Public Document Pack

# RUSHMOOR BOROUGH COUNCIL

# CABINET

*at the Council Offices, Farnborough on*
***Tuesday, 28th May, 2019 at 7.00 pm***

To:

Cllr D.E. Clifford, Leader of the Council
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder
Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder
Cllr M.L. Sheehan, Operational Services Portfolio Holder
Cllr P.G. Taylor, Corporate Services Portfolio Holder
Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

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

# A G E N D A

1. **MINUTES** – (Pages 1 - 6)

   To confirm the Minutes of the meeting held on 2nd April, 2019 (copy attached).

2. **GENERAL FUND PROVISIONAL OUTTURN 2018/19** – (Pages 7 - 42)
   (Cllr Paul Taylor, Corporate Services Portfolio Holder)

   To consider Report No. FIN1920 (copy attached), which sets out the provisional outturn position on the General Fund (revenue and capital) for 2018/19, subject to audit.

3. **COUNCIL PLAN 2018/19 - QUARTERLY UPDATE ON KEY ACTIONS JANUARY - MARCH 2019** – (Pages 43 - 56)
(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

To receive Report No. ELT1902 (copy attached), which sets out the Council's performance information for the fourth quarter of 2018/19.

4. **REGENERATING RUSHMOOR - QUARTER 4 PROGRESS REPORT** – (Pages 57 - 78)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To receive Report No. RP1911 (copy attached), which sets out a progress report for the 'Regenerating Rushmoor' programme for the fourth quarter of 2018/19.

5. **BUSINESS RATES - DISCRETIONARY GROWTH INCENTIVE RELIEF APPLICATION** – (Pages 79 - 92)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1916 (copy attached), which gives details of an application for discretionary rate relief under the Council's Discretionary Growth Incentive Relief Policy.

6. **BUSINESS RATES - DISCRETIONARY RATE RELIEF POLICY FOR DISCRETIONARY REVALUATION RELIEF** – (Pages 93 - 98)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1917 (copy attached), which sets out proposed amendments to the existing Discretionary Relief Policy to reduce business rates liabilities to those businesses worst affected by the 2017 national revaluation.

7. **REVOCATION OF FOUR SUPPLEMENTARY PLANNING DOCUMENTS** – (Pages 99 - 104)
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH1927 (copy attached), which proposes the revocation of four Supplementary Planning Documents, following the adoption of the Rushmoor Local Plan.

8. **CONSULTATION ON DRAFT STATEMENT OF COMMUNITY INVOLVEMENT** – (Pages 105 - 134)
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH1928 (copy attached), which seeks agreement to publish the draft Statement of Community Involvement 2019 for consultation.

9. **PUBLIC CONSULTATION ON THE DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT** – (Pages 135 - 154)
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH1929 (copy attached), which seeks agreement to publish the draft Affordable Housing Supplementary Planning Document for the purposes of a public consultation exercise.

10. **APPOINTMENTS TO CABINET WORKING GROUPS** –

To confirm the appointments to the following groups for the 2019/20 Municipal Year:

**i) Budget Strategy Working Group**

| | |
|---|---|
| Corporate Services Portfolio Holder - | Cllr P.G. Taylor |
| Additional Cabinet Member - | Vacancy |
| Conservative Group (3) - | Cllrs Mrs. D.B. Bedford, J.B. Canty and S.J. Masterson |
| Labour Group (2) - | Cllrs Gaynor Austin and A.H. Crawford |
| Liberal Democrat Group (1) - | Vacancy |

**ii) Member Development Group**

| | |
|---|---|
| Democracy, Strategy and Partnerships Portfolio Holder - | Cllr A.R. Newell |
| Additional Cabinet Member - | Cllr Marina Munro |
| Conservative Group (2) - | Cllr J.E. Woolley and vacancy |
| Labour Group (2) - | Cllrs Sophie Porter and P.F. Rust |
| Liberal Democrat Group (1) - | Vacancy |

11. **KPI LIMITED - ALTERATION TO DEVELOPMENT AGREEMENT** – (Pages 155 - 160)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1913 (copy attached), which sets out a request from KPI Limited for an amendment to the development agreement relating to Kingsmead, the Mead, Firgrove Court and land at Queensmead, Farnborough to provide extended long stop dates for Blocks 3 and 4 of the scheme.

12. **LEASEHOLD DISPOSAL - ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET, ALDERSHOT** – (Pages 161 - 170)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1912 (copy attached), which sets out a proposal to grant a new, long, leasehold interest in Aldershot Town Football Club, EBB Stadium, High Street, Aldershot.

