borrowing) and that the Council can ensure the security of such funds.
- 7.3 The Council is aware that it will be exposed to the risk of loss of the borrowed sums, and potential interest rate changes. These risks will be managed as part of the Council's overall management of its treasury risks and will be reported through the standard reporting method.

### 8 CAPACITY, SKILLS AND CULTURE

- 8.1 **Elected members and statutory officers:** The Council recognises that those elected Members and statutory officers involved in the investment decision making process must have appropriate capacity, skills and information to enable them to:
- take informed decisions as to whether to enter into a specific investment;



- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

The Council will ensure that the relevant officers and the Members of Cabinet have appropriate skills, providing training and advisor support where there is a skills gap.

- 8.2 **Agents:** Lambert Smith Hampton Investment Management (LSHIM) were appointed as the Council's external investment advisor during 2019/20. LSHIM manage property investment portfolios for institutions, local authorities, and private family offices. The LSHIM investment team are all RICS qualified and have significant combined commercial experience. The assigned investment team can call on the wider expertise and resource of the parent company (Lambert Smith Hampton-LSH) that have offices throughout the UK
- 8.3 **Commercial deals:** The Council will ensure that the Cabinet, officers and agents negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- 8.4 **Corporate governance:** Any investment decisions will be scrutinised by Executive Leadership Team, Property Investment Activity Group (PIAG) and Cabinet before final approval. The Overview and Scrutiny committee review all decisions made by the Cabinet. Although after the event the Committee can make any recommendations to the Council if it sees fit.

## 9 INVESTMENT INDICATORS

- 9.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 9.2 **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Total Investment Exposure £m	31-Mar-22 Actual	31-Mar-23 Forecast	31-Mar-24 Forecast
Treasury Management Investments	36.1	27.9	27.9
Service Improvement: Loans	7.8	7.9	7.9
Service Improvement: Shares	-	-	-
Commercial Investments: Property	126.6	126.0	126.0
<b>Total</b>	<b>170.5</b>	<b>161.8</b>	<b>161.8</b>

- 9.3 **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 £m	31-Mar-22 Actual	31-Mar-23 Forecast	31-Mar-24 Forecast
Treasury management investments	-	-	-
Service investments: Loans	7.8	27.8	27.8
Service investments: Shares	-	-	-
Commercial investments: Property	92.2	92.2	92.2
<b>Total</b>	<b>100.0</b>	<b>120.0</b>	<b>120.0</b>

- 9.4 **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. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investments net rate of return £m	2021-22 Actual	2022-23 Forecast	2023-24 Forecast
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## APPENDIX 2

Treasury management investments <sup>1</sup>	2.97%	4.35% <sup>2</sup>	4.35%
Service investments: Loans <sup>3</sup>	0%	0%	0%
Commercial investments: Property	5.2%	5.2%	5.2%
All Investments	4.63%	5.1%	5.1%

- 9.5 Treasury management returns are forecast to continue to recover in 2022-23 due to increased interest rates. Service investment loan returns are forecast to remain low during 2023-24 due to the interest deferral on Farnborough International Limited loan, which the Council entered into as part of a funding consortium.

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1 This is income only return, uncrystallised capital gain is excluded

2 Based on return 31<sup>st</sup> December 2022

3 Due to the renegotiation of the Farnborough International loan, meaning interest is not due until later years

### MINIMUM REVENUE PROVISION STATEMENT 2023-24

- 1.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. This statement only incorporates options recommended in the Guidance.
- 1.4 For any unsupported capital expenditure incurred after 31 March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure for all other assets or on capital expenditure not related to fixed assets but which has been capitalised by regulation or direction (revenue expenditure financed by capital under statute), will be charged over the useful economic life (UEL) of the asset up to a maximum of 50 years. MRP will be applied in the year following expenditure was incurred.
- 1.5 For assets acquired by finance lease or private finance initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 1.6 Where former operating leases have been brought onto the balance sheet on 1st April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard
- 1.7 Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead.

- 1.8 At the commencement of 2022-23 the Council had, a Capital Financing Requirement (CFR) of £121.9m in relation to a specific elements of capital expenditure incurred in the previous financial year (2021-22). The Council has incurred further amounts of capital expenditure in 2022-23 and will need to engage in an element of Prudential Code borrowing in that financial year to achieve total financing of its capital programme. It is inevitable therefore that the borrowing that is required in 2022-23 will require MRP to be charged to the Council's General Fund Revenue Account in 2023-24 and future years.
- 1.9 Capital expenditure incurred during 2023-24 will not be subject to MRP charge until 2024-25
- 1.10 Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2023, the MRP budget for 2023-24 has been set at (£2.0m).
- 1.11 **Overpayments:** In earlier years, the Authority has made voluntary overpayments of MRP that are available to reduce the revenue charges in later years. No further overpayment is planned.

MRP Overpayments	£m
Actual balance 31-Mar-22	0.45
Approved overpayment 2022-23	nil
Expected balance 31-Mar-23	0.45
Planned overpayment 2023-24	nil
Forecast balance 31-Mar-24	0.45

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**COUNCIL MEETING – 23RD FEBRUARY 2023****AGENDA ITEM NO. 5 (3)****REVENUE BUDGET, CAPITAL PROGRAMME, AND COUNCIL TAX LEVEL**

A report from the meeting of Cabinet held on 07 February 2023

**1. INTRODUCTION**

- 1.1 This report sets out the key factors taken into account in preparing the budget plans for Rushmoor Borough Council for 2023/24.

**2. BACKGROUND**

- 2.1 Cabinet approved the budget framework set out in the Budget Strategy 2023/24 report on [15 November 2022 \(FIN2234\)](#).

- 2.2 The budget and MTFs have been prepared in the context of ongoing pressure on the Council's finances. The residual impact from Covid-19, the war in Ukraine, restrictions on the supply chain (particularly from China), the ongoing reset of the UK economy following Brexit, all contributing to the high inflation and the cost-of-living crisis means the economic context is subject to considerable uncertainty. The continuation of constraints in government funding (both in terms of the level of funding and duration) adds to this uncertainty which restricts the Councils ability to financially plan for the medium to long term.

Local Government Finance Settlement 2023/24

- 2.3 The provisional settlement for 2023/24 was announced on 19 December 2022 proceeded by a Local government finance policy statement 2023-24 to 2024-25, on 12 December which attempted to provide some policy context for the two years. The settlement was better than had been feared as Government tried to reflect the additional costs due to high inflation and smooth some of the impact of high levels of Government borrowing during the pandemic. Significant changes to local government finance have been delayed for at least two years with the Government indicating that the funding pot will only be increasing by 1% from 2025/26, potentially placing local authorities under additional pressure as they attempt to maintain services to local people.
- 2.4 The government's consultation on the settlement closed on 16 January 2023 with the final settlement due to be confirmed shortly. This report has been prepared based on figures contained within the provisional local government finance settlement and are not expected to change.
- 2.5 The provisional settlement provided the total funding expectations for local government outlined in the Budget and Spending Review 2021, however, the redistribution of business rates and reform of social care were deferred until 2025.

- Confirmation of the Council Tax referendum principle of 3% or £5 (whichever is higher) for shire districts and boroughs
- New Homes Bonus scheme continues for a further year, but at a lower level of funding
- Rural Services Delivery Grant maintained
- Increased Social Care Funding
- Lower Tier Services Grant was removed
- The Services Grant allocations to provide additional funding for all tiers of local government was continued, but at a lower level of funding
- Continuation of the approach to eliminating negative RSG and an uprating of the Settlement Funding Assessment (SFA)
- Some grants related to Council Tax Support have been rolled into the Revenue Support Grant
- A 3% increase of Core Spending Power, minimum funding guarantee
- Business Rates revaluation was implemented., however the Business Rates Multiplier was frozen at 49.9p for the third year.
- The Business Rates reset has been deferred to, at least 2025/26.

2.6 The MTFS continues to provide a risk-based General Fund balance of £2m being the minimum expected level for total working balances.

### **3. 2022/23 BUDGET Monitoring**

#### Revenue Budget

3.1 Forecast overspend on service expenditure is £0.692m in 2022/23, which is indicative of the pressures caused by the high level of inflation experienced during 2022, particularly energy costs and the higher-than-expected national pay award. The Council is mitigating some of the overspend by a reduction in the contribution to reserves for pension contribution risk £0.500m, due to the outcome of the triennial review of the Pension Fund removing that risk. Any residual overspend will be covered by earmarked reserves set aside to manage risk of this nature.

3.2 Because the overspend is a permanent increase in cost, the inflation figure on £2.197m in 2023/24 MTFS includes both the additional inflation experienced in 2022/23 and the expected increases in 2023/24.

3.3 A full analysis of actual under and overspends will be part of the 2022/23 outturn report to Cabinet in July 2023.

#### Capital Budget

3.4 The revised Capital Budget was £41.326m, with current forecast that actual spend will be 25.487m. The main reasons for the underspend are mainly due to the delayed expenditure in respect of The Galleries, RHL projects, The Civic Quarter and also a lower level of expenditure than anticipated on Union Yard.

3.5 However, the revised Capital Programme as set out in Appendix 3, includes any schemes deferred. If there are any slippages identified at year end a separate request, as part of the outturn report will be made.



#### **4. MEDIUM TERM FINANCIAL STRATEGY 2023/24 TO 2026/27**

- 4.1 The residual impact from Covid-19 on service expenditure and income, the war in Ukraine, restrictions on the supply chain (particularly from China), the ongoing reset of the UK economy following Brexit, all contributing to the high inflation and the cost of living crisis and the continuation of constraints in government funding (both in terms of the level of funding and duration) means the budget and medium-term are subject to considerable uncertainty. The continuation of constraints in government funding (both in terms of the level of funding and duration) adds to this uncertainty which restricts the Council's ability to financially plan for the medium to long term.
- 4.2 Portfolio budgets have been updated for 2023/24, along with forecasts of Corporate Items. Inflationary provision has been included as a separate item and assumes:
- Pay inflation of 5% and an assumption of the impact of pay increments
  - Price inflation on major contracts, utilities, and IT costs (in-line with the approach set out in the Budget Strategy). Additional inflationary provision has been made in the budget and across the MTF period recognising energy price rises.
- 4.3 Fees and Charges have been reviewed in accordance with the approved methodology for the annual review of fees and charges made for Council services ([FIN1624](#)). An increase of 12.4% has been reflected in fees and charges that are increased in-line with the annual increase in the RPIX inflation rate. Budget holders are required to review the fees and charges as part of the budget setting process to ensure they are set at an appropriate level and that charges are transparent and show a clear methodology for their increase.
- 4.4 The estimates for 2023/24 includes changes to service income and expenditure budgets that are summarised below. Income and cost pressures have been reviewed given the financial pressures faced by the Council. In most cases, budget estimates have only been amended where the impact is unavoidable – either through inflationary pressure (pay and contractual), which for 2023/24 is considerable, with additional allocations any pay award up to 5% and inflation risk or where there is a projected income shortfall.
- 4.5 As with the Revised Estimates for 2022/23, the summary above excludes the impact of changes in Support Service charges, Capital Charges and Pension Accounting charges. A detailed analysis of the budget changes will be shown in the Council's 2023/24 Budget Book which will be available in March 2023.

##### Budget Pressures

- 4.6 Inflationary provision has been set aside of £2.186m to reflect the additional costs generated from the current economic situation, including contract inflation and energy costs. Additional service budget will be distributed after the additional cost has been demonstrated and that any mitigations have been identified.
- 4.7 Other items of supplementary expenditure may be proposed during 2023/24 as the Council reacts to changing conditions or levels of demand, for example. Given the financial pressures facing the Council and the funding gap across the MTF period, each item will be reviewed individually prior to any formal decision, in line with

current financial regulations. Given the financial pressures it is anticipated that any such requests will be reviewed in the context of ongoing need for budgetary control and the need to deliver further cost reductions. Therefore, consideration will only be given to essential expenditure and agreed priority areas only.

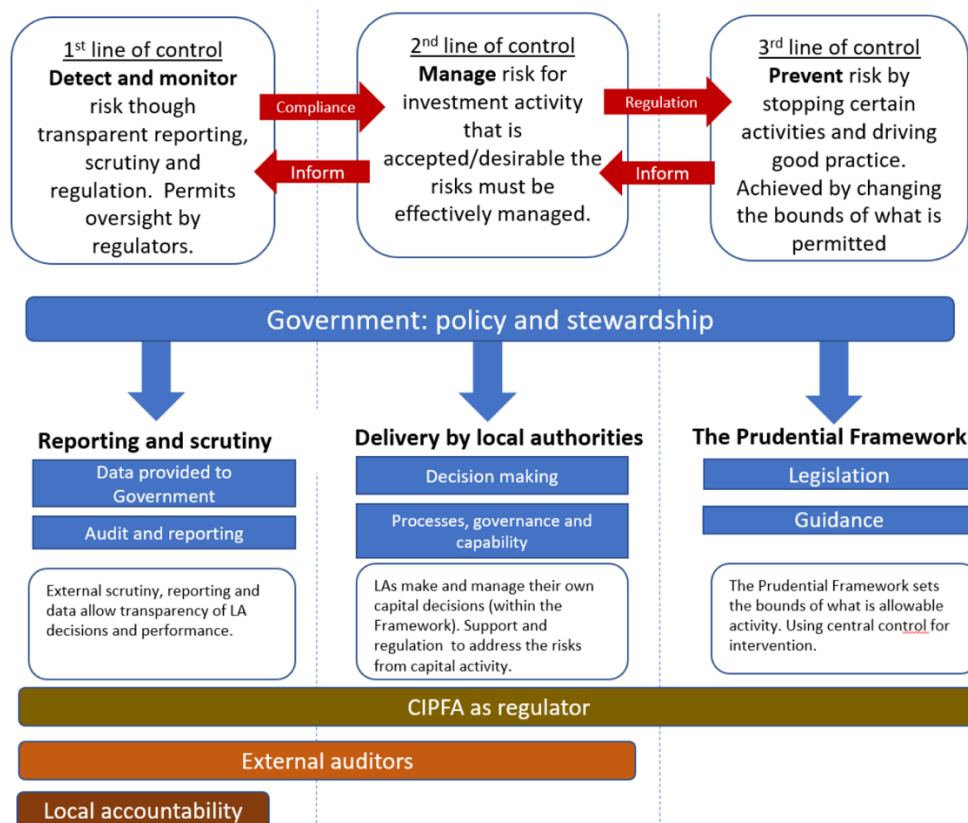
#### Non-Service Expenditure and Income

- 4.8 Corporate Items covers the non-service revenue expenditure and income that is included in the Council's General Fund. Non-Service budgets for 2023/24 of £1.821m are proposed and increase to £2.597m, £3.006m and £4.543m over the MTFS period. Specific budgets covering the Council's Treasury Management activities, approach to the revenue implications of capital financing, and planned reserve transfers are set out below in more detail.

#### Treasury Management and PWLB Lending Terms

- 4.9 The MTFS includes an updated estimate of the additional cost of borrowing as interest rates increase. The Treasury Management Strategy for 2023/24 will be considered by Corporate Governance, Audit and Standards Committee at their meeting on 30 January 2023. This will indicate that external short-term borrowing has been taken to finance the capital programme to date. This takes advantage of current low interest rates, with a planned move to longer-term external borrowing as interest rate rises are expected over the medium term thereby providing a degree of mitigation against refinancing risk. Advice will be sought from the Council's Treasury Management advisors Arlingclose, in terms of timing, maturity profile and debt composition.
- 4.10 The Government provided further guidance and clarification on the revised PWLB Lending Terms in August 2021. The key points are set out below.
- Any investment asset acquired after 26th November 2020 would result in the authority not being able to access PWLB in that financial year or being able to use the PWLB to refinance the transaction at any point in the future
  - authorities should provide details of capital plans, regardless of funding source, covering the whole current financial year and subsequent two financial years
  - Individual projects and schemes may have characteristics of several different categories. In these cases, the section 151 officer or equivalent of the authority should use their professional judgment to assess the main objective of the investment and consider which category is the best fit.
  - an asset that is held primarily to generate income which is used to support wider service spending, but serves no direct policy purpose, should not be categorised as service delivery
  - authorities cannot use receipts from primarily for yield assets to buy further primarily for yield assets
  - Capital expenditure to maintain existing properties or in order to increase their value where the local authority is planning to sell the property is permitted
- 4.11 The Government also set out their views on the local authority capital finance framework. Whilst the Government have recognised the importance of local government capital investment, they are concerned at the risks some local authorities have taken around investment in commercial property.

**Figure 1: Three-lines of control model for strengthening the capital system**



4.12 In December 2021 CIPFA confirmed changes to its Prudential Code on Capital Finance and Treasury Management Code of Practice following a consultation in the Autumn. Where possible, local authorities should make their best endeavours to adhere to their provisions and not undertake any new investments which would not be consistent with the changes. The codes will be fully implemented in the 2023/24 financial year. The main changes to the Codes are summarised below.

4.13 **Prudential Code** – The updated code includes the following as the focus of the substantive changes:

- The provisions in the code, which present the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. This recognises that commercial activity is part of regeneration but underlines that such transactions do not include debt-for yield as the primary purpose of the investment or represent an unnecessary risk to public funds.
- Proportionality has been included as an objective in the Prudential Code. New provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes.
- A new requirement has been added so that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.

- 4.14 **Treasury Management Code** – The main changes to the Treasury Management code are as follows:
- Investment management practices and other recommendations relating to non-treasury investments are included within the Treasury Management Practices (TMPs) alongside existing TMPs.
  - The guidance will recommend the introduction of the Liability Benchmark as a treasury management indicator for local government bodies (note that CIPFA has issued a toolkit to assist local authorities with the production of this indicator).
  - Environmental, Social and Governance (ESG) risks are incorporated into TMP1 (Risk Management) rather than a separate TMP 13.
  - The purpose and objective of each category of investments should be described within the Treasury Management Strategy
- 4.15 As set out in the Annual Treasury Management Strategy, the Council’s borrowing strategy is *“to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required”*.
- 4.16 The MTFs includes estimates of the borrowing costs arising from the financing of the capital programme.
- 4.17 Arlingclose expect the Bank base rate to increase in the short-term above the current 3.50% to 4.25% by May 2023 with the next increase likely in February 2023. Rates are expected to start to fall back in the final quarter of 2024, although not expected to fall back to the historically low rates of the last few years.
- 4.18 The Treasury Management Strategy sets out the Council’s policy on Minimum Revenue Provision (MRP) and is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans).
- 4.19 The level of MRP to be charged to the revenue budget has been reviewed in light of the updated capital programme and the funding of future capital included in the Financial Strategy approved by Cabinet 15 November 2022 (FIN2234). MRP of £2.433m is to be charged in 2023/24 and is forecast to increase to £3.232 by 2026/27.
- 4.20 Estimates of interest receivable on other investments remain positive but with some uncertainty around the continued impact from Covid-19 on the Council’s longer-term investment returns. The Council continues to hold up to £25m in Pooled Funds, which are performing well. Investment income of £1.5m has been forecast for 2023/24 recognising a recovery in performance over the last 12 months whilst recognising that volatility remains a factor. This will be kept under review in terms of the overall cash position of the authority and the impact of forecast interest rate rises.

## 5. BALANCED BUDGET REQUIREMENT

- 5.1 The Council is legally required to set a balanced budget for the following financial year and remains balanced. As can be seen in the MTFS, the Council's core financial position is a balanced budget 2023/24 and 2024/225 (after utilisation of the other transfers to reserves). However, there is a significant and increasing projected funding gap (prior to any further savings target) of £1.964m in 2025/26, rising to £2.979m in 2026/27.
- 5.2 An important part of the strategy for financial sustainability will be to continue to deliver efficiencies and savings over the coming years. The Council Business Plan and services must be delivered within the overall resource envelope available to the Council thereby reducing reliance on earmarked reserves to support the budget.
- 5.3 The level of savings set out in the MTFS does meet the funding gap identified for 2023/24 and 2024/25. The MTFS Equalisation reserve is not planned to be utilised in either 2024/25 and 2025/26, however is being used to balance the budget in the 2025/26 and 2026/27 and will be depleted over the MTFS period leading to a deficit position during 2025/26. As illustrated in Table 5 in this report, the Council will need to address the scale of the funding gap to ensure a balanced budget can be set for 2025/26 and beyond. Given the level of complexity and uncertainty we continue to operate in the position set out in this report is by no means fixed and the funding gap may change due to assumptions being updated and changes in external factors including interest rates.
- 5.4 The CIPFA Financial Management Code (FM Code) was published in 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code applies to all local authorities with the first full year of compliance required in 2023/24.
- 5.5 The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:
- financially manage the short, medium and long-term finances of a local authority
  - manage financial resilience to meet unforeseen demands on services
  - manage unexpected shocks in their financial circumstances
- 5.6 A key element of demonstrating financial sustainability and compliance with the FM Code is for the Council to ensure suitable mechanisms are in place around savings to that they are identified, agreed, planned, implemented and achieved. This will help to ensure the funding gap identified within the MTFS is addressed in a planned and managed way.
- Savings and Transformation Programme
- 5.7 The Council adopted a revised approach to its Savings Programme to address the funding gap identified in the February 2021 MTFS. The programme set out a revised process for how savings are identified, evaluated, and approved, with clearer reporting and monitoring and governance arrangements. This approach was approved by Cabinet during March 2021, with significant work being undertaken by officers and members over the course of the current financial year.

- 5.8 The Savings and Transformation programme has developed a number of workstreams that help the Council achieve a robust, balanced, and proportionate reduction in cost/additional income. The programme has considered and reviewed service delivery options, organisational redesign programmes such as ICE, improved procurement outcomes, and how to embed a commercial approach to service delivery and improved utilisation of property and income-generating assets.
- 5.9 As can be seen from Tables 4 and 5 in this report, the requirement to reduce costs and balance the budget over the medium term are substantial. The Savings and Transformation Programme has been extended to ensure sustained focus over the MTFS period. The programme is supported by a project team which reports to the Executive Leadership Team Board on a monthly basis to ensure identified opportunities are on target and can be delivered. Member oversight on the programme is through the Budget Strategy Working Group.
- 5.10 The aim of the programme is to achieve financial sustainability and enable service transformation within the MTFS period without significant impact on Council Plan priorities. In 2023/24 the Savings and Transformation Programme will focus on:
- 1) the delivery of the new programme of savings projects identified through the recent Outcomes Based Budgeting process (See below)
  - 2) Efficiencies from the ongoing transformation programme
  - 3) Asset management and redevelopment (incl. increasing income from existing assets)
  - 4) Fees and Charges – cost recovery principle

#### Outcome Based Budgeting

- 5.11 The MTFS includes £1.825m of previously agreed savings in 2023/24 rising to £3.241m in 2026/27. However, given the forecast budget gap this was insufficient and additional savings were required to balance the budget.
- 5.12 In November Cabinet agreed an Outcome Based Budgeting exercise, which aimed to identify further changes and projects to ensure that net costs were brought down, whilst ensuring that the Council's aims continued to be fulfilled.
- 5.13 The exercise was undertaken against the budget principles:
- A clear focus on fulfilling the **Councils Best Duty Value**. Developing and mobilising a continuous savings programme to close the majority of any gap by driving out costs from the running expenditure of the Council, focused both in the short (23/24) and medium term (24/15 onwards).
  - The Council will not rely on the use of one-off funding sources to address recurring budgetary pressures, specifically it **should not place material reliance on use of reserves** for revenue purposes
  - Recognising the challenging inflationary environment the Council is currently operating in and the increased in service costs, where services are charged for, **fees and charges need to be set at an optimal price**, ensuing full cost recovery as a minimum.

- Recognising the Councils capital investment imperatives and the importance to the residents of the Borough, a sustainable funding solution should be developed to fund all new capital acquisitions – with a specific focus on **funding all new capital activity predominantly from asset sales with minimal borrowing and grants**
- Ensuring the long-term viability of service provision from as stable a position as possible is vital to continued success of quality service delivery, a **continued focus on budget sustainability** will be key to all considerations with a reduction in the use of one off measures or borrowing to fund activity.

5.14 The work identified significant number of options which were validated. These were subsequently reviewed by the Cabinet who agreed a set of proposals for incorporation in this budget.

5.15 The proposals set out in detail in Appendix 2 have been agreed by Cabinet and result in net amendments to portfolio budgets as shown in the table below.

**Table 1 – Outcome Based Budgeting summary**

OBB Savings Proposals by Portfolio 2023-24 and 2024-25	2023/24 (£'000)	2024/25 (£'000)
Corporate Services	(224)	(246)
Customer Experience & Improvement	(414)	(441)
Democracy, Strategy & Partnerships	(109)	(95)
Major Projects & Property	(639)	(639)
Operational Services	(517)	(722)
Planning & Economy	(223)	(268)
Cross-Portfolio	(165)	(165)
<b>Total</b>	<b>(2,291)</b>	<b>(2,576)</b>

5.16 Each OBB proposal includes an assessment of the impact upon residents and in particular protected groups in accord with the Equality Duty. The assessment for each proposal was then reviewed by the OBB working group and further consideration or information was requested where appropriate. As a result, mitigation action was considered appropriate in 15 proposals and these mitigations are either already in place or will be actioned as the proposed changes are implemented. These impact assessments are highlighted in the supporting report. The equality impact assessment process will continue for many proposals where changes involve new operating practices and/or procedures that are still in development at the time of this report.

Balances and Reserves

5.17 The Council's financial position is supported by its balances and reserves.

- 5.18 The Budget Strategy set a target for the General Fund balance to be maintained at a minimum of £2m, with the Stability and Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g., Business Rates, Government funding changes). Given the funding gap identified over the MTFS period, the Council must identify and deliver additional cost reductions and new income to ensure an adequate reserve balance is maintained.
- 5.19 However, these reserves should not be utilised to fund normal, on-going service provision. It is important to review the level of reserves regularly.
- 5.20 Members will recall that as part of the 2019/20 budget setting process a Commercial Reserve was established to provide a source of funding to mitigate potential fluctuations commercial property income. The level of the reserve will need to reflect the financial risks associated with the commercial property portfolio and the impact from Covid-19 and the cost of living crisis on income. Although a draw on this reserve is likely in 2022/23, no assumption on any further drawdowns is made for 2023/24 onwards, as commercial income is returning to the levels expected with the MTFS.
- 5.21 The triennial review of the Pension Fund has been undertaken and, due to a combination of better performance of the scheme investments and changes to the valuation methods required of Pension Funds, the MTFS now assumes no additional contributions to the Pension Fund and the transfer of the brought forward balance into the MTFS Equalisation Reserve during 2022/23 as part of a review of reserves balances in September 2022.

**Table 2 – Balances and Reserves forecast**

Earmarked Reserve	SOA Balance as at 31/03/2021 (£'000)	Final Balance 31/03/2022 (£'000)	Estimated Balance 31/03/2023 (£'000)	Estimated Balance 31/03/2024 (£'000)	Estimated Balance 31/03/2025 (£'000)	Estimated Balance 31/03/2026 (£'000)	Estimated Balance 31/03/2027 (£'000)
COVID BRR Earmarked Reserve	10,812	4,547	4,162	4,162	4,162	4,162	4,162
Stability and Resilience Reserve	4,577						
Business Rates Equalisation Reserve	-	2,000	2,676	2,676	2,676	2,676	2,676
MTFS Equalisation Reserve	-	2,577	4,529	4,529	4,529	2,565	
Negative Balance of MTFS Equalisation *							(414)
Service Improvement Fund	129	-	-	-	-	-	-
Commercial Property Reserve	1,750	1,483	388	388	388	388	388
Regeneration, Property & Major Projects	357	257	100	-	-	-	-
ICE Reserve	-	-	-	-	-	-	-
Climate Emergency Reserve ***	239	208	-	-	-	-	-
Deprivation Strategy Reserve ****	94	139	109	109	109	109	109
Pension Reserve	669	1,487	-	-	-	-	-
Workforce Planning Reserve	200	100	100	100	100	100	100
Treasury Earmarked Reserve	400	220	-	-	-	-	-
Covid-19/Recovery Grant reserve	393	233	233	233	233	233	233
CPE Rolling Fund	281	327	327	327	327	327	327
Budget Carry Forwards	390	432	-	-	-	-	-
All Other Earmarked Reserves (excluding SANG/s106) **	2,796	3,465	3,218	2,734	2,781	2,828	2,828
Commuted Sums/Amenity Areas	3,973	4,530	4,498	4,466	4,436	4,405	4,405
TAG Environmental Fund	96	97	97	97	97	97	97
<b>Total of all Earmarked General Fund Reserves</b>	<b>27,156</b>	<b>22,102</b>	<b>20,437</b>	<b>19,821</b>	<b>19,838</b>	<b>17,890</b>	<b>14,911</b>
<b>Excluding SANG/S106/TAG &amp; BRR</b>	<b>12,275</b>	<b>12,928</b>	<b>11,680</b>	<b>11,096</b>	<b>11,143</b>	<b>9,226</b>	<b>6,247</b>
<b>Capital Receipts Balance</b>	<b>410</b>	<b>2,135</b>	<b>3,968</b>	<b>4,103</b>	<b>4,103</b>	<b>4,103</b>	<b>6,208</b>



**Notes:**

\* Negative Balance on MTFS Equalisation Reserve – this is shown as a negative balance should the Council not find sufficient savings or additional income to address the funding gap highlighted over the MTFS period. In practice, a negative reserve would not be created but is show for illustrative purpose to highlight the impact.

