

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 28th July, 2015 at 4.30 pm
in the Concorde Room, Council Offices, Farnborough*

To:
Councillor P.J. Moyle
Councillor K.H. Muschamp, Deputy Leader and Business, Safety and Regulation
Portfolio Holder

Councillor Hughes, Health and Housing Portfolio
Councillor Sue Carter
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor R.L.G. Dibbs
Councillor A. Jackman

Enquiries regarding this agenda should be referred to Chris Todd, Democratic Services, Democratic and Customer Services on 01252 398825 or e-mail: chris.todd@rushmoor.gov.uk

A G E N D A

1. **MINUTES** – (Pages 1 - 8)

To confirm the Minutes of the Meeting held on 14th July, 2017 (copy attached).

2. **ANNUAL GOVERNANCE STATEMENT 2014/15** – (Pages 9 - 22)
(Corporate Services)

To consider the Solicitor to the Council's Report No. LEG1513 (copy attached), which proposes the approval of the Annual Governance Statement 2014/15. The Statement was considered by the Standards and Audit Committee on 2nd July, 2015 and has been recommended for approval.

3. **PREVENTION AND DETECTION OF FRAUD - NEW APPROACH** – (Pages 23 - 30)
(Corporate Services)

To consider the Audit Manager's Report No. AUD1503 (copy attached), which sets out the outcomes of a review of the Council's fraud investigation activities and provides options for future service delivery.

4. **FARNBOROUGH INTERNATIONAL LIMITED - PERMANENT EXHIBITION FACILITIES** – (Pages 31 - 36)
(Leader of the Council/Corporate Services)

To consider the Chief Executive's Report No. CEX1503 (copy attached), which seeks approval for a loan to Farnborough International Limited for the development of new permanent exhibition facilities.

5. **ALDERSHOT TOWN CENTRE - PARKING** – (Pages 37 - 42)
(Environment and Service Delivery)

To consider the Head of Community and Environmental Services' Report No. COMM1514 (copy attached), which seeks approval for a trial of a number of parking concessions in Aldershot town centre.

6. **PARKING SERVICE REVIEW** – (Pages 43 - 48)
(Environment and Service Delivery)

To consider the Head of Community and Environmental Services' Report No. COMM1516 (copy attached), which review the performance of the team and sets out proposals for the future delivery of the service.

7. **EXCLUSION OF THE PUBLIC** –

To consider resolving:

That, subject to the public interest test, the public be excluded from this meeting during the discussion of the undermentioned item to avoid the disclosure of exempt

information within the paragraphs of Schedule 12A to the Local Government Act, 1972 indicated against such item:

Item No.	Schedule 12A Para. No.	Category
8	3	Information relating to financial or business affairs

8. **COMPULSORY PURCHASE OF A LONG TERM EMPTY PROPERTY** – (Pages 49 - 60)
(Health and Housing)

To consider the Solicitor to the Council's Report No. LEG1514 (copy attached), which seeks authority to initiate compulsory purchase proceedings in relation to a long term empty property.

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RUSHMOOR BOROUGH COUNCIL

CABINET

*Tuesday, 14th July, 2015 at 4.30 p.m.
at the Council Offices, Farnborough*

Councillor P.J. Moyle (Leader)
Councillor K.H. Muschamp (Deputy Leader and Business, Safety and
Regulation Portfolio)

Councillor Sue Carter (Leisure and Youth Portfolio)
Councillor R.L.G. Dibbs (Environment and Service Delivery Portfolio)
Councillor R. Hughes (Health and Housing Portfolio)
Councillor A. Jackman (Concessions and Community Support Portfolio)
Councillor P.G. Taylor (Corporate Services Portfolio)

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 **28th July, 2015**.

27. MINUTES –

The Minutes of the meeting of the Cabinet held on 30th June, 2015 were confirmed and signed by the Chairman.

28. FUTURE OF REFUSE AND RECYCLING SERVICES –
(Environment and Service Delivery)

The Cabinet considered the Corporate Director's Report No. CD1508, which set out options for the future specification of the waste and recycling services provided by the Council.

The Cabinet was reminded that, at its meeting on 30th June 2015, it had agreed many matters relating to the specification of the renewal of the contract covering refuse, recycling, street cleansing, grounds maintenance and toilet cleansing. At that meeting, it had been agreed, however, that due to

the significance of a decision to either retain weekly collections of residual waste or switch to alternate weekly collections and also to consider reducing the size of residual waste bins, an extra meeting of the Cabinet should be set up in order for these matters to be considered fully.

The Council's current financial position was set out and it was reported that the most recent budget on 8th July had changed little. The Council's financial position remained challenging, with the introduction of the Minimum Living Wage likely to have the effect of making services provided by contractors, in particular, more expensive.

Members were informed that the current contract had performed well and that residents had, generally, expressed a high level of satisfaction with waste and recycling collection services. The Council's recycling performance, however, stood at around 26%, which fell well short of the UK target to recycle or compost 50% of total waste by 2020. Whilst it was considered that the introduction of alternate weekly collections for residual waste would have the greatest effect in increasing recycling rates, there were other initiatives that would be likely to improve the rate also, including:

- Free garden waste collections
- Incentive schemes
- Increasing the range of recyclable materials collected
- Improved education
- Introduction of smaller residual waste bins

In considering this matter, the Cabinet discussed many issues, including the likely increased cost of contractors' services due to the introduction of the Minimum Living Wage, the need for the Council to make savings, how knowledge and awareness of recycling might be improved and residents' views on the current level of service. Members felt that residents approved of the current frequency of collections and, for this reason, agreed that a weekly collection of residual waste should be maintained. The current level of recycling was, however, of concern and it was agreed, therefore, that the policy of reducing the size of residual waste bins over time should be continued and it was recommended that the Future Contracts Member Working Group should investigate additional ways of improving recycling levels.

The Cabinet RESOLVED to continue with the weekly collection of residual waste and maintain the current policy of issuing 140 litre residual waste bins as replacements or for new dwellings.

29. **DEVOLUTION: PROPOSALS FOR A HAMPSHIRE WIDE COMBINED AUTHORITY –**
(Leader of the Council)

The Cabinet considered the Chief Executive's Report No. CEX1502, which set out the current position within Hampshire regarding the potential devolution of power from central to local government.

Members heard how, prior to the previous parliamentary election, there had been significant national debate around the devolution of power, funding and responsibilities. The creation of a combined authority for Greater Manchester had become a flagship for how this could be achieved. It was reported that authorities within the Hampshire and Isle of Wight Local Government Association's (HLOWLA) area had already engaged in a significant amount of joint working and projects. Members heard how all member authorities of HLOWLA, which included Hampshire County Council, Southampton and Portsmouth unitary authorities, the Isle of Wight Council and eleven district councils, had been in agreement that to develop a proposal for a devolved administration would be in the best interests of Hampshire residents. This would involve the creation of a 'Combined Authority' for Hampshire.

It was clarified that such an arrangement would not constitute a restructure of local government and that sovereignty would remain with individual authorities. It would, however, provide an opportunity for closer joint working, economies and service improvements. The first stage was to make a submission to start the process which would make a number of 'asks' of Government. Whilst not confirmed these might include:

- Local control over funding for skills, post-sixteen education, apprenticeships and lifelong learning
- More local control over national infrastructure spending on transport and housing
- A HLOWLA wide 'Better Care Fund' to better integrate health and social care across local government and the NHS
- Freedom to borrow against the forecast proceeds of local growth (to support enabling infrastructure)
- A comprehensive public sector land bank, making surplus NHS and Ministry of Defence land available for housing
- Ability to use public procurement and national business support budgets to support local business growth
- Greater retention of growth in business rates

The Cabinet discussed the proposal and was supportive of the

principle of devolution, particularly in relation to the opportunities for expanding shared services and driving down costs. It was agreed that any future 'devolution deal' would be closely examined to ensure it would be beneficial to Rushmoor residents as well as the broader HIOW area.

The Cabinet RECOMMENDED TO THE COUNCIL that

- (i) the local discussions, on the devolution of powers and responsibilities, be noted;
- (ii) the actions taken by the Leader, through the Hampshire and Isle of Wight Local Government Association, in supporting the principle of a Combined Hampshire Authority as a basis for developing a devolution deal for the area be endorsed;
- (iii) the principle of the Leader and Chief Executive working alongside colleagues in Hampshire and the Isle of Wight to develop a model for devolution which meets local needs be approved; and
- (iv) the Chief Executive, in consultation with the Leader, be authorised to approve the initial proposal for submission to the Government.

The Meeting closed at 5.14 p.m.

CR. P.J. MOYLE
LEADER OF THE COUNCIL



RUSHMOOR BOROUGH COUNCIL

CABINET

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Councillor K.H. Muschamp, Deputy Leader and Business, Safety and
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Councillor Hughes, Health and Housing Portfolio
Councillor Sue Carter
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor R.L.G. Dibbs
Councillor A. Jackman

Apologies for absence were submitted on behalf of .

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- (iv) the Chief Executive, in consultation with the Leader, be authorised to approve the initial proposal for submission to the Government.

The Meeting closed at Time Not Specified.

D.E. CLIFFORD
LEADER OF THE COUNCIL

CABINET
28TH July 2015

SOLICITOR TO THE COUNCIL
Report No. LEG1513

ANNUAL GOVERNANCE STATEMENT 2014-2015

1 Purpose

This report proposes the approval of the Council's Annual Governance Statement for the year 2014/15, which was considered and approved by the Standards & Audit Committee on the 2nd July 2015, and is to be signed by the Leader of the Council and Chief Executive.

2 Background

2.1 The Accounts and Audit Regulations 2003 (as amended in 2006 and 2011) introduced the requirement for local authorities to:

- Conduct at least annually a review of the effectiveness of its system of internal control
- Prepare an Annual Governance Statement
- Publish the Annual Governance Statement with the Statement of Accounts

2.2 The Regulations require councils to ensure that their financial management is adequate and effective and there is a sound system of internal control. This facilitates the effective exercise of that Council's functions including the management of risk and review of performance management.

2.3 The system of internal control includes more than just the financial aspects of the Council's business. It includes matters such as the establishment and monitoring of objectives, the arrangements for decision-making and ensuring compliance with established policies.

2.3 The Annual Governance Statement will be published alongside the Statement of Accounts by 30th September 2015. However, changes can be made to the Governance Statement after approval and before it is published.

3. Proposed Annual Governance Statement

3.1 CIPFA produced revised guidance in 2012 entitled "Delivering Good Governance in Local Government" and a proforma statement, which the Council's Annual Governance Statement is based upon. A revised Local Code of Governance was adopted by the Council in 2014 and forms part of Part 5 of the Constitution.