13. **NO. 168 HIGH STREET, GUILDFORD - ADMINISTRATION OF STEAMER TRADING LIMITED** – (Pages 171 - 248)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1910 (copy attached), which gives background information around the administration of the Council's tenant, Steamer Trading Limited and sets out options for the future use of the premises at No. 168 High Street, Guildford.

14. **THE GALLERIES AND HIGH STREET MULTI-STOREY CAR PARK, ALDERSHOT REDEVELOPMENT** – (Pages 249 - 264)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1909 (copy attached), which provides a progress report in respect of the Galleries and High Street Multi-Storey Car Park, Aldershot redevelopment project.

---

# CABINET

Meeting held on Tuesday, 2nd April, 2019 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 of the Council

Cllr Barbara Hurst, Planning and Economy Portfolio Holder
Cllr G.B. Lyon, Corporate and Democratic Services Portfolio Holder
Cllr M.L. Sheehan, Operational Services Portfolio Holder
Cllr P.G. Taylor, Customer Experience and Improvement Portfolio Holder
Cllr M.J. Tennant, Major Projects and Property 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 **15th April, 2019**.

103. **MINUTES** –

Members were informed that, in relation to Minute No. 85, Article 4 Direction for Church Circle, Farnborough, the reference in Resolution (i) should have read the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) and not the Town and Country Planning (General Permitted Development) (England) Order 1995 (as amended), as stated. The amendment was confirmed and signed by the Chairman.

The Minutes of the meeting of the Cabinet held on 5th March, 2019 were confirmed and signed by the Chairman.

104. **REVENUE BUDGET MONITORING AND FORECASTING 2018/19 - POSITION AT MARCH, 2019** –
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1914, which set out the anticipated financial position for 2018/19, based on the monitoring exercise carried out during February, 2019. Members were informed that saving requirements for the current year had been exceeded, with significant variances reported in the current quarter. It was reported that the General Fund balance was likely to be around the top of the range set in the Medium Term Financial Strategy at the end of 2018/19 and that this would have a positive effect on the savings target. Members were reminded that the scale of the challenge to achieve financial sustainability over the medium-term remained considerable.

**The Cabinet RESOLVED** that

(i) the latest Revenue Budget monitoring position, as set out in Report No. FIN1914, be noted;

(ii) the latest forecast for the use of the Service Improvement Fund and the flexible use of capital receipts, as set out in the Report, be noted; and

(iii) the approach to reserves and balances, as set out in the Report, be approved, subject to the final outturn position.

105. **CAPITAL PROGRAMME MONITORING 2018/19 - POSITION AT MARCH, 2019** – (Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet received Report No. FIN1915, which provided the latest forecast regarding the Council's Capital Programme for 2018/19, based on the monitoring exercise carried out during February, 2019. The Report advised that the approved Capital Programme for 2018/19, allowing for slippages and additional approvals, totalled £45,737,000. The Report set out the projects of major financial significance to the Council that had been included in the approved Capital Programme for 2018/19. These included the finalisation of the accounts relating to the construction of the Council's new depot, Aldershot Town Centre Integration and Union Street, the finalisation of a loan to Farnborough International Limited and the further acquisition of investment properties.

**The Cabinet NOTED** the latest Capital Programme monitoring position, as set out in Report No. FIN1915.

106. **BUSINESS RATES - DISCRETIONARY RATE RELIEF** – (Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1912, which set out details of a proposed extension of the discretionary rate relief awarded to Places Leisure (Farnborough Leisure Centre and Aldershot Pools Complex). Members were informed that the current award had expired in February 2019, when the leisure management contract had been due to end. It was now proposed to extend the rate relief, in line with the extension of the leisure management contract, to 31st March, 2021.

**The Cabinet RESOLVED** that 100% discretionary relief be awarded to Places Leisure from 1st February, 2019 to 31st March, 2021.

107. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND** – (Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. DSP1903, which sought approval to award grants from the Farnborough Airport Community Environmental Fund to assist local projects.

The Operational Services Portfolio Holder had considered three applications and had recommended that all three awards should be made.

**The Cabinet RESOLVED** that grants be awarded from the Farnborough Airport Community Environmental Fund to the following organisations:

| | |
|---|---|
| 5th Farnborough Scout Group | £6,350 |
| Cherrywood Primary School | £10,000 |
| Friends of Aldershot Military Museum | £10,000 |

108. **ROWHILL NATURE RESERVE AND SOUTHWOOD WOODLAND MANAGEMENT PLAN REVIEW** –
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. EPSH1922, which provided updates in relation to Southwood Woodlands, Farnborough and the Rowhill Nature Reserve, Aldershot.

