

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 12th December, 2017 at 7.00 pm
In the Council Chamber, Council Offices, Farnborough*

To:

Councillor D.E. Clifford, Leader of the Council
Councillor K.H. Muschamp, Deputy Leader and Business, Safety and Regulation
Portfolio Holder

Councillor Barbara Hurst, Health and Housing Portfolio Holder
Councillor G.B. Lyon, Concessions and Community Support Portfolio Holder
Councillor M.L. Sheehan, Leisure and Youth Portfolio Holder
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor M.J. Tennant, Environment and Service Delivery Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democratic
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 November, 2017 (copy attached).

2. **REVISIONS TO DISCRETIONARY RATE RELIEF POLICY** – (Pages 9 - 54)
(Councillor Gareth Lyon, Concessions and Community Support Portfolio Holder)

To consider Report No. FIN1737 (copy attached), which sets out proposed amendments to the Council's Discretionary Rate Relief Policy.

3. **TREASURY MANAGEMENT OPERATIONS MID-YEAR REPORT 2017/18 –**
(Pages 55 - 72)
(Councillor Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1736 (copy attached), which sets out the main activities of Treasury Management Operations during the first half of 2017/18.

4. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND –** (Pages 73 - 76)
(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Report No. COMM1722 (copy attached), which sets out details of an application for a grant from the Farnborough Airport Community Environmental Fund.

5. **SOUTHWOOD GOLF COURSE - CONSULTATION ON OPTION TO CREATE A MAJOR NEW PARKLAND AND DELIVER SUITABLE ALTERNATIVE NATURAL GREENSPACE –** (Pages 77 - 116)
(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder and Councillor Maurice Sheehan, Leisure and Youth Portfolio Holder)

To consider Joint Report No. COMM1721 / PLN1739 (copy attached), which sets out the results of a public consultation exercise on the option to close the Southwood Golf Course and convert it to a major new parkland, providing additional Suitable Alternative Natural Greenspace (SANG) to enable the delivery of new housing developments elsewhere in the Borough.



RUSHMOOR BOROUGH COUNCIL

CABINET

*Tuesday, 14th November, 2017 at 7.00 pm
at the Council Offices, Farnborough*

Councillor D.E. Clifford, Leader of the Council
Councillor K.H. Muschamp, Deputy Leader and Business, Safety and Regulation
Portfolio Holder

Councillor Barbara Hurst, Health and Housing Portfolio Holder
Councillor G.B. Lyon, Concessions and Community Support Portfolio Holder
Councillor M.L. Sheehan, Leisure and Youth Portfolio Holder
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor M.J. Tennant, Environment and Service Delivery Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **28th November, 2017**.

45. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 17th October, 2017 were confirmed and signed by the Chairman.

46. **REVENUE BUDGET MONITORING AND FORECASTING 2017/18 - POSITION AT OCTOBER, 2017 –**

(Councillor Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN1733, which set out the anticipated financial position for 2017/18, based on the monitoring exercise carried out during October, 2017. Members were informed that savings and efficiencies of around £550,000 had been required for the year and that this target had been achieved following significant reductions in expenditure in relation to the new waste collection, recycling, grounds' maintenance and street cleansing contract and the results of the Mutually Agreed Resignation Scheme (MARS). It was reported that the General Fund forecast showed a projected year-end balance of £1.399 million, just below the mid-point of the range set out in the Medium Term Financial Strategy. It was noted that the

medium-term period remained financially challenging and that efforts should be concentrated on moving forward the 8-Point Plan to achieve a sustainable financial future.

The Cabinet NOTED the latest Revenue Budget monitoring position, as set out in Report No. FIN1733.

47. **CAPITAL PROGRAMME MONITORING AND FORECASTING 2017/18 - POSITION AT OCTOBER, 2017 –**
(Councillor Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet received Report No. FIN1734, which provided the latest forecast regarding the Council's Capital Programme for 2017/18, based on the monitoring exercise carried out during October, 2017. The Report advised that the Capital Programme for 2017/18, allowing for slippages from the previous financial year and additional approvals, totalled £36,988,000. It was noted that some projects of major financial significance included in the Programme were the continued construction of the Council's new depot, Aldershot Town Centre Integration and developments in Union Street, Aldershot.

The Cabinet NOTED the latest Capital Programme monitoring position and the Prudential Indicators for 2017/18, as set out in Report No. FIN1734.

48. **COUNCIL PLAN SECOND QUARTER 2017/18 PERFORMANCE UPDATE REPORT –**
(Councillor David Clifford, Leader of the Council)

The Cabinet received Report No. DMB1704, which set out the Council's performance management monitoring information for the second quarter of the 2017/18 municipal year.

The Cabinet NOTED the progress made towards delivering the Council Plan 2017/18, as set out in Report No. DMB1704.

49. **ANNUAL REVIEW OF FEES AND CHARGES –**
(Councillor Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN1735, which set out a proposed scheme of fees and charges for Council services.

The Cabinet was informed that this was the first time that the Council had reviewed all fees and charges in a single document. It was explained that the document included a description of the methodology applied in each case. The Cabinet considered the document and, in particular, discussed issues around planning and crematorium fees. In relation to parking charges it was considered important to retain the existing parking arrangements and restrictions in relation to Salisbury Road, Farnborough to continue to enable easy access to the pharmacy in that road.

The Cabinet RESOLVED that

- (i) the adoption of the various methodologies attached in Appendix 1 of Report No. FIN1735 be approved as a basis for uplifting the Council's fees and charges;
- (ii) the continued application of RPIx as the measure of inflation, where an annual inflationary uplift was specified, be approved; and
- (iii) the fees and charges, as set out in Appendix 1 to the Report, be approved for implementation on the applicable dates.

50. **APPLICATIONS FOR DISCRETIONARY RATE RELIEF –**
(Councillor Gareth Lyon, Concessions and Community Support Portfolio Holder)

The Cabinet considered Report No. FIN1735, which set out details of applications for rate relief from the Lisa May Foundation (Office No.2, Fifth Floor, Arena Business Centre, No. 282 Farnborough Road, Farnborough) and Andover Mind (Nos. 121 – 123 Victoria Road, Aldershot).

The Cabinet RESOLVED that

- (i) 20% top-up discretionary relief be awarded to the Lisa May Foundation from 1st September, 2017 to 31st March, 2022; and
- (ii) 10% top-up discretionary relief be awarded to Andover Mind from 1st September, 2017 to 31st March, 2022.

NOTE: Cr. Barbara Hurst declared a prejudicial interest in this item in respect of her involvement with Parity for Disability and its close relationship with the Lisa May Foundation and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting thereon.

Cr. P.G. Taylor declared a personal but non prejudicial interest in this item in respect of his involvement with the Farnborough Christian Outreach and, in accordance with the Members' Code of Conduct, remained in the meeting during the discussion and voting thereon.

51. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND –**
(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Report No. COMM1720, which sought approval to award a grant from the Farnborough Airport Community Environmental Fund, which had been set up to assist local projects.

The Environment and Service Delivery Portfolio Holder had considered the application by the 1st Crookham Scout Group for an award of £2,400 towards the cost of purchasing and installing a six-section traversing wall within the scout compound. It was confirmed that this application met all of the agreed criteria.

The Cabinet RESOLVED that a grant of £2,400 be awarded from the Farnborough Airport Community Environmental Fund to the 1st Crookham Scout Group.

52. **CAR AND CYCLE PARKING STANDARDS - REVIEW OF SUPPLEMENTARY PLANNING DOCUMENT –**
(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Report No. PLN1734, which set out the Rushmoor Car and Cycle Parking Standards Supplementary Planning Document 2017 for approval. Members were informed that public consultation had taken place, commencing on 7th July, 2017 and concluding on 6th September, 2017. The consultation process had attracted sixteen representations and the comments received were summarised in Appendix A to the Report. The draft document had been amended to take account of these representations and the revised document was set out in Appendix B to the Report.

The Cabinet was supportive of the new document and it was confirmed that the resolution of parking issues would remain a high priority for the Council.

The Cabinet RESOLVED that

- (i) the responses to the consultation on the draft Car and Cycle Parking Standards Supplementary Planning Document, as set out in Appendix A to Report No. PLN1734, be noted;
- (ii) the adoption of the Car and Cycle Parking Standards Supplementary Planning Document 2017, as set out in Appendix B to the Report, be approved; and
- (iii) the Head of Planning, in consultation with the Environment and Service Delivery Portfolio Holder, be authorised to make any necessary minor amendments to the Supplementary Planning Document, prior to its publication.

53. **VOYAGER HOUSE, APOLLO RISE, FARNBOROUGH - COMPULSORY PURCHASE –**
(Councillor Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. LEG1719, which sought approval to acquire, either by agreement or by the making of a Compulsory Purchase Order, the land known as Voyager House, Apollo Rise, Southwood Business Park, Farnborough to deliver, in partnership with the North East Hampshire and Farnham Clinical Commissioning Group, an Integrated Care Centre for the Farnborough locality.

The Solicitor to the Council explained that, in making the decision, the Cabinet had to be satisfied that there was a compelling case for an integrated health centre in the public interest and that this involved balancing the need of the Clinical Commissioning Group and the public in having access to the proposed primary health care facility against the rights and plans of the owner for the premises. In considering this and the other matters relating to this proposal, Members were referred to both the statement of reasons for making the order at Appendix 2 of the Report and the late information previously circulated, being letters dated 19th October, 2017 and 10th November, 2017 from Shoosmiths Solicitors and sections 4 and 5 of the Planning Statement and Sequential Test, dated 14th September, 2017, prepared by the Clinical Commissioning Group as part of the planning application,

giving full details of their consideration of the alternative sites. It was noted that, in May 2017, prior to the sale of the premises to the owner in August 2017, the Council and the Clinical Commissioning Group had advised the vendor's agent of their interest in the property and had attempted, unsuccessfully, to establish the identity of the purchaser. It was further noted that subsequent to the owners' acquisition, an approach had been made to acquire the premises but terms had not been agreed, with the owners proceeding with the fit out of the premises and the Clinical Commissioning Group awaiting the outcome of their planning application.

The Cabinet considered the alternative sites set out in section 5 of the Planning Statement and Sequential Test document and was satisfied with the Clinical Commissioning Group's assessment of them against the criteria in section 4 that they were not suitable for provision of the integrated health centre. The Solicitor to the Council confirmed that, following receipt of counsel's advice, that Section 226(1)(a) of the Town and Country Planning Act 1990 was the most appropriate power to use, the power in Section 25(4) and Schedule 4, paragraph 27(1) of the National Health Service Act 2006 being unavailable to the Clinical Commissioning Group. It was further confirmed that a change of use of the premises was within the definition of development under the section. The Cabinet was advised that planning permission had been granted on the 9th November, 2017 for the Integrated Health Care Centre on the site.

The Cabinet discussed the proposal and the owners proposed use of the premises for 40 serviced offices and was satisfied that there was a compelling need for an integrated health centre for the Farnborough locality for the reasons set out in the draft Statement of Reasons, including the unsuitability and insufficiency of the existing GP premises stock, the lack of ability to address these deficiencies due to building constraints and tenure and the unsustainable nature of the current primary care provision in the locality where there is a growing need. It was agreed that, following the grant of planning permission, a further attempt to acquire by agreement should be made.

The Cabinet RESOLVED that

- (i) the making of a compulsory purchase order be approved, pursuant to powers under Section 226(1)(a) of the Town and Country Planning Act 1990 (in accordance with the procedures in the Acquisition of Land Act 1981), for the acquisition of the land known as Voyager House, Apollo Rise, Southwood Business Park, Farnborough shown coloured pink on the draft Compulsory Order map in Appendix 1 ("the Land") to the Report, as the acquisition would facilitate the carrying out of development for the change of use of Voyager House to an integrated health care facility, which development was likely to contribute to the achievement of the improvement of the social well-being of the Council's area ("the Scheme");
- (ii) the draft Statement of Reasons for making the Order be approved and the Solicitor to the Council be authorised to make changes to the Statement;
- (iii) the Solicitor to the Council be authorised to:
 - (a) enter into an agreement for lease with the North East Hampshire and

Farnham Clinical Commissioning Group, conditional upon the acquisition of the Land or confirmation of the Compulsory Purchase Order upon such terms as the Solicitor to the Council agrees in accordance with Section 233(1) of the Town and Country Planning Act 1990;

- (b) subject to the agreement of the Heads of Terms for an agreement for lease between the Council and the North East Hampshire and Farnham Clinical Commissioning Group, take all steps to secure the making, confirmation and implementation of the Compulsory Purchase Order (“the Order”) including the publication and service of all notices and the promotion of the Council’s case at any public inquiry, including but not limited to the steps in (c) to (i) below
 - (c) make any amendments, deletions or additions to the draft Order Map and to prepare the schedules to the Order so as to include and describe all interests in land required to facilitate the carrying out of the Scheme;
 - (d) acquire interests in the Order Land either by agreement or compulsorily including conduct of negotiations and making provision for the payment of compensation:
 - (e) negotiate, agree terms and enter into agreements with interested parties for the withdrawal of objections to the Order making provision for the payment of compensation;
 - (f) in the event that the Order is confirmed by the Secretary of State, execute General Vesting Declaration and / or serve Notices to Treat and Notices of Entry in respect of interests and rights in the Order Land;
 - (g) take all steps in relation to any legal proceedings relating to the Order including defending or settling claims referred to the Lands Tribunal (Lands Chamber of the Upper Tribunal) and / or applications made to the courts and any appeals;
 - (h) retain and / or appoint external professional advisers and consultants to assist in facilitating the promotion, confirmation and implementation of the Order and the settlement of compensation and any other claims or disputes;
 - (i) to procure the conversion and fit out works for the conversion of the Land in accordance with the Scheme and to enter into any agreements in connection therewith; and
- (iv) the continuing efforts to acquire, by agreement, the interests in land needed to facilitate implementation of the Scheme, be noted.

54. **EXCLUSION OF THE PUBLIC –**

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

Minute No.	Schedule 12A Para. No.	Category
55	3	Information relating to financial or business affairs

THE FOLLOWING ITEM WAS CONSIDERED IN THE ABSENCE OF THE PUBLIC

55. **VOYAGER HOUSE - COMMERCIAL PROPERTY ACQUISITION –**
(Councillor Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Exempt Report No. LEG1718, which sought approval to acquire the freehold of Voyager House, Apollo Rise, Southwood Business Park, Farnborough as a commercial property acquisition to let to the North East Hampshire and Farnham Clinical Commissioning Group to provide an Integrated Care Centre for the Farnborough locality.

The Solicitor to the Council confirmed that, since the Report had been prepared, the North East Hampshire and Farnham Clinical Commissioning Group had confirmed that:

- approval had been received from the Clinical Commissioning Group Delegated Primary Care Commissioning Committee and Governing Body to proceed with the project;
- the level of rent (determined by the costs of the acquisition and fit out) at a 5% return was affordable; and
- they had authority to enter into an agreement for lease.

The Cabinet RESOLVED that, in light of the confirmation of the above information, the drawing down of the overall capital costs of the whole Voyager House project against the £15 million capital programme budget, approved by the Council on 27th July, 2017 for the purposes of investment property acquisition, be approved.

The Meeting closed at 8.09 pm.

D.E. CLIFFORD
LEADER OF THE COUNCIL

CABINET

COUNCILLOR GARETH LYON
CONCESSIONS AND COMMUNITY SUPPORT
PORTFOLIO HOLDER

12 DECEMBER 2017

REPORT NO. FIN1737

KEY DECISION? YES/NO

**BUSINESS RATES – DISCRETIONARY RATE RELIEF
FOR CHARITIES, NOT FOR PROFIT ORGANISATIONS AND OTHER
SPECIFIED ORGANISATIONS**

SUMMARY AND RECOMMENDATIONS:

Summary

This report sets out amendments to our existing Discretionary Rate Relief Policy.

Recommendations

Cabinet are recommended to approve the policy, as it will enable the Council to award Discretionary Rate Relief to other organisations and not limit the awards to Charities and Not-for-Profit Organisations.

1. INTRODUCTION

- 1.1 This policy sets out the Council's intentions for dealing with discretionary rate relief applications from Charities Community Amateur Sports Clubs (CASC's), Not-for-Profit Organisations and other businesses, which meet specified criteria and situated within Rushmoor Borough Council's area.
- 1.2 This is a key decision as awards made under this policy have the potential to result in the Council incurring significant expenditure and/or be significant in terms of the effects on communities living or working within the Borough.
- 1.3 There is a potential loss of business rates income to the Council as the cost to the Council of granting relief is most reliably estimated at being 40% of the value of relief granted.
- 1.4 However, the immediate cost of awarding the relief is outweighed by the long-term benefit of retaining businesses in the Borough.

2. BACKGROUND

- 2.1 Section 47 of the Local Government Finance Act 1988 enabled Councils to grant discretionary rate relief only in specified circumstances.

- 2.2 They could top up the 80% Mandatory Relief available on premises occupied by charities and CASC's and they could award up to 100% discretionary relief to not-for-profit making bodies who do not qualify for any mandatory relief due to not holding charitable status.
- 2.3 Section 69 of the Localism Act 2011 amended 47 of the Local Government Finance Act 1988 and came into effect on 1 April 2012.
- 2.4 The purposes of this Act allowed for an extension of the existing provisions, in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in their area.
- 2.5 The amendments to the act also require local authorities to have regard to any relevant guidance issued by the secretary of state when deciding to grant relief under S47 of the Local Government Finance Act 1988.

3. DETAILS OF THE POLICY

Discretionary Rate Relief – Charities and Not for Profit Organisations

- 3.1 Full details of Discretionary Relief Policy are included in Appendix 1 of this report.
- 3.2 The department of the Environment issued a practice note in August 1990 to give guidance to local authorities as to the criteria, which they should take into consideration when exercising its discretion to award relief.
- 3.3 Rushmoor Borough Councils Financial Support Sub Committee formerly adopted these guidelines in October 1990.
- 3.4 This practice note was supplemented by guidance issued by the Office of Deputy Prime Minister "Guidance on rate reliefs for charities and other non-profit organisations" in December 2002, which in particular focuses on the situation of sports clubs.
- 3.5 Full details of this guidance are contained in Appendix 2 but in summary recommends that *"Authorities will wish to have readily understood policies for deciding whether or not to grant relief. They should not, however, adopt guidelines or rules, which allow a case to be disposed of without any consideration as to its individual merits. Any criteria by which the individual case is judged should be made public to help any interested individuals and bodies"*.
- 3.6 The Council intends to adopt these revised guidelines when determining Discretionary Rate Relief for Charities and Not-for-Profit Organisations.

Discretionary Rate Relief – specified organisations under the Localism Act 2011

- 3.7 This provision provides local authorities flexibility in granting relief to any organisation where it is felt that to do so would be of benefit generally to the borough and be reasonable given the financial effect to Council Tax payers.
- 3.8 Government has not issued any guidance in how this power might be used except advising that relief *“may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in the area”*.
- 3.9 The Council periodically reviews its relief policies in light of existing economic circumstances and current guidance. As a consequence, a number of changes to the policy are recommended which will provide the Council wider flexibility in its application of relief to ratepayers.
- 3.10 Full details of how the Council intends to deliver this scheme are detailed in Appendix 1 of this report.

4. CONSULTATION

- 4.1 The Council is not required to consult in delivering this Discretionary Rate Relief policy.

5 IMPLICATIONS

Legal Implications

- 5.1 This revised policy follows guidance provided by the ODPM and from Communities and Local Government following the introduction of the Localism Act 2011.

Financial and Resource Implications

- 5.2 Under the current Business Rates Retention Scheme, the cost to the Council of granting any relief is most reliably estimated at being 40% of the value of the relief granted (although the total cost is ultimately determined by a range of factors, such as the Council’s total rate receipts measured against its estimated threshold for growth and the application of any payment levy or safety net contribution).

6. CONCLUSIONS

- 6.1 This amended discretionary rate relief policy will provide the Council with the ability to discount business rates to all organisations in the borough where they provide benefit to the community and not limited to Charities and Not-for-Profit Organisations.

BACKGROUND DOCUMENTS:

Local Government Finance Act 1988, Section 47
Office of Deputy Prime Minister "Guidance on rate reliefs for charities and other non-profit organisations
Localism Act 2011, Section 69

CONTACT DETAILS:

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**Policy for Granting
Discretionary Rate Relief
For
Charities
Not for Profit Organisations
And other
Specified Organisations under the
Localism Act 2011**

Contents

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- 2 Introduction
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- 4 Administration of Discretionary Rate Relief – General Approach
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- 5 Discretionary Rate Relief – The Councils Policy for Granting Discretionary Rate Relief
- 6 Financial Matters
 - Cost of awarding relief
 - State Aid Limits

1. Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of Discretionary Business Rates Relief to be granted to certain defined ratepayers within the Council's area.
- 1.2 Whilst the council is obliged to grant relief to premises, which fall within the mandatory category, the council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation allows the council to grant discretionary relief for premises occupied by charities and not for profit organisations that own or occupy them wholly or mainly for charitable purposes.
- 1.3 Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the council feels the granting of such relief would be of benefit to the local community.

