

# Public Document Pack



## RUSHMOOR BOROUGH COUNCIL

### CABINET

*at the Council Offices, Farnborough on  
Tuesday, 17th April, 2018 at 7.00 pm*

To:

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

Cllr Barbara Hurst, Health and Housing Portfolio Holder  
Cllr G.B. Lyon, Concessions and Community Support Portfolio Holder  
Cllr M.L. Sheehan, Leisure and Youth Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder  
Cllr 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](mailto: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 6th March, 2018 (copy attached).

2. **REVENUE BUDGET MONITORING AND FORECASTING 2017/18 - POSITION AT MARCH, 2018** – (Pages 9 - 26)

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1815 (copy attached), which sets out the Council's anticipated financial position for 2017/18, based on the monitoring exercise carried out during March, 2018.

3. **CAPITAL PROGRAMME MONITORING AND FORECASTING 2017/18 - POSITION AT MARCH, 2018** – (Pages 27 - 38)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1816 (copy attached), which sets out the Council's position regarding the Capital Programme for 2017/18, based on the monitoring exercise carried out during March, 2018.

4. **DISCRETIONARY RATE RELIEF** – (Pages 39 - 46)  
(Cllr Gareth Lyon, Concessions and Community Support Portfolio Holder)

To consider Report No. FIN1814 (copy attached), which gives details of a new application for discretionary rate relief and sets out proposals to bring forward the date that organisations must reapply for discretionary rate relief.

5. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND** – (Pages 47 - 52)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Report No. COMM1804 (copy attached), which sets out details of applications for grants from the Farnborough Airport Community Environmental Fund.

6. **THAMES BASIN HEATHS SPECIAL PROTECTION AREA AVOIDANCE AND MITIGATION STRATEGY UPDATE** – (Pages 53 - 60)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Report No. PLN1808 (copy attached), which sets out proposed amendments to the Rushmoor Thames Basin Heaths Avoidance and Mitigation Strategy.

7. **PLANNING FEE INCREASE AND RESOURCING IN PLANNING** – (Pages 61 - 66)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder / Cllr Ken Muschamp, Business, Safety and Regulation Portfolio Holder)

To consider Report No. PLN1809 (copy attached), which sets out a proposed variation to the planning fee income budget and a proposed programme of improvements to the Planning Service.

8. **ENVIRONMENTAL LITTERING - REVISIONS TO PILOT PROJECT** – (Pages 67 - 70)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Report No. COMM1805 (copy attached), which sets out revisions to the one-year agency agreement with East Hampshire District Council to better tackle littering and dog fouling in the Borough.

9. **EXCLUSION OF THE PUBLIC** –

To consider resolving:

That, subject to the public interest test, the public be excluded from this meeting during the discussion of the undermentioned items to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against such items:

<b>Item Nos.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
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10, 11, 12	3	Information relating to financial or business affairs
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10. **APPLICATIONS FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –** (Pages 71 - 86)  
(Cllr Gareth Lyon, Concessions and Community Support Portfolio Holder)

To consider Exempt Report No. FIN1817 (copy attached), which gives details of three applications for the remission of non-domestic rates due to hardship.

11. **HOTEL PROVISION IN FARNBOROUGH –** (Pages 87 - 92)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Exempt Report No. CEX1801 (copy attached), which sets out a proposed approach to the provision of hotels in the Farnborough area.

12. **COMMERCIAL PROPERTY ACQUISITION –** (Pages 93 - 128)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Exempt Report No. LEG1804 (copy attached), which sets out a proposal to acquire the head leasehold interest of a property of which the Council is already the freehold owner.

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# CABINET

Meeting held on Tuesday, 6th March, 2018 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

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

Cllr Barbara Hurst, Health and Housing Portfolio Holder  
Cllr G.B. Lyon, Concessions and Community Support Portfolio Holder  
Cllr M.L. Sheehan, Leisure and Youth Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder  
Cllr 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 **19th March, 2018**.

## 71. MINUTES –

The Minutes of the meeting of the Cabinet held on 6th February, 2018 were confirmed and signed by the Chairman.

## 72. BUSINESS RATES - DISCRETIONARY RATE RELIEF POLICY FOR DISCRETIONARY REVALUATION RELIEF –

(Cllr Gareth Lyon, Concessions and Community Support Portfolio Holder)

The Cabinet considered Report No. FIN1812, which set out proposed amendments to the Council's existing Discretionary Rate Relief (Revaluation) Policy to reduce business rates liabilities to those ratepayers most affected by the 2017 national revaluation.

Members were informed that these revisions were necessary to allow the Council to maximise the support available to local businesses.

### The Cabinet **RESOLVED** that

- (i) the increase of the percentage relief awarded to qualifying ratepayers from 42% to 57%, as set out in Report No. FIN1812, be approved; and
- (ii) the reduction of the restriction that relief would only be granted where the increase in rates payable between 2016/17 and 2017/18 was greater than 12.5% to greater than 10% be approved.

73. **UPDATED FINANCIAL ASSISTANCE POLICY FOR HOUSING GRANTS AND LOANS –**  
(Cllr Barbara Hurst, Health and Housing Portfolio Holder)

The Cabinet considered Report No. EHH1808, which set out an updated Financial Assistance Policy for Housing Grants and Loans.

Members were informed that this policy was a requirement of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and allowed flexibility in the way that the Council administered discretionary grants, loans and mandatory Disabled Facility Grants. It was explained that the updated Policy would continue to ensure that the discretionary grant and loan budget was spent on repairs and improvements for vulnerable residents living in poor housing conditions.

**The Cabinet RESOLVED** that the adoption of the updated Financial Assistance Policy for Housing Grants and Loans, as set out at Appendix 1 to Report No. EHH1808, be approved.

74. **PROPOSED TAXI SHARING ARRANGEMENTS FOR FARNBOROUGH INTERNATIONAL AIRSHOW 2018 –**  
(Cllr Ken Muschamp, Business, Safety and Regulation Portfolio Holder)

The Cabinet considered Report No. EHH1809, which outlined proposals for a taxi-sharing scheme to run for the duration of the Farnborough International Airshow 2018.

Members were informed that similar schemes had operated successfully at each Airshow since 2004. It was reported that this year's proposed scheme was identical to that implemented in 2016. Details of how the scheme would operate were set out in the Report.

In discussing the proposal, Members agreed that this represented an attractive proposition for both taxi operators and customers and provided an opportunity to increase taxi capacity, which would complement the traffic arrangements put in place to accommodate the Airshow.

**The Cabinet RESOLVED** that

- (i) the proposed taxi-sharing scheme, as set out in Report No. EHH1809, be approved for public consultation; and
- (ii) following the period of public consultation, the Head of Environmental Health and Housing, in consultation with the Business, Safety and Regulation Portfolio Holder, be authorised to approve the final Scheme, taking account of any responses received during the consultation exercise.

75. **REVIEW OF CHARGING FOR PRE-APPLICATION PLANNING ADVICE –**  
(Cllr Ken Muschamp, Business, Safety and Regulation Portfolio Holder)

The Cabinet considered Report No. PLN1805, which set out a review of the financial returns and impact on services of the introduction of charges for pre-application

planning advice. It was also proposed to make some amendments to the scheme.

Members were reminded that the charges had been in place since 1st February, 2017 and a breakdown of the charges received was included in Section 3 of the Report. It was now proposed to increase the charges to reflect Government policy regarding planning application fees. It was also recommended to introduce some exemptions from charges in respect of applications from charities and community groups.

In response to a question, it was confirmed that the introduction of charging for pre-application advice had not led to a decline in the quality of planning applications received by the Council.

**The Cabinet RESOLVED** that

- (i) the continuation of charging for pre-application discussions be approved;
- (ii) the increase in charges to £720 for major schemes, £240 for small to medium sized developments and £40 for householder and minor developments be approved;
- (iii) exemptions from pre-application advice charges be approved in respect of:
  - Wellesley / Grainger PLC schemes in relation to the Aldershot Urban Extension;
  - the Council's own developments and those of Hampshire County Council, where they relate to the provision of public services in the Borough; and
- (iv) the application of the new minimum householder / minor development charge of £40 to all requests for pre-application advice, irrespective of the proposal type, made by community / charity groups be approved, subject to the group meeting the following criteria:
  - a registered charity;
  - headquarters in the Rushmoor area;
  - involved in activity serving the people of Rushmoor; and
  - not part of a national charity with multiple UK or international offices.

**76. NEW DEPOT CONSTRUCTION –**  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Report No. COMM1803, which set out the latest position in relation to a design and build contract for the construction of the Council's new depot in Lysons Avenue, Ash Vale and sought a variation to the Council's Capital Programme .

The Report set out the process to date and Members were reminded that the build contract had been awarded to Neilcott Construction, following the design work provided by Kier Construction. Members had been advised previously that additional costs had been likely to accrue due to issues relating to the novation of contractors that had carried out work for Kier and the significant increase in the amount of soil needed to be removed which contained low levels of contamination. The latest cost report from the Council's Quantity Surveyor had indicated an estimated overspend of £210,000 on the agreed budget of £3,180,000. Completion of the construction was due in mid-June 2018. The Report stated that other unforeseen costs might yet be incurred in relation to this project.

**The Cabinet RESOLVED** that

- (i) a variation of £210,000 to the Capital Programme for the financial year 2018/19, for the construction of the new Council depot, be approved;
- (ii) additional General Fund full financial year revenue costs in relation to the supplementary budget at (i) above, amounting to £1,260 interest on borrowing in 2018/19 and a minimum revenue provision of £5,250 commencing in the year 2019/20, be approved;
- (iii) an additional capital budget for further contingency requirements for the construction of the new Council depot of £100,000 for the financial year 2018/19 be approved, with any spend being agreed in consultation with the Head of Financial Services; and
- (iv) additional General Fund full financial year revenue costs in relation to the additional contingency budget at (iii) above, amounting to £600 interest on borrowing in 2018/19 and a minimum revenue provision of £2,500 commencing in the year 2019/20, be approved.

**77. VOYAGER HOUSE, SOUTHWOOD BUSINESS PARK –**  
(Cllr Barbara Hurst, Health and Housing Portfolio Holder)

The Cabinet considered Report No. LEG1803, which set out an update from the North East Hampshire and Farnham Clinical Commissioning Group on the provision of primary and community health care within the West Farnborough locality.

The Report described how the position had been worsening progressively. This meant that the acquisition of Voyager House, to provide a local health facility, was becoming urgent. It was confirmed that an item would be coming to the Cabinet at its next meeting in this respect.

**The Cabinet NOTED** the increasing need for the earliest practicable acquisition of Voyager House to provide improved service access and an Integrated Care Centre for the population of Farnborough, as set out in Report No. LEG1803.

**78. EXCLUSION OF THE PUBLIC –**

**RESOLVED:** That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned items to avoid the



disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the items:

<b>Minute Nos.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
79 and 80	3	Information relating to financial or business affairs

**THE FOLLOWING ITEMS WERE CONSIDERED  
IN THE ABSENCE OF THE PUBLIC**

**79. COMMERCIAL PROPERTY ACQUISITIONS UPDATE AND PROPOSED ACQUISITION OF PLOT NO. 13 INVINCIBLE ROAD, FARNBOROUGH –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Exempt Report No. LEG1802, which sought approval to acquire Plot No. 13 Invincible Road, Farnborough and provided an update on progress in relation to the acquisition of the Meads, Farnborough and on the financial implications of the acquisition of Voyager House, Farnborough.

The Report contained all the relevant financial information relating to the acquisitions. Members considered that all three sites were of strategic importance to the Council. It was confirmed that the Council would continue to borrow at short-term interest rates for the time being.

**The Cabinet RESOLVED** that

- (i) the capital expenditure for the acquisition of Plot No. 13 Invincible Road, Farnborough, associated capital costs, full year General Fund revenue income and revenue expenditure, in the sums set out in Exempt Report No. LEG1802, be approved;
- (ii) the decision taken to acquire the Meads, Farnborough for the sum set out in the Exempt Report, together with associated capital costs, full year General Fund revenue income and revenue expenditure, be noted; and
- (iii) the estimated costs for the acquisition of Voyager House, Farnborough, in the context of the Commercial Property Acquisitions budget for 2018/19, as set out in the Exempt Report, be noted.

**80. ALDERSHOT TOWN CENTRE REGENERATION HOUSING INFRASTRUCTURE FUND –**  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Exempt Report No. CD1802, which, following the Council's success in securing £8.4 million of funding towards Aldershot Town Centre regeneration projects, provided an update on the bid process and set out the implications of accepting the funding allocation and the next steps.

Members were informed that the monies had been received from the Housing

Infrastructure Fund - Marginal Viability Gap Fund and, in particular, would support the delivery of the two key development sites at Union Street East and The Galleries.

**The Cabinet RESOLVED** that

- (i) the implications for the Council and the terms and conditions of the Housing Infrastructure Fund be noted and accepted;
- (ii) the Head of Financial Services be authorised to enter into any funding agreement associated with the Housing Infrastructure Fund Marginal Viability Gap Fund grant;
- (iii) the Solicitor to the Council be authorised, following receipt of appropriate valuation advice, to negotiate and acquire, by agreement, any legal interests or rights held in respect of the Union Street properties listed in Paragraph 3.9 of Exempt Report No. CD1802;
- (iv) the Corporate Director / Principal Regeneration Officer be authorised to submit planning applications and to secure the appropriate permissions as required to enable the regeneration of Aldershot Town Centre, to include a scheme for Union Street, as set out in Paragraph 3.7 of the Exempt Report;
- (v) the Solicitor to the Council be authorised to enter into and agree the terms of:
  - (a) any legal documentation necessary in respect of the purchases or acquisition of rights authorised by (iii) above and to undertake any ancillary action in connection therewith;
  - (b) the Development Agreement, Lease and any ancillary documentation with the developer of the Galleries scheme (subject to the developer meeting the Council's reasonable legal costs);
  - (c) any funding agreements to release Housing Infrastructure Fund monies to any development partner (subject to the developer meeting the Council's reasonable legal costs); and
- (vi) the future financial implications associated with entering into a new long term lease arrangement for a new public car park, be noted.

The Meeting closed at 7.28 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

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CABINET  
17 APRIL 2018

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO HOLDER  
REPORT NO. FIN1815

**REVENUE BUDGET MONITORING & FORECASTING 2017/18  
POSITION AT MARCH 2018**

**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:**

This report informs Members of the latest forecast of the Council's Revenue budget for 2017/18, based on the monitoring exercise carried out during March.

**RECOMMENDATIONS:**

Members are requested to:

- (i) note the latest Revenue Budget monitoring position and associated risks
- (ii) note the latest forecasts for use of the Service Improvement Fund and the flexible use of capital receipts
- (iii) approve the approach to reserves and balances as set out in the report (subject to final outturn position).

**1. INTRODUCTION**

- 1.1 This report informs Members of the Council's anticipated financial position for 2017/18, based on the monitoring exercise carried out during March 2018.