5.22 Whilst the level of balances and reserves shown in the table indicates that the Council is in currently a good financial position, the cumulative funding gap of £4.943m over the MTFS period - £1.964m in 2025/26 rising to £2.979m by 2026/27 (as shown in Table 4 below), would reduce the MTFS Equalisation Reserve to a nil balance during 2026/27. This will need to be addressed over the coming months as the Council will need to make significant decisions on future mitigation options.

5.23 Clearly, the Council will need to ensure the Savings and Transformation Programme is robust, balanced, and proportionate, and mitigates the funding gap over the MTFS period.

**Table 3 – Medium Term Financial Forecast**

Item	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
Portfolio Net Expenditure	9,769	9,026	8,768	7,619
Corporate Items	2,421	2,597	3,006	4,543
Inflation	2,186	2,646	3,207	4,229
<b>Portfolio + Corporate Items</b>	<b>14,375</b>	<b>14,270</b>	<b>14,981</b>	<b>16,391</b>
Additional Items & Budget Pressures	309	302	245	68
Budget Proposals	-	-	-	-
Risk items (Waste)	-	350	350	350
Outcomes Based Budgeting Savings	(2,291)	(2,576)	(2,576)	(2,576)
<b>Draft Net Revenue Budget</b>	<b>12,393</b>	<b>12,346</b>	<b>13,000</b>	<b>14,233</b>
<b>Funded by:</b>				
Council Tax	7,448	7,748	7,993	8,111
Business Rates	4,077	3,732	2,744	2,869
New Homes Bonus	658	658	-	-
Other Grant Funding	201	209	299	273
Council Tax/NNDR Surplus or (Deficit)	10	-	-	-
<b>TOTAL Funding</b>	<b>12,393</b>	<b>12,346</b>	<b>11,036</b>	<b>11,253</b>
<b>Funding Gap / (Surplus)</b>	<b>-</b>	<b>-</b>	<b>1,964</b>	<b>2,979</b>

## 6. FUNDING

6.1 The MTFS includes a forecast of the level of funding available to support the General Fund over the medium-term which are set out in detail below.

### Business Rates

- 6.2 The Council was required to finalise its Business Rates estimates for 2023/24 and its initial estimate of any surplus or deficit for 2022/23 by 31 January 2023. The estimate of retained business rates income included in this report do not take into account the final forecasts for business rates that were submitted in the NNDR1 return.
- 6.3 Forecasting business rates income is complex with the residual impact from Covid-19, the Business Rates Revaluation, freezing of the Business Rates Multiplier and additional reliefs announced in the Budget contributing to the level of uncertainty around forecasts for the medium-term. The estimate of business rates income has been prepared based on the rateable value of properties on the rating list on 31 December 2022. Forecasts have been made concerning the level of mandatory and discretionary reliefs that will be given, and an allowance made for bad debts and repayments.
- 6.4 Business rates are collected by the Council, and the proceeds are shared between Rushmoor and Hampshire County Council, and also with central Government to fund services. There is an element of risk and reward involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The Council expects its share of retained business rates to be £3.366m in 2023/24. The business rates retention scheme is volatile and estimating the outturn is complex due to factors such as appeals, demolitions, new builds, occupation, and reliefs. The draft forecast for business rates included in this report, although broadly similar to last year, has seen significant changes in terms of rateable values and reliefs.
- 6.5 The Business Rates Collection Fund is forecast to be in a deficit position by the end of the current year, largely due to the residual impact from Covid-19 and additional reliefs in the year. This is consistent with the outturn position on the collection fund for 2021/22. Owing to the way in which business rates are accounted for through the budget setting process and the year-end collection fund, any surplus or deficit from the previous year is dealt with in the following year's budget.
- 6.6 The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 implemented the announcement made by the Secretary of State on 2 July 2020 that "the repayment of collection fund deficits arising in 2020-21 will be spread over the next three years rather than the usual period of a year, giving councils breathing space in setting budgets for next year". The Council has taken advantage of this change in the regulations and spread the Business Rates Collection Funds deficit with £0.223m included in the MTFs for the financial years 2021/22 to 2023/24. The final position on Business Rates income for 2022/23 will not be known until the NNDR3 return is completed in May 2023. It is expected that there will be a significant deficit on the NNDR Collection Fund as set out in paragraph 6.6. This will be mitigated through Section 31 Grant to compensate the Council for reduced income from business rate payers, although there is a timing difference in terms of how these are accounted for.

- 6.7 Final agreement of the Business Rates estimates will be made by the Council's Section 151 Officer in consultation with the Leader of the Council, under the delegation agreed by Council on 20th January 2014, and an update will be provided to Cabinet alongside this report.
- 6.8 Should the business rates estimates be materially different from those presented in this report, the General Fund Summary will be updated by the Council's Section 151 Officer in consultation with the Leader of the Council and the Portfolio holder for Corporate Services, prior to consideration of the budget by Council on 23 February 2023.

#### New Homes Bonus

- 6.9 Planned consultation on a new reward scheme has been deferred once again the current scheme would continue for a further year. The allocation of New Homes Bonus (NHB) for 2023/24 was included in the provisional settlement.
- 6.10 Whilst the total amount of NHB for 2023/24 is £0.658m, it is a one year allocation and will not generate legacy payments in future years. The MTFs includes a projection for one further year in 2024/25, no assumption is made on further receipts from 2025/26 onwards of NHB (or its replacement) as the funding stream is part of the fair funding review.

#### Other funding and grants

- 6.11 Alongside the finance settlement, the government has confirmed the following grants and other funding scheme contributions that the Council will receive in 2023/24.
- Services Grant (£0.092m)
  - Revenue Support Grant (£0.104m)
- 6.12 The Government have indicated that the Services Grant will not be included in any consultation around Transitional arrangements as and when the local government finance system is reformed and should therefore be seen as sone-off in nature.
- 6.13 Revenue Support Grant is paid for the first time in a number of years, however this is only because two grants, Local Council Tax Support Admin Grant and the Family Annexe Grant have been rolled up into The Revenue Support Grant and therefore this is not additional funds.
- 6.14 Given the single-year settlement with an indication of the strategy for 2024/25, and uncertainty around the timing and level of reform to the local government finance system there is significant risk in forecasting of funding beyond 2024/25. Government has indicated that public sector funding will be squeezed form 2025/26 with only 1% increases factored in (a real terms cut if inflation is at or above the target rate of 2%).
- 6.15 The forecast shown in table 5 is based on the assumption that local government finance reforms and Business Rates rest (required to fund the reforms) reduces the Council's business rates income to the baseline level (£2.381m in 2025/26). No assumption has been made on any replacement to the New Homes Bonus scheme.

- 6.16 Therefore, the level of Government funding reduces significantly over the MTFS period (based on the assumptions made above) and the Council will need to take appropriate actions to ensure the financial sustainability of the Council is maintained in light of reduced resources over the medium-term.

#### Council Tax

- 6.17 The referendum threshold for 2023/24 for Shire Districts such as Rushmoor is 3% or £5 (whichever is the greater). The Spending Power calculation published with the Local Government Finance Settlement assumed that all authorities would raise their Council Tax towards the maximum allowable amounts. Factoring such increases into the funding assessment, removes flexibility for local authorities to take local decisions about tax levels and to use increases in local taxation to offset local spending pressures. Councils now need to make these increases just to keep total funding levels at a standstill.
- 6.18 The revenue budget assumes a 2.99% (£6.56) increase in a Band D charge for Council Tax, which falls within the permissible level of increase before triggering a local referendum and equates to an increase of around 13 pence per week for a Band D property.
- 6.19 A council tax rise of £6.56 increases the Band D rate from £219.42 to £225.98 and will generate approximately £0.216m in additional council tax revenue annually (when taken with estimated changes to the taxbase). The MTFS assumes an increase of up to £6.76 increase in 2024/25 and £5 per annum in subsequent years. This would generate a further £0.552m over the remaining years of the MTFS period.

#### Council Tax Support

- 6.20 Cabinet considered the report from the Council Tax Support Task and Finish Group at their meeting on 22 November 2022 ([FIN2301](#)). Following the review of Council Tax Support by the Task and Finish Group, the recommendation to full Council is that the current scheme for working age customers continues for 2023/24 with the usual alignment to Housing Benefit Rates. This would mean that the minimum contribution would remain at 12%. Also a further £20k was set aside to continue funding a Hardship Fund into 2023/24 for those requiring additional support.
- 6.21 Cabinet endorsed the approach set out in the report and the recommendation to commission the Council Tax Support Task and Finish Group to undertake a further detailed review of the Council Tax Support Scheme in early 2023 to take into account the impact of the cost of living crisis and the increasing cost of the scheme and its local impact on scheme recipients and other local council tax payers.
- 6.22 Cabinet accepted the proposal from the Group, the impact of which is included within the estimates on the Council Taxbase for 2023/24.

#### Council Taxbase

- 6.23 The Taxbase for 2023/24 has been estimated at 32,959.11 and represents an increase of 163.82 (0.50%) over the 2022/23 position.

#### Council Tax Collection Fund

- 6.24 The Council Tax Collection Fund is estimated to be in surplus by the end of the current financial year by £0.090m (Rushmoor's Share £0.010m) and is included within the Council Tax Collection Fund surplus line within the MTFs in addition to the impact from 2020/21 which was spread over a 3-year period.
- 6.25 Collection rates for Council Tax have improved throughout 2022/23. At the time of writing, the Revenues team have been able to collect the majority of Council Tax due for the year. The total collected is forecast to be broadly in-line with the level precepted against the Collection Fund.
- 6.26 Any surplus or deficit on the Collection Fund is shared across the major precepting authorities (Hampshire County Council, Hampshire Police and Crime Commissioner, Hampshire Fire and Rescue Authority).
- 6.27 The Council Tax base and surplus were agreed under delegated powers by the Council's Section 151 Officer, in consultation with the Leader of the Council, during February 2023.
- 6.28 The decision to set Council Tax remains an annual decision for Council to consider when setting the budget one year from the next.

#### **7. CAPITAL PROGRAMME 2022/23 to 2026/27**

- 7.1 The Council's Capital Strategy and Capital Programme are considered over a five-year period. The Strategy provides the framework for the Council's capital expenditure and financing plans to ensure they are affordable, prudent and sustainable over the longer-term.
- 7.2 The Council has set out its Capital Programme for the period 2022/23 to 2026/27 based on the principles of the current Capital Strategy. This is summarised in Table 7 below and in further detail in Appendix 3 of this report. A total capital expenditure budget of £45.0 in 2023/24 is proposed. Total expenditure currently decreases to £10.785m and £1.562m in 2024/25 and 2025/26 respectively, and in the final year of the current programme 2026/27 spend is estimated at £1.288m.

**Table 4 – Summary Capital Programme**

Portfolio / Scheme	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
	Original Estimate (£'000)	Revised Estimate (£'000)	Estimated Out Turn (£'000)	Estimate (£'000)	Estimate (£'000)	Estimate (£'000)	Estimate (£'000)
<b>Corporate Services</b>							
Flexible Use of Capital Receipts	0	0	0	0	0	0	0
<b>Subtotal CS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Customer Experience &amp; Improvement</b>							
Computer Systems	265	265	130	221	0	0	0
Council Offices	40	40	10	74	59		
<b>Subtotal CE &amp; I</b>	<b>305</b>	<b>305</b>	<b>140</b>	<b>295</b>	<b>59</b>	<b>0</b>	<b>0</b>
<b>Major Projects &amp; Property</b>							
Aldershot Town Centre Projects	3551	3551	3	3400	0	0	0
Civic Quarter Farnborough	2627	2791	791	1600	400	0	0
Housing Matters	6751	6751	1826	5894	4068	0	0
Property and Assets	0	425	350	10502	0	0	0
Property Enhancements	1151	1151	336	662	0	0	0
Union Yard Aldershot	20950	22534	19045	19838	2020	0	0
<b>Sub Total MP &amp; P</b>	<b>35,030</b>	<b>37,203</b>	<b>22,351</b>	<b>41,896</b>	<b>6,488</b>	<b>0</b>	<b>0</b>
<b>Operational Services</b>							
CCTV	400	400	0	400	0	0	0
Crematorium	0	50	50	750	2500	274	0
Depots	0	0	0	0	0	0	0
Parks & Open Spaces	0	210	210	27	0	0	0
Playground Works	0	0	0	410	0	0	0
Refuse/ Recycling inc Food Waste	105	340	374	127	127	127	127
Southwood SANG visitor centre and café	685	853	1159	0	450	0	0
Improvement Grants	1111	1965	1203	1161	1161	1161	1161
<b>Sub Total OPS</b>	<b>2,301</b>	<b>3,818</b>	<b>2,996</b>	<b>2,875</b>	<b>4,238</b>	<b>1,562</b>	<b>1,288</b>
<b>Planning &amp; Economy</b>							
No Capital Schemes	0	0	0	0	0	0	0
<b>TOTAL Capital Programme</b>	<b>37,636</b>	<b>41,326</b>	<b>25,487</b>	<b>45,066</b>	<b>10,785</b>	<b>1,562</b>	<b>1,288</b>

7.3 The capital programme is focussed on delivering against the Council's key priority of Town Centre Regeneration, with further schemes focused on enhancing the delivery of core services through improvement and enhancement of assets. The programme also includes support for the provision of local housing and the Council's statutory duties in respect of Disabled Facilities Grants.

- 7.4 The Capital Programme, as set out in this report, includes the forecast contract expenditure estimates for the construction and development of the Union Yard scheme that Council approved in July 2021. Whilst the expenditure on Union Yard has to date been lower than anticipated it is anticipated that the whole of the budget approved to date will be fully spent by 2024/25. Current forecasts of likely variations to the Contract could, if they are fully required, increase the expenditure above the current approval. As there was no contingency approved within the original budget a contingency sum of £1.6m (3.6% of the approved budget) has been included within the programme for 2023/24.
- 7.5 Expenditure estimates have also been included within the capital programme for the proposed purchase of The Meads, the refurbishment of the Crematorium and for the development of the Civic Quarter, Farnborough scheme. This will allow site assembly and land remediation to continue, along with further detailed planning of the wider site. Members will be aware of the £20m Levelling Up funding award and we are currently awaiting further details of the condition of the grant and the likely drawdown process before including the construction of the scheme in the Capital Programme.
- 7.6 With regards to the Crematorium refurbishment the Capital Programme includes a current estimate of the costs. Accurate assessment of costs will become available once Architects have been appointed and further detail will be provided to Cabinet with a full business case. It is anticipated that £90k will be spent on progressing the plans and no further funds should be committed until a full business case is approved.
- 7.7 Due to the scale and complexity of these schemes detailed proposals for each regeneration scheme will need to be considered by Cabinet and Council once the due diligence work has been completed. Each scheme will have significant legal and financial implications and will require the Council to consider the long-term financial commitments and risks. The Capital Strategy, Treasury Management Strategy and the Capital Programme will need to be updated to reflect decisions taken by Cabinet and Council.
- 7.8 There will be a continued review of capital spending requirements as the Council regeneration, new Property and Major Works programmes, and other schemes are brought forward in more detail, with affordability and deliverability will be a key consideration in this regard.
- 7.9 The Council's capital expenditure is, for projects already committed/commenced, predominantly financed from prudential borrowing. Going forward, wherever possible any new projects will be funded from other sources of finance to support the capital programme, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts).

7.10 The level of prudential borrowing included reflects the financing available in the revenue budget, assumes capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at the time of preparation. If additional resources become available or there is a compelling business case which does not put the Council's ability to balance its budget at risk, further projects that meet the Council's strategic capital objectives may be brought forward for individual approval.

**Table 5 – Summary Capital Financing Statement**

	2022/23 Original Estimate (£'000)	2022/23 Revised Estimate (£'000)	2022/23 Estimated Out Turn (£'000)	2023/24 Estimate (£'000)	2024/25 Estimate (£'000)	2025/26 Estimate (£'000)	2026/27 Estimate (£'000)
<b>Capital Financing Statement</b>							
Revenue Contribution to Capital	0	75	0	0	0	0	0
Grants& Contributions from Other Bodies	2632	2632	2062	3420	20	20	20
Grants& Contributions - Improvement Gran	1060	1914	1203	1111	1111	1111	1111
Section 106 Developers Contributions	0	175	175	437	450	0	0
Prudential Borrowing	33429	36015	22047	40098	9204	431	157
Capital Receipts	515	515	0	0	0	0	0
<b>TOTAL Financing</b>	<b>37,636</b>	<b>41,326</b>	<b>25,487</b>	<b>45,066</b>	<b>10,785</b>	<b>1,562</b>	<b>1,288</b>

## 8. RISKS AND UNCERTAINTIES

- 8.1 There are a number of financial risks that the Council will face over the medium-term. The 2023/24 Budget and the MTFs have been prepared with consideration of these risks, but as with any forecast, an inherent level of risk will remain.
- 8.2 For Local Government, there are 2 significant strategic risks.
- 8.3 The first key risk is around the nature and scope of local government funding from central government from 2024/25. The implementation of the Fair Funding Review and Business Rates changes has already been delayed (originally due from April 2020) and have been deferred to 2025. The forecast impact on District and Borough Councils is likely to be significant as resources are moved around Local Government to recognise Social Care cost pressures.
- 8.4 It is very difficult to estimate the with certainty the impact on Rushmoor. Fundamental changes to the way in which each Council's needs are assessed and funded are difficult to model despite some engagement from Government with local authorities. Therefore, considerable risk and uncertainty remains in the estimates for 2025/26 and beyond. However, an initial estimate of a 30-40% reduction in the level of retained business rates income has been included in the MTFs assumptions. An estimate has been made around transitional arrangements, but these are not based on any indication or commitment from the Government.



8.5 The second key risk is around the continued impact on the Council from pressures within the wider economy, with the cost of livings crisis fuelled by the residual impact from Covid-19, the war in Ukraine, restrictions on the supply chain (particularly from China) and the ongoing reset of the UK economy following Brexit. This will have an impact on income and expenditure budgets during 2023/24 and will require timely and accurate financial reporting to Cabinet. These risks include:

- Income from Council Tax and Business Rates will continue to be under pressure in 2023/24 with an expectation that the taxbase for Council Tax and Business Rates may take time to recover.
- Increased demand for certain services (e.g., Homelessness) may put additional financial pressure on the Council
- Cost of services where the Council is exposed to risk sharing in contract costs
- Energy cost pressures

8.6 The budget has been prepared in light of key financial risks facing the Council over the medium- term, principally:

- Business Rates Retention and changes to the Local Government Finance system/Levelling Up Agenda
- Replacement of New Homes Bonus from 2025/26 at a time this Council will be continuing to delivering a significant number of new homes.
- Treasury management issues including interest rates, level of capital expenditure, use of internal resources, borrowing costs.
- Impact of the UK having left the European Union on the UK economy.
- Financial impact of the Capital Programme on the revenue budget – the affordability of the capital programme and future schemes needs to be carefully considered.

## **9. CONSULTATION**

9.1 All Members of the Council were invited to budget briefing seminars during January and February 2022 to discuss the budget proposals and the full budget report is available online.

## **10. EQUALITIES IMPACT ASSESSMENT**

10.1 Each OBB proposal includes an assessment of the impact upon residents and in particular protected groups in accord with the Equality Duty. The assessment for each proposal was then reviewed by the OBB working group and further consideration or information was requested where appropriate. As a result, mitigation action was considered appropriate in 15 proposals and these mitigations are either already in place or will be actioned as the proposed changes are implemented. These impact assessments are highlighted in the supporting report. The equality impact assessment process will continue for many proposals where changes involve new operating practices and/or procedures that are still in development at the time of this report.

## **11. CONCLUSIONS**

- 11.1 Despite the uncertainties around future levels of Government Funding, the impact from Covid during 2021/22 and the general economic position, the Council has been able to prepare a sound budget whilst maintaining services to residents. The budget will also provide a platform for Rushmoor to address future challenges.
- 11.2 The budget has been prepared in accordance with the approved budget strategy. This includes the principle of maintaining the Council's general fund revenue risk-based balance at £2m and maintaining other usable reserves to mitigate risk and support improvement.
- 11.3 The Council will need to continue to take steps to manage and address the funding gap identified over the MTFS period.
- 11.4 The Capital Programme includes planned expenditure £44.6m in 2023/24 with the Council needing to consider the outcome from feasibility studies and due diligence work on other potential schemes before any further capital expenditure is committed.
- 11.5 The budget proposals provide for the current Council Tax level to increase by £6.56 for a Band D property (from £219.42 per annum to £225.98) – an increase of around 13p per week) in line with government assumptions within its settlement funding formula.
- 11.6 In order to achieve this, the budget will require the implementation of cost reduction and efficiency savings of £2.350m.
- 11.7 The Council will need to continue the Savings and Transformation Programme to ensure a balanced portfolio of cost management and income generation opportunities to ensure the Council is able to achieve financial sustainability over the medium-term strategy period. As endorsed by Cabinet at their meeting on 18 January 2022, the Budget Strategy Working Group to act as consultee on the development of the programme.
- 11.8 Reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing. Reserves held to mitigate risk (Commercial Property reserve, MTFS Equalisation reserve) are forecast to be depleted over the medium term and reviewed as to their adequacy for future financial years given the current risks identified in this report. All reserves will be monitored and reported to Cabinet throughout 2023/24.

## **12. RECOMMENDATIONS**

- 12.1 The Council is recommended to approve the following, as detailed in report FIN2304.
  - i) the Executive Head of Finance's report under Section 25 of the Local Government Act 2003 as set out in Appendix 5.
  - ii) the Medium-Term Financial Strategy set out in Appendix 1

- iii) the Savings and Transformation items for inclusion in the budget, set out in Appendix 2
- iv) the Council Tax Requirement of 7,448,144.87 for this Council
- v) the Council Tax level for Rushmoor Borough Council's purposes of £225.98 for a Band D property in 2023/24 (an increase of £6.56)
- vi) the Capital Programme, set out in Appendix 3
- vii) the Strategy for the Flexible use of Capital Receipts set out in Appendix 4
- viii) the balances and reserves position including proposed reserve transfers for 2023/24 as set out in Section 5 of the report

12.2 The Council is recommended to approve the following, as detailed in report FIN2301

- i) That the current Council Tax Support Scheme for working age customers be retained for 2023/24, with the annual uplift to rates within the calculation mirroring that applied to national Housing Benefit rates.

**Cllr. D E Clifford**  
**Leader of the Council**

## MEDIUM TERM FINANCIAL STRATEGY 2022/23 TO 2026/27

Item	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
Portfolio Net Expenditure	9,769	9,026	8,768	7,619
Corporate Items	2,421	2,597	3,006	4,543
Inflation	2,186	2,646	3,207	4,229
<b>Portfolio + Corporate Items</b>	<b>14,375</b>	<b>14,270</b>	<b>14,981</b>	<b>16,391</b>
Additional Items & Budget Pressures	303	315	262	12
Budget Proposals	-	-	-	-
Risk items (Waste)	-	350	350	350
Outcomes Based Budgeting Savings	(2,309)	(2,593)	(2,593)	(2,593)
<b>Draft Net Revenue Budget</b>	<b>12,369</b>	<b>12,342</b>	<b>13,000</b>	<b>14,160</b>
<b>Funded by:</b>				
Council Tax *	7,448	7,748	7,993	8,111
Business Rates *	4,057	3,732	2,744	2,797
New Homes Bonus	658	658	-	-
Other Grant Funding	197	205	299	273
Council Tax/NNDR Surplus or (Deficit)	10	-	-	-
<b>TOTAL Funding</b>	<b>12,369</b>	<b>12,342</b>	<b>11,036</b>	<b>11,181</b>
<b>Funding Gap / (Surplus)</b>	<b>-</b>	<b>-</b>	<b>1,964</b>	<b>2,979</b>

## Outcomes Based Budgeting Process

The outcomes based budgeting process was undertaken by all service managers with budget holders between November and mid-December 2022. An Initial £3.88m of unvalidated potential opportunities was identified against forecast gap of £3.25m. Validation and removal of double counting was undertaken in January and £2,575,720 of savings proposals have been identified for inclusion in the savings package for the purposes of the budget as set out below. The figures shown in the tables are full implementation savings which will be achieved for the 2023/24 financial year. Where a smaller saving will be delivered in 2023/24 that is identified in the proposal description.

Total savings identified for 2023/24 to date = £2,290,934. In addition there will be further income from fees and charges still to be quantified and currently not included in this appendix.