This document outlines the following areas:

- Details of receiving an award under the Discretionary Business Rates Relief Scheme
- The council's general policy for granting Discretionary Relief
- Guidance on granting and administering reliefs; and
- European Union requirements including provisions of state aid;

2. Introduction

- 2.1 The original purpose of Discretionary Rate Relief was to provide assistance where the property does not qualify for mandatory relief or to “top up” cases where ratepayers already receive mandatory relief.
- 2.1 Over recent years, and particularly since 2011, the discretionary relief provisions have been amended to allow the flexibility to provide more assistance to businesses and organisations.
- 2.2 Ratepayers are obliged to make a written application to the council. The council will expect all businesses to complete our application form and for the businesses to provide such information, evidence, audited accounts, in order to determine whether relief should be awarded.
- 2.3 The Council is obliged to consider carefully every application on its own merits, taking into account the contribution that the organisation make to the amenities within the authority’s area.
- 2.4 The granting of relief falls broadly into the following categories:-
- Discretionary Relief – Charities who already receive mandatory relief
 - Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objectives are charitable.
 - Discretionary Relief – granted under the Localism Act 2011 provisions
- Other reliefs available and are announced by Government and for a temporary. As at the financial year 2017/ 18 they are currently:-
- Local Newspaper Relief – (from 1 April 2017 for a period of two years)
 - Local Public House Relief (from 1 April 2017 for a period of two year)
 - Supporting small business relief (from 1 April 2017, for a period of five years or until businesses pay their full rate charge)
 - Discretionary Rate Relief (Revaluation) (from 1 April 2017 for a period of up to four years)
- 2.5 This policy concentrates on the granting of Discretionary Relief for Charities who already received mandatory relief, organisations not established or conducted for profit whose main objectives are charitable and Discretionary Relief awarded under the Localism Act 2011.

3. The Councils general approach to granting Discretionary Rate Relief

3.1 In deciding which organisations should receive discretionary rate relief, the Council will consider the following factors and priorities:-

- That any award should support businesses, organisations and groups that help retain services in the Council's area and not compete directly with existing businesses in an unfair manner.
- It should help and encourage businesses, organisations, groups and communities to become self-reliant.
- To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to priorities of the council, which, without granting relief they would be unable to do so.
- To assist the council in delivering services which could not be provided otherwise.
- To assist the council to meet its priorities including:-
 - Sustaining a thriving economy
 - Supporting and empowering our communities and meeting local needs
 - A cleaner, greener and more cultural Rushmoor; and
 - Financially sound with services fit for the future

4. Administration of Discretionary Relief – General approach

4.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief.

Applications and Evidence

4.2 All reliefs under this policy must be applied for. Applications forms are produced by the Council both electronically and in hard copy format.

4.3 Applications should initially be made to the Revenues and Benefits Section and will be determined in accordance with this policy.

4.4 Completed application forms should be returned with the following information:-

- Evidence of being a registered charity or a copy of a letter from Her Majesty's Revenue and Customs advising that the organisation is treated as a charity for tax purposes (if appropriate).
- A copy of the organisations Equal Opportunities Policy (if the organisation has one).
- A copy of the organisations constitution, rulebook or Memorandum and Articles of Association.
- Audited or certified accounts for the last two years.
- An up to date trading statement (showing the current financial situation of the organisation).
- Any other document the Ratepayer wishes to be taken into account in support of their application.

4.5 Discretionary Relief is granted from the beginning of the financial year in which the decision is made.

4.6 Applications can be made up to 6 months after the end of the relevant financial year.

Granting of Relief

4.7 Members of the Council's Cabinet will determine all applications, with recommendations made by the Portfolio Holder for Concessions and Community Support.

4.8 In all cases, the council will notify the ratepayers of decisions made.

4.9 Where an application is successful, then the following will be notified to the Ratepayer in writing.

- The amount of relief granted and the date from which it has been granted
- If relief has been awarded for a specified period, the date on which it will end
- The new chargeable amount

- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.

4.10 Where relief is not granted, then an explanation of the decision will be provided in writing.

Variation of a decision

4.11 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in the Councils decision, which increases the award – this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate.
- Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption then this will apply from the date of decrease in the rate charge; and
- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year, and so that at least one year's notice is given.

4.12 A decision may be revoked at any time. However, a one year period of notice will be given and the change will take affect at the expiry of a financial year.

Reporting changes in circumstances

4.13 This will be important where the change would result in the amount of the award being reduced or cancelled. For example, where the premises become unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

4.14 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled.

4.15 Where a change in circumstances is not reported and it is subsequently identified that it would have reduced the relief awarded, the Council reserve the right to remove any award completely.

5 Discretionary Rate Relief - The Councils Policy for Granting Discretionary Relief

5.1 Discretionary Rate Relief - Charities who already received mandatory relief and organisations not established or conducted for profit whose main objectives are charitable

5.2 Section 47 of the LGFA 1988 provides for the granting of discretionary rate relief for the following:

- An authority can award up to an additional 20% “top up” relief to charities and Community Amateur Sports Clubs (CASC’s) that have received the 80% mandatory relief, or
- An authority can grant relief of up to 100% relief to certain non-profit making organisations that do not qualify for any mandatory relief due to not holding charitable status.

The Department of the Environment issued a Practice Note in August 1990 to give guidance to authorities as to the criteria, which they should take into consideration in the exercise of the discretion to grant rate relief.

Rushmoor Borough Council Financial Support Sub Committee formerly adopted these guidelines in October 1993.

The practice note has now been supplemented by guidance issued by the Office of Deputy Prime Minister “Guidance on rate reliefs for charities and other non-profit making organisations” in December 2002, which in particular focuses on the situation of sports clubs.

The practice note recommends that:-

- Authorities will wish to have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief. They should not, however, adopt guidelines or rules which allows a case to be disposed of without any consideration as to its individual merits. Any criteria by which the individual case is judged should be made public to help interested individuals and bodies.

Rushmoor Borough Council will adopt the recommendations and guidelines in exercising its discretion in awarding discretionary rate relief to charities and not for profit organisations.

Where a ratepayer can demonstrate that the criteria is met, the period and value of relief granted will be solely at the discretion of the Council.

A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements.

5.3 Discretionary Relief – Localism Act 2011

Section 69 of the Localism Act 2011 allows a local authority to grant discretionary relief in any circumstances where it feels fit having regard to the effect on the Council Tax payers of its area.

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The provision is designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.

Government has not issued guidance in respect of how this power might be used except advising that relief “may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in the area”.

The English Guide to the Act addresses this as follows:-

- “The Localism Act gives councils more freedom to offer business rates discounts – to help attract firms, investment and jobs. Whilst the local authority would need to meet the cost of any discount would be met by local resources, it may be decided that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area”.

Rushmoor Borough Council’s policy on awarding relief under The Localism Act 2011 is as follows:-

Any ratepayer applying for relief under these provisions and who does not meet the criteria for existing relief (charities, Community Amateur Sports Clubs) and not for profit making organisations), must meet all of the following criteria and the amount of relief granted will be dependent on the following key factors:

- The ratepayer must not be entitled to mandatory rate relief;
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
- The ratepayer must occupy the premises (no relief will be granted for unoccupied premises);
- The premises and organisation must be of significant benefit to the residents of the borough and/or relieve the Council of providing similar facilities;

The ratepayer must also;

- Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years child care; or
- The award relates to business rates payable on premises where
- New employment opportunities will be created; or
- The organisation must bring social, environmental or economic benefit to the community; or
- Contribute to the sustainable development of the borough.

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- Provide the resident of the borough with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation; and
- The ratepayer must demonstrate that assistance (provided by the discretionary rate relief) will be for a short time only and that any business/operation is financially in the medium and long term; and
- The ratepayer must show that the activities of the organisation are consistent with the Council's 8 point plan.

Where a ratepayer can demonstrate that all the criteria are met, the period and value of relief granted will be solely at the discretion of the Council.

A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements.

6. Financial Matters

Cost of awarding relief

6.1 The cost of relief awarded will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 40% by the Council, 9% by Hampshire County Council and 1% by Hampshire Fire and Rescue Service.

State Aid

6.2 The award of Discretionary Rate Relief will be State Aid compliant

6.3 The issue of rate reliefs being considered as qualifying as “state aid” is now of some significance and is briefly explained in the “Rate Relief for Charities and other Non-Profit Making Organisations” guidance note issued by the Office of the Deputy Prime Minister in December 2002.

6.4 Broadly, any award of discretionary rate relief is subject to State Aid De Minimis limits. The De Minimis regulations allow an undertaking to receive up to €200,000 of De Minimis Aid in a three-year period (consisting of the current financial year and the two previous financial years).



**OFFICE OF THE
DEPUTY PRIME MINISTER**

Non Domestic Rates

Guidance on Rate Relief for Charities and Other Non-Profit Making Organisations

December 2002

Issued by the Non Domestic Rates Branch,
Office of the Deputy Prime Minister

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CHAPTER 1

Introduction

- 1.1 A practice note on the use by local authorities of their discretionary powers to grant relief or remission of rates on property occupied by charities, other non-profit making organisations and by ratepayers experiencing hardship was issued by the Department of the Environment in 1989 and revised in 1990. This guidance note has been produced to update and amend the 1990 guidance. It sets out criteria which billing authorities may wish to consider in deciding whether to grant rate relief.
- 1.2 This guidance also covers issues which billing authorities may wish to consider in determining eligibility for mandatory rate relief of charity shops and other charitable organisations, and of empty properties. This was not covered by the previous guidance, but subsequent experience has shown that eligibility is not always clear-cut and that this is also an area where guidance to billing authorities would be helpful. This guidance does not however cover any of the rural rate relief schemes (village shop and farm diversification relief), as we intend to produce separate guidance.
- 1.3 This guidance replaces the 1990 guidance, but in the same way is not intended to be a rigid set of rules; it is for each authority to judge whether the criteria in the guidance are applicable in each case, and what weight if any should be attached to them.

Enquiries about the guidance notes and circulation should be made to:

The Non-Domestic Rates Branch,
Local Government Finance Division 2C,
Floor 5/J1, Eland House,
Bressenden Place,
London SW1E 5DU.
E-mail: NDR@odpm.gsi.gov.uk
Telephone: 020 7944 4216

Further copies of the guidance notes are also available on our website at:

<http://www.local.odpm.gov.uk/finance/busrats1.htm>

CHAPTER 2

Summary

- 2.1 The main provisions conferring the discretionary power on billing authorities to grant rate relief are contained in Section 47 of the Local Government Finance Act 1988. Authorities have discretion to grant rate relief from all or part of the amount of non-domestic rates payable and the level of relief determined by an authority may be varied by a further determination. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 1989 No. 1059) deal with the period for which relief may be granted, and the notice which must be given if that relief is varied or terminated. There is no statutory requirement for organisations to submit written applications for relief (*Chapter 3*).
- 2.2 Billing authorities should first consider whether an institution or organisation applying for rate relief is eligible for mandatory rate relief. This relief is fully centrally funded. Generally, properties used wholly or mainly for charitable purposes are eligible for 80% mandatory relief. This relief can be topped up to 100% at the discretion of the local authority and the top-up attracts 25% central government funding (*Chapter 4*).
- 2.3 Where mandatory rate relief is not available, authorities can consider the award of discretionary rate relief. Authorities have discretion to grant relief of up to 100% to certain non-profit making bodies. Billing authorities also have discretion to grant relief of up to 100% to ratepayers who are experiencing hardship. 75% of the cost of all discretionary reliefs is met centrally, with the local authority meeting the remaining 25% (*Chapter 4*).
- 2.4 The existing mandatory relief scheme for charities applies equally to any sports organisation that is a charity. Sports organisations that are charities and use their premises wholly or mainly for charitable purposes are entitled to 80% mandatory rate relief. In considering applications for discretionary relief from non-profit making sports clubs that do not have charitable status, authorities may wish to take into account the criteria suggested (*Chapter 5*).
- 2.5 Charity shops can receive rate relief if they are wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale are applied for the purposes of a charity. General guidance for determining eligibility for rate relief of charity shops is provided in this chapter. Guidance is also provided on Friendly and Industrial and Provident Societies and their eligibility rate relief. Charities are either excepted or exempt from registration with the Charity Commission and this is also explained here. An organisation that has had its application for registration as a charity refused by the Charity Commissioners can still be considered for rate relief (*Chapter 6*).
- 2.6 Billing authorities have the discretion to award rate relief of up to 100% on the grounds of hardship. General guidance is provided here with some additional factors that authorities should bear in mind when considering applications (*Chapter 7*).

- 2.7 Unoccupied properties enjoy a rate free period of three months. After that, they are liable to pay 50% of the normal rates bill. Certain types of property are exempt from empty property rates. Examples include listed buildings and industrial properties. Local authorities may grant relief where part of a property becomes unoccupied for a short time only. Where an authority proposes to exercise its discretion in these circumstances it should seek an apportionment of the Rateable Value from the Valuation Officer (*Chapter 8*).
- 2.8 Relief from taxes, including non-domestic rates, can constitute state aid under European Union legislation. There are block exemptions from the state aid rules where the aid is below a de minimis level. The de minimis level applies to all de minimis aid received, including other Government subsidies or grants, in addition to any rate relief given as de minimis aid. This is €100,000 (approximately £63,000) over a three year period below which any aid is allowable. This does not apply in certain sectors including transport, agriculture, fisheries, coal and steel where any amount of relief is state aid. Billing authorities should bear this in mind when granting discretionary rate reliefs. Any relief exceeding the de minimis threshold, or of any amount for businesses in the sectors where the threshold does not apply, may need to be notified to the European Commission. Local authorities should contact DTLR if there are any queries about state aid (*Chapter 9*).
- 2.9 Chapter 10 provides general guidance to authorities on the need to keep ratepayers informed about their decisions on applications for discretionary rate relief. This includes procedures, acknowledgements, notifications to successful and unsuccessful applications, and the right of appeal against a decision to reject or restrict the award of discretionary rate relief.
- 2.10 Annex A contains the definition of a Community Amateur Sports Club (CASC) as set out in schedule 18 of the Finance Act 2001.
- 2.11 The table at Annex B summarises the property which is eligible for rate relief, the type and amount of relief that is available and the financial implications.

CHAPTER 3

Statutory Powers

- 3.1 The main provisions conferring the discretionary power on billing authorities to grant rate relief are to be found in Section 47 of the Local Government Finance Act 1988 (LGFA). Regulation 6 of the Non-Domestic Rating (Miscellaneous Provision) Regulations 1989 (SI 1989 No. 1060) deals with the situation where a hereditament straddles billing authority boundaries. Authorities have discretion to grant rate relief from all or part of the amount of non-domestic rates payable. A decision to grant relief can have effect for a previous financial year provided the decision is made within six months of the end of the year and may be revoked by a further decision of the authority. The level of relief determined by an authority may be varied by a further determination.
- 3.2 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 1989 No. 1059) deal with the period for which relief may be granted, and the notice which must be given if that relief is varied or terminated. Regulation 2 requires that billing authorities must give notice when they decide to grant, terminate or alter the amount of discretionary relief awarded. One year's notice is required of any decision to terminate or alter the amount of relief granted, which must take effect at the end of the financial year. In other words, if notice of a change which could increase a bill is not given by 31 March, relief could continue at the same level (at least) for a further two years.
- 3.3 It is very important that billing authorities have readily understood guidelines for deciding whether or not to grant relief and for determining the amount of any relief given. However, we would not recommend authorities to adopt a policy or rule, which allows or requires it to dispose of a case without any consideration of the merits of the individual case. The operation of blanket decisions to refuse relief across the board might well be ultra vires and could involve the authority in litigation. That does not preclude it from having a general basis on which it approaches such cases, but where it has one, it is a matter of good practice that applicants or potential applicants for relief are aware of it.
- 3.4 There is no statutory requirement for organisations to submit written applications for relief. This should not preclude authorities in any way from granting relief if it so wishes. In cases of mandatory relief, further relief applications are not required once relief has been granted and relief will normally stay in force until there is a change in circumstances. Whilst there is no time limit for applications to be made in cases of discretionary relief, authorities must determine applications within six months after the end of the financial year for which the application for relief is made. Determinations after this time are invalid.
- 3.5 It is a question of good practice that authorities encourage organisations to give details of all the matters they wish to be taken into account, and to provide any other relevant information. For example, information such as audited accounts, written constitutions, membership details etc. may assist an authority in

considering the merits of each case. A number of authorities have produced proforma questionnaires to assist in this process.

- 3.6 Authorities do not have discretion to grant relief from rates on property, all or part of which is occupied, other than as a trustee, by a billing or precepting authority.
- 3.7 Under Section 43 of the LGFA 1988, the amount of rates payable by charities is calculated by reference to formulae applicable to occupied or unoccupied property, as the case may be. The effect is that charities pay only 20% of the rates that would otherwise be due. With regard to occupied property, two requirements must be met:
 - (a) the ratepayer must be a charity or trustees for a charity; and
 - (b) the hereditament must be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).
- 3.8 In relation to unoccupied property, the second requirement is modified so that it must appear that when next in use the hereditament will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities). In such circumstances, the charge is 10% of the full rate.
- 3.9 Section 45 of the LGFA 1988 deals with empty properties. All property unoccupied for a period not exceeding three months is entitled to full rate relief during that period. If the property remains unoccupied beyond the three month free period, the owner/ratepayer will be liable for unoccupied rate of half the full rates bill. For the purpose of determining whether a property has been continuously unoccupied for three months, any period of occupation of less than six weeks is disregarded. This avoids the claiming of consecutive periods of relief after short terms of occupancy.
- 3.10 Certain types of unoccupied property do not pay empty property rates, even after the three month rate-free period. These include industrial properties, listed buildings and all small properties with rateable value of no more than £1,900 (Sl. 2000 No. 520).
- 3.11 Section 44A of the LGFA 1988 gives local authorities the discretion to grant relief where it appears to the authority that that part of the property is unoccupied and will remain so for a short time only. What constitutes a "short time only" is left for the local authority to determine given the circumstances in each case. Where an authority proposes to exercise its discretion, it should seek an apportionment of the Rateable Value from the Valuation Officer.

CHAPTER 4

General Considerations

4.1 Mandatory Relief

- 4.1.1 On receipt of an application for rate relief, billing authorities should first consider whether the institution or organisation is eligible for mandatory relief.
- 4.1.2 To qualify for mandatory relief, the property must be used wholly or mainly for charitable purposes and the institution or organisation must be established for charitable purposes only or be occupied by any persons administering a trust established for charitable purpose only. Registration under the Charities Act 1993 as amended, is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are excepted from registration or are exempt charities are also eligible for mandatory relief.
- 4.1.3 Mandatory relief at 80% of rates payable is provided for in sections 43(5) and (6) and 45(5) and (6) of the 1988 Act. This relief is fully centrally funded, in that billing authorities are not required to pay the amount foregone into the national rate pool.
- 4.1.4 Although charitable organisations are eligible for 80% mandatory relief, this relief can be topped up to 100% at the discretion of the local authority. This discretionary top-up is 25% centrally funded, as local authorities are required to pay 75% of any such top-up into the national rate pool. If an authority wishes to increase the relief to charities above the mandatory level, for the purposes of calculating the chargeable amount, sections 43(5) and 45(5) are disapplied and the chargeable amount is determined by, or found in accordance with, rules determined by the authority.
- 4.1.5 Mandatory rate relief under section 43 of the 1988 Act for the rural rate relief schemes is provided in separate guidance.

4.2 Discretionary Relief

- 4.2.1 Where the property does not qualify for mandatory relief, authorities will consider the award of discretionary rate relief under section 47 of the LGFA 1988. Authorities have discretion to grant relief of up to 100% to certain non-profit making bodies. The range of bodies eligible for discretionary rate relief is wide and not all of the suggested criteria will be applicable in each case. To be eligible for consideration, the ratepayer must be a non-profit making body and the hereditament used for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts, or used wholly or mainly for recreation by a not-for-profit club or society.
- 4.2.2 Authorities should consider carefully on its merits any bona fide case for relief, taking into account the contribution that the organisation makes to the local area. 75% of the cost of all discretionary reliefs is met centrally, with the local

authority, and through them, the council taxpayer meeting the remaining 25%, which the authority must contribute to the national rate pool.

4.2.3 Discretionary rate relief under section 47 of the 1988 Act for the rural rate relief schemes is provided in separate guidance.

4.3 **Hardship Relief**

4.3.1 Billing authorities also have discretion under section 49(1) of the LGFA 1988 to grant relief of up to 100% to ratepayers who are experiencing hardship if it is reasonable to do so, and it is in the best interest of their council tax payers. Billing authorities may reduce or remit the payment of rates due under sections 43 and 45 of the LGFA 1988, for occupied or unoccupied properties. 75% of the cost of funding this relief is met centrally, with the local authority meeting the remaining 25%.

4.4 **General**

4.4.1 Decisions on rate relief in all cases are a matter of the discretion of the billing authority concerned. However, rate relief applications for a number of types of bodies often give rise to queries to the Department both from authorities having to make the determination, and from organisations querying entitlements to relief, or the decisions made in their own cases. Particular issues have been raised in relation to:

- ◆ rate relief for non-profit making sports clubs;
- ◆ charitable organisations and shops;
- ◆ hardship relief; and
- ◆ empty and partly occupied property relief.

The following sections give advice on the sorts of issues local authorities might take into account in considering their decisions on applications for relief.

CHAPTER 5

Sports Clubs

5.1 Charity Status for Sports Clubs

5.1.1 The existing mandatory relief scheme for charities applies equally to any organisation that is a charity. Therefore, sports organisations that are charities and use their premises wholly or mainly for charitable purposes are entitled to 80% mandatory relief. On 30 November 2001, the Charity Commission announced revised criteria for the charitable status of certain sports clubs. Clubs which meet these criteria will be eligible for the mandatory relief.

5.1.2 The Charity Commissioners recognise the following as charitable purposes:

- The promotion of community participation in healthy recreation by the provision of facilities for the playing of particular sports; and
- The advancement of the physical education of young people not undergoing formal education.