**2. BACKGROUND**

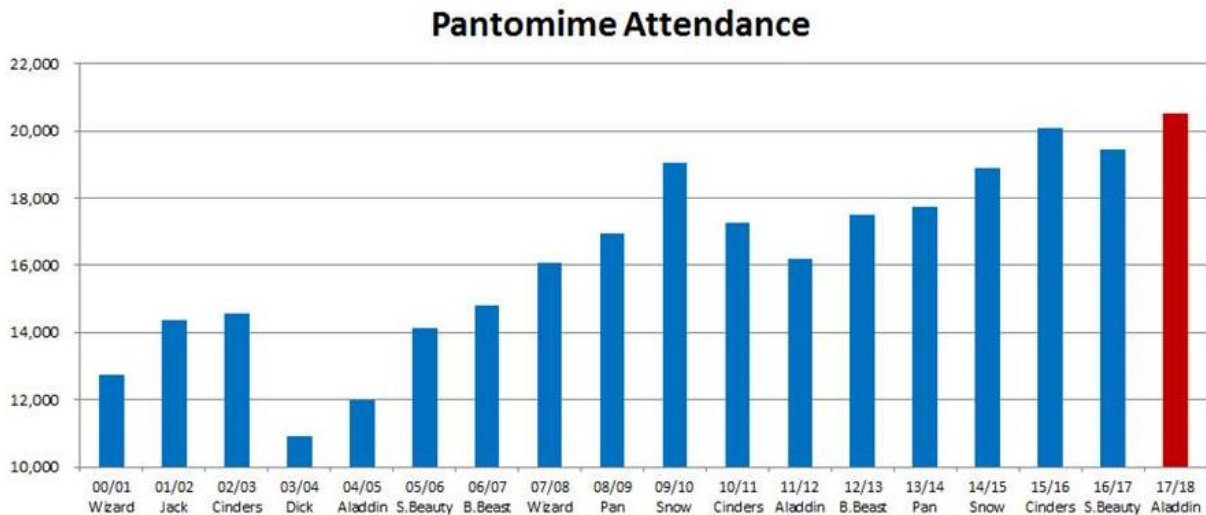
- 2.1 During March, budget officers carry out a regular budget monitoring exercise for their services, identifying any variations from the current approved budget that they anticipate will occur in the financial year. The current approved budget is the revised budget for 2017/18 as approved by Council on 22 February 2018 plus any subsequently approved supplementary estimates and virements.
- 2.2 Three supplementary estimates totalling £60,090 have been incorporated into the current approved budget, including £50,100 for support for the delivery of the Council's regeneration programme as approved by Cabinet at its meeting of 9<sup>th</sup> January 2018. This has in part been offset by a reduction in budgets of £16,000 due to re-allocation of staffing resources in Revenues and Benefits. A limited number of virements have also been actioned since the revised budget was approved, all of which simply move costs between detailed budget lines or between cost centres in order to improve budget management or utilise under-spends to facilitate one-off, essential expenditure, in line with the Council's financial regulations.
- 2.3 A salary monitoring exercise is carried out in order to identify any salary variances. The level of government grants, interest receivable from the Council's investments and any other corporate income and expenditure are reviewed and updated where necessary.

- 2.4 The original budget for 2017/18 identified the need for £550,000 of savings, in addition to £320,000 of expected staff turnover savings. Substantial savings, in excess of this target, were achieved during the first half of the year and have been incorporated into the revised budgets. A further £50,000 was expected to be achieved through turnover savings during the remainder of 2017/18. The latest monitoring exercise indicates that the Council will achieve additional savings for both salary and non-salary budgets.
- 2.5 The above information is consolidated to produce an updated forecast of the revenue position at the end of 2017/18, at Appendix A.

### **3 REPORTED VARIANCES**

- 3.1 Budget officers have identified a net underspend of approximately £904,000 against their non-salary budgets. A summary of the key variances is set out at Appendix B, with some of the key points being referenced in the following paragraphs.
- 3.1.1 Corporate Services portfolio continues to perform well with a significant reduction already having been made to net service costs due to the successful implementation of a strategy to acquire commercial property for investment income. A further £88,000 of savings have been reported in this portfolio with a large number of relatively small variances (each under £10,000) across various services.
- 3.1.2 Environment and Service Delivery portfolio contains a number of the largest expenditure and income streams for the Council, such as expenditure on major contracts for Recycling and Street Cleansing, parking provision in the Borough and the production of the Council's Local Plan. £223,500 net savings have been identified in this area, which is the second largest portfolio by net spend. £79,000 of this variance is in respect of the inspection of the Local Plan, which will now take place in May 2018 while £61,000 is on respect of support to the Council's regeneration programme, both of which are likely to be subject to requests to carry forward the budget for use in 2018/19. Further cost reductions have arisen for waste collection, recycling and street cleansing as part of the transition from the previous contract arrangements.
- 3.1.3 Concessions and Community Portfolio has a small number of budget variances totalling £59,000, the bulk of which is in relation to electoral registration costs. Again, a carry forward request is expected, to support a review of Individual Electoral Registration in 2108/19.
- 3.1.4 Business, Safety and Regulation portfolio reports £267,500 net savings largely due to fluctuations in major income streams such as Bereavement Services (£14,000) and planning applications (£166,000) , which were not foreseen during the revised budget setting exercise. It is anticipated that future budgets for planning application fees will be adjusted upwards. The variance also includes £37,500 additional income from increased planning fees, which is ring-fenced for use within the planning service.  
*(Further detail on changes to planning fee income can be found in Report No: PLN1809 elsewhere on the agenda for Cabinet at its April meeting).*

3.1.5 Leisure and Youth is the largest portfolio by net spend containing budgets for Leisure facilities, the Princes Hall theatre and for the Council's Grounds Maintenance contract. £250,700 of net savings have been identified in this portfolio with £40,000 additional income being achieved from pantomime sales at the Princes Hall, over and above increases already factored into the revised budget. Some pantomime titles do not traditionally perform as well as others and an estimate of around 18,000 ticket sales for Aladdin was reasonable. Every additional 1,000 attendees however, brings in around £20,000 of income and with bookings being taken right up to the close of the show in January, the final sales figures can vary significantly from that estimated when the revised budgets are assembled.



3.1.6 Leisure and Youth also contains £31,000 favourable variation due to reduction in anticipated spend on non-routine grounds maintenance works and £131,500 additional income towards the upkeep of Suitable Alternative Natural Green Space (SANGS)

3.2 A sizeable proportion of the overall variance is due to changes in income that are either ring-fenced for use outside of the general fund or have been received in advance for future years' funding. These amounts are not available for spending on general activities and will be transferred to various reserves as follows:

- £131,500 additional income in respect of s106 developers' contributions for Suitable Alternative Natural Green Space (SANGS) which is ring-fenced for spending on SANGS provision and maintenance at Southwood Woodlands and Rowhill Nature Reserve.
- £81,000 income in respect of changes to amounts drawn from prior year grants
- £37,500 additional planning fee income to be transferred to an earmarked reserve as set out in paragraph 3.1.4
- A reduction of £20,500 in income required to be ring-fenced as part of the Civil Parking Enforcement (CPE) surplus

This results in a net change to transfers to or from reserves of £229,500

3.3 The staff monitoring exercise has identified a net projected underspend of £164,575 from salary savings, which exceeds the £50,000 expected to be

delivered against the revised budget. This is largely due to a number of vacancies across the following services IT (£51k), Town Centres (£13.2k), Community Development (£18.5k), Licensing (£25.6k), Private Sector Housing (£15.7k), Customer Services (£15.3k) and an apprentice post (£12k). A number of these posts are now undergoing recruitment. All vacancies are now considered at Corporate Leadership Team before recruitment commences in order to provide a robust challenge mechanism to the request to fill the vacancy and to consider any alternative delivery options.

- 3.4 Estimates for interest receivable have been reduced due to the overstatement of the rate of return for one of the Council's pooled funds in the revised budget figures. This does not affect budgeted income for 2018/19 as the fund in question has since been sold and replaced with a better performing fund. Interest payable on borrowing has also reduced due to a reduction in our borrowing requirement (largely due to slippage in the capital programme) and the exceptionally low interest rates the Council has been able to access for short-term borrowing from other Local Authorities. This combination has resulted in a favourable variance of £20,000.
- 3.5 As a result of the variations referred to above, the general fund forecast shows a projected year-end balance of £2.226m before reviewing the level of transfers to or from major reserves such as the Stability & Resilience Reserve or the Service Improvement Fund or allowing for any budgets to be carried forward to 2018/19.
- 3.6 A summary of the movement is set out in table 1:

Table 1:	£000
<b>Forecast balances as at 31 March 2018 at revised budget setting</b>	<b>1,462</b>
Less:	
Supplementary Estimates (additional budget provision)	(60)
Reduction in interest receivable	(46)
Additional net transfer to Earmarked Reserves	(230)
Plus:	
Non-salary variances identified by services	904
Additional salary savings	114
Reduction in borrowing costs (interest payable)	66
Change in staff resource (budget reduction)	16
<b>Current forecast balances for end of 2017/18</b>	<b>2,226</b>

- 3.7 Included in the figures above are a number of underspent budget headings where works that have not been concluded in the current year, but will still be required during 2018/19. It is therefore likely that a carry-forward request will be made for these items. Carry-forwards will however be kept to a minimum due to the pressures on spending over the medium-term. The current estimate for carry-forwards to be met from general fund reserves is £146,900, which, if approved, would reduce the general fund balance from £2.226m to £2.079m. A further £89,390 is estimated to be requested for carry forward as part of the final outturn process but these sums are to be met from other earmarked reserves and will therefore have no effect on the general fund balance.



## 4 LEVEL OF RESERVES

- 4.1 The level of balances shown for the General fund is in excess of the approved range of £1 million - £2 million but is likely to sit close to the top of the range once expenditure items have been considered for carry-forward to 2018/19.
- 4.2 Consideration should be given to balances across the three main working reserves – the General Fund, the Stability and Resilience Reserve and the Service Improvement Fund – to determine the appropriate levels to hold in each in accordance with the Financial Strategy.
- 4.3 The Stability and Resilience Reserve was set up to allow the Council to weather fluctuations in its net expenditure while consideration is given to longer-term plans for meeting any funding gap. This means that actions are thought-through and well-considered rather than relying on quick fix, unsustainable solutions. Given the volatility in our income streams, especially around the operation of the Business Rates Retention Scheme, it is prudent to hold a reasonable reserve for this purpose. This is particularly relevant as we move into a round of consultations on the future funding of local government (Fair Funding Review) which will review the funding allocations between local authorities from 2020/21.
- 4.4 The balance on the fund at the close of 2017/18 is estimated at £3.85 million. It would be prudent to increase this reserve (if balances allow) as in previous years the Council has had to draw up to £2.4 million from the reserve to cover short-term fluctuations in income due to the operation of the Business Rates Retention Scheme, for example.
- 4.5 The Service Improvement Fund is held to support key projects such as invest-to-save schemes, which underpin the Council's plan for a sustainable organisation. Table 2 below shows the use of the Fund as approved in the revised budget alongside the latest estimates of expenditure for both the current and future years.

Table 2:

	2017/18 Revised Budget	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
<b>SERVICE IMPROVEMENT FUND</b>				
Opening balance on Fund	608,956	608,956	518,819	407,079
Digital & Customer Workstream	30,000	24,817	0	0
HR Policy	59,680	55,920	9,950	0
Finance Improvement Projects	3,470	2,300	10,810	2,970
Legal Compliance	8,000	1,950	6,050	0
Temporary Property Assistant	5,150	5,150	24,930	8,390
Regeneration Support	15,000	0	60,000	60,000
Expenditure in year	121,300	90,137	111,740	71,360
<b>Closing balance</b>	<b>487,656</b>	<b>518,819</b>	<b>407,079</b>	<b>335,719</b>

- 4.6 The Service Improvement Fund was replenished at the end of 2016/17 by £481,040 in order to leave the General Fund balance at £2 million. This was a vital injection of funds to support key projects such as invest-to-save schemes, which underpin the Council's plan for a sustainable organisation. If additional

resourcing had not been allocated, the Service Improvement Fund would have been nearly depleted by the end of 2017/18. However, given the additional resources, further projects have been approved to be funded by the Service Improvement Fund including work to ensure the compliance with the upcoming General Data Protection Regulations and a temporary resource to support property acquisitions, one of the key priorities of the Council.

- 4.7 The Council also has the flexibility to use some of its Capital Receipts to support revenue spending in the pursuit of efficiency and service transformation.
- 4.8 The strategy for the Flexible Use of Capital Receipts 2017/18 was approved by Council on 20 April 2017. An update on the 2017/18 Strategy was provided on 22 February 2018, when the strategy for 2018/19 was also agreed. The Strategy set aside a total of £980,000 for a period of 3 years, which commenced on 1 April 2016, for projects designed to generate ongoing revenue savings or for income generation. Table 3 details the projects that were included in the Strategy and shows a forecast position following the latest budget monitoring. A summary of the main variances are as follows:
- 4.9 To support the delivery of the Housing and Regeneration Programme:- £15,000 was included in the revised 2017/18 budget for feasibility and design work associated with the Games Hub, however this work is included in the main cost for shaping the regeneration project. The remaining underspend for 2017/18 is a result of there being a delay in the Council requiring professional advice on the best delivery vehicle to support the Housing element of the programme.
- 4.10 To explore new ways of delivering services while maintaining or improving service standards and reducing costs:- A conditions survey of Farnborough Leisure Centre and Aldershot Pools Complex is to be carried out before the end of 2017/18 but the remainder of the Leisure Contract Procurement is to slip to 2018/19.
- 4.11 To understand sales trends, price demand and ticket buying behaviour:- The initial work on the procurement of the pantomime pricing review has been commenced but the actual review will need to tie in with when pantomime's take place and will therefore not be carried out until 2018/19.
- 4.12 Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation (Phase 2):- Under phase 2 of the review into the functional and organisational arrangements of the Council, no budget was included in 2017/18. However, due to timing, there are some monies to be paid out under the Mutually Acceptable Redundancy Scheme (MARS) in 2017/18. This will be a partial pre-spend of the 2018/19 budget.
- 4.13 Feasibility and implementation of an expanded customer hub model:- The extensive customer diagnostic work which has been carried out is more costly than expected and therefore there will be a partial pre-spend of the 2018/19 budget.
- 4.14 As can be seen from table 3 the funding of £980,000 has been fully allocated for use by the end of 2018/19. In the 2018/19 strategy approved by Council, a further receipt of £380,000 received in 2017/18 was identified for potential use to support organisational redesign if the previously allocated funding proves insufficient.

Table 3: Flexible Use of Capital Receipts

Project	Actuals 2016/17	Revised 2017/18 Budget	Forecast Spend 2017/18	Variance	Slippage/ (Pre- Spend) to 2018/19	Original Budget 2018/19	Total Budget 2018/19	Completed (C)
<b>Opening Balance</b>	<b>500,000</b>	<b>338,224</b>	<b>818,224</b>			<b>484,873</b>	<b>500,273</b>	
<b>Additional Capital Receipt</b>		<b>480,000</b>						
<b>Income Generation &amp; Commercial</b>								
Creation of new income generating assets	24,225	-	-	-	-	-	-	C
To support the delivery of the Housing and Regeneration Programme	-	83,495	60,095	- 23,400	23,400	13,765	37,165	
To invest in property, diversifying the asset portfolio and securing greater returns	10,000	20,000	20,000	-	-	-	-	C
To explore new ways of delivering services while maintaining or improving service standards and reducing costs	-	35,000	10,000	- 25,000	25,000	45,000	70,000	
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return.	6,500	-	-	-	-	-	-	C
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return (Phase 2)	-	-	-	-	-	33,500	33,500	
To understand sales trends, price demand and ticket buying behaviour	-	12,000	-	- 12,000	12,000	-	12,000	
<b>Organisational Development</b>								
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation and the implications of future ways of working	98,200	23,470	23,470	- 0	-	-	-	C
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation (Phase 2)	-	-	32,000	32,000	- 32,000	289,305	257,305	
<b>Customer &amp; Digital</b>								
A comprehensive IT approach to integrate the client and contractor systems	-	52,465	52,465	-	-	32,535	32,535	
Feasibility and implementation of an expanded customer hub model	-	40,000	53,000	13,000	- 13,000	67,740	54,740	
Setting up new governance arrangements and project management support to overall transformation programme	16,852	5,900	5,900	-	-	-	-	C
To successfully implement the new waste contract	6,000	61,020	61,020	-	-	2,980	2,980	
<b>Total Expenditure</b>	<b>161,776</b>	<b>333,351</b>	<b>317,950</b>	<b>- 15,400</b>	<b>15,400</b>	<b>484,825</b>	<b>500,225</b>	
<b>Closing Balance</b>	<b>338,224</b>	<b>484,873</b>	<b>500,273</b>			<b>48</b>	<b>49</b>	

4.15 The overall effect on the main working balances will be as follows:

<b>Revenue Balances</b>	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
General Fund Balance	2,000	2,000	2,000	2,000
Stability & Resilience Reserve	3,808	3,808	3,808	3,808
Service Improvement Fund	519	407	336	226
<b>Estimated Balances at 31 March</b>	<b>6,327</b>	<b>6,215</b>	<b>6,144</b>	<b>6,034</b>
	7.91%	7.77%	7.60%	7.54%

4.16 The savings targets for the medium-term, updated in Report No: FIN1808 and reported to Cabinet 6 February 2018, were £1.55m, £2.8m and £3.785m for the years 2018/19, 2019/20 and 2020/21 respectively. Maintaining the general fund balance at £2m (rather than the previous estimate of £1.462m) means that the savings requirement could be reduced by £240,000 in 2018/19, £280,000 in 2019/20 and £10,000 in £2020/21.