Given anticipated increased financial pressures after 2024/25 the council will still need to continue developing options to ensure we bring overall cost of services in line with funding. As a result, the Savings and Transformation Programme will be extended for further 2 years

The proposals for inclusion in the budget as agreed by portfolio holders have now been grouped in line with the current Council Plan and are detailed below:

### Place & Environment Priority:

Proposal	Proposed Budget Reduction
Change new CCTV contract to 50% cameras monitored and 50% cameras self-recording	£36,000
Reduce cost of environmental health services towards statutory level (£27,000 in 2023/24)	£52,000
Income from roundabout sponsorship	£20,000
Reduce budget for ad-hoc requirements at Cove Brook	£6,000
Bring back in-house the crime statistics analyst	£6,313
Ceasing external tree inspection consultancy service	£8,800
Change approach to tree preservation orders	£9,776
Delete vacant Community Patrol Team Leader post	£64,979
Farnborough Leisure Centre – delete maintenance budget	£20,000
Increase use of SANG funding for works at for Rowhill Copse and delete revenue budget	£6,000
Outsource stray dog service	£8,034
Reduce budget for ad-hoc repairs, maintenance and infrastructure within parks and open spaces	£10,000
Reduce capacity in planning conservation and design service	£4,526
Reduce RBC depot materials budget	£4,000
Reduce recycling promotions budget	£5,000
Reduce replacement litter bin budget	£5,000

## APPENDIX 2

Reduce street nameplate replacement budget	£4,000
Reduction and reprioritisation of economic development and business support	£93,247
Reduction in budget for non-planned ground maintenance works	£7,000
Reduction in the tree works budget	£6,000
Return bus shelter maintenance to Hampshire County Council	£2,000
Review grounds maintenance contract inventory updates	£10,000
Vehicle lease saving	£3,961
<b>Total</b>	<b>£392,636</b>

### People Priority:

Proposal	Proposed Budget Reduction
Changes to Customer Service opening hours	£51,570
Reduction in editions of Arena – two per year retaining winter and summer editions	£16,000
Reduce out of hours service to emergency response only	£13,500
10% reduction in the Princes Hall marketing budget	£3,000
Cease requirement for contractor to carry out resident survey	£1,610
Changes/restructure to Planning Service (£42,000 in 2023/24)	£84,000
Contracts team to take on delivery of replacement and additional food waste caddies	£12,920
Delete vacancies in revenues and benefits	£34,900
Deletion of repairs and maintenance budget at Aldershot Ski Centre	£1,000
Extend/increase Grainger contribution for Implementation Officer from 2024/25 (£0 in 2023/24)	£28,000
Funding the Landlord Liaison and Housing Allocation Role through Homelessness Prevention Grant	£28,000
Maintaining delivery of Rushmoor Homes and a degree of slowing on Housing Strategy	£12,590
Reduce capacity in Community and Partnerships team	£19,024
Reduced capacity in the Communications team	£41,035
Reduced planning officer working hours	£7,700
Reduction in hours of 2 posts in housing service	£44,852
Reductions to post and print budgets	£47,500
Use of Better care Fund to pay administrative costs	£83,199
<b>Total</b>	<b>£530,400</b>

**Corporate, Support and Management Costs:**

<b>Proposal</b>	<b>Proposed Budget Reduction</b>
Corporate, Support and Management Costs (2023/24 £1,090,621)	<b>£1,204,407</b>

**Democratic Costs:**

<b>Proposal</b>	<b>Proposed Budget Reduction</b>
Reduced frequency of civic and committee meetings	£1,633
Reduction in the number of Special Responsibility Allowances for Members	£6,950
Reduce budget for annual election canvas	£8,000
<b>Total</b>	<b>£16,583</b>

**Changes to grant budgets and rent reliefs:**

<b>Proposal</b>	<b>Proposed Budget Reduction</b>
Reduction in grant budgets and rent reliefs	£83,576
Reduce & restructure Ward based Grants	£26,000
<b>Total</b>	<b>£109,576</b>

**Fees and Charges:**

All fees and charges are being reviewed and increased in line using the most appropriate approach:

1. Specific proposals (table below)
2. Cost recovery linked to the cost of service
3. Market-led
4. RPIx (12.4%)

<b>Proposal</b>	<b>Estimated additional income</b>
Increase building control fees	£25,218
Increase Lido admission prices	£21,860
Increase S.106 monitoring and pre-app fees	£18,600
Introduce/increase charges for use of civic suite for community groups and other customers	£10,000
Increase fees for the crematorium, grave sales, interments and monument rights	£94,440
Increase car park charges (£76,000 in 2023/24)	£152,000
<b>Total</b>	<b>£329,518</b>

**Total Annual saving by**      **2024/25 = £2,575,720**  
    **2023/24 Saving = £2,290,934**

<b>CAPITAL PROGRAMME SUMMARY 2022/23 TO 2026/27</b>				All amounts are in £		
	Original Estimate 2022/23	Revised Estimate 2022/23	Anticipated Payments			
			Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
<b>CAPITAL EXPENDITURE ON PORTFOLIOS</b>						
Corporate and Democratic Services	-	-	-	-	-	-
Customer Experience and Improvement	305,000	305,000	295,000	59,000	0	0
Major Projects and Property	35,030,413	37,202,795	41,896,165	6,488,349		
Operational Services	2,300,510	3,818,245	2,875,000	4,238,000	1,562,000	1,288,000
Planning and Economy	-	-	-	-	-	-
Savings & Transformation/ICE Modernisation Programme	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>37,635,923</b>	<b>41,326,040</b>	<b>45,066,165</b>	<b>10,785,349</b>	<b>1,562,000</b>	<b>1,288,000</b>
<b>CAPITAL EXPENDITURE RESOURCES</b>						
Revenue Contribution to Capital - General	-	75,000	-	-	-	-
Revenue Contribution to Capital - Improvement Grants	-	-	-	-	-	-
<b>Total Revenue Contributions</b>	-	75,000	-	-	-	-
Grants & Contributions from Other Bodies (see Grants & Conds Summary page)	2,631,586	2,631,586	3,420,000	20,000	20,000	20,000
Grants & Contributions - Improvement Grants	1,060,510	1,914,648	1,111,000	1,111,000	1,111,000	1,111,000
Section 106 Developers Contributions (see s106 Summary page)	0	175,000	437,000	450,000	-	-
	3,692,096	4,721,234	4,968,000	1,581,000	1,131,000	1,131,000
Capital Receipts & Borrowing - General Fund Schemes	33,943,827	36,529,806	40,098,165	9,204,349	431,000	157,000
Capital Receipts & Borrowing - Housing home improvement grant schemes	-	0	0	0	0	0
<b>Total Capital Receipts &amp; Borrowing</b>	<b>33,943,827</b>	<b>36,529,806</b>	<b>40,098,165</b>	<b>9,204,349</b>	<b>431,000</b>	<b>157,000</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>37,635,923</b>	<b>41,326,040</b>	<b>45,066,165</b>	<b>10,785,349</b>	<b>1,562,000</b>	<b>1,288,000</b>



GRANTS & CONTRIBUTIONS SUMMARY 2022/23 TO 2026/27								All amounts are in £
Project Number	PROJECT	Original Estimate 2022/23	Revised Estimate 2022/23	Anticipated Payments				
				Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	
	<b>General Fund - Grants &amp; Contributions</b>							
6518	- Wheeled Bin Contributions (Developers & Householders)	20,000	20,000	20,000	20,000	20,000	20,000	
6567	- Replacement Cremator (CAMEO)							
	- Moor Road - Recreation Ground Development (Sport England, PEBL, Landfill Tax)							
6613	- Parks and Open Spaces - Southwood Golf Course SANG Initial Setup	1,000,000	1,000,000					
6619	- Parks and Open Spaces - Heritage Trails							
	<b>Regeneration Projects</b>							
5407	- Union Yard (LEP and Housing Infrastructure Fund)	1,611,586	1,611,586					
	- Games Hub (LEP)							
5409	- The Galleries (Housing Infrastructure Fund)			3,400,000				
	<b>Activation Aldershot Projects</b>							
5404	- Project 2 Phase 6 - Station Forecourt Improvements (Local Growth Fund, HCC, South Western Railway)							
	<b>Total General Fund Grants &amp; Contributions</b>	<b>2,631,586</b>	<b>2,631,586</b>	<b>3,420,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	
	<b>Housing Schemes - Government Grants</b>							
640050013	- Improvement Grants - Disabled Facilities Grants (Better Care Fund)	1,060,510	1,914,648	1,111,000	1,111,000	1,111,000	1,111,000	
	<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>3,692,096</b>	<b>4,546,234</b>	<b>4,531,000</b>	<b>1,131,000</b>	<b>1,131,000</b>	<b>1,131,000</b>	

SECTION 106 DEVELOPERS CONTRIBUTIONS SUMMARY 2022/23 TO 2026/27								All amounts are in £	
Project Number	PROJECT	Original Estimate 2022/23	Revised Estimate 2022/23	Anticipated Payments					
				Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27		
6571	<u>General Fund Schemes</u> Southwood SANG S106				450,000				
6619	- Park and Open Spaces - Southwood Play Area Cove Cricket Club – Contribution to new practice nets Playground Works		175,000	27,000 410,000					
<b>TOTAL SECTION 106 DEVELOPERS CONTRIBUTIONS</b>		<b>0</b>	<b>175,000</b>	<b>437,000</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

CORPORATE & DEMOCRATIC SERVICES PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026/27								All amounts are in £	
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Anticipated Payments					
				Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27		
1 of 1									
	<b>FLEXIBLE CAPITAL RECEIPTS</b>								
5299	Schemes funded by unallocated Capital Receipts								
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Notes:</b>	<b>(bc) denotes projects which are subject to further business case and presentation to Cabinet</b>								
	<b>(s) denotes projects which include slippage from 2022/23 into 2023/24</b>								

CUSTOMER EXPERIENCE & IMPROVEMENT PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026 <small>All amounts are in £</small>							
1 of 1				Anticipated Payments			
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
	<b>COMPUTER SYSTEMS</b>						
730540012	IT Equipment Replacement	115,000	115,000	70,000			
750040224	PCI Compliance	130,000	130,000	88,000			
730740012	Telephony Replacement Project (s)	20,000	20,000	27,000			
	Financial System - Integra - FM Module			36,000			
	<b>COUNCIL OFFICES</b>						
5303	Office Accommodation	40,000	40,000	74,000	59,000		
	<b>TOTAL</b>	<b>305,000</b>	<b>305,000</b>	<b>295,000</b>	<b>59,000</b>		
<b>Notes:</b>	(bc) denotes projects which are subject to further business case and presentation to Cabinet						
	(s) denotes projects which include slippage from 2022/23 into 2023/24						

MAJOR PROJECTS AND PROPERTY PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026/27				All amounts are in £			
1 of 1				Anticipated Payments			
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
<b>ALDERSHOT TOWN CENTRE PROJECTS</b>							
5409	The Galleries Regeneration (bc) (s)	3,000,000	3,000,000	3,400,000			
5404	Aldershot Forecourt Improvement	550,760	550,760				
<b>CIVIC QUARTER FARNBOROUGH</b>							
5405	REGENERATION - Farnborough Leisure Centre demolition (s)	627,514	791,296				
5405	REGENERATION - Farnborough Leisure Centre Feasibility and design work (s)	2,000,000	2,000,000	1,600,000	400,000		
<b>HOUSING MATTERS</b>							
5406	Housing PRS Delivery (bc) (s)	6,751,139	6,751,139	5,893,899	4,068,425		
<b>PROPERTY AND ASSETS</b>							
5202	The Meads (bc) Briarcliff Feasibility		350,000 75,000	10,502,000			

**Notes:** (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2022/23 into 2023/24

MAJOR PROJECTS AND PROPERTY PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026/27				All amounts are in £			
2 of 2				Anticipated Payments			
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
<b>PROPERTY ENHANCEMENTS</b>							
5313	Property Services Capital R&M schemes (bc)	500,000	500,000				
tba	Ashbourne House	51,000	51,000				
tba	Frimley 4 Business Park Unit 4.3 Enhancement Works (s) (bc)	100,000	100,000	272,000			
tba	Frimley 4 Business Park Unit 4.4 Enhancement Works (s) (bc)						
5316	Hawley Lane (s) (bc)	500,000	500,000	390,000			
<b>UNION STREET ALDERSHOT</b>							
5407	Union Yard - Party Wall (s)		262,334				
5407	Union Yard Aldershot Regeneration (s)	20,950,000	21,488,266	18,238,266	2,019,924		
5407	Union Yard - Commercial Settlement Union Yard - Contingency		783,000	1,600,000			
<b>TOTAL</b>		<b>35,030,413</b>	<b>37,202,795</b>	<b>41,896,165</b>	<b>6,488,349</b>		

**Notes:** (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2022/23 into 2023/24

OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026/27					All amounts are in £		
1 of 2				Anticipated Payments			
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
6507	<b>CCTV</b> Camera and Network (s) (bc)	400,000	400,000	400,000			
	<b>CREMATORIUM</b> Design and Construction (s) (bc)		50,000	750,000	2,500,000	274,000	
	<b>DEPOTS</b>						
<b>Notes:</b>		(bc) denotes projects which are subject to further business case and presentation to Cabinet					
		(s) denotes projects which include slippage from 2022/23 into 2023/24					
OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2022/23 TO 2026/27					All amounts are in £		
2 of 2				Anticipated Payments			
Project Number	Project	Original Estimate 2022/23	Revised Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
	<b>MANOR PARK</b>						
6612	<b>PARKS &amp; OPEN SPACES</b> Southwood Play Area (s106) Cove Cricket Club – Contribution to new practice nets		210,000	27,000			
6610	<b>PLAYGROUND WORKS</b> Recreation Ground Playground Renewal (bc) (s) Redan Hill Gardens – play area Ivy Road Playing Fields – play area Elles Close – play area			150,000 160,000 100,000			
6517	<b>REFUSE/RECYCLING</b> Domestic Refuse - Wheeled Bins	100,000	100,000	120,000	120,000	120,000	120,000
6620	Domestic Refuse - Food Waste Containers and Liners	5,000	5,000	7,000	7,000	7,000	7,000
6514	Food Waste Vehicles		235,000				
6621	<b>SOUTHWOOD SANG VISITOR CENTRE</b> Southwood SANG (S106)						
6621	Southwood SANG Visitor Centre and Café	685,000	853,597		450,000		
640050013	<b>IMPROVEMENT GRANTS</b> Disabled Facilities Grants	1,060,510	1,914,648	1,111,000	1,111,000	1,111,000	1,111,000
640050022	Home Improvement Grants	50,000	50,000	50,000	50,000	50,000	50,000
<b>TOTAL</b>		<b>2,300,510</b>	<b>3,818,245</b>	<b>2,875,000</b>	<b>4,238,000</b>	<b>1,562,000</b>	<b>1,288,000</b>
<b>Notes:</b>		(bc) denotes projects which are subject to further business case and presentation to Cabinet					
		(s) denotes projects which include slippage from 2022/23 into 2023/24					

**PLANNING & ECONOMY PORTFOLIO SUMMARY 2022/23 TO 2026/27**

No Capital Schemes

## **STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS 2023/24**

The strategy has regard to the Guidance on the Flexible Use of Capital Receipts issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003 during March 2016, including only those projects which are designed to generate ongoing revenue savings in the delivery of services and/or transform service delivery in a way that reduces costs or demand for services.

Projects included in the strategy support the Council's ICE Modernisation Programme and progress will be monitored regularly as part of the Council's review of performance against top line priorities and budget monitoring.

The Guidance on the Flexible Use of Capital Receipts allows set-up and implementation costs to be counted as qualifying costs, however the on-going revenue costs of new processes or arrangements cannot.

As part of the Local Government Settlement, the Communities Secretary for Ministry of Housing, Communities and Local Government announced on 13 December 2018 that there would be a continuation of the capital receipts flexibility programme. Should future projects be identified alongside suitable asset sales, this will be presented in a revised strategy.

Service reform projects can still be financed in whole or in part from other sources e.g., the Service Improvement Fund. The Council is not obliged to fund these projects from capital receipts, however, on the adoption of this strategy, will have the option to do so.

**STATEMENT OF THE CHIEF FINANCIAL OFFICER**

- 1.1 Section 25 of the Local Government Finance Act 2003 places a statutory duty on the Chief Financial Officer to report to the authority, at the time the budget is considered, and the council tax is set on:
- the robustness of the estimates included in the budget
  - and the adequacy of the financial reserves in the budget
- 1.2 The Act requires councillors to have regard to the report in making decisions at the Council's budget setting and council tax setting meeting(s).
- 1.3 The Council's Revenue Budget, Medium Term Financial Strategy and Capital Programme have been prepared with reference to the Chartered Institute of Public Finance and Accountancy's (CIPFA) guidance on prudential property investment. As Section 151 Officer, I have also had regard to CIPFA's Financial Resilience Index and the CIPFA Financial Management Code (FM Code).
- 1.4 CIPFA has published the Resilience Index 2023. Rushmoor's highest risk on the Index for the last year of data available (2021/22) concerned Business Rates Growth above Baseline (i.e., the difference between the baseline funding and the level of business rates income) and the ratio covering Council Tax Requirement (i.e. the ratio of Council Tax as a proportion of net expenditure).
- 1.5 Measures concerning Gross External Debt and Interest Payable (on the external debt) scored above the average for all District and Borough Councils (but below average for nearest neighbours). Other Index measures were generally classified as Lower Risk when compared to nearest neighbours.
- 1.6 COVID-19 has had an impact on the 2023 Resilience Index, as the data is drawn from the Revenue Expenditure and Financing Outturn (RO) reports. CIPFA state that it should therefore be viewed in the context of this having been a transitional year. The index continues to illustrate the financial resilience of authorities during the pandemic but figures on reserves have been affected by a series of coronavirus-related payments at the very end of the financial year and will require additional explanation at a local level.
- 1.7 The next release will cover the financial year 2022/23 and measures around Gross External Debt and Interest Payable can be expected to increase. Although from 2023/24 the Council is following a revised Financial and Capital Strategies which reduce the use of borrowing, using the generation of capital receipts to fund a reduced capital programme. The cost of servicing this debt is adequately provided for within the revenue budget and over the medium-term plan period.
- 1.8 Paragraphs 5.4 to 5.6 of the Revenue Budget, Capital Programme and Council Tax Level report to Cabinet (FIN2304) outlined the compliance requirements of the CIPFA FM Code.



Robustness of Estimates

- 1.9 The budget setting process at Rushmoor Borough Council has been operating effectively over many years and is based on a standstill approach in cash terms, with inflationary provision normally only made for specified expenditure (e.g., Pay Award, contracts with agreed uplift mechanism). However, for 2023/24 additional provision has been set aside to reflect the high level of inflation, particularly in the energy sector.
- 1.10 Service areas are then required to undertake a review of service revenue budgets and produce detailed estimates for the forthcoming financial year. Proposed changes to service budgets are carefully reviewed, with consideration of savings and unavoidable budget pressures by the Executive Leadership Team (ELT).
- 1.11 Capital Expenditure estimates are supported through the Regeneration and Property and Major Works programme board. For service led capital projects Service managers prepare working papers to include projects in the Council's capital programme in line with the budget development timeline. The Finance service calculate the financing cost (which can be nil if the project is fully externally financed) so that the full cost of the project is understood. Larger property and regeneration projects are managed through the Council's Regeneration and Property and Major Works programmes. These projects undergo scrutiny and review by the Project Board at different stages (e.g., feasibility, design, planning, due diligence) and costs and financing are reviewed by the finance service. All projects to be recommended for inclusion in the Capital programme appraised by the Executive Team before being included in the draft budget. The final capital programme is then presented to Cabinet early February and to Full Council in late February each year. Variation to capital bids and new capital bids can be received during the year.
- 1.12 Financial management remains robust as demonstrated by the regular budget monitoring and the outturn position (due to be reported in July 2023 subject to completion of the outturn process).
- 1.13 It is important that the council is able to balance the budget over the medium term in a sustainable and manageable way through a combination of income, sensible and prudent use of reserves and a robust cost reduction and savings programme.
- 1.14 The Council adopted a revised approach to its Savings Programme to address the funding gap identified in the February 2021 MTFS. The programme set out a revised process for how savings are identified, evaluated, and approved, with clearer reporting and monitoring and governance arrangements. This approach was approved by Cabinet during March 2021, with significant work being undertaken by officers and members over the course of the current financial year.

- 1.15 The Savings and Transformation programme developed a number of workstreams that help the Council achieve a robust, balanced, and proportionate reduction in cost/additional income. The programme has considered and reviewed service delivery options, organisational redesign programmes such as ICE, improved procurement outcomes, and how to embed a commercial approach to service delivery and improved utilisation of property and income-generating assets.
- 1.16 The Savings and Transformation Programme has been established to ensure sustained focus over the MTFs period. The programme is supported by a project team which reports to the Executive Leadership Team Board monthly to ensure identified opportunities are on target and can be delivered. Member oversight on the programme is through the Budget Strategy Working Group
- 1.17 A Savings and Transformation project team monitored delivery during 2021/22 and 2022/23, with a high level of savings being delivered. The board will continue to monitor the programme through 2023/24, so ensure that savings due to be delivered in that year are monitored and reported to the Executive Leadership Team.
- 1.18 However, during 2022 the next stage of identifying savings was undertaken, after a review the Member led Budget Strategy Working Group, recommended that officers undertake an Outcomes Based Budget (OBB) exercise to identify where further savings could be made. These savings are identified in Appendix 2 of the Budget Report, the record of delivering savings from the original programme offers would indicate that Rushmoor Borough Council is in a good place to continue to deliver.
- 1.19 There is a risk associated with delivery of savings and this will be addressed within the programme in terms of timing and delivery. Should savings not materialise at the level or within the timeframe assumed this will increase the pressure on the Council balances and reserves. The Council will need to identify the specific risks within the savings programme and take steps to minimise this risk.
- 1.20 The basis on which the budget for 2023/24 and the MTFs have been prepared has been set out clearly in this report. I am satisfied that the budgets for the General Fund and the Capital Programme have been based on sound and reasonable assumptions.

Risk

- 1.21 As indicated in the reports to Cabinet and Council, there are a number of financial risks that the Council will face over the medium-term. The 2023/24 Budget and the MTFs have been prepared with consideration of these risks, but as with any forecast, an inherent level of risk will remain.
- 1.22 For Local Government, there are 2 significant strategic risks.
- 1.23 The first key risk is around the nature and scope of local government funding from central government. The implementation of the Fair Funding Review and Business Rates changes has already been delayed (originally due from April 2020) and is unlikely to be so until 2025.

- 1.24 The forecast impact on District and Borough Councils is likely to be significant as resources are moved around Local Government to recognise Social Care cost pressures.
- 1.25 It is very difficult to estimate the with certainty the impact on Rushmoor. Fundamental changes to the way in which each Council's needs are assessed and funded are difficult to model despite some engagement from Government with local authorities. Therefore, considerable risk and uncertainty remains in the estimates for 2023/24 and beyond. However, an initial estimate of a 30-40% reduction in the level of retained business rates income has been included in the MTFS assumptions. An estimate has been made around transitional arrangements, but these are not based on any indication or commitment from the Government.
- 1.26 The second key risk is around the continued impact on the Council from pressures within the wider economy including inflation, interest rates and possible recession. This will have an impact on income and expenditure budgets during 2023/24 and will require timely and accurate financial reporting to Cabinet. These risks include:
- Income from Council Tax and Business Rates will continue to be under pressure in 2022/23 with an expectation that the taxbase for Council Tax and Business Rates may take time to recover.
  - Increased demand for certain services (e.g., Homelessness) may put additional financial pressure on the Council
  - Cost of services where the Council is exposed to risk sharing in contract costs
  - Energy cost pressures
  - Inflationary pressures and Interest rates in early 2022 being an increasing risk. Interest rates are at a \*\* year high CPI inflation currently at 10.5 % (RPI 7.8%) which will have an impact on the Council's budgets and forecasts.
- 1.27 The budget has been prepared in light of key financial risks facing the Council over the medium- term, principally:
- Business Rates Retention and changes to the Local Government Finance system/Levelling Up Agenda
  - Replacement of New Homes Bonus from 2025/26 at a time this Council will be continuing to delivering a significant number of new homes.
  - Treasury management issues including interest rates, level of capital expenditure, use of internal resources, borrowing costs.
  - Impact of the UK having left the European Union on the UK economy.
  - The war in Ukraine having an impact of energy and food costs.
  - Financial impact of the Capital Programme on the revenue budget – the affordability of the capital programme and future schemes needs to be carefully considered.

Adequacy of the Reserves

- 1.28 The Budget Strategy set a target for the General Fund balance to be maintained at a minimum of £2m, with the Stability and Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g., Business Rates, Government funding changes). Given the funding gap identified over the MTFS period, the Council must identify and deliver new savings to ensure this reserve is replenished.

- 1.29 A number of earmarked reserves are held for specific purposes and to mitigate risk across the Council's budgets. Paragraphs 5.17 to 5.23 of the Revenue Budget, Capital Programme and Council Tax Level report to Cabinet (FIN2304) set out the detailed position on the Council's balances and reserves.
- 1.30 The Council actively increased the level of balances and reserves it holds over the preceding years in recognition of the risks outlined earlier in the report. This does provide the Council with options and flexibility in its approach to addressing the financial challenges over the medium-term.
- 1.31 It is acknowledged that the impact of Covid-19, Cost of Living Crisis, cost and income pressures, and delivery of the Council priorities has placed pressure on the MTFS Equalisation Reserve (formerly part of the Stability and Resilience reserve) in the short-term, here is no planned deployment of the reserve in 2022/23 and 2023/24. However, it is not sustainable or prudent to rely on the MTFS Equalisation reserve over the medium-term and additional work is planned to ensure that any gap identified from 2025/26 can be met by a reduction in costs or generation of income.
- 1.32 The Council plans to maintain a minimum balance of £2.500m in the Business Rates Equalisation Reserve (formerly part of the Stability and Resilience reserve) over the MTFS period.
- 1.33 Whilst the level of balances and reserves shown in Table 3 of the report indicates that the Council is in currently a good financial position, the cumulative funding gap of £4.943m over the MTFS period would reduce the MTFS Equalisation Reserve to a nil balance during 2026/27. This will need to be addressed over the coming months as the Council will need to make significant decisions on future mitigation options
- 1.34 Utilisation of the Commercial Property reserve in 2022/23 to mitigate reduced rental income from assets is a concern in the short-term. The expected balance on the reserve by the end of the 2022/23 financial year is £0.388m and must be reviewed over the coming months to ensure the reserve balance is adequate to mitigate risks over the MTFS period.
- 1.35 Therefore, I am satisfied that the level of reserves the Council holds for the forthcoming year is adequate to support the budget although members should consider the level of reserves utilised in 2022/23 and the need to ensure reserves remain adequate over the medium-term.
- 1.36 In conclusion, I am satisfied that the budget is robust and is supported by adequate reserves.

Simon Little  
Interim Executive Head of Finance and Section 151 Officer

15 February 2023

**COUNCIL MEETING – 23RD FEBRUARY 2023**

**AGENDA ITEM NO. 5 (4)**

**UPDATES TO THE CONSTITUTION**

A report from the meeting of the Corporate Governance, Audit and Standards Committee held on 30th January 2023.

**1. INTRODUCTION**

- 1.1 The Council's Constitution sets out how the Council operates, how decisions are made, and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.
- 1.2 The Council has a responsibility to monitor its Constitution, and to ensure that it is kept up to date. The last major review of the document was carried out in 2019/20 and since then several updates have been made, including a revised Code of Conduct for Councillors, new provisions to strengthen the Corporate Governance, Audit and Standards Committee, changes to the criteria for the selection of the Mayor and Deputy Mayor and updates to reflect changes to staffing structures and responsibilities within the organisation.
- 1.3 Further to the monitoring responsibility, this report proposes that updates be made to the following parts of the Constitution:
  1. Standing Orders for the Regulation of Business (**Appendix 1**)
  2. Scheme for the Appointment of Standing Deputies (**Appendix 2**)
  3. Scheme for Public Speaking at Development Management Committee (**Appendix 3**)
  4. Minor Update to the Responsibilities of the Development Management Committee
  5. Council Responsibilities (Non-Executive Matters) – Elections and Electoral Registration (**Appendix 4**)
- 1.4 The proposals which relate to the Development Management Committee were considered and endorsed by the Committee at its meeting on 18th January 2023.
- 1.5 The proposals that are referenced in paragraph 1.3 (1-3) above, were considered and recommended by the Corporate Governance Audit and Standards Committee at its meeting on 30th January, following consideration by the Constitution Working Group at its meeting in December 2022. The

Constitution Working Group was attended by councillors P.J. Cullum, Sue Carter, Christine Guinness and S. Trusler.

- 1.6 The updates related to Elections provisions (**Appendix 4**) are endorsed by the Corporate Governance Audit and Standards Committee and arise from a recent review of the implications of the Elections Act 2022 for the forthcoming Borough Elections.
- 1.7 Finally, the Report also sets out for monitoring purposes, a schedule which summarises the updates which have been made to the Constitution since the last report to the Council in May 2020 (**Appendix 5**). This includes:
- Changes that have been made following Council/Committee approval
  - Changes arising from revised staffing structures and role responsibilities as directed by the Chief Executive
  - Minor clerical updates to correct or clarify provisions under delegated powers
- 1.8 A copy of the Constitution, showing track changes made to the documentation in relation to the most recent staffing changes is available to view on the Members SharePoint site, with the link to be shared separately with Members.

## 2. **SUMMARY OF PROPOSED NEW UPDATES**

- 2.1 In December 2022, the Constitution Working Group considered and recommended proposals in relation to the following matters, which were subsequently considered and are recommended by the Corporate Governance, Audit and Standards Committee:
- (1) Arrangements for dealing with Notices of Motion with financial implications outside of the approved budget
  - (2) The number of Standing Deputies appointed to committees
  - (3) Public speaking at Development Management Committee
  - (4) Responsibilities of the Development Management Committee (minor change)

### **Notices of Motion**

- 2.2 Currently, Standing Orders do not prescribe arrangements for dealing with Notices of Motion for Council Meetings which, if agreed, would have financial implications outside of the approved budget. Further to research, some Councils in the local area have Standing Orders which specify their process in such circumstances. Under existing Standing Orders, this may be dealt with by requiring the Motion to be reworded before it is accepted, or the matter can be referred without discussion to a relevant body. To help put in place clearer

procedures, it is proposed that an update be made to Standing Orders to determine that Notices of Motion submitted under SO 9(1) containing proposals which would increase capital and/or financial expenditure outside of the approved budget must first be referred to the Cabinet or other appropriate body prior to consideration by the Council. In addition, for clarity, Notices of Motion should not seek to take a decision on executive matters, other than to make a recommendation. A copy of the proposed amendment is attached in SO 9(7) and 9(8) in **Appendix 1**.

### **Standing Deputies**

- 2.3 The Scheme for Standing Deputies is a part of Standing Orders and applies to the Development Management Committee, Corporate Governance Audit and Standards Committee, Overview and Scrutiny Committee and Policy and Project Advisory Board. It currently allows for the attendance of one named substitute member per political group when an appointed Member cannot be present at a meeting.
- 2.4 It is proposed that the scheme be amended to allow the attendance of up to **two nominated substitutes per political group** in future. This will help to increase resilience for cover, and ensure quorum, on occasions when more than one Member from a political group is unable to attend a meeting. Research on provisions at other authorities in the local area shows that most authorities have a more generous provision for standing deputies than Rushmoor's current scheme.
- 2.5 A copy of the proposed amendments to the scheme for Standing Deputies showing track changes is attached at **Appendix 2**.