Members were reminded that the Council was responsible for both sites, which were areas of Suitable Alternative Natural Greenspace (SANG). Members were informed that both sites were subject to management plans, which were now in need of updating. The Report set out proposals to carry out ecological surveys and updates to the management plans. It was also proposed that volunteers at each site should be provided with appropriate training to allow them to undertake work to improve and maintain the SANGs.

The Cabinet expressed support to the proposed approach and, in particular, the provision of training for volunteers at the sites.

**The Cabinet RESOLVED** that

(i) the drawdown of £26,150, to undertake surveys and update the management plan in respect of the Southwood Woodlands, Farnborough, as set out in Report No. EPSH1922, be approved;

(ii) the drawdown of £34,500, to undertake surveys and update the management plan in respect of the Rowhill Nature Reserve, Aldershot, as set out in the Report, be approved; and

(iii) the Head of Economy, Planning and Strategic Housing, in consultation with the Planning and Economy Portfolio Holder, be authorised to drawdown additional sums, as necessary, to:

- complete any additional surveys or work necessary to complete the review and updating of the management plans;

- provide appropriate training for volunteers to enable them to undertake work to improve and maintain the SANGs; and

- carry out works arising from the revised management plans.

109. **DEPLOYMENT OF RIGHT TO BUY RECEIPTS - PLACE COURT, ALDERSHOT** –
(Cllr Barbara Hurst, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1921, which sought approval to utilise Right to Buy receipts to a total of £37,214.99 to provide two additional units of accommodation for residents over the age of 55 at Place Court, Aldershot. Members

were informed that, being intended for occupation by older people, the accommodation would meet an identified housing need. It was confirmed that the Council would have 100% nomination rights to the properties.

**The Cabinet RESOLVED** that the deployment of Right to Buy Capital of £37,214.99 to Vivid for the delivery of affordable homes at Place Court, Aldershot, as set out in Report No. EPSH1921, be approved.

110. **EXCLUSION OF THE PUBLIC** –

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

| **Minute No.** | **Schedule 12A Para. No.** | **Category** |
|---|---|---|
| 111 | 3 | Information relating to financial or business affairs |

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

111. **PROPERTY INVESTMENT PURCHASE** –
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. RP1908, which set out a proposal to purchase 50% of a company and to appoint directors to the Board of that company. It was explained that this was in relation to a roadway into a property that the Cabinet had agreed to purchase at its meeting on 5th February, 2019 (Exempt Report No. RP.1903 refers). Members were informed that, during the due diligence process in connection with the purchase of the property, it had become apparent that the roadway and other parcels of land that were essential for the ongoing efficient management and usage of the site, were owned and managed by a separate company that was owned by the vendor and two other parties. The full details of the proposal were set out in the Exempt Report. Members were informed that, due to timescales requested by the vendor, this was considered to be an urgent decision.

**The Cabinet RESOLVED** that

(i) the purchase of 50% of the named company, on the terms set out in Exempt Report No. RP1908, be approved; and

(ii) the Chief Executive, in consultation with the Major Projects and Property Portfolio Holder, be authorised to appoint two directors to the Board of the company.

The Meeting closed at 7.21 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

---

This page is intentionally left blank

**CABINET**
**28 MAY 2019**
**KEY DECISION: NO**

**COUNCILLOR PAUL TAYLOR**
**CORPORATE SERVICES**
**PORTFOLIO HOLDER**
**REPORT NO. FIN1920**

# GENERAL FUND PROVISIONAL OUTTURN 2018/19


**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY**:
This report sets out the provisional outturn position on the General Fund (revenue and capital) for 2018/19 (subject to audit).

**RECOMMENDATIONS:**
Members are requested to:
(i) note the draft Revenue and Capital Budget outturn position;
(ii) approve carry forward requests from 2018/19 into 2019/20
(iii) approve the transfers outlined in the report between the General Fund, the Stability and Resilience Reserve, the Service Improvement Fund, and Commercial Reserve (subject to final outturn position).


## 1 INTRODUCTION

1.1 This report provides the revenue and capital outturn position for 2018/19 financial year. The purpose of this report is to inform members of the Council's anticipated position for 2018/19 and notify members of any material variations to budgets, highlighting key issues, and actions taken if required.

1.2 In order to comply with the Accounts and Audit Regulations 2015, a full set of financial statements will be prepared for sign off by the Chief Financial Officer by 31 May 2019. The statements will be audited during the summer, before consideration by the Licensing, Audit and General Purposes Committee in July alongside the Auditor's report. These reporting deadlines have been brought forward by one month for production of the draft statements and by two months for the final audit and approval date.