3.2 The Statement is required to include notification of any significant internal control issues and an action plan to address them. No significant issues have been identified. A number of actions for the current year are identified and will be addressed during the year. Some of these actions were started during this

year but now have further actions identified to complete the various areas of work.

4 Recommendation

4.1 The Standards and Audit Committee recommend the Annual Governance Statement, attached as Appendix 1, to Cabinet for:

- Adoption, and
- Publishing alongside the Council's Statement of Accounts

Ann Greaves
Solicitor to the Council

Background information:

The Accounts and Audit Regulations 2003

CIPFA Guidance – Delivering Good Governance in Local Government 2012

RUSHMOOR BOROUGH COUNCIL

ANNUAL CORPORATE GOVERNANCE STATEMENT 2014/15

1 Scope of Responsibility

- 1.1 Rushmoor Borough Council (“the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.
- 1.3 The Council approved and adopted a revised Code of Corporate Governance on the 10th July 2014, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (based on the December 2012 Addendum). A copy of the code will be available on the Council’s website.
- 1.4 This statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit (England) Regulations 2011, regulation 4(3), which require all relevant public bodies to prepare an annual governance statement.

2 The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective value for money services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2015 and up to the date of the approval of the Council’s statement of accounts.

3 The Governance Framework

- 3.1 The key elements of the systems and processes that comprise the Council’s governance arrangements are as described below and include arrangements for:

Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

There is a clear vision of the Council's purpose and intended outcomes for citizens and service users communicated within the organisation and to stakeholders. This is set out in the Rushmoor Borough Council Corporate Plans 2014-15 and 2015-16 as "working with others to improve the quality of people's lives". This document has been informed by the Rushmoor Strategic Partnership Sustainable Community Strategy 2010-2026 prepared by the Rushmoor Strategic Partnership, a non-statutory, non-executive organisation working within the boundaries of Rushmoor bringing together the skills of the public, private, voluntary and community sectors when working at a local level. This document sets out the partners' vision for the future and the key priorities for the future. The vision and priorities from the SCS have been reflected in the Corporate Plan.

Underpinning the Purpose in the Corporate Plan are five themes:-

- Leadership - Providing leadership to make Rushmoor the place where our communities want to live and work
- Prosperity - Sustaining and developing our local economy
- Place - Protecting and developing a safe , clean and sustainable environment
- People and Communities - Supporting our people and communities and meeting local needs
- Good Value Services - Ensuring quality services that represent good value for money

Reviewing the authority's vision and its implications for the authority's governance arrangements

The Cabinet reviews progress against the Corporate Plan on a quarterly basis by reviewing the targets that relate to what the Council has said that it will do in order to deliver the plans priorities. Details of these reviews are published and the 4th quarter review informs the measures and targets to be incorporated in the next years plan. The Council's Cabinet meeting of the 2nd June considered the 4th quarter and the end of year monitoring report. The same Cabinet meeting also endorsed the Rushmoor Corporate Plan 2015-16.

The Directors' Management Board and the Council's service heads also undertake regular and more detailed monitoring and performance against targets in the Corporate Plan and which can be scrutinised by member panels with specific remits. This acts as the key corporate performance monitoring process for the Council.

The Council has adopted a Code of Corporate Governance ("CCG") which identifies, in one document, how the Council ensures that it runs itself in a lawful, structured, ethical and professional manner. The CCG is administered by the Head of Democratic and Customer Services and the Head of Paid Service (Chief Executive) in consultation with the Solicitor to the Council and is subject to an annual "light touch" review with any recommendations presented to the Standards and Audit Committee.

Measuring the quality of services for users, to ensure that they are delivered in accordance with the authority's objectives and for ensuring they represent the best use of resources

The Rushmoor Borough Council Corporate Plan Strategic and Performance Updates Quarter 4 2014-15 and End of Year Section 2 Corporate Health Measures sets out the monitoring

measures and the customer satisfaction results on the web site service, Customer Service Unit call statistics and customer satisfaction surveys.

The Council's Procurement Strategy and associated Contract Standing Orders, which form part of the Council's constitution, govern how the Council buys the supplies, services and works that it needs. The Council is committed to achieving Best Value from its suppliers and ensuring that goods and services are procured in the most efficient and cost effective way.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements

The Council has a Constitution that sets out how it operates, how decisions are made (including Officers Delegated Powers contained in Part 3 of the Constitution) and the procedures followed to ensure that these are efficient, transparent and accountable to local people. Some of these procedures are statutory whilst other are discretionary in nature. The Constitution is divided into 16 Articles and sets out the detailed rules governing the Council's business. It is published on the internet at

<http://www.rushmoor.gov.uk/article/3625/The-constitution>

Developing, communicating and embedding codes of conduct, defining the standard of behaviour for members and staff

The Council's Constitution contains a Code of Conduct for Councillors, reviewed in 2014, and contains the statutory code relating to disclosable pecuniary interests, requirements relating to the disclosure of non-pecuniary interests and sets out the expected behaviour and standards to be adhered to by councillors. In addition, the Protocol for Member - Officer Relations, the Disciplinary Procedure, the Code of Conduct for Officers, the Whistle Blowing Policy and the Anti-Fraud and Corruption Policy set out the standards of service and conduct that are expected of employees.

Reviewing the effectiveness of the authority's decision making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The Council's Constitution details how the Council operates, including how decisions are made and the role of the Policy and Review Panels performing scrutiny and overview functions. It also includes the powers, duties and functions that are delegated to officers in Part 3 of the Constitution. The Head of Democratic and Customer Services, with advice from the Monitoring Officer, is conducting an ongoing review of the Council's constitutional arrangements in order to ensure that the arrangements are up to date and compliant with the Council's legal duties. Reports will be taken to the Standards and Audit Committee with any recommendations for revision and then considered by the Licensing and General Purposes Committee prior to submission to Council for adoption of any recommended changes

Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Standards and Audit Committee has responsibility for providing independent assurance on the adequacy of the risk management framework and the internal control and reporting environment including (but not limited to) the reliability of the financial reporting processes and the Annual Governance Statement. In addition, the Committee needs to satisfy itself

that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.

The Council has in place a Risk Management Policy which is currently under review and which sets out the Council's overall approach to managing risk. The Policy, which is formally approved by the Standards and Audit Committee, is to be subject to an annual review by a risk management group that will report to the Standards and Audit Committee to ensure that it continues to reflect good practice and remains aligned with current business processes and practices. The Council also has in place a Business Continuity and Disaster Recovery Plan, which is undergoing a refresh.

Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Council has in place an Anti-Fraud and Corruption Policy that has been the subject of review this year and which is published on the internet as part of the Council's Constitution, reflecting the Council's approach and commitment to the prevention and detection of fraud and corruption.

Ensuring effective management of change and transformation

System Thinking - The Council continues to develop and deliver improvements using System Thinking Principles to improve the quality and efficiency of its services and the organisation through an intervention programme, shared learning, training and development activities. A Systems Thinking Learning Network has been developed.

A Channel Shift Project is in place, aimed at improving customer interaction and identifying efficiency savings. Additionally, linked to the 8-Point Plan, a wider digital strategy is being developed in consultation with elected members and partner organisations.

A Co-location programme has been developed to create an appropriate and effective working environment, which secures significant financial benefit and prepares the Council to meet future changes in services. A second phase of this successful programme is currently being worked upon to identify short and longer-term opportunities.

Shared Services – The Council has an existing programme of shared services and is now well advanced in developing a shared building control service between Rushmoor and Hart DC to secure resilience of the service.

The Eight Point Plan – Further work has been undertaken to deliver and develop the Council's 8-Point Plan, which is a strategy to ensure financial and service sustainability, by reducing net revenue spend over the medium to long term. During the course of this year, this plan has been revised and now contains eight projects, as follows:-

Point 1 – The Work Book

Point 2 – Efficiency and Transformation

Point 3 – Income Generation and Investment Opportunities

Point 4 – Better Use of Property and Assets

Point 5 – Financial Strategy

Point 6 – Organisational Structure

Point 7 – Better Procurement

Point 8 – Taxation Policies

Each project within the plan has a programme manager and a senior management programme board provides governance, oversight and the resources required by programme managers to enable the projects to move forward. The 8-Point Plan is “owned” by the Cabinet and all staff and councillors have been briefed upon the projects contained within the plan.

The Organisational Development Strategy, which is designed to support the service transformation and cultural change required for longer term financial sustainability continues to be developed with Action Learning Sets, mentoring and coaching initiatives and Crucial Conversations Training for senior and middle managers having been completed. This strategy and related programme is designed to shape a flexible, motivated and effective workforce fit for the future and to support the community leadership role of councillors.

The Programme Board – this officer board continues to provide effective monitoring of major projects with the application of project management principles.

Peer Challenge – in early 2015 the Council participated in a Peer Challenge supported by the LGA and is currently developing its response and action plan.

Options for future contract arrangements for refuse, recycling and grounds maintenance – the Council is currently engaged in competitive dialogue procurement to deliver this service to a high standard and, subject to the tendered outcomes, at a reduced cost.

Welfare Reform and Business Rates – the Council has continued to spend considerable time and effort during 2014/15 exploring, understanding and learning from two major change programmes – Welfare Reform and Business Rates Retention. The Welfare Reform Task & Finish Group continues to analyse the impact of Welfare changes on both the Council and its residents. This work has informed the design of the Council’s local Council Tax Support Scheme and ensured its effective implementation and has been recognised with a national Citizens Advice Bureau award. Work has continued on extracting data from our own systems and from the Valuation Office in respect of Business Rates, particularly regarding the impact of rating appeals. This has led to the development of a comprehensive appeals risk model which has ensured reliability of financial projections across the medium term and has being cited by CIPFA in a case study as an example of national best practice.

Ensuring the authority’s financial management arrangements conform with the governance requirements of the CIPFA “statement on the Role of the Chief Financial Officer in Local Government (2010)”

The Chief Financial Officer has responsibility for the proper administration of the Council’s financial affairs in accordance with Section 151 of the Local Government Act 1972. The Council has designated the Head of Financial Services as the Chief Financial Officer. While this arrangement does not conform precisely to the requirements of the CIPFA Statement, it does not impact on the effectiveness of the Chief Financial Officer in undertaking her role.