### **Scheme for Public Speaking at Development Management Committee**

- 2.6 The Development Management Committee has considered proposals for change to the Scheme for Public Speaking at Development Management Committee. These are changes to enable greater public participation and can be summarised as follows:
- (i) to increase the number of public speakers on planning applications at Committee to allow two people to speak against the applications and two people to speak for the application
  - (ii) to put in place provisions to allow a greater number of public speakers in the case of major planning applications where there is expected to be high level of public interest and the decision is expected to have a significant impact on the Borough as a whole.
- 2.7 A copy of the proposed amendments to the Scheme for Public Speaking at the Development Management Committee is attached at **Appendix 3**.

## **Responsibilities of the Development Management Committee**

- 2.8 The decision-making responsibilities of the Development Management Committee are prescribed in Para. 6.5, Part 3 - Section 6 of the Constitution. For completeness, it is proposed to add an additional responsibility under this section which reflects the Committee's existing role:

Insert at the end of Para 6.5:

"The Development Management Committee will also receive updates on progress on Committee decisions, planning enforcement, and performance of the planning service with regard to the nationally set performance standards and associated matters."

- 2.9 These are information reports that the Committee already receives but are not specifically acknowledged in the current terms of reference for the Committee.

## **3. ELECTIONS AND ELECTORAL REGISTRATION**

- 3.1 Following the recent publication of regulations and guidance for the Elections Act 2022, it is proposed that amendments be made to the schedule of responsibilities for non-executive matters relating to elections and electoral registration as set out in **Appendix 4**. These particularly relate to the requirements to improve accessibility to polling places and the need to show ID to vote in person.

- 3.2 The implications of the Elections Act mean that greater flexibility will be needed in making decisions relating to the use and provision of polling places and delivering some of the detailed aspects relating to ID in polling stations. There may need to be further changes to the Constitution as further provisions set out in the Act are introduced through legislation.

## **4. SCHEDULE OF UPDATES MADE SINCE LAST MAJOR REVIEW**

- 4.1 **Appendix 5** to the report contains a schedule which summarises all the updates that have been made to the Constitution since the last major review and the report to Council in May 2020. This includes all the updates made to reflect the changes that have been made to the senior staffing structure, job titles and officer responsibilities as determined by the Chief Executive.

- 4.2 As part of this, amendments have been made throughout the document, and in Standing Orders, to reflect the change to responsibilities following the departure of the Head of Democracy and Community.

## **5. CONCLUSIONS**

- 5.1 The Council has a responsibility to monitor its Constitution and it is timely to update the document to ensure that the provisions continue to facilitate council business and meet the needs of the organisation. The updates also incorporate



recent changes to the senior staffing structure to ensure formal responsibilities are up to date and clear.

5.2 The Council is recommended to consider and approve the proposals described in section 2 and 3 of the report above.

## 6. **RECOMMENDATIONS**

6.1 It is recommended to the Council that a revised and updated Constitution be adopted.

The revisions to comprise: -

- (1) All proposed new amendments to the Constitution as set out in Appendices 1, 2, 3 and 4;
- (2) A minor update to the Development Management Committee's terms of reference as stated in Para. 2.8 above; and
- (3) All previously agreed amendments and updates to the Constitution since the last major review in May 2020 as described in the schedule in Appendix 5

**Note:** In accordance with Council Procedure Rule 29(1), the proposed amendments to the Standing Orders for the Regulation of Business including the Scheme for Standing Deputies will stand adjourned without discussion to the Council meeting on 20th April 2023.

P.J. CULLUM  
CHAIRMAN OF THE CORPORATE GOVERNANCE, AUDIT AND  
STANDARDS COMMITTEE

## STANDING ORDERS FOR THE REGULATION OF BUSINESS

### INTRODUCTION

The Council Procedure Rules (known as Standing Orders) set out the rules of debate and procedure for the conduct of meetings of the Council, including where necessary their application to committees, sub-committees and other bodies.

The Standing Orders are:

1. Meetings of the Council
2. Order of Business – Annual Meeting
3. Appointment of Relevant Bodies
4. The Cabinet and Other Bodies
5. Election of Chairmen and Vice-Chairmen
6. Order of Business – Ordinary Meetings
7. Minutes
8. Questions
9. Notices of Motion
10. Reports of Relevant Bodies
11. Voting
12. Motions and Amendments which may be moved without notice
13. Rules of Debate for Council Meetings
14. Quorum
15. Closure and Adjournment of Meetings
16. Motions Affecting Persons Employed by the Council
17. Disorderly Conduct
18. Disturbance by Members of the Public
19. Recission of Preceding Resolution
20. Confidentiality of Certain Business

21. Petitions
22. Deputations and Memorials
23. Interpretation of Standing Orders
24. Sealing of Documents
25. Authentication of Documents for Legal Proceedings
26. Standing Orders to Apply to Relevant Bodies
27. Meetings of Relevant Bodies
28. Sub-Committees
29. Variation and Revocation of Standing Orders
30. Suspension of Standing Orders
31. Standing Orders to be given to Members

Where the term “relevant body” is mentioned under the Standing Orders it relates to the Cabinet, committees, sub-committees or Policy and Project Advisory Board and this item shall be construed as appropriate.

The Council Procedure Rules contain some mandatory standing orders and other standing orders to reflect local custom and practice. Mandatory standing orders are also reflected in the other Procedure Rules set out in this Constitution.

Members and officers shall comply with these Standing Orders at all times.

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## MEETINGS OF THE COUNCIL

### Annual Meeting

1. (1) In a year when there is an ordinary election of councillors, the Annual Meeting will take place within 21 days of the retirement of the out-going councillors. The meeting shall normally be held on a Tuesday as near as possible to 20th day of May in each year, unless the Mayor, in consultation with the Chief Executive ~~and Head of Democracy and Community~~ determines otherwise.

### Ordinary Meetings

- (2) In addition to the Annual Meeting of the Council and any meetings convened by the Mayor or by Members of the Council, meetings for the transaction of general business shall be set out in a calendar by the ~~Corporate Manager – Democracy~~ Head of Democracy and Community to ensure the effective transaction of business.

### Time of Meetings

- (3) Meetings of the Council shall be held at seven o'clock in the evening, unless the Mayor, in consultation with the Chief Executive ~~Head of Democracy and Community~~ determines otherwise.

### Extraordinary Meetings

- (4) An Extraordinary Meeting may be called by the Chief Executive ~~Head of Democracy and Community~~ at the request of:
  - (a) the Council by resolution
  - (b) the Mayor
  - (c) any five Members of the Council by notice which has been signed by those Members and specifies the business proposed to be transacted.

### Notice of and Summons to Meetings

- (5) ~~The Head of Democracy and Community will give n~~Public notice of meetings will be given to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear working days before a meeting, ~~the Head of Democracy and Community will send~~ a summons signed from the Chief Executive will be sent by him or her to every Member of the Council. The summons will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available.

## **ORDER OF BUSINESS – ANNUAL MEETING**

2. (1) The order of business of the Annual Meeting of the Council shall normally be to:
  - (a) elect the Mayor and Deputy Mayor of the Borough;
  - (b) approve the minutes of the last meeting;
  - (c) receive any announcements from the Mayor and/or the Chief Executive;
  - (d) appoint the Leader of the Council;
  - (e) note the appointment of the Deputy Leader and other Members appointed to the Cabinet by the Leader;
  - (f) appoint to the Committees and the Policy and Project Advisory Board as appropriate;
  - (g) appoint the Chairman and Vice-Chairman of the Development Management Committee and Corporate Governance, Audit and Standards Committee, and the Chairman of the Overview and Scrutiny Committee and the Policy and Project Advisory Board; and
  - (h) consider any other business set out in the summons.

## **APPOINTMENT OF RELEVANT BODIES**

3. (1) The Council shall at the Annual Meeting appoint the relevant bodies specified in Standing Order 4 and shall determine the composition of the voting Members of each relevant body, and may at any time appoint such other relevant bodies as are necessary to carry out the work of the Council but, subject to any statutory provision in that behalf:
  - (a) shall not give effect to the appointment of any Member of a relevant body so as to hold office later than the next Annual Meeting of the Council;
  - (b) may at any time dissolve a relevant body; and
  - (c) may suspend a Member from membership of a relevant body for a specified period.
- (2) Where the Members of the Council are divided into political groups, the Council shall, at the Annual Meeting and at such other times as appropriate, review the allocation of seats on relevant bodies between the political groups.

- (3) The ~~Corporate Manager – Democracy Head of Democracy and Community~~ shall set out in a report to the Council the allocation of seats to political groups in accordance with the requirements of the Local Government and Housing Act, 1989 and the Local Government Act, 2000, upon which the Council shall determine the allocation of seats accordingly.
- (4) Subject to Standing Orders 3 (2) and (3) and Standing Order 4 (7), the Council shall make appointments to relevant bodies so as to give effect to the wishes of the political groups as appropriate.
- (5) The arrangements to secure political balance and the provisions set out in Standing Orders 3, 4 and 28 shall be undertaken in accordance with the provisions of the Local Government and Housing Act, 1989 or any subsequent amending legislation, and Regulations made thereunder from time to time by the Secretary of State.
- (6) For the purpose of these Standing Orders, the term 'political group' means two or more Councillors who wish to be treated as a political group for the purposes of the provisions of the Local Government and Housing Act, 1989 or any subsequent amending legislation, and regulations made thereunder from time to time by the Secretary of State.

## THE CABINET AND OTHER BODIES

### Membership

4. (1) The decision-making structure of the Council shall consist of the bodies set out below, together with a Leader and Cabinet. The Council shall appoint the Members of each of the relevant bodies, which shall not exceed the number of Members specified below:

<b>Relevant Body</b>	<b>Maximum Number of Voting Members</b>
Development Management Committee	11
Corporate Governance, Audit and Standards and Committee	11
Overview and Scrutiny Committee	11
Policy and Project Advisory Board	11

- (2) The Council shall appoint standing deputies to the Development Management Committee, Corporate Governance, Audit and Standards Committee, Overview and Scrutiny Committee and Policy and Project Advisory Board, in accordance with the provisions for the appointment of standing deputies contained in Appendix 1 to these Standing Orders.

- (3) The Member of the Cabinet with responsibility for matters relating to planning policy shall be an ex officio Member of the Development Management Committee PROVIDED that the Member shall only be entitled to vote if appointed with full voting rights in accordance with the political balance arrangements.
- (4) The Overview and Scrutiny Committee and the Policy and Project Advisory Board may appoint such non-voting Members and advisers as they consider fit.

### **Vacancies in Membership**

- (5) If any Member shall be absent from three consecutive meetings of a Committee or the Policy and Project Advisory Board, he or she shall cease to be a Member thereof, unless he or she shall, in the opinion of the Committee or Board, show reasonable grounds for his or her absence.
- (6) On a vacancy arising on the Corporate Governance, Audit and Standards Committee or the Development Management Committee, the ~~Corporate Manager – Democracy Head of Democracy and Community~~ shall give notice thereof in the summons calling the next Council meeting, so as to enable the Council to fill such vacancy.
- (7) On a vacancy arising on the Overview and Scrutiny Committee or the Policy and Project Advisory Board, such vacancy shall be filled by the appropriate Leader of a Political Group where it falls within that Group. In all cases the appointment shall be reported on the agenda of the following meeting of the body. Where the vacancy is not part of the allocation of a political group, it shall be filled by the ~~Corporate Manager – Democracy Head of Democracy and Community~~.

## **APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN**

### **Appointment of Leader of the Council**

5. (1) The Leader of the Council shall be appointed at the Annual Meeting of the Council. On a vacancy arising, or at the end of the Municipal Year, ~~the Head of Democracy and Community nominations~~ shall ~~seek nominations be sought~~ from Members and ~~give~~ notice ~~given~~ in the summons calling the next Council meeting so as to enable the Council to fill such vacancy. The Leader of the Council shall Chair meetings of the Cabinet and references to Chairman in these Standing Orders shall be construed accordingly.

### **Appointment of Chairmen and Vice-Chairmen**

- (2) Chairmen and Vice-Chairmen of the Development Management and Corporate Governance, Standards and Audit Committees shall

be appointed at the Annual Meeting of the Council for the ensuing year.

Chairmen of the Overview and Scrutiny Committee and the Policy and Project Advisory Board shall also be appointed at the Annual Council Meeting.

Vice-Chairmen of the Overview and Scrutiny Committee and the Policy and Project Advisory Board shall be appointed at the first meeting of the appropriate Committee/Board in each Municipal Year.

On a vacancy arising, the appropriate Committee or Board will be asked to fill the vacancy at its next meeting. In the absence from a meeting of the Chairman and Vice-Chairmen, a Chairman for that meeting shall be appointed.

### **Chairman of Meeting**

- (3) Any power or duty of the Mayor or a chairman in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.

### **ORDER OF BUSINESS – ORDINARY MEETINGS**

6. (1) The order of business at every meeting of the Council shall normally be to:
  - (a) choose a person to preside if the Mayor and Deputy Mayor are absent;
  - (b) deal with any business required by statute to be done before any other business;
  - (c) approve as a correct record and sign the Minutes of the last meeting of the Council. No motion or discussion shall be allowed on the Minutes except as to their accuracy and any objection on that ground must be made by motion;
  - (d) deal with any business expressly required by statute to be done;
  - (e) receive any Mayor's announcements;
  - (f) dispose of business (if any) remaining from the last meeting;
  - (g) answer questions asked under Standing Order 8;
  - (h) authorise the sealing of documents;
  - (i) receive any petitions submitted under Standing Order 21;



- (j) consider motions in the order in which notice has been received;
- (k) receive and consider matters for decision submitted by relevant bodies;
- (l) consider matters for debate raised by the relevant bodies;
- (m) answer questions for the Cabinet in accordance with the agreed procedure;
- (n) receive Reports submitted by the Cabinet, Corporate Governance, Audit and Standards Committee and Development Management Committee and answer questions asked under Standing Order 8 (2);
- (o) other business, if any, specified in the Summons; and
- (p) receive Reports submitted by the Overview and Scrutiny Committee and the Policy and Project Advisory Board.

#### **Variation of Order of Business**

- (2) Business falling under Items (a), (b) or (c) of Standing Order 6 (1), shall not be displaced, but, subject thereto, the foregoing order of business may be varied by:
  - (a) the Mayor at his or her discretion; or
  - (b) resolution passed on a motion (which need not be in writing) duly moved and seconded, which shall be moved and put without discussion.

#### **Mayor-Elect and Deputy Mayor-Elect**

- (3) The Corporate Governance, Audit and Standards Committee shall recommend to the Council a Mayor-Elect and a Deputy Mayor-Elect at least one month before the end of the Municipal Year.

### **MINUTES**

#### **Approval of Minutes**

- 7. (1) The Mayor shall put the question that the Minutes before the meeting be approved as a correct record.

#### **Minutes not to be discussed**

- (2) No discussion shall take place upon the Minutes, except upon their accuracy, and any question of the accuracy shall be raised by motion. If no such question is raised, or if it is raised then as soon as it has been disposed of, the Mayor shall sign the Minutes.

### **Extraordinary Meetings**

- (3) The Council shall approve as a correct record the Minutes of the proceedings of an Extraordinary Meeting of the Council called under Standing Order 1(4) at the next following Ordinary Meeting of the Council and they shall be signed by the Mayor.

## **QUESTIONS BY MEMBERS**

### **Questions for the Cabinet**

8. (1) A Member of the Council may ask a Cabinet Member any question upon any matter dealt with under the executive arrangements, in accordance with the procedure contained in Appendix 2 to these Standing Orders.

### **Questions relating to Reports**

- (2) A Member of the Council may ask a Committee Chairman or a Cabinet Member any question upon an item in the Report of a relevant body (Standing Order 6(1)(n)) when that item is under consideration by the Council.

### **Questions relating to other matters**

- (3) A Member of the Council may:
  - (a) if ten clear working days' notice in writing has been given to the Corporate Manager – Democracy, Head of Democracy and Community, ask the Mayor, the Chairman of the Corporate Governance, Audit and Standards Committee, the Chairman of the Development Management Committee or a Cabinet Member any question on any matter in relation to which the Council has powers or duties or which affects the Borough, PROVIDED that the number of questions permitted to be asked shall be limited to three for each political group or Member, in the case that the Member is not part of a political group.

### **Urgent Questions**

- (b) with the permission of the Mayor, put to him or her or a Chairman or Cabinet Member any question relating to urgent business, of which such notice has not been given; but a copy of any such question shall, if possible, be delivered to the Corporate Manager – Democracy, Head of Democracy

~~and Community~~ not later than five o'clock in the afternoon of the day of the meeting.

### **Length of Questions**

- (4) No question asked under 3 (a) or (b) above shall exceed 100 words in length including any document appended thereto.

### **Answers not to be discussed**

- (5) No speech or discussion shall, without the consent of the Council, be allowed on any question so put, or on any answer thereto.

### **Forms of Answer**

- (6) An answer may take the form of:-
- (a) a direct oral answer; or
  - (b) where the desired information is contained in a publication of the Council, a reference to that publication; or
  - (c) where the reply to the question cannot conveniently be given orally, a written answer circulated to Members of the Council; or
  - (d) a reference to the fact that the question relates to a confidential matter and as such can only be answered when the Council has resolved to exclude the public.

### **Questions to the Chairman of the Overview and Scrutiny Committee**

- (7) A Member of the Council may ask the Chairman of the Overview and Scrutiny Committee any question on a matter relating to the Committee's responsibilities during consideration of the Annual Report of the Overview and Scrutiny Committee to the Council, in accordance with the procedure contained in Appendix 3 to these Standing Orders.

## **NOTICES OF MOTION**

### **Notice to be in writing**

9. (1) Notice of every motion, other than a motion which under Standing Order 12 may be moved without notice, shall be given in writing or sent electronically including the name of the Member or Members of the Council giving the notice, and delivered, at least ten clear days before the meeting to which it relates, to the Corporate Manager – Democracy ~~Head of Democracy and Community~~.

## Inclusion of Motions in Summons

- (2) The ~~Corporate Manager – Democracy Head of Democracy and Community~~ shall set out in the Summons for the appropriate meeting of the Council, the motions of which notice has been duly given in the order in which they have been received, unless the Member giving notice of the motion shall have withdrawn it or indicated that he or she proposes to move it at a later meeting.
- (3) The number of new motions permitted to be considered at each meeting of the Council shall be limited to one per political group or one per Member, in the case that a Member is not part of a political group. (Previously SO 9 (6))
- (4) Each Motion shall be considered by the Chief Executive ~~and Head of Democracy and Community~~ prior to inclusion on an agenda to ensure that the provisions of these Standing Orders and any other legislation and/or guidance, have been met. (Previously SO 9 (10))

## Motions Submitted – Length and Content

- (5) No motion, other than a motion which may be moved without notice under Standing Order 12, shall exceed 200 words in length including any document appended thereto. (Previously SO 9 (8))
- (6) A Motion should be expressed in positive terms to either adopt a certain course of action, carry out some act or to declare a particular view. (Previously SO 9 (9))
- ~~(7)~~ Every motion shall be relevant to some matter in relation to which the Council has powers or duties, and shall not seek to take a decision in respect of a matter which is the responsibility of the Cabinet or other statutory body, other than to make a recommendation.
- ~~(7)~~(8) Motions containing proposals which would increase capital and/or revenue expenditure outside the approved budget must first be referred to the Cabinet or other appropriate body prior to consideration by the Council.

## Motions not moved considered withdrawn

- (9) If a motion thus set out in the Summons be not moved either by a Member who gave notice thereof or by another Member on his or her behalf it shall, unless postponed by consent of the Council, as appropriate, be treated as withdrawn and shall not be moved without fresh notice. (Previously SO 9 (3))

## Motions referred to a Relevant Body

(10) Where a motion has been included in the Summons and moved and seconded, the Mayor may direct that it be referred to the relevant body and not further debated at that meeting of the Council. (Previously SO 9 (4))

(11) A motion considered by a relevant body shall be submitted with a recommendation for decision to the Cabinet or a Committee or, if appropriate, to the Council. (Previously SO 9 (5))

## **REPORTS OF RELEVANT BODIES**

### **Submission and Form of Reports**

10. (1) As soon as is practicable following a meeting of a relevant body, it shall submit a Report to the Council. Relevant bodies shall, as appropriate:
- (a) submit proposals containing recommendations which require approval by the Council;
  - (b) submit Reports which relate to matters of information or to decisions taken; and
  - (c) submit items for debate on which the Council's views are sought.

### **Transfer of Matters Contained in Reports**

- (2) At a meeting of the Council, any Member, immediately following the relevant page of a Report of the Cabinet or Committee being called over, may move that an item contained in the Report be discussed at the meeting and, upon being seconded, any such motion shall be put to the meeting without discussion, PROVIDED that the proposer may, when putting his motion, indicate briefly his or her reasons for so moving and the Chairman or Cabinet Member may respond thereto.

### **Reports not to be discussed**

- (3) No discussion (other than a question asked or answered in accordance with Standing Order 8) shall take place upon any matter contained or referred to in a Report of a relevant body submitted under Standing Order 10(1)(b) above.

## **VOTING**

### **Majority**

11. (1) Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those Members voting and present

in the room at the time the question is put. The mode of voting at meetings of the Council shall be by show of hands or, if there is no dissent, by the affirmation of the meeting.

### **Mayor to have casting vote**

- (2) In the event of an equality of votes, the Mayor, or in the case of a relevant body, the Chairman, shall have a casting vote, whether or not he or she has already voted. If the Mayor or Chairman declines to give a casting vote the proposition shall not be carried.

### **Right to have vote recorded**

- (3) Where any Member requests it, immediately after the vote is taken, his or her vote will be so recorded in the minutes to show whether he or she voted for or against the question or abstained from voting.

### **Recorded Votes**

- (4) On the requisition of any Member of the Council made before the vote is taken, the voting on any question shall be recorded so as to show whether each Member present gave his or her vote for or against that question or abstained from voting.
- (5) A recorded vote shall be taken on any decision relating to the budget or council tax.

### **Appointments**

- (6) Where there are more than two persons nominated for any position to be filled by the Council or relevant body, and of the votes given there is not an overall majority in favour of one person, the name of the person having the least number of votes shall be struck off the list and a fresh vote shall be taken and so on until a majority of votes is given in favour of one person.

### **MOTIONS AND AMENDMENTS WHICH MAY BE MOVED WITHOUT NOTICE**

12. The following motions and amendments may be moved without notice:-
  - (a) appointment of a Chairman of the meeting at which the motion is made;
  - (b) motions relating to the accuracy of the Minutes;
  - (c) that an item of business specified in the Summons has precedence;
  - (d) remission to a relevant body;

- (e) appointment of a relevant body or members thereof, occasioned by an item mentioned in the Summons to the meeting;
- (f) adoption of Recommendations of the relevant bodies or Officers and any consequent resolutions;
- (g) that leave be given to withdraw a motion;
- (h) extending the time limit for speeches;
- (i) amendments to motions;
- (j) that the Council proceed to the next business;
- (k) that the question be now put;
- (l) that the debate be now adjourned;
- (m) that the Council do now adjourn;
- (n) authorising the sealing of documents;
- (o) suspending Standing Orders, in accordance with Standing Order 29;
- (p) motion under Section 100A of the Local Government Act, 1972 to exclude the public;
- (q) that a Member named under Standing Order 17 be not further heard or do leave the meeting;
- (r) inviting a Member to remain where he or she has a pecuniary interest;
- (s) giving consent of the Council where the consent of the Council is required by these Standing Orders;
- (t) continuing the sitting under Standing Order 15(1);
- (u) to debate a matter contained in the Report of a relevant body in accordance with Standing Order 10(2).

## **RULES OF DEBATE FOR COUNCIL MEETINGS**

### **Form of Motions and Amendments**

13. (1) A motion or amendment shall not be discussed unless it has been proposed and seconded, and unless notice has already been given in accordance with Standing Order 9 it shall, if required by the Mayor, be put into writing and handed to the Mayor before it is further discussed or put to the Meeting.

### **Seconders's Speech**

- (2) A Member when seconding a motion or amendment may, if he or she then declares his or her intention to do so, reserve his or her speech until a later period of the debate.

### **Members to stand while speaking and form of reference to other Members**

- (3) A Member when speaking shall stand and address the Mayor. If two or more Members rise, the Mayor shall call on one to speak; the other or others shall then sit. While a Member is speaking the other Members shall remain seated, unless rising to a point of order or in personal explanation. Members should be referred to by their titles of "Mayor", "Deputy Mayor", "Chairman" or "Councillor" as appropriate.

### **Content and length of speeches**

- (4) A Member shall direct his or her speech to the question under discussion or to a personal explanation or to a point of order. No speech shall exceed five minutes except by consent of the Council.

### **When a Member may speak again**

- (5) A Member who has spoken on any motion shall not speak again whilst it is the subject of debate, except:-
  - (a) to speak once on an amendment moved by another Member;
  - (b) if the motion has been amended since he or she last spoke, to move a further amendment;
  - (c) if his or her first speech was on an amendment moved by another Member, to speak on the main issue, whether or not the amendment on which he or she spoke was carried;
  - (d) in exercise of a right of reply given by paragraph (11) or (13) of this Standing Order;
  - (e) on a point of order;
  - (f) by way of personal explanation.

### **Form of Amendments to Motions**

- (6) (a) An amendment shall be relevant to the motion and shall either:-
  - (i) refer a subject of debate to a relevant body for consideration or re-consideration;



- (ii) leave out words;
- (iii) leave out words and insert or add others; or
- (iv) insert or add words;

but such omission, insertion or addition of words shall not have the effect of negating the motion before the Council.

- (b) Subject to Standing Order 13(6)(a), any amendment to a recommendation on a Notice of Motion shall incorporate a specific reference to the Notice of Motion submitted for consideration.

### **Amendments to be disposed of singly**

- (7) Only one amendment may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of PROVIDED that the Mayor may permit two or more amendments to be discussed (but not voted on) together if circumstances suggest that this course would facilitate the proper conduct of the Council's business.

### **Subsequent Amendments**

- (8) If an amendment be lost, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.

### **Alteration of Motion**

- (9) With the consent of the Council, a Member may:
  - (a) alter a motion of which he or she has given notice; or
  - (b) with the further consent of his seconder, alter a motion which he or she has moved;

if (in either case) the alteration is one which could be made as an amendment thereto.

### **Withdrawal of Motions and Amendments**

- (10) A motion or amendment may be withdrawn by the mover with the consent of his or her seconder and of the Council, which shall be signified without discussion, and no Member may speak upon it after the mover has asked permission for its withdrawal, unless such permission shall have been refused.

### **Right of Reply**

- (11) The mover of a motion has a right to reply at the close of the debate on the motion, immediately before it is put to the vote. If an amendment is moved, the mover of the original motion shall also have a right of reply at the close of the debate on the amendment, and shall not otherwise speak on the amendment. The mover of the amendment shall have no right of reply to the debate on his or her amendment.

### **Motions which may be moved during debate**

- (12) When a motion is under debate no other motion shall be moved except the following:
- (a) to amend the motion;
  - (b) to adjourn the meeting;
  - (c) to adjourn the debate;
  - (d) to proceed to the next business;
  - (e) that the question be now put;
  - (f) that a Member be not further heard;
  - (g) by the Mayor under Standing Order 17(2) that a Member do leave the meeting;
  - (h) a motion under Section 100A of the Local Government Act, 1972 to exclude the public.

### **Motions for adjournment, closure etc.**

- (13) A Member may move without comment at the conclusion of a speech of another Member, "That the Council proceed to the next business", "That the question be now put", "That the debate be now adjourned", or "That the Council do now adjourn", on the seconding of which the Mayor shall proceed as follows:
- (a) on a motion to proceed to the next business: unless in his or her opinion the matter before the meeting has been insufficiently discussed, he or she shall first give the mover of the original motion a right of reply, and then put to the vote the motion to proceed to next business;
  - (b) on a motion that the question be now put: unless in his or her opinion the matter before the meeting has been insufficiently discussed, he or she shall first put to the vote the motion that the question be now put, and if it is passed then give the mover of the original motion his or her right of

reply under paragraph (11) of this Standing Order before putting his or her motion to the vote; and

- (c) on a motion to adjourn the debate or the meeting: if in his or her opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion he or she shall put the adjournment motion to the vote without giving the mover of the original motion his or her right of reply on that occasion.