## 2 GENERAL FUND REVENUE SUMMARY

2.1 The General Fund Revenue Summary and Revenue Balances are shown at **Appendix A**, with the principal individual variations between the current approved estimates and actual expenditure shown at **Appendix B**. These show an improved position since the last budget monitoring report to Cabinet (FIN1914) 2 April 2019.

2.2 The revised budget figures have been further adjusted to reflect any subsequent virements, supplementary estimates and use of the service

improvement fund, to form the current approved budget, with estimated year-end balances of £2 million.

2.3 The provisional outturn shows an improvement in the Council's financial position, with a favourable portfolio variance of approximately £2,233,065 against the current approved budget. This is before reserves transfers and carry forwards are taken into account. Members are to note that portfolio variance includes transfer to and from earmarked reserves of £652K as detail in **Appendix A** and carry forwards of £459K, summarised in **Table 1**, with further detail in **Appendix F.**

**Table 1: Carry Forward Requests**

| Service | Revenue Funded (£) | Other Funded (£) | Service Total (£) |
|---|---|---|---|
| Financial Services | 14,900 | - | 14,900 |
| ICT, Facilities and Project Services | 50,000 | 26,000 | 76,000 |
| Economy, Planning and Strategic Housing | 15,350 | - | 15,350 |
| Operational Services | 11,500 | 10,220 | 21,720 |
| Democracy, Strategy and Partnerships | 61,600 | 22,501 | 84,101 |
| Legal Services | 7,500 | - | 7,500 |
| Regeneration and Property | 129,900 | 17,213 | 147,113 |
| Customer Experience | 7,000 | 30,101 | 37,101 |
| Human Resources | 20,100 | - | 20,100 |
| Environmental Health and Housing | - | 34,890 | 34,890 |
| **Total Carry Forwards** | **317,850** | **140,925** | **458,775** |

2.4 Once Corporate Income and Expenditure and other non-portfolio budget variations are taken into account, the overall favourable variation on the General Fund is £1,251,000, as summarised in **Table 2** below and in further detail in **Appendix A**.

**Table 2: General Fund Revenue Position**

| General Fund Revenue Outturn | 2018/19 REV (£'000) | 2018/19 Provn Outturn (£'000) | 2018/19 Variance (£'000) |
|---|---|---|---|
| Corporate & Democratic Services | 5,593 | 5,385 | (208) |
| Customer Experience & Improvement | 93 | 10 | (83) |
| Major Projects & Property | (1,793) | (2,233) | (440) |
| Operational Services | 8,232 | 6,832 | (1,400) |
| Planning & Economy | 2,574 | 2,440 | (133) |
| Reversal of Capital/Pension | (2,155) | (2,108) | 47 |
| **Portfolio Net Expenditure** | **12,544** | **10,327** | **(2,216)** |
| Corporate Income & Expenditure | (946) | 183 | 1,129 |
| Savings Plan | (379) | (129) | 250 |
| **Net Total Expenditure** | **11,219** | **10,381** | **(837)** |
| TOTAL Funding | 11,336 | 11,810 | 475 |
| **Core Surplus / (Deficit) before c/f** | **117** | **1,429** | **1,312** |
| Carry Forwards | 0 | (318) | (318) |
| **Core Surplus / (Deficit) after c/f** | **117** | **1,111** | **994** |
| **Additional Transfers** | | | |
| to General Fund Balance | | | 0 |
| to Commercial Property Reserve | | (475) | (475) |
| to Stability & Resilience Reserve | (117) | (250) | (133) |
| to Service Improvement Fund | | (386) | (386) |
| **Core Surplus / (Deficit) after Transfers** | **(0)** | **0** | **0** |

(Table may contain roundings)

2.5 The favourable outturn variance should be seen in the context of the financial position outlined in the Medium Term Financial Strategy (MTFS) and associated financial risks. Broadly speaking, there are 3 main areas to consider.

**Business Rates and Government Funding**

At the time the 2019/20 budget was prepared, the forecast for business rates for 2018/19 was for a surplus of £747k. The outturn position on the business rates collection fund is a deficit of £1,373k, in part due to continued uncertainty on appeals and a need to make adequate provision for backdated refunds. Rushmoor's share of any surplus or deficit under the current business rates retention scheme is 40%. The actual amount of the deficit that will need to be financed by the Council is also dependent on the level of business rates income retained in 2020/21.

Due to the way business rates income is accounted for, Rushmoor's share of the deficit will need to be budgeted for in 2020/21 and 2021/22. Therefore, it would be prudent to set aside a further £133k (i.e. £250k in total) from the favourable outturn position to ensure funding is available to meet the Council's share of the deficit in future years.