The Head of Financial Services is a member of the Wider Leadership Team and has unfettered access to Directors’ Management Board, the Chief Executive and to Cabinet. A significant review of the Council’s senior management structure was undertaken in 2014/2015 with collaborate working by senior officers to establish an officer structure for the Council, which is fit for the challenges of the future. This review revised the role of Directors Management Board to enhance its strategic role and to devolve operational issues

to Heads of Service. The DMB now consists of two Corporate Directors and the Chief Executive. Directors no longer have direct service responsibility but manage a number of strategic projects, which cut across a number of different service areas within the Council. The Council's senior management team has been reviewed and reduced to eight Heads of Service' who, together with the members of the DMB, form the Senior Leadership Team for the Council. As part of this review, the responsibilities of some of the Heads of Service changed to make services more efficient or to bring services together in areas where there was synergy of services. Each Head of Service will be looking at the structure within their service area over the coming year.

Ensuring the authority's assurance arrangements conform with the governance requirement of the CIPFA "Statement on the Role of the Head of Internal Audit (2010)

The Head of Internal Audit (HIA) occupies a critical position in the organisation, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. The HIA reports directly to the Corporate Director who has strategic responsibility for this function and has unfettered access to the Chief Executive, Chief Financial Officer, Directors Management Board and to the Standards & Audit Committee. The HIA works closely with the Wider Leadership Team in carrying out internal audit work, promoting good governance and more recently in providing project management expertise. The HIA also works closely with the independent, external auditor in order to use audit resources most effectively.

Ensuring the arrangements are in place for the discharge of the monitoring officer function

The Solicitor to the Council is designated as the Monitoring Officer with responsibility for ensuring compliance with established policies, procedures, laws and regulation, and reporting any actual or potential breach of the law or maladministration to the full Council and/or the Cabinet. The Legal Services Manager is the nominated Deputy Monitoring Officer.

Ensuring effective arrangement are in place for the discharge of the Head of Paid Service function

The Chief Executive is designated as the Head of Paid Service with responsibility for leading the Director's Management Board and the Wider Leadership Team and in driving forward the strategic agenda, set by Cabinet, improving the efficiency and performance of the council and ensuring that the community receives high quality, value for money services.

Undertaking the core function of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities

The Council has a formally constituted Standards and Audit Committee that undertakes the core functions of an audit committee and operates in accordance with CIPFA guidance. It provides independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting processes and the annual governance statement. Currently the Council's Licensing and General Purposes Committee is also a body 'charged with governance' and that it is the combined effort of this Committee and the Standards and Audit Committee that fulfils the Council's governance function.

Whistle Blowing, receiving and investigating complaints from the Public

The Council is committed to the highest possible standards of openness, probity and accountability and has in place a "Whistle Blowing Policy". This policy was revised in 2014 and reflects the legal framework and obligation on the Council to enable staff to raise concerns that may involve unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment.

Complaints from the public are dealt with in accordance with the Complaints Policy. This policy has been revised this year to reflect the Ombudsman's guidance and will be coming forward for approval by Cabinet shortly and will then be published on the Council's website. There is a separate Policy in place in respect of dealing with complaints made about members, which is on the Council's website.

Identifying the development needs of members and senior officer in relation to their strategic roles, supported by appropriate training

The Council has developed and keeps under review a Member Training and Development Plan, which is aimed at providing a long-term view to learning and development whilst remaining sufficiently flexible to reflect changing priorities. The Council was awarded the South East Employers Charter for Member Development in 2013, following an assessment of the Council's training programme. The Cabinet has appointed a cross party Member Development Group to drive forward member development and support.

The Member Training and Development Plan currently include the following:-

- Induction programme
- Regulatory panel training
- Ward Member mentoring Scheme
- Skills training and workshops
- Personal development planning is offered and available
- Work shadowing front line services
- Scrutiny training
- Governance and Code of Conduct training
- A range of electronic resources and training

This year, the Council's appraisal programme has been refreshed with appraisal processes designed to suit individual services. The Council has introduced a guest theme into the appraisal process across the council as part of the organisational development programme, and this year the guest theme is the "Simple Rules".

The Council's Organisational Development Programme for staff is now moving into its third year and has been rolled out throughout the organisation to ensure that the Council is sustainable for the future. Action Learning Sets, Coaching Skills, System Thinking Learning Networks, Appraisal Champions groups, work on management development, review of some key policies and engagement with staff through the Chief Executive's briefing sessions, are all features of this programme for 15/16.

Establishing clear channels of communication with all sections of the community and other stake holders, ensuring accountability and encouraging open consultation

The Council believes that all people should have the opportunity to voice their opinions on

issues that affect them and to this end developed a Community and Business Engagement Strategy, which is currently working with members to update. The Council actively seeks the views of customers and staff through customer satisfaction surveys, community consultations, events and exhibitions, social media and through its web site. The Council has a walk-in Customer Services Unit, where customers seek advice and access services.

The Council promotes how people can have their say in a number of ways. It publicises individual consultations through traditional media (media, posters, flyers, exhibition boards etc), email, social media and its website. The Council's Statement of Community Involvement guides Planning Policy consultations.

As part of the Council's work on organisational development, work has started with elected Members to understand their community leadership and representational roles and how these can be developed in the future.

The Rushmoor Borough Council website has a section devoted to enabling people to 'have their say', including an on-going survey about the Council and the local area and how to join the Big Aldershot Conversation. The website also provides information about the Rushmoor Business Network, the Senior Citizens' Forum, the Council's Citizens' Panel and the Rushmoor Youth Forum.

The purpose of these various groups and fora is to provide a systematic analysis of needs provision, opportunities and gaps in the Borough, based on accurate, relevant and up-to-date information that will inform collaborative work with partners and help deliver the priorities in the Rushmoor Corporate Plan. The Council also carries out an annual budget consultation exercise with its Senior Citizens' Forum, business ratepayers and the voluntary sector.

Enhancing the accountability for service delivery and effectiveness of other public service providers

Annually the Council produces a Corporate Plan. This plan sets out its future priorities and planned activities and actions to deliver on the Council's stated purpose of "working with others to improve the quality of people's lives". The Cabinet reviews progress against the Corporate Plan on a quarterly basis. The Directors' Management Board also regularly carries out monitoring and the Council's Senior Officers and Member Panels scrutinise performance on areas under their particular remit. This report acts as the key corporate performance monitoring process for the Council. The quarterly report contains detail of performance and identifies where targets are not being met or where slippage has occurred in delivering improvement measures.

A number of Council services are delivered in partnership with external service providers. A Contract Management team that provide a senior management interface between the Council and our partnership service provider manages these out sourced contracts. All such arrangements include a suite of key performance indicators and are based upon a culture of continuous improvement, recognising the need to achieve a balance between the Council's financial position and long term strategic aims.

Incorporating good governance arrangements in respect of partnership and other joint working as identified by the Audit Commission report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

The terms of all joint working arrangements with other authorities are set out in Joint Service Agreements, such as that of the North Hampshire Community Safety Partnership. In view of the gradual increase in joint working arrangements, the Council recognises the longer-term need to prepare and adopt a Partnership Code, which will form part of the Council's Constitution. This will ensure that sound governance arrangements are in place in respect of partner and partnership engagement and can be reviewed as partnership-working arrangements develop and evolve.

4 REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by the work of the Chief Executive and Directors within the authority, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and by comments made by the external auditors and other review agencies and inspectorates.

The review process applied in respect of maintaining and reviewing the effectiveness of the system of internal control is informed by:-

- The views of Internal Audit reported to the Standards and Audit Committee via the Internal Audit Progress Report that includes executive summaries of new reports published where critical weaknesses or unacceptable levels of risk were identified.
- The views of the external auditors, regularly reported to the Standards and Audit Committee, including regular progress reports, the Annual Audit Letter and Annual Governance Report
- The Chief Internal Auditor Annual Report and Opinion on the adequacy and effectiveness of the Council's internal control environment
- The Internal Audit Strategy and delivery of the annual operational plan
- The work of the Corporate Directors, the Chief Executive and Head of Democratic and Customer Services within the authority who have responsibility for the development and maintenance of the governance environment
- The independent views of regulatory inspection agencies such as the OSC and Government Connect audit
- The Risk Management Strategy, the Risk Management Manual and the Corporate Risks Register supported by the work of the Risk Management Group
- The work of the Standards and Audit Committee in discharging its responsibility to lead on all aspects of corporate governance with the Licensing and General Purposes Committee retaining responsibility for the Council's Constitution.

The Standards and Audit Committee has advised us on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

The areas already addressed and those to be specifically addressed with new actions planned are outlined below:

	GOVERNANCE ISSUE	PLANNED ACTION	OFFICER RESPONSIBLE
1.	The Council's Anti-Fraud and Corruption Policy; Whistle Blowing Policy and Anti-Money Laundering Policy all have been updated and require monitoring to ensure that they are effective	Appropriate arrangements are to be made to communicate the updated policies to staff and responsibility for monitoring compliance with these policies will be undertaken by the Risk Management Group	Auditor
2	Contract Standing Orders have been revised and a training programme needs to be rolled out throughout the council to ensure compliance	Ensure all contracting officers attend training on the revised Contract Standing orders; procurement procedures and contracts register	Head of Strategy Engagement and Organisational Development
3	Revised Code of Conduct has been adopted covering interests other than DPI's	Ensure that councillors who have yet to attend the training sessions receive appropriate training	Monitoring Officer
4	Officer Code of conduct	This has been prepared and adopted but staff will need to be advised of the requirements of the code during 2015	Head of Strategy Engagement and Organisational Development
5	Partnership Code	Consider adopting a partnership code in view of increased partnership working	Monitoring Officer
6	Media guidelines for councillors	In view of the increased use of social media for communications and engagement, the Council will consider adopting social media guidance for staff and councillors as part of its new Communications (and Engagement) Strategy.	Monitoring Officer and Head of Strategy Engagement and Organisational Development
7	Confidential Information	Review need for protocol	Monitoring Officer
8	Complaints procedure	Complaints procedure has been reviewed in accordance with new regulators' code and following approval, staff need to be informed of revised procedures and the procedure promoted on the Council's website	Head of Democratic and Customer Services
9	Transparency Code	Complete the work required to comply with the Code of recommended Practice of Local Authorities on Data Transparency Dec 2014 in relation to land ownership	Monitoring Officer and Head of IT

10	Equality Objectives	Work towards “developing standard” of the Public Sector Equalities Duty across the council	Monitoring Officer
11	Fraud	Review the arrangements for investigating corporate fraud in response to the establishment of SFIS (Single Fraud Investigation Service) and potential transfer of benefit investigation officers to the DWP	DMB
12	Project management	Develop and implement a programme of improvement for Capital Project Management and projects generally	Head of Strategy Engagement and Organisational Development in consultation with Audit
13	Peer Review	Respond to the findings of the Peer Challenge and agree and implement an action/ improvement plan	DMB
14	Scheme of Delegation	Review the officer Scheme of Delegation	Head of Democratic and Customer Services
15	Risk Management	Review and update the Risk Management Policy and the Corporate Risks Register	Head of Finance

We propose over the coming year to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that these steps will address the needs for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review

Signed.....
Leader of the Council

Signed.....
Chief Executive

Dated.....