4.17 As the deadline for the production of the Statement of Accounts for 2017/18 has been brought forward one month to the 31<sup>st</sup> May, the closedown process is already underway and a provisional outturn report will be presented to Cabinet during May 2018. Historically, the final outturn position has often contained additional, favourable variances above that reported in the March monitoring report. It is proposed that should the final outturn position show a general fund balance that is above the £2m upper limit set in the financial strategy, the balance should be transferred to the Stability and Resilience Reserve. If additional funding is required for the Service Improvement Fund in the future, this can be transferred from the Stability and Resilience Reserve at a later date.

## 5 RISKS

5.1 Due to the level of known financial risk, flexibility has been built into the Council's financial plans by setting aside reserves to be used to manage fluctuations in expenditure or income, to mitigate against other known risks and to support key projects such as invest-to-save schemes, which underpin the Council's plan for a sustainable organisation.

5.2 Considerable progress has been made in the implementation of income generation plans such as those from commercial property acquisition and further acquisitions are currently planned. Other significant projects to deliver efficiencies will come forward as part of the Council's Modernisation and Improvement report set out in a separate report on the Cabinet agenda for this meeting.

5.3 When considering delivery of the Council plan and the projects that will contribute to the considerable savings target required over the medium-term, due consideration should be given to the resources required to complete the projects and achieve the savings in a timely manner. This is supported by both the Service Improvement Fund and the flexible use of capital receipts, as set out in this report.

5.4 Continued fluctuations in business rate income and the potential changes to the

system coming forward as part of the 75% retention scheme and the Fair Funding Review underline the need for reasonable levels of reserves to mitigate against the risk of sudden downturns in major income streams. This also protects the Council from some of the risk around borrowing costs, enabling it to continue with major capital projects such as regeneration schemes, while it undergoes its transformation programme (Rushmoor 2020). Modernisation and improvement of the Council's core services should improve the customer experience as well as generating additional income and/or reducing costs through efficiencies.

#### 5.5 Other risks that should be considered are:

- Non-delivery, or delayed delivery, of key projects (Regeneration/Housing) that impact on residents, town centres and on the Council's financial position
- The playing out of the consequences of the UK's decision to leave the European Union. This may include implications for pension schemes and the Council's future contributions to the Hampshire Scheme, the value of properties including those recently purchased, the interest earned on the Council's investments or payable on its borrowings
- Deterioration in income streams due to the economic climate including planning fees, parking income, markets and car boot sales and rents
- Pressure on services from demographic change
- Pressure on services due to legislative changes, such as Welfare reform, Housing and Planning Act, Homelessness Reduction Act
- Financial restrictions from regulatory changes to the Prudential framework (e.g. Cipfa's Prudential Code and Treasury Management Code, MHCLG's Investment guidance)
- Maintaining the balance between new priorities and achieving savings targets
- The effect of decisions made by other external institutions to reduce or cease funding that may affect the financing of Council activities, or place pressure on Rushmoor to meet the shortfall in order to maintain service levels
- Risk that the level of reserves is too low to absorb impact of sudden changes to the financial position

The outplaying of events at Northamptonshire County Council are a timely reminder of the issues facing local government today and the need to have a sound financial basis for the future operation of the Council.

## 6 CONCLUSIONS

- 6.1 There will always be variances reported in-year against budgets due to the Council adapting its priorities to manage inevitable changes in demand pressures and having a flexible approach to changing circumstances. While this responsive approach works well for residents, the Council does need to make permanent reductions to its net cost of services (by reducing costs or increasing income) to achieve financial sustainability.
- 6.2 Savings requirements for the current year have been more than achieved with significant variances reported in this quarter, largely due to increasing income in

the quarter or reductions in demand led, reactive budgets. Some of these variances, such as the over-achievement of the current planning application fee budget, may be taken forward to improve the financial position year on year and therefore reduce the size of the future funding gap. However, many of the variances reported are one-off in nature and therefore will not support on-going service provision.

- 6.3 Furthermore, unfavourable variances within existing services must be corrected if the long-term sustainability of the organisation is to be achieved. Additionally, budget holders should seek to vire existing budgets or reduce spend elsewhere in order to reduce any overspends and to absorb new priorities. This will reduce the requirement for supplementary estimates in-year or growth items in future budget setting exercises both of which put pressure on Council funding requirements.
- 6.4 The latest monitoring position shows that the general fund balance is likely to be around the top of the range set in the Medium Term Financial Strategy at the end of 2017/18 and this will have a positive effect on the savings target over the same period.
- 6.5 While this report provides reassurance for the current financial year, the scale of the challenge over the medium-term remains considerable and efforts should be concentrated on moving forward modernisation and improvement plans in order to support delivery of the Council Plan and secure a sustainable financial future.

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## GENERAL FUND REVENUE BUDGET SUMMARY

## APPENDIX A

	Revised Estimate 2017/18 £000	Current Approved Estimate 2017/18 £000	Forecast Outturn 2017/18 £000
<b>PORTFOLIO EXPENDITURE</b>			
1 Corporate Services	557	555	466
2 Environment and Service Delivery	3,564	3,622	3,397
3 Concessions and Community	1,945	1,934	1,876
4 Health and Housing	1,504	1,504	1,490
5 Business, Safety and Regulation	2,689	2,690	2,422
6 Leisure & Youth	3,795	3,794	3,544
<b>7 PORTFOLIO NET EXPENDITURE</b>	<b>14,054</b>	<b>14,099</b>	<b>13,195</b>
8 Capital Accounting Charges - reversed	(1,241)	(1,241)	(1,241)
9 IAS 19 Pension costs - reversed	(568)	(568)	(568)
<b>10 NET EXPENDITURE AFTER ADJUSTMENTS</b>	<b>12,245</b>	<b>12,290</b>	<b>11,386</b>
11 Reductions in Service Costs/Income Generation			
12 Vacancy Monitoring	(50)	(50)	(165)
<b>13 Corporate Income and Expenditure</b>	<b>44</b>	<b>44</b>	<b>24</b>
<b>14 Contributions to/(from) Reserves</b>	<b>(257)</b>	<b>(257)</b>	<b>(27)</b>
<b>15 Central Government Funding</b>	<b>(5,580)</b>	<b>(5,580)</b>	<b>(5,580)</b>
<b>16 NET TOTAL EXPENDITURE</b>	<b>6,402</b>	<b>6,447</b>	<b>5,638</b>
17 Contribution to/(from) balances	(538)	(583)	226
<b>18 COUNCIL TAX REQUIREMENT</b>	<b>5,864</b>	<b>5,864</b>	<b>5,864</b>
<b>REVENUE BALANCES</b>			
19 1 April	2,000	2,000	2,000
20 General Fund Transfer	(538)	(583)	226
21 31 March	1,462	1,417	2,226

Notes:

<b>13 Corporate Income and Expenditure</b>			
Interest Receivable	(839)	(839)	(793)
Interest Payable	106	106	40
MRP	150	150	150
Collection Fund (Surplus)/deficit - CTax	(88)	(88)	(88)
Collection Fund (Surplus)/deficit - NNDR	779	779	779
Other corporate income and expenditure	(64)	(64)	(64)
<b>Total</b>	<b>44</b>	<b>44</b>	<b>24</b>
<b>14 Contributions to/(from) Reserve Accounts</b>			
Transfer to CPE Surplus Account	133	133	113
Contributions to/(from) earmarked reserves/prior year grants	(310)	(310)	(60)
Transfer to/(from) Service Improvement Fund	(80)	(80)	(80)
Transfer to/(from) Stability and Resilience Reserve	-	-	-
<b>Total</b>	<b>(257)</b>	<b>(257)</b>	<b>(27)</b>
<b>15 Central Government Funding</b>			
New Burdens Grant/Other non ring-fenced funding	(93)	(93)	(93)
New Homes Bonus	(1,450)	(1,450)	(1,450)
Revenue Support Grant	(536)	(536)	(536)
RBC share of rates collected	(18,990)	(18,990)	(18,990)
Tariff payable	15,252	15,252	15,252
Levy payable	1,022	1,022	1,022
S31 grants in relation to business rates	(785)	(785)	(785)
<b>Total</b>	<b>(5,580)</b>	<b>(5,580)</b>	<b>(5,580)</b>





## Appendix B

The variances identified by services during the March 2018 budget monitoring exercise and amounting to a net underspend of approximately £904,000 are shown below:			
Corporate Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Legal Services	Town Centres	Reduction in spend on Handyman due to stricter responses for labour requests	(6)
	Corporate Property Management	Reduction in spend on vacant property inspections due to fluctuations in vacancies	(6)
	Wellesley House 10a Eelmoor Road	Increase in spend on electricity	7
	Legal Support Service	Reduction in spend on Counsels fees and training expenses	(12)
	Estates Support	Increase in spend on valuation charges	8
Democratic Services	Communications	Reduction in costs for public relations and consultations (carry forward for £8,000 requested)	(10)
	Customer Services Unit	Reduction in postage costs	(15)
Financial Services	External Audit and Inspection	Refund received from Ernst and Young for retained earnings	(6)
	Audit Services	Reduction in spend on agency staff due to reduction in number of days required	(7)
IT and Facilities	Council Offices	Increase in spend on water due to additional invoices being received relating (in part) to 2016/17	6
All other expenditure variances for this portfolio			(46)
<b>Total Expenditure Variances in Corporate Portfolio</b>			<b>(87)</b>
Corporate Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Legal Services	Land Charges	Number of searches below expected levels resulting in an underachievement of income	10
	Belle Vue Enterprise Centre	Additional rental income received due to renewed agreements at higher levels	(10)
Financial Services	Council Tax Collection	Increase in amount of court costs recovered	(11)
IT and Facilities	Systems Thinking	Reduction in income due to reduction in project work carried out on behalf of another Local Authority	13
All other income variances for this portfolio			(4)
<b>Total Income Variances in Corporate Portfolio</b>			<b>(2)</b>
Total Expenditure Variances in Corporate Portfolio			(87)
Total Income Variances in Corporate Portfolio			(2)
<b>Total Net Variances in Corporate Portfolio</b>			<b>(89)</b>

VARIANCES RELATED TO EXPENDITURE BUDGETS			
Environment and Service Delivery Portfolio			
Corporate Director	Aldershot Regeneration Strategy	Reduction in spend on consultancy, due to timing in works being carried out on Aldershot regeneration (carry forward for full amount requested)	(26)
	Farnborough Town Centre Regeneration	Reduction in spend on consultancy, due to timing in works being carried out on Farnborough regeneration (carry forward for full amount requested)	(35)
Community Services	Domestic Refuse	Reduction in spend on previous contract payment Increase in contractor payment for Bulky Waste Collections as the demand has increased (this is cover by additional income)	(20) 9
	Recycling	Reduction in spend on previous contract payment Reduction in spend on contractor payment for Garden Waste Collection Service as the contractor is covering the first 1,000 additional Garden Waste Subscriber spaces within their current contractor price	(10) (23)
	Street Cleansing	Reduction in spend on the contractor payment as the additional cleaning in the Prospect Estate is included in the base contract payment Reduction in spend on Contract Performance (NI195) as only a third of the survey work will be completed in 2017/18	(17) (11)
	Car Parks	Reduction in spend on lining, general repairs and maintenance, lighting repairs and signs mainly due to the timing of the installation of the new pay and display machines	(15)
Planning Services	Planning Policy	Favourable variance for PDG Local Plan Examination (carry forward requested as Local Plan examination is to be in May 2018, this budget is funded from an earmarked reserve)	(66)
		Favourable variance for Local Plan Exams (carry forward requested as Local Plan examination is to be in May 2018)	(13)
All other expenditure variances for this portfolio			(31)
<b>Total Expenditure Variances in Environment and Service Delivery Portfolio</b>			<b>(258)</b>

VARIANCES RELATED TO INCOME BUDGETS			
Environment and Service Delivery Portfolio			
Community Services	Car Parks	Additional income received from season tickets (permits)	(19)
		Shortfall in Penalty Charge Notice income	19
		Shortfall in pay and display income	9
		Reduction in income from the now obsolete smartcards	5
	Parking Management	Shortfall in pay and display income	13
Other Highway Services	Additional income from temporary traffic regulation orders	(7)	
Domestic Refuse	Additional income from Bulky Waste Collections due to increase in demand	(23)	
Recycling	Reduction in green waste sales income due in 2017/18. This is due to a timing issue and does not reflect any reduction in levels of subscription	46	
	Additional recycling credit income	(10)	
All other income variances for this portfolio			1
<b>Total Income Variances in Environment and Service Delivery Portfolio</b>			<b>34</b>
Total Expenditure Variances in Environment and Service Delivery Portfolio			(258)
Total Income Variances in Environment and Service Delivery Portfolio			34
<b>Total Net Variances in Environment and Service Delivery Portfolio</b>			<b>(224)</b>

<b>Concessions and Community Portfolio</b>		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Democratic and Customer Services	Electoral Registration	Reduction in spend on external printing, postages and stationery	(5)
		Reduction in expenditure for canvass fees (carry forward requested to use saving to support IER review)	(14)
		Reduction in expenditure for IER costs (carry forward requested to use saving to support IER review)	(32)
	Local Elections	Reduction in spend across elections budget	(6)
All other expenditure variances for this portfolio			(2)
<b>Total Expenditure Variances in Concessions and Community Portfolio</b>			<b>(59)</b>
Total Expenditure Variances in Concessions and Community Portfolio			(59)
Total Income Variances in Concessions and Community Portfolio			0
<b>Total Net Variances in Concessions and Community Portfolio</b>			<b>(59)</b>

<b>Health and Housing Portfolio</b>		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Environmental Health and Housing Services	Housing Advice	Reduction in spend on North Lane lodge (carry forward requested, funded from earmarked reserves)	(6)
All other expenditure variances for this portfolio			(1)
<b>Total Expenditure Variances in Health and Housing Portfolio</b>			<b>(7)</b>

All other income variances for this portfolio			(8)
<b>Total Income Variances in Health and Housing Portfolio</b>			<b>(8)</b>
Total Expenditure Variances in Health and Housing Portfolio			(7)
Total Income Variances in Health and Housing Portfolio			(8)
<b>Total Net Variances in Health and Housing Portfolio</b>			<b>(15)</b>

<b>Business, Safety and Regulation Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	
Community Services	Cemeteries	Additional spend on scaffolding charges	7
	Crematorium	Additional spend on general repairs and maintenance	8
Environmental Health and Housing Services	Pollution and Environmental Control	Reduction in spend of the A331 Air Quality Feasibility grant as the £13,000 is a reimbursement of the Principal Pollution Officers time spent on the project (carry forward requested to use as backfill as the project is still ongoing)	(13)
All other expenditure variances for this portfolio			(16)
<b>Total Expenditure Variances in Business, Safety and Regulation Portfolio</b>			<b>(14)</b>