#### **Points of order or personal explanations**

- (14) A Member may rise on a point of order or in personal explanation, and shall be entitled to be heard forthwith. A point of order shall relate only to an alleged breach of a Standing Order or statutory provision and the Member shall specify the Standing Order or statutory provision and the way which he or she considers it has been broken. A personal explanation shall be confined to some material part of a former speech by him or her which may appear to have been misunderstood in the present debate.

#### **Ruling of Mayor to be final**

- (15) The ruling of the Mayor on a point of order or on the admissibility of a personal explanation shall not be open to discussion.

#### **Members not to impute unworthy motives**

- (16) No Member shall impute to another Member dishonest or unworthy motives, or use offensive or unbecoming words, or be guilty of tedious repetition.

#### **Protest not to be entered on Minutes**

- (17) No protest or expression of dissent, other than as a record of votes, shall be entered upon the Minutes of the Council.

#### **Respect for Chair**

- (18) Whenever the Mayor rises during a debate a Member then standing shall resume his or her seat and the Council shall be silent.

### **QUORUM**

- 14. (1) Subject to the provisions of Paragraph 45 of Schedule 12 of the Local Government Act, 1972, no business shall be transacted at a meeting of the Council unless at least one-third of the whole number of Members of the Council are present.
- (2) If during any meeting of the Council the Mayor, after counting the number of Members present, declares that there is not a quorum present the meeting shall stand adjourned.

## **CLOSURE AND ADJOURNMENT OF MEETINGS**

15. (1) No opposed business (i.e. business which any Member wishes to debate) shall be taken at an Ordinary Meeting of the Council after eleven o'clock in the evening, except the business then under consideration and as hereinafter provided. At the conclusion of the business then under consideration, the Mayor shall call over the business remaining to be transacted and any opposed business, including the remainder of a Report of the relevant body if then under discussion, shall stand adjourned unless the Council resolve, on a motion which shall be put without debate, to continue the sitting either for a particular item or items on the agenda or for all the remaining business.
- (2) When a meeting is adjourned pursuant to any provision contained in these Standing Orders (except in accordance with Standing Orders 17 (2) or (3)) then the consideration of all business not transacted shall be adjourned to a day and time to be fixed by the Mayor or, if he or she does not fix a day and time, to the next Ordinary Meeting of the Council. Notice of an adjourned meeting shall be given to each Member ~~by the Head of Democracy and Community~~ and such notice shall specify the business remaining to be transacted, but it shall not be necessary to send with such notice a further copy of any minutes and/or reports already circulated.

## **MOTIONS AFFECTING PERSONS EMPLOYED BY THE COUNCIL**

16. If any question arises at a meeting of the Council, or of a relevant body, as to the appointment, promotion, dismissal, salary, superannuation or conditions of service, or as to the conduct of any person employed by the Council, such question shall not be the subject of discussion until the Council or relevant body, as the case may be, has decided whether or not the power of exclusion of the public under Section 100A of the Local Government Act, 1972 shall be exercised.

## **DISORDERLY CONDUCT**

### **Naming a Member**

17. (1) If at a meeting any Member of the Council, in the opinion of the Mayor notified to the Council, misconduct himself or herself by persistently disregarding the ruling of the Chair, or by behaving irregularly, improperly, or offensively, or by wilfully obstructing the business of the Council, the Mayor or any other Member may move "That the Member named be not further heard", and the motion if seconded shall be put and determined without discussion.

### **Removal of disorderly Member**

- (2) If the Member named continues his or her misconduct after a motion under Standing Order 17 (1) has been carried the Mayor shall:

EITHER move "That the Member named do leave the Meeting" (in which case the motion shall be put and determined without seconding or discussion);

OR adjourn the meeting of the Council for such a period as the Mayor shall consider expedient.

### **Adjournment in case of disorder**

- (3) In the event of general disturbance, which in the opinion of the Mayor renders the due and orderly dispatch of business impossible, the Mayor in addition to any other power vested in him or her may, without the question being put, adjourn the meeting of the Council for such period as considered expedient.

### **DISTURBANCE BY MEMBERS OF THE PUBLIC**

18. If a member of the public interrupts the proceedings at any meeting the Mayor shall warn him or her. If he or she continues the interruption the Mayor shall order his or her removal from the Council Chamber. In case of general disturbance in any part of the Chamber open to the public the Mayor shall order that part to be cleared.

### **RESCISSION OF PRECEDING RESOLUTION**

#### **Motion to rescind a previous decision**

19. (1) A motion or amendment to rescind a decision made at a meeting of the Council within the previous six months cannot be moved unless the notice of motion is signed by at least six Members.

#### **Motion similar to one previously rejected**

- (2) A motion or amendment in similar terms to one that has been rejected at a meeting of the Council in the previous six months cannot be moved unless the notice of motion or amendment is signed by at least six Members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

#### **Recommendation of Relevant Body**

- (3) Standing Orders 19 (1) and (2) shall not apply to motions moved in pursuance of a recommendation of a relevant body.

## CONFIDENTIALITY OF CERTAIN BUSINESS

20. Where a relevant body shall have resolved to exclude the public from a meeting pursuant to Section 100A(2) or (4) of the Local Government Act, 1972, a Member of the Council who attends the meeting shall not, without permission of the relevant body, disclose any matter dealt with or discussed in the absence of the public until the matter has been reported to the Council and is not subject to any stipulation that the matter shall continue to be regarded as exempt or confidential; or until the matter has been communicated to the media by or with the authority of the relevant body.

## PETITIONS

21. Where a petition is submitted to the Council in accordance with the Council's Petitions Scheme, and has at least 1000 eligible signatures, the subject matter of the petition shall be reported to the next Ordinary Meeting of the Council, allowing at least ten working days' notice. The petition organiser shall be given the opportunity to present the petition to the Council and a maximum of ten minutes shall be permitted for this. Members of the Council shall not be permitted to ask questions of the petition organiser. The Council will then consider its response to the petition.

## DEPUTATIONS AND MEMORIALS

### Deputations to the Council

22. (1) A deputation may be received by the Council, according to the wishes expressed by the deputation; but no such deputation shall be received unless five clear days' notice of the intended deputation and of its objects shall have been received by the Corporate Manager – Democracy Head of Democracy and Community and then only by leave of the Council.

### Reception of Deputations

- (2) Two persons may address the Council, but the first speaker's address shall not exceed ten minutes and the second speaker's address shall not exceed five minutes. The duration of any address shall include the time taken to read a memorial which may be presented by the deputation. Following the address, Members of the Council shall not be permitted to ask questions of the deputation, except at the discretion of the Chairman.

The Scheme for Public Speaking at meetings of relevant bodies is contained in Part 4 of the Council's Constitution.

### Memorials

- (3) A copy of a memorial which a deputation wishes to present to the Council or to a relevant body, shall be delivered to the Corporate Manager – Democracy ~~Head of Democracy and Community~~ at least five clear days prior to the meeting at which the deputation desires to be received. The purpose of any such memorial shall be circulated ~~by the Head of Democracy and Community~~ to the Members of the Council or the relevant body concerned, unless the Mayor or, as the case may be, Chairman directs otherwise.

### **Urgent Memorials**

- (4) A memorial on any subject which the Mayor may deem to be urgent shall be brought before the next meeting of the Council or a relevant body, whichever may first be sitting; or he or she may, if he or she deems it necessary, direct the Head of Democracy and Community to Summon a Special Meeting, either of the Council or of a relevant body to deal with the matter.

## **INTERPRETATION OF STANDING ORDERS**

23. The ruling of the Mayor or, as appropriate, the Chairman of a relevant body as to the construction or application of any of these Standing Orders, or as to any proceedings of the Council or a relevant body, shall not be challenged.

## **SEALING OF DOCUMENTS**

### **Custody of Seal**

24. (1) The Common Seal of the Council shall be kept in a safe place in the custody of the Corporate Manager - Legal Services.

### **Authorised use of Seal**

- (2) The Common Seal of the Council shall be affixed to any document authorised by a resolution of the Council, the Cabinet or a Committee to which the Council have delegated their powers in this behalf or through powers and duties delegated in the Council's Constitution.

### **Attestation of Seal**

- (3) The Seal shall be attested by either the Chief Executive, Executive Directors, Assistant Chief Executive or the Corporate Manager – Legal Services and an entry of every sealing of a document shall be made and consecutively numbered in a book kept for the purpose and shall be signed by a person who has attested the Seal.

## **AUTHENTICATION OF DOCUMENTS FOR LEGAL PROCEEDINGS**

25. Where any document will be a necessary step in legal proceedings on behalf of the Council it shall be signed by the Corporate Manager – Legal Services or the Monitoring Officer ~~– or the Head of Democracy and Community~~ where appropriate unless any enactment otherwise requires or authorises, or the Council give the necessary authority to some other person for the purpose of such proceedings.

### **STANDING ORDERS TO APPLY TO RELEVANT BODIES**

26. The Standing Order of the Council headed “Rules of Debate” (except those parts which relate to standing and to speaking more than once) shall, with any necessary modification, apply to meetings of relevant bodies.

### **MEETINGS OF RELEVANT BODIES**

#### **Convening of Meetings**

27. (1) A relevant body shall hold meetings at such times as may be required and may adjourn such meetings as may be thought proper. Special meetings of a relevant body shall be summoned by the Corporate Manager – Democracy Head of Democracy and Community at the request of the Chairman or any three Members of the relevant body.

#### **Discussion of additional items**

- (2) No additional item of business not already included on the agenda for a meeting of a relevant body shall be raised unless the Chairman is satisfied that the matter is one of urgency. Urgent matters which Members propose to raise shall be notified to the Chairman or to the Corporate Manager – Democracy Head of Democracy and Community not later than noon on the day of the meeting (unless relating to an emergency arising after that time).

#### **Minutes**

- (3) Minutes of the proceedings of a relevant body shall be recorded in a Minute Book kept for that purpose and shall be signed by the Chairman at the same or following meeting.

#### **Quorum**

- (4) Except where authorised by Statute or ordered by the Council, business shall not be transacted at a meeting of a relevant body unless at least one half of the whole number of voting Members are present.

#### **Voting**



- (5) Voting at a meeting of a relevant body shall be by a show of hands PROVIDED that immediately after the vote is taken any Member may require that his or her vote for the question or against the question or whether he or she abstained from voting shall be recorded in the Minutes.

#### **Mover of Motion may attend meeting**

- (6) A Member of the Council who has moved a motion which has been referred to a relevant body shall have notice of the meeting at which it is proposed to consider the motion. He or she shall have the right to attend the meeting and if he or she attends shall have an opportunity to explain the motion.

#### **Attendance of Members**

- (7) No Member of the Council shall attend a meeting of a relevant body, except as a member of the public, unless:-
- (a) he or she is a Member of the relevant body; or
  - (b) he or she is entitled to be present at such meeting by virtue of any provisions contained in these Standing Orders; or
  - (c) he or she is invited by the relevant body to be present at such meeting.

but that any Member of the Council shall have the right to ask the relevant body to address the meeting on an item of business included on the agenda.

- (8) Members of the Council attending, as members of the public, meetings of the Cabinet, Committees or Policy and Project Advisory Board of which they are not Members, shall be entitled to remain, during the consideration of business where the press and public are excluded.
- (9) When the Cabinet is holding informal discussions on future policy issues, other Members of the Council shall not be entitled to be present unless invited.

#### **Public Participation**

- (10) Members of the public may address or ask questions of relevant bodies in accordance with the Public Speaking Procedure Rules in Part 4 of this Constitution.

#### **SUB-COMMITTEES APPOINTED BY COMMITTEES**

#### **Arrangements**

28. (1) Any Sub-Committees established by a Committee shall be appointed in accordance with the political balance arrangements agreed by the Council and the Committee shall give effect to the appointments proposed by the appropriate political groups.

#### **Chairman to be Ex Officio Member**

- (2) The Chairman of a Committee shall be an ex officio Member of every Sub-Committee appointed by that Committee, unless he or she signifies to the Committee that he or she does not wish to serve PROVIDED that he or she may not vote at a meeting of a Sub-Committee of which he or she is not a voting Member.

#### **Co-opted Members**

- (3) A Sub-Committee may appoint such non-voting Members and advisers as it considers fit.

### **VARIATION AND REVOCATION OF STANDING ORDERS**

#### **Motions to amend Standing Orders**

29. (1) Any motion to add to, vary or revoke these Standing Orders shall, when proposed and seconded, stand adjourned without discussion to the next Meeting of the Council.

### **SUSPENSION OF STANDING ORDERS**

30. (1) Subject to Paragraph (2) of this Standing Order, any of the preceding Standing Orders may be suspended so far as regards any business at the meeting where its suspension is moved.
- (2) A motion to suspend Standing Orders shall not be moved without notice (i.e. under Standing Order 12) unless there shall be present at least one-half of the whole number of the Members of the Council.

### **STANDING ORDERS TO BE GIVEN TO MEMBERS**

31. A copy of these Standing Orders and of such statutory provisions as regulate the proceedings and business of the Council, shall be made available to each Member of the Council by the Corporate Manager – Democracy Head of Democracy and Community upon delivery to him or her of the Member's Declaration of Acceptance of Office on the Member being first elected to the Council.

## **SCHEME FOR QUESTIONS TO THE CABINET AT FULL COUNCIL**

### **OVERVIEW**

The purpose of the Scheme for Cabinet Questions at full Council is to enable any Member of the Council to ask a Member of the Cabinet a question on any item dealt with under the executive arrangements. Questions can relate to any function not dealt with elsewhere in the decision-making structure (e.g. committees) or which affects the Borough.

A period of 15 minutes will be allocated for questions to Cabinet Members

### **PROCESS**

Questions must be tabled in accordance with the process set out below.

Members asking questions will be able to ask a maximum of one supplementary question relating to the same subject.

- (1) Members may submit questions up until 4.00 p.m. on the day before the Council meeting to the Corporate Manager – Democracy Head of Democracy and Community in the following form:
  - a full question identifying the Cabinet Member who will be asked
  - questions should be submitted in writing (including e-mail)
- (2) Members may submit more than one question but a second or subsequent question will be permitted once those Members submitting questions have had a chance to ask their first question.
- (3) The Corporate Manager – Democracy Head of Democracy and Community will prepare a list of tabled questions/topic areas in the order in which they have been received.
- (4) The appropriate Cabinet Member(s) will be advised of the subject area/question that will be asked at the meeting.
- (5) In consultation with the Mayor, the tabled questions will be put into their final order (taking account of any Member who has submitted more than one question)
- (6) At the meeting, the Mayor will conduct the question session in the usual way, allowing a supplementary question where appropriate.
- (7) The 15 minutes session will only be extended if there are tabled questions still to be dealt with and at the discretion of the Mayor. There will be no supplementary questions in such circumstances.
- (8) The Mayor's ruling in respect of the conduct of questions to the Cabinet will be final.

## **SCHEME FOR THE ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE TO COUNCIL**

### **OVERVIEW**

The main features of the procedure are:

- The Chairman of the Overview and Scrutiny Committee, or nominated spokesperson, shall introduce the Annual Report of the Overview and Scrutiny Committee to the Council (a maximum of 5 minutes for the presentation shall be permitted).
- A period of 15 minutes will be allocated for questions on the Report. Questions must be tabled in accordance with the process set out below.
- Members asking questions will be able to ask a maximum of one supplementary question relating to the same subject.

### **PROCESS FOR QUESTION TIME**

Any Member of the Council may ask a question on an item included in the Annual Report, subject to written notice.

The process for question time shall be as follows:

- (1) Members will be able to submit questions up until 4.00 p.m. on the day before the Council meeting to the Corporate Manager – Democracy ~~Head of Democracy and Community~~ in the following form:
  - a full question which identifies the item to which the question relates
  - questions should be submitted in writing (including e-mail)
- (2) Members may submit more than one question but a second or subsequent question will only be permitted once other Members submitting questions have had a chance to ask their first question.
- (3) The Chairman or nominated spokesperson will be advised in advance of the question that will be asked at the meeting.
- (4) In consultation with the Mayor, the tabled questions will be put into their final order (taking account of any Member who has submitted more than one question).
- (5) At the meeting the Mayor will conduct the question session in the usual way, allowing a supplementary question where appropriate.
- (6) The Mayor's ruling in respect of the conduct of questions will be final.

## SCHEME FOR THE APPOINTMENT OF STANDING DEPUTIES

### 1. Introduction

The Scheme for Standing Deputies applies to the Development Management Committee, Corporate Governance, Audit and Standards Committee, Overview and Scrutiny Committee and the Policy and Project Advisory Board. It allows for the attendance of ~~a~~ standing deputy~~y~~ies where a regularly appointed Member cannot be present

### 2. Scheme

The arrangements for the Scheme for Standing Deputies are as follows:

- (1) Each political group, which is allocated seats on the Development Management Committee, Corporate Governance, Audit and Standards Committee, Overview and Scrutiny Committee and Policy and Project Advisory Board may nominate ~~two~~ ~~one~~ standing deputy~~y~~ies to attend the Committee on occasions when an appointed Member cannot be present. The appointment of standing deputies will usually take place at the Annual Meeting of the Council when the committee membership is decided.
- (2) Members appointed as standing deputies are in the same position in terms of responsibilities and duties as any other member of the committee, for example, in relation to the declaration of any interests they might have, and will be able to exercise full voting rights.
- (3) Standing deputies may attend meetings in that capacity only where the ordinary councillor will be absent for the whole of the meeting and must declare at the beginning of the meeting which councillor they are substituting for.
- (4) If a standing deputy is present at a meeting at which the Member whom he or she is replacing turns up during the course of proceedings, the original member should be required to withdraw from participation at the meeting.
- (5) A standing deputy shall be advised of a Member's absence either directly by the Member who is unable to attend, or by the Committee Administrator on notification of an advance apology by 5pm on the day of the meeting at the latest.

- (6) The names of those councillors appointed as standing deputies shall be published on agendas alongside the ordinary committee membership.

## EXTRACT FROM THE PUBLIC SPEAKING PROCEDURE RULES

## SCHEME FOR PUBLIC SPEAKING AT DEVELOPMENT MANAGEMENT COMMITTEE

## 6. Requirement to give Advance Notice

- 6.1 Those who wish to speak to the Development Management Committee on a planning application, must register by contacting the Head of Democracy and Community or the meeting administrator in writing by email or post no earlier than five working days before the Committee meeting (usually from 9am on the Wednesday, a week preceding the meeting) and no later than 5pm on the last working day before the relevant meeting (usually the Tuesday immediately before the meeting).

## 7. Content of Advance Notice

- 7.1 The meeting administrator must be informed of:

- The application on which it is proposed to speak
- The full name, address and telephone number of the proposed speaker
- Whether the speaker is in favour or against the application
- Whether the speaker represents anyone else
- Whether the speaker wishes their details to be passed on to any other caller with a similar view.

- 7.2 A member of the public will only be able to speak once this information is properly registered. Speaking to a Planning Officer or telephoning the Council will not be sufficient to register a wish to speak to the Committee. All requests to speak must be made in writing direct to the Meeting Administrator.

## 8. Eligibility to Speak

- 8.1 The procedure allows for ~~one person only~~ two people to speak against the recommendation and ~~one only~~ two people in support (an exception is set out in para 8.2). ~~To qualify to speak, the person~~ Speakers must have already submitted written comments on the planning application and these must have been received by the Council by the publicised closing date for comments. Requests to speak will be dealt with on a “first come, first served” basis. Therefore, if someone has already asked to speak, and someone else wishes to do likewise, they will not be able to do so. Provided that ~~the persons~~ registered to speak gives their consent, further requests to speak will be passed on, to facilitate a joint case to be made in appropriate circumstances.

- 8.2 In the case of a major planning application (as determined by the Chairman of the Development Management Committee in consultation with the Head of Planning or Executive Director) where there is expected to be a high level of public interest and the decision is expected to have a significant impact on the Borough as whole, a maximum of seven public speakers may speak against the recommendation and a maximum of seven public speakers in support. Speakers must have already submitted written comments on the planning application, and these must have been received by the Council by the publicised closing date for comments.

8.3 In the case of a major planning application (as set out in para. 8.2 above), the Chairman of the Development Management Committee in consultation with the Head of Planning or Executive Director is delegated authority to decide the appropriate number of speakers up to the maximum (seven), and to determine which speakers are chosen from amongst those who have applied where there are more than the agreed maximum, to ensure a representative range of views are presented. There should be overall balance in the time allocated to those speaking for and those speaking against the application.

8.4 A person will only be allowed to speak if the planning application to which they refer is scheduled to be determined at that particular meeting of the Development Management Committee. The opportunity to speak does not apply to any other matters that might be on the Committee agenda.

8.5 With the exception of planning applicants or their agents, all requests to speak will only be accepted from local government electors for the Borough of Rushmoor and *bona fide* representatives of groups and organisations working or represented locally and recognised as such by the Council.

8.6 A person who is eligible to speak to the Development Management Committee may nominate in writing a representative to speak on their behalf when registering their request to speak. However, the nominated representative must only speak to expand and explain the eligible speaker's previously submitted written objections or representations.

## 9. **At the Meeting**

9.1 Speakers will be advised to read the officer's report on the application before deciding to make representations to the Committee, so that they understand what is being proposed. The report is available on the Council's website and at the Council Offices at least five clear working days before the meeting. It is also recommended that the speaker checks with the meeting administrator before the Committee meeting as to whether any late amendments to the application have been made.

9.2 Once registered, speakers must make themselves known to one of the meeting administrators at least fifteen minutes before the start of the meeting so that their attendance can be recorded. Meetings usually start at 7pm. Speakers arriving late after the meeting has started will not be allowed to speak.

9.3 **Each person speaking to the Committee will be allowed a maximum period of three minutes in which to speak.** The speaker may not ask questions nor will they be questioned, unless the Chairman considers that there are matters which are not raised in the officer's report. If the speaker represents others, apart from their household, they will need to bring with them documentary evidence that these people have agreed to representations being made on their behalf. This may take the form of a signed letter or other similar authorisation. This must be given to the meeting administrator before the meeting starts.

9.4 The three-minute time limit will not be exceeded, and all speakers must stop when requested to do so by the Chairman.



- 9.5 In the case of major planning applications, as set out in paragraph 8.2, an adjustment may be made to the maximum speaking time referenced in 9.3 and 9.4 above to achieve a balance of time overall.
- 9.6 No material, including plans, photographs, letters or statements can be handed to the Committee Members at, or just before, the Committee meeting. All requests to hand out or circulate material will be **refused** in accordance with the Council's adopted policy on "Late Representations".
- 9.7 Public speaking will take place as each individual planning application is presented for determination. The order of speaking at the Committee is as follows:
- The Planning Officer will present the application and add any further relevant information.
  - The Chairman will call the registered person expressing objections to the planning application to come forward to speak for a maximum of three minutes. The person will then return to the public gallery.
  - The Chairman will then call the registered person expressing support for the planning application to come forward to speak for a maximum of three minutes. The person will return to the public gallery.
  - The Planning Officer will comment on any factual matters raised by either speaker.
  - Members of the Development Management Committee will then debate the application and ask questions of officers in the usual way and reach a decision without further direct public involvement.
- 9.9 If the application is deferred without discussion then no public speaking will take place. If a decision on the application upon which speakers have made representations is deferred after discussion and debate, the speakers will not have an automatic right to speak at the next Development Management Committee meeting at which it is considered. Instead the speaker must register again.
- 9.10 In the event of any dispute over these procedures, the Chairman's decision is final.

**SECTION 4: COUNCIL RESPONSIBILITIES (NON-EXECUTIVE MATTERS)****EXTRACT****4.9 Other Council Responsibilities**

Other matters which are not to be the responsibility of the Cabinet and Leader are set out in the table below. This incorporates 'Local Choice Functions' which the Council has decided shall be non-executive matters.

This list is anything else that must be non-executive. Matters that are delegated to the Licensing, Audit and General Purposes Committee or Development Management Committee will appear in their Terms of Reference in Section 6.

**Elections**

	<b>Responsibility</b>	<b>Legislation</b>	<b>Carried out by</b>
18.	Duty to appoint an electoral registration officer and returning officer for local government elections	Representation of the People Act 1983, Section 8(2) and 35	Council
19.	<u>Power to appoint deputies at elections</u>	<u>Representation of the People Act 1983, Section 28 (5)</u>	<u>Returning Officer</u>
20.	<u>Power to appoint Deputy Electoral Registration Officers to process applications for Temporary Voter Authority Certificates</u>	<u>Elections Act 2022</u>	<u>Electoral Registration Officer</u>
21.	<u>Power to appoint Deputies to carry out the necessary processes and arrangements to meet the requirements of the regulations and guidance</u>	<u>Elections Act 2022</u>	<u>Electoral Registration Officer/Returning Officer</u>
22.	Powers to provide the officers the electoral registration officer needs	Representation of the People Act 1983, Section 52(4)	Head of Paid Service

23.	Duty to divide constituency into polling districts <u>and designate polling places</u>	Representation of the People Act 1983, Section 18	<u>Council Corporate Governance Audit and Standards Committee</u>
24.	Power to divide electoral divisions into polling districts <u>and designate polling places</u> at local government elections	Representation of the People Act 1983, Section 31	<u>Council Corporate Governance, Audit and Standards Committee</u>
25.	<u>Power to make changes to polling places at short notice</u>	<u>Representation of the People Act 1983 (Sections 18 and 31 (3))</u>	<u>Returning Officer</u>
26	Powers in respect of holding elections	Representation of the People Act 1983, Section 39(4)	Returning Officer
27	Power to pay electoral registration officer's expenses (Chief Executive is Registration Officer)	Representation of the People Act 1983, Section 54	<u>Monitoring Officer</u> <u>Head of Democracy and Community</u>
28.	Duty to declare vacancy in office	Local Government Act 1972, Section 86	Returning Officer
29.	Duty to give notice of a casual vacancy	Local Government Act 1972, Section 87	Returning Officer
30.	Power to make proposals for pilot schemes for local elections	Representation of the People Act 2000, Section 10	Corporate Governance, Audit and Standards Committee

31.	Duty to consult on change of scheme for elections <u>e.g. whole council elections</u>	Local Government and Public Involvement in Health Act 2007, Sections 33(2), 38(2) and 40(2)	<u>Chief Executive Head of Democracy and Community</u>
32.	Duties relating to certain publicity in relation to <u>change of scheme for elections electoral matters</u>	Local Government and Public Involvement in Health Act 2007, Sections 35, 41 and 52	<u>Chief Executive Head of Democracy and Community</u>
33.	<u>Duties relating to notice to Electoral Commission (sec 53 relates to parish councils and the section 55-57 related to EC has been repealed)</u>	<u>Local Government and Public Involvement in Health Act 2007, Section 53</u>	<u>Head of Democracy and Community</u>
34.	Functions relating to <u>consultation and notification processes in relation to changing the e-of name of an electoral area</u>	Local Government and Public Involvement in Health Act 2007, Section 59	<u>Chief Executive Head of Democracy and Community</u>

## SUMMARY OF UPDATES MADE TO THE CONSTITUTION – SINCE MAY 2020

## PART 2 – THE CONSTITUTION AND HOW THE COUNCIL OPERATES

Section/Paragraph	Update	Decision maker	Date
Throughout Part 2	Delete all references to Licensing and General Purposes Committee, and replace with Corporate Governance and Audit Committee	Council	22/4/21
	Delete references to Head of Democracy and Community and replace with Corporate Manager – Democracy	Admin Update	January 2023
Para 1.5 – Changes to Constitution	Delete ‘The Council has been given temporary powers to hold remote meetings....’ Insert in its place ‘Should the Council be given permanent powers to hold remote meetings...’	Admin Update	May 2021
Para 2.3 – Duties of Councillors	Add reference to the Information Security Policy in place of the AUP	Admin Update	May 2021
Para 3.9 – Virtual Meetings	Insert replacement wording to reflect current position ‘Some meetings are held remotely as ‘virtual meetings’ which are accompanied by a live webcast for public viewing..’	Admin Update	May 2021
Para 3.15 – Council’s Staff and Management	Delete references to CLT – insert references to CMT (corporate management team) and Assistant CX. Add reference to ELT (executive leadership team)	Admin Update Admin Update	October 2020 December 2022
Para 3.18 – Authentication of Documents	Add Assistant CX to list of officers empowered to witness sealing or authenticate documents	Admin update	November 2021