5.1.3 Not all organisations describing themselves as community sports clubs are necessarily charitable. Along with the general requirements of charitable status, a community sports club seeking charitable status on this basis will need to make its facilities available to all members of the public who wish to use them, regardless of their levels of skill. And the sport concerned must be one that is capable of improving health or fitness. The criteria that community amateur sports clubs would need to meet to be recognised as charitable are explained in guidance issued by the Charity Commission on this subject. The guidance can be viewed at: www.charity-commission.gov.uk/registeredcharities/sport.asp

5.1.4 The date of registration with the Charity Commission should be taken as the effective date for mandatory rate relief (this being conclusive evidence as to charitable status).

5.1.5 Many more sports clubs will qualify for charitable status under the revised criteria. However, local authorities will still need to consider applications for discretionary rate relief for non-profit making sports clubs which are unable to qualify for charitable status but contributes to the local community.

5.2 Discretionary relief for non-profit making sports clubs

The issue of discretionary rate relief is a matter for individual local authorities. However, to help achieve more consistency of treatment when considering whether a non-profit making sports club which does not have or decides not to obtain charitable status should receive discretionary relief, authorities may wish to consider the following issues. [Authorities may also wish to bear in mind the legal definition of a Community Amateur Sports Club \(CASC\) at Annex A](#), as set out in schedule 18 of the Finance Act 2002.

5.3 Access to clubs

- 5.3.1 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.
- 5.3.2 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- 5.3.3 Does the organisation actively encourage membership from particular disadvantaged or under-represented groups in the community e.g. young people, women, older age groups, persons with disability, ethnic minorities' etc? An organisation that encouraged such membership might justify more sympathetic consideration than one which made no effort to attract members from groups which the authority considered to be particularly deserving of support.
- 5.3.4 Are the facilities made available to people other than members e.g. schools, casual public sessions etc? The wider use of facilities should be encouraged and rate relief might be one form of recognition that an organisation was promoting its facilities more widely.

5.4 Provision of facilities

- 5.4.1 Does the organisation provide training or education for its members? Are there schemes for particular groups to develop their skills e.g. young people, the disabled, retired people? An organisation providing such facilities might deserve more support than one that did not.
- 5.4.2 Have the facilities available been provided by self-help or grant aid? The fact that a club uses or has used self-help for construction or maintenance of its facilities or has attracted grant aid, might be an indicator that they were more deserving of relief.
- 5.4.3 Does the organisation run a bar? The mere existence of a bar should not in itself be a reason for not granting relief. The authority should look at the main purpose of the organisation. In sports clubs for example the balance between playing and non-playing members might provide a useful guide as to whether the main purpose of the club is sporting or social activities. A club whose main aim is to bring together people with similar sporting or recreational interests should not be excluded from relief just because of the existence of a licensed bar. Some authorities already include in their decision making criteria how much in

percentage terms they would deduct from the overall relief granted to clubs with bar facilities based on how much additional revenue the facility raises.

5.4.4 Does the organisation provide facilities that indirectly relieve the authority of the need to do so, or enhance and supplement those that it does provide? Authorities should not refuse relief on the grounds that an organisation is in competition with the authority itself, but should look at the broader context of the needs of the community as a whole. A new need, not being provided by the authority itself but identified as a priority for action, might be particularly deserving of support.

5.5 Other considerations

5.5.1 Is the organisation affiliated to local or national organisations' e.g. local sports councils, county or national representative bodies? i.e. are they actively involved in local/county/national development of their interests?

5.5.2 Is the membership drawn from people mainly resident in the billing authority's area? Although authorities will have in mind that 25% of the cost of any relief given will be borne by the council taxpayers in their area, particular difficulties may arise with hereditaments which straddle or are close to local authority boundaries. In these cases, a proportion of the membership may come from another local authority area. Also, for geographical reasons, or because of the nature of the terrain, particular facilities may be the only ones available for a wide area. In such cases the joint use of facilities by one or more similar organisations is not uncommon. In most cases there will be a measure of reciprocity between the membership of organisations from different areas.

5.5.3 Are members paid to participate? Authorities should consider whether to grant relief where payments or other significant benefits are provided to players. Exceptions could include for example, the reimbursement of reasonable travel expenses for players or officials and reasonable provision and maintenance of club owned equipment necessary for playing the sport. Authorities may choose to look favourably on clubs whose paid players contribute more to the club than just playing, e.g. by coaching younger members.

5.5.4 Authorities may wish to consider the extent to which the activities of the organisation contribute to a local or regional community strategy and/or authority objectives for building neighbourhood identity, community building or social inclusion.

5.5.5 Authorities may wish to add further criteria or substitute relevant alternative criteria that are appropriate to the furthering of their policies and the needs of the community such as development programmes. They should also bear in mind the need to encourage new activities in the wide range of organisations for which relief from rates is available.

5.5.6 Authorities may wish to consider using a points system for the granting of relief which might give greater weight to any particular aspect of the role of community clubs authorities wish to promote. The amount of relief given need not be 100%

in all cases, but might be lower if some but not all criteria are met. Indeed, some local authorities already operate a points system in considering applications.

- 5.5.7 To assist sports clubs with their long term planning, authorities may wish to indicate in their decisions the likelihood of continued rate relief in future years.

CHAPTER 6

Charitable Organisations and Shops

6.1 Registered Charities

6.1.1 A charity is as an institution or other organisation established for charitable purposes only, or any persons administering a trust for charitable purposes only. In practice, the question on whether an organisation is a charity may be determined in most cases by referring to the register of charities maintained by the Charity Commissioners. The absence from the register does not necessarily mean that an organisation is not a charity because it may be exempted from the register or exempt – see 6.4 and 6.5 below.

6.2 Charity Shops

6.2.1 Charity shops are entitled to mandatory rate relief under section 64(10) of the LGFA 1988. “A hereditament shall be treated as wholly or mainly used for charitable purposes at any time, if at the time it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of sale of the goods (after any deduction of expenses) are applied for the purposes of a charity”.

6.2.2 Although this is a mandatory relief, local authorities need guidance as they still have a decision making role to play. Many local authorities, charities and others have told us that the rules about what constitutes ‘wholly or mainly’ are not clear, so that there is inconsistent treatment up and down the country. This lack of clarity makes it difficult for charities to comply with the rules and causes problems for local authorities seeking to apply them. The legislation does not determine what constitutes wholly or mainly for charitable purposes. Whilst we are unaware of any case law that provides guidance on the meaning of ‘mainly’ used for charitable purposes, in other circumstances, ‘mainly’ has been held to mean ‘more than half’, for the purpose of liability for rates.

6.2.3 In deciding whether a charity shop ‘wholly or mainly’ sells donated goods, we understand that some local authorities currently take some or all the following relevant factors into account:

- I. The percentage of floor space occupied by donated goods.
- II. The percentage of turnover and profit represented by the sale of donated goods.
- III. The percentage of individual items sold which are donated goods.

6.2.4 The use of the above factors may not, in every case provide local authorities with the solution for determining eligibility for rate relief. Charity shops often present difficulties for local authorities in determining eligibility for rate relief because in terms of quantity of goods displayed, most items may be goods donated by the public. However, in terms of value, the donated goods may

represent only a small proportion of turnover. In such circumstances, the weight given to the charitable and non-charitable uses of the hereditament may also need to be considered even if the charitable use, which could be the main use, occupies less than half of the floor space.

6.3 Friendly and Industrial and Provident Societies

6.3.1 A number of billing authorities have asked for guidance on whether exempt charities within the meaning of the Friendly Societies Act and the Industrial and Provident Societies Act (see 6.5) like credit unions and housing associations are eligible for mandatory and/or discretionary rate relief.

6.3.2 It is our opinion that these societies may not normally meet the requirements under sections 45 and 47 of the LGFA 1988. They are not registered charities, nor do they usually operate as one. Also they can and do make a profit and distribute this profit to their members.

6.3.3 However, credit unions and housing associations are usually registered friendly or industrial and provident societies. Registration as a friendly society or an industrial and provident society does not in itself automatically mean that the organisation concerned meets the requirements of the 1988 Act. For a friendly society to qualify for mandatory rate relief it must be specifically established “exclusively for charitable purposes” and use the property in question in the exercise of these purposes. Some friendly societies do act as charities. Such a society should be in receipt of a letter from Inland Revenue saying it is entitled to exemption from taxes under the provisions of section 505 of the Income and Corporation Taxes Act 1988. This letter can be presented to the local authority as proof that it is entitled to mandatory rate relief. To be eligible for consideration for discretionary relief a friendly society must be a non-profit making body and the property it occupies used for social, philanthropic, educational or religious purposes.

6.3.4 It still remains for each billing authority to decide whether or not a particular friendly or industrial and provident society is a charity in the first instance, and is eligible for rate relief under the provisions of the rating legislation.

6.4 Excepted Charities

6.4.1 Charities are excepted from the need to register with the Charity Commission if they do not meet the minimum requirements for compulsory registration as described in section 3(5) of the Charities Act 1993. The minimum requirements for registration are:

- ◆ a permanent endowment; or
- ◆ the use or occupation of any land; or
- ◆ annual income from all sources amounts to no more than £1,000.

6.4.2 In addition to the above there some other charities which have been specifically excepted from the requirement to register by legislation or Commission order (mainly churches, also voluntary schools).

6.5 Exempt Charities

6.5.1 Any charity comprised in Schedule 2 of the Charities Act 1993 referred to as an 'exempt charity' is not required to be registered with the Commission and no charity is required to be registered in respect of any registered place of worship.

Exempt charities are those listed in Schedule 2 of the Charities Act 1993 and include:

- ◆ Charities which are Industrial and Provident Societies within the meaning of the Industrial and Provident Societies Act 1965;
- ◆ Charities which are also registered societies, within the meaning of the Friendly Societies Act 1974;
- ◆ Most Universities; and
- ◆ Some museums and galleries

6.5.2 More information on Exempt Charities can be found in the Charity Commission leaflet - Exempt Charities (CC23) - which can be viewed and printed from their web-site at www.charity-commission.gov.uk.

6.5.3 Those institutions listed in Schedule 2 of the Charities Act are only exempt so far as they are charities. Organisations such as co-operatives for example, are not normally considered charitable as they are established for the benefit of their members rather than for the public's benefit, which is one of the criteria considered when establishing the charitable status of an organisation.

6.6 An organisation that has had its application for registration as a charity refused by the Charity Commissioners can still be considered for rate relief.

6.7 However, it should be noted that it is not enough for a hereditament to be put to charitable uses, as the use of the hereditament must be in pursuance of the purposes of a defined charity or charities.

CHAPTER 7

Hardship

- 7.1 Section 49 of the Local Government Finance Act 1988 gives billing authorities the discretion to reduce or remit the payment of rates. A billing authority can reduce or remit the payment of rates where it is satisfied that the ratepayer would sustain hardship if it did not do so and it is reasonable for it to do so having regard to the interests of its council tax payers.
- 7.2 Whilst it is for each billing authority to decide on the facts of each case whether to exercise its powers under section 49 – and to judge the extent of those powers – authorities may wish to bear the following guidance in mind:
- (i) Although authorities may adopt rules for the consideration of hardship cases, they should not adopt a blanket policy either to give or not to give relief: each case should be considered on its own merits and the application process kept as simple and streamlined as possible to enable decisions to be made quickly;
 - (ii) Reduction or remission of rates on grounds of hardship should be the exception rather than the rule;
 - (iii) The test of ‘hardship’ need not be confined strictly to financial hardship: all relevant factors affecting the ability of a business to meet its liability for rates should be taken into account;
 - (iv) 75% of the cost of any reduction or remittance of rates can be offset against an authority’s payment into the national non-domestic rate pool: 25% must be borne locally and met from the authority’s General Fund;
 - (v) The ‘interests’ of council taxpayers in an area may go wider than direct financial interests. For example, where the employment prospects in the area would be worsened by a company going out of business, or the amenities of an area might be reduced by, for instance, the only provider of a service in the area;
 - (vi) Where the granting of relief would have an adverse effect on the financial interests of tax payers, the case for a reduction or remission of rates payable may still on balance outweigh the cost to tax payers;
 - (vii) Hardship rate relief may in some cases constitute state aid, and may need to be notified to the European Commission - see chapter 9 below;
 - (viii) The hardship caused to a ratepayer may be self-evident, for example where a business has been affected by severe loss of

trade, due to external factors such as natural disasters. However, authorities may wish to consider how the business can demonstrate such loss of trade or business. For example, do accounts, order books, till receipts or VAT returns show a marked decline in trade compared to corresponding periods in previous years?

- (ix) Authorities should be clear in awarding relief that it will be granted only for the period for which there is clear evidence of hardship for the ratepayer concerned; and
- (x) To guard against fraudulent claims, authorities should satisfy themselves that the claim is from a ratepayer suffering genuine hardship.

7.3 Applications for relief on the grounds of hardship need not be in writing and relief can commence when the applicant meets the requirements. It is also possible for an application for relief to be in respect of future years.

CHAPTER 8

Empty and Partly Occupied Property Relief

8.1 Empty Property

8.1.1 The owners of empty non-domestic properties are eligible for mandatory rate relief of either 50% or 100%.

8.1.2 Non-domestic properties which are unoccupied may be liable to empty property rates under the provisions of section 45 of the LGFA 1988. Regulation 2(2)(g) of the Non-Domestic Rating (Unoccupied Property) Regulations 1989 (SI 1989 No. 2261) prescribes the class of unoccupied properties on which rates are payable. Rates are charged at 50% of the full rate bill or of the transitional bill where the transitional arrangements apply. Liability begins after the property has been empty for 3 months.

8.1.3 Certain types of property are exempt from empty property rates. They include those properties where occupation is prohibited by law; those kept vacant by reason of certain action taken by the Crown or a local or public authority; listed buildings and those subject to preservation notices; scheduled monuments; industrial hereditaments; and those which the owner holds only as a personal representative of a deceased person, liquidator or trustee under a deed of arrangement, or where the owner is the subject of insolvency proceedings. In addition, hereditaments whose rateable value is less than £1,900 are also exempt from empty property rates (The Non-Domestic Rating (Unoccupied Property)(England)(Amendment) Regulations 2000 (SI 2000 No. 520).

8.1.4 This is the most commonly used rate relief and currently costs around £1 billion out of a total non-domestic rate yield of around £15 billion across England. Billing authorities have a statutory duty to collect all the non-domestic rates due in their area. They should therefore ensure they have procedures in place to administer empty property relief.

8.1.5 Relief should end from the day on which the property becomes occupied. This may not be a priority for new occupiers and authorities should be pro-active in ensuring that relief is not given where it is not due. Billing authorities have very limited retrospective powers to collect rates for which bills have not been issued but if it comes to light later that rates should have been collected, the authority will be responsible for paying the rates due into the national rate pool. They should therefore regularly check that properties receiving this relief currently remain unoccupied.

8.2 Partly Occupied Property

8.2.1 Section 44A of the LGFA 1988 grants local authorities a discretion to grant relief where it appears to the authority that part of a property is unoccupied and will remain so for a "short time only".

- 8.2.2 When exercising their discretion, authorities should have regard to the general rule that a person who occupied a part of a property is deemed to be in rateable occupation of the whole. Thus it is not intended that because part of a property is temporarily not used it should be taken out of rating. But, for example, where there are practical difficulties in occupying or vacating a property in one operation (perhaps because new accommodation to which the occupier is moving is not fully ready for occupation) and it is phased over a number of weeks or months, it would be reasonable to reduce the liability on that part of the property which is unoccupied. Similarly, where a building or buildings on a manufacturing site become temporarily redundant it might be reasonable to take the unoccupied part of the property into account rather than levy full rates on the whole property. Authorities should also bear in mind that such an approach may alleviate hardship in some circumstances.
- 8.2.3 Where an authority proposes to exercise its discretion in these circumstances it should seek an apportionment of the Rateable Value from the Valuation Officer. On receipt of such a request the Valuation Officer is required to apportion the Rateable Value of the property between the occupied and unoccupied parts of the property.
- 8.2.4 What constitutes a "short time only" is left for the authority to decide in the light of the particular circumstances of the case. There are however constraints on the period within which the apportionment can operate. For a new apportionment the operative period starts on the day on which the property became partly unoccupied. In the case of a further apportionment the operative period starts on the day on which the further apportionment takes effect. In both cases the period continues until one or more of the following events occur:
- (a) the occupation of any of the unoccupied part of the property to which the apportionment relates;
 - (b) the end of the rate year in which the authority requires the apportionment;
 - (c) the requiring of a further apportionment;
 - (d) the property becoming completely unoccupied.
- 8.2.5 The constraint in paragraph 8.2.4(b) above means that after 31 March in each year any apportionment that is operative ceases to have effect. If an authority wishes to continue the arrangement in the following rate year it must use its discretion to require a further apportionment. In practice, if there has not been any change to the extent that the property is partly occupied the earlier certificate provided by the Valuation Officer could stand unless the following rate year is one in which a new rating list comes into force.
- 8.2.6 In many cases of partly occupied property the part of the property which is vacant will be capable of separate assessment. In such cases it will not be necessary for the Authority to exercise its discretion if the Valuation officer is requested to split the existing assessment into the part that is occupied and the part that is vacant.

- 8.2.7 It is our view that there is no restriction, express or implied, in the provisions of section 44A as to the type of property or circumstances which relief may be given. Once an application is received, the first questions an authority must consider are the factual ones. That is to say, is any part of the property unoccupied or has been unoccupied, and if so, again on the facts of the case, whether the non-occupation will only subsist, or has subsisted, for a short time.
- 8.2.8 If, you are of the view that these factors are present, then you are bound to consider whether or not to exercise your discretion in favour of the applicant and grant relief for apportionment under section 44A or indeed for full empty property rates. In reaching your conclusion you must only have regard to all the relevant facts.

CHAPTER 9

State Aid

- 9.1 European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. Billing authorities should bear this in mind when granting discretionary rate reliefs.
- 9.2 Empty property and transitional reliefs are regarded as part of the determination of liability, applied equally to all ratepayers, and so are not considered to be state aid.
- 9.3 Rate relief for charities and non-profit making bodies is not normally considered to be State aid, because the recipients are not in market competition with other businesses. However, if the charities or non-profit making bodies are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute State aid and the rules set out below will apply.
- 9.4 Hardship relief can also constitute state aid, as can relief under the village shop and farm diversification schemes. In practice, however, aid to village shops, most local, “commercial” charities and other small-scale, local service organisations (B&Bs, small retailers, child-care facilities, etc.) will not be caught by the state aid rules, as long as they are independent, family-owned businesses, because they are deemed incapable of affecting intra-Community trade. Any manufacturing operation, on the other hand, however small-scale, is normally deemed to be capable of affecting intra-Community trade, so rate relief for butchers and farmers for example, producing cheese, sausages, cider and other foodstuffs would be state aid.
- 9.5 There are also general exceptions from the state aid rules where the aid is below a “de minimis” level. This is €100,000 (around £63,000) to any one business over three years. The de minimis level applies to all de minimis aid received, including other Government subsidies or grants, in addition to any rate relief. This de minimis threshold does not apply in certain excluded sectors, including agriculture, fisheries, transport, coal and steel, and aid to export-related activities, where any amount of rate relief is state aid. As far as agriculture is concerned, rate relief for farmers would not be eligible for De Minimis aid, but rate relief for farm diversification projects, which do not involve the production, processing and marketing of agricultural goods, would be eligible. There are a number of administrative requirements relating to de minimis aid and authorities considering using it should contact the DTI's State Aid Policy Unit. The exchange rate that applies is the one for the month in which the aid is given and can be found at http://europa.eu.int/cgi-bin/make_inforeuro_page/en/gbp
- 9.6 Guidance on State aid is available at <http://www.dti.gov.uk/europe/stateaid> and the DTI's State Aid Policy Unit can be contacted at:

State Aid Policy Unit - European Policy Directorate
2nd - Floor
Kingsgate House
66-74 Victoria Street
London SW1E 6SW
E-mail: sapu@dti.gsi.gov.uk

- 9.7 Where relief does constitute State aid, it may need legal clearance from the European Commission. Authorities that are considering granting any hardship relief, charity relief or farm diversification relief which would be caught by the State aid rules and would bring total aid to the business concerned above the de minimis level, or granting any amount to businesses in the excluded sectors, should contact the ODPM at our enquiries address (see introduction). The ODPM will seek clearance from the Commission, if necessary. If Commission clearance is needed, the relief should not be paid until clearance has been granted.

CHAPTER 10

Notification of the decisions

10.1 It is important that applicants are aware of the decision making process in their applications for relief. It may be appropriate to advise applicants of the process involved, and of any appeals process in respect of unsuccessful applications when the authority acknowledges receipt of the application.

10.2 **Acknowledging the application**

Authorities should acknowledge all applications for rate relief in accordance with their normal targets for responding to correspondence from ratepayers. Acknowledgements should advise ratepayers of the likely time for any decision to be made, and of the possibility that the authority may need to ask questions or make further enquiries.

10.3 **Making the decision**

Authorities will already have their own established procedures for making decisions on applications for rate relief. Many will delegate decision-making powers to individual officers or committees with agreed terms of reference.

10.4 **Notice of decisions - successful applications**

Authorities should notify all applicants for rate relief of their decision in writing. Where relief is granted, the letter should set out:

- ◆ The amount of relief granted and the date from which it has been granted
- ◆ If relief has been granted for a specified period, the date on which it will end.
- ◆ The new chargeable amount.
- ◆ The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted.
- ◆ A requirement that the applicant should notify the authority of any change in circumstances that may affect entitlement to relief.