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AGENDA ITEM NO. 3

**CABINET
28TH JULY 2015**

**AUDIT MANAGER
REPORT NO. AUD1503**

PREVENTION AND DETECTION OF FRAUD – NEW APPROACH**1. INTRODUCTION**

- 1.1 For many years the Council has operated an effective service to investigate and tackle benefit fraud and other related issues. The work is wide ranging and continues to develop. In the last couple of years extensive guidance and legislation have brought a number of changes to the type of work and the way it is carried out. In particular, the formation of the Single Fraud Investigation Services (SFIS) will impact on the operation of local authorities in this area of work.
- 1.2 This Report sets out the outcomes of a review of the Council's work and the options for providing the service in the future. It recommends that the Council should continue to provide the service in house through its own resources.

2. BACKGROUND

- 2.1 An integral part of the Council's Revenues and Benefits Service has been the Investigations Team which has provided effective support to the Service in preventing and detecting fraud. The Team has been recognised for the work it has done and has also developed a range of other corporate work. Recently, the economic situation and changes in public services have resulted in new demands on the Team backed by legislation, including the Prevention of Social Housing Fraud Act 2013, Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013 and the Transparency Code 2014. Guidance has also been issued by the Audit Commission on 'Protecting the Public Purse'. Details of the guidance and legislation are set out in Appendix A.
- 2.2 The current approach to anti-fraud and related work to protect the public purse is through the use of resources within a number of service areas, as follows:
- **Internal Audit** - 1.2 full-time equivalents plus limited contract auditor days to complete statutory audits.
 - **Investigations Team** - 3 full-time equivalents (with one post currently vacant).
 - **Indirect Resources** - Fraud can also be identified as a by-product of day-to-day work in areas such as Licensing, Planning and Financial Services.

2.3 In addition to the traditional work around benefit fraud, other areas of activity include Single Person's Council Tax Fraud, multi-faceted fraud and corruption and anti-fraud and corruption awareness.

3. CHANGES TO KEY SYSTEMS

3.1 There have been a number of recent changes which are now impacting on the service and there is also a significant change which will commence on 1st October, 2015 with the introduction of the Department of Work and Pensions (DWP) Single Fraud Investigation Service (SFIS). Investigation of Housing Benefit fraud will transfer to the new SFIS, which means that this work will no longer be carried out by the Council's Investigations Team. This will impact on the way that the Team will work and their responsibilities. However, there are further areas of work which the Council now has responsibility for, in particular:

- **Council Tax Reduction Scheme** - The Council Tax Reduction scheme is a direct cost to the Council and not reimbursed by central government. Rushmoor's scheme currently has 5,700 active claims costing £4.3million per annum. It is essential that the system is controlled and any possible fraud identified and investigated.
- **Business Rates Retention Scheme** - The Council now retains a proportion of business rates collected. Currently the Council has 2,498 business properties with a rateable value of £108 million. Any loss due to fraud directly effects Rushmoor's income and the public purse.

Tax avoidance has become an issue of increasing concern and currently Rushmoor has 119 business properties receiving some form of exemption totalling £1.5 million. To ensure the Council and other public bodies receive all income due, anti-fraud work is required in this area.

4. OPTIONS FOR RUSHMOOR POST SFIS

4.1 As a result of the changes, a review has been carried out of the way the Council provides the service. This has looked at the existing resources and the current and predicted workload. As a result, a number of options have been considered together with the potential implications for the Council and the wider public sector. The options considered are as follows:

4.2 **Option 1 – Retain 2 officers and delete vacant post**

This option enables the Council to cover:

- all statutory anti-fraud and corruption work.
- all internal audit and external audit requirements.
- an enhanced service, through utilising specialist skills in prosecutions and interviews under caution.

The financial impact of this option is a net saving to Rushmoor of £87,840 and the wider Public Purse (Police, Fire and County) of £233,460.

4.3 **Option 2 – Retain 1 officer, transfer 1 officer to SFIS and delete vacant post**

This option would enable the Council to cover:

- liaison work with the DWP relating to housing benefit investigations.
- statutory internal audit reviews.
- limited anti-fraud and corruption work.
- limited anti-fraud work on the Council Tax Support Scheme and the Business Rate Retention Scheme.

Work that would not be covered under this option includes:

- internal investigations.
- National Fraud Initiative.
- joint working with the Police, and the Immigration Service.
- proactive anti-fraud work, including a corporate response and social tenancy fraud.

This work is statutory or an audit requirement, so a net saving to Rushmoor of £4,140. However, this saving would be lost due to the cost of buying the additional resources to complete the work. There would also be a loss to the wider Public Purse (Police, Fire and County) of £149,640.

4.4 **Option 3 – Retain no officers and delete vacant post**

This option would enable the Council to cover:

- liaison work with the DWP relating to housing benefit investigations.
- statutory internal audit reviews.
- limited anti-fraud and corruption work.

Work that would not be covered under this option includes:

- anti-fraud work on Council Tax Support Scheme and Business Rate Retention Scheme.
- internal investigations.
- National Fraud Initiative.
- joint working with the Police and the Immigration Service.
- proactive anti-fraud work including a corporate response and social tenancy fraud.

In a similar way to Option 2, a saving to Rushmoor of £11,697 would be lost due to the cost of buying the additional resources to complete the work. There would also be a loss to the wider Public Purse (Police, Fire and County) of £233,460.

4.5 A table showing the financial and service impacts of the options is set out in Appendix B.

4.6 The options have been assessed in terms of risk to the Council, ability to meet legislative and service requirements and cost implications. It is proposed that the Council should proceed on the basis of Option 1, involving the retention of the two existing posts within the Investigations Team but with the deletion of the vacant post.

5. **COMPARISONS TO OTHER LOCAL AUTHORITIES**

5.1 Feedback has been sought from other authorities in the area who have already moved to the SFIS arrangements. They have indicated that the amount of benefit fraud liaison work retained by local authorities is significantly higher than expected. These authorities have reported that one full-time post continues to be fully employed solely on benefit fraud work.

5.2 Other councils across Hampshire and Surrey preparing for the new SFIS arrangements have also provided data on their planned resources. Options 2 and 3 have been adopted by few other councils and are perceived to be high risk.

5.3 Option 1 above, still places Rushmoor at the lower end of resources for 'Protecting the Public Purse', but the risk is reduced and judged to be at a medium level.

6. **CONCLUSIONS**

6.1 Rushmoor has been successful over many years in preventing and investigating fraud cases which has supported effective service provision and saved the Council considerable resources. In view of the changes identified in this Report, it is important that the Council retains a corporate fraud and investigation function and the proposal to retain two officers to carry out this work provides the best balance at this time between completing the work, cost and risk.

6.2 However, there are still uncertainties about the impact of the changes, so it is the intention to carry out a review in eighteen months to two years to make sure the arrangements are fit for purpose. The Cabinet Member for Corporate Services will be advised of the outcomes of the review and, if necessary, a further report will be brought back to the Cabinet.

7. **RECOMMENDATIONS**

7.1 The Cabinet is recommended to approve the retention of two officers to provide the services set out in this Report (Option 1) and agree that the vacant post be deleted from the establishment.

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PROTECING THE PUBLIC PURSE REQUIREMENTS

Guidance

- The Audit Commission published the Protecting Public Purse report in November 2013 that recommended Councils to *'actively promote a vigorous counter fraud culture'*. This recommendation is grounded in the Commission's assertion that *'professional fraud investigators believe the prospect of detection is the most powerful deterrent to committing fraud. This supports the need for Councils to maintain adequate investigative capacity in a period of financial restraint'*.
- CIPFA produced a revised code of practice called 'Managing the Risk of Fraud' in 2014 stating *'Leaders of public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations'*.
- The Local Government Fraud Strategy produced jointly by a range of bodies, including IRRV and the LGA, suggests that *'Local government is under pressure to make savings and tackling fraud can contribute to that agenda.'*

Legislation

- The Head of Finance has a statutory duty under Section 151 of the Local Government Act 1972 to ensure the proper arrangements for the administration of the Council's financial affairs. This includes ensuring rigorous anti-fraud and corruption arrangements.
- The Audit Commission recommends local authorities undertake anti-fraud and corruption work in partnership with housing associations to maximise benefits from the Prevention of Social Housing Fraud Act 2013. This gives Councils the powers to investigate and prosecute on properties owned by themselves and PRP to counteract social housing fraud.
- The Council Tax Reduction scheme (Detection of Fraud and Enforcement) (England) Regulations 2013 require billing authorities to authorise individuals to undertake investigations and request information from individuals and organisations.
- The Transparency Code 2014 places requirements on local authorities to publish data on counter fraud staff employed, and provide an overview of the work they undertake and outcomes.

External Auditor Expectations

- The External Auditor statutory duties include ensuring that the Council has adequate arrangements for the prevention and detection of fraud and corruption. Their annual checks cover the areas set out above.
- The Audit Manager is now required to provide an annual written opinion on the risk of fraud at the Authority.
- Inadequate arrangements could lead to a qualified annual report.

OPTIONS OVERVIEW

	<u>OPTION 1</u> RETAIN 2 OFFICERS DELETE VACANT POST	<u>OPTION 2</u> RETAIN 1 OFFICER TRANSFER 1 OFFICER DELETE VACANT POST	<u>OPTION 3</u> TRANSFER 2 OFFICERS DELETE VACANT POST
STATUTORY WORK	YES	VERY LIMITED	NO
AUDIT REQUIREMENTS	YES	PARTIAL	PARTIAL
ENHANCED SERVICE	YES	NO	NO
LOSS/(SAVING) FOR RUSHMOOR	(£87,840)	(£4,140)	(£11,697)
LOSS/(SAVING) FOR PUBLIC PURSE	(£233,460)	£149,640	£233,460

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AGENDA ITEM NO. 4

CABINET
28 JULY 2015

CHIEF EXECUTIVE'S REPORT
REPORT NO: CEX1503

**FARNBOROUGH INTERNATIONAL LIMITED – PERMANENT EXHIBITION
FACILITIES**

1. PURPOSE

- 1.1 This report seeks approval to provide a loan of £4.5m to Farnborough International Ltd (FIL) for the development of new permanent exhibition facilities.