<b>Business, Safety and Regulation Portfolio</b>		<b>VARIANCES RELATED TO INCOME BUDGETS</b>	
Environmental Health and Housing Services	Licensing General	Additional premises licence income due to unexpected applications	(17)
Community Services	Crematorium	Additional income from memorials	(14)
	Markets and Car Boot Sales	Additional income from markets and car boot sales	(5)
Planning Services	Development Control	Favourable variance for Planning Applications. There have been four large planning applications (eg for a value of £20k or more) received since the revised budget was set which could not be foreseen Favourable variance on additional 20% planning application income. The Government agreed Planning Application charges could be increased by 20% provided the additional income is put back into the service to make improvements. The income will therefore be allocated to an earmarked reserve at year end to be used in future years	(166) (38)
All other income variances for this portfolio			(13)
<b>Total Income Variances in Business, Safety and Regulation Portfolio</b>			<b>(253)</b>
Total Expenditure Variances in Business, Safety and Regulation Portfolio			(14)
Total Income Variances in Business, Safety and Regulation Portfolio			(253)
<b>Total Net Variances in Business, Safety and Regulation Portfolio</b>			<b>(267)</b>

Leisure and Youth Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Community Services	Farnborough Leisure Centre	Reduction in spend on the leisure contract payment partly due to the energy indices payment being less than anticipated (across the three contract leisure sites)	(12)
	Southwood Golf Course	Reduction in spend on general repairs and maintenance	(7)
		Reduction in spend on consultancy fees in 2017/18 (carry forward requested)	(9)
	Grounds Maintenance Contract	Reduction in spend on grounds maintenance non-routine works	(31)
Parks and Recreation Grounds		Increase in expenditure on the Manor Park depot new paving and tarmac. This project was originally approved as part of the Capital Programme, however as the project expenditure is now less than the £10,000 de-minimus threshold for capital projects the expenditure is now classed as a revenue project	9
		Additional spend on tree maintenance works	16
	Additional spend on Licences	6	
	Reduction in spend on playground apparatus	(15)	
	Reduction in spend on general repairs and maintenance	(10)	
	Reduction in spend on tree planting, tree survey works, skate park maintenance and Rowhill Copse	(9)	
	Additional spend on S106 revenue projects (these projects are individually below the £10k threshold for capital projects) these projects are funded from the S106 Developers contributions	22	
All other expenditure variances for this portfolio			5
<b>Total Expenditure Variances in Leisure and Youth Portfolio</b>			<b>(35)</b>

Leisure and Youth Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Community Services	Alpine Snowsports Centre	Additional profit share split for 2017/18	(6)
	Parks and Recreation Grounds	S106 Developers Contributions being used to fund the S106 revenue projects	(22)
		Developers Income received for Southwood Woodlands SANG	(98)
		Developers Income received for Rowhill SANG <i>* These SANG receipts will be transferred to the SANG earmarked reserve from the general fund at year-end</i>	(33)
Princes Hall	Additional income re pantomime tickets sales	(40)	
All other income variances for this portfolio			(16)
<b>Total Income Variances in Leisure and Youth Portfolio</b>			<b>(215)</b>
Total Expenditure Variances in Leisure and Youth Portfolio			(35)
Total Income Variances in Leisure and Youth Portfolio			(215)
<b>Total Net Variances in Leisure and Youth Portfolio</b>			<b>(250)</b>
<b>Net Total of all Portfolio Variances</b>			<b>(904)</b>

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**CABINET  
17 APRIL 2018**

**COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO HOLDER  
REPORT NO. FIN1816**

**CAPITAL PROGRAMME MONITORING  
POSITION AS AT MARCH 2018**

**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:**

This report informs Members of the latest forecast of the Council's Capital Programme for 2017/18 based on the monitoring exercise carried out during February 2018.

**RECOMMENDATION:**

Members are requested to note the latest Capital Programme monitoring and the Prudential Indicators for 2017/18 at Appendix B.

**1. INTRODUCTION**

- 1.1 This report informs Members of the latest forecast regarding the Council's Capital Programme for 2017/18, based on the monitoring exercise carried out during February and March.

**2. BACKGROUND**

- 2.1 Financial Services, in consultation with relevant budget officers, carry out regular monitoring of the Capital Programme.
- 2.2 A summary of the overall position is shown in Appendix A.

**3. CURRENT POSITION**

- 3.1 The Council approved the revised Capital Programme £32,398,000 on 22 February 2018.
- 3.2 Based on February March 2018 monitoring exercise the table that follows shows the current approved budget together with the projected actual capital expenditure for the year 2017/18.

<b>Analysis of capital expenditure and approved budget for the year 2017/18</b>	<b>£000</b>
Total approved budget for the year 2017/18	32,398
Additional budget approvals made for the year 2017/18	0
<b>Total approved budget for 2017/18</b>	<b>32,398</b>
<b>Forecast capital expenditure for the year</b>	<b>13,517</b>
Net favourable variance (against the approved budget)	(18,881)
<i>Element of the above variance that will be slipped into 2018/19</i>	<i>18820</i>

- 3.3 There are some projects of major financial significance included in the Council's approved Capital Programme for 2017/18. These projects are (a) continued construction of the Council's new Depot, (b) Aldershot Town Centre Integration, (c) Union Street (Aldershot) developments, (d) finalisation of a loan to Farnborough International & (e) further acquisition of investment properties.
- 3.4 A Portfolio summary of all approved projects is shown at Appendix A to this report. This Appendix includes a list of all expenditure and grant/contribution variations that have been approved since Full Council approved the Revised Estimate for 2017/18 on 22<sup>nd</sup> February for the financial year 2017/18.
- 3.5 At the time of compiling this report, the new Depot site is continuing development. The scale of the project is vast, identifying various unforeseen issues and there continues to be a risk of overspend against budget. A report was taken to Cabinet on 6<sup>th</sup> March 2018 to seek a variation to the 2018/19 Capital Programme. The additional budget requested was £210,000 to cover the estimated overspend assessed by the Quantity Surveyor at the time and an additional £100,000 for contingency.
- 3.6 The Capital Programme is a significant undertaking for the Council in terms of magnitude and complexity. The scale of slippage and variation in programme highlights the need for close monitoring and clear project management across the whole Council. Delivery of the existing approved Capital Programme must be the clear focus
- 3.7 The significant over/(under) spend variations to date are as follows:

<b>Scheme</b>	<b>Explanation</b>	<b>Over / (Under) Spend £000s</b>
<b>COUNCIL OFFICES</b> Accommodation and Upgrade Changes	Whilst an underspend is anticipated on accommodation and upgrade changes, an overspend is anticipated on the co-location project which is closely linked.	<b>(10)</b>



<b>COUNCIL OFFICES</b> Co-Location	An overspend is anticipated on this project due to the extensive consultancy advice required. An underspend is anticipated on accommodation and upgrade changes which is closely linked to this project.	<b>10</b>
<b>COUNCIL OFFICES</b> Lower Roof Maintenance	No works have been undertaken as the lower roof has survived well during this year's weather and is not deemed a priority project. The budget can therefore be released.	<b>(24)</b>
<b>ACTIVATION ALDERSHOT</b> Town Centre Improvements	An overspend is forecast as there have been unforeseen costs due to structural issues with various buildings. The overspend would have been more considerable, however some costs were mitigated through redesigns of some of the other shop fronts.	<b>20</b>
<b>IMPROVEMENT GRANTS</b> Housing Renewal Grants	Housing Renewal Grants are discretionary and therefore are not always paid out in full.	<b>(15)</b>
<b>IMPROVEMENT GRANTS</b> Home Loan Scheme	A loan was in the pipeline to be paid out but has since fallen through. Home Loans are discretionary and therefore are not always paid out in full.	<b>(10)</b>
<b>SOUTHWOOD COMMUNITY CENTRE</b> Internal Decoration	There has been a reluctance to carry out works on this property as it is not Council owned. A budget exists in 2018/19 which is sufficient to cover works planned for 2017/18 as well. The budget for 2017/18 can therefore be released.	<b>(10)</b>
<b>PRINCES HALL</b> Coating to Roof	No works have been undertaken as patches which have previously been done are holding well and therefore it is not deemed priority to do more extensive works at this time. The budget can therefore be released.	<b>(15)</b>
<b>MANOR PARK</b> Depot New Paving and Tarmac	Only essential work has been undertaken and therefore much less cost has been incurred than originally planned. Costs incurred of £9k are to be transferred to revenue as the Capital de minimus threshold of £10k has not been reached.	<b>(19)</b>
<b>ICT/DIGITAL STRATEGY</b> Various Projects	A summary of the main variances is as follows: <ul style="list-style-type: none"> <li>- E-forms migration has been more complicated than envisaged and in addition, other</li> </ul>	<b>13</b>

	<p>worthwhile enhancements have been carried out which were not planned</p> <ul style="list-style-type: none"> <li>- Significant issues with the supplier of the Finance system upgrade</li> <li>- Consultancy; Hardware; and Software related to ICT Infrastructure improvements being more costly than anticipated</li> </ul>	
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3.8 The schemes detailed below represent an overspend in 2017/18 but not an overspend of the projects overall, as the amounts will be recognised as a partial pre-spend of the 2018/19 budget:

Scheme	Explanation	Partial Pre-Spend £000s
<b>CORPORATE PROPERTIES</b> 36-62 Union Street, Aldershot	Expenditure has been required to bring properties purchased in Union Street back into use.	<b>15</b>

3.9 The major areas of slippage identified to date which are included within the (Appendix A) net reduction in spend of £18,881,000 against the approved Capital Programme are provided in the table that follows:

Scheme	Explanation	Slippage to 2018/19 £000s
<b>CORPORATE PROPERTIES</b> 12 Arthur Street – Future Use	The conversion of this property into flats is due to be completed in May 2018. This project is utilising skilled up workers and therefore the work schedule has had to be extended. However, by utilising this workforce, an underspend of £97k is anticipated.	<b>(107)</b>
<b>CORPORATE PROPERTIES</b> Boulters House, 237 High Street – Redevelopment Costs	This project has been delayed due to resources being directed to work on other Corporate Properties.	<b>(31)</b>

<b>ACTIVATION ALDERSHOT</b> Project 2 Phase 6 Aldershot Station	This project has been delayed due to a change in franchise operator on the South West trains service. It was a requirement of the LEP funding that the LEP monies of £900k had to be spent in 2017/18. However, the LEP have agreed to allow this money to be spent in 2018/19 instead.	<b>(900)</b>
<b>CEMETERIES</b> Redan Road Repairs to Boundary Wall	An order for the works to be carried out was only raised in February 2018 and the works need to be completed in fair weather. The majority of the work is therefore expected to take place during 2018/19.	<b>(27)</b>
<b>IMPROVEMENT GRANTS</b> Disabled Facility Grants	Revised budget set at £1,102K including additional £99K of Disabled facility grant. At budget monitoring £792K has been paid out in 2017/18 with a further £316K committed in 2017/18. Private sector housing manager forecast that of the £316K committed spend 50% (£158K) to be paid by the year-end. On this basis outturn of £950K recognised with slippage of £147K.	<b>(147)</b>
<b>BEAUMONT PARK</b> Beaumont Guards Room Repairs to Stone Work	This project is not in motion yet and therefore a budget slippage is required.	<b>(19)</b>
<b>CAR PARKS</b> Pay and Display Machine Replacement	There are ongoing issues with the pay and display machine and back office functionality and rectification of these faults will not take place until 2018/19.	<b>(15)</b>
<b>ALDERSHOT POOLS COMPLEX</b> Roof Insulation and Coating over Pools	The tender process was not carried out until after September 2017 and the main order not placed until February 2018. The main works cannot take place until the weather improves and therefore the majority of the budget needs to slip to 2018/19.	<b>(68)</b>
<b>DEPOTS</b> Lysons Avenue Depot	This is a large project spanning financial years – estimated completion date is July/August 2018	<b>(564)</b>
<b>CYCLEWAY LINKS</b> Hazel Avenue to Arrow Road	Little progress has been made on this project due to the need to focus resources on Corporate Properties' projects.	<b>(15)</b>

<b>CAR PARKS</b> Enhancement Contract Costs	The monies were set aside to do works to the High Street MSCP, Aldershot and Pinehurst Car Park, Farnborough. However, the projects have been postponed while the wider regeneration is considered.	<b>(120)</b>
<b>CORPORATE PROPERTIES</b> Drawdown Fund for the Purchase of Investment Properties	Properties have been identified to utilise this budget but are unlikely to complete during 2017/18.	<b>(14,993)</b>
<b>ICT/DIGITAL STRATEGY</b> Revenues Citizen Account	Elements of the project are still to be completed in 2017/18 but the remainder of the project is to slip to 2018/19 due to an unforeseen staff absence.	<b>(14)</b>
<b>FLEXIBLE USE OF CAPITAL RECEIPTS</b> Various Projects	Profile of spend is forecast to be less in year 2 than anticipated. A full breakdown on the Flexible Use of Capital Receipts is provided separately.	<b>(15)</b>
<b>CORPORATE PROPERTIES</b> Commercial Property Acquisition (Exempt Item)	The purchase of a commercial property has been delayed due to circumstances beyond the Council's control but it looks likely the sale will complete in early 2018/19.	<b>(1,773)</b>

3.10 The material variances in relation to schemes financed by grants/contributions are as follows:

<b>Scheme</b>	<b>Explanation</b>	<b>Grant funding £000s</b>
<b>ACTIVATION ALDERSHOT</b> Project 2 Phase 6 Aldershot Station	This project has been delayed due to a change in franchise operator on the South West trains service. It was a requirement of the LEP funding that the LEP monies of £900k had to be spent in 2017/18. However, the LEP have agreed to allow this money to be spent in 2018/19 instead.	<b>900</b>
<b>IMPROVEMENT GRANTS</b> Disabled Facility Grants	Revised budget set at £1,102K including additional £99K of Disabled facility grant. At budget monitoring £792K has been paid out in 2017/18 with a further £316K committed in 2017/18. Private sector housing manager forecast that of the £316K committed spend 50% (£158K) to be paid by the year-end. On this basis outturn of £950K recognised with slippage of £147K.	<b>147</b>

<p><b>CAR PARKS</b> Enhancement Contract Costs</p>	<p>CPE monies were set aside to do works to the High Street MSCP, Aldershot and Pinehurst Car Park, Farnborough. However, the projects have been postponed while the wider regeneration is considered.</p>	<p><b>120</b></p>
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#### **.4. CONCLUSIONS**

- 4.1 Slippage has been identified on several schemes and these are shown above, along with any other material variations.
- 4.2 The effect on the Council's Prudential Indicators in relation to the additional capital expenditure approvals made since the Annual Treasury Management Strategy was revised and approved at Council on 22<sup>nd</sup> February 2018 is given at Appendix B to this report. Members are requested to note the updated indicators..
- 4.3 The Council's 2017/18 Capital Programme is currently forecast to spend £13.517m, £18.881m below the revised approved budget of £32.398m, largely due to the significant slippage of £18.820m into 2018/19. The majority of slippage (£16.766m) relates to commercial property acquisitions under the Council's 8-point plan for financial sustainability, which will provide on-going revenue income to support the Council's priorities and regeneration.