## PART 3 - RESPONSIBILITY FOR FUNCTIONS

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Section/Paragraph	Update	Decision maker	Date
<p><b>Section 1 - Introduction to Responsibility for Functions</b></p> <ul style="list-style-type: none"> <li>• Para 1.4 – Authorised Officers</li> <li>• Para 1.4 – General Requirements for Delegation</li> <li>• Para 1.5 and 1.6 – General Powers for Exec Directors and HOS/Consulting</li> </ul>	<p>Insert reference to Assistant CX (new post)</p> <p>Add clarification that consultation by officers should include ward members (as appropriate) as is convention.</p> <p>Insert reference to the new Exec Decision Making Guidance Document for officers:</p> <p>‘Additional guidance on using delegation powers under the scheme of delegation for Executive Matters is available in the Council’s ‘Executive Decision-Making Guidance for Officers’ document’</p> <p>Insert reference to Assistant CX (new post), and update reference from CLT to CMT (corporate management team)</p>	<p>Admin update</p> <p>Admin update</p> <p>Admin update</p> <p>Admin update</p>	<p>October 2020</p> <p>October 2020</p> <p>October 2020</p> <p>October 2020</p>

Section/Paragraph	Update	Decision maker	Date
<p><b>Section 3 - Scheme of Delegation for Executive Matters)</b></p> <ul style="list-style-type: none"> <li>• Para 3.5 (Matters reserved to Cabinet)</li> <li>• Appendix 1 – Cabinet Portfolio Responsibilities</li> <li>• Appendix 2 – Service Responsibilities</li> </ul>	<p>Add new (10) 'single debts to be written off greater than £10k' – this is to mirror the existing provision already in the Financial Procedure Rules</p> <p>Responsibility for Risk Management moved from Corporate Services Portfolio to the Democracy, Strategy and Partnerships Portfolio</p> <p>Add new Service Responsibilities for Assistant Chief Executive:</p> <ul style="list-style-type: none"> <li>• Policy, Strategy and Performance moved from Democracy, Strategy and Partnerships</li> <li>• Emergency Planning and Covid 19</li> <li>• Business continuity and Corporate Risk Management</li> </ul> <p>Head of Democracy, Strategy and Partnerships updated to Head of Democracy and Community</p> <p>Remove post of Head of Customer Experience – with Customer Services moving to Head of IT, Projects and Facilities</p> <p>Responsibility for Princes Hall moved from Economy, Planning and Strategic Housing to Operational Services</p> <p>Adjustment – 'Interim' Head of Property, Estates and Technical Services</p>	<p>Admin Update</p> <p>Leader Decision – Admin update</p> <p>CX Decision – Admin update</p>	<p>October 2020</p> <p>Autumn 2021</p> <p>October 2020</p> <p>Feb 2022</p>

Section/Paragraph	Update	Decision maker	Date
	<b>Updated Service Responsibilities Document to reflect the new Executive Head Roles as described in the Chief Executive's Report to Cabinet November 2023</b>	Cabinet/CX Decision	Dec 2023
<p><b>Section 4 – Council Responsibilities (Non-Executive Matters)</b></p> <ul style="list-style-type: none"> <li>• Para 4.5.2 (taxi licensing arrangements)</li> <li>• Para 4.9 - Other Council Responsibilities</li> </ul>	<p>Delete all references to Licensing and General Purposes Committee and replace with Corporate Governance, Audit and Standards Committee</p> <p>Update all references to Head of Economy, Planning and Strategic Housing to Head of Property and Growth</p> <p>Update all references to Head of Operational Services to Executive Head of Operations</p> <p>Insert provision that where the Head of Operational Services is minded to refuse or revoke a licence for a private taxi hire operator or a hackney carriage and/or private hire driver, the matter be referred to a taxi licensing hearing for decision. However, with an exemption that delegation to Head of Operations remains where it is deemed urgent or necessary for an expedient decision.</p> <p><b>Revised provisions for elections attached as Appendix 4 to the Report</b></p> <p>In remainder of this Part, update the designations arising from staffing changes and designations:</p>	<p>Council</p> <p>CX/Cabinet Decision – Admin Update</p> <p>CX/Cabinet Decision – Admin Update</p> <p>CGAS Committee</p> <p>CX Decision To be confirmed through Constitution update</p>	<p>22/4/21</p> <p>Jan 2023</p> <p>Jan 2023</p> <p>27/7/21</p> <p>Jan 2023</p>





Section/Paragraph	Update	Decision maker	Date
	(3) – councillor requests to be sent in writing to the Head of Economy, Planning and Strategic Housing (not Chairman of the Committee) to mirror requirement in the scheme of delegation in Section 4.	Admin update to correct clerical error	
<b>Section 7 – Terms of Reference of the Overview and Scrutiny Committee</b>	Replace references to Head of Democracy and Community with Corporate Manager – Democracy	Admin Update	Jan 2023
<b>Section 8 – Terms of Reference of the Policy and Project Advisory Board</b>	Replace references to Head of Democracy and Community with Corporate Manager – Democracy	Admin Update	Jan 2023
<b>Section 9 – Governance Arrangements for RDP and RHL</b>	Updates: <ul style="list-style-type: none"> <li>- Membership of RDP Board (CX, ED, Property and Major Projects Portfolio Holder)</li> <li>- RDP Investment Team representatives (replace Exec Head of Regen and Property with Interim Head of Development)</li> <li>- RDP - Council’s shareholder representative changed to Exec Director and Monitoring Officer</li> </ul>	CGAS and RDP Board  CGAS	May 2021
<b>Section 10 – Councillor Role Descriptions</b>	Insert new Role Descriptions: <ul style="list-style-type: none"> <li>- Chairman of the Corporate Governance, Audit and Standards Committee</li> <li>- Committee Member (CGAS)</li> <li>- Independent Member (Audit)</li> </ul>	Council	22/4/21
<b>Section 12 – Proper Officers</b>	<b>(Copy of revised schedule attached – Annex)</b>	CX Decision to be confirmed through Constitution Update	Jan 2023

## PART 4 – PROCEDURE RULES

Section/Paragraph	Update	Decision maker	Date
<b>Standing Orders for the Regulation of Business Including Scheme for Standing Deputies</b>	<b>REVISED DOCUMENT WITH PROPOSALS SET OUT AT APPENDIX 1 &amp; 2 TO REPORT</b>		
<b>Public Speaking Procedure Rules related to Development Management Committee</b>	<b>PROPOSED NEW PROVISIONS SET OUT IN APPENDIX 3 TO REPORT</b>  Add sentence to clarify intention that eligible speakers may nominate a representative to speak on their behalf as long as the representative only speaks to clarify and expand the eligible speaker’s originally submitted representations.	Admin Update to clarify	25/6/22
<b>Licensing Sub-Committee (Taxis) Hearings Protocol and Procedure</b>	Insert new Protocol into the Constitution, as Section 6A.	CGAS Committee	27/7/21

Replace references to ‘Head of Democracy and Community’ with ‘Corporate Manager – Democracy’ in the following Procedure Rule documents:

- Access to Information Procedure Rules
- Cabinet Procedure Rules
- Overview and Scrutiny Procedure Rules
- Licensing Hearings
- Standards Hearings
- Petitions Scheme

**PART 5 – CODES AND PROTOCOLS**

<b>Section/Paragraph</b>	<b>Update</b>	<b>Decision maker</b>	<b>Date</b>
<b>Code of Conduct for Councillors</b>	New Code of Conduct for Members inserted to mirror the national code.	Council	22/4/21
	Minor updates to Appendix in Code of Conduct	CGAS Committee	22/11/21
<b>Selection of Mayor and Deputy Mayor</b>	Updates made to loosen the criteria for selection of the Deputy Mayor and Mayor	Council	8/12/22
<b>Information Security Policy</b>	Insert latest Document	Admin Update	May 2021

**PART 6 – MEMBERS ALLOWANCES SCHEME**

<b>Section/Paragraph</b>		<b>Decision maker</b>	<b>Date</b>
<b>Schedule of Rates</b>	New Schedule of Rates from May 2022	Council	23/6/22
<b>Rates and Allowance Scheme</b>	Update to Allowances and Scheme	Council	23/6/22

**SECTION 12: PROPER OFFICERS****1. APPOINTMENT OF PROPER OFFICERS**

Proper officers are designated by the Council for the functions listed below as required by various statutory provisions.

**2. PROPER OFFICER RESPONSIBILITIES**

“Proper Officer” means the officer designated below by the Council for the purpose of this Scheme, or in the absence of such designation, the arrangements in relation to “authorised officers” in Part 3, Section 1.4 shall apply.

<b>LEGISLATION</b>	<b>RESPONSIBILITY</b>	<b>PROPER OFFICER</b>
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**Public Health Act 1936**

Section 85(2)	Serving a notice requiring action to deal with verminous articles	<u>Executive</u> Head of Operations <del>at</del> Services
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**Local Government Act 1972**

Section 83	To witness and receive declarations of acceptance of office by the Mayor, Deputy Mayor and Councillors.	Chief Executive
Section 84	To accept written notice of resignations from persons holding office as Mayor, Deputy Mayor or Councillor.	Chief Executive
Section 88 (2)	Convening meetings of the Council to fill casual vacancy in office of Mayor.	<u>Head of Democracy and Community</u> <u>Chief Executive</u>
Section 89 (1)(b)	Receipt of notice from electors requiring election to fill casual vacancy on Council.	Chief Executive
Section 100 (B)(2)	Exclusion from public inspection of those reports (or parts) likely to be taken in absence of public.	<u>Head of Democracy, and Community</u> <u>Corporate Manager -</u> <u>Democracy</u>

Section 100 (B)(7)(c)	Making available to the Press other documents already supplied to Members.	<del>Head of Democracy and Community Corporate Manager – Democracy</del>
Section 100 (C)(2)	To make a written summary in lieu of confidential minutes.	<del>Head of Democracy and Community Corporate Manager - Democracy</del>
Section 100 (D)(1)(a)	Listing background papers to a report	Authorised Officer responsible for the report
Section 100 (D)(5)(a)	To Identify background papers on which a report is based which have been relied on in preparing the report.	Authorised Officer responsible for the report
Section 100 (F)(2)	To identify documents not open to inspection by councillors under Section 100 (F)(1).	Corporate Manager – Legal Services
Section 115 (2)	Person to whom all officers shall pay monies received by them and due to the local authority.	Executive Head of Finance
Section 146 (1)(a)	Statutory declarations in relation to securities on change of name of authority.	Executive Head of Finance
Section 151	To be responsible for the proper administration of the financial affairs of the Council.	Executive Head of Finance
Section 191	To receive notices from Ordnance Survey in relation to ascertaining or locating Local Authority boundaries.	Head of IT, <del>Digital, Customer and Projects and Facilities</del>
Section 223	Authorisation (appearance by persons in legal proceedings)	Corporate Manager – Legal Services
Section 225 (1)	To receive and give receipt for any document required to be formally deposited.	Chief Executive
Section 228	To make arrangements for the Inspection of documents and minutes	<del>Head of Democracy and Community Corporate Manager - Democracy</del>

Section 229 (5)	To certify photographic copies of documents for use in legal proceedings.	Corporate Manager – Legal Services <u>or</u> <u>Monitoring Officer</u>
Section 234 (1) & (2)	<p>To sign formal notices, orders or other documents made or issued by the Council other than those under seal and other than those specifically delegated to another officer:</p> <p>Any document relating to electoral registration or any Parliamentary or Local Election.</p> <p>All documents or categories of document for which provision is not made in relation to any other officer.</p> <p>Any document authorising the payment or receipt of any sum of money.</p> <p>The granting or refusal of planning permission, and any other documents or notice relating to building control or planning.</p> <p>Any document relating to housing, including notices pursuant to relevant statutory provisions.</p> <p>Any document relating to environmental or public health including notices pursuant to relevant statutory provisions.</p> <p>Any document relating to a matter which is, or is likely to be, legally contentious or any statutory notice (including enforcement or stop notices) where specific provision is not made elsewhere in this scheme.</p>	<p>Chief Executive</p> <p>Corporate Manager – Legal Services</p> <p>Executive Head of Finance</p> <p>Corporate Planning Manager or Head of <u>Property and Growth Economy, Planning &amp; Strategic Housing</u></p> <p><u>Head of Economy, Planning &amp; Strategic Housing and Executive Head of</u> Head of <u>Operations</u> <u>at</u> <u>services</u></p> <p><u>Executive</u> Head of <u>Operational</u> <u>Services</u></p> <p>Corporate Manager – Legal Services</p>

	Any document of a category not specifically referred to above.	The Authorised Officer responsible for the service in question, or in default thereof, the Corporate Manager – Legal Services
Section 236 (10)	To send copies of all byelaws made by the Council to the County Council.	Corporate Manager – Legal Services
Section 238	To certify a printed copies of Council byelaws.	Corporate Manager – Legal Services
Schedule 6 para. 1	Deputy to electoral registration officer.	<del>Head of Democracy and Community</del> <u>to be confirmed</u>
Schedule 12 para. 4(2)(b)	To issue and serve summons to meetings of the Council.	<del>Head of Democracy and Community</del> <u>Chief Executive</u>
Schedule 12, para. 4(3)	To receive formal notification from councillors requesting that a summons be sent to an alternative address.	<del>Head of Democracy and Community</del> <u>Corporate Manager - Democracy</u>
Schedule 14, Para. 25(7)	Certification of copy resolutions under Para. 25 of Schedule 14 of the Local Government Act, 1972.	<del>Head of Democracy and Community</del> <u>Corporate Manager - Democracy</u>

### Local Government (Miscellaneous Provisions) Act 1976

Section 41	To certify copy resolutions, orders, reports, minutes, records of executive decisions and copy instruments appointing officers to perform certain functions	<del>Head of Democracy and Community</del> <u>Corporate Manager - Democracy</u>
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**Representation of the People Act 1983**

Section 8	To act as Registration Officer for the registration of Parliamentary and Local Government Electors.	Chief Executive
Section 28	To act as Acting Returning Officer at Parliamentary Elections.	Chief Executive
Section 35	To act as Returning Officer for the election of Councillors of the Borough.	Chief Executive

**Building Act 1984**

Section 61	To authorise access to any works being carried out to repair, reconstruct or alter a drain	<u>Executive Head of Property and Growth</u> <u>Head of Economy, Planning &amp; Strategic Housing</u>
Section 78	To take emergency action in relation to dangerous buildings and structures.	<u>Executive Head of Property and Growth</u> <u>Head of Economy, Planning &amp; Strategic Housing</u>

**Local Government Finance Act, 1988**

Sections 114, 115 and 115A	Responsibility for Chief Financial Officer Reports.	Executive Head of Finance
Sections 116	Notification to auditor of date, time and place of meeting to consider Section 114 report and of decision of such meeting.	Chief Executive

**Local Government and Housing Act, 1989**

Section 2(4)	Keeping the list of politically restricted posts	Corporate Manager - People
Section 4	Head of Paid Service	Chief Executive

Section 5	Monitoring Officer	Executive Director
Section 15 to 17	Allocating seats on committees	<del>Head of Democracy and Community Corporate Manager - Democracy</del>
Section 18	To implement a scheme of councillors' allowances	<del>Head of Democracy and Community Corporate Manager – Democracy</del>

### Local Government (Committees and Political Groups) Regulations 1990

All Sections	Dealing with membership of political groups, political balance on committees and nominations by political groups	<del>Head of Democracy and Community Corporate Manager – Democracy</del>
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### Food Safety Act 1990

Section 5	All functions required of an authorised officer	<del>Executive Head of Operations Head of Operational Services</del>
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### Party Wall etc. Act 1996

Section 10 (8)	To select a third surveyor, if required, during a neighbour dispute about building projects.	<del>Executive Head of Property and Growth Head of Economy, Planning &amp; Strategic Housing</del>
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### Crime and Disorder Act 1998

	To ensure compliance with the provisions of the Crime and Disorder Act in relation to the prevention of crime and disorder.	Chief Executive
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**Local Government Act 2000**

Section 81	Establish and maintain a Register of Interests.	Monitoring Officer
Chapter 4	Dealing with changing governance arrangements	<u>Monitoring Officer and Corporate Manager – Democracy Head of Democracy and Community</u>
Section 99 & 100	Councillors allowances and having regard to all relevant regulations including the Local Authorities (Members Allowances) (England) Regulations 2003	<u>Corporate Manager – Democracy Head of Democracy and Community</u>

**The Local Authorities (Referendums) (Petitions and Directions) Regulations 2000**

Regulation 34	Publishing the verification number of local government electors for the purpose of petitions under the Local Government Act 2000.	<u>Corporate Manager - Democracy Head of Democracy and Community</u>
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**Freedom of Information Act 2000**

36	Application of exemption from disclosure.	Corporate Manager – Legal Services
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**Local Authorities (Model Code of Conduct) (England) Order 2001**

Schedule 1 Paragraph 17	Establish and maintain a Register of Gifts and Hospitality received by Members.	Corporate Manager – Legal Services
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**Local Authorities (Standing Orders) (England) Regulations 2001**

Schedule 1 (Part II)	Giving notice of appointments and dismissals of officers to the Cabinet in accordance with the Regulations	Corporate Manager - People
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Schedule 3	Provisions relating to disciplinary action	Corporate Manager - People
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### Regulation of Investigatory Powers Act (RIPA) 2000

27, 28 and 29	<p>Designation of officers empowered to grant authorisation for the carrying out of directed surveillance and authorise the use of covert human intelligent sources under Sections 27, 28 and 29 of the Act.</p> <p>Officers empowered to authorise surveillance are specified in Appendix B to the Council's Corporate Surveillance Policy.</p>	Corporate Manager – Legal Services
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### Proceeds of Crime Act 2002

	To meet the Council's obligations in relation to the Proceeds of Crime Act	Executive Head of Finance
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### Anti-Social Behaviour Act 2003

Section 30	Approval for Dispersal Orders	Chief Executive
Section 40	Closure of Noisy Premises	<u>Executive Head of Operations</u> <u>Head of Operational Services</u>

### Localism Act 2011 – Assets of Community Value

Section 87	Maintaining the list of Assets of Community Value, notifying owners and occupiers of listings and receipts of notices and publicising the possible sale of an asset	Corporate Manager – Legal Services
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Section 90	Decision on whether or not to include a property or land on the list of Assets of Community Value	<u>Head of Democracy and Community</u> <u>Corporate Manager – Legal Services</u>
	Review of a decision to register a property or land on the list of Assets of Community Value or for compensation	Chief Executive

### Local Authorities (Executive Arrangements) Meetings and Access to Information (England) Regulations 2012

Regulation 2 and 15	To identify as background papers those documents which disclose any facts or matters on which a report or an important part of a report is based and were relied on to a material extent in preparing the report  To compile a list of background papers to a report	Any Executive Director or Head of Service
Regulation 7	Access to agenda and connected reports for public meetings of the executive	<u>Head of Democracy and Community</u> <u>Corporate Manager – Democracy</u>
Regulation 9-11	Publicity and procedure in connection with key decisions	<u>Head of Democracy and Community</u>
Regulation 12	Recording of executive decisions made at meetings	<u>Head of Democracy and Community</u>
Regulation 13	Recording of executive decisions made by individuals	<u>Head of Democracy and Community</u>
Regulation 14	Inspection of documents following executive decisions	<u>Head of Democracy and Community</u>

Regulation 20	To determine whether any document or part of a document contains or may contain confidential or exempt information	Corporate Manager – Legal Services
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**COUNCIL MEETING – 23RD FEBRUARY 2023****AGENDA ITEM NO. 6****COUNCIL TAX RESOLUTION 2023-24**

The formal Council Tax Resolution is given below. If the Resolution is approved the Council Tax for 2023-24 will be as follows:

<b>Preceptor</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Increase</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Rushmoor Borough Council	219.42	225.98	6.56	2.99
Hampshire County Council	1,390.86	1,460.25	69.39	4.99
Police & Crime Commissioner for Hampshire	236.46	251.46	15.00	6.34
Hampshire & Isle of Wight Fire & Rescue Authority	75.43	80.43	5.00	6.63
<b>Total Band D</b>	<b>1,922.17</b>	<b>2,018.12</b>	<b>95.95</b>	<b>4.99</b>

1. That it be noted that the Council calculated the amount of 32,959.11 as it's Council Taxbase.
2. Base for the year 2023-24 in accordance with Section 31B(3) of the Local government Finance Act 1992 as amended by the Localism Act 2011 (the 'Act').
3. That the following amounts calculated by the Council for the year 2023-24 in accordance with Sections 31 & Sections 34 to 36 of the Act.
  - a. £ 13,335,734.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - b. £ 5,887,589.13 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - c. £ 7,448,144.87 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
  - d. £225.98 being the amount at 2(c) above, all divided by the amount in 1 above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of it Council Tax for the year.

e.

<b>Valuation Band</b>	<b>Rushmoor Borough Council £</b>
A	150.65
B	175.76
C	200.87
D	225.98
E	276.20
F	326.42
G	376.63
H	451.96

being the amounts given by multiplying the amount at 2(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that that proportion, is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2023-24 Hampshire County Council, the Police and Crime Commissioner for Hampshire, and Hampshire and Isle of Wight Fire and Rescue have stated the following amounts in precepts issued the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

<b>Precepting Authority</b>	<b>Precept Amount £</b>
Hampshire County Council (HCC)	48,128,832.43
Police & Crime Commissioner for Hampshire (PCCH)	8,287,948.09
Hampshire & Isle of Wight Fire & Rescue Authority (HIWFRA)	2,650,917.30



<b>Valuation Band</b>	<b>Hampshire County Council</b>	<b>Police &amp; Crime Commissioner for Hampshire</b>	<b>Hampshire &amp; Isle of Wight Fire &amp; Rescue Authority</b>
	<b>£</b>	<b>£</b>	<b>£</b>
A	973.50	167.64	53.62
B	1,135.75	195.58	62.56
C	1,298.00	223.52	71.49
D	1,460.25	251.46	80.43
E	1,784.75	307.34	98.30
F	2,109.25	363.22	116.18
G	2,433.75	419.10	134.05
H	2,920.50	502.92	160.86

5. That, having calculated the aggregate in each case of the amounts at 2(e) and 3 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2023-24 for each of the categories of dwellings shown below:

<b>Valuation Band</b>	<b>Total</b>
A	1,345.41
B	1,569.65
C	1,793.88
D	2,018.12
E	2,466.59
F	2,915.07
G	3,363.53
H	4,036.24

6. That the council determines that the Council's basic amount of Council Tax for 2023-24 is not excessive in accordance with principles approved under Section 52(ZB) of the Local Government Finance Act 1992.

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# CABINET

Report of the meeting held on Tuesday, 17th January, 2023 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr D.E. Clifford, Leader of the Council  
 Cllr M.L. Sheehan, Deputy Leader and Operational Services Portfolio Holder  
 Cllr M.J. Tennant, Deputy Leader and Major Projects and Property Portfolio Holder

Cllr J.B. Canty, Customer Experience, Digital and Transformation Portfolio Holder  
 Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder  
 Cllr A.R. Newell, Planning and Economy Portfolio Holder  
 Cllr P.G. Taylor, Corporate Services Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **30th January, 2023**.

### 37. **DECLARATIONS OF INTEREST –**

Having regard to the Council's Code of Conduct for Councillors, no declarations of interest were made.

### 38. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 15th November, 2022 were confirmed and signed by the Chairman.

### 39. **COUNCIL TAX SUPPORT SCHEME 2023/24 –**

(Cllr Diane Bedford, Chairman of the Council Tax Support Task and Finish Group)

The Cabinet considered Report No. FIN2301, which set out the work carried out by the Council's Council Tax Support Task and Finish Group in respect of potential changes to the Council Tax Support Scheme. The Chairman welcomed Cllr Mrs. D.B. Bedford, Chairman of the Council Tax Support Task and Finish Group, who was attending to report on the Group's recommendations.

The Council Tax Support Task and Finish Group had met on 18th August, 2022, 19th October, 2022 and 22nd November, 2022 to consider its recommendations to the Cabinet. The Group had considered the on-going impact of Covid-19 and the cost of living crisis and had paid specific attention to a number of matters during its deliberations and these were set out in paragraph 2 of the Report. Having considered all relevant factors, the Group recommended that no changes should be made to the Council Tax Support Scheme for 2022/23, except for the usual alignment with Housing Benefit rates in the calculations. This would mean that the minimum contribution would remain at 12%. Additionally, it was recommended that a fundamental review of the Scheme should be carried out in early 2023/24.

The Cabinet expressed gratitude to the Council Tax Support Task and Finish Group for its work in producing these recommendations.

### **The Cabinet**

- (i) **RECOMMENDED TO THE COUNCIL** that the current Council Tax Support Scheme for working age customers be retained for 2023/24, with the annual uplift to rates within the calculation mirroring that applied to national Housing Benefit rates; and
- (ii) **RESOLVED** that:
  - (a) the allocation of a further £20,000 for 2022/23 and 2023/23 to the Exceptional Hardship Fund from existing Council reserves, to support residents in hardship, be approved;
  - (b) the Council Tax Support Task and Finish Group be authorised to undertake a detailed review of the Council Tax Support Scheme, including the potential for the scheme to provide up to 100% support to the most vulnerable residents, to be carried out early in 2023/24 to consider the increasing cost of the scheme and its local impact on scheme recipients and other local Council Tax payers and also to consider the compatibility of the current scheme with the Government's Universal Credit Scheme; and
  - (c) the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at its recommendations, as set out in Report No. FIN2301, be noted.

#### **40. SUPPORTING COMMUNITIES REFRESH –** (Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder)

The Cabinet considered Report No. ACE2301, which set out a refresh of the Council's Supporting Communities Strategy and Action Plan.

Members were reminded that the Support Communities Strategy and Action Plan had been adopted in January, 2021 and was a collaborative approach to addressing the challenges facing local communities. It was confirmed that the purpose of the refresh was to review progress and achievements and to ensure that the strategy and its priorities were still relevant. The Supporting Communities Working Group had agreed that the four priorities of Economic Hardship, Young People (resilience and aspirations), Physical and Mental Health and Connecting Communities remained the most prevalent but had recognised the need to include the rising cost of living as a key area to address. It was also reported that there would be an increased emphasis on health and wellbeing in recognition of the wider impact this had on supporting communities.

The Cabinet expressed strong support for the Supporting Communities Strategy and Action Plan and endorsed the proposed way forward.

**The Cabinet RESOLVED** that the Supporting Communities Strategy and Action Plan refresh for 2023, as set out in Report No. ACE2301, be approved.

41. **UPDATE ON PLANNING POLICY MATTERS –**  
(Cllr Adrian Newell, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. PG2304, which set out various matters relating to the work of the Council's Planning Policy team.

Members were informed that the Council has an obligation to review its Local Plan by April 2024 and that this review would need to take into account the Council's declaration of a Climate Emergency and the development of the Hampshire Local Transport Plan (LTP4). Given the significance of the Levelling Up and Regeneration Bill, which was due to become law in early 2023, it was proposed that the review would not be completed until around September, 2023. During the transitional period, the Civic Quarter Planning Application had been developed and had been supported by Hampshire County Council, which had adopted a local policy for Farnborough. The County Council was now seeking assurance that Rushmoor Borough Council supported the policy. Members were informed that the Council could provide this reassurance and help to meet its shared commitment to addressing the Climate Emergency by expressing its policy support and reviewing its Car and Cycle Parking Standards Supplementary Planning Document (SPD).

**The Cabinet RESOLVED** that

- (i) the timescales for the review of the Rushmoor Local Plan and the commitment to supporting the principles of LTP4 in the development of a future Local Plan, as set out in Report No. PG2304, be noted;
- (ii) the supporting of the principle of reallocating road space in order to enable the development of the Farnborough Civic Quarter Masterplan and the policy adopted by Hampshire County Council, as set out in the Report, be approved; and
- (iii) the undertaking of a review by the Strategic Housing and Local Plan Working Group of the Council's Car and Cycle Parking Standards SPD be approved, to reflect the priorities of LTP4, the lessons from the development of the major Town Centre Regeneration Schemes in Rushmoor and developments in mobility that were currently underway.

42. **EXCLUSION OF THE PUBLIC –**

**RESOLVED:** That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned items to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the items:

Minute Nos.	Schedule 12A Para. No.	Category
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43, 44 & 45	3	Information relating to financial or business affairs
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**THE FOLLOWING ITEMS WERE CONSIDERED  
IN THE ABSENCE OF THE PUBLIC**

43. **REPORT OF URGENCY DECISION - GRANT OF A LEASE FOR NO. 14-40 VICTORIA ROAD, ALDERSHOT –**  
(Mrs Karen Edwards, Executive Director)

The Cabinet considered a Record of Executive Decision, which set out an urgent decision made on 23rd December, 2022 by the Executive Director, in consultation with the Leader of the Council and the Major Projects and Property Portfolio Holder, to enter into an agreement for the lease of Nos. 14-40 Victoria Road, Aldershot. The reasons for urgency had been the cancellation of the December meeting of the Cabinet and the requirement for notice to be given.