2. BACKGROUND

- 2.1 Farnborough International Ltd (FIL) is a wholly owned subsidiary of ADS, a major trade association for the promotion of aerospace, defence, security and space industries globally. The sector supports around 3,000 companies across the UK and employs around 230,000 people. ADS supports its members by creating business development opportunities and through training and skills development.
- 2.2 FIL operates the Farnborough International Airshow alongside other business streams including FIVE (Farnborough International Venue and Events) and international consultancy (Bahrain International Airshow, India Aviation and Airshow China).
- 2.3 Farnborough International Airshow (FIA) is one of the world's largest aerospace and defence trade shows. In 2014, the total value of announced orders at FIA was \$204bn, of which \$12bn entered the UK supply chain. The size of the show is significant – over 1,500 exhibitors, approximately 100,000 trade visitors (32% from outside UK) and 75,000 visitors to the public show.
- 2.4 TAG Aviation owns the head lease for the FIA site (75 acres) and FIL has a 99-year lease with break clauses at 2028 and 2088 (supported by a letter from the Secretary of State to ensure continuation of FIA).
- 2.5 In order to maintain its position as one of the world's premier air shows, FIA is increasingly coming under pressure to improve its facilities. To date the Airshow has relied almost entirely on temporary structures, which are dismantled after each event. Not only are these increasingly uneconomic to erect and fit out, they fall short of customer expectations in the 21st century and are below the standard available at rival global aerospace events.
- 2.6 In the last show cycle (2013/14) over £5M has been invested in site capital expenditure partly funded through the Enterprise M3 Local Enterprise Partnership (LEP), with a £2.5M loan from the Growing Places Fund. This delivered the permanent Chalet Row A (Phase 1), comprising 39 individual units and a separate, bespoke 1,000 sqm exhibition building, both of which were built in time and successfully operated for the 2014 Airshow.

- 2.7 Phase 2 of FIL's development plan is to build permanent facilities (Hall1/1A) to replace temporary structures that are disproportionately expensive to erect and fit out. This would meet the known requirements of the Airshow and provide a purpose built, high quality venue available for exhibitions, conferences and seminars throughout the rest of the two-year cycle of the Airshow, in accordance with the lease terms with TAG. It is this proposal that Rushmoor are being asked to consider for funding.
- 2.8 The project builds on the success of, and experience gained from, FIVE (Farnborough International Venue & Events) which was developed as part of FIL's objective of improving and enhancing the viability of the site. This saw the construction of FIVE's indoor exhibition space (3,000 sqm) with a variety of events taking place throughout the year, generating more than 170 events since opening, with over £5m turnover and 300,000 plus visitors.

3. ECONOMIC BENEFITS

- 3.1 This project will contribute to the long-term future of FIA by providing permanent, modern facilities for the Airshow and an additional income stream between shows. As referred to in paragraph 2.3, FIA14 generated \$204bn in orders and commitments with £12bn for UK suppliers. The direct economic impact of FIA to within a 25 miles radius of Farnborough is estimated at £35M (gross expenditure is £60M), including the generation of around 162,000 bed nights.
- 3.2 Farnborough is home to some of the major players in the aerospace industry including BAE Systems, Agusta Westland, Bombardier Aerospace, Flight Safety International, TAG Aviation, Vector Aerospace and Qinetiq. Additionally, Boeing Defence, Honeywell Aerospace, GE Aviation Systems and Eaton Aerospace are all based within Hampshire. In total, the sector is worth £1.5bn per annum to the local economy and supports around 16,500 jobs across the County.
- 3.3 Enterprise M3's Strategic Economic Plan (SEP) identifies significant demand for high quality investment in provision of major international exhibition and conference space with more than 5,000m² and the capacity to accommodate over 2,500 delegates. This gap was identified during engagement with large international businesses located within the Enterprise M3 area and with specific reference to the development of the SciTech Corridor. With extensive and fast rail links, good road and motorway network and proximity to both Heathrow and London, the northern part of Enterprise M3 is an ideal location for such a development. A permanent events venue in Farnborough would also maximise the benefits of proximity to TAG Farnborough Airport, the UK's premier business aviation airport.
- 3.4 It is recognised that such venues can act as a key attractor to the region, bringing local, regional, national and international delegates to the area. For example, in recent years the development of high quality exhibition, conference and meeting facilities have proven to be a key component in the success of the regional growth strategies in Glasgow, Aberdeen, Harrogate, Manchester, Liverpool and many others.

3.5 Launched in 2008, Futures Day has now become an integral part of the Farnborough International Airshow. With the objective to inspire our younger generation into a career in Aerospace, the initiative saw over 5,000 11 to 21 year olds from the region attend the show and participate in a variety of talks and educational activities. The proposed new facilities will allow FIL and ADS to develop this initiative further allowing more children from the region to participate.

4. FINANCIAL IMPLICATIONS/RISK ASSESSMENT

4.1 Rushmoor is one of four funding partners looking to support FIL's plan to build a permanent exhibition centre known as Hall 1/1A. The partners include the Local Enterprise Partnership, Enterprise M3, who are brokering the deal, Hampshire County Council (HCC) and Barclays Bank. The funding partners have been working collaboratively to assess the project and the Chief Executive and/or the Chief Financial Officer have represented Rushmoor at all stages.

4.2 Rushmoor's contribution to the total costs of around £29m, will be £4.5m, provided as a loan repayable at 4% interest. Rushmoor's loan will be drawn down between 2016 - 2018, in alignment with the proposed construction period, to enable the facility to be ready for use at the 2018 Airshow. Interest is payable quarterly, from the date the funds are drawn down while the repayment of capital is to be made between 2024 and 2026 funded through the net profits made from the airshows and other event income over the period.

4.3 Repayment to the individual funding partners is not the same for all partners, reflecting the commercial aspects of the loan with Barclays and the varying degrees of risk between partners. A deed of repayment will be drawn up to indicate the priority order in which lenders will be paid, should there be insufficient funds to pay interest on the applicable dates. While all public sector partners are subordinated to Barclays, Rushmoor has secured agreement from both Hampshire County Council and Enterprise M3 that it will rank ahead of the other public sector funders.

4.4 While the main drivers for recommending this proposal are around the local economic benefits, jobs and skills, the interest rate of 4% will contribute to the Council's revenue position and is greater than the average returns expected from the Council's treasury management activities. Successful completion of the project should also see a significant increase in business rates payable on the permanent structure, above that currently paid for the temporary facilities.

4.5 Enterprise M3 have commissioned formal due diligence on the business case for the project, on behalf of the partners. As with any such project, the Council needs to satisfy itself that the potential economic and social benefits (as outlined above) outweigh the inherent risks and that the loan agreement provides sufficient mitigation against those risks.

4.6 For the project to deliver ahead of the 2018 Airshow, with construction commencing immediately after the 2016 show, FIL has a longstop date of September 2015 to have all funding approved. This report therefore seeks

approval for Rushmoor's share of the funding, subject (but not limited to) the following conditions being satisfied:

- a) That the overall project can be delivered within the cost and time parameters outlined in the business case
- b) That all other funding partners agree their funding contributions
- c) That loan terms are compliant with state aid rules
- d) That the Council is party to any loan security arrangements that are put in place
- e) That a Deed of Repayment is in place setting out the priority of each funding partner including ADS
- f) Key to strengthening the business model and to maximise the economic benefit of the proposed investment, we would expect FIL to establish a stakeholder group that involves the public sector partners directly engaging and contributing to the process of securing new business to the facility (events etc.)

4.7 This will allow the Heads of Terms for the loan and letters of intent to be compiled and shared with FIL, with full loan terms to be written once all partners have supplied the above and they have been accepted by FIL. In order to progress the project within the necessarily tight timescales, this report also seeks delegation to the Chief Executive, in consultation with the Leader of the Council, the Chief Financial Officer and the Solicitor to the Council, to agree all terms and documentation in respect of any loan agreement, pursuant to the conditions outlined above.

4.8 The costs associated with preparing and executing the loan agreement will be borne by FIL.

5. LEGAL CONSIDERATIONS

5.1 The Solicitor to the Council will oversee the completion of the loan agreement under the delegation referred to in paragraph 4.7. From a planning perspective, the site is designated for development of exhibitions and events in Rushmoor Borough Council's Local Area Action Plan, and detailed planning consent has been secured for the proposed Phase 2 development. Compliance with State Aid rules has been considered within the due diligence work although ultimate responsibility for compliance lies with FIL.

6. CONCLUSIONS

6.1 The investment in appropriate permanent infrastructure will support the sustainability and growth of future Airshows at Farnborough Aerodrome.

6.2 The existence and future success of the Airshow is an important enabler towards ensuring the existence and creation of jobs at the cluster of aerospace companies and supporting technologies in North Hampshire.

- 6.3 The project is expected to deliver significant job creation via both the direct construction phase and through the on-going facility management in addition to safeguarding current jobs. Increased business tourism should also provide benefits to the local area.
- 6.4 The Airshow is a key enabler for the UK aerospace industry. It supports the growth of innovation and skills with facilities that provide an excellent forum for educational activities related to core STEM subjects and other new development areas. FIL's intention is to make the facilities available for other appropriate local educational/welfare activities and they have already engaged with Farnborough College of Technology regarding links to the proposed Regional Centre of Excellence for Aerospace and Defence.
- 6.5 The project will not only assist Farnborough to grow as a location and destination, but will also provide facilities that can promote the Enterprise M3 key sectors; Aerospace, Defence, Space and Security and niche sectors in many other industries including Manufacturing Technologies; Cyber Security; Maintenance, Overhaul and Repair (MRO); Rotary and Unmanned Systems.
- 6.6 It is recognised that the Airshow is only in Farnborough for 2 months every 2 years and in providing these facilities for the Airshow, it also provides the opportunity for other events to launch, develop and grow, or relocate to these facilities during the other 22 months of the Airshow calendar, subject to the lease terms between FIL and TAG. This project therefore meets a significant gap in the market for first-class exhibition facilities outside the M25 along the M3/M4 corridors that will host events and exhibitions for future generations.
- 6.7 This project provides a unique opportunity to support the strategic aims of the Council, in particular its 'Prosperity' and 'Leadership' themes – 2 of the key themes underpinning the Council's purpose of working with others to improve the quality of people's lives. It also supports the County Council's policy to support economic development while specifically addressing a gap identified within the Local Enterprise Partnership's Strategic Economic Plan.