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## CAPITAL PROGRAMME MONITORING SUMMARY 2017/18

Expenditure	REVISED BUDGET 2017/18	ADDITIONAL BUDGET APPROVALS 2017/18	TOTAL APPROVED BUDGET 2017/18	ACTUAL AS AT 05.02.2018	COMMITMENTS AS AT 05.02.2018	ACTUALS PLUS COMMITMENTS	VARIANCE	FORECAST SPEND 2017/18	FORECAST SPEND LESS APPROVED BUDGET	SLIPPAGE TO 2018/19
PORTFOLIO	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CORPORATE SERVICES	24,329.00	0	24,329	6,642	89	6,731	(17,598)	7,400	(16,929)	16,933
LEISURE & YOUTH	541.00	0	541	295	87	382	(159)	385	(154)	97
ENVIRONMENT & SERVICE DELIVERY	6,075.00	0	6,075	2,225	1,034	3,259	(2,816)	4,480	(1,596)	1,616
BUSINESS, SAFETY & REGULATION	202.00	0	202	67	60	127	(75)	172	(30)	27
HEALTH & HOUSING	1,251.00	0	1,251	823	0	822	(429)	1,080	(172)	147
<b>TOTAL</b>	<b>32,398.00</b>	<b>0</b>	<b>32,398</b>	<b>10,052</b>	<b>1,270</b>	<b>11,321</b>	<b>(21,077)</b>	<b>13,517</b>	<b>(18,881)</b>	<b>18,820</b>

### Variations to Programme Approved 2017/18

Approved By	Date	£
Full Council	22.02.18	32,398,380
<b>Total Approved Budget</b>		<b>32,398,380</b>

Revised Budget 2017/18 - Various Projects

S106 and Grants & Contributions	REVISED BUDGET 2017/18	ADDITIONAL BUDGET APPROVALS 2017/18	TOTAL APPROVED BUDGET 2017/18	FORECAST S106 AND GRANTS & CONT'S AS AT 05.02.2018	VARIANCE
PORTFOLIO	£'000	£'000	£'000	£'000	£'000
CORPORATE SERVICES	(16)	0	(16)	(19)	(3)
LEISURE & YOUTH	(172)	0	(172)	(171)	1
ENVIRONMENT & SERVICE DELIVERY	(1,164)	0	(1,164)	(144)	1,020
BUSINESS, SAFETY & REGULATION	0	0	0	0	0
HEALTH & HOUSING	(1,097)	0	(1,097)	(951)	146
<b>TOTAL</b>	<b>(2,449)</b>	<b>0</b>	<b>(2,449)</b>	<b>(1,285)</b>	<b>1,164</b>

### Variations to Programme Approved 2017/18

Approved By	Date	£
Full Council	22.02.18	-2,448,960
<b>Total Approved Budget</b>		<b>-2,448,960</b>

Revised Budget 2017/18 - Various Projects





## Appendix B

<b>PRUDENTIAL INDICATORS</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>As approved at Full Council 22 February 2018</b>	<b>Prudential Indicators in reference to Capital Monitoring Q4 2017/18</b>
	<b>£m</b>	<b>£m</b>
<b>Capital Expenditure</b>	32.398	13.508
	<b>£m</b>	<b>£m</b>
<b>Financing of Capital Expenditure</b>		
Capital Receipts	5.322	5.322
Capital Grants and contributions	2.189	2.189
Revenue	0.261	0.261
Borrowing	24.626	5.736
<b>Total capital financing</b>	32.398	13.508
	<b>£m</b>	<b>£m</b>
<b>Capital financing requirement as at 31 March</b>	34.3	15.4
	<b>£m</b>	<b>£m</b>
<b>Gross debt and the capital financing requirement</b>		
Capital Financing Requirement (measured in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years)	89.5	89.5
Total gross debt	38.7	19.8
Difference	50.8	69.7
	<b>£m</b>	<b>£m</b>
<b>Operational boundary for external debt</b>		
Borrowing	40.0	40.0
	<b>£m</b>	<b>£m</b>
<b>Authorised limit for external debt</b>		
Borrowing	44.0	44.0
Other long-term liabilities	1.0	1.0
Total	45.0	45.0
	<b>%</b>	<b>%</b>
<b>Ratio of financing costs to net revenue stream</b>	-6	-6
	<b>£</b>	<b>£</b>
<b>Incremental impact of capital investment decisions on the Council Tax</b>		
General Fund - effect (£ p) on annual band D Council Tax	(6.75)	(6.75)

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CABINET

COUNCILLOR GARETH LYON  
CONCESSIONS AND COMMUNITY SUPPORT  
PORTFOLIO HOLDER  
REPORT NO. FIN1814

17<sup>TH</sup> APRIL 2018**DISCRETIONARY RATE RELIEF****SUMMARY AND RECOMMENDATIONS:****SUMMARY**

This report sets out a new application for Discretionary Rate Relief.

This report also sets out proposals to bring forward the date that charitable and not-for-profit organisations must reapply for discretionary rate relief to bring into line with the end of the current rating list, which was brought forward to 31 March 2021 (from 31 March 2022), in the Spring Statement 2018.

**RECOMMENDATIONS**

Cabinet are recommended to approve the award of 20% Top-up Discretionary Rate Relief until the end of the current Business Rates Valuation List, which at present is expected to end on 31 March 2021.

Cabinet are also asked to note and review the approach to undertake a review of Discretionary Rate Relief awarded to charitable organisations in line with the date of Governments national revaluation, which has been brought forward to 1 April 2021.

**1. INTRODUCTION**

1.1 The purpose of this report is to:

- Outline the background and financial implications of Discretionary Rate Relief.
- Consider a new application for Discretionary Rate Relief.
- Examine the overall budget position for cost impact of Discretionary Rate relief applications for 2018/19; and
- To bring forward the date charitable and not-for-profit organisations have to reapply for discretionary rate relief in line with the end of the current rating list, which has been brought forward to 31 March 2021.

**2. BACKGROUND**

2.1 Mandatory Relief is available at 80% of the rates payable, and to qualify an organisation must:

- Occupy a property or rating hereditament which is used wholly or mainly for charitable purposes, and
  - Be established for charitable purposes only, or
  - Be accredited as a community amateur sports club.
- 2.2 A local authority had discretion to grant “top up” relief of up to the additional 20% to charities that have received the 80% mandatory relief.
- 2.3 In addition, an authority can grant relief of up to 100% to other ratepayers.

### **3 NEW APPLICATION FOR RELIEF**

- 3.1 Full details of the application is set out in Appendix 1.
- 3.2 The applicant is entitled to 80% Mandatory Relief and therefore the application is for the “top up” 20% Discretionary Relief.
- 3.2 The portfolio holder for Concessions and Community Support met with the Principal Revenues and Benefits Officer on 16<sup>th</sup> March 2017 in respect of the application.
- 3.3 During the meeting the Portfolio Holder examined the application in detail and has set out a recommendation for the level and period of support that could be provided for this organisation as outlined in paragraph 3.4 below.
- 3.4 **Limbcare Limited** – the suggested level of support is 20% top up relief until 31 March 2021, which is the end of the current rating list.

Limbcare Limited have been operating the business out of Kingsmead Car Park and have recently expanded their operations which include an office function at Westmead House.

The award of relief on Westmead House is consistent with the award of relief on Kingsmead Car Park.

### **4 FINANCIAL IMPLICATIONS – NEW APPLICATION FOR DISCRETIONARY RATE RELIEF**

- 4.1 Since 1<sup>st</sup> April 2013, the Business Rates Retention Scheme has introduced a fundamentally new set of arrangements for dealing with the cost of rates. The cost to the Council of granting any relief is most reliably estimated at being 40% of the value of 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, taking into account any payment levies or safety net contributions payable or receivable.
- 4.2 Appendix 2 shows those charitable organisations that qualify for 80% mandatory relief and which have been granted additional “top up”

discretionary relief. The organisations are grouped together under generic headings, and the period of grant.

4.3 Appendix 2 also sets out summary details of the non-charitable organisations that are currently in receipt of relief. The appendix includes the value and costs of relief and period of grant.

4.4 If Discretionary Relief were awarded, the financial effect on the Council would be £218.42.

## **5 FINANCIAL RISKS - NEW APPLICATION FOR DISCRETIONARY RATE RELIEF**

5.1 If the suggested level of Discretionary Relief is awarded, the financial effect on the Council remains relatively low at £218.42 for the year 2017/18 and £224.841 for 2018/19.

## **6 CONCLUSIONS – NEW APPLICATION**

6.1 The Portfolio Holder for Concessions and Community Support is supportive of the application from Limbicare Limited to the level in this report. This case was reviewed on its own merit and the decision made is within the criteria of the Discretionary Relief policy and is in line with other similar organisations.

## **REVIEW DATE FOR CURRENT ORGANISATIONS**

### **6 VALUATION PROCESS**

6.1 The Valuation Officer (VO) sets the rateable value of each property, broadly representing the annual rent the property could be let for on the open market.

6.2 The VO reviews the rateable value of all properties every five years, which is known as revaluation.

6.3 In the Spring Budget 2017, the Chancellor announced that revaluation will be carried out every three years from 1 April 2022.

6.4 In the Spring Budget 2018, the Chancellor announced that the end of the current rating list will end on 31 March 2021.

### **7 CURRENT RECIPIENTS OF RATE RELIEF**

7.1 Appendix 2 lists all current charities and not for profit organisations who are currently in receipt of discretionary rate relief and the current expiry date of that relief.

- 7.2 For the most part, the listed charities and not for profit organisations have an expiry date for relief of 31 March 2022. This reflects the fact that Cabinet awarded relief to the end of the current rating list, which ended on 31 March 2012.
- 7.3 It was Cabinet's intention that discretionary rate relief to be awarded for the life of the rating list.
- 7.4 If it is agreed that the relief end date is brought forward to 31 March 2021, to coincide with the expected end of the current ratings list, the Council will write to all ratepayers accordingly and that they will be invited to reapply ready for 1 April 2021.

## **8. FINANCIAL RISKS - REVIEW DATE FOR CURRENT ORGANISATIONS**

- 8.1 The annual financial impact on Rushmoor under the Business Rates Retention Scheme is £147,000. The decision to reduce the period these ratepayers are entitled to relief will not affect the Council's finances.

## **9 CONCLUSIONS - REVIEW DATE FOR CURRENT ORGANISATIONS**

- 9.1 This exercise is a practical response to a change in Government legislation.
- 9.2 It was Members' intention that Discretionary Rate Relief to be awarded for the life of the 2017 rating list. As this has been brought forward it appears prudent to also bring forward the end date of discretionary rate relief for charitable and not-for-profit organisations.
- 9.3 Affected ratepayers can reapply for discretionary rate relief in time for the financial year 1 April 2021.

### **BACKGROUND DOCUMENTS:**

1. Local Government Finance Act 1988, Section 47.
2. Spring Statement 2018.
3. Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 989/1059).
4. Dept of the Environment Practice Note – Non-Domestic Rates, discretionary rate relief, issued 1989.
5. Full application case file in respect of the applicant.

### **CONTACT DETAILS:**

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**Head of Service** – Amanda Fahey / [amanda.fahey@rushmoor.gov.uk](mailto:amanda.fahey@rushmoor.gov.uk) 01252 398340

**Application for Discretionary Rate Relief**

**Limbcare**

**Suite 3c - Third Floor Westmead House, Westmead, Farnborough, GU14 7LP**

**Billing No. 92092891**



Limbcare offer advice and peer support to amputee/limb impaired individuals, communities, families and others impacted around them. They have access to a vast amount of experience and many volunteers are amputees. Membership is not required, and advice/information is given freely.

Limbcare offers mobility help for the disabled and elderly and have a Shopmobility centre in Farnborough.

On their website, they state the following:

Mission statement - Creating independence through, counselling, help, support, fitness, sport, dance and music. Offering education for all limb impaired individuals in the UK and Internationally. Limb impaired individuals means 'amputees or any limb deficient person through birth, illness, accident and wheel chair dependant'.

Aim - To bring awareness and understanding by giving presentations, organising events and educating professionals through lectures and seminars.

Website: [www.limbcare.org](http://www.limbcare.org)

Limbcare currently occupy Suite 3c Westmead House, Westmead, Farnborough, GU17 7LP, and have a Shopmobility Centre in Kingsmead Multi-Storey Car Park, Farnborough where they store and hire out mobility scooters. They currently receive 80% Mandatory Relief and 20% Discretionary Relief on their premise in Kingsmead Multi-Storey.

As a registered charity, Limbcare are entitled to 80% mandatory relief and this application is for 20% Discretionary rate relief.

Limbcare have been liable for rates at this property since 17 March 2017, and the current yearly charge is £2,730.30. If 20% Discretionary rate relief were to be awarded, the financial effect on Rushmoor Borough Council would be as follows:-

<b>Financial Year</b>	<b>Value of Relief</b>	<b>Cost to RBC</b>
2017/18	£546.06	£218.42
2018/19	£562.02	£224.81

In their application, Limbcare advise the following:-

***What are the main objects of the charity?***

To give support, empathy and information to amputees and to limb impaired, throughout the UK.

***Outline ways in which the local organisation is involved, at local, regional or national level, in developing its particular interests:***

We run the Shopmobility unit in Farnborough, we run a user group at Frimley Park Hospital for amputees and the limb impaired. We go to visit people in hospital before and after amputation offering support and information.

***What purpose does your organisation use the premises and facilities?***

Main office and meeting area.

***How would an award of relief to your organisation benefit the local community?***

We run the Shopmobility unit in Farnborough, which is used by the local community, the relief will help us to maintain the hire vehicles and employ a member of staff to run the unit. We also run a user group at Frimley Park Hospital.

**BACKGROUND DOCUMENTS:**

1. Local government Finance Act 1988, Section 47
2. Non-domestic Rating (discretionary Relief) Regulations 1989 (SI 989/1059)
3. Dept. of the Environment Practice Note – Non-Domestic Rates, discretionary rate relief issued 1989
4. Full application case file in respect of the applicant.