**Commercial Property**
Members will be aware that the Council has acquired a number of Commercial Properties over the last 12 months to provide an ongoing income stream for the Council to continue to provide local services. As Government funding has reduced over the last few years, the Council has become increasingly reliant on income from Commercial Property to ensure local services are delivered.

Given the risk with holding commercial property in terms of occupancy rates and fluctuations within the general property market, the MTFS allocated £2m from the 2019/20 budget to a new earmarked reserve to provide some mitigation against this risk.

There is a report being considered at this meeting which highlights a change in the level of income the Council will be able to realise on 168 High Street Guildford as a result of a forced change in the main tenant. Due to the current market conditions and the need to provide suitable tenant incentives, it is anticipated that no income will be received leading to a shortfall of £285k against the budget. The report also outlines both revenue and capital costs that will need to be incurred in order to secure the tenant.

In addition, there are some further budgetary pressures expected in 2019/20 that require funding:

- the Council has commissioned an independent review of its recent commercial property acquisitions (estimate of £40k)
- urgent remedial work on Aldershot regeneration property to deal with unsafe structure (estimate £50k-£100k)

Therefore, it would seem reasonable to set aside an additional £475k in the Commercial Property Reserve to offset the income loss and costs due in 2019/20.

**Organisational Redesign, Feasibility studies and Capital Funding**
The MTFS includes savings targets of around £1.3m for Organisational redesign from 2020/21. In order to deliver cost savings, investment will be required during 2019/20 in IT and process changes, and costs associated with supporting organisational redesign and change.

Invest to save capital funding to unlock cost reductions and/or additional income streams. Subject to business cases that can clearly demonstrate …. Revenue funding would enable initial feasibility studies to progress

Therefore, it is recommended that £386k is allocated to the Service Improvement Fund to facilitate the upfront investment required for organisational redesign and to provide a modest fund to support capital bids that invest in services to enable future costs reduction or the realisation of additional streams.

2.6 Members are to note that the Outturn is a draft position and currently to do not contain property capital valuation adjustments due to delays in the

provision of the information. Any material variation in the Outturn position presented will be brought back to Cabinet for further approval.

2.7 Section 3 of this report provides a detailed overview of the variations across the revenue budget.

2.8 The original budget for 2018/19 identified the need for £1.550m of savings, with £325k of expected staff turnover savings. Substantial savings of £867k were achieved in the first half of the year and have been incorporated into revised budget. A further £158K savings have been identified from a zero based budgeting exercise, resulting in an outturn savings position of £1.025m reported in **Appendix E**. Staff turnover savings of £129K have been achieved against a revised budget of £50K, reported in **Appendix A**.

## 3 REPORTED VARIANCES

3.1 The outturn position shows a net underspend of approximately £2,233,065 against non-salary budgets . A summary of the key variances are set out in **Appendix B**.

3.2 A significant element of this relates to additional one-off income variations (see paragraph 3.3 below), some of the variation will be ongoing and could be removed from the budget on a permanent basis. Further work by budget holders with support from Finance to identify the level of ongoing savings that could be released as budget and efficiency savings.

3.3 Included in the variations identified, are a number of underspent budget items totalling £458,775 where specific conditions have prevented work being carried out during 2018/19 but this work is still required and therefore will be carried out during 2019/20.

3.4 £140,925 of these carry-forwards relates to expenditure that is directly funded by other sources, and therefore has no effect on the General Fund Revenue balance as grants have been set aside to meet this future expenditure.

3.5 A significant element of the overall variance (£759k net transfer to reserves) 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:

- £709k net 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.
- £15k income in respect of Individual Elector Registration
- An increase of £49k in income required to be ring-fenced as part of the Civil Parking Enforcement (CPE) surplus
- £33k net income in respect of A331 Air Quality Projects

- £270k in respect of Flex Homeless Grant 1819

3.6 The staff monitoring exercise has identified a net projected underspend of £129k from salary savings, which exceeds the £50k expected to be delivered against the revised budget. This is largely due to a number of vacancies across the following services; HR (£14k), Regeneration, Property and Highway infrastructure (£21k), Customer Experience (£12.8K), Economy, Planning & Strategic Housing (£12k), Environmental Health (£29k) and Community (£43k).

3.7 Estimates for interest receivable have been reduced by £28k due to a delay in reinvesting in long term pooled fund. Interest payable on borrowing has decreased by £34k due to a decrease in our borrowing requirement (largely due to changes in timing of purchases within the capital programme). This combination has resulted in a favourable variance of £6k.