7. RECOMMENDATIONS

It is recommended that the Cabinet:

- (i) approves the offer of a loan to ADS/Farnborough International Ltd for the Farnborough International Hall 1/1A Permanent Venue to a maximum of £4.5m, subject to the conditions outlined in paragraph 4.6; and
- (ii) delegates authority to the Chief Executive, in consultation with the Leader of the Council, the Chief Financial Officer and the Solicitor to the Council, to agree all loan terms and documentation in respect of the loan agreement, within the parameters outlined in this report.

Andrew Lloyd
Chief Executive

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AGENDA ITEM NO. 5

**Cabinet
28 July 2015**

**Head of Community and Environmental Services
Report No COMM 1514**

Aldershot Town Centre – Parking

Introduction

- This paper recommends introducing a number of parking concessions on a one-year trial basis to identify if they will encourage more shoppers and assist residents living in the Aldershot town centre.
- The following parking concerns have been raised by residents, members, and businesses, relating to the Aldershot town centre:
 - Aldershot retailers are concerned that the current parking charges are discouraging shoppers from using the town centre. In particular they would like to see free on street parking to encourage pop in trade and free parking on Sundays.
 - It is difficult for residents living in the town centre to find free overnight parking.
 - Due to the popularity of the free Westgate car park, it is difficult for those using the complex and Princes Hall in the evenings to find a parking space.

Daytime on street parking charges

- The one-hour on street parking restriction was introduced at the request of retailers to encourage pop in trade and prevent the bays from being used for long periods by commuters, people working and residents living in the town.
- This has been a success with the bays being very well used, (around 350,000 tickets purchased pa) offering customers the option of paying in 15-minute segments (20p per 15 minutes) up to 1 hour at 80p. With the change in legislation, which provides for a 10-minute period of grace before the issuing of a fixed penalty notice, customers paying for each segment will now receive an additional 10 minutes dwell time.
- Between 10am and 5pm (peak times) with 170 on street parking spaces in the town centre, this provides around 430,000 one-hour parking bays pa. Half are

already taken up with 45 minute to one-hour stays and a quarter with 15 minute to 30-minute stays.

- Observation has also shown the parking bays are very well used and in the parking review customers indicated, the current charges were reasonable.
- Reduced on-street parking charges is therefore unlikely to increase the number of customers visiting the town as the one hour bays are already well used.
- If these bays were offered free, it would reduce the income to the Council by around £110k pa. The provision of 30 minutes free parking with the additional 10 minutes dwell time would reduce income by around £80k pa.
- Even though there is free parking at both Tesco and Westgate the above heavy use of short stay on street parking indicates there may be demand for more short stay parking within the town centre.
- It is therefore proposed to trial the provision of 20 free one hour parking bays in the High Street Multi Storey, which may encourage use of this underused car park and provide sufficient time to walk to the shops for pop in shopping.
- The Council owned Birchet Road Car Park in the heart of the town centre is currently designated a short stay car park but given the low cost of all day parking (£5) compared to the nearby train station (£7.50 with spare capacity), is primarily used by commuters providing an income of £115k pa . There could be significant benefit to shoppers if the all-day tariff was removed with a maximum stay of 3 hours.
- In order to inform the Councils decision on this, it is proposed to consult with the commuters using the car park to identify if they would displace to the either the private Train Station Car Park or Wellington Centre (£5 all day), or to either of the Council car parks (High Street Multi Storey and / or the Parsons Barracks Car Parks). The Wellington Centre is closer to the train station, with both the Council car parks equidistance from the train station, but would increase the walk by a few minutes.

Evening and overnight parking charges

- On street charging, after 6pm was introduced to assist evening trade in the town centre particular the shops with late night opening, restaurants and pubs/ nightclub. This allowed customers to park close to the businesses and pick up / drop off people where otherwise the spaces would be taken for resident parking. Recent surveys have shown that these bays are still used during the evening.

- The restrictions include some 1-hour limit parking between 8 am and 10 pm, some long stay between 8 am and 6 pm and some areas with a mix of the two between 8 am and 8 pm.
- The demand for on street evening parking from shoppers is much less and could be provided free after 6pm, but with a one or two hour limit to keep these bays available for customers of the local businesses and prevent them being taken for resident parking. To assess demand for this consultation would be carried out with the businesses.
- To assist local residents living in the town centre and those using the businesses in the evening, which would include any overflow from Westgate, it is proposed to provide free parking in the High Street Multi Storey Car Park after 6 pm until 9am. This will ease the congestion on the streets around the town centre, which are used, by both the adjacent residents and those living in the town centre in search of free parking. This situation if left unchecked is likely to worsen as more residents live in or close to the town centre. The all night charge is currently £1, which is in line with the Wellington Centre, and this will result in a loss of income of around £10k pa.
- The Council have previously offered overnight parking permits to residents at £180 pa available in three monthly blocks. This ceased due to no take up. Along with the trial free parking in the High Street Multi Storey Car Park it is proposed to consult with residents in the town centres on where they currently park and what would encourage them to use our car parks overnight.

Sunday Parking

- On a Sunday, the majority of customers in our car parks stay between 1 and 2 hours, paying 60p an hour. The parking at Tesco and Westgate is free, with an all-day charge of 60p at the Wellington Centre.
- Given the free parking already in the town and the low flat rate charge at the Wellington Centre it is unlikely that free parking in Council car parks will attract new customers to the town. However, with free parking in our car parks, we may see some displacement from the Wellington Centre or some customers, who use our car parks on a Saturday and pay for parking, may move to Sundays when parking is free if the shops they require are open.
- It is therefore proposed that the Council introduce a 60p all day charge in its car parks in keeping with the Wellington Centre. Without any new customers, this will reduce the Councils income by around £25k pa.

Free after three

- The Council have previously trialled a free after three in the Aldershot High Street car park. Based on our experience at the time this did not increase visits to the town centre but merely changed the patterns of use with queues developing around 3pm.

Financial Implications

- The provision of 20 one-hour free parking bays in the High Street Multi Storey car park could reduce the Councils income by around £20k pa unless there is additional take up from new customers visiting the town.
- The provision of short stay parking in the Birchett Road Car Park will provide more choice for short stay customers and if the long stay customers move to either the Aldershot High Street or Parsons Barracks Car Parks will not adversely affect our income.
- Free overnight parking in the Aldershot High Street Multi Storey Car Park from 6 pm will encourage residents to use this car park provided they feel it is safe and secure. This will result in a loss of income of £10k pa.
- A 60p charge for all day on Sundays will bring us in line with the Wellington Centre. This will reduce the Councils income by around £25k pa unless there is additional take up from shoppers.
- The overall cost of the above to the Council will be around £55k pa unless there is additional take up from customers.

Conclusion

- Given the difficulties faced by some retailers in the town centre, the Council is keen to ensure that our parking charges are not discouraging shoppers from visiting the town.
- There is currently a high level of use of on street parking during the day, which indicates that these charges are not preventing usage. However given this demand the Council is keen to provide more short stay parking closer to the shops. There is scope to increase the availability of short stay parking in the Birchett Road Car Park and this will be considered following consultation with the commuters that predominantly use this car park.

- The provision of free after three was previously trialled without success. To make better use of the High Street Multi Storey Car Park and encourage pop in shoppers it is proposed that some free all day one hour parking bays be trialled.
- It is also proposed to liaise with retailers on whether the provision of free on street parking after 6pm but retaining the current time limits would be supported.
- To assist customers using the businesses in the Town Centre in the evenings and provide much needed overnight parking for residents living in the Town Centre it is proposed to trial free parking in the Councils High Street Multi Storey Car Park between 6pm and 9am. The levels of use will be reviewed and consultation carried out with local town centre residents on overnight parking.
- Given the free parking at the Westgate and Tesco's car parks and the 60p all day charge at the Wellington it is also proposed to reduce the Councils car parking charge to 60p for all day Sunday.
- It is proposed that the above free parking and reduced Sunday charge be piloted for one year from 1 October 2015 with any changes in take up and the results of consultation reported back to Cabinet in the late summer 2016. This will provide sufficient time to make any changes and promote the scheme.

Recommendations

Cabinet is recommended to approve the following:

- Provide 20 dedicated bays with up to one hour free parking in the High Street Multi Storey car park on a one-year trial basis
- Provide free overnight parking in the Aldershot High Street Multi Storey Car Park from 6pm to 9am on a one-year trial basis.
- Carry out consultation with town centre residents on their overnight parking.
- Introduce 60p all-day on Sundays in our Aldershot car parks on a one-year trial basis.
- Carry out consultation to assess the implications of Birchett Road car park becoming a 3 hour maximum stay car park and whether this would encourage the commuters to use the long stay at the Parsons Barracks and High Street Multi Storey Car Parks, and

- Carry out consultation with businesses to assess the support for free evening on street parking.

Peter Amies - Head of Community and Environmental Services.

Cabinet
28 July 2015

Head of Community and Environmental
Services Report No COMM1516

Parking Service Review

1. Introduction

- This paper provides an update on the parking review and seeks approval to employ an additional Civil Enforcement Officer and to merge the posts of Senior Civil Enforcement Officer and Office Manager to create a Parking Operations Manager.
- The aim of the systems thinking review was to enable customers to park easily in a safe and accessible location. The review was customer led and has informed the introduction of new technology, which is providing easier ways for the customer to secure services and pay. With more, up to date and faster processing of information this is leading to improved efficiency and providing better responses to parking issues around the Borough.
- The new radio system is providing more reliable coverage and safer working enabling a move away from proximity working in pairs to single working which will provide a more visible and comprehensive coverage, encouraging more people to park with due consideration and lawfully. The provision of an Operations Manager and additional Civil Enforcement Officer along with improved working patterns will significantly improve the effectiveness of patrols particularly at peak times around schools, resident parking schemes and the town centres.

2. Service Improvements:

Information Technology:

- In support of our channel shift programme the new IT system introduced in April 2015, allows customers to view, challenge, pay for Penalty Charge Notices, and apply for permits online. With customers self-serving, it will reduce the number of challenges, lead to speedier payment and a smoother permit application process. Since its introduction last year, cash payments have reduced by a third, to around 1,000 pa, with cheques either posted or hand delivered by half, to around 600 pa.
- The new smart phones are providing intelligence-led data, which is enabling the Civil Enforcement Officers to work more efficiently and speedily when checking vehicles and processing Penalty Charge Notices by scanning permit barcodes, providing real-time transfer of data and identification of persistent offenders that have not paid. To prevent their fines escalating and an increase in debt, the vehicle would be removed, as was the case on 9 occasions last year and on 2 occasions so far this year.
- The new phones will enable the Civil Enforcement Officers to provide real time information including photographs on a range of issues such as, usage of parking bays, unclear signs and lines, defective lighting, graffiti, bins overflowing, fly tipping and

cleanliness of car parks and streets, with information relayed straight to the contractors iPad and / or the Council Offices.