Billing Number	Name	Address	Rateable Value	Yearly Rates	MR %	MR Value	DR%	DR Value	Cost of Award to RBC	Expiry Date
	<b>Scouts/Guides</b>									
9000743	6th Farnborough Scout Group	123 Cheyne Way, Farnborough	2,900	1,429.70	80	1,143.76	20	285.94	114.38	31/03/2022
9110756	3rd Farnborough Scout Group	Scout Hut, Sand Hill, Farnborough	5,700	2,810.10	80	2,248.08	20	562.02	224.81	31/03/2022
9000745	2nd Aldershot Scouts	Church Hil, Aldershot	5,400	2,662.20	80	2,129.76	20	532.44	212.98	31/03/2022
9001013	1st Aldershot Scouts	Eastern Road, Aldershot	4,650	2,292.45	80	1,833.96	20	458.49	183.40	31/03/2022
9001549	1st Cove Scouts	11 Fleet Road, Farnborough	4,650	2,292.45	80	1,833.96	20	458.49	183.40	31/03/2022
9001905	5th Farnborough Scouts	9 High Street, Farnborough	4,100	2,021.31	80	1,617.05	20	404.26	161.70	31/03/2022
9002718	14th Aldershot Scouts	72 North Lane, Aldershot	3,750	1,848.75	80	1,479.00	20	369.75	147.90	31/03/2022
9002994	8th Farnborough Air Scouts	Rectory Road Scout Hut, Priory Street, Farnborough	2,500	1,473.90	80	1,179.12	20	294.78	117.91	31/03/2022
9004421	4th Aldershot Scout Group	Western Road, Aldershot, GU11 3PL	3,550	1,750.15	80	1,400.12	20	350.03	140.01	31/03/2022
9003179	2nd Farnborough Scout Group	Curly Bridge Close	3,650	1,568.44	80	1,254.75	20	313.69	125.48	31/03/2022
				<b>20,149.45</b>		<b>16,119.56</b>		<b>4,029.89</b>	<b>1,611.96</b>	
	<b>Charity Shops</b>									
9110401	Phyllis Tuckwell Hospice	9 Union Street, Aldershot	10,500	5,176.50	80	4,141.20	15	776.48	310.59	31/03/2022
9207795	Phyllis Tuckwell Hospice	52 Kingsmead, Farnborough	15,500	4,620.98	80	3,696.78	15	693.15	277.26	31/03/2022
9207635	Parity for Disabled	92-94 Whetstone Road, Farnborough	3,300	1,563.89	80	1,251.11	20	312.78	125.11	31/03/2022
9201455	Parity for Disabled	69 Camp Road, Farnborough	9,900	4,880.70	80	3,904.56	15	732.11	292.84	31/03/2022
9202688	British Heart Foundation	107 Victoria Road, Aldershot	66,000	35,496.00	80	28,396.80	15	5,324.40	2,129.76	31/03/2022
9204789	British Heart Foundation	30 Union Street, Aldershot	16,750	8,257.75	80	6,606.20	15	1,238.66	495.47	31/03/2022
9200446	British Heart Foundation	96b Queensmead, Farnborough	29,000	14,297.00	80	11,437.60	15	2,144.55	857.82	31/03/2022
				<b>74,292.82</b>		<b>59,434.26</b>		<b>11,222.12</b>	<b>4,488.85</b>	
	<b>Local Charities</b>									
9000007	Farnborough Cove War Memorial	Albert Road, Farnborough	15,750	7,764.75	80	6,211.80	20	1,552.95	621.18	31/03/2018
9209976	The Source Young Peoples Charity	Suite 3, Wesley Chambers, Queens Road, Aldershot	17,750	8,750.75	80	7,000.60	20	1,750.15	700.06	31/03/2022
9209977	The Source Young Peoples Charity	Car Park Spaces 8,10 and 12, Wesley Chambers, Queens Road, Aldershot	600	295.80	80	236.64	20	59.16	23.66	31/03/2022
9206468	Farnborough Community Centre	Elles Hall, Meudon Avenue, Farnborough	27,500	13,557.50	80	10,846.00	20	2,711.50	1,084.60	31/03/2022
9000006	Bevan Lodge Community Pre-School	Ground Floor, 67 Albert Road, Farnborough	4,450	2,193.85	80	1,755.08	20	438.77	175.51	31/03/2018
9206536	The Gurkha Welfare Trust	First Floor East, 35-39 High Street, Aldershot	7,100	3,249.07	80	2,599.26	20	649.81	259.93	31/03/2022
9000981	Rowhill Nature Reserve	95 Cranmore Lane, Aldershot	1,575	776.48	80	621.18	20	155.30	62.12	31/03/2022
9206467	Rushmoor Voluntary Services	Community Centre, Farnborough	12,750	6,285.75	80	5,028.60	20	1,257.15	502.86	31/03/2022
9205534	Soldiers and Airmens Scripture Readers Association	Havelock House, Barrack Road, Aldershot	2,375	1,417.10	80	1,133.68	20	283.42	113.37	31/03/2022
9110359	Rushmoor Gymnastics Academy	Pool Road, Aldershot	11,500	5,669.50	80	4,535.60	20	1,133.90	453.56	31/03/2022
9111133	Farnborough Christian Outreach (The Triangle)	64 Kingsmead, Farnborough	13,500	4,021.02	80	3,216.82	20	804.20	321.68	31/03/2022
9205672	Step by Step Partnership Ltd	36 Crimea Road, Aldershot	70,500	34,756.50	80	27,805.20	20	6,951.30	2,780.52	31/03/2022
9208665	Parkside (Fab Cafe)	Farnborough Library, Pinehurst Avenue	9,300	4,584.90	80	3,667.92	20	916.98	366.79	31/03/2022
9205023	Rushmoor Healthy Living	Suite 17 Second Floor The Meads Business Centre, Kingsmead, Farnborough	4,250	2,095.25	80	1,676.20	20	419.05	167.62	31/03/2022
9206386	The Vine Drop in Centre	The Institute, 33 Station Road, Aldershot	7,900	3,894.70	80	3,115.76	20	778.94	311.58	31/03/2022
9111721	Farnborough Air Sciences Trust	85 Farnborough Road, Farnborough	55,000	27,115.00	80	21,692.00	20	5,423.00	2,169.20	31/03/2022
9208682	The Well of Life	Ground Floor Rear, 57 Lynchford Road, Farnborough	4,750	2,341.75	80	1,873.40	20	468.35	187.34	31/03/2022
9208962	Limbcare Ltd	Kingsmead Car Park	6,900	3,401.70	80	2,721.36	20	680.34	272.14	31/03/2022
9209059	Aldershot Town And District Football In The Community Trust	Unit 3, 48 Camp Road, Farnborough	2,550	1,257.15	80	1,005.72	20	251.43	100.57	31/03/2022
9206535	Relate	35-39 High Street, Aldershot	8,000	3,662.54	80	2,930.03	20	732.51	293.00	31/03/2022
9210123	The Lisa May Foundation	Office 8, Third Floor Abbey House, 282 Farnborough Road, Farnborough	1,300	640.90	80	512.72	20	128.18	51.27	31/03/2022
				<b>137,731.96</b>		<b>110,185.57</b>		<b>27,546.39</b>	<b>11,018.56</b>	
	<b>Large Charitable Organisations with Specific Local Focus</b>									
9204865	Breakthrough Deaf-Hearing Integration	Part Second Floor, 35-39 High Street, Aldershot	2,350	920.19	80	736.15	10	92.02	36.81	31/03/2022
9002985	Farnborough CAB	Citizens Advice Bureau, Meudon Avenue, Farnborough	18,500	9,120.50	80	7,296.40	20	1,824.10	729.64	31/03/2022
9204526	Aldershot CAB	Ground Floor, 35-39 High Street, Aldershot	23,500	9,547.71	80	7,638.17	20	1,909.54	763.82	31/03/2022
9204863	Aldershot CAB	Citizens Advice Bureau Part Second Floor, 35-39 High Street	9,400	4,254.70	80	3,403.76	20	850.94	340.38	31/03/2022
9007274	First Wessex	232 North Lane, Aldershot	11,000	5,423.00	80	4,338.40	10	542.30	216.92	31/03/2022
9203788	Royal Aeronautical Society	The Secret Factory Grd Flr Q134 The Hub, Fowler Avenue, Farnborough	17,500	8,119.43	80	6,495.54	10	811.94	324.78	31/03/2022
9202889	Royal Aeronautical Society	East Wing Ground Floor The Hub Q134, Fowler Avenue, Farnborough	37,000	18,241.00	80	14,592.80	10	1,824.10	729.64	31/03/2022
9207735	Tamba - Twins & Multiple Birth Assoc	Second Floor Manor House, Church Hill, Aldershot	16,500	7,532.47	80	6,025.98	10	753.25	301.30	31/03/2022
9202477	Active Nation Uk Limited	Alpine Ski Centre, Galwey Road, Aldershot	39,000	19,227.00	80	15,381.60	15	2,884.05	1,153.62	31/03/2022
9001328	Samaritans of Farnborough & District	182A Farnborough Road, Farnborough	12,000	5,916.00	80	4,732.80	15	887.40	354.96	31/03/2022
9209776	Andover Mind	121-123 Victoria Road, Aldershot	15,500	7,641.50	80	6,113.20	10	764.15	305.66	31/03/2022
				<b>95,943.50</b>		<b>76,754.80</b>		<b>13,143.79</b>	<b>5,257.52</b>	
	<b>Community Amateur Sports Clubs</b>									
9001491	Cove Bowling Club	53 Horn Road, Farnborough	6,800	3,352.40	80	2,681.92	20	670.48	268.19	31/03/2022
9000246	Cove Cricket Club	Grasmere Road, Farnborough	4,750	2,341.75	80	1,873.40	20	468.35	187.34	31/03/2022
9207269	Farnborough Gate Bowling Club	Ringwood Road, Farnborough	5,900	2,908.70	80	2,326.96	20	581.74	232.70	31/03/2022
9205885	Aldershot And Fleet Rugby Union Football Club Limited	Guildford Road, Aldershot	11,250	5,546.25	80	4,437.00	20	1,109.25	443.70	31/03/2022
9001837	Aldershot Cricket Club	Guildford Road, Aldershot	11,000	5,423.00	80	4,338.40	20	1,084.60	433.84	31/03/2022
9003521	Farnborough Rugby Football Club	Tilebarn Close, Farnborough	12,500	6,162.50	80	4,930.00	20	1,232.50	493.00	31/03/2022
				<b>25,734.60</b>		<b>20,587.68</b>		<b>5,146.92</b>	<b>2,058.77</b>	
	<b>Sports and Non-Profit Organisations</b>									
9001252	Aldershot Underwood Bowling	Eggars Hill, Aldershot	4,600	2,208.00	-	-	0	-	-	*100% SBRE
9203837	Rushmoor Community Football Club	The Pavilion, Grasmere Road, Farnborough	13,500	6,480.00	-	-	50	3,240.00	1,296.00	31/03/2022
9203884	Southwood Management Organisation Ltd	Kennels Lane, Farnborough	6,800	3,264.00	-	-	0	-	-	*100% SBRE
9003522	Farnborough Lawn Tennis Club	Tile-Barn Close, Farnborough	9,000	4,320.00	-	-	0	-	-	*100% SBRE
9004371	Enterprise First (Southern) Ltd	11 Wellington Street, Aldershot	11,250	5,400.00	-	-	0	-	-	*100% SBRE
9001895	Aldershot Dolphins Club	103 Hawley Lane	465	223.20	-	-	0	-	-	*100% SBRE
9004435	Aldershot Traction Co. Athletic Club	The Traction Club, Weybourne Road, Aldershot	10,750	5,160.00	-	-	0	-	-	*100% SBRE



**Cabinet**  
17 April 2018

**Councillor Martin Tennant**  
**Environment and Service Delivery**  
**Portfolio Holder**  
**Report No. COMM1804**

**Key Decision – No**

**Farnborough Airport Community Environmental Fund**

**Summary and Recommendation**

The Environment and Service Delivery Portfolio holder has considered four applications and has awarded £20,682, which Cabinet is recommended to approve.

**1. Introduction**

1.1 This paper seeks approval to award grants from the Farnborough Airport Community Environmental Fund to assist four local projects.

**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 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 four applications (Appendix A) and has made four award recommendations:

• The Species Recovery Trust	£4,000
• The Land Restoration Trust	£4,182
• Rushmoor Voluntary Services	£5,000
• The Farnborough Society	£7,500

<b>Total</b>	<b>£20,682</b>
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#### **4. Financial Implications**

4.1 The Community Environmental Fund is currently £59,149. Taking the four applications recommended in this paper totalling £20,682 would leave £38,467 available for allocation.

#### **Contact Details:**

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#### **Head of Service**

Peter Amies – Head of Community and Environmental Services  
[Peter.amies@rushmoor.gov.uk](mailto:Peter.amies@rushmoor.gov.uk) / 01252 398750

#### **Background Documents:**

Completed application form - Appendix A

<b>Environment Fund applicant bid</b>	
<b>Name &amp; address of Applicant</b>	The Species Recovery Trust Site address: Eelmoor, Pyestock and Hawley Commons (centred on GU51 3HJ)
<b>Grant requested (Total cost of project)</b>	£4,000 (£6,600)
<b>Purpose of grant</b>	To conserve some of the rarest plant species and assemblages of the heathlands, through continued monitoring and management of key biodiversity hotspots
<b>Previous grants from this fund</b>	2012 - £1,000 “Celebrating the Farnborough heathlands” 2013 - £5,190 Guided walks, 3 school events and short film 2015 - £2,500 Conserving the biodiversity hotspots of the Rushmoor heathland
<b>Distance from centre of runway</b> (within 5 kilometres (3 miles))	Within distance
<b>Other sources of funding for this project</b>	£800 – Halpin Charitable Trust £800 – Freshwater Habitats Trust Ponds for People project £1,000 – own funds
<b>Accounts</b>	Income                            £67,509 Expenditure:                    £55,315 Balances:                        £72,735
<b>Additional Info</b>	Following on from previous projects this will support an up to date survey of 22 of the biodiversity hotspots on the heathlands around Farnborough and Fleet – typically areas of damp heathland and bog that support a wide range of species. The population census of the rare plants will also allow for an evaluation of the success of previous work and general populations trends on the sites.  The project will also include – <ul style="list-style-type: none"> <li>• hand clearance of vegetation at up to five sites to remove choking vegetation and improve conditions</li> <li>• a free open day giving local residents the chance to come and learn about the wildlife of the heathlands to enhance their enjoyment of the heaths</li> <li>• production of a short film highlighting the biodiversity</li> </ul>
<b>Aim of organisation/group</b>	The Species Recovery Trust was founded in 2011 in response to the catastrophic rate of species extinction occurring both globally and in the UK. They target some of the rarest and most endangered species in the UK, working to bring them back from the brink of extinction, using a range of conservation techniques, both working on sites themselves and supporting partners who are involved in this type of work. Their mission is to remove at least fifty species from the brink of extinction by the year 2050.
<b>Application recommendation</b>	£4,000

## Environment Fund applicant bid

<b>Environment Fund applicant bid</b>	
<b>Name &amp; address of Applicant</b>	The Land Restoration Trust Site address: Duke's Wood Wharf Plantation, Laffan's Road, Aldershot GU11 2RE
<b>Grant requested (Total cost of project)</b>	£4,182 (£8,364)
<b>Purpose of grant</b>	Brass-rubbing trail in Wellesley Woodlands
<b>Previous grants from this fund</b>	None
<b>Distance from centre of runway (within 5 kilometres (3 miles))</b>	Within distance
<b>Other sources of funding for this project</b>	£2,091 – Cllr Choudhary – HCC Councillor grant (unsecured) £2,091 – Cllr Withers – HCC Councillor grant (unsecured)  Underwritten by The Land Trust if applications not successful
<b>Accounts</b>	Income                   £15,240k Expenditure:           £6,456k Balances:               £145,801k
<b>Additional Info</b>	<p>The Land Trust will work with local schools to deliver a new brass-rubbing trail within Wellesley Woodlands, supporting the school based Aldershot Active Award (AAA) set up last year.</p> <p>The project will create a new marked trail consisting of 18 brass-rubbing designs mounted on oak posts featuring images depicting local wildlife, nature and local history and will form one of the key activities that fall within the AAA scheme. It will be located in Duke's Wood, running along two established walking trails and open to all.</p> <p>The funding will be used to design, develop and install the brass rubbings and posts; develop and print trail leaflets; and deliver a launch event in Wellesley Woodlands. It will help to bring people together from across the wider community and engage visitors with the wildlife and history of the area while encouraging active use of the site and provide the physical and mental health benefits of spending time outside in natural green spaces.</p> <p>The Land Trust will work with Talavera Infant and Junior Schools to involve local primary school children with the development of the brass rubbing themes. The brass-rubbing trail will be managed and maintained on a daily basis by Blackwater Valley Countryside Partnership. This activity will be free and fully inclusive.</p>
<b>Aim of organisation/group</b>	<p>The Land Trust's vision is to improve the quality of people's lives by creating sustainable, high quality green spaces that deliver environmental, social and economic benefits.</p> <p>They work with landowners who want to pass on responsibility for the management of an area of land. This includes fundraising to enhance the site, and to offer activities and experiences to all. Their land has a free, open access policy and where possible they aim to provide access for all.</p>
<b>Application recommendation</b>	£4,182

### Environment Fund applicant bid

<b>Name &amp; address of Applicant</b>	Rushmoor Voluntary Services (RVS) Community Centre, Meudon Avenue, Farnborough
<b>Grant requested (Total cost of project)</b>	£5,000 (£27,937)
<b>Purpose of grant</b>	Towards the cost of the Blooming Marvellous project working with 28 residents in Rushmoor with/recovering from mental illness and those with learning disabilities. The grant will provide opportunities for the volunteers to work on an allotment in Aldershot, maintain gardens of elderly and disabled residents and improve community open areas.
<b>Previous grants from this fund</b>	2013 - £6,000 (Blooming Marvellous project) 2016 - £5,000 (Blooming Marvellous project)
<b>Distance from centre of runway</b> (within 5 kilometres (3 miles))	Yes
<b>Other sources of funding for this project</b>	£20,000 – Broadhurst Welcome Home Ltd £2,937 – RVS: from reserves, donations and sales
<b>Accounts</b>	Income - £620k Expenditure - £584k Balances - £467k
<b>Additional Info</b>	<p>The overall aim of the project is to positively engage with people with mental illness and involve them in environmental and horticultural activities.</p> <p>Blooming Marvellous is committed to making a difference to the environment and to encourage people to be involved in working in the community and taking pride in the local area. Members of the public and community groups are involved in the work, including litter picks, bulb planting and other community events.</p> <p>The volunteers also attend training to improve skills and confidence. Last year four of the volunteers who were long-term unemployed returned to paid work.</p> <p>Blooming Marvellous regularly wins awards including Rushmoor in Bloom, South and South East in Bloom and Rushmoor Allotment awards. In 2016, they achieved a silver guilt medal at the Hampton Court Flower Show. They have also worked with a local playgroup to improve the garden for youngsters to enjoy outdoor play; and developed a sensory garden so that disabled people can be involved and enjoy gardening.</p> <p>The project is being evaluated in 2018 with the aim of demonstrating the value of the project to assist in securing ongoing funding.</p>
<b>Aim of organisation/group</b>	<p>RVS supports voluntary organisations and local people, and champions volunteering in the borough.</p> <p>RVS manages Rushmoor Volunteer Centre, Rushmoor Dial a Ride, RVS Home Help, Rushmoor and Hart Community Transport and Blooming Marvellous supported gardening.</p>
<b>Application recommendation</b>	£5,000