3.8 As a result of the variations referred to above, the general fund forecast shows a projected year-end balance of £2m after reviewing the level of transfers to or from major reserves such as the Stability & Resilience Reserve, the Service Improvement Fund and Commercial Reserve.

## 4. RESERVES

4.1 The level of balances shown for the General fund is in excess of the approved range of £1m-£2m at £3,251m. This enables the Council to transfer £1,569m to the Council's other three working reserves – the Stability and Resilience Reserve, the Service Improvement Fund and Commercial Reserve. Members should consider the following proposed transfers in **Table 3**.

**Table 3: Transfers between working reserves**

| Revenue Balances | Reserve transfer (to/(from) £000 | Reason |
|---|---|---|
| General Fund Balance | (1,111) | Balance in excess of £2m limit |
| Stability & Resilience Reserve | 250 | To equip the Council for revenue impact of future Business Rates Retention Scheme and Fair Funding. |
| Service Improvement Fund | 386 | To enable the Council to deliver Rushmoor 2020 and other improvement projects, such as, installation of a new boiler at the Council Offices (£18K) and LSH Investment Management review of the Investment Property portfolio (£39K) |
| Commercial Reserve | 475 | To equip the Council to manage income fluctuations from commercial income stream. For example, to cover lost income form tenant vacancies and economic downturn currently impacting 158 High Street Guildford (estimated income loss in 2019/20 of £285k), for which a separate report is issued on the Cabinet agenda. |
| **Estimated Balances at 31 March** | **0** | |

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 2018/19 is at £4.47m to cover short-term fluctuations in income due to the operation of the Business Rates Retention Scheme, for example. The additional £500k transferred from the General Fund increases the reserve balance to £4.97m. The increase will bolster the Council's resilience to the future revenue uncertainty because of the Fair Fund Review and Business Rates Retention Scheme outlined in the MTFS.

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 4** 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 4: Service Improvement Fund**

| SERVICE IMPROVEMENT FUND | 2018/19 Total Approved Budget | 2018/19 Actual Expenditure | Variance | 2019/20 Original Budget | Slippage/ (Pre-spend) to 2019/20 | 2019/20 Total Approved Budget |
|---|---|---|---|---|---|---|
| Opening balance on Fund | 890,766 | 890,766 | | | | 615,007 |
| Additional Income | 0 | | | 453,000 | | 453,000 |
| HR Policy | 9,760 | 9,672 | -88 | 0 | 0 | 0 |
| Finance Improvement Projects | 11,280 | 10,258 | -1,022 | 4,490 | 0 | 4,490 |
| Legal Compliance | 6,050 | 4,077 | -1,973 | 0 | 0 | 0 |
| Temporary Property Assistant | 16,970 | 16,693 | -277 | 4,090 | 0 | 4,090 |
| Regeneration Support | 60,000 | 60,000 | 0 | 60,000 | 0 | 60,000 |
| Organisational Redesign & Structure Review | 182,260 | 175,059 | -7,201 | 197,530 | 7,201 | 204,731 |
| Rushmoor 2020 | 20,000 | 0 | -20,000 | 280,000 | 20,000 | 300,000 |
| Expenditure in year | 306,320 | 275,758 | | | | 573,311 |
| **Closing balance** | **584,446** | **615,007** | | | | **494,696** |

4.6 The Council has the flexibility to use some of its Capital Receipts to support revenue spending in the pursuit of efficiency and service transformation. Transferring £359k to the Service Improvement Fund will increase the overall balance to £975k. The increase will enable the Council to effectively deliver Rushmoor 2020 and other improvement projects, such as, installation of a new boiler at the Council Offices (£18K) and LSH Investment Management review of the Investment Property portfolio (£40K).

4.7 The strategy for Flexible Use of Capital Receipts 2018/19 was approved at Full Council on 22 February 2018, with revised budgets approved by Full Council on 21 February 2019. A summary of movements is shown below.