**The Cabinet RESOLVED** that the action taken, as set out in the Record of Executive Decision dated 23rd December, 2022, be noted and endorsed.

44. **REPORT OF URGENCY DECISION - FARNBOROUGH LEISURE CENTRE DEMOLITION FINAL ACCOUNT SETTLEMENT AND PAYMENT –**  
(Mrs Karen Edwards, Executive Director)

The Cabinet considered a Record of Executive Decision, which set out an urgent decision made on 13th December, 2022 by the Executive Director in relation to the Farnborough Leisure Centre demolition final account settlement and payment. The reason for urgency had been to enable the payment of the December invoice in accordance with the contract arrangements and to avoid penalties.

**The Cabinet RESOLVED** that the action taken, as set out in the Record of Executive Decision dated 13th December, 2022, be noted and endorsed.

45. **REGENERATION PROGRAMME - REGENERATION ACQUISITION FARNBOROUGH TOWN CENTRE –**  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. REG2301, which set out a proposal to progress the acquisition of land and property to enable the progression of regeneration in part of Farnborough town centre.

Members were reminded the Cabinet had resolved to undertake further negotiations to secure the best price and commercial offer and to undertake the required due diligence, legal assessment, feasibility study and business case and to prepare an initial town centre strategy. It was likely that the Cabinet and the Council would consider the final business case in February, 2023, with completion currently scheduled for April, 2023. The purpose of this Report was to update the Cabinet on the due diligence process to date and to enable a number of actions to be taken to

allow the final proposal to be progressed.

In discussing the proposals, the Cabinet expressed strong support for the suggested approach in bringing forward this important project in delivering the regeneration of Farnborough town centre.

**The Cabinet RESOLVED** that

- (i) the review of the due diligence and key points from the business case, as set out in Exempt Report No. REG2301, be approved;
- (ii) the bringing forward of the business case and decision to acquire to the Cabinet and the Council for consideration in February, 2023, as set out in the Report, be approved;
- (iii) the allocation of a budget, in the sum set out in the Report, for the mobilisation of a property management company in January, 2023 be approved, to commence the required 90-day handover prior to exchange and completion and enabling identification and resolution of any remain issues not identified as part of due diligence to date;
- (iv) the allocation of an additional budget, in the sum set out in the Report, for the completion of due diligence, be approved, noting that the costs associated with the purchase would be included in the acquisition budget;
- (v) the revised offer price and the rationale for this, as set out in the Report, be noted; and
- (vi) the issuing of a draft form of contract to the vendor be approved, detailing the timeline for exchange and completion in April, 2023.

**NOTE:** Whilst not a declarable interest under the Code of Conduct, as this decision did not directly relate to his registered disclosable pecuniary interest, nor directly relate to or affect his financial interests or well being, Cllr P.G. Taylor advised, in the interests of transparency in respect of this item, that he was currently a tenant of one of the properties within the site under discussion. He remained in the meeting during the discussion and voting thereon but elected not to vote himself.

The Meeting closed at 7.36 pm.

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# CABINET

Report of the meeting held on Tuesday, 7th February, 2023 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr D.E. Clifford, Leader of the Council  
Cllr M.L. Sheehan, Deputy Leader and Operational Services Portfolio Holder  
Cllr M.J. Tennant, Deputy Leader and Major Projects and Property Portfolio Holder

Cllr J.B. Canty, Customer Experience, Digital and Transformation Portfolio Holder  
Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder  
Cllr A.R. Newell, Planning and Economy Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **20th February, 2023**.

## **46. DECLARATIONS OF INTEREST –**

Having regard to the Council's Code of Conduct for Councillors, Cllr P.G. Taylor declared a non-registrable interest in Item 6 (acquisition of land and property at The Meads and Kingsmead Shopping Centre, Farnborough) in relation to his position as the general manager of The Triangle, a Christian bookshop and café in Farnborough and also as the Council's Corporate Services Portfolio Holder. Cllr Taylor removed himself from the meeting for the duration of Item 6 and did not, therefore, take part in the discussions or decision relating to this item.

## **47. MINUTES –**

The Minutes of the meeting of the Cabinet held on 17th January, 2023 were confirmed and signed by the Chairman.

## **48. COUNCIL PLAN AND RISK REGISTER QUARTERLY UPDATE OCTOBER TO DECEMBER 2022/23 –**

(Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder)

The Cabinet received Report No. ACE2302, which set out progress in delivering the Council Business Plan projects during the third quarter of 2022/23. Members were informed that progress against key activities and projects was included in the Report, along with the Council's business performance monitoring information, an update on the Council's key strategies and plans that underpinned and supported the Council Plan and the Council's Corporate Risk Register. It was reported that, at the end of the third quarter, just over 45% of projects were showing an amber status. A number of those projects were showing as amber due to reporting delays of between one and three months and it was considered that these were still likely to be delivered in 2022/23.



**The Cabinet NOTED** the progress made towards delivering the Council Business Plan and the updates made to the risk register, as set out in Report No. ACE2302.

49. **BUSINESS RATES - DISCRETIONARY RATE RELIEF APPLICATIONS –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2303, which set out details of applications for rate relief from Anaphylaxis UK (1st and 2nd Floors, No. 1 Alexandra Road, Farnborough), Karuna Action (No. 11 Wellington Street, Aldershot) and the British Gurkha Welfare Society (No. 119 Wren Way, Farnborough).

**The Cabinet RESOLVED** that

- (i) 20% discretionary relief be awarded to Anaphylaxis UK until 31st March, 2023;
- (ii) 20% discretionary relief be awarded to Karuna Action for the period from 5th June, 2020 to 31st March, 2023; and
- (iii) 100% discretionary relief be awarded to the British Gurkha Welfare Society for the period from 1st April, 2020 to 31st December, 2020, reducing to 50% discretionary relief from 1st January, 2021 to 31st March, 2023.

50. **REVIEW OF TAXI LICENSING POLICY –**  
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS2303, which set out proposed changes to the Council's Taxi Licensing Policy.

Members were reminded that the current Taxi Licensing Policy had been in place since 2012. It was explained that there was a requirement on licensing authorities to review policies having regard to measures contained within guidance issued by the Department for Transport. A public consultation, including members of the taxi trade, had been carried out between 5th December, 2022 and 2nd January, 2023 and a total of nine responses had been received, with the comments received leading to some amendments during the preparation of the proposed policy.

The Cabinet expressed strong support for the Taxi Licensing Policy and endorsed the proposed way forward. Appreciation was expressed for the work carried out by the Council's licensing team.

**The Cabinet RESOLVED** that

- (i) the Taxi Licensing Policy, as set out in Report No. OS2303, be approved, to take effect from 1st April, 2023, with application requirements applying to any new application received or determined on or after that date and for any renewal due on or after that date; and
- (ii) a requirement for existing licence holders to comply with all new requirements by 31st March, 2024 or their renewal date, whichever is sooner, in accordance with the Taxi Licensing Policy, be approved.

51. **REGENERATION PROGRAMME - ACQUISITION OF LAND AND PROPERTY AT BLOCK NOS. 1-4 THE MEADS AND KINGSMEAD SHOPPING CENTRE, FARNBOROUGH –**

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. REG2302, which set out the final business case to inform the decision whether to proceed with the acquisition of Block Nos. 1-4 The Meads and Kingsmead Shopping Centre, Farnborough in April, 2023.

Members were reminded that, in August, 2021, the Cabinet had resolved to undertake further negotiations with the current owners, St Modwen, to secure the best price and commercial offer for its land and property interests in Farnborough town centre and to undertake the required due diligence, legal assessment, feasibility study and business case and to prepare an initial town centre strategy. The Cabinet had further considered this matter in January, 2023, when it had been agreed that the business case should be brought forward to this meeting.

In discussing the business case, the Cabinet expressed strong support for the proposed approach for the Council's direct intervention in the regeneration of the Borough's town centres in order to bring forward projects in a timely manner. It was felt that the risks had been identified, along with adequate mitigation.

**The Cabinet**

(i) **RESOLVED** that:

- (a) the interim due diligence and key points from the business case, as set out in Report No. REG2302, be noted;
- (b) the business case for the acquisition of the land and property during the 2023/24 financial year, as set out in the Report, be approved, at the price, on the terms and subject to the conditions set out in Confidential Appendix A of the Report;
- (c) the Executive Director, in consultation with the Major Projects and Property Portfolio Holder, be authorised to negotiate and complete the acquisition of the land and property, on the terms set out in Confidential Appendix A, subject to the conclusion of all appropriate due diligence and with any minor adjustments in line with this decision; and

(ii) **RECOMMENDED TO THE COUNCIL** that approval be given for the inclusion of the acquisition in the Council's Capital Programme for 2023/24.

52. **REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL –**

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2304, which made recommendations on the budget, Council Tax requirement and proposals for budget savings for 2023/24.

The Cabinet was reminded that the budget framework had been approved at its meeting on 15th November, 2022. Members were advised that the Report had been prepared on the basis that there would be no change to the provisional local government finance settlement figure, which was due to be confirmed soon. The Medium Term Financial Strategy continued to provide a risk-based General Fund balance of £2 million being the minimum expected level for total working balances. The Cabinet was advised that, despite the uncertainties around levels of Government funding and the risks around inflation, increasing fuel costs and increasing staff costs, the Council had been able to prepare a balanced budget for 2023/24 and 2024/25, as demonstrated by the Medium Term Financial Strategy. It was confirmed that the budget would also provide a platform for the Council to address future challenges. It was noted, however, that there was a significant and increasing funding gap from 2025/26 onwards.

The Capital Programme of £44.6 million for the period 2023/24 to 2026/27 was set out in Appendix 3 of the Report. It was explained that the Capital Programme was focussed on delivering against the Council's key priority of town centre regeneration, with further schemes aimed at enhancing the delivery of core services through improvement and enhancement of assets. The Cabinet was informed that changes were needed to the Capital Programme figures provided in respect of the Council's play areas. The amended figures had been provided to the Cabinet in the form of an Addendum to the Report and would be reflected in the report that would be considered by the Council. The main areas where the Council would be facing increased levels of risk and uncertainty over the medium term were set out in Section 8 of the Report. In discussing the details of the Report, Members expressed their gratitude for the hard work of the finance team.

## **The Cabinet**

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to:
- (d) the Medium Term Financial Strategy, as set out in Appendix 1 of Report No. FIN2304;
  - (e) the Savings and Transformation items for inclusion in the budget, as set out in Appendix 2 of the Report, with the exception of the charge for the replacement of recycling bins (£7,400), the proposed saving in relation to Ward Grants being reduced by £13,000, with a revised arrangement for allocation to be finalised and the removal of the Special Responsibility Allowances payable to the Vice-Chairman positions of the Overview and Scrutiny Committee and the Policy and Project Advisory Board;
  - (f) the Council Tax requirement of £7,448,100 for this Council;
  - (g) the Council Tax level for Rushmoor Borough Council's purposes of £225.98 for a Band D property in 2023/24;
  - (h) the Capital Programme, as set out in Appendix 3 of the Report and amended at the meeting in line with the published Addendum to the Report;

- (i) the Strategy for the Flexible Use of Capital Receipts, as set out in Appendix 4 of the Report;
  - (j) the balances and reserves position, including proposed reserve transfers for 2023/24, as set out in Section 5 of the Report; and
- (ii) **RESOLVED** that the Council's Section 151 Officer, in consultation with the Leader of the Council and the Corporate Services Portfolio Holder, be authorised to make any necessary changes to the General Fund Summary arising from the final confirmation of the Local Government Finance Settlement, the Business Rates Retention Scheme estimates and any other final amendments.

53. **EXCLUSION OF THE PUBLIC –**

**RESOLVED:** That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned item to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the item:

<b>Minute No.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
54	3	Information relating to financial or business affairs

**THE FOLLOWING ITEM WAS CONSIDERED  
IN THE ABSENCE OF THE PUBLIC**

54. **APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Exempt Report No. FIN2302, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from SBBS Leisure Limited, trading as Jetts Gym, Nos. 40-50 Kingsmead, Farnborough, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area. The Corporate Services Portfolio Holder and the Council's Local Taxation Manager had met with the proprietor at the business address to understand more about the business, the services offered, the future vision for the business and the impact the business had had on the local economy.

**The Cabinet RESOLVED** that 100% hardship relief be granted to SBBS Leisure Limited, trading as Jetts Gym, for the current outstanding balance for the period from 1st April, 2022 to 31st March, 2023.

The Meeting closed at 7.50 pm.

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# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Monday, 28th November, 2022 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr P.J. Cullum (Chairman)  
Cllr Jessica Auton (Vice-Chairman)

Cllr A. Adeola  
Cllr M.S. Choudhary  
Cllr K. Dibble  
Cllr A.H. Gani  
Cllr Christine Guinness  
Cllr Nem Thapa  
Cllr S. Trussler  
Cllr Jacqui Vosper

## **Non-Voting Member**

Mr. Tom Davies – Independent Member (Audit)

Apologies for absence were submitted on behalf of Cllr Sarah Spall.

## **20. MINUTES**

The minutes of the meeting held on 26th September 2022 were agreed and signed as a correct record of the proceedings.

## **21. TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2022-23**

The Committee received the Executive Head of Finance Report No. FIN2235 setting out the treasury management and non-treasury investment operations and prudential indicators for the first half of the 2022-23 financial year, which was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

The Committee noted that the Council's treasury team continued to concentrate primarily on the security of investments, taking due regard for the returns available whilst managing liquidity. In relation to borrowing, the treasury team continually reviewed the borrowing strategy, weighing up interest rate levels and risk of refinancing. During the 2022-23 financial year, short-term interest rates had increased and were forecast to increase further. However, borrowing levels had remained the same. The Committee noted that all treasury management decisions had been taken with due regard to refinancing risk.

The Committee was also advised that total borrowing as at 30th September 2022 was £100 million, which was no change from the 31st March 2022 year-end position. Year-end borrowing was forecast to be £118.6 million, which was below the estimated levels due to slippage on the Capital Programme. The lower level of borrow but higher interest rates had resulted in a forecast interest cost of borrowing increasing by £0.05 million. The Council was forecast to have non-treasury investments risk exposure of £134.1 million, of which £118.6 million was funded via external loans. The Committee was also advised that the return of non-treasury investments was forecast to be below the estimated return for 2022-23 due to the deferral of interest on the Farnborough International loan until June 2023.

During discussion, Members sought updated information on investment activity, values of pooled funds as at November 2022 together with information on the impact of the recent mini budget. This information would be sent to the Committee by Philippa Dransfield, Finance Manager and Deputy Section 151 Officer.

**RESOLVED:** That the Executive Head of Finance Report No. FIN2235 be noted.

**22. ANNUAL STATEMENT OF ACCOUNTS - EXTERNAL AUDIT OPINION - UPDATE NO. 3**

The Committee received an update from the Executive Head of Finance on the current situation on the Annual Statement of Accounts – External Audit Opinion for 2019/20. It was explained that, due to different methodologies used by the Council's asset valuer and those used by the Council's External Auditor, there was a difference of opinion regarding the valuations of the Council's assets. As things stood, this meant that the current draft External Audit Opinion showed that a qualified opinion would be given on the Council's Statement of Accounts for 2019/20. If the Council did not adjust its valuations to be in line with the External Auditor, resulting in a qualified opinion, this would present a challenge to the Council going forward as each year the same situation would arise in the External Audit Opinion. It was noted that a qualified opinion could have several impacts on the Council, including limiting its ability to borrow money.

The Executive Head of Finance advised the Committee that, following discussion with the Chairman, his recommendation was that the Council should move its valuation position to be in line with the External Auditor to enable an unqualified opinion to be issued by the External Auditor. The Committee was further advised that the re-alignment of asset valuations would not result in any cost to the Council Tax payers. This recommendation was agreed by the Committee. It was further agreed that the Council would work more closely with the External Auditors to understand the different methodologies used in valuing assets. The Council would also work more closely with its valuers to advise them of the different methodologies used by EY. The Committee hoped that, in the future, there would be greater clarity on procedures and processes to bring about stability in achieving timely production of audited accounts and the External Auditor's Opinion going forward.

**RESOLVED:** That

- (i) the Executive Head of Finance and Section 151 Officer's report be noted; and

- (ii) approval be given to the re-alignment of asset valuations by the Council, as recommended by the Executive Head of Finance and Section 151 Officer in his report.

### **23. INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD2213, which set out the work completed by Internal Audit since the previous report and also gave an update on the 2022/23 Audit Plan and on outstanding audit issues.

During discussion on outstanding high risk issues, the Committee agreed that it reserved the right to call in Heads of Service to explain why there had been delays in completing outstanding audit issues and what was going to be done to resolve this.

**RESOLVED:** That

- (i) the audit work completed since the last update be noted;
- (ii) the update to the expected deliverables for Quarter 3 be noted; and
- (iii) the outstanding audit issues be noted.

### **24. INTERNAL AUDIT - AUDIT CHARTER**

The Committee considered the Audit Manager's Report No. AUD2214 which set out an updated Internal Audit Charter for approval. The Internal Audit Charter detailed the purpose, authority and responsibility of Internal Audit within the Council, which was a requirement of the Public Sector Internal Audit Standards.

**RESOLVED:** That the updated Internal Audit Charter, as set out in the Audit Manager's Report No. AUD2214, be endorsed.

### **25. PROTOCOL FOR THE SELECTION OF THE MAYOR AND DEPUTY MAYOR**

The Committee considered the Chief Executive and Executive Director's Report No. DEM2201, which set out the results of work undertaken to review the criteria for the selection of the Mayor and Deputy Mayor to ensure that they continued to be effective in supporting the mayoral selection process.

It was noted that a survey of Members had been carried out in July – August 2022 to understand more about councillors' interest and considerations in taking on the role of Mayor. In October 2022, a group of Members appointed by the Committee (comprising Cllrs. P.J. Cullum, Christine Guinness, M.S. Choudhary and A. Gani) had met to consider the survey outcomes and had discussed the proposals for loosening the selection criteria to reflect the higher turnover of councillors and to ensure that those councillors who were interested in taking on the role had reasonable opportunity to be nominated without breaking the criteria.



The Report set out the proposed amendments to the criteria for the selection of the Mayor and Deputy Mayor. It was proposed to retain the use of order of seniority, determined by length of service, to decide the selection, within eligibility. Under revised arrangements, it was proposed that each year the process would begin with the Chief Executive inviting all Members to advise if they were interested in taking on the role of Deputy Mayor, progressing through to the position of Mayor. The seniority and eligibility criteria, as set out in Appendix 2 to the Report, would then be applied to all Members who had notified their interest. The Councillor who was highest up the seniority list would then be considered for the appointment, subject to the eligibility requirements and the Chief Executive would then follow up by consulting all Members to ensure a broad base of support for the appointment.

During discussion, it was agreed that to assist Members, the Mayoral protocol containing guidance on the role and commitments involved in the mayoral role should be provided to Members wishing to put their name forward to become Mayor.

The Committee **RECOMMENDED THE COUNCIL** to approve the amendments to the criteria for the selection of the Mayor and Deputy Mayor, as set out in the Chief Executive and Executive Director Report No. DEM2201.

The meeting closed at 8.40 pm.

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# DEVELOPMENT MANAGEMENT COMMITTEE

Report of the Meeting held on Wednesday, 18th January, 2023 at the Concorde Room, Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr Calum Stewart (Chairman)  
Cllr L. Jeffers (Vice-Chairman)

Cllr Mrs. D.B. Bedford  
Cllr Jib Belbase  
Cllr P.I.C. Crerar  
Cllr C.P. Grattan  
Cllr Michael Hope  
Cllr Peace Essien Igodifo  
Cllr S.J. Masterson  
Cllr T.W. Mitchell  
Cllr Sophie Porter

## Non-Voting Member

Cllr A.R. Newell (Planning and Economy Portfolio Holder) (ex officio)

### 44. DECLARATIONS OF INTEREST

There were no declarations of interest for this meeting.

### 45. MINUTES

The Minutes of the Meeting held on 9th November, 2022 were approved and signed as a correct record of proceedings.

### 46. REPRESENTATIONS BY THE PUBLIC

In accordance with the guidelines for public participation at meetings, the following representations were made to the Committee and were duly considered before a decision was reached:

<b>Application No.</b>	<b>Address</b>	<b>Representation</b>	<b>In support of or against the application</b>
22/00138/REMPP	Blandford House and Malta Barracks Development	Bryony Stala (Agent) Central South Planning Savills, Mountbatten House, 1 Grosvenor	In support

Site, Shoe Lane, Square, Southampton  
Aldershot SO15 2BZ

#### 47. PLANNING APPLICATIONS

##### **RESOLVED:** That

- (i) permission be given to the following applications, as set out in Appendix “A” attached hereto, subject to the conditions, restrictions and prohibitions (if any) mentioned therein:

\* 22/00138/REMPP Blandford House and Malta Barracks Development Site, Shoe Lane, Aldershot

- (ii) the applications dealt with by the Executive Head of Property and Growth, where necessary in consultation with the Chairman, in accordance with the Council’s Scheme of Delegation, more particularly specified in Section “D” of the Head of Economy, Planning and Strategic Housing’s Report No. PG2301, be noted

- (iii) the following applications be determined by the Executive Head of Property and Growth, in consultation with the Chairman:

\* 22/00779/REVPP The Galleries, High Street, Aldershot

- (iv) the current position with regard to the following applications be noted pending consideration at a future meeting:

21/00271/FULPP Block 3, Queensmead, Farnborough

\*\* 22/00193/OUTPP Proposed Farnborough Civic Quarter Development Site, Meudon Avenue, Farnborough

\*\* 22/00340/REMPP Land at Blandford House and Malta Barracks Development Site, Shoe Lane, Aldershot

\*\* 22/00849/FULPP Discovery Place, Columbus Drive, Farnborough

\* The Executive Head of Property and Growth’s Report No. PG2301 in respect of these applications was amended at the meeting.

\*\* It was agreed that site visits would be arranged to these sites

#### 48. PLANNING APPLICATION NO. 22/00779/REVPP - THE GALLERIES, HIGH STREET, ALDERSHOT

The Committee considered the Executive Head of Property and Growth’s Report No. PG2301 regarding minor material amendments to planning permission 20/00508/FULPP dated 5 September, 2022.

**RESOLVED:** That

subject to the completion of a satisfactory Deed of Variation to the s106 Agreement dated 9 September, 2022 in respect on the original planning permission by 31 January, 2023, or in accordance with any agreed extension of time the Executive Head of Property and Growth, in consultation with the Chairman be authorised to GRANT planning permission, as set out in the report.

49. **APPEALS PROGRESS REPORT**

The Committee received the Executive Head of Planning and Growth's Report No. PG2302 concerning the following appeal decisions:

<b>Application / Enforcement Case No.</b>	<b>Description</b>	<b>Decision</b>
21/00947/FULPP	Against refusal of planning permission for alterations to the front elevation and change of use of the first and second floors, to nightclub at, 101 Victoria Road, Aldershot.	Dismissed
21/00545/FULPP	Against refusal of planning permission for a rear extension and alterations to facilitate change of use of a public house with ancillary accommodation into 4 flats, with associated amenities at the White Lion Public House, 20 Lower Farnham Road, Aldershot.	Dismissed

**RESOLVED:** That the Executive Head of Property and Growth's Report No. PG2302 be noted.

50. **ESSO PIPELINE PROJECT**

Katie Herrington, Principle Planning Officer, gave a verbal update to the Committee on the position regarding the agreement of all outstanding legal agreements including the Environmental Improvement Plan pursuant to the Development Consent Order for the renewal and partial realignment of the Southampton to London ESSO fuel pipeline which crossed the Borough of Rushmoor.

Following the reported technical failure of the drill at the previous meeting, it had been hoped that a trenchless method could be maintained. However, due to a number of technical issues, Esso had had to dig a trench to lay a stretch of the pipeline. This had impacted on local allotment holders and a site visit had been called to discuss any mitigations that could be undertake to lessen the impacts. It was note that the work would result in two road closures. Work was expected to start in March and be completed by July, 2023.

It was advised that boring under the veteran trees in Queen Elizabeth Park (QEP) had been completed successfully. Full public access to the pathway was expected by end February, 2023. It was noted that work on the replacement playground was expected to commence in February, 2023 and estimated to be in place by September/October 2023.

The Committee were advise that work in Southwood Country Park had been delayed due to the area being water logged. It was proposed that work would commence in March, 2023, when the ground had hopefully dried out, and be completed by June, 2023.

Following a discussion, it was noted that the consultation area could be widened to alleviate the number of complaints being handled by Members. It was also suggested that, social media could be kept more up to date with information on the works.

**RESOLVED:** that the Executive Head of Property and Growth's Report No. PG2303 be noted.

51. **UPDATE TO THE CONSTITUTION - PUBLIC SPEAKING PROCEDURES AND STANDING DEPUTIES**

The Executive Head of Property and Growth, reported on Report No. DEM2301, on updates to the constitution regarding, public speaking procedures and standing deputies.

The Committee discussed the report and raised a query regarding the length of time allowed for public speaking in the case of a major planning application. The Committee identified a potential conflict between paragraphs 8.3, 9.3 and 9.4 of Appendix 2. They asked that this be reviewed and resolved ensuring that there was a balance of time in speaking for and against.

The Committee **AGREED** the recommendations set out in Report No. DEM2301, subject to clarity on the time allowed to speak at major planning applications as set out above, which would then be recommended to the Council at its meeting on 23<sup>rd</sup> February, 2023.

The meeting closed at 8.40 pm.

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## Development Management Committee

### Appendix "A"

**Application No. & Date Valid:** 22/00138/REMPP

**18th February 2022**

**Proposal:** PART APPROVAL OF RESERVED MATTERS: for the erection of 76 dwellings (Phase 2), including internal access roads, public open space, parking, lighting and associated infrastructure, following demolition of existing buildings and hardstanding, pursuant to Condition 3 (1-24) of Hybrid Outline Planning Permission 17/00914/OUTPP dated 15th May 2020. at **Blandford House And Malta Barracks Development Site Shoe Lane Aldershot Hampshire**

**Applicant:** Miss Tilly Wishaw

**Conditions:** 1 The development hereby permitted shall be begun before the expiration of three years from the date of this permission.

Reason - As required by Section 91 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

2 The permission hereby granted shall be carried out in accordance with the following drawings:

- 20212 - P201G Site Layout - Phase 2
- 20212 - P204F Site Layout - Affordable Units
- 20212 - P205E Site Layout - Self Build Units
- Vine Cottage Floor Plans and Elevations December 2022
- 20212 - C205C Coloured Street Scenes - Phase 2
- 20212 - P2-257 Single Garage - Plans and Elevations
- 20212 - P2-258 Twin Garage - Plans and Elevation
- 20212 - P2-259 - Cycle Store Plans & Elevations
- 20212 - P2-264 - Double Garage Plans & Elevations.
- 20212 - S201A Site Location Plan - Phase 2
- 20212 - P2-220B Amberley - Plans and Elevations
- 20212 - P2-221B Cambridge - Plans and Elevations - Brick
- 20212 - P2-223B Hampstead - Floor Plans

- 20212 - P2-224C Hampstead - Elevations - Brick
- 20212 - P2-225B Highgate - Floor Plans
- 20212 - P2-226B Highgate - Elevations - Brick
- 20212 - P2-227B Highgate - Elevations - Render
- 20212 - P2-228B Leamington Lifestyle - Plans and Elevations - Brick
- 20212 - P2-229B Leamington Lifestyle - Plans and Elevations - Render
- 20212 - P2-230B Ledsham - Floor Plans
- 20212 - P2-231B Ledsham - Elevations - Brick
- 20212 - P2-232B Ledsham - Elevations - Render
- 20212 - P2-235A Oxford Lifestyle - Plans and Elevations - Brick
- 20212 - P2-236B Oxford Lifestyle - Plans and Elevations - Render
- 20212 - P2-237B Richmond - Floor Plans
- 20212 - P2-238B Richmond - Elevations - Brick
- 20212 - P2-239B Richmond - Elevations - Render
- 20212 - P2-240 Warwick - Plans and Elevations - Brick
- 20212 - P2-243B Plots 25-28 - DartSpey - Floorplans
- 20212 - P2-244B Plots 25-28 - DartSpey - Elevations
- 20212 - P2-246B Plots 29-33 - DartSpey - Floorplans
- 20212 - P2-247B Plots 29-33 - DartSpey - Elevations
- 20212 - P2-248B Plots 84-86 - BrueTweed - Floorplans
- 20212 - P2-249B Plots 84-86 - BrueTweed - Elevations
- 20212 - P2-250B Plots 89-90 - Dart - Floorplans
- 20212 - P2-251B Plots 89-90 - Dart - Elevations
- 20212 - P2-252B Plots 91-9596-100 - TavySpey - Floorplans
- 20212 - P2-253B Plots 91-9596-100 - TavySpey - Elevations
- 20212 - P2-255A Flat Block Plots 75-83 Floor Plans
- 20212 - P2-256A Flat Block Plots 75-83 Elevations
- 20212 - P2-260A Lincoln 3 - Floor Plans
- 20212 - P2-261A Lincoln 3 - Elevations-Render
- 20212 - P2-262A Stratford - Plans and Elevations
- 20212 - P2-263 Cambridge - Plans and Elevations - Render
- 20212 - P2-265 Oxford Option - Plans and

Elevations - Brick

- 20212 - P2-266 Oxford Option - Plans and Elevations - Render
- 20212 - P2-267 Hampstead - Elevations - Render

Reason - To ensure the development is implemented in accordance with the permission granted.