### Environment Fund applicant bid

<b>Name &amp; address of Applicant</b>	The Farnborough Society Site address: Alexandra Road, Farnborough
<b>Grant requested (Total cost of project)</b>	£7,500 (£7,500)
<b>Purpose of grant</b>	Environmental tree pits on Alexandra Road running from Lynchford Road roundabout to Masonic Hall
<b>Previous grants from this fund</b>	£5,000 (2015) Victoria Road Cemetery Chapel columbarium
<b>Distance from centre of runway (within 5 kilometres (3 miles))</b>	Within distance
<b>Other sources of funding for this project</b>	None
<b>Accounts</b>	Income                      £3,880 Expenditure:                £3,680 Balances:                    £8,031
<b>Additional Info</b>	<p>To excavate 15 tree pits along Alexandra Road, between the Lynchford Road roundabout and the Masonic Hall. The pits will be reinstated with porous resin bound material.</p> <p>The appearance and safety of the street scene will be vastly improved by this work. The majority of tree bases are left open to the environment and often present a trip hazard to local residents, particularly at night. They encourage the unsightly growth of weeds on soil surrounds and collection of detritus. It will reduce the need for chemical weedkilling.</p> <p>This project will add to the number of tree pits in the area that are already protected in this way.</p> <p>The cost of the project includes traffic management and, disposal of arising's.</p> <p>The project will benefit all the local community, in particular young children the elderly who are more susceptible to falls, plus visitors to the area. It also supports one of the society's key aims: to raise civic pride.</p>
<b>Aim of organisation/group</b>	<p>As a civic society their aims are:</p> <ul style="list-style-type: none"> <li>• to promote high standards in the natural, built social and economic environment of Farnborough</li> <li>• to raise awareness of local issues, the geography, history, natural history and architecture of Farnborough</li> <li>• to encourage the conservation, protection, development and improvement of features of historic or public interest in Farnborough</li> </ul>
<b>Application recommendation</b>	£7,500



CABINET  
17 April 2018

COUNCILLOR MARTIN TENNANT  
ENVIRONMENT AND SERVICE DELIVERY  
PORTFOLIO HOLDER

KEY DECISION: YES

REPORT NO. PLN1808

**THAMES BASIN HEATHS SPECIAL PROTECTION AREA AVOIDANCE AND  
MITIGATION STRATEGY (AMS) UPDATE**

**Summary and Recommendations:**

Approval is sought to amend the Rushmoor Thames Basin Heaths Avoidance and Mitigation Strategy, to incorporate arrangements to facilitate town centre regeneration proposals.

**Recommendation:**

That Appendices 4 and 5 of the AMS are amended based on the draft Appended to this report to facilitate a more flexible implementation period.

**1.0 Introduction**

- 1.1 The purpose of this report is to ensure that the criteria by which the Council allocates SANGs capacity, or supports the allocation to developers of capacity, in respect of development projects within Rushmoor, can facilitate the delivery of housing forming part of regeneration schemes on designated Town Centre sites, and to agree appropriate changes to the Council's AMS to accommodate this.
- 1.2 This is a key decision as it has implications for continuation of the Council's ability to grant planning permission for, and ensure the delivery of, regeneration schemes within the Borough's town centres.

**2.0 Background**

- 2.1 The AMS was updated in November 2017 to reflect the recently completed arrangement by which SANGs capacity within Hart District could be made available to support development proposals within Rushmoor Borough.
- 2.2 In order to ensure that the limited resource of SANGs capacity is used for the specific purpose of delivering housing, and not tied up for extended periods by unimplemented permissions or to increase the development value of 'land banked' sites, the Council has adopted the approach of restricting the duration of residential planning permissions involving Council-allocated SANGs capacity to one year. Paragraph 3.2 in Appendix 4 of the AMS currently states:  
*"The **second criterion** for consideration will be likelihood of early delivery. It would not be appropriate for SANG capacity to be tied up in speculative or*

*outline schemes which are designed to maximize asset value with no likelihood of implementation. Consequently any planning permission for residential development which is supported by SANG allocation from the Council will be subject to a condition limiting the duration of the permission to one year. Similarly, the offer of capacity will reflect the same one year period.”*

- 2.3 In the context of its renewed commitment to regeneration of the Borough’s Town Centres, the Council is exploring a number of options to secure and expedite the delivery of town centre development schemes. These may include securing Government funding, partnerships and support from other agencies. In these circumstances, the process, whilst giving a high probability of early and effective delivery, may be impeded by the insistence on a one year commencement condition for a residential planning permission. Comprehensive town centre schemes, by their very nature, are often complex and are likely to involve the support of public bodies, who need the surety of planning permission to be able to progress the viability and deliverability of development. Appendix 4 of the AMS sets out how the allocation of SANGs capacity is at the discretion of the Head of Planning, and goes on to explain the criteria against which requests for allocation will be considered.

### **3.0 Details of the proposal**

- 3.1 In order to facilitate the timely delivery of regeneration proposals involving residential development within designated town centres, which are often the subject of partnership arrangements and funding commitments, it is proposed to amend Appendices 4 and 5 of the AMS to extend the discretion of the Head of Planning to cover the duration of planning applications which have the support of Council-allocated or supported SANGs capacity.
- 3.2 The current strategy imposes a planning condition on any new residential planning permission to seek to ensure commencement within one year of the grant of permission. The amendment would allow a longer period in appropriate cases within the designated town centre boundaries.

### **4.0 Alternative options**

- 4.1 The alternative to the proposal is to make no change to the AMS with the consequent risk that town centre regeneration proposals may be delayed or prevented.

### **5.0 Consultation**

- 5.1 It is proposed to submit the draft revised AMS and allocation arrangement to Natural England for comment and for the revised document to be approved by the Head of Planning, in consultation with the Portfolio Holder for Environment and Service Delivery.

## **6.0 Implications of decision**

- 6.1 Failure to implement the proposal carries the risk of constraining the delivery of new housing and regeneration in our town centres, reducing income from the New Homes Bonus, and rendering the Council unable to pursue its regeneration initiatives.

### **Legal Implications**

- 6.2 The arrangement must be consistent with both planning law and European law.

### **Financial and Resource Implications**

- 6.3 Other than the risk of non-delivery, there are no financial implications.

### **Equalities Impact Implications**

- 6.4 There are not considered to be any Equalities Impact Implications arising from the decision.

## **7.0 Conclusion and Recommendation**

- 7.1 It is recommended the AMS be amended to facilitate a longer commencement period in specific cases within the Borough's designated Town Centres. The proposal will help facilitate the Council's key objective of the regeneration of town centre sites and it will continue to secure income from the New Homes Bonus.

**Keith Holland**  
**Head of Planning**

### **Appendix:**

- 1 Draft revisions to Appendices 4 and 5 of the AMS

### **Background documents:**

Town and Country Planning Act 1990  
Habitats Regulations 2010  
Rushmoor Local Plan  
Rushmoor AMS

### **Contact details:**

#### **Report Author:**

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## Appendix 4: Criteria for allocation of SANG (Amendments are highlighted in *bold italics* below)

### ALLOCATION OF MITIGATION OPPORTUNITIES

#### 1.0 Introduction

1.1 The basis on which available mitigation capacity should be allocated to prospective development schemes was considered and agreed by Rushmoor's Cabinet on 17th June 2014. This has been amended in part to reflect more recent legal advice.

#### 2.0 Background

2.1 The responsibility to address the impact of a proposed development on the Special Protection Area rests with the developer. The Council has an identified objective, supported by the policies of its development plan, of ensuring and promoting the delivery of housing, and has therefore sought to secure and distribute SANG mitigation capacity to support this. The Council is however under no legal obligation to make this capacity available to any particular developer or scheme.

2.2 It is therefore important for the Council to have appropriate criteria for the allocation of the SANG capacity which is at its disposal in order to ensure that it results in the delivery of housing at the earliest opportunity. SANG capacity is limited and therefore the Council has adopted the approach set out below to the allocation of SANG capacity within its ownership or control.

2.3 The allocation of SANG capacity will be at the discretion of the Head of Planning in response to a written request from developers. In exercising this discretion, consideration will be given to the deliverability of the proposed scheme. Proposals which are unlikely to be implemented due to complex land ownership or tenancy issues, or which are submitted as part of a valuation exercise, should not prevent the delivery of housing by locking up SANG capacity for extended periods. The commitment to funding should be secured by S.106 undertaking or contractual agreement and the allocation should reflect the life of the planning permission. If the planning permission expires without being implemented, the mitigation opportunity would be available for reallocation, and there could be no assumption that mitigation capacity would automatically be made available in the event of an application being received to renew an unimplemented planning permission.

#### 3.0 Allocation of mitigation capacity

3.1 In considering any request for the allocation of mitigation capacity, the first criterion for consideration will be whether the scheme is policy compliant and represents good development. The Council offers pre-application advice to developers and will seek, at this stage, to establish whether the scheme proposed is satisfactory in relation to national and local planning policy. If it is not considered likely to receive a recommendation that permission is granted, the developer will be advised that the scheme will need to be amended or revised before an allocation of SANG capacity can be offered or supported.

3.2 The second criterion for consideration will be likelihood of early delivery. It would not be appropriate for SANG capacity to be tied up in speculative or outline schemes which are designed to maximize asset value with no likelihood of implementation. Consequently any planning permission for residential development which is supported by SANG allocation from the Council will be subject to a condition limiting the duration of the permission to one year. Similarly, the offer of capacity will reflect the same one year period. ***At the discretion of the Head of Planning, consideration may be given to permission with a duration of longer than one year in the case of regeneration schemes within designated town centres where partnership and/or funding arrangements may impact on the ability to implement within one year, but where those arrangements however do provide certainty of delivery and completion.***

3.3 With regard to the third and fourth criteria, it should be noted that a scheme proposing a lower proportion of affordable housing that required under development plan policy on viability grounds, will not pass the 'policy compliant' test and receive or be supported by an allocation of Council controlled mitigation capacity unless the viability position has been first demonstrated. Provision of on-site affordable housing and contribution to town centre regeneration will assume particular significance if the Council is in a position where two competing schemes are the subject of requests for limited remaining mitigation capacity and there is only sufficient available to support one of them at the time. In these circumstances, the allocation will be made to the scheme which is considered to best address all the above criteria.

#### **4.0 Procedure and Advice for Developers**

4.1 Any residential developer wishing to be provided ***or assisted*** with SANG mitigation capacity by the Council should first prepare a draft scheme and engage in pre-application discussion. Only when it has been established that the scheme represents good development and addresses the requirements of Council's development plan and national policy will the opportunity to take up available SANG capacity be offered.

4.2 Funding will be secured by S.106 obligation and the allocation will extend to the life of the planning permission. Should the applicant fail to submit an application within the specified period, or should planning permission be refused or lapse without being implemented, the capacity will be returned to the pool of available mitigation and may be allocated to another scheme. In the case of a developer seeking capacity from SANG sites within Hart District, whilst payment towards SAMM (Strategic Access Management and Monitoring) will be secured through a S.106 Planning Obligation, the securing of, and payment for, this allocation will be a contractual arrangement between the developer and HDC. Only on receipt of written confirmation of such an arrangement will the capacity be accepted in support of a planning application to Rushmoor. This procedure is set out in greater detail at Appendix 5.

4.3 A developer may seek the allocation of SANG capacity to support a scheme to change the use of a building or part thereof to residential as permitted development under GPDO Schedule 2, Part 3, Classes M-Q. Even if a scheme does fall within permitted development tolerances it cannot be implemented or begun unless the

developer has first succeeded in obtaining consent under Regulation 75 of the Conservation of Habitats and Species Regulations 2010. If a developer is able to demonstrate through pre-application discussion and the Prior Approval process that a proposal of this type is indeed permitted development, an allocation of SANG capacity (if available) will be made. However, this will be subject to them, within a six-week period, making an application pursuant to S.75 of the Conservation of Habitats and Species Regulations 2010, supported by a completed S.106 obligation and/or notice of a contractual agreement securing the necessary mitigation. A condition of any allocation offer in respect of a 'permitted development' scheme will be that its duration is one year from the date of the S.75 approval. As with planning permission, failure to implement within this time-period will result in the mitigation capacity being withdrawn and made available to other deliverable schemes.

- 4.4 Subject to the above, schemes of 10 or more units will, where appropriate, receive allocation if the site lies within the 5km catchment of a SANG or SANGs which have sufficient available capacity at the time of the request.
- 4.5 The allocation of capacity to schemes of 9 or fewer units will not be restricted by catchment and will be made on a case by case basis subject to availability.
- 4.6 Requests for SANG capacity from developers who are deemed to be putting forward parts of sites or buildings which have been sub-divided in an attempt to benefit from the circumstance described at 4.5 will not be considered favourably.
- 4.7 In the event of a request being received from a potential developer for allocation of SANG capacity where there is, at the time, insufficient remaining capacity, the applicant will be informed that:
  - (a) SANG capacity for the project is not available for allocation at present;
  - (b) a reserve list will be maintained in order of receipt of requests and, in the event of sufficient capacity becoming available through the return of capacity from an unimplemented planning permission, they will be contacted and given the opportunity to apply for allocation;
  - (c) any planning application which has not first demonstrated that it had secured the revised SANG capacity will be refused planning permission or prior approval on the grounds of failure to address the requirements of Policy CP13 of the Rushmoor Core Strategy and Saved Policy NRM6 of the South East Plan, in respect of SPA impact;
  - (d) If a request is placed on the 'reserve list' referred to at (c) but the developer chooses to submit an application in any event without first securing an allocation, they will be considered to have withdrawn the request and will be removed from that list;
  - (e) Mitigation capacity which was not available at the time of submission will not be conferred on a submitted planning application retrospectively;
  - (f) Only one scheme for a particular site will be included on the reserved list at any one time.

## Appendix 5

### Allocation of SANGs capacity in Hart to Developments in Rushmoor

#### Procedure Note

(Amendments are highlighted in *bold italics* below)

1. The developer should first take the scheme through the pre-application process with Rushmoor Borough Council in accordance with the procedure set out on our website, including the payment of the appropriate fee.
2. Once the developer has the agreement (without prejudice) that the presented scheme is policy compliant and could be supported by a recommendation to grant planning permission, a letter from RBC to HDC will be provided, requesting the allocation of the requisite SANG capacity to support the submission of a planning application (or if appropriate a Regulation 75. Application) to RBC. The developer will be advised that an application must be submitted within 6 weeks of the date of written confirmation from HDC of the allocation, that they are responsible for any contractual arrangement and associated payment requirement between themselves and HDC in respect of the SANG allocation, and that the duration of any resulting planning permission or approval will be one year ***unless otherwise prescribed by the Head of Planning in accordance with paragraph 3.2 of Appendix 4.***
3. On receipt of an application accompanied by written confirmation from HDC that the applicant has secured SANG capacity, the application will be validated and determined. Natural England will be consulted. The duration of the planning permission, if granted, will be one year from the date of the issue of a decision ***unless otherwise indicated.*** The developer will be required to enter into a S.106 Planning Obligation in order to pay the required SAMM (Strategic Access Management and Monitoring) contributions to Rushmoor.
4. In the event of planning permission being refused, an unsuccessful Regulation 75 application, an unsuccessful appeal against refusal, or the failure of the applicant to implement the permission within the ***prescribed*** period, any arrangement to recover payment made to HDC in respect of the allocation will be a contractual one between the developer and HDC.
5. No such allocation can be transferred by the applicant to another application, applicant or project.
6. Only allocations obtained through the process set out above will be accepted as addressing the potential recreational impact on the Thames Basin Heaths Special Protection Area of net new development proposals. Allocation of capacity will not be supported in respect of developers who do not first establish the credentials of their proposal using the requisite pre-application process.