- With customers able to check information online as shown on the penalty charge notice and up to date information provided to the Council Offices from the Civil Enforcement Officers on all aspects of parking in the Borough, this will reduce the level of direct contact needed with the Administrative Assistants (to be renamed Parking Support Officers) and the Customer Services Unit, enabling time to be allocated to work that is more important. The real-time GPS tracking module also allows speedier deployment of the nearest Civil Enforcement Officer to respond to an issue or customer enquiry.
- The next phase will involve the replacement of our outdated and unreliable pay and display machines with the latest systems on the market, by the summer 2016, following which a wider range of payment methods will be offered, including cashless parking and pay by phone. The latter will provide customers with the ability to stay longer at their destination without having to return to their car.
- The new machines will provide improved data around levels and types of usage to help ensure the Council is making the best use of its parking and being more reliable will reduce breakdowns and inconvenience to the customer.

Staffing:

- With 7 Civil Enforcement Officers and a senior Civil Enforcement Officer, adopting proximity working in pairs and taking into account absences due to long term ill health, annual leave and vacancies (3 posts) held pending the outcome of the review, it has not been possible to provide comprehensive coverage of the Borough.
- With the new digital radio system, the patrols were re-designed for single working and successfully introduced last year. This, along with the new information technology has resulted in an increase in both coverage and the number of Penalty Charge Notices being issued from an average of 9 per day per officer to around 22 per day per officer.
- A new rota requiring 8 Civil Enforcement Officers will be introduced to ensure sufficient coverage across the week and weekend, particularly at peak times when customers require support in particular early morning for schools and commuters, mid-afternoon for schools and late afternoon / evenings for coverage of both town centres and residential roads. They will also provide patterns of working and sufficient rest days that take into account the welfare of the staff.
- With empowerment of staff and more effective IT systems and in order to increase team working and resilience, it is proposed that the roles of Office Manager and Senior Civil Enforcement Officer be merged to create a new role of Parking Operations Manager to oversee both the Civil Enforcement Officers and Parking Support Officers. The Parking Operations Manager will spend a significant amount of time patrolling the Borough ensuring that issues are being effectively resolved. To provide 8 Civil Enforcement Officers we will need to create an additional post.

- There are currently three Parking Support Officers of which one has been seconded until May 2016, and there are no changes proposed at this time.
- With the improved Information technology, more customers will self-serve reducing the level of contact with the Parking Support Officers. However, there will be additional work for the Parking Support Officers as the wider coverage by the Civil Enforcement Officers will result in an increase in the number of Parking Charge Notices to be processed and the extrapolating of additional information being recorded on the hand helds, to ensure action is taken. There is also further work to do to encourage customers to channel shift and take up the new payment methods.
- The Parking Support Officers have recently taken back pay and display machine fault calls from Customer Services in order to provide a real time response to customers and remedy to any problems. Having three staff will also ensure there is resilience within the team to cover holidays and sickness. We will review the work towards the end of this financial year when the secondment is due to finish.
- Having benchmarked our staffing structure against our neighbouring authorities, the findings show that we are lean with our resources compared to others:

Local Authorities	No. of Civil Enforcement Officers	No. of Office Staff	No. Penalty Charge Notices Issued	No. of Challenges
Guildford:	19.5	11 FT & 4 PT	33,000	6,000
Winchester:	15	10	14,000	4,000
Surrey Heath:	7	4	11,000	2,000
Hart:	7	2.5	4,500	500
Basingstoke:	7	2	9,000	2,500
Waverley:	6	2	13,000 – off street only	3,000
Rushmoor:	6 #	3	10,000	4,500 *

*Rushmoor PCN challenges are high as we operate CCTV, unlike all of these other local authorities and customers' requests to view evidence, form part of the challenge figures. The actual number of appeals to the Traffic Penalty Tribunal was 6 last year.

staff available during the period of comparison

Blue Badge Scheme:

- The revised Blue Badge scheme, introduced in October 2014 with the provision of better signage and additional bays, is operating smoothly.
- The Civil Enforcement Officers have received specialist training to detect misuse of blue badges and in particular ensure wider bays are available for those that need them. This complements the partnership work we have in place with Portsmouth City Council, who are authorised by Hampshire County Council to also investigate and prosecute when required. There have been 16 badges seized in Rushmoor, due to misuse, so far this year.

CCTV Enforcement:

- Due to the changes in legislation, the Council is no longer issuing Penalty Charge Notices by CCTV and the areas previously surveyed, such as double yellow lines and on street disabled bays in the town centre, will be covered by the increase in staff and more effective working. We are still awaiting clarity on the legality of using mobile CCTV enforcement around schools.

Strategy:

- The Strategic Parking Group has been formed to ensure the council take a corporate view of its parking functions and assets and a broader customer-focused approach. A new parking strategy is currently being finalised.

Financial Implications:

The table below shows the current and proposed staffing along with the costings

Position	Current Budget	Proposed
Parking Manager – G6 (0.8fte)	£40k	£44k
Senior Civil Enforcement Officer– G5	£40k (vacant)	Post deleted
7 Civil Enforcement Officers – G3	£222k (2 vacant)	£205k *
Office Manager – G5 +	£36k (inc honorarium)	Post deleted
2 Parking Support Officers – G3	£50k (1 vacant)	£50k
Parking Support Officer secondment– G3	£26k	£26k#
Operations Manager – G5 mid point		£42k
Civil Enforcement Officer – G3 mid point		£28k
Total 2015/16	£414	£395
Total 2016/17		£371

* 2 vacant posts if appointed at mid-point and reduction in overtime with all posts filled

Costs will reduce by further £26k when secondment completed in May 2016.

+ Parking Support Officer temporarily covering this position.

- Due to the loss of Princes Mead and the previous Warburg Car Park, the Civil Enforcement Officers are spending more time on street. The allocation of parking service costs have therefore been adjusted from between 60% and 67% to the Civil Parking Enforcement Fund and 33% to 40% to the Council, to 75% to the Civil Enforcement Officer Fund and 25% to the Council. This has resulted in a £52k reduction in the transfer from the general fund into the Civil Parking Enforcement earmarked reserve.
- In 2015/16, the Council has budgeted £1,364 k for off street pay and display charges and fines and £670k for on street pay and display charges and fines. The proposed restructure will produce a saving of around £43k in a full year of which the Civil Parking Enforcement Fund will see a reduction of £32k and the Council car parks a reduction of £11k.
- There will also be savings in the time allocated by office staff handling customer queries, and dealing with financial transactions, and increased income from improved management of carparks through better use of data.

- With more Civil Enforcement Officers providing better coverage it is anticipated that the level of Penalty Charge Notice income is likely to increase (circa £100k plus) particularly in the initial years.
- The Borough will benefit from any surpluses in the Civil Parking Enforcement Fund, which initially, has to be allocated to the provision and maintenance of car parks and if not required can be used to deliver, other improvements related to the Highways.

Conclusion:

- This parking review has been developed to enable customers to park easily in a safe and accessible location. The review was customer led and through the introduction of improved information technology will provide a more up to date, reliable and streamlined service which meets their needs.
- In addition to helping customers park, we will be able to respond to customer demands in a more timely and appropriate manner providing assistance when they require it, rather than when we can fit it in.
- With more Civil Enforcement Officers patrolling on a daily basis, with single working, will help promote their presence and encourage customers to park with due consideration and lawfully. It will provide an opportunity to better engage with the community and gain a fuller understanding of problem areas, which will lead to more customers being helped.
- Having re-designed the patrols and the Civil Enforcement Officers rota`s, it will help us provide wider coverage and tackle priority areas, ensuring that traffic flows easily throughout the borough, especially in the known hot-spot areas or at times when the demand is at its greatest, such as morning and evening rush hour. It also allows us to be thorough and consistent within our enforcement by ensuring the permit areas and limited waiting zones are regularly checked. Any surpluses in the Civil Parking Enforcement Fund will continue to be used improve highway related facilities, payment methods and enhance the parking offer to customers.
- Parking is a high visible and complex service and this review, particularly with the proposed new staffing structure and information technology has identified how it can be significantly improved for the customer and sustained for the longer term.

Recommendations:

- Cabinet to approve the following:
 - The appointment of an additional Civil Enforcement Officer, and
 - The merger of the Senior Civil Enforcement Officer and Office Manager to create a new post, of Parking Operations Manager.

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Cabinet

AGENDA ITEM NO. 8

SOLICITOR TO THE COUNCIL
REPORT NO. LEG1514

COMPULSORY PURCHASE OF A LONG TERM EMPTY PROPERTY

Purpose

This report seeks Cabinet approval for the initiation of compulsory purchase proceedings in relation to a particular long-term empty property.

1. Background

- 1.1 The Council's Housing and Homelessness Strategy 2011-2016 contains the Council's policy in dealing with empty properties. The objective is to bring empty homes in the private sector back into use as quickly as possible. The reason for this is twofold: firstly, to increase the number of homes available for local people and secondly, to improve neighbourhoods where an empty home is having a negative effect on the community.
- 1.2 The Strategy also provides for the use of compulsory purchase powers in respect of long-term empty properties in the Borough. The use of this power however is as a last resort when all other endeavours to persuade, encourage, or enforce action to facilitate re-occupation have failed.

2. The Property

- 2.1 The property, being a two bed terrace house in Aldershot, is in a poor state of repair. It has been empty for approximately 15 years and has been the source of nuisance to, and complaints from, neighbouring local residents. The property is identified in confidential Appendix A and shown shaded on the plan.

3. The history of action

- 3.1 The owner inherited the property January 2000 but has never lived in the property. His exact whereabouts are unknown. Attempts have been made over the years to trace him in order to bring the property back into use, but all attempts have been unsuccessful. Council tax arrears are also in excess of £10,000.
- 3.2 The owner instructed an Estate Agent to sell the property in 2012: the property received two separate offers, however these did not come to fruition as the estate agent and the solicitor instructed were unable to

establish further communications with the owner and the sale did not proceed in both instances.