10.5 **Notice of decisions - unsuccessful applications**

10.5.1 One of the fiercest criticisms from unsuccessful applicants for relief is that they are not given an explanation of the reasons for refusal. We suggest that as a matter of good practice, authorities should provide an explanation of their decision in every case where relief is either refused or restricted to a smaller amount than applied for. Authorities should explain that decision within the context of the exercise of their statutory duty.

10.5.2 This is particularly important. First so that the applicant is aware of the reasons for the decision. And second, so that that an organisation can, if it wishes, take

steps to conform with the criteria which the authority has adopted for the granting of relief.

10.5.3 The ratepayer should also be notified at the same time of any right of appeal against the decision of the authority. We believe that it is in the interests of fairness to the ratepayer and a matter of good practice that such mechanisms are available.

10.6 **The right of appeal**

Authorities should have a mechanism that allows applicants to appeal against a decision by an authority to reject or restrict the award of discretionary rate relief. Appeals could be resolved by written or oral representations but should not be considered by the same officials that made the original decision. It may be considered appropriate to refer any appeal to a panel of council members for determination, especially where an officer of the council made the original decision under delegated powers. We are conscious that some local authorities may already have in place similar appeals procedures.

Definition of Community Amateur Sports Clubs (CASCs) as set out in Schedule 18 of the Finance Act 2002

COMMUNITY AMATEUR SPORTS CLUBS

CLUBS ENTITLED TO BE REGISTERED

The requirements

- 1 A club is entitled to be registered as a community amateur sports club if it is, and is required by its constitution to be, a club that -
 - (a) is open to the whole community,
 - (b) is organised on an amateur basis, and
 - (c) has as its main purpose the provision of facilities for, and promotion of participation in, one or more eligible¹ sports.

In this Schedule "registered club" means a club that is so registered.

Open to the whole community

- 2 (1) A club is open to the whole community if-
 - (a) membership of the club is open to all without discrimination,
 - (b) the facilities of the club are available to members without discrimination, and
 - (c) any fees are set at a level that does not pose a significant obstacle to membership or use of the club's facilities.
- (2) For the purposes of sub-paragraph (1) "discrimination" includes indirect discrimination and includes, in particular-
 - (a) discrimination on grounds of ethnicity, nationality, sexual orientation, religion or beliefs;
 - (b) discrimination on grounds of sex, age or disability, except as a necessary consequence of the requirements of a particular sport.

¹ A sport designated as an eligible sport where that sport appears on the list maintained by the national Sports Councils of activities recognised by them.

(3) This paragraph does not prevent a club from having different classes of membership depending on-

- (a) the age of the member;
- (b) whether the member is a student;
- (c) whether the member is waged or unwaged;
- (d) whether the member is a playing or a non-playing member;
- (e) how far from the club the member lives;
- (f) any restriction on the days or times when the member has access to the club's facilities.

Organised on an amateur basis

3 (1) A club is organised on an amateur basis if-

- (a) it is non-profit making,
- (b) it provides for members and their guests only the ordinary benefits of an amateur sports club, and
- (c) its constitution provides for any net assets on the dissolution of the club to be applied for approved sporting or charitable purposes.

(2) A club is "non-profit making" if its constitution requires any surplus income or gains to be reinvested in the club and does not permit any distribution of club assets, in cash or in kind, to members or third parties.

This does not prevent donations by the club to charities or to other clubs that are registered as community amateur sports clubs.

(3) The ordinary benefits of an amateur sports club are-

- (a) provision of sporting facilities;
- (b) reasonable provision and maintenance of club-owned sports equipment;
- (c) provision of suitably qualified coaches;
- (d) provision, or reimbursement of the costs, of coaching courses;
- (e) provision of insurance cover;
- (f) provision of medical treatment;
- (g) reimbursement of reasonable travel expenses incurred by players and officials travelling to away matches;
- (h) reasonable provision of post-match refreshments for players and match officials;
- (i) sale or supply of food or drink as a social adjunct to the sporting purposes of the club.

(4) Sub-paragraph (3) does not prevent a club from-

- (a) entering into an agreement with a member for the supply to the club of goods or services, or
- (b) employing and paying remuneration to staff who are also members of the club,

provided the terms are approved by the governing body of the club without the member concerned being present and are agreed with the member on an arm's length basis.

(5) In relation to the application of the net assets on the dissolution of the club, "approved sporting or charitable purposes" means such of the following as may be approved by the members of the club in general meeting or by the members of the governing body of the club-

- (a) the purposes of the governing body of an eligible sport for the purposes of which the club existed, for use in related community sport;
- (b) the purposes of another club that is registered as a community amateur sports club;
- (c) the purposes of a charity.

PROPERTY ELIGIBLE FOR RATE RELIEF	TYPE OF RELIEF	AMOUNT OF RELIEF	FINANCIAL IMPLICATIONS	
			Proportion offset against payments into NNDR Pool	Proportion borne locally by community taxpayers
1. Property wholly or mainly used for charitable purposes which is occupied by a registered charity or charity shop.	a) Mandatory	80%	100%	-
	b) Discretionary	Up to a further 20%	25%	75%
2. Property, all or part of which is occupied for the purposes of a non-profit making:				
a) institution or other organisation whose main objects are philanthropic or religious or concerned with social welfare, science, literature or the fine arts; or	Discretionary	Up to 100%	75%	25%
b) club, society or other organisation and is used for the purposes of recreation				
3. Property, all or part of which is occupied, where the billing authority is satisfied that the ratepayer would suffer hardship	Discretionary	Up to 100%	75%	25%
4. Property, all or part of which is occupied, other than as trustee, by a charging or precepting authority	None	None	-	-
5. Property which is unoccupied for:				
a) 0 to 3 months	a) Mandatory	100%	100%	-
b) after 3 months	b) Mandatory	50%	100%	-
6. Property which is partly occupied for a short period only (Section 44A of the LGFA)	Discretionary	100%	100%	-
7. Property in designated rural settlements – a) sole general store, post office, food shops (£6,000 RV or less); sole public house and petrol filling station (£9,000 RV or less)	a) Mandatory	50%	100%	-
	Discretionary	Up to a further 50%	75%	25%
	b) Other business properties (£12,000 RV or less)	b) Discretionary	Up to 100%	75%
8. Non-agricultural property and land on what had previously been agricultural land and buildings	a) Mandatory	50%	100%	-
	b) Discretionary	Up to a further 50%	75%	25%

CABINET
12 DECEMBER 2017

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN1736

TREASURY MANAGEMENT OPERATIONS MID-YEAR REPORT 2017/18

SUMMARY AND RECOMMENDATIONS:

SUMMARY:

This report sets out the main activities of the Treasury Management Operations during the first half of 2017/18.

RECOMMENDATION:

Note the contents of the report in relation to the activities carried out during the first half of 2017/18.

1 INTRODUCTION

- 1.1 The Treasury Management Strategy for 2017/18 is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.
- 1.2 This report sets out the main activities of the Treasury Management Operations during the first half of 2017/18, provides an update on the current economic conditions affecting Treasury Management decisions and a forward look for the remainder of 2017/18.
- 1.3 Appendix C shows the actual prudential indicators relating to capital and treasury activities for the first half of 2017/18 and compares these to the indicators set in the Annual Treasury Management Strategy for the year. This Strategy was originally approved by Council on 23rd February 2017, and subsequently further revised and approved at Council 27th July 2017.

2 TREASURY MANAGEMENT ADVICE

- 2.1 The Council receives independent treasury advisory services from Arlingclose Ltd. Arlingclose provide treasury advice to 25% of UK local authorities including technical advice on debt and investment management, and long-term capital financing. They advise on investment trends, developments and opportunities consistent with the Council's Treasury Management Strategy.

- 2.2 With the exception of pooled funds all investment activity is carried out by the Council's own treasury team with advice from Arlingclose Ltd, as outlined in paragraph 2.1 above, and having due regard to information from other sources such as the financial press and credit-rating agencies.
- 2.3 Pooled funds are managed at the discretion of the external fund managers associated with each fund. It should however be noted that whilst the funds are externally managed, the decision as to whether to invest lies solely with the Council in accordance with its Treasury Management Strategy.
- 2.4 Officers involved in treasury activities have attended Arlingclose treasury management meetings on investment security, liquidity and yield during the 6 months to 30th September 2017.

3 ECONOMIC BACKGROUND

- 3.1 A detailed market commentary provided by Arlingclose is provided at Appendix A to this report.
- 3.2 The commentary makes specific reference to the Markets in Financial Instruments Directive (MiFID II) regulatory update, for which Rushmoor meets the conditions to opt up to professional status. Arrangements to achieve this status have been made.
- 3.3 In addition, the last section of Appendix A discusses the CIPFA Consultation on Prudential and Treasury Management Codes. The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to Full Council, which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in the Full Council report, but other indicators may be delegated to another committee.

4. BORROWING ACTIVITY IN 2017/18

- 4.1 At the start of the current financial year the Council had actual external debt amounting to £14.6m, composed of £2.6m Enterprise M3 LEP monies and the remainder (£12m) borrowed short-term from two UK local authorities.
- 4.2 An element of the Enterprise M3 LEP amount was repaid in the first half of the year leaving £2.1m outstanding, and total borrowing at the mid-point of the financial year therefore amounted to £14.1m. Actual capital expenditure has not significantly progressed in the first half year, and £5m of the local authority borrowing has been repaid early in October 2017, just after the mid-point of the financial year 2017/18.
- 4.3 It should be noted that the Council enjoys an element of revenue cash buoyancy for the first ten months of each financial year. This is due to the timing of council tax and NDR income receipts matched against outgoing precepts and demands from HCC and government bodies.

- 4.4 The volume of capital expenditure is however likely to accelerate during the second half of the financial year, and some additional borrowing within the second half of the year to service this expenditure will be required.
- 4.5 The Council's Authorised Limit for external debt was increased to £50m in 2017/18 within the Annual Treasury Management Strategy revisions discussed in paragraph 1.3 of this report. This limit was set in relation to the 2017/18 approved capital programme. However, the actual amount of external borrowing at the end of the current financial year will depend largely on the overall volume of capital expenditure that will actually be incurred.

5. INVESTMENT ACTIVITY IN 2017/18

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles. The graph at Appendix B has been produced by Arlingclose and demonstrates that during the six months to 30th September 2017 the Council's returns on total investment portfolio were in excess of 2.5%. This return is down compared to the total investment returns generated during the previous financial year (2016/17 2.9%). The current half-year performance is however good when benchmarked against the average of 1.1% yield for all 135 Arlingclose local authority clients. A small number of other Councils with similar sized internal and external portfolios are marked on the graph to enable performance comparison.

5.2 Pooled Funds

Pooled Fund Capital Growth As these are long-term investments (3-5 year window) Finance staff monitor the capital value of these investments on a monthly basis.

Arlingclose continue to confirm, "we review all our advised funds regularly, and if we think the fund manager is under performing, or the fund holdings are no longer suitable for clients, then we will advise you to sell".

Pooled Fund Income Returns – The income returned by fund for the period to 30th September 2017 is analysed below (all percentage returns quoted below are measured at 12-month running averages):

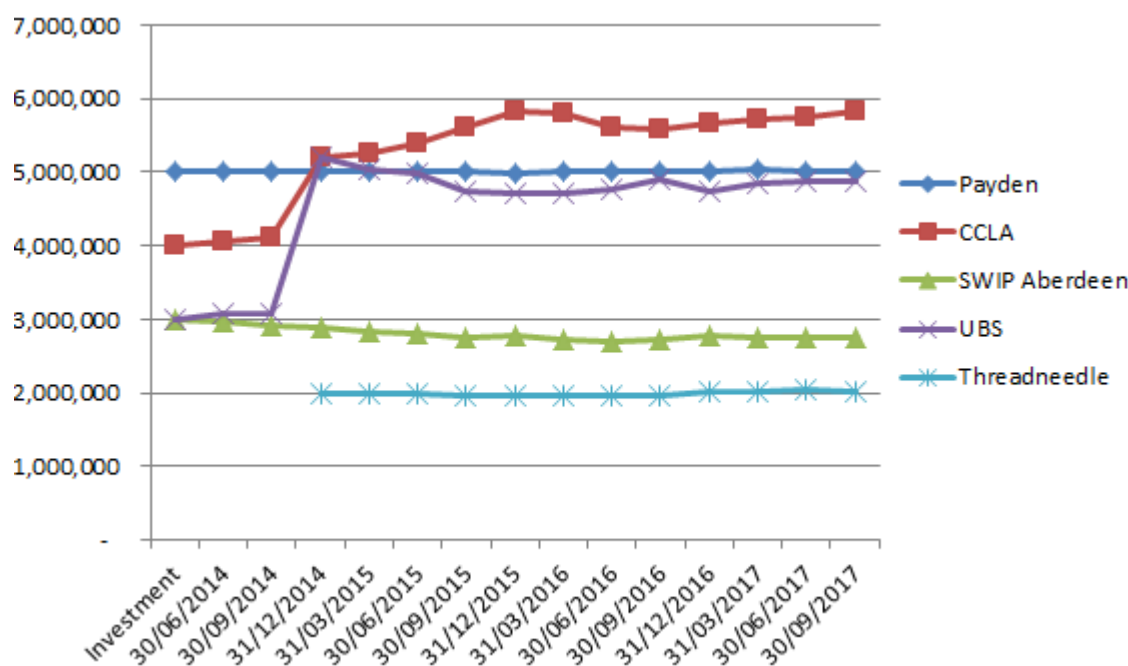
- £5 million investment with Payden & Rygel's Sterling Reserve Fund. The Fund seeks to provide capital security, liquidity and income through investment in Sterling denominated investment-grade debt securities. The fund has provided a 0.84% income return performance.
- £5 million investment with CCLA's Local Authorities' Mutual Investment Trust. The Property Fund is designed to achieve long-term capital growth and income from investments in the commercial property sector. The fund has provided a 4.86% income return performance.

- £3 million investment with Aberdeen Target Return Bond Fund. This fund aims for a target total return of 3-5% from a combination of investment income or capital appreciation. The fund has provided a 2.23% income return performance.
- £5 million investment in the UBS Multi-Asset Income Fund. This Fund follows a strategy of reducing volatility exposure levels by spreading investments across a diversified range of asset classes. The fund has provided a 3.72% income return performance.
- £2 million investment in the Columbia Threadneedle Strategic Bond Fund. This Fund aims to provide income and capital appreciation through investment grade and high yield bonds. The fund has provided a 4.32% income return performance.

5.3 The history of market valuations for each of the Council's pooled funds is given in the table that follows. CCLA continues to perform well. SWIP Aberdeen is under-performing.

HISTORY OF MARKET VALUATIONS FOR THE COUNCIL'S POOLED FUND INVESTMENTS

Amounts in £



5.4 **Bonds** – debt instruments in which an investor lends money for a specified period of time at a fixed rate of interest. **Covered Bonds** are conventional bonds that are backed by a separate group of loans (usually prime residential mortgages). When the covered bond is issued, it is over collateralised, with the pool of assets being greater than the value of the bond. The use of covered bonds has allowed the Council to actively move away from unsecured bank deposits, hence reducing exposure to bail-in. During the first half year 2017/18, the Council had not negotiated any additional bond investments in excess of continuation of its investment in the following covered bonds held at the commencement of the financial year. Note that the information below relates to bonds issued by building societies (listed at their nominal value):

- £1 million Yorkshire BS at a fixed rate of 1.33% (until Apr 18)
- £1 million Yorkshire BS at a fixed rate of 1.18% (until Apr 18)
- £2 million Leeds BS at a fixed rate of 1.47% (until Dec 18)
- £1 million Leeds BS at Libor + 0.27% (until Feb 18)

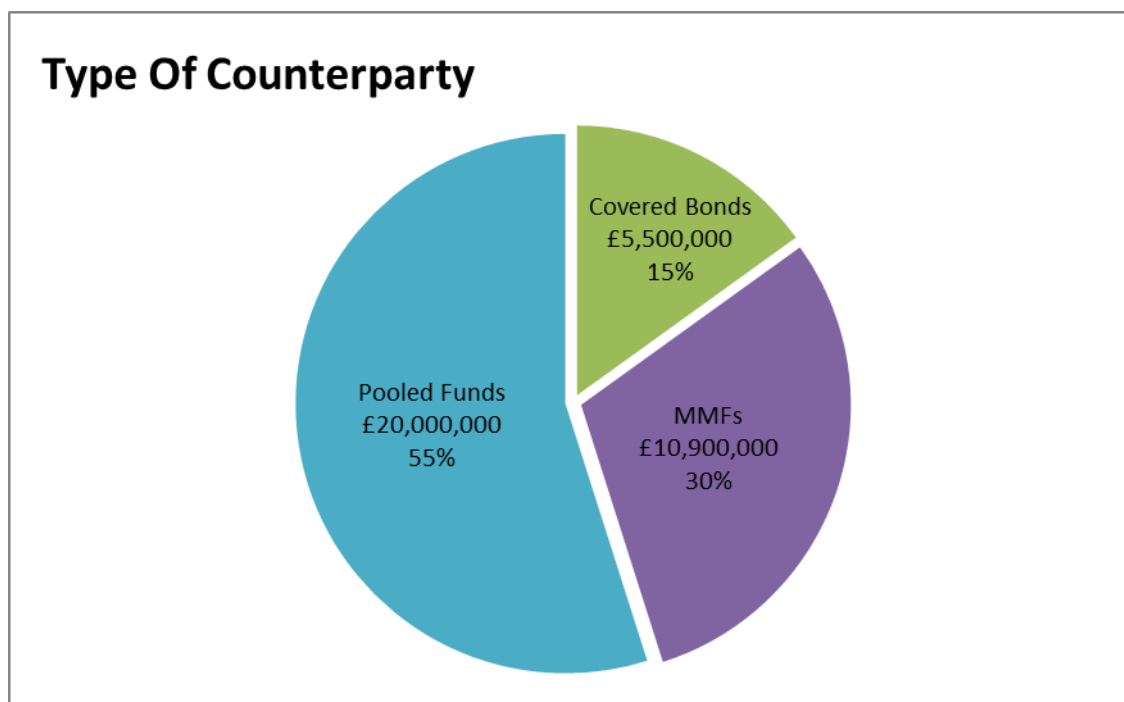
Other Investments – The Council continues to maintain some diversity in its portfolio by holding the following in institutions other than UK banks:

- Various temporary investments across a range of approved unsecured banks and building society counterparties all for durations of 6 months or less at rates ranging between 0.11% - 0.19% (as measured towards the end of the first half-year 2017/18). These temporary investments assist the Council to achieve essential cash liquidity on a daily basis. At the mid-point of the year 2017/18, the holding amounts to £10.9m.

5.5 **All Investments** – The table that follows summarises deposit/investment activity during the 6-month period to 30th September 2017. Overall, there was an increase of £2.9m invested during the period.

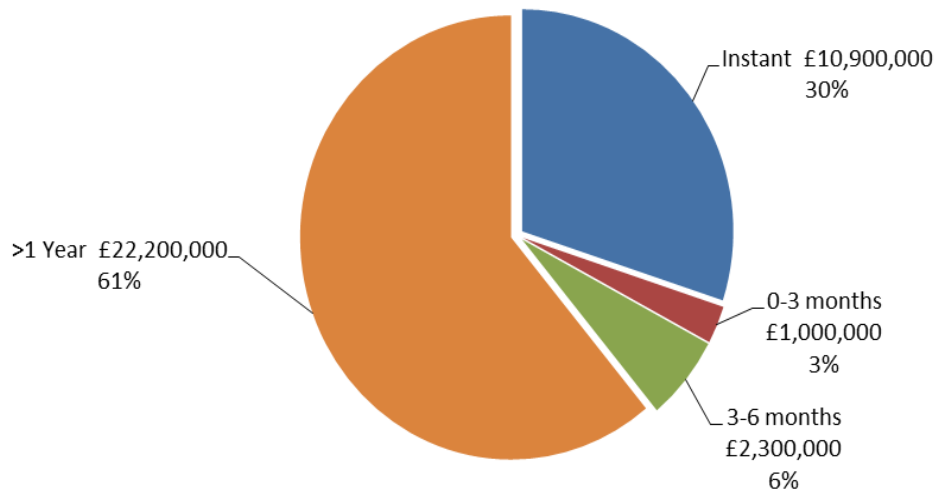
Investment Counterparty	Balance at 01/04/17 £m	Investments Made £m	Maturities/ Investments Sold £m	Balance at 30/09/17 £m	Avg Rate % and Avg Life (yrs)
UK Local Authorities	2.0	-	(2.0)	-	-
UK Banks and Building Societies (unsecured):					
Short-term	-	-	-	-	-
Long-term	-	-	-	-	-
Foreign Banks	-	-	-	-	-
Covered Bonds	6.5	-	(1.0)	5.5	Yields ... Libor + 0.27%, 1.18%, 1.33% & 1.47%
AAA-rated Money Market Funds and short-term bank investments	5.0	Net increase in investment of 5.9	Activity in & out on a daily basis, resulting in a net increase in the period	10.9	Varies daily Average 0.16%
Pooled Funds:					
• Payden	5.0	-		5.0	0.84%
• CCLA	5.0	-		5.0	4.86%
• SWIP Aberdeen	3.0	-		3.0	2.23%
• UBS Multi Asset	5.0	-		5.0	3.72%
• Threadneedle	2.0	-		2.0	4.32%
TOTAL INVESTMENTS	33.5	5.9	(3.0)	36.4	

5.6 The following pie charts illustrate the spread of investments by counterparty along with a maturity analysis. These illustrate continued diversity.