## Table 5: Flexible Use of capital Receipts

| Project | Actuals 2016/17 | Actuals 2017/18 | Total Approved Budget 2018/19 | Actuals 2018/19 | Variance | Original Budget 2019/20 | Slippage/ (Pre-Spend) to 2019/20 | Total Approved Budget 2019/20 |
|---|---|---|---|---|---|---|---|---|
| **Opening Balance** | **500,000** | **338,224** | **520,509** | **520,509** | | | | **187,416** |
| **Additional Capital Receipt** | | **480,000** | | | | | | |
| **Income Generation & Commercial** | | | | | | | | |
| Creation of new income generating assets | 24,225 | - | - | - | - | - | - | - |
| To support the delivery of the Housing and Regeneration Programme | - | 58,157 | 47,138 | 29,926 | - 17,212 | - | 17,212 | 17,212 |
| To invest in property, diversifying the asset portfolio and securing greater returns | 10,000 | 20,000 | - | - | - | - | - | - |
| To explore new ways of delivering services while maintaining or improving service standards and reducing costs | - | - | 22,500 | 12,283 | - 10,217 | 57,500 | 10,217 | 67,717 |
| Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return. | 6,500 | - | - | - | - | - | - | - |
| Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return (Phase 2) | - | - | - | - | - | - | - | - |
| To understand sales trends, price demand and ticket buying behaviour | - | - | 12,700 | 12,700 | - | - | - | - |
| **Organisational Development** | | | | | | | | |
| 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 | 23,391 | - | - | - | - | - | - |
| Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation (Phase 2) | - | 32,547 | 256,758 | 256,761 | 3 | - | - 0 | - 0 |
| **Customer & Digital** | | | | | | | | |
| A comprehensive IT approach to integrate the client and contractor systems | - | 48,351 | 36,649 | 10,360 | - 26,289 | - | 26,289 | 26,289 |
| Feasibility and implementation of an expanded customer hub model | - | 51,076 | 21,164 | 11,063 | - 10,101 | 35,500 | 10,101 | 45,601 |
| Setting up new governance arrangements and project management support to overall transformation programme | 16,852 | 5,900 | 0 | - | - 0 | - | - | - |
| To successfully implement the new waste contract | 6,000 | 58,293 | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | 30,600 | - 3 | 30,597 |
| **Total Expenditure** | **161,776** | **297,715** | **396,909** | **333,093** | | | | **187,416** |
| **Closing Balance** | **338,224** | **520,509** | **123,600** | **187,416** | | | | **0** |

4.8 The **Table 5** details the projects included in the Strategy and shows a forecast position following the latest budget monitoring. A summary of the main variances are as follows:

- To support the delivery of the Housing and Regeneration Programme:- Advice on Business Plan in respect of the housing company and other associated costs will not happen until 2019/20.
- To explore new ways of delivering services while maintaining or improving service standards and reducing costs:- The budget is for the procurement of the new Leisure Contract and a feasibility study to be carried out on the Farnborough Leisure Centre has been brought forward into 2018/19
- A comprehensive IT approach to integrate the client and contractor systems:- The budget is for integrating IT in respect of the Council's new waste contract. Monies have been received from the waste contract provider in year and used in advance utilising capital receipts.
- Feasibility and implementation of an expanded customer hub model:- No further work is to take place on this project before the end of the financial year.

4.9 The overall effect on the main working balances is shown in **Table 6** below.

**Table 6: Balances and Reserves**

| Balance and Reserves (excluding specific earmarked reserves) | 2018/19 Opening Balance (£'000) | 2018/19 Transfers to (£'000) | 2018/19 Transfers from (£'000) | 2018/19 Closing Balance (£'000) |
|---|---|---|---|---|
| General Fund Balance | 2,000 | 0 | 0 | 2,000 |
| Commercial Property Reserve | 0 | 475 | 0 | 475 |
| Stability & Resilience Reserve | 4,353 | 250 | 0 | 4,603 |
| Service Improvement Fund | 891 | 386 | (275) | 1,001 |
| Other Earmarked Reserves | 4,581 | 1,128 | 0 | 5,710 |
| **Subtotal** | **11,825** | **2,239** | **(275)** | **13,789** |

## 5 GENERAL FUND CAPITAL OUTTURN

5.1 The Council approved the revised Capital Programme of £45.737m on 21 February 2019.

5.2 The Capital Outturn is summarised in **Table 7** below.

**Table 7: Capital Programme Summary**

| Analysis of capital expenditure and approved budget for the year 2018/19 | £000 |
|---|---|
| Total approved budget for the year 2018/19 | 45,737 |
| Additional budget approvals made for the 2018/19 year | 34,988 |
| **Total approved budget for 2018/19** | 77,726 |
| **Actual capital expenditure for the year** | 48,093 |
| Net variance (against approved budget) | (26,632) |
| Slippage/(Pre-spend) to 2019/20 | 33,968 |

5.3 The 2018/19 Capital programme included the following significant projects:
(a) finalisation of accounts relating to the construction of the Council's new Depot,
(b) Aldershot Town Centre Integration and Union Street,
(c) finalisation of a loan to Farnborough International, and
(d) further acquisition of investment properties.