- 3.3 Due to this lack of contact all informal means of encouraging the owner to take action to bring the property back into use voluntarily have so far failed to achieve reoccupation. Environmental Health has had complaints from the adjoining owner regarding damp and mice in January 2015. The adjoining owner resolved the damp problem by repairing her section of the party wall.
- 3.4 In the absence of an acceptable response it is considered that there is a compelling case in the public interest for compulsory purchase. The property has been unoccupied for a considerable period of time, and will require investment to bring it up to a habitable condition.
- 3.5 Were contact to be re-established with the owner the Council would be willing to assist the owner to achieve a market value sale in order to avoid the need for compulsory purchase.
- 3.6 The proposed action is considered as the only reasonable means available to achieve renovation and reoccupation.
- 3.7 It is proposed that the property can be disposed of by auction and that the market value of the property as realised at the auction sale should substantially cover the compensation. Alternatively, a reserve price could be used based on the open market value which might enable a purchaser to put in an offer without going to auction

4. Alternative options

4.1 Option 1: No Further Action

Making use of compulsory purchase powers could be considered a draconian measure that will restrict the individual rights of the property owner. However, doing nothing is not considered to be an appropriate option in the case of the reported property. In its present condition the property would remain a waste of good housing accommodation, continue to be a source of blight for local residents and put the reputation of the Council at risk

4.2 Option 2 – Explore Alternative Legal Remedies

a) Enforced Sale –The Law of Property Act 1925 empowers local authorities to enforce the sale of a property where it holds a Local Land Charge against it. However, the property to which this report refers does not have a Local Land Charge applied to it and any that could potentially

exist in the future are unlikely to be sufficient to substantiate the use of enforced sales procedures.

b) Empty Dwelling Management Orders (EDMO's) - Local Authorities can consider making such Orders under the Housing Act 2004 to secure the improvement and future use of empty dwellings. The Council would be required to take over the Management of the property or appoint a Registered Housing Provider to manage it on its behalf. The ongoing financial; legal; administrative and housing management issues associated with EDMO's mean that this is not considered an appropriate option in relation to this property.

c) Other Enforcement Powers – Various legal powers are available to a local authority, for example, to deal with structural danger, statutory nuisance or other environmental problems. However, in this particular case these powers alone would not address the suitability of the property for occupation; influence ongoing maintenance and future management arrangements, or achieve reoccupation.

4.3 **Option 3 – Make use of Compulsory Purchase powers**

- 4.3.1 The proposed action is considered as a last resort, in the public interest, as the only reasonable means remaining available to ensure acceptable improvements to the property and provide a good standard of housing accommodation in response to the increasing housing needs and demands in the Borough.
- 4.3.2 In the event that further contact can be made with the owner, the encouragement of voluntary action by the owner will continue, but it is considered that the Compulsory Purchase Order should be made in order to secure the improvement and re-occupation of the property, should any such further efforts prove unsuccessful. Sufficient safeguards are in place within the legislative framework for owner to make formal representations to challenge the appropriateness of the making of a CPO (Appendix B).
- 4.3.3 The CPO process can be discontinued at any point if the owner cooperates to return the property to a housing use, or alternatively the council could decide that it is not necessary to implement any confirmed Compulsory Purchase Order by taking possession, if satisfactory progress by the owner is evidenced in the meantime.
- 4.3.4 Upon acquisition of the property, either through negotiation or compulsorily, the Council has a number of options:
- (i) Disposal at auction in its unimproved condition
 - (ii) Renovation followed by immediate sale
 - (iii) Private sale at open market value or an immediate vesting in a third party should appropriate agreement on compensation be in place.

5. Council Plan

- 5.1 The reports objectives are in line with two of the key themes identified within the Corporate Plan: Place- protecting and developing a safe, clean and sustainable community and People and Communities- supporting our people and communities and meeting local needs.

6. Financial Implications

- 6.1 The use of a CPO procedure will mean that the council will have to pay compensation to the owner at open market value or if the owner fails to make contact then the money will be paid into court. This can be reimbursed through the sale of the property. Alternatively, after the order is confirmed, the council could seek to vest the property in a third party provided they assume the liability for the payment of compensation into court.
- 6.2 Although the Housing Act powers are being used to acquire the property, there is no requirement to reopen the Housing Revenue Account.

7. Equalities

- 7.1 Increasing housing supply by bringing empty homes back into use will help meet the needs of vulnerable residents in the Borough.

8. Legal Implications

- 8.1 Part XVII of the Housing Act 1985 allows the Council to implement the actions proposed in this report. This legislation in turn applies, with modifications, to Acquisition of Land Act 1981 (compulsory purchase procedure), The Compulsory Purchase Act 1965 (post confirmation procedure) and the Land Compensation Act 1961 (amount and assessment of compensation). These powers are summarised in Appendix B.
- 8.2 The Human Rights implications are also summarised in Appendix B.

9. Property Implications

- 9.1 The proposal will return a presently wasted property back to the useful housing stock of the borough. In the first instance, if contact is achieved with the owner, the Solicitor to the Council will seek to negotiate a purchase price directly with the owner.
- 9.2 Where the Council takes possession, either by negotiation or compulsorily, one of the following options are available:
- (i) Immediate disposal at auction in its current condition. The sale will include a condition that the accommodation is brought up to a standard no less than the minimum standards prescribed under Housing and other

relevant legislation and statutory guidelines, and to provide its occupation within twelve months of transfer, or such other period considered reasonable.

(ii) Renovation to the standard set out in (i) above through the General Fund, followed by immediate disposal through sale.

iii) private sale at open market value or an immediate vesting in a third party should appropriate agreement on compensation be in place.

10. Risk Management

10.1 The following risks are identified with this course of action:

(i) delays and costs of protracted legal procedures under CP action

(ii) refusal of confirmation of the CPO by the Secretary of State

(iii) the potential for appeal to the Upper Tribunal (Lands Chamber) to determine a true market value over the transfer/auction sale price.

10.2 The above risks have been mitigated by the following considerations:

(i) doing nothing is not considered an appropriate option

(ii) other alternative actions have been discounted as unachievable or inappropriate

(iii) favourable publicity gained as a result of the Council taking action

(iv) procedural delays are unavoidable, but acceptable in relation to the progress that will be made

(v) the existence of extensive and robust evidence for a compelling case in the public interest

(vi) working with Legal Services to prepare convincing submissions that the Council's actions are appropriate

(viii) the unlikely risk of market value exceeding those realised by way of statutory appeal can be mitigated by getting a valuation of the property.

Recommendation

That Cabinet:

(i) Approve the use of Compulsory Purchase Orders under section 17 and Part XVII of the Housing Act 1985, and the Acquisition of Land Act 1981 for the purchase of the property and associated land identified in and shown on the plan in confidential

Appendix A for the purposes of its renovation and reoccupation as residential accommodation.

(ii) Authorise the Solicitor to the Council, if contact with the owner can be established, to seek the purchase of the reported property by agreement in the first instance

(iii) Authorise the Solicitor to the Council to take the following steps in the event that purchase by agreement cannot be achieved:

a) Take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order including the publication and service of all notices and the statement of reasons for making the order and the presentation of the Council's case at any public enquiry.

b) Suspend the Compulsory Purchase Order proceedings, or withdraw an Order, on being satisfied that the reported property will be satisfactorily renovated and re-occupied without the need to continue the purchase proceedings.

c) Dispose of the property in accordance with the proposals set out in this report

d) Take all other necessary action to give effect to these recommendations

(iv) Authorise the Head of Financial Services to make the payment of appropriate compensation for the acquisition of the property and all necessary action to recover the compensation from the sale of the property

Reason for Recommendation :

The property concerned has been vacant for a considerable number of years and continues to have a detrimental impact on the neighbourhood and individual residents. All alternative avenues open to the Council to encourage the owner to bring the property back into use voluntarily have proved unsuccessful. Acquisition followed by renovation and reoccupation through the will help the Council respond to increasing housing need within the borough and improve the quality of life for local residents in the vicinity of the property.

APPENDIX A

Please note the information contained in Appendix A is confidential and has only been supplied to Members of the Cabinet

Appendix B – Legal Implications

1. Part XVII of the Housing Act 1985 applies to the compulsory purchase. This in turn applies, with modifications, the Acquisition of Land Act 1981 (compulsory purchase procedure), the Compulsory Purchase Act 1965 (post confirmation procedure) and the Land Compensation Act 1961 (amount and assessment of compensation).
2. Compulsory Purchase Orders must be advertised locally and copies served on all owners, lessees or reputed lessees, tenants or reputed tenants (other than lessees), and occupiers (except tenants for a month or less). If any statutory objector (a statutory objector can be an owner, lessee or occupier, not a licensee or tenant for one month or less of land within the Order) has objected within the stipulated period and not withdrawn the objection, the Secretary of State can:
 - (i) cause a public inquiry to be held
 - (ii) afford the objector an opportunity of appearing and being heard by a person appointed by the Secretary of State, or
 - (iii) with the consent of the objector, follow a written representations procedure, and then consider his finding before determining whether or not to confirm, quash or modify the order
3. In the event that there is no objection, the Secretary of State may, in certain circumstances, permit the Council to confirm the Order.
4. The confirmation of the Order may be challenged on a point of law within 6 weeks of the publication of such confirmation. Any dispute as to the amount of compensation to be paid is referred for determination by the Upper Tribunal (Lands Chamber).
5. The Council is obliged to act in a way which is compatible with the European Convention on Human Rights. The Convention Rights relevant to Compulsory Purchase are as follows:-
 - a) Article 1 (of the First Protocol) - This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.

b) Article 6 - This provides that in determining civil rights and obligations everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.

c) Article 8 (of the Convention) - This protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well being of the country.

d) Article 14 (of the Convention) - This protects the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or a social origin.

6. These rights are qualified rights and may be interfered with provided such interference is prescribed by law, is pursuant to a legitimate aim, is necessary in a democratic society and is proportionate. In this case, Compulsory Purchase of land is permitted under the terms of the Housing Act 1985 and is subject to a statutory procedure (giving rights to consultation and to be heard at a Public Inquiry) which is being followed. In addition, compensation is payable making the action fair and proportionate. Furthermore, in relation to Article 14, everyone is treated equally in the context of the policy covering the relevant issues and is subject to the same process/procedure.
7. It is considered that there is a 'compelling case in the public interest' for the purchase of the property, considering the benefits it will bring to the City which would not be achieved by agreement and far outweigh the loss that will be suffered by the current owner. The proposed Compulsory Purchase Order is therefore considered to be compatible with the Convention.

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Church of
Latter Day
Saints

ST GEORGES ROAD

1 to 7

108

94

5

9


Nursery
108a

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APPENDIX A

Map Pack Page 59

Legend

 Extents of Compulsory Purchase Order

Map referred to in Rushmoor Borough Council 102 St Georges Road Compulsory Purchase Order 2014

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