Maturity Analysis for ALL INVESTMENTS as at 30th September 2017	Amount invested £	% of total investments
Instant	10,900,000	30
0-3 months	1,000,000	3
3-6 months	2,300,000	6
6-9 months	-	-
9-12 months	-	-
> 1 year	22,200,000	61
Total for all duration periods	36,400,000	100

Maturity Analysis



6 CREDIT RISK (Credit Score Analysis)

- 6.1 Counterparty credit quality is assessed and monitored by reference to credit ratings. Credit ratings are supplied by rating agencies Fitch, Standard & Poor's and Moody's. Arlingclose assign values between 1 and 26 to credit ratings in the range AAA to D, with AAA being the highest credit quality (1) and D being the lowest (26). Lower scores mean better credit quality and less risk.
- 6.2 The advice from Arlingclose is to aim for an A-, or higher, average credit rating, with an average score of 7 or lower. This reflects the current investment approach with its focus on security. The scores are weighted according to the size of our deposits (value-weighted average) and the maturity of the deposits (time-weighted average).
- 6.3 The table below summarises the Council's internal investment credit score for deposits during the 6-month period to 30th September 2017. The Council's scores fall comfortably within the suggested credit parameters. This represents good credit quality deposits on the grounds of both size and maturity.

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
Q4 2015/16	3.02	AA	1.50	AAA
Q1 2016/17	4.74	A+	5.45	A+
Q2 2016/17	2.88	AA	1.57	AA+
Q3 2016/17	2.91	AA	1.38	AAA
Q4 2016/17	2.97	AA	1.21	AAA
Q1 2017/18	3.08	AA	1.08	AAA
Q2 2017/18	3.46	AA	1.03	AAA

- 6.4 **Interest Rate Exposure:** This indicator is set to monitor the Council's exposure to the effects of changes in interest rates. The indicator calculates the relationship between the Council's net principal sum outstanding on its borrowing to the minimum amount it has available to invest. The upper limits on fixed and variable rate interest rate exposures expressed as the amount of net principal borrowed is shown in the table that follows.

At 30th September 2017 the Council's total net position on principal sums invested amounts to £36.4m (investments) offset by £14.1m (fixed rate borrowing) resulting in a (net) amount of £22.3m.

Interest Rate Exposure	2017/18 Approved Limit	End of Q2 2017/18 Actual
Upper limit on fixed interest rate exposure – represented by the maximum permitted net outstanding principal sum borrowed at fixed rate – Note that a negative indicator represents net investment	-£16m	£2m
Upper limit on variable interest rate exposure – represented by the maximum permitted net outstanding principal sum borrowed at variable rate – Note that a negative indicator represents net investment	-£25m	-£24m

At the mid-point of the financial year 2017/18 the upper limit on fixed rate exposure is now a positive figure, composed of fixed rate investments (£12m) net of outstanding borrowing (£14m) resulting in +£2m. As the Council still has more variable rate funds available to invest and has no variable rate borrowing the above variable rate indicators result in negative figures.

- 6.5 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing are given in the table below:

	Upper	Lower	End of Q2 2017/18 Actual Performance
Under 12 months	100%	0%	85%
12 months and within 24 months	100%	0%	6%
24 months and within 5 years	100%	0%	9%
5 years and within 10 years	100%	0%	-
10 years and above	100%	0%	-

At 30th September 2017, the Council's external borrowing amounts to £14.1m. The maturity duration percentages expressed in future time periods are related to the tiered repayment structure for the Enterprise M3 LEP.

- 6.6 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. Performance against the limits on the total principal sum invested to final maturities beyond the period end is:

	2017/18 Approved Limit	End of Q2 2017/18 Actual Performance
Limit on principal invested beyond year end at any one time	£50m	£22m

7 COMPLIANCE

- 7.1 All treasury management activities undertaken during the first half of 2017/18 fully complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

8 FORWARD LOOK

- 8.1 The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e. after inflation) struggles in the face of higher inflation.
- 8.2 In relation to the pooled funds, Arlingclose advise that the Council should consider selling units of poor performing holdings. The resulting cash to be utilised to purchase units in another pooled fund that is judged to be producing improved returns.
- 8.3 The UK Bank Rate was increased to 0.50% (from 0.25%) on 2nd November 2017. The Council's advisors central case estimate is for the Bank Rate to remain at 0.5%.
- 8.4 Treasury management decision making is now progressively developing with regard to incurring additional external borrowing to service the Council's capital expenditure plans.

9 BUDGETED INCOME & OUTTURN

- 9.1 The Council's full year 2017/18 budgeted investment income interest is now estimated to be £837,000, compared to the original budget for the year of £839,000. In addition, borrowing interest costs for the current year are estimated to be £40,000, compared to a budget of £51,000 contained in the original budget for 2017/18. This information is contained in the Cabinet report "Revenue Budget Monitoring and Forecasting position at October 2017" for 14th November 2017.

10 CONCLUSIONS

- 10.1 The Council's treasury team continues to concentrate on the security of deposits/investments while keeping a keen regard on the income returns available. It is estimated that the Council's commitment towards capital expenditure in the current year will raise the level of external borrowing at the end of the year.
- 10.2 Further capital expenditure in 2018/19 and future years will require further additional borrowing. Higher yielding pooled fund investments will be retained for as long as possible, as their redemption in the future to raise cash for capital purposes will cause significant revenue effects in relation to the loss of investment income. The Council continues to seek to diversify its investments in order to maximise returns and to safeguard the Council's treasury management position.
- 10.3 The Treasury and Prudential indicators were originally set at Full Council on 23rd February 2017 as part of the Treasury Management Strategy. This Strategy was subsequently further revised and approved at Council 27th July 2017. The Council can confirm that it has complied with its Treasury and Prudential Indicators for 2017/18.

Background papers:

CIPFA Prudential Code 2011 (Printed edition 2013)

CIPFA Code of Practice - 'Treasury Management in the Public Services'

Loans and Investments records

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External Context

Economic backdrop: Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner-occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

One month after the mid-point of 2017/18 and in a 7 – 2 vote, the MPC increased the Bank Rate in line with market expectations to 0.5%. Further potential movement in the Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting that inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%,

0.30% and 0.65% over the period from January to 21st September.

Credit background: UK bank credit default swaps continued their downward trend, reaching three-year lows by the end of June. Bank share prices have not moved in any particular pattern.

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Regulatory Updates

Markets in Financial Instruments Directive (MiFID II): Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is "suitable" for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to

complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

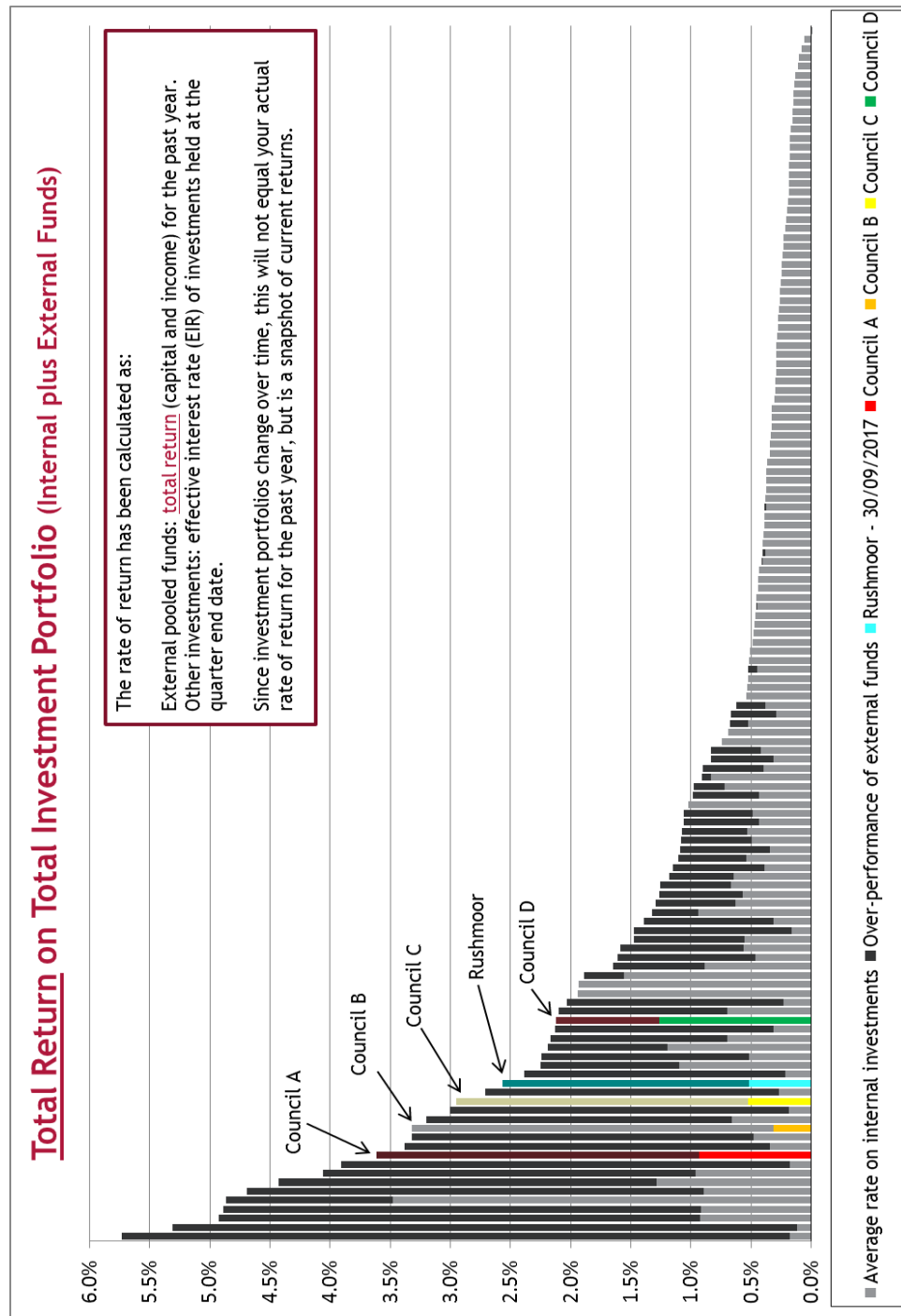
The Authority meets the conditions to opt up to professional status and has made arrangements to achieve this status in order to maintain their current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017, CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to Full Council, which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a Committee rather than needing approval of Full Council. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.



For comparison, Rushmoor's previous rate of return is as follows:

Quarter Ending	Average Rate of Investments (Total Portfolio)
30/09/2017	2.56%
30/06/2017	3.24%
31/03/2017	2.86%
31/12/2016	2.28%
30/09/2016	2.60%

This Appendix shows the actual prudential indicators relating to capital and treasury activities for the first half of 2017/18 and compares these to the indicators set in the Annual Treasury Management Strategy for the year. This Strategy was originally approved by Full Council on 23rd February 2017, and subsequently further revised and approved at Full Council 27th July 2017.

The amounts stated within the 2017/18 Projected column cells are the same as reported in Appendix B of the Capital Programme Monitoring Position at October 2017 at Cabinet 14th November 2017.

1.1 Prudential Indicators

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing is summarised as follows.

Capital Expenditure and Financing	2017/18 Estimate £m	2017/18 Projected £m	2018/19 Estimate £m	2019/20 Estimate £m
General Fund	30.945	36.988	2.026	2.161
Total Expenditure	30.945	36.988	2.026	2.161
Capital Receipts	4.600	4.800	0.500	0.500
Capital Grants & Contributions	3.285	4.938	1.331	1.431
Revenue	-	-	-	-
Prudential Code Borrowing	23.060	27.250	0.195	0.230
Total Financing	30.945	36.988	2.026	2.161

Estimates of Capital Financing Requirement:

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

Capital Financing Requirement	31.03.18 Estimate £m	31.03.18 Projected £m	31.03.19 Estimate £m	31.03.20 Estimate £m
General Fund	29.6	33.8	33.8	33.7
Total CFR	29.6	33.8	33.8	33.7

The CFR amounts provided above are provided in relation to the TMSS for 2017/18 incorporating items within the 8-Point Plan with regard to "Invest to Save" schemes.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed

the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.18 Estimate £m	31.03.18 Projected £m	31.03.19 Estimate £m	31.03.20 Estimate £m
Borrowing	37.0	40.0	43.0	42.0
Total Debt	37.0	40.0	43.0	42.0

During 2017/18, the Council is expecting to continued make use of a revolving infrastructure fund from the Local Enterprise Partnership (M3 LEP).

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst-case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2017/18 Estimate £m	2017/18 Projected £m	2018/19 Estimate £m	2019/20 Estimate £m
Borrowing	47.0	47.0	50.0	47.0
Total Debt	47.0	47.0	50.0	47.0

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

Authorised Limit	2017/18 Estimate £m	2017/18 Projected £m	2018/19 Estimate £m	2019/20 Estimate £m
Borrowing	49.0	49.0	51.0	50.0
Other long-term liabilities	1.0	1.0	1.0	1.0
Total Debt	50.0	50.0	52.0	51.0

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed

capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Estimate %	2017/18 Projected %	2018/19 Estimate %	2019/20 Estimate %
General Fund	-6	-6	0	4

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2017/18 Projected £	2018/19 Estimate £	2019/20 Estimate £
General Fund - increase in annual band D Council Tax	-6.75	-6.75	-18.31	-18.19

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Cabinet
12 December 2017

Councillor Martin Tennant
Environment and Service Delivery
Portfolio Holder
Report No. COMM1722

Key Decision - No

FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND

Summary and Recommendation

The Environment and Service Delivery Portfolio holder has considered one application and has awarded £8,496, which Cabinet is recommended to approve.

1. Introduction

1.1 This paper seeks approval to award a grant from the Farnborough Airport Community Environmental Fund to assist a local project.

2. Background

2.1 The Community Environmental Fund commenced in 2001. It is levied by Farnborough Airport on business aviation movements at a rate of £2 per aircraft movement and £5 per aircraft movement where the aircraft is a Boeing business jet or an Airbus A310 corporate jet.

2.2 The fund is available to groups and organisations under the following criteria:

- Located within 5 kilometres (3 miles) from the centre of Farnborough Airport (taken to be halfway down the main runway) and is demonstrably and regularly affected by aircrafts travelling to and from Farnborough Airport
- Will result in the improvement or provision of an outdoor facility or area that is accessible to the public and able to be enjoyed by the community as a whole
- Is a community or environment based bid, projects may include: -
 - Green or open spaces
 - Natural habitats
 - Environmental improvements or outdoor play
 - Community projects with an emphasis on improving the local environment or outdoor education

3. Details of Bids

3.1 The Cabinet Member for Environment has considered one application (Appendix A) and has made an award recommendation:

• Friends of Ancells Farm	£8,496
Total	£8,496

4. Financial Implications

4.1 The Community Environmental Fund is currently £22,076. Taking the application recommended in this paper of £8,496 would leave £13,580 available for allocation.

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Head of Service

Peter Amies – Head of Community and Environmental Services
Peter.amies@rushmoor.gov.uk / 01252 398763

Background Documents:

Completed application form - Appendix A

Environment Fund applicant bid	
Name & address of Applicant	Friends of Ancells Farm (FOAF) Ancells Farm Park, Farm Drive, Fleet GU51 2XF
Grant requested (Total cost of project)	£8,496 (£17,296)
Purpose of grant	A secure and beautiful play area for Ancells Farm Park: <ul style="list-style-type: none"> • Planting around new entrance areas - £1,806 • Hedge planning - £290 • Two small bridges over two drainage ditches - £6,400
Previous grants from this fund	None
Distance from centre of runway (within 5 kilometres/3 miles)	Within distance
Other sources of funding for this project	<p><u>Secured:</u> £423 – Fundraising £400 – Own funds £750 – HCC councillor grant £177 – Hart Lottery Free 130 saplings from the Woodland Trust Free 500 bulbs from Fleet Rotary</p> <p><u>Unsecured:</u> £600 – Hart Lottery £800 – Fundraising events (Feb/April 2018) £2,500 – Fleet Town Council installation costs £1,750 – Community involvement & donations £1,400 – other sources</p>
Accounts	Income: £2,639 Expenditure: £4,706 Balances: £444
Additional Info	<p>The project aims to create colourful and welcoming park entrances whilst improving biodiversity and accessibility for all.</p> <p>At the park entrances, brambles will be removed and replaced with a wide variety of flowering plants and shrubs, encouraging wildlife and biodiversity. 130 donated saplings will be planted to fill in the gaps and extend the existing hedging, providing a 'wildlife corridor' helping creatures such as hedgehogs and dormice move safely through the landscape, guiding them away from the roadside, whilst creating a barrier against vehicle noise.</p> <p>Within the woodland two small bridges will be built to cross two drainage ditches to stop temporary crossings being made and then blocking the ditches, impacting on the drainage and disturbing the existing environment.</p> <p>The park is used by local residents (1700 households), businesses and the wider community.</p>
Aim of organisation/group	FOAF was founded in December 2010 by local residents who were concerned about the condition of the children's play park. The aims of the group are to improve green spaces on Ancells Farm (the park, sports field, woods and other planted or grassed communal areas) through maintaining and enhancing the structural biodiversity, amenity and wildlife value of our green areas, whilst fostering community spirit.
Application recommendation	£8,496

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CABINET
12 December 2017

COUNCILLOR MARTIN TENNANT
ENVIRONMENT AND SERVICE DELIVERY
PORTFOLIO HOLDER

COUNCILLOR MAURICE SHEEHAN
LEISURE AND YOUTH PORTFOLIO HOLDER

KEY DECISION? YES

REPORT NO. COMM 1721
REPORT NO. PLN1739

**SOUTHWOOD GOLF COURSE - CONSULTATION ON THE OPTION TO
CREATE A MAJOR NEW PARKLAND AND DELIVER SUITABLE
ALTERNATIVE NATURAL GREENSPACE (SANG)**

SUMMARY AND RECOMMENDATIONS:

In the absence of the Council being able to identify adequate deliverable SANG to support the delivery of new homes in the Borough, there is a significant risk to the Council's ability to secure an up to date Local Plan. This will in turn put at risk the ongoing regeneration of the town centres and delivery of affordable and other housing.

Securing SANG is difficult due to the predominantly urban nature of the Borough. Existing SANG capacity in Rushmoor (excluding the Wellesley bespoke SANG) is exhausted, so the Council is working with neighbouring authorities and other landowners to try to secure additional SANG.

At its meeting on 25th July 2017, Cabinet agreed to consult on the option to close the Southwood Golf Course and create a major new parkland to deliver SANG. The consultation ran during August and September 2017.

From the consultation, 61% of respondents supported keeping the Golf Course open. Comments included that it is the best public course in the area, affordable, well used, provides health and social benefits, and being flat it is easy to play.

For "known" residents, 50.6% of respondents supported closing the Golf Course and turning it into natural parkland. Comments included the need for more parkland, which will benefit more people and allow more housing in the Borough.

Access has recently been offered to SANG in Hart through a written exchange with Hart District Council to enable mitigation for 3,600 people (around 1,500 dwellings) in Rushmoor. In addition, a planning application has been received for the creation of a SANG on land at Blandford House. However, the Council still requires SANG to mitigate around a further 900 dwellings, in particular with enough reach to support the regeneration of Aldershot Town Centre.

A joint meeting of the Environment and Leisure and Youth Policy Review Panels on 7th November 2017 (minutes attached Appendix 1), received feedback from the recent consultation (report attached Appendix 2), on the option of converting the Southwood Golf Course into natural open parkland, which would deliver SANG for around 2,500 dwellings across the Borough. Representations from individuals and groups in favour of keeping the Southwood Golf Course open were also considered.

At the time of the Panel meeting, a petition had also been received from the Save Our Southwood Campaign Team, which will be presented at Full Council on 7th December 2017, and feedback from Full Council will be considered at this Cabinet meeting.

A number of options were considered at the Joint Panel meeting, including:

- Close the Southwood Golf Course to provide guaranteed SANG to support the regeneration of the town centres particularly Aldershot, additional Borough wide housing and provide open parkland available for everyone to use for walking, cycling and informal recreation.
- Explore the feasibility of providing a self-funding nine hole Golf Course and the release of sufficient SANG to enable the regeneration of the Aldershot Town Centre and housing development to the south of the Borough.
- Retain the Southwood Golf Course and continue to look for alternative SANG, recognising this could either, prevent, limit or slow the regeneration of Aldershot Town Centre and housing development to the south of the Borough.

As a result of the debate at the Panel meeting, the following proposal was agreed by the Joint Panel for recommendation to Cabinet:

“That the decision regarding the future of the Southwood Golf Course be deferred for twelve months while all other options be pursued to include:

- Lobbying Government
- Seeking special dispensation for the area of Rushmoor in the way it is treated for SANG land: and
- Examination of alternative SANG provision to provide the necessary mitigation for housing development in Rushmoor.”

Recommendation

Cabinet is recommended to consider the following in determining what action is to be taken for the future of the Southwood Golf Course:

- The Council's ability to secure an up to date Local Plan and the ongoing regeneration of the town centres and affordable and other housing, which is reliant on securing sufficient SANG
- The deliberations and recommendation from the Joint meeting of the Environment and Leisure and Youth Policy Review Panels
- The feedback from the consultation
- The Full Council debate and consideration of the petition.