- 3 A schedule of the materials (including updated Building Materials Plan and samples where required by the Local Planning Authority) to be used for the external surfaces of the dwellings and the hard-surfaces within the development hereby approved, shall be submitted to and approved in writing by the Local Planning Authority, before the relevant part of the development to which they relate is commenced (excluding preparatory ground works), and this condition shall apply notwithstanding any indications to these matters which have been given in this application. The development shall be carried out in accordance with the approved details prior to first occupation of the relevant part of the development.

Reason - To ensure a satisfactory appearance for the development and to safeguard the character and appearance of the area and the setting of adjoining heritage assets.\*

- 4 The development shall be carried out strictly in accordance with the Ecological Management Plan documents hereby approved (in so far as they relate to Phase 2), prior to first occupation of the development hereby approved:

- Ecological Management Plan Phase 2 ref: Vf2 (Aspect Ecology, 3rd November 2022);
- Ecological Appraisal Addendum Phase 2 ref: Vf3 (Aspect Ecology, 30th November 2022; and
- Biodiversity Net Gain Assessment ref: Vf4A (Aspect Ecology, 30th September 2022)

Reason - In the interests of nature conservation and biodiversity net gain.\*



- 5 Prior to the first occupation of the residential development hereby approved, details of an updated landscaping, tree planting and biodiversity enhancement plan, to accord with the recommendations of the approved Ecological Management Plan Phase 2 ref: Vf2 (Aspect Ecology, 3rd November 2022); and Biodiversity Net Gain Assessment ref: Vf4A (Aspect Ecology, 30th September 2022), shall be submitted to and approved in writing by the Local Planning Authority. The development shall be implemented in accordance with the approved details prior to the first occupation of the residential development hereby approved and thereafter maintained in accordance with the Ecological Management Plan. Any tree/shrub removed, dying or becoming seriously diseased within five years of planting shall be replaced by trees/shrubs of similar size and species to those originally approved.

Reason: In the interests of the character and appearance of the area, nature conservation and biodiversity net gain.\*

- 6 Prior to the installation of any external lighting associated with the development hereby approved, a scheme for the provision of external lighting together with an Artificial Lighting Assessment (including the design, duration, intensity of illumination predicted lighting contours and retained dark corridors for the wider development site), to accord with the recommendations of the approved Ecological Management Plan, shall be submitted to and approved in writing by the Local Planning Authority. Any external lighting that is installed shall accord with the details so approved.

Reason: To safeguard the amenities of surrounding occupiers and to avoid any adverse impacts on ecologically sensitive local receptors.\*

- 7 Prior to the first occupation of the residential development hereby approved, details of the design and location of all boundary treatment (including a scheme for acoustic rear garden fencing for Plots 75 to 95 and Plot 178) proposed within the development hereby approved shall be submitted to and approved in writing by the Local Planning Authority. This condition shall apply notwithstanding any indications to these matters which have been given in this application. The development shall be carried out in accordance with the approved details prior to first occupation of the relevant part of the development and retained thereafter\*

Reason - To ensure satisfactory external appearance for the development, to safeguard the living conditions of future residents and in the interests of highway safety.

- 8 The development shall be carried out strictly in accordance with the mitigation (glazing and ventilation) described within the Blandford House Noise Assessment Phase 2 ref R9052-2 Rev 0 (24Acoustics, 22 December 2022) hereby approved. The mitigation shall be implemented prior to first occupation of the development to which it relates and thereafter retained for the life of the development\*

Reason - To safeguard future occupiers of the development against noise disturbance.

- 9 The residents' and visitors' parking spaces shall be laid out, allocated and made available in accordance with drawing 20212-P900 (Phase 1, 2 and 3 Parking Provision) hereby approved in so far as it relates to the Phase 2 RMA, prior to first occupation of the units to which the parking spaces relate, and shall be used only for the parking of vehicles ancillary and incidental to the residential use of the development.\*

Reason - To ensure the provision and availability of adequate off-street parking and to safeguard residential amenity.

- 10 The development shall be carried out strictly in accordance with the Phase 2 Arboricultural Method Statement V3 ref: JSL3922\_22773 (RPS Group, October 2022) hereby approved, in so far as it relates to the Phase 2 RMA.

Reason - To safeguard retained trees on the site, to safeguard the character and appearance of the area and in the interests of biodiversity.

- 11 Construction or demolition work of any sort within the area covered by the application shall only take place between the hours of 0800-1800 on Monday to Fridays and 0800-1300 on Saturdays. No work at all shall take place on Sundays and Bank or Statutory Holidays.

Reason - To protect the amenities of neighbouring residential properties and to prevent adverse impact on traffic and parking conditions in the vicinity.

- 12 The dwellings hereby permitted shall be designed and implemented to meet the water efficiency standard of 110 litres per person per day.

Reason - To ensure that the development makes efficient use of mains water in accordance with Policy DE4 of the Rushmoor Local Plan.

- 13 Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England), Order 2015 (or any Order revoking and re-enacting that Order) there shall be no enlargement or extension of the dwellings hereby permitted, including porches and any additions or alterations to the roof, without the prior permission of the Local Planning Authority.

Reason - To safeguard the character and appearance of the development and to protect the amenities of neighbouring occupiers.

- 14 Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England), Order 2015 (or any Order revoking and re-enacting that Order), no new building or enclosure shall be constructed within the curtilage of the dwellings hereby permitted, without the prior permission of the Local Planning Authority.

Reason - To safeguard the character and appearance of the development and to protect the amenities of neighbouring occupiers.

# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Monday, 30th January, 2023 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr P.J. Cullum (Chairman)  
Cllr Jessica Auton (Vice-Chairman)

Cllr M.S. Choudhary  
Cllr K. Dibble  
Cllr A.H. Gani  
Cllr Christine Guinness  
Cllr Sarah Spall  
Cllr Nem Thapa  
Cllr S. Trussler  
Cllr Jacqui Vosper

Cllr Mara Makunura (attended the meeting as a Standing Deputy)

## **Non-Voting Member**

Mr Tom Davies – Independent Member (Audit) (joined the meeting via Teams)

An apology for absence was submitted on behalf of Cllr Ade Adeola.

## **26. MINUTES**

The minutes of the meeting held on 28th November 2022 were agreed and signed as a correct record of the proceedings.

## **27. ATTENDANCE AT MEETINGS OF THE COMMITTEE**

The Chairman advised the Committee that Cllr Sarah Spall had been absent from three consecutive meetings of the Committee held on 26th July, 26th September and 28th November 2022. Under the Council's Standing Orders, Standing Order 4 (5) stated that 'if any Member shall be absent from three consecutive meetings of a committee, he or she shall cease to be a Member thereof, unless he or she shall in the opinion of the Committee show reasonable grounds for their absence.'

Cllr Sarah Spall addressed the Committee giving her reasons for non-attendance at the meetings. The Committee respected and understood the reasons given and agreed that Cllr Spall should continue to serve as a Member of the Committee.

The Chairman reminded the Committee that, if any Member was going to be absent from a meeting, the Committee Administrator and the Chairman should be notified by email and also including whether the standing deputy had been contacted.

**RESOLVED:** That Cllr Sarah Spall continue to serve as a Member of the Committee for the remainder of the 2022/23 Municipal Year.

## 28. **SELECTION OF THE MAYOR AND DEPUTY MAYOR 2023/24**

The Committee considered the Chief Executive's Report No. DEM2303 which set out the outcome of the selection process for the Mayor and Deputy Mayor for the 2023/24 Municipal Year.

Following a review of the process and criteria for the selection of the Mayor and Deputy Mayor, which had been led by the Committee, the Council had adopted a revised protocol for the selection of the Mayor and Deputy Mayor on 8th December 2022. In accordance with the updated procedure, all Councillors had been invited to indicate their interest in the role of Deputy Mayor for 2023/24, progressing through to Mayor in 2024/25.

The Committee was advised that the Deputy Mayor, Cllr C.P. Grattan, had confirmed his wish to proceed through the normal progression to the position of Mayor for 2023/24. Cllr Mara Makunura had expressed interest in the mayoralty role and, from amongst those who had submitted their interest, was the councillor who had best met the criteria by order of seniority and eligibility.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr C.P. Grattan be appointed as Mayor-Elect for the 2023/24 Municipal Year; and
- (ii) Cllr Mara Makunura be appointed as Deputy Mayor-Elect for the 2023/24 Municipal Year.

**NOTE:** Cllr Mara Makunura declared a personal interest in this item and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting on this item.

## 29. **ANNUAL CAPITAL STRATEGY 2023/24**

The Committee considered the Executive Head of Finance Report No. FIN2303 which set out the proposed Capital Strategy for the year 2023/24 to 2025/26, including the Prudential Indicators for capital finance for 2023/24. The Report gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with an overview of how associated risk was managed and the implications for future financial sustainability. The Strategy had been written in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the CIPFA Prudential Code and Ministry of Housing, Communities and Local Government guidance on local government investment.

The Committee was advised that decisions made during the year on capital and treasury management would have financial consequences for the Authority for many years into the future. They were therefore subject to both a national regulatory framework and to local policy framework, which were summarised in the report.

During discussion, a question was raised on liability benchmarking. The Executive Head of Finance undertook to provide a written response to the Committee on this.

The Committee

- (i) **RECOMMENDED TO THE COUNCIL** that the Capital Strategy for 2023/24 to 2024/25 and Prudential Indicators for 2023/24 (subject to (ii) below) and as set out in the Executive Head of Finance Report No. FIN2303 be approved; and
- (ii) **RESOLVED** that the Prudential Indicators for 2023/24 be reviewed by the Council's treasury management advisors (Arlingclose) for completeness with any update to be included in the report to the Council on 23rd February 2023.

30. **ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY INVESTMENT STRATEGY 2023/24**

The Committee considered the Executive Head of Finance Report No. FIN2302 which set out the proposed Treasury Management Strategy and Non-Treasury Management Strategy for the year 2023/24, including the borrowing and investment strategies and treasury management indicators for capital finance for 2023/24 and the Minimum Revenue Provision Statement.

Treasury risk management at the Council was conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code), which required approval of a treasury management strategy before the start of each financial year. The Executive Head of Finance's Report No. FIN2302 fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. The CIPFA Code also required the Authority to have a separate Non-Treasury Investment Strategy (as set out in Appendix 2 to the report) which had to be approved before April 2023. Local authorities were also required by regulation to have regard to the provisions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) 2021.

The report set out the purpose, functions and activities of the treasury management operation and the non-treasury investment management operations and set out the Treasury Management Strategy, Annual Borrowing Strategy and Annual Treasury Management Investment Strategy (Appendix 1), Non-Treasury Investment Strategy (Appendix 2) and the Council's Minimum Revenue Provision (MRP) Statement (Appendix 3). These policies and parameters provided an approved framework within which officers undertook the day-to-day capital, treasury and non-treasury investment activities.

Following discussion on the report, the Executive Head of Finance undertook to provide a written briefing for the Committee on the issues covered, including liability benchmarking, liquidity, rates of return received (Appendix 2, 9.4) and business models.

The Committee

- (i) **RECOMMENDED TO THE COUNCIL** that
  - (a) the Treasury Management Strategy 2023-24 and Annual Borrowing Strategy 2023/24 (as set out in Appendix 1 to the Executive Head of Finance Report No. FIN2302) be approved;
  - (b) the Annual Non-Treasury Investment Strategy 2023/24 (set out in Appendix 2) be approved; and
  - (c) the Minimum Revenue Provision (MRP) Statement (set out in Appendix 3) be approved; and
- (ii) **RESOLVED:** That the Prudential Indicators for 2023/24 be reviewed by the Council's treasury management advisors – Arlingclose – for completeness with any update to be included in the report to the Council on 17th February 2023.

#### 31. **ANNUAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT OPINION 2019/20 - UPDATE NO. 4**

The Executive Head of Finance provided an update to the Committee on the current position regarding the Annual Statement of Accounts and External Auditor's Opinion for 2019/20. It was noted that the Council's external auditor (EY) had agreed the Statement of Accounts and would be given two supporting documents (Cash Flow Statement and Going Concern Note) by the end of that week. As previously delegated, the Statement of Accounts would be signed off by the Chairman and Chief Executive as soon as was practicable in order to allow EY to produce its Audit Opinion for 2019/20.

The Committee was advised that as much as possible was being done to avoid duplication of work for the audit of the 2020/21 Statement of Accounts and it was therefore hoped that work would then progress quickly on the audit by EY.

**RESOLVED:** That the update be noted.

#### 32. **INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD2301 which provided: an update of the work completed since the previous meeting in November 2022; a progress update on the 2022/23 Audit Plan; a schedule of work to be delivered during Quarter 4; and, an update on the outstanding audit issues.

The Audit Manager apprised the Committee on the number of finalised audit reviews. The Committee also noted that, of the five high risk audit recommendations currently outstanding, two (application patch management and PCI DSS) had had the completion date extended and the reasons for this were given.

**RESOLVED:** That the Audit Manager's Report No. AUD2301 be noted.

### 33. **SECTION 106 AGREEMENTS - FOLLOW-UP FROM PREVIOUS AUDIT ACTIONS**

The Internal Audit Manager gave an update to the Committee on the arrangements for following up areas of risk management in the internal audit of Section 106 Agreements. The Committee was advised that the Internal Audit Manager would be meeting with relevant officers to go through the recommendations following the audit. A report would then be made, as part of the Internal Audit report, to the next meeting of the Committee on how the recommendations would be implemented and followed up.

**RESOLVED:** That the update be noted.

### 34. **CONSTITUTION UPDATES**

The Committee considered the Corporate Manager – Democracy Report No. DEM2302, which set out proposed updates to the Constitution in respect of:

- Standing Orders for the Regulation of Business (Appendix 1 to the Report)
- Scheme for the Appointment of Standing Deputies (Appendix 2)
- Scheme for Public Speaking at Development Management Committee (Appendix 3) and a minor update to the Terms of Reference for the Development Management Committee (as considered and recommended by the Development Management Committee on 18th January 2023)
- Schedule summarising all the updates to the Constitution which have been made since the last major review and report to the Council in May 2020 (Appendix 4). These included updates to reflect the changes that have been made to the senior staffing structure, job titles and officer responsibilities as determined by the Chief Executive.

The Committee was advised that the proposals referenced in Appendices 1 and 2 to the Report (arrangements for dealing with Notices of Motion with financial implications outside of the approved budget, the number of standing deputies appointed to Committees and public speaking at the Development Management Committee) had been considered and supported by the Constitution Working Group at its meeting in December 2022. The Working Group had been appointed by the Committee and had been attended by Councillors P.J. Cullum, Sue Carter, Christine Guinness and S. Trussler.

Following discussion, it was agreed to raise the issues of Deputy Leaders of the Council and Cabinet Champions at a future meeting of the Constitution Working Group.

The Committee



- (i) **RECOMMENDED TO THE COUNCIL** that a revised and updated Constitution be adopted, as set out in the Corporate Manager – Democracy Report No. DEM2302; and
- (ii) **RESOLVED** that any further minor amendments required to finalise the report to the Council be agreed by the Executive Director and Corporate Manager – Democracy in consultation with the Chairman.

The meeting closed at 8.15 pm.

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# OVERVIEW AND SCRUTINY COMMITTEE

Report of the meeting held on Thursday, 1st December, 2022 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr M.D. Smith (Chairman)  
Cllr Mrs. D.B. Bedford (Vice-Chairman)  
Cllr K. Dibble (Vice-Chairman)

Cllr A. Adeola  
Cllr Gaynor Austin  
Cllr L. Jeffers  
Cllr Mara Makunura  
Cllr Marina Munro  
Cllr Sophie Porter  
Cllr S. Trussler

Apologies for absence were submitted on behalf of Cllr Prabesh KC.

## **19. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 20th October, 2022 were agreed as a correct record.

## **20. COUNCIL TAX WORKING GROUP - UPDATE**

Executive Director, Ian Harrison, provided a presentation on the work of the Council Tax Support Group (CTSG).

The Committee were apprised of the current scheme, which was managed locally, to help residents pay their Council Tax bill. It was noted that 4,778 households were currently in receipt of support for 2022/23, this figure included 2,821 households of working age and 1,957 households of pension age. The Committee were advised that the elected Member Group, would recommend to the Cabinet, at its meeting on 8th December, 2022, that the scheme remain the same for 2023/24, whilst mirroring the welfare benefits uplift. It was also noted that, a recommendation for a full review of the scheme during 2023/24, would be made. The review would look specifically at simplifying the scheme, ensuring the most vulnerable were protected and to ensure the cost, to the Council, was sustainable. Other local authority schemes would be considered during the review process.

The Committee reviewed the collection rates for Council Tax over the past four years for residents within the support scheme and those that were not in receipt of support. Collection rate percentages for those within the scheme averaged between 93-94%, and, over all the collection rate achieved each year had been in the region of 96-97%. In relation to arrears, it was noted that the majority (1,726), in receipt of

support, owed between £0-£200, 369 owed between £200-£500 and 200 owed between £500-£3,000.

Other funds available to support residents through the Cost of Living crisis were noted, these included:

- Discretionary Housing Payments - a cash limited fund, provided by the Government, to support people who required additional help with housing costs, not covered by Housing Benefit or Universal Credit. To date £90,203 had been awarded to 249 recipients.
- Exceptional Hardship Payments – a fund agreed by the CTSG to provide additional support to those in receipt of Council Tax Support (CTS) who were experiencing financial hardship, the fund currently sat at £5,495, following awards made to the value of £16,505. It was advised that a recommendation would be made to the Cabinet, at its meeting on 8th December, 2022, that an additional £20,000 be added to the fund for 2022/23 from the earmarked reserve for Council Tax Hardship.
- Council Tax Energy Rebates – a Government package to help households with rising energy bills, aimed at houses in the Council Tax Band A-D. It was noted that 32,677 households in the Borough had received £150. In addition, 2,625 payments had been made from a locally managed, Discretionary Energy Rebate fund, totalling £134,550.
- Household Support Fund – a fund provided by Hampshire County Council (HCC) with specific instructions on who should receive support and in what form. Support had been provided to those in receipt of CTS and Pension Credit in the form of food vouchers, totalling £300,000 and an additional £42,000 had been provided for those in housing crisis, such as rent arrears and threat of eviction. Further funding was expected in late December, 2022, for a similar exercise.

In addition to the recommendations already set out above, it was noted that the CTSG would also recommend to the Cabinet, that the Council continue to work with partners in the locality to ensure sustainable solutions existed to assist with cost of living measures.

The Committee discussed the presentation and a request was made to share information on CTS arrears in the different bands (A-D).

The Chairman thanked Mr Harrison for his presentation.

## **21. SUPPORTING COMMUNITIES STRATEGY AND ACTION PLAN - UPDATE**

The Committee welcomed Emma Lamb, Community and Partnerships Manager, who was in attendance to provide an update on the Council's Supporting Communities Strategy and Action Plan.

It was noted that the Strategy and Action Plan was partner led, and helped to tackle inequalities and deprivation across the Borough. The Committee noted the four priorities, Economic Hardship, Young People, Physical and Mental Health and Connecting Communities. It was advised that a refresh of the strategy would be undertaken in January 2023 to take account of the impacts of the cost of living crisis.

The Committee reviewed some of the funding streams, the majority of which were from external sources. It was noted that support from the Council's earmarked reserve had totalled £71,000 to date. It was advised that the aim had been for projects identified, to be data led and community driven and financially independent from the Council.

The geographical location of the various different schemes within the Supporting Communities Strategy were shared with the Committee. In relation to support concerning cost of living, it was noted that schemes changed frequently and particular attention had been given to ensure information had been kept up to date.

An overview of some of the schemes had been provided, these included;

- Community Grub Hub – a wrap-around service which offered, not only a food bank facility, but also support in a range of areas including mental health provisions and energy and business support. The Grub Hub had been in operation for almost a year and had gained full independence, with support from Rushmoor Voluntary Services (RVS), in October 2022. Some key challenges for 2023 had been identified, these included stock levels of certain items, cost of living impacts, opening hours to target working households and development of a fundraising strategy to ensure financial stability going forward.
- PEBL (Prospect Estate Big Local) – a free health and happiness drop in had been ran through the PEBL scheme. It was noted that 150 health checks had been completed with the Farnborough Primary Care Network (PCN), balance, glide and ride classes had been undertaken with Year R and one children and physical activities and wellbeing walks had been held. Men's health sessions and a Men's Shed had also been established.
- Repair Café – this externally funded facility would be opening on 17th December, 2022 at the West End Centre, Aldershot. The independent organisation had been enabled by the Council with the support of RVS.
- Youth Engagement and Aspirations – The Committee noted that a Forum had been created to engage with young people, a number of students had visited Gulfstream for an aspirational visit, support had been provided at career events at the local secondary schools and a Climate Change competition had been held which had engaged with over 60 students and local company Fluor.

The Committee noted the work on support to residents through the cost of living crisis and the challenges it presented. Help and support information had been collated on one page on the Council's website and other methods of sharing

information were being considered, such as through the Arena magazine and A-Z cards. Partnership work continued with the doctors surgeries, police and other agencies to ensure people in need could be signposted to relevant help. A link to the web page could be found [here](#).

The Committee review what had worked well and the challenges ahead, it was noted that the partnership working had been key to the success of the strategy to date, and the Council would continue to work with its partners to enable projects and access to funding. Challenges included, digital inclusion, funding reductions and health inequalities.

Moving forward, it was noted that a refresh of the strategy would be undertaken to review priorities and data and target the approach accordingly. Work with health partners would increase to help tackle inequalities and an increase in reliance on external funding would be necessary.

The Committee discussed the presentation and expressed concern over the numbers of people requiring support in the Borough. A request was made to provide information, by ward, of the support available and to ensure that Members were kept up to date on what support was available Borough wide.

The Chairman thanked Ms Lamb for her presentation.

## 22. **WORK PLAN**

The Committee **NOTED** the current Work Plan.

A number of issues were raised for consideration by the Committee, these included:

- Fibre internet infrastructure (Toob)
- Highways – condition of the roads across the Borough, in particular potholes
- Management of mould and damp – monitoring the condition of all housing stock across the Borough
- Air pollution
- Partners involved with the Supporting Communities Strategy and Action Plan

The meeting closed at 8.45 pm.

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# POLICY AND PROJECT ADVISORY BOARD

Report of the meeting held on Tuesday, 31st January, 2023 at the Titchbourne Suite, Princes Hall, Aldershot at 7.00 pm.

## Voting Members

Cllr Marina Munro (Chairman)  
Cllr Jessica Auton (Vice-Chairman)

Cllr Jib Belbase  
Cllr C.W. Card  
Cllr M.S. Choudhary  
Cllr Jules Crossley  
Cllr Michael Hope  
Cllr Peace Essien Igodifo  
Cllr M.J. Roberts  
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllr P.I.C. Crerar.

Cllr P.J. Cullum attended as Standing Deputy.

## 21. MINUTES

The minutes of the meeting held on 23rd November, 2022 were agreed as a correct record.

## 22. FRIMLEY INTEGRATED CARE SYSTEM

The Board welcomed Emma Boswell, Director of Partnerships, Engagement and Place, and Martha Earley, Programme Director for Partnerships and Communities, from the Frimley Health and Care, Integrated Care System. Also in attendance were, Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder, Karen Edwards, Executive Director and, Emma Lamb, Community and Partnerships Manager.

The Board received a presentation, which set out the draft five-ten year Creating Healthier Communities Strategy. It was noted that the Integrated Care System (ICS) had utilised the Clinical Commissioning Group's (CCG) Strategy, agreed in 2019, as a starting point for the refresh.

The ICS was described as a partnership of key partners, with representatives from the health and care system, local authorities, the voluntary sector and Frimley Park, amongst others. The ICS covered the following Places; Slough, The Royal Borough of Windsor and Maidenhead, Bracknell, Surrey Heath and North East Hampshire and Farnham. It was advised that there were four key constructs to the ICS, as set out below:

- Frimley Integrated Care Partnership (ICP) – a platform to bring together over 90 partners to work on the long term strategy
- Frimley Integrated Card Board (ICB) – A replacement for the CCG, with a broader remit for health and care. It was noted that Executive Director, Karen Edwards, sat on the Board.
- Frimley Provider Collaboratives – With only one acute provider in the Place, the Collaboratives considered specific pathways i.e. pain management and mental health
- Place Based Partnerships – a focus on the geographical partnerships within the Place

It was noted that the workings of the ICS were set in law, with partners working together to make a difference. The programme of work had been influenced by politics, data and knowledge. In September 2022 an Assembly Meeting, had been held, at which six ambitions had been set, as set out below:

- Starting Well – to allow all children to get the best possible start in life
- Focus on Well Being – To allow all people to have the opportunity to live healthier lives, no matter where in the system they resided
- Community Deals – To agree with residents, families and carers how to work together to create healthier communities
- Our People – to be known as a great place to work, live and to make a positive difference
- Leadership and Culture for Improvement – to work together to build collaboration at every level across the system
- Outstanding use of Resources – to offer the best possible care and support where it is most needed, in the most affordable way

The Board discussed the Strategy refresh and raised a number of comments:

- Ensure there was a voice from the business community and young people
- Ensure a diverse partnership to represent all communities within the place
- Ensure that recruitment and promotion was inclusive and addressed equal rights

The Board were apprised of data held for the North East Hants and Farnham (NEHF) Place. It was noted that the three main health conditions in the Place were depression, hypertension and obesity. A request was made for some Rushmoor specific data to be circulated to the Board.

Ms Earley, advised on the joint delivery of three specific priorities during 2022/23 to galvanise existing, and to explore new, partnerships. The three priorities were hypertension, physical activity and mental health. The priorities proposed for 2023/24 were, healthy weight (a focus on tackling food insecurity for healthy, good nutrition, tackling obesity and preventing diabetes), stop smoking (a focus on tackling food insecurity for healthy, good nutrition, tackling obesity and preventing diabetes), and the cost of living crisis (a focus on tackling fuel and food insecurity).



The Board discussed the Place and raised a number of comments, these included:

- Ensure data was collected from a variety of sources, including warm hubs and foodbanks
- Ensure focus on early intervention
- Understanding access challenges across different communities
- Learning from what worked during the pandemic
- Ensure all services can be reached by all – consider digital poverty
- Drug prevention

In relation to the work being carried out by the Council, under the Supporting Communities Strategy and Action Plan, the ICS Creating Healthier Communities Strategy acted as an umbrella for the work. The team had been strengthening links with health partners, and continued to work together to achieve its goals.

The Board were asked to consider the Strategy and provide their thoughts. In summary, it was noted that;

- Early intervention was key
- Ensure the food provided at foodbanks was nutritional and healthy
- Consideration be given to the size of school lunches – are they enough to sustain a child?
- Consider group health checks for the BAME communities
- Consideration be given to issues relating to HIV and the Menopause
- Consideration be given to reinstating Well Man and Well Women clinics
- Focus on community work
- Consideration be given to a service that is right for young people to engage
- Statistic/trends/funding detail to be shared with Members

It was advised that Mrs Edwards would share a copy of the feedback with Members before sending to the ICS.

The Chairman thanked everyone for their contributions.

## 23. **WORK PLAN**

The Board noted the current Work Plan.

It was noted that the focus of the Board meeting on 15th March, 2023, would be the Council Plan.

The meeting closed at 9.07 pm.

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