5.4 A Portfolio summary of all approved projects is shown at **Appendix C** 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 2018/19 on 21 February 2019 for the financial year 2018/19.

5.5 **Appendix D** sets out the details in relation to:

1. The significant over/(under) spend variations to date;
2. The major areas of slippage;

5.6 Additional approval was given for £30.564m to be draw forward from 2019/20 capital budget, and £4.424m from 2020/21 capital budget. The draw forward budget relates to planned purchases of investment property in 2018/19, originally scheduled for 2019/20 and 2020/21. Variations related to brought forward budgets have been incorporated into the approved budget for 2018/19.

5.5 The in-year net underspend against approved 2018/19 budget of £26.632m and slippage of £33.968m is due mainly to the timing of investment property purchase changing from the current approved budget.

5.6 The capital resources not used due to slippage will transfer into 2019/20. Over the 5 year capital programme term to 2022/23 the slippage and pre-spend from 2019/20 and 2020/21 produce a variation of £1.33m against a total programme value of £171m.

## 6 CONCLUSIONS

6.1 The figures contained within this report are provisional and subject to external audit.

6.2 Against this background, the Council continues to face significant challenges for the future. It is therefore prudent to continue with the financial strategy built around savings and efficiencies and the retention of sufficient reserves to support improvement and to mitigate fluctuations in income and expenditure.

6.3 With the uncertainties surrounding the introduction of the 75% Business Rates Retention Scheme, in terms of its final operation, it is increasingly important that the Council delivers the net cost reductions required over the medium-term to balance its budget and to put itself in the strongest position it can before the new funding arrangements come into effect. Whatever incentives lay within the final scope of the scheme, the effect of the Fair Funding Review, which will change the allocation of resources between Councils according to a revised needs assessment, is as yet unquantifiable and could be a significant budgetary risk.

6.4 The outturn shows that the general fund balance is likely to be around the top of the range set in the Medium Term Financial Strategy for 2018/19, while the total for working balances sits comfortably above the 5% minimum target set in the Financial Strategy, thus providing additional flexibility moving into 2019/20.

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.

6.6 The figures presented in this report are provisional and a number of technical accounting entries are still to be processed as the final Statement of Accounts is produced. Therefore, the final outturn position may vary from that reported here but this is unlikely to be material. Should any further movement take the balances above the agreed range of balances, or below the balances agreed at revised budget, a compensating adjustment will be made to/from the Stability and Resilience Reserve to maintain the General Fund revenue balance within those previously agreed figures.

**CONTACT DETAILS:**

Report Author:
Alan Gregory
Alan.Gregory@Rushmoor.gov.uk
01252 398441

Head of Service:
Executive Head of Service
David Stanley
David.Stanley@Rushmoor.gov.uk
0125238440

**APPENDIX A**

## GENERAL FUND REVENUE BUDGET SUMMARY

| | | REVISED ESTIMATE 2018/19 £000 | CURRENT APPROVED ESTIMATE 2018/19 £000 | OUTTURN 2018/19 £000 | VARIATION 2018/19 £000 |
|---|---|---|---|---|---|
| | **Net Cost of Services by Portfolio** | | | | |
| 1 | Corporate & Democratic Services | 5,593 | 5,596 | 5,385 | (208) |
| 2 | Customer Experience and Improvement | 93 | 90 | 10 | (83) |
| 3 | Major Projects and Property | (1,793) | (1,737) | (2,233) | (440) |
| 4 | Opperational Services | 8,232 | 8,187 | 6,832 | (1,400) |
| 5 | Planning & Economy | 2,574 | 2,532 | 2,440 | (133) |
| 6 | **PORTFOLIO NET EXPENDITURE** | 14,699 | 14,668 | 12,435 | (2,264) |
| 7 | Capital Accounting Charges - Reversed | (1,710) | (1,710) | (1,728) | (18) |
| 8 | Pension Adj/Employee Benefits Reversed | (445) | (445) | (380) | 65 |
| 9 | **NET EXPENDITURE AFTER ADJUSTMENTS** | 12,544 | 12,513 | 10,327 | (2,216) |
| 10 | Reductions in Service Costs/Income Generation | (329) | (171) | | 329 |
| 11 | Vacancy Monitoring | (50) | (50) | (129) | (79) |
| 12 | **Corporate Income and Expenditure** | (449) | (449) | (431) | 18 |
| 13 | **Contributions to/(from) Reserve Accounts** | (458) | (458) | 970 | 1,428 |
| 14 | **Central Government Funding** | (5,110) | (5,110) | (5,584) | (474) |
| 15 | **NET TOTAL EXPENDITURE** | 6,