1. INTRODUCTION

- 1.1 This paper provides feedback from the consultation on the option to close the Southwood Golf Course and create major new parkland to deliver Suitable Alternative Natural Greenspace (report attached) and an update on the current position regarding SANG. Feedback is also provided on the joint meeting of the Environment and Leisure and Youth Policy Review Panels held on 7th November 2017 (minutes attached) where they considered the background to the issue, and the recent consultation. They also received representations from individuals and groups in favour of keeping the Southwood Golf Course open.
- 1.2 One of the Council's key priorities is to help deliver the regeneration of the Borough's town centres, whilst at the same time providing much needed new housing to meet existing and future needs. The new Local Plan¹ is the framework that will guide the scale, type and location of such development in the Borough.
- 1.3 However, to deliver the housing target in the Local Plan, mitigation must be provided to offset the potential recreational impact on the Thames Basin Heaths Special Protection Area arising from new homes in the Borough.

2. BACKGROUND

- 2.1 One element of the "mitigation" required to enable net new residential development in the Borough is the delivery of SANG which must be newly accessible areas of open space where the public can pursue informal

¹ The Draft Submission Rushmoor Local Plan is available to view at:
www.rushmoor.gov.uk/newlocalplan

recreational activities that are free of charge. The aim of SANG is to dissuade residents from using the heathland with its protected plants and wildlife which falls within and around the Borough.

- 2.2 The Council has used its own SANG at Southwood Woodland and Rowhill Nature Reserve, and is working with its neighbouring local authorities and other landowners to try to secure additional SANG capacity. However, this is proving difficult due to the predominantly urban nature of the Borough, compounded by the fact that nearly all of the undeveloped land in the Borough is either Special Protection Areas, Sites of Important Nature Conservation Value, Sites of Special Scientific Interest, MoD estate, or within Farnborough Airport's operational boundary.
- 2.3 Natural England has raised objection to the Draft Submission Local Plan on the basis that it is concerned that adequate SANG land has not been identified in the Local Plan to deliver the housing target. Without this provision, Natural England is of the opinion that the Local Plan would struggle to meet the requirements of the Habitats Regulations. This in turn affects the delivery of the Plan and thus the soundness of this Plan when it gets to Examination.
- 2.4 The Council has not used the absence of suitable SANG to constrain its housing target, as this is not deemed to be an appropriate approach by Planning Inspectors. Moreover, the Council has worked tirelessly for the last 10 years to identify and deliver SANG opportunities in and around the Borough, and it continues to do so.
- 2.5 As SANG opportunities take time to identify and implement, the Council is of the view that it is unreasonable to expect it to have identified all SANG solutions at the outset of the Plan period. However, in the absence of it being able to demonstrate adequate, deliverable SANG, there is still a significant risk that Natural England will maintain its objection to the Local Plan through the Examination. As this objection does go to the heart of the soundness of the Local Plan, without adequate progress on identifying suitable and deliverable SANG opportunities, this could put the Local Plan at risk. The knock on effect of this would potentially be the failure to secure an up to date Plan to guide future development in the Borough, putting at risk the strategy therein, including the ongoing regeneration of the Borough's town centres and the delivery of affordable and other housing.
- 2.6 The housing need for the Borough to 2032 is at least 7,850 dwellings, although up to date completions data suggests capacity could be around 9,032 units by 2032. In delivering these new homes, there are already 836 completions and 4,978 permissions with SANG allocation, as well as around 300 dwellings awaiting planning permission, with specific SANG allocations. There is also mitigation from the shared SANGs in Hart District, for up to 3,600 people (around 1,500 dwellings).
- 2.7 A planning application has been received for the creation of 13.7 hectares of SANG at Blandford House. Accounting for the accompanying

residential development proposed on the site, this could enable mitigation for up to 547 dwellings in and around Aldershot. However, this SANG would again be outside the Council's control. Even if the surplus SANG was made available to schemes in and around Aldershot, based on existing estimates of the scale and location of new residential development in Aldershot over the Plan period, there would still be a shortfall in SANG mitigation for Aldershot sites equivalent to around 740 dwellings.

- 2.8 In addition, even with the recently written exchange to enable access to SANG capacity in Hart, it is estimated that there could be a shortfall in SANG mitigation for Farnborough schemes of around 150 units. In total, accounting for the shared SANG with Hart and the delivery of the Blandford House SANG, there would still be a shortfall of suitable SANG to mitigate the impact of around a further 900 dwellings.
- 2.9 There are currently 1,200 people on the Council's housing allocation scheme, of which 75% are likely to have income below £20k pa and therefore require some form of affordable housing. In 2016/17, 140 people presented as homeless and the Council supported over 400 homelessness prevention cases. There is a net affordable housing need of around 160 dwellings pa.
- 2.10 The indicative timetable for the Aldershot Town Centre allocations up to 2021 is 300 dwellings for The Galleries, 60 dwellings for Union Street East, 30 dwellings for the Aldershot Railway Station and surrounds and 70 dwellings for Hippodrome House. A further 200 dwellings are required for The Galleries and 70 dwellings for Union Street East up to 2026.
- 2.11 In terms of other SANG opportunities, the Council has explored options at Ball Hill in Farnborough, and at Farnham Quarry. However, neither of these are viable at present due to landowner aspirations and the requirements set by Natural England regarding the characteristics and capacity of SANG land. In addition, efforts to secure SANG at Tongham Pools have been ongoing for the last 10 years, although likely mitigation would only be for around 150 dwellings, and due to land ownership constraints, the delivery of this SANG looks very unlikely. The Council is also exploring with Natural England whether there is any surplus SANG capacity at the bespoke Wellesley Woodlands SANG, however, initial indications from Natural England have been that this would only be feasible if the existing SANG were to be supplemented by additional land. It should be noted that none of these SANG options are within the Council's ownership or control.

3. Southwood Golf Course Option

- 3.1 Natural England has indicated that if the Southwood Golf Course were to be closed and used instead as parkland, this would provide enough SANG for around 2,500 new homes to be built on other land in the Borough. At the same time, it would deliver a major new parkland available to all the Borough's residents. The cost of developing and maintaining in perpetuity this SANG would be met through contributions from developers.

- 3.2 Natural England will require a proposal document and management plan to identify both the capital and revenue costs associated with looking after the Southwood Golf Course as a SANG. This will include a survey to identify current levels of informal use and a flood risk assessment. This will enable Natural England to determine how much of the current 50 hectares could be included as SANG. This would link to the adjoining Southwood Woodland to create a large public parkland serving the immediate community of Southwood and the wider community of Rushmoor. The future use of the buildings on the Golf Course would also be considered as part of this project.
- 3.3 The SANG would be used for, informal leisure activities such as walking dogs, cycling, fitness and nature trails, green gym, natural play structures, orienteering, community orchard, a small allotment garden and a local educational resource. The provision of some of these may affect the size of available SANG. It would also provide a local educational resource.
- 3.4 Southwood provides an 18 hole public golf course with clubhouse and is operated by a contractor on behalf of the Council. The tender is due for renewal in early 2019. The Council recognises the social, sporting and health benefits that the Golf Course provides for its casual players, season ticket holders, club members and societies. At its peak, the Course attracted around 40,000 rounds of golf but this has reduced significantly to around 25,000 rounds and costs the Council £40,000 pa.
- 3.5 There are a number of alternative golf courses within a 10-mile radius, which generally accept new members and casual play, but these are more expensive (table attached Appendix 3).

Alternative Options

- 3.6 As a constrained urban authority, options to create SANG are finite. The Council has already used both its main woodlands at Rowhill and Southwood for SANG. The Council is also working with neighbouring authorities to share the mitigation offered by new SANG sites in their areas.
- 3.7 The Council could lobby the Government and try to seek special dispensation for the area of Rushmoor in the way it is treated for SANG land.
- 3.8 The Council could explore the feasibility of providing a self-funding nine hole golf course at the Southwood Golf Course and release sufficient SANG to enable the regeneration of the Aldershot Town Centre and housing development in the south of the Borough.
- 3.9 The Council could retain the Southwood Golf Course and continue to look for alternative SANG, recognising this could either, prevent, limit or slow the regeneration of Aldershot Town Centre and housing development to the south of the Borough.

Consultation

- 3.10 Consultation, which was widely promoted, took place throughout August and September 2017 using an online survey with paper copies available as required. Considerable interest was shown from golfers, local residents and the media. The Council received 2,413 responses, the details of which are shown in the attached report.
- 3.11 From the consultation, 61% (1,472 respondents) supported keeping the Golf Course open. Comments from those wanting to keep the Golf Course included:
- it is affordable (321 respondents);
 - there is plenty of other open space (173 respondents);
 - it provides health benefits (171 respondents);
 - is the best public course in the area (162 respondents);
 - is well used (161 respondents);
 - that no more housing wanted and concern about infrastructure (143 respondents);
 - it provides social benefits (141 respondents);
 - being flat it is easy to play (128 respondents).
- 3.12 For known residents, 50.6% (766 respondents) supported closing the Golf Course and turning it into natural parkland. Comments from those wanting to close the Golf Course included:
- the need for more parkland (262 respondents);
 - parkland will benefit more people than the golf course (207 respondents);
 - issues with the subsidy for the golf course (83 respondents);
 - would allow more housing in the Borough (80 respondents);
 - there are plenty of other places around for golf (57 respondents).
- 3.13 If the Golf Course were to close 41.7%, (554 respondents) indicated they would give up playing golf, 29.4% (391 respondents) would play on another course less often and 28.9% (385 respondents) would play at another course about the same number of times or more. The majority of golfers played a few times a week to once or twice a year.
- 3.14 If new natural parkland was created at the Southwood Golf Course the most popular uses were open space for walking and dog walking (54.1%), natural trails (51.4%), cycle paths (44.4%), natural play structures (40.1%) and fitness trails (36.9%). "Other" accounted for 47.2% with 944 comments which were primarily to keep the Golf Course (414 respondents) and would not use the parkland (170 respondents).

Petition

- 3.15 A petition (2,366 petitioners) was received from the Save Our Southwood Campaign Team, which will be considered at Full Council on 7th December 2017, the feedback from which will also be considered at this Cabinet meeting.
- 3.16 The petitioners accepted the need for additional housing but believe there are other ways of achieving the housing targets. They believe the Council has enough SANG provisioned or targeted to meet requirements up to 2032.
- 3.17 Their view is that the Golf Course is vital for the health and wellbeing of its users, through physical activity and social benefits. It is also accessible for all ages and abilities. There are 25,000 rounds played by members and non-members and closure does not guarantee it would be maintained and enjoyed by as many people. It is a beautiful 40-year-old course, which is provided at an affordable price and supports many local charities.

4. Implications of Decision

Legal Implications

- 4.1 If the Council chooses to close the Golf Course and use it for SANG, the existing Golf Course contract should be terminated in 2019. There are no issues arising from an equality impact assessment. Other legal matters that will require attention relate to land ownership issues, including a strip of land on the site, which is in Hampshire County Council's ownership and would benefit from being included in the SANG. The Council may need to seek clarification on Public Rights of Way that cross the site particularly where these do not follow the official route. It will also be necessary to ensure that the SANG does not interfere with the clearance required for the oil pipeline that crosses the site.
- 4.2 Whilst a planning application would not be required to secure permission for change of use of land to public open space, it may be that some associated works, including access and parking, landscaping, walkways, bunding and boundary works to facilitate the SANG, are deemed operational development, and would therefore require planning permission. This may also apply when considering the future use of any buildings.
- 4.3 If, as recommended by the Joint Panel meeting, any decision is delayed, the Council may if the Golf Course is to continue, need to consider an extension to the existing contract to provide sufficient time for retendering.

Financial and Resource Implications

- 4.4 The Council has previously converted both the Southwood Woodland and Rowhill Nature Reserve into SANG. The financial implications associated with the creation of a SANG at Southwood Golf Course will be clarified

through the preparation of a “SANG” proposal document and management plan. The set up and maintenance costs will be covered through the collection of developer contributions associated with net new residential development in the Borough.

- 4.5 The closure of the Golf Course would provide a saving of £40k pa in relation to existing yearly operating costs, assuming the development commences as soon as the existing golf contract ends. As well as facilitating the delivery of new homes in the Borough, there are a number of associated financial benefits. These include around £6m from developers towards the value of the SANG. Consideration could be given to varying charges to incentivise development linked to regeneration and delivery of affordable housing. Under current Government grant funding arrangements, generation of New Homes Bonus could provide a significant sum over a 4 year period, in excess of current projections.
- 4.6 The new homes would also provide for an increased Council Tax yield to the Council of around £350k per annum. There are inevitable costs to be incurred by the Council in relation to its provision of services to these new dwellings that would substantially absorb the additional income raised. However, with careful management of these costs the Council could generate a favourable revenue financial outcome for the future in relation to this development.

5 Conclusion

- 5.1 To continue to help enable the delivery of the regeneration of the Borough’s town centres, particularly Aldershot, and to be able to meet its housing needs as identified in the emerging Rushmoor Local Plan, the Council must identify additional SANG for around a further 900 dwellings, which is proving difficult. In the absence of suitable SANG, Natural England’s objection to the Draft Submission Local Plan will remain in place, and will therefore be heard by the Inspector at the forthcoming Local Plan Examination (scheduled for May 2018). This puts at risk the “soundness” of the Plan, and may leave the Council vulnerable in terms of an up to date planning strategy to guide development, including the ongoing regeneration of the town centres and delivery of affordable and other housing.
- 5.2 The closure of the Southwood Golf Course and its conversion to a major new parkland, available for all residents, provides an opportunity to deliver up to 50 hectares of SANG to enable around 2,500 new homes to be built elsewhere in the Borough. From the results of the consultation, 61% of all respondents supported keeping the Golf Course open, with 50.6% of all “known” residents supporting turning it into natural parkland.
- 5.3 The joint meeting of the Environment and Leisure and Youth Policy and Review Panels on 7th November 2017 recommended the decision on the future of the Golf Course be deferred for a year to enable the Government to be lobbied, to seek special dispensation in the way the Borough is treated in respect of SANG, and to examine alternative SANG provision.

Background documents:

The new Local Plan and supporting documents can be viewed at:

www.rushmoor.gov.uk/newlocalplan

Southwood Golf Course – Consultation on the option to create major new parkland and deliver Suitable Alternative Natural Greenspace. - Cabinet report No COMM 1714 & PLN 1720

Provision of Suitable Alternative Natural Green Space and Southwood Golf Course Consultation Feedback PowerPoint presentation to the joint meeting of the Environment and Leisure and Youth Panels

Further information on the Thames Basin Heaths Special Protection Area can be viewed at: www.rushmoor.gov.uk/spa

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JOINT MEETING OF THE ENVIRONMENT AND LEISURE AND YOUTH POLICY AND REVIEW PANELS

Meeting held on Tuesday, 7th November, 2017 at the Council Offices,
Farnborough at 7.00 pm.

Voting Members

Cllr Mrs. D.B. Bedford (Chairman)
Cllr D.S. Gladstone (Vice-Chairman)

Cllr T.D. Bridgeman
Cllr J.B. Canty
Cllr Sue Carter
Cllr Liz Corps
Cllr P.I.C. Crerar
Cllr K. Dibble
Cllr Sue Dibble
Cllr C.P. Grattan
Cllr A. Jackman
Cllr J.H. Marsh
Cllr Marina Munro
Cllr J.J. Preece
Cllr L.A. Taylor

Apologies for absence were submitted on behalf of Cllr Sophia Choudhary.

1. **APPOINTMENT OF CHAIRMAN**

RESOLVED: That Cllr Mrs. D.B. Bedford be appointed Chairman for the joint meeting of the Environment and Leisure and Youth Policy and Review Panels.

2. **APPOINTMENT OF VICE-CHAIRMAN**

RESOLVED: That Cllr. D.S. Gladstone be appointed Vice-Chairman for the joint meeting of the Environment and Leisure and Youth Policy and Review Panels.

3. **SOUTHWOOD GOLF COURSE - CONSULTATION**

The Joint Panel meeting considered the options for the future of Southwood Golf Course following the completion of the recent consultation. The Joint Panel was asked to make a recommendation to the Cabinet which was scheduled to consider the issue on Tuesday 12th December, 2017. The Cabinet Members for

Leisure and Youth (Cllr M.L. Sheehan) and Environment and Service Delivery (Cllr M.J. Tennant) were in attendance.

The consultation had been carried out due to a requirement for the Council to identify additional Suitable Alternative Natural Greenspace (SANG) to continue to deliver the regeneration of the Borough's town centres and meet housing needs. The purpose of the consultation was to seek views on the option of converting Southwood Golf Course into new natural open parkland which would become SANG and allow for around 2,500 new homes to be built in the Borough.

The Joint Panel received a presentation from the Head of Community and Environmental Services which provided information on the SANG requirement and options in Rushmoor, the background to Southwood Golf Course, results of the consultation process and options for the way forward.

SANG was required as the whole of Rushmoor Borough was located within 5km of the Thames Basin Heath Special Protection Area (SPA). European law required housing developers to provide or contribute towards SANG as an alternative for recreational activities to encourage visitors away from the SPA. Current SANG had diminished with only 23 dwellings left in Rushmoor at the end August 2017. The housing need in Rushmoor from 2014-2032 required a minimum of 7,850 new dwellings. To date 836 had been completed with a further 4,897 permissions granted with SANG allocation. The Wellesley Woodland SANG had been ringfenced for the 3,850 properties in the Wellesley development. To deliver the housing numbers identified in the Local Plan, SANG was required for up to 3,000 new homes.

The Council had already explored alternative options for the provision of SANG for the Borough including Ball Hill in Farnborough and Farnham Quarry but neither were viable due to landowner aspirations and Natural England requirements. There were emerging options at Bramshot and Hawley Park Farm, Blandford House and Tongham Pools and the Council was also exploring with Natural England whether there was any residual surplus SANG at Wellesley. None of these sites were within Council ownership and therefore could not be guaranteed.

Due to the difficulties in identifying other potential SANG in Rushmoor the Cabinet had considered the possibility of converting the Southwood Golf Course into natural open parkland to include walking, cycling, fitness trails and natural play structures. The tender for the Golf Course was due for renewal in Spring 2019 and it currently cost the Council £40,000 per annum. The Council recognised the social, sporting and health benefits the Golf Course provided and that 25,000 rounds per annum rounds of golf were played by casual players, season ticket holders, club members and societies. There were alternative golf courses within a ten mile radius which generally accepted new members and casual players but it was noted that these were more expensive. Southwood Golf Course had the benefit of being flat and easy to get around for those with mobility health issues.

The consultation was carried out to help inform any decision made on the future of the Golf Course and the provision of SANG. The consultation had taken place throughout August and September and had been widely promoted through the

web, social media, leaflet drops, press releases, static displays and meetings. The consultation had generated 2,413 responses. Overall, 39% were in favour of closing the Golf Course to provide natural parkland and 61% in favour of keeping it open. However, from known Rushmoor residents, 50.6% were in favour of closing the Golf Course and turning it into parkland and 49.4% wanted to keep the Golf Course open. If the Golf Course was to close, of 1,330 respondents, 42% indicated they would give up playing golf, 29% would play less often and 29% would play at another course. Details were provided on what respondents would like to see if a new natural parkland was created which included walking and dog walking, cycle paths and natural trails as well as keeping a Golf Course. Comments from those wanting to close the Golf Course included the need for more parkland, parkland would benefit more people than the Golf Course and that it would allow more housing. Comments from respondents wanting to keep the course open included that it was affordable, there was already plenty of open space, health benefits and it was the best public course in the area.

A petition has also been received signed by 2,366 petitioners from Save Our Southwood Campaign Team. The petition accepted the need for additional housing but believed there were other ways of achieving the housing targets and the Council had enough SANG provision to meet requirements up to 2032 in the absence of Southwood Golf Course. The petition would be presented to the Council on 7th December, 2017.

The options proposed for consideration by the Joint Panel to recommend to Cabinet were:

- Close Southwood Golf Course to provide guaranteed SANG to support the regeneration of the town centres particularly Aldershot, provide additional Borough wide housing and provide open parkland available for everyone to use for walking, cycling and informal recreation.
- Explore the feasibility of providing a self-funding nine hole golf course and the release of sufficient SANG to enable the regeneration of the Aldershot Town Centre and housing development to the south of the Borough.
- Retain Southwood Golf Course and continue to look for alternative SANG, recognising this could either prevent, limit or slow the regeneration of Aldershot Town Centre and housing development to the south of the Borough.

The Joint Panel requested that the Cabinet Members in attendance were available to answer questions only and should not be invited to make any representation.

The Joint Panel received representation from Helen Perry who was in favour of keeping Southwood Golf Course open primarily from an educational improvement perspective. Ms. Perry was of the opinion that the Golf Course should stay open in its full capacity. However, if it needed to be a smaller course to enable some housing there were some viable options. Ms. Perry suggested that the whole area should be a sports/leisure area which could include the Golf Course, cricket club and football club and provide space for sports science and health and well-being facilities in line with higher and further education. The Council could work

with local colleges to develop a sports academy to provide sport and environmental facilities for young people. Local schools could also make use of the Golf Course facilities for sports education and environmental studies. The Council needed to consider the needs of young people and ensure there was future provision of facilities.

In response to questions, Ms. Perry confirmed that the proposal was for access to facilities for the two further education colleges and three secondary schools to be able to provide outdoor education. It was also suggested that there could be a compromise to enable some of the Golf Course to remain open and use the rest for educational purposes. The Golf Course needed ambition to promote facilities to youths in the area and smart, creative and ambitious people needed to be employed to achieve success. There was also the opportunity to provide the educational facilities as open parkland. Ms. Perry asked if the Council had considered using some of the football stadium land in the Borough for SANG as there was a lot of provision for football in the area.