**CABINET**  
17 April 2018

**COUNCILLOR MARTIN TENNANT**  
**ENVIRONMENT AND SERVICE DELIVERY**  
**PORTFOLIO HOLDER**

**COUNCILLOR KEN MUSCHAMP**  
**BUSINESS, SAFETY AND REGULATION**  
**PORTFOLIO HOLDER**

**KEY DECISION: YES**

**REPORT NO. PLN1809**

## **PLANNING FEE INCREASE AND RESOURCING IN PLANNING**

### **Summary and Recommendations:**

Approval is sought to vary the planning fee income budget and agree a programme of improvements to the Planning service to comply with Government requirements in increasing planning fees by 20%.

### **Recommendation**

Cabinet is recommended to approve a variation to the planning fee income budget (as in Section 3 of the report); to agree a programme of improvements to the Planning service (as in Section 4 of the report); and to agree the initial spend of Planning Delivery Fund monies (as in Section 5 of the report). A summary is contained in Section 7 of this report showing all budgetary implications.

## **1. Introduction**

- 1.1 This report sets out the additional income both received and forecast through the recent 20% increase in planning application fees and proposes a programme to comply with the Government requirement of funding improvements to the Planning service.
- 1.2 The report also explains how the recently awarded grant from Government from the Planning Delivery Fund for joint working across Rushmoor, Hart and Surrey Heath will be used to progress work on issues related to the Thames Basin Heaths Special Protection Area (SPA) and help deliver our respective Local Plans.

## **2. Background**

- 2.1 In February 2017, the Government made an offer to all local planning authorities that they could raise planning application fees by 20% as long as their S.151 Officer committed that the amount raised through the higher fees would be spent entirely on resourcing the planning function. Due to

the tight timescales set by the Government at that time, the decision was taken as a matter of urgency by the Head of Finance, in consultation with the Leader of the Council and the portfolio holder for Business, Safety and Regulation. The decision was subsequently reported to Cabinet (4 April 2017).

- 2.2 However, it was many months later before the Government notified local planning authorities that the rise could be implemented and the 20% increase in fees for planning applications eventually came into effect on 17 January 2018. Finance have created a separate cost code to hold the 20% additional fee income to ensure proper auditing and to be able to clearly account for the spend.
- 2.3 The Government has also indicated that they may sanction a further 20% increase in planning application fees in the future for “good performing local planning authorities”, though no details are yet available.

### **3. Received and Forecast Additional Planning Fee Income**

#### **Financial year 2017 -18**

- 3.1 Although only operational for the remaining 10 weeks of last financial year from when the increase commenced on 17 January, some significant applications with large fees have been submitted in this period. The revised estimate for total planning fee income 2017-18 had been set at ££325,000 yet the current forecast is that we are now likely to achieve £491,000, a favourable variance of £166,000. The amount now estimated for the additional fee account for this year is **£37,500**.

#### **Financial years 2018-19 and 2019-20**

- 3.2 The estimated income for planning application fees for 2018-19 and 2019- 20 is currently £300,000, resulting in an estimate for the additional fee account of £60,000 for each year. However, there are a number of factors that indicate this is likely to be a significant under-estimate and that a higher figure should be used. Firstly, the original estimates for planning fee income in the recent past have proved to have been quite conservative and the outturn for each year has considerably exceeded estimate; with favourable variances in the past three years. Total actual fee income has easily exceeded £400,000 in 3 of the last 4 years (including this year) so the proposal to increase the budget is entirely reasonable. Secondly, the number of planning applications continues to rise (a 46% increase over the last 7 years) and the trend is continuing, further bolstering income.
- 3.3 Taking these factors into account, it is considered that the fee income budget for both these future years (2018-19 and 2019-20) should be varied to rise to £400,000. This in turn would mean the forecast estimate for the additional fee account would be £80,000 in each of the next two years.
- 3.4 Therefore based on current and forecast additional income, the following programme has been costed on the expectation of a 2018-19 budget of **£117,500** (£37,500 carried over from 2017-18 plus £80,000 from 2018-19) and a forecast budget of **£80,000** for 2019-20.

#### 4. Proposed Programme of Improvements

- 4.1 The programme has been based on improvements to the Planning service in three areas that are considered to need immediate attention: an additional post in the Development Management team to recognise the increase in workload; increased hours for the arboricultural officer and an additional post in the Planning Policy and Conservation team, taking into account expected demand on the service during the Local Plan Examination and beyond; and the funding of training and development opportunities, which will benefit both the service and the Council corporately. The intended changes in service level funded through the increase in planning fees are explained in more detail below.
- 4.2 Since 2009, there has been a steady rise in planning applications submitted to the Council, averaging some 50 additional cases each year, equating to a 46% increase over that time. During this time, the complement of staff in the team has only grown by one, when Grainger agreed to fund an additional post to deal with the planning applications associated with the Wellesley development.
- 4.3 To ensure continued service delivery and to maintain high performance, it is proposed to employ an **additional Planning Officer** in Development Management, principally to deal with mid-range planning applications and appeals.
- 4.4 Following a review of workload covered by the Arboricultural Officer, including an analysis of the workflow through the recent iESE project, it is clear that the current part-time resource is insufficient to sustain the desired level of customer service or meet statutory requirements associated with the processing of applications for works to protected trees in the Borough. It is therefore proposed to **increase the hours of the Arboricultural Officer** to a full time post.
- 4.5 The Planning Policy and Conservation team have been without technical support since mid-2017, when a previous part-time post holder left the Council. This post provided much needed support for policy officers but also the conservation team, including the arboricultural, ecological, and listed buildings and conservation area functions of the team. Currently the funding for this part-time vacant post is being used to help employ a contracted planner for the duration of the Local Plan Examination. The lack of support is affecting the ability of the team to respond promptly and efficiently to customer requests, particularly at this busy time leading up to the Local Plan Examination. It is proposed that a **full-time technical support post** is funded from the ring-fenced Planning Fee Increases, but that it be a fixed term contract of two years, depending on the outcome of the work following on from the recent iESE project on customer experience.
- 4.6 Finally, it is proposed that the additional funding provide **some training and development opportunities** within the service that have been unable to be fulfilled through presently constrained budgets. These would increase the level of trained and qualified staff to benefit the Council

corporately, and also help retain much valued and capable staff.

- 4.7 All elements of this programme have been fully costed and can be funded from the ring-fenced funding without additional cost to the Council.

## **5. Planning Delivery Fund**

- 5.1 Following a joint bid to Government, Rushmoor, Hart and Surrey Heath Councils have received a grant of £250,000 over two years to employ a SPA Project Officer and specialist consultants to work with Natural England and other affected local authorities to explore and challenge planning constraints relating to the need to protect the SPA from disturbance.

- 5.2 The first payment of £125,000 has already been received by the Council and, together with our colleagues at Hart District Council and Surrey Heath Borough Council, it is proposed to recruit a Special Protection Area Project Officer on a 2 year fixed term contract at grade G6, to be based at Rushmoor Borough Council offices.

- 5.3 The post would be appointed as a Principal Planning Officer (SPA Projects) and all costs associated with the post can be adequately covered by the Fund, including potential termination costs, should they apply.

## **6. Alternative Options**

- 6.1 The improvements listed above, have been identified on the basis of identified urgent and pressing need at the present time to result in clear improvements to the Planning service in order to maintain high performance and deliver excellent customer service. It is anticipated that planning fee income will continue to rise over time, either through a further increase in fees or a rise in the number of planning applications or, more likely, both. Other improvements, including possible moves towards more mobile or remote working using more sophisticated IT systems and software, or resourcing the Council's emerging regeneration function, will be considered at that stage.

- 6.2 The opportunities for funding for the training and development improvements have been carefully examined to see if they could be funded through alternative sources, such as the Apprenticeship Levy, but they do not qualify.

## **7. Implications of the Decision**

- 7.1 The Council's S.151 Officer has had to commit the Council to making improvements to the Planning service funded by the increase in planning fees. There clearly needs to be identified and demonstrable improvements to the service over time rather than subsidising the service that we currently provide.

## Financial and Resource Implications

7.2 Increasing the base budget for Planning Application Fee Income from £300k to £400k reduces the Council's net costs of service provision and makes an on-going contribution towards closing the existing funding gap.

7.3 The staffing proposals detailed within this report will improve service delivery and can be fully funded from the additional 20% levy on Planning Application Fees or from Planning Delivery Fund monies received. The following budget adjustments are required to reflect the proposed expenditure, the additional income and the necessary transfers between the general fund and earmarked reserves.

	2018/19	2019/20
<b>Balance Brought Forward in Earmarked Reserve</b>	- 37,500	- 26,400
<b>Additional 20% Planning Fee Income</b>	- 80,000	- 80,000
<b>Transfer from General Fund to Earmarked Reserve</b>	80,000	80,000
<b>Transfer to Earmarked Reserve from General Fund</b>	- 80,000	- 80,000
<b>Drawdown from Earmarked Reserve to General Fund</b>	91,100	81,410
<b>Transfer to General Fund from Earmarked Reserve</b>	- 91,100	- 81,410
<b>Expenditure on Additional Staff Resourcing/Training</b>	91,100	81,410
<b>Closing Balance in Earmarked Reserve</b>	- 26,400	- 24,990

	2018/19	2019/20
<b>Balance Brought Forward in Earmarked Reserve</b>	- 125,000	- 194,000
<b>Planning Delivery Fund Income received to General Fund</b>	- 125,000	-
<b>Transfer from General Fund to Earmarked Reserve</b>	125,000	-
<b>Transfer to Earmarked Reserve from General Fund</b>	- 125,000	-
<b>Drawdown from Earmarked Reserve to General Fund</b>	56,000	58,260
<b>Transfer to General Fund from Earmarked Reserve</b>	- 56,000	- 58,260
<b>Expenditure on Principal Planning Officer</b>	56,000	58,260
<b>Closing Balance in Earmarked Reserve</b>	- 194,000	- 135,740

7.4 There is a minor risk that should the level of Planning Application Income forecast not be achieved, there will be a shortfall to fund the proposals contained within this report, which would impact on the Council's baseline budgets. Over time, if there are any variances, this will be reported through the usual and regular budget monitoring process.

## Equalities Impact Implications

7.3 There are not considered to be any equalities impact implications arising from the decision.

## 8. Conclusion

8.1 The Government have allowed local planning authorities to raise planning application fees on the understanding that the additional funding is used to make improvements to their Planning service. The programme outlined in this report seeks to do just that, and is based upon current identified need to enable Planning to improve, both in terms of performance and enhanced customer service and experience.

**Keith Holland**  
**Head of Planning**

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### ENVIRONMENTAL LITTERING - REVISIONS TO PILOT PROJECT

#### Summary and Recommendations:

The Council have entered a one-year agency agreement with East Hampshire District Council (EHDC) to better tackle littering and dog fouling.

Cabinet were informed that the process would involve the enforcement officer requesting that the individual concerned pick up either the litter or the dog faeces. If they refused, they would be issued a Fixed Penalty Notice (FPN).

Having reviewed the approach in other Local Authorities and given the significant promotion around littering and dog fouling it is evident that those involved are aware it is an offence. If an opportunity is given to pick up before issuing an FPN, this becomes more of an educational rather than enforcement role and the cost to the Council would increase. The Portfolio Holder is therefore recommending that a zero tolerance approach is adopted and the individuals concerned be issued with an FPN regardless of if they subsequently pick it up.

Cabinet also approved standardising the environmental offences fixed penalty fines for littering and dog fouling on designated land at £75 with no early penalty payment discount, currently £50 if paid within 10 days. Unfortunately, the Council has been relying on older legislation for dog enforcement which it now seems does not allow for an uplift in the FPN above £50 for dog fouling without introducing specific Public Space Protection Orders (PSPO).

Cabinet is recommended to approve:

- a zero tolerance approach to littering and dog fouling with the individuals concerned being issued with an FPN regardless of if they subsequently pick it up. The FPN will be £75 for littering and £50 for dog fouling, the latter to be increased to £75 once the PSPO is in place.
- the Solicitor to the Council and Head of Environmental Health and Housing to start the process of introducing a PSPO for dog fouling and to review whether wider dog controls contained in the Council's Bylaws should be updated at the same time.

## **1. Introduction**

- 1.1. Following Cabinet approval on 6 February 2018, in order to ensure a cleaner environment, the Council have entered a one-year agency agreement with EHDC to better tackle littering and dog fouling.
- 1.2. Cabinet were informed that the process would involve the enforcement officer requesting that the individual concerned pick up either the litter or the dog faeces. If they refused, they would be issued the FPN.
- 1.3. Cabinet also approved standardising the environmental offences fixed penalty fines for littering and dog fouling on designated land at £75 with no early penalty payment discount, currently £50 if paid within 10 days.
- 1.4. Unfortunately, the Council has been relying on older legislation for dog enforcement which it now seems does not allow for an uplift in the FPN above £50.

## **2. Proposal**

- 2.1 Having reviewed the approach in other Local Authorities and given the significant promotion around littering and dog fouling it is evident that those involved are aware these are an offence. If an opportunity is given to pick up the litter before issuing an FPN this becomes more of an educational rather than enforcement role and the cost to the Council would increase and be unlikely to breakeven. Whilst this would also have an impact upon the recovery of costs for operating the project, this should not influence the decision as to whether or not it is appropriate to give a warning before issuing an FPN. The Portfolio Holder is therefore recommending that a zero tolerance approach is adopted and the individuals concerned be issued with an FPN regardless of if they subsequently pick it up.
- 2.2 To enable the FPN for dog fouling to be increased from £50 to £75 it is proposed that the Council start the process of introducing a PSPO for this offence. The opportunity will be taken to review wider dog control issues covered in the Councils Byelaws to see whether they would benefit from updating.
- 2.3 Before making a PSPO there is a requirement for the Council to consult with the Police, relevant community representatives and owners and occupiers of land in public spaces to be covered by any restrictions which will include the County Council as highways authority. A draft PSPO will be prepared for consultation, this will be the subject of a further report to Cabinet. The PSPO will subsequently require final approval by Cabinet before it comes into effect.
- 2.4 Until the PSPO is in place, the FPN for dog fouling will be set at the maximum of £50 and the FPN for littering will remain at £75.



### **3. Alternative Options**

- 3.1 The FPN for dog fouling could remain at £50 but given the Council is being charged £55 by EHDC for each one correctly issued, the Council will not recover its costs.
- 3.2 Individuals committing an offence could be given an opportunity to pick up before being issued an FPN but again would result in increased costs to the Council.

### **4. Financial Implications**

- 4.1 It is anticipated that around 1,000 FPN`s will be issued at £75 with a payment of £55 to EHDC for each one correctly issued.
- 4.2 An initial income and expenditure budget of £65k has been approved which includes £10k for internal resources and any shortfall in income. Given it is much more difficult to issue FPN`s for dog fouling these will be significantly lower compared to littering. The reduced income received from dog fouling will therefore be covered within the existing budget.

### **5. Conclusions**

- 5.1 The Portfolio Holder for Environment and Service Delivery is keen to see further improvements to the environment and is recommending that a zero tolerance approach is adopted and the individuals concerned be issued with an FPN regardless of if they subsequently pick it up.
- 5.2 Unfortunately, the Council has been relying on older legislation for dog enforcement and are currently unable to uplift the FPN above £50 for dog fouling without introducing specific Public Space Protection Orders (PSPO).

#### **Background Documents:**

Draft Agency Agreement  
Cabinet Report No COMM1802

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