The Joint Panel received representation from Mike Bartley on behalf of David Scott who had been unable to attend the meeting in person. Mr. Scott was a wounded military veteran who had taken up golf as part of his rehabilitation. Southwood Golf Course had been the only course in the area willing to provide support through coaching, reduced green fees and a golf buggy, which ultimately enabled Mr. Scott to take part in the Invictus Games and go on to win a gold medal in golf. Southwood Golf Course was a well-suited course for disabled people. The Golf Course had also played a significant role in building Mr. Scott's confidence through the social aspect and interaction with other players.

The Joint Panel then received representations from Mike Bartley, Keith Ledgerwood and Barry Gilmore who spoke on behalf of the Golf Course users, families and local residents who wished to see the course remain open. The closure of the Golf Course to provide SANG to protect three types of bird was believed to be unnecessary as it was felt there was no evidence to demonstrate the effectiveness of the mitigation. The provision of SANG to dissuade people from walking on the SPAs was felt to be inadequate. There was already lots of natural green spaces in the Borough but only one accessible, affordable pay and play golf course. The Golf Course provided a social hub for people of all ages but in particular provided a healthy social community environment for senior citizens. Young people could also play at a very reasonable cost and without the limitations associated with private clubs. Southwood Golf Course also provided a good quality course that was virtually level and accessible by golfers who would otherwise struggle on a hilly course.

The statements made by the Council were questioned relating to a number of issues. The £40,000 subsidy was felt to be a false saving as it was believed that most of the subsidy was for rates, which would not be generated if the land was converted to SANG. The figures for rounds of golf played was believed to be 30,000 in the year to September 2017, which benefited more than just the 175 members. The fact that the course was not economically viable was disputed as annual revenue was estimated at between £400,000 and £500,000; it was highlighted that this was a speculative figure, as Mack Trading figures had not been accessed. There was disagreement that golf was in decline with a recent

England Golf Impact Report showing that there was a significant demand for golf in Rushmoor. The purpose and priority to improve the quality of local people's lives would be achieved by keeping the Golf Course open for those people that played golf.

The housing figures required for SANG and the SANG already available were raised. It was suggested that the SANG required for 7,848 dwellings to 2032 could be met from the 5,531 already allocated and identified and from SANG that would become available from the Blandford House development and Bramshot Farm. It was proposed that the standard occupancy rate applied by Natural England of 2.4 people per home was high as the planned homes were predominantly one or two bedroom homes and a lower occupancy rate of 2 could be proposed. If the occupancy rate was lowered the mitigation would be for 2,645 homes which would be sufficient to exceed the requirement by 328 homes. In addition, recent Government consultation could reduce the overall housing requirement by more than 2,500 homes. It was proposed that the Council should wait until after the outcome of the Government consultation in April 2018 before making any decision to close the Golf Course.

The parameters used to set out the catchment areas for SANG were then questioned. It was requested that the Council discussed with Natural England some flexibility in the application of the SANG catchment area and the formula applied to hectares per person.

There was disagreement with the statement about there being a number of alternative courses where golfers could turn up and play without being members. The other courses in the area either: would not let non-members play at a weekend; were prohibitively expensive in comparison to Southwood; had limited or zero availability for membership; or, were hilly and long and not suitable for those with a disability or more senior, less mobile golfers. In the survey 42% of respondents said they would give up golf if the course closed which would not fit with the Council's corporate policy to improve the quality of local people's lives and promote health and wellbeing.

Those representing the users of the Golf Course read out two letters of support from charities that had benefited from fund raising through society matches and other fund raising events. Southwood golfers had raised approaching £500,000 for charities. The Golf Course was seen as a valuable local recreational asset by the charities and societies which brought revenue not only to the course but also to the local area and many were repeat visitors.

The Joint Panel raised a number of questions in response to the representations made. It was asked whether a 9-hole course would be a viable solution and would be accepted by the golfers. It was felt that a 9-hole course was not a viable solution and would be far less patronised by members. Those representing the users were of the view that there was no requirement to make the course into a 9-hole course as there was sufficient SANG elsewhere in the Borough and the Council should influence Natural England to apply some flexibility in the SANG requirement. It was also suggested that there could be a way of providing SANG and retaining the Golf Course in its current form by sharing the land and providing a public right of way.

Some members of the Joint Panel questioned the need to rush to make the decision. There were a number of issues that still needed to be considered before making a final decision on closing the Golf Course. It was suggested that the time should be used to lobby Government to amend the SANG legislation take into account urban areas such as Rushmoor. Government assistance could also be sought to combine Hart, Surrey Heath and Rushmoor as one housing market area.

The Cabinet Member for Environment highlighted that there had been a number of SANG options explored before looking at Southwood Golf Course. The closure of the Golf Course was not an easy option to consider but there were no other options available. There was an urgent need to secure housing for the Borough, and he explained that there were currently 1,200 families on the waiting list for affordable housing and 100 families in temporary accommodation. Assurance was given that every effort would be made to lobby Government over the coming years to make SANG legislation more appropriate. Discussions had already been held with the local MP, Leo Docherty, to show that the SANG provisions were not suitable for an area like Rushmoor.

The Joint Panel acknowledged the requirement for affordable housing in the Borough and was keen to ensure any developments provided an appropriate amount of affordable and social housing. The Joint Panel was advised that the Council was able to influence the amount of social housing built as this was set out in the Local Plan and that local residents were offered accommodation in the social housing available. However, the Council had no influence over properties sold on the open market. Developers would have to provide a strong case to show that a development was not viable to provide social housing, and the case would be independently audited. If the independent audit showed the development to be viable the developer would be required to provide social housing.

Following a debate on the options open to the Council, it was proposed:

“That the decision regarding the future of the Southwood Golf Course be deferred for twelve months while all other options be pursued to include:

- Lobbying Government
- Seeking special dispensation for the area of Rushmoor in the way it is treated for SANG land, and;
- Examination of alternative SANG provision to provide the necessary mitigation for housing development in Rushmoor.”

After further discussion, the vote was taken with 8 voting for the proposal and 6 voting against. Therefore the proposal set out above was agreed for recommendation to Cabinet.

The meeting closed at 10.02 pm.

CLLR MRS. D.B. BEDFORD (CHAIRMAN)

Option to convert Southwood Golf
Course into new natural open
parkland

Consultation report by Strategy, Performance and Partnerships

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Summary

There were 2,413 responses to the survey from people living in and out of the borough, which was to be expected as the golf course is also used by people living outside the borough. In total 1,514 respondents (62.7%) had postcodes or addresses in the borough.

From those answering the related questions the respondents tended to be male (63.0%), white British (86.6%), not have any health conditions or disabilities, which limited daily activities (81.6%) and be heterosexual/straight (80.6%). The largest age group of respondents was 45-54 years (19.7%).

Of those who play golf, 281 respondents (16.9%) indicated that they were members of Southwood golf course, 1,151 respondents (72.9%) indicated that they have used the golf course and 554 respondents (41.7%) indicated that they would give up playing golf if Southwood was to close.

Overall, 61.% of respondents indicated that they wanted to 'Keep Southwood Golf Course open, and as it is' compared to 39.0% who wanted to 'Close Southwood Golf Course and turn it into natural parkland, which in turn, would allow around 2,500 homes to be built elsewhere in the borough'. Of those with postcodes or addresses in the borough, 50.6% of respondents indicated that wanted to 'Close Southwood Golf Course and turn it into natural parkland, which in turn, would allow around 2,500 homes to be built elsewhere in the borough' compared to 49.4% who wanted to 'Keep Southwood Golf Course open, and as it is'.

The main themes of responses to the open questions asking why they wanted to keep the golf course are affordability, plenty of other green spaces around, course is well used, provides a sense of community and the course is fantastic.

The main themes of responses to the open question asking why they wanted to close the golf course are, it is a great idea, need more parkland, more people will benefit than do from golf, issues with the running costs and it will allow more housing.

The most popular thing respondents wanted to see at Southwood Golf Course if we were to create new natural parkland was 'open space for walking and dog walking', followed by 'natural trails'. The least popular was 'small allotment'. The main theme of the last question asking for any other comments were, don't want the golf course closed and leave it as it is.

Introduction

The council is considering the possibility of converting Southwood Golf Course into new natural open parkland.

This would mean that the area would be opened up to become around 50 hectares of green space for all our residents to enjoy, replacing the golf course use.

Together with Southwood Woodland and other green open space nearby, this would create a large country park area, offering activities such as walking, cycling, trim trails, natural play structures and a community orchard. The natural parkland would become what is known as Suitable Alternative Natural Greenspace (SANG). This means the area would become a permanently protected public open space that could never be built on.

Converting the golf course would allow for around 2,500 new homes to be built in the borough under the Thames Basin Heaths Special Protection Area mitigation requirements. In turn, new town centre homes, particularly flats, would provide funding to help support the much-needed regeneration of Aldershot and Farnborough town centres, as well as bringing new footfall to the areas.

In recent years, overall use of the golf course has reduced from 40,000 to 25,000 rounds a year. This is made up of casual users, societies, season ticket holders and golf club members. There are approximately 175 golf club members, of which around half live in Rushmoor.

Methodology

To understand people's views on the options to convert the golf course, an online survey was designed and public meetings organised. Paper versions of the surveys (appendix A) were also available at the Council Offices and were taken to public meetings.

The public meetings were held at:

- Southwood Community Centre on Tuesday 15 August
- Southwood Golf Course on Tuesday 19 September

In total 2,072 households around the golf course received a leaflet (appendix B) informing them of the survey and the consultation events.

Due to public interest, the original deadline was extended by one week, from 22 September to the 29 September. An additional public meeting on Monday 18 September at Southwood Community Centre was also added.

The households around the golf course received a postcard (appendix C) informing them of the extension and the extra meeting.

The consultation ran from Friday 8 August until Friday 29 of September 2017.

Responses

There were 2,255 online responses and 158 paper responses, giving a total of 2,413 responses. The table below shows the location of respondents; 62.7% (1514 respondents) had postcodes within the borough.

Location of respondents	Number	Percentage
Postcode or address in the borough*	1,514	62.7%
Postcode or address out of the borough	533	22.1%
Location not given	366	15.2%

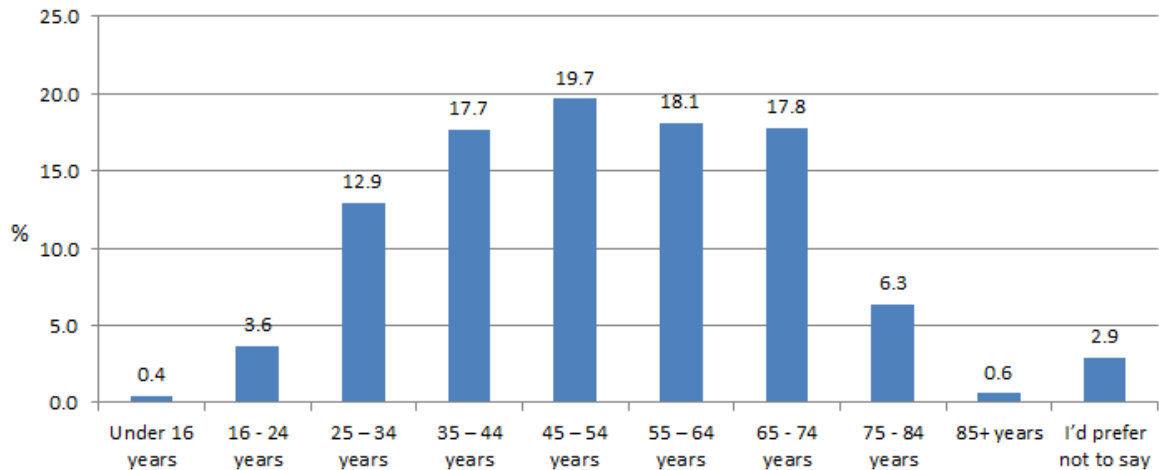
*We have included those who responded with part of the postcode GU14

Characteristics of the respondents

Age

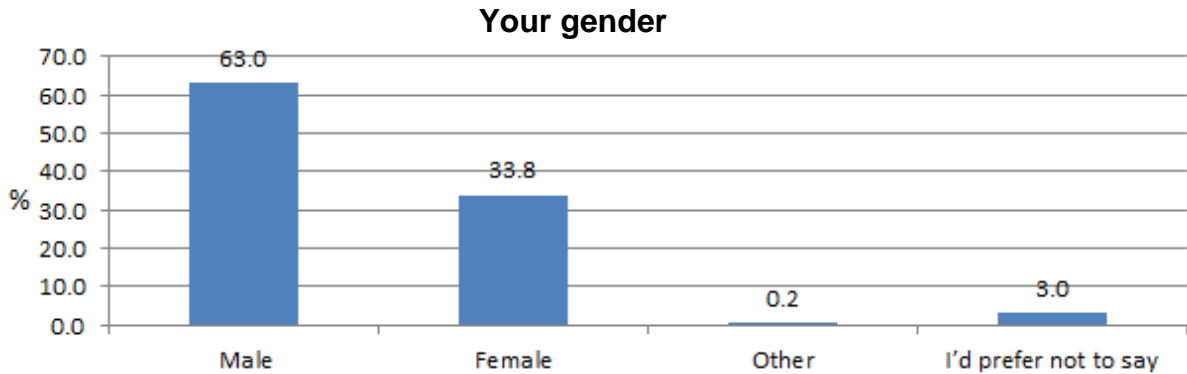
In total 2,248 respondents filled in the question about their age. The age of respondents ranged from under 16 years to 85+ years, with the largest age group being 45-54 year olds (442 respondents).

Which one of the following age bands do you belong to?



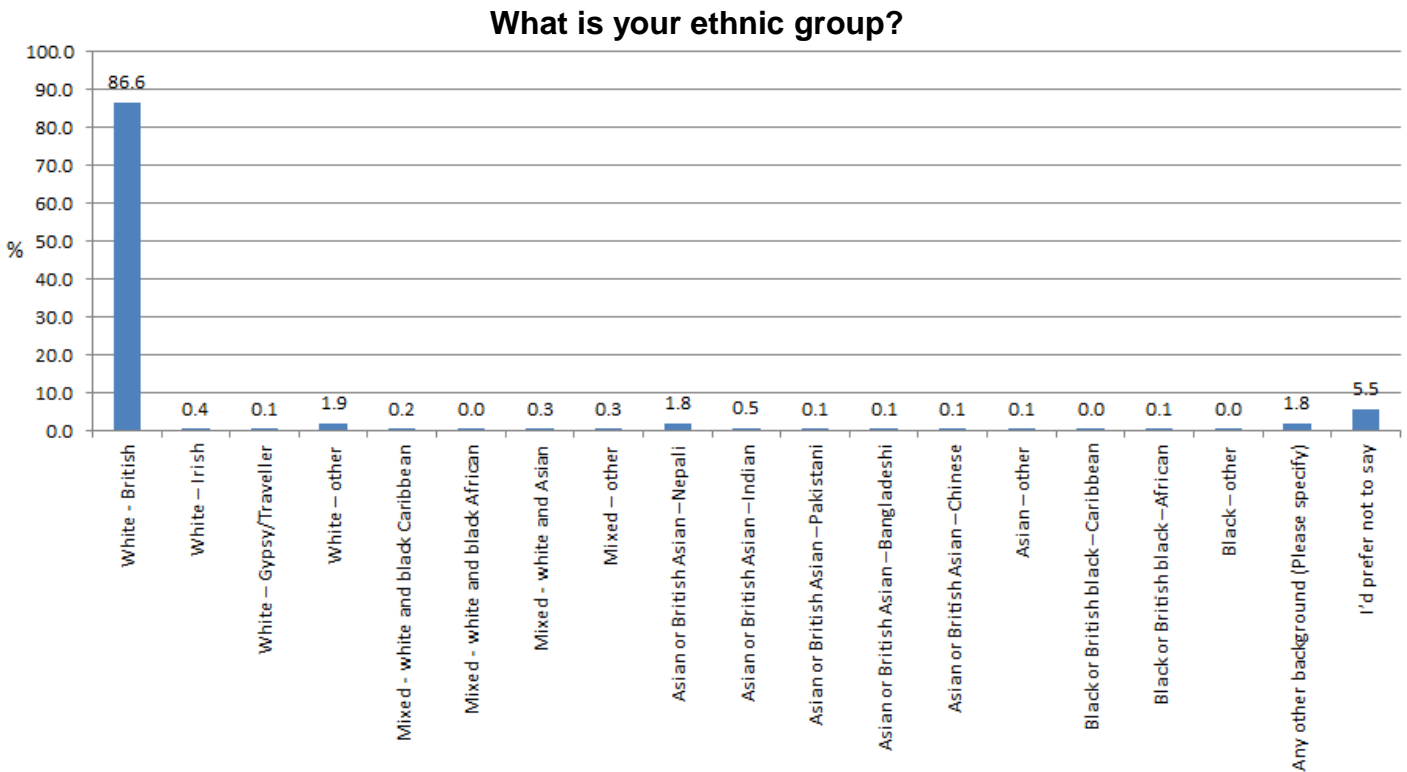
Gender

In total 2,245 respondents filled in the question about their gender. The majority of respondent were male; 63.0% (1,415 respondents). Of the four respondents that filled in the other comment box, there was no commonality in response.



Ethnic group

In total 2,233 respondents filled in the question about their ethnic group. The majority of respondents were white - British; 86.6% (1,933 respondents).

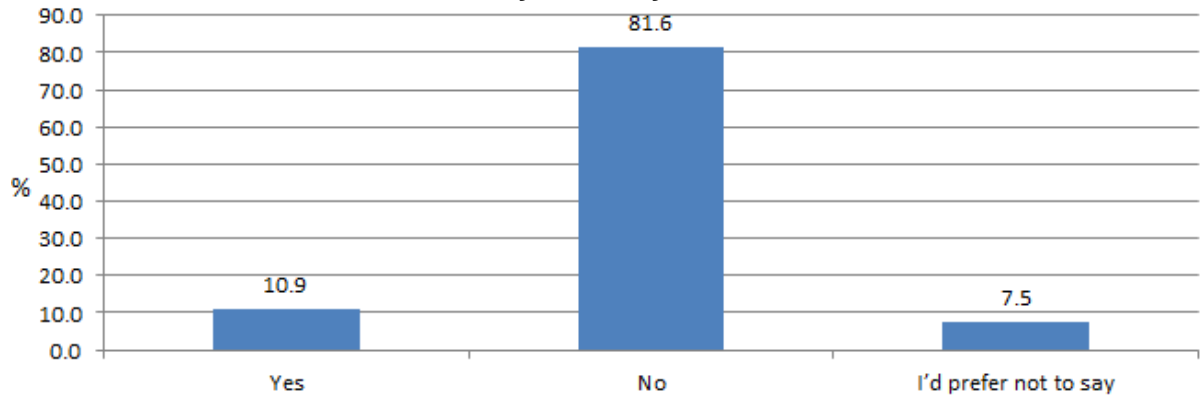


Of the 40 respondents that filled in the other comment box, the most common responses were 14 indicating they were English and nine indicating that the question was irrelevant.

Health conditions or disabilities

In total 2,223 respondents filled in the question about their health. The majority of respondents (81.6%) indicated that they did not have a health condition or disabilities, which limited their daily activities.

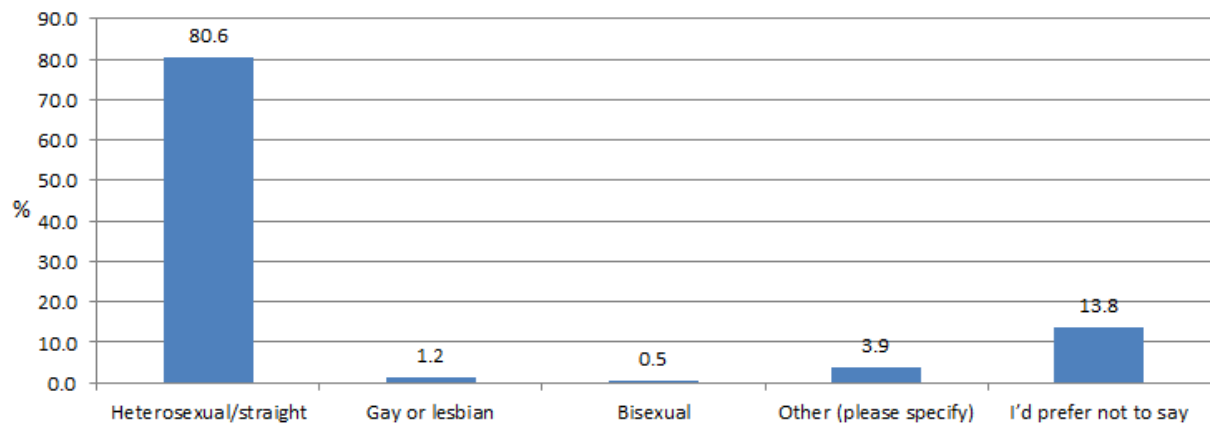
Do you consider yourself to have any health conditions or disabilities, which limit your daily activities?



Sexual orientation

In total 2,177 respondents filled in the question about their sexual orientation. The majority of respondents (80.6%) indicated that they were heterosexual/straight.

What is your sexual orientation?



Of the 80 respondents that filled in the other comment box, 62 of the comments were about the relevance of the question to the survey.

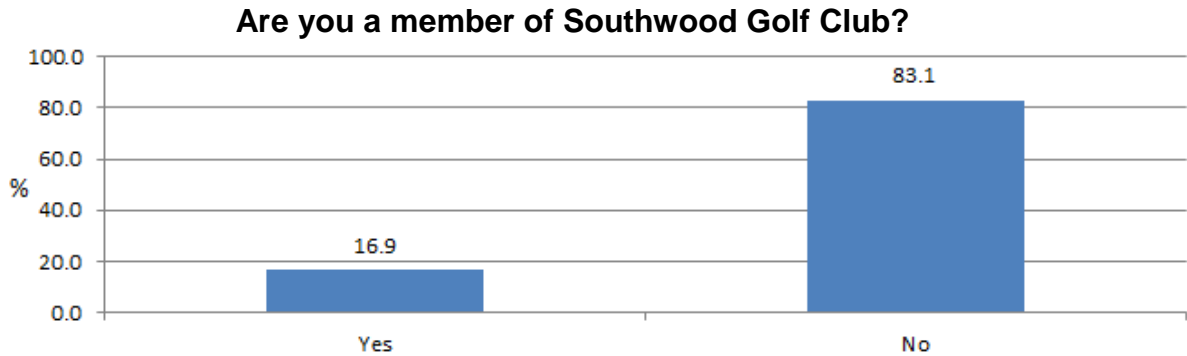
Results

SECTION ONE – Golfers

Note as this section was available to all to answer and first in the survey, some non-golfers may have filled in some of the questions.

Question 1: Are you a member of Southwood Golf Club?

In total 1,660 respondents filled in this question; 16.9% (281 respondents) indicated that they were members of Southwood Golf Course and 83.1% (1,379 respondents) indicated that they were not members.



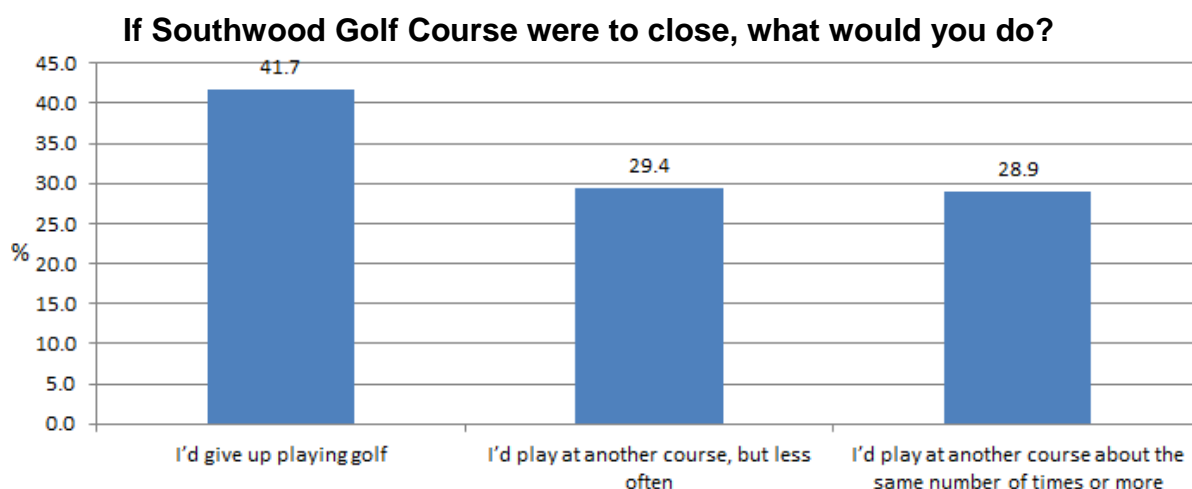
Question 2: How often have you played at Southwood Golf Course in the last 12 months?

In total 1,578 respondents filled in this question. 72.9% (1,151 respondents) indicated that they had used the Southwood Golf Course and 27.1% (427 respondents) indicated that they had never used it. Of those who had used the golf course, the most frequent use was weekly; 14.8% (234 respondents).



Question 3: If Southwood Golf Course were to close, what would you do?

In total 1,330 respondents filled in this question; 41.7% (554 respondents) indicated that they would give up playing golf, 29.4% (391 respondents) would play on another course but less often and 28.9% (385 respondents) would play at another course about the same number of times or more.



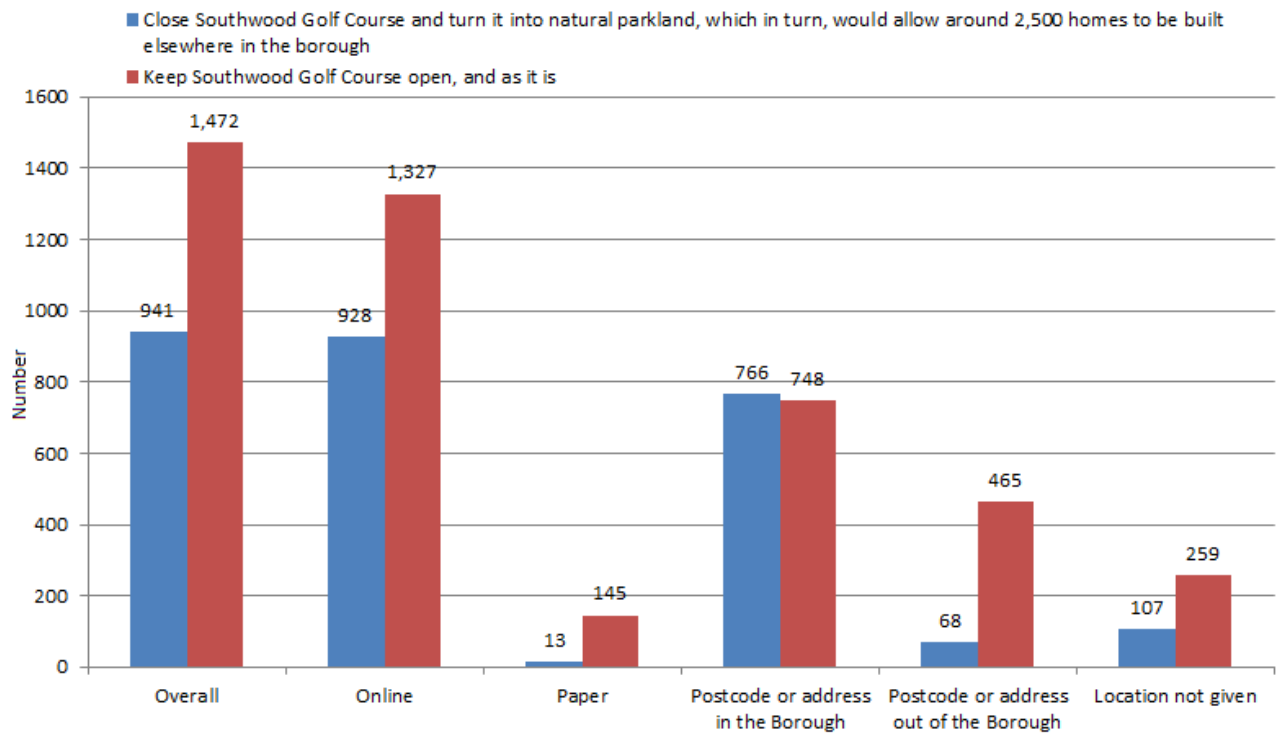
SECTION 2 – For everyone to complete

Question 4: Given what you've read about the option to convert Southwood Golf Club into natural parkland, which of the following would you most support?

This was the only mandatory question in the survey so all 2,413 respondents filled in this question. Overall, 61.0% (1,472 respondents) wanted to keep the Southwood Golf Course as it is and 39.0% (941 respondents) wanted the golf course closed and turned into natural parkland. However, the respondents are more even from those who identified themselves as living in the borough, where 50.6% (766 respondents) wanted the golf course closed and 49.4% (748 respondents) wanted to keep the golf course. A high percentage (91.8%) of those who returned paper copies of the form wanted to keep the golf course.

	Close Southwood Golf Course and turn it into natural parkland, which in turn, would allow around 2,500 homes to be built elsewhere in the borough	Keep Southwood Golf Course open, and as it is
Overall	941 (39.0%)	1,472 (61.0%)
Online	928 (41.2%)	1,327 (58.8%)
Paper	13 (8.2%)	145 (91.8%)
Postcode or address in the borough	766 (50.6%)	748 (49.4%)
Postcode or address out of the borough	68 (12.8%)	465 (87.2 %)
Location not given	107 (29.2%)	259 (70.8%)

Split of results by method of response and location of responder



In total, there were 1,833 comments for why respondents chose either to keep or close the golf course.

There were 609 comments from those who wanted to close Southwood Golf Course.

The main themes of the comments (those mentioned over 20 times) were:

- Great idea/agree with the idea/need more park land/great for the area/like park land (mentioned 262 times)
- Parkland will be used more than the golf course/more people will benefit/better use for the community (mentioned 207 times)
- Issues with the running costs/subsidies of the golf course and value for money (mentioned 83 times)
- It will allow housing/we need more housing/housing more important than golf (mentioned 80 times)
- There are plenty of other places for golf around (mentioned 57 times)
- The land will be protected (mentioned 46 times)
- Concern about extra housing/don't want housing/location of extra housing/infrastructure (mentioned 37 times)
- Good for wildlife/biodiversity/nature (mentioned 29 times)
- Want the housing to be affordable housing (mentioned 26 times)
- It will allow regeneration/development (mentioned 24 times)
- Exercise and fresh air benefits/well-being (mentioned 24 times)

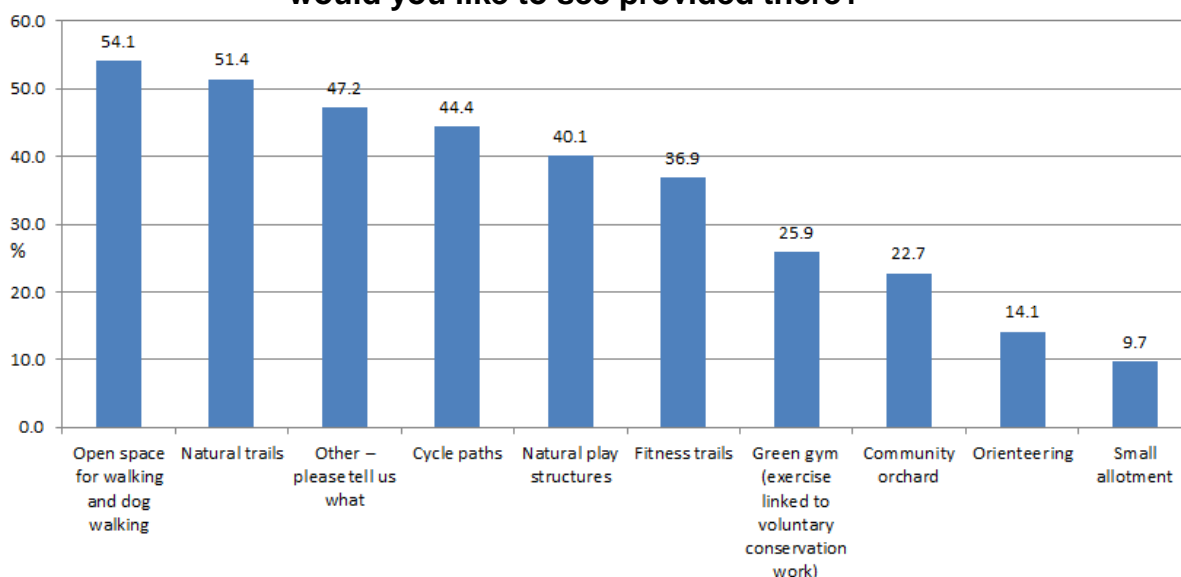
There were 1,224 comments from those who wanted to keep the Southwood Golf Course, the main themes of the comments (those mentioned over 20 times):

- Affordability/ the reasonable price of the course/the cost of using other courses/affordable for pensioners (mentioned 321 times)
- There are already plenty of other open/green spaces around (mentioned 173 times)
- Health and fitness benefits (mentioned 171 times)
- The course is well used/busy/I play there (mentioned 161 times)
- Social/friendship and sense of community benefits of the course/club (mentioned 141 times)
- The course is great/lovely/good/fantastic/well maintained (mentioned 113 times)
- Concern about current/future infrastructure if more homes are built (mentioned 85 times)
- Benefits for the older population/less able with the course being accessible/flat/option to play less holes (mentioned 72 times)
- The location of the golf course/on doorstep (mentioned 66 times)
- No more housing/development isn't wanted (mentioned 58 times)
- The course is good for young people/beginners/learners (mentioned 56 times)
- Cost of maintaining the natural parkland/will it be maintained (mentioned 56 times)
- The club supports charities/raises money for good causes (mentioned 53 times)
- The course is the only/best pay and play/public course in the area (mentioned 49 times)
- The course is already a green space/full of wildlife/natural parkland (mentioned 45 times)
- Course attracts people to the area/an asset to the area/community asset (mentioned 38 times)
- Southwood woodland not maintained/well used (mentioned 33 times)
- I think/concern that it will be turned in to housing/airport expansion in the future (mentioned 32 times)
- Concern about antisocial behaviour if the course wasn't there (mentioned 30 times)
- Market /invest/promote the golf course (mentioned 28 times)
- Compromise with a 9 hole course(mentioned 21 times)

Question 5: If we were to create new natural parkland at Southwood Golf Course, what would you like to see provided there?

In total 2,045 respondents filled in the question. The 'open space for walking and dog walking' was the most popular option with 54.1% (1,106) of respondents wanting to see this provided. This was followed by 'Natural trails' with 51.4% (1,051) of respondents wanting to see this provided. The least popular option was for 'small allotment', with only 9.7% (199) of respondents wanting to see this provided.

If we were to create new natural parkland at Southwood Golf Course, what would you like to see provided there?



There were 944 comments for the 'other' option. The main themes of the comments (those mentioned over 20 times) were:

- Golf course/keep golf course/as it is/disagree with plans (mentioned 414 times)
- None/nothing/wouldn't use (mentioned 170 times)
- These things are already available in the local area (mentioned 70 times)
- Café/restaurant/pub/refreshment kiosk (mentioned 52 times)
- 9 hole golf course (mentioned 32 times)
- Pond/Wildlife pond/lake (mentioned 31 times)
- Water play/splash park/swimming pool (mentioned 26 times)
- Play park/adventure park (mentioned 26 times)

Question 6: If you have any other comments, please let us know in the box below.

There were 869 comments for this question. The main themes of the comments (those mentioned over 20 times) were:

- Generally negative about closing the golf course/ don't want the golf course closed/ leave it as it is/ disgusted (mentioned 196 times)
- Generally positive about the golf course changing to natural parkland/ fantastic idea (mentioned 96 times)
- Plenty of open/green spaces / the suggested activities are in the area already (mentioned 58 times)
- Infrastructure concerns if housing is built (mentioned 46 times)
- Change management of the course/promote the course/increase fees (mentioned 44 times)
- Maintenance concerns/maintenance costs of the natural parkland (mentioned 43 times)
- Closing the course would deprive people of health and fitness, social interaction and enjoyment (mentioned 42 times)
- Consultation issues/the Council have already made minds up/issues with the £40,000 the Council have said is costs to run the course/bias and misleading information (mentioned 40 times)
- Only affordable course/can't afford other courses/course is reasonably priced (mentioned 37 times)
- Change to 9 holes/shorter course (mentioned 24 times)
- No to new houses (mentioned 21 times)

Appendix A. Copy of paper survey

Option to convert **Southwood Golf Course** into new natural open parkland



You can read more about this on our website
www.rushmoor.gov.uk/southwoodsurvey

Please complete our survey to tell us what you think about this idea

The closing date for giving your views is Friday 22 September

RUSHMOOR
BOROUGH COUNCIL

Section 1 - Golfers - please complete this section if you are a golfer

- 1. Are you a member of Southwood Golf Club?** (Please tick one box)
- Yes No
- 2. How often have you played at Southwood Golf Course in the last 12 months?**
(Please tick one box)
- Daily Once or twice a year
 A few times a week Annually
 Weekly Less often
 Monthly Never
 Every couple of months
- 3. If Southwood Golf Course were to close, what would you do?** (Please tick one box)
- I'd give up playing golf
 I'd play at another course, but less often
 I'd play at another course about the same number of times or more

Section 2 - For everyone to complete

- 4. Given what you've read about the option to convert Southwood Golf Club into natural parkland, which of the following would you MOST support?** (Please tick one box)

- Close Southwood Golf Course and turn it into natural parkland, which in turn, would allow around 2,500 homes to be built elsewhere in the borough
- Keep Southwood Golf Course open, and as it is

Please tell us why you say this.

- 5. If we were to create new natural parkland at Southwood Golf Course, what would you like to see provided there?** (Please tick all that apply)

- Open space for walking and dog walking
 Cycle paths
 Fitness trails
 Natural trails
 Green gym (exercise linked to voluntary conservation work)
 Natural play structures
 Orienteering
 Community orchard
 Small allotment
 Other - (Please tell us what)

6. If you have any other comments, please let us know in the box below.

Section 3 - About you

As part of the Equality Act 2010, we must make sure our services are open and accessible to everyone, that we treat people fairly and appropriately and in consultations, we hear all views.

The following questions will help us to check that we are doing this and will also help us to understand better the answers we receive. We will treat this information as anonymous and confidential and will not identify individuals.

You do not have to answer these questions if you would prefer not to.

7. Your age

Which one of the following age bands do you belong to? (Please tick one box)

- Under 16 years
- 16 - 24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years
- 55 - 64 years
- 65 - 74 years
- 75 - 84 years
- 85 and over
- I'd prefer not to say

8. Your gender (Please tick one box)

- Male
- Female
- Other (Please specify)

- I'd prefer not to say

9. What is your ethnic group? (Please tick one box)

- White - British
- White - Irish
- White - Gypsy/Traveller
- White - other
- Mixed - white and black Caribbean
- Mixed - white and black African
- Mixed - white and Asian
- Mixed - other
- Asian or British Asian - Nepali
- Asian or British Asian - Indian
- Asian or British Asian - Pakistani
- Asian or British Asian - Bangladeshi
- Asian or British Asian - Chinese
- Asian - other
- Black or British black - Caribbean
- Black or British black - African
- Black - other
- Any other background (Please specify)

- I'd prefer not to say

10. Do you consider yourself to have any health conditions or disabilities, which limit your daily activities? (Please tick one box)

Yes No I'd prefer not to say

11. What is your sexual orientation? (Please tick one box)

- Heterosexual/straight
 Gay or lesbian
 Bisexual
 Other (Please specify)

I'd prefer not to say

12. Your address

So that we can identify where responses come from, we would like your house number or name and postcode.

Your house name or number

Your postcode

13. Keeping you informed

If you would like to be kept informed about the outcome of this consultation and our decision, please give us your email address.

14. Sign up for email news from the council

Occasionally, we'd like to send our residents information about the council and our services by email. You can also find out about council consultations. In addition, our council Leader, Councillor David Clifford has his own email newsletter that you can sign up to receive.

- I'd like to receive news from the council
 I'd like to receive news about consultations
 I'd like to receive news from the Leader

Your email address (if not given, or different to, above)

Thank you for taking part in our survey.

Our councillors will use your responses to help them make a decision.
We will publish updates on our website, www.rushmoor.gov.uk/southwoodsurvey

Data protection notice: We will only use the information you give us for the purposes stated in this survey.

Council Offices,
Farnborough Road,
Farnborough,
Hants, GU14 7JU

www.rushmoor.gov.uk
01252 398 399
customerservices@rushmoor.gov.uk

 @rushmoorcouncil
 Rushmoor Borough Council
August 2017

Appendix B. Copy of postcard

Option to convert
Southwood Golf Course
into new
natural open parkland



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Before our councillors make a decision on this option, we would like your views.

You can read more about our consultation and complete our survey on our website, [www.rushmoor.gov.uk/southwoodsurvey](http://www.rushmoor.gov.uk/southwoodssurvey)



Drop-in consultation sessions at:

Southwood Community Centre

Tuesday 15 August - 3.30pm-7.30pm

Southwood Golf Clubhouse

Tuesday 19 September - 3.30pm-7.30pm

The closing date for giving your views is

Friday 22 September

Council Offices,
Farnborough Road,
Farnborough,
Hants, GU14 7JU

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August 2017

Appendix C. Copy of the extension postcard

Option to convert
Southwood Golf Course
into new
natural open parkland



Have
your
say!

Due to public interest we have
EXTENDED the consultation deadline
and **ADDED** an open meeting

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RUSHMOOR
BOROUGH COUNCIL

Before our councillors make a decision on this option, we would like your views.

You can read more about our consultation and complete our survey on our website, [www.rushmoor.gov.uk/southwoodsurvey](http://www.rushmoor.gov.uk/southwoodssurvey)



An ADDED open meeting at:

Southwood Community Centre
Monday 18 September - 6.30pm-8.30pm

Drop-in consultation session at:

Southwood Golf Clubhouse
Tuesday 19 September - 3.30pm-7.30pm

The closing date for giving your views has been EXTENDED to

Friday 29 September

Council Offices,
Farnborough Road,
Farnborough,
Hants, GU14 7JU

www.rushmoor.gov.uk
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Rushmoor Borough Council
August 2017

Southwood Golf Course - Background

Golf Club Green Fees and Memberships	
Southwood GC	Adult midweek - £20, weekend - £25, Senior - £15
	Season tickets – Adult 5 day £550 7 day £725, Senior/Concession 5 day £385
Oak Park GC	Adult midweek - £30, weekend - £35
Pine Ridge GC	Adult midweek - £29, weekend- £38, Senior – midweek £21, weekend £32
	Crown Golf memberships (Oak Park & Pine Ridge) 5 day membership - £899 7 day membership - £1133
Army GC	Adult midweek - £60 , weekend with a member or by arrangement
	Membership – Joining fee £500 annual subscription £1365 No waiting list, no senior membership rates
Hartley Witney	Adult midweek - £40, weekend £42 to £47.50 5 day membership - £1020 7 day membership- £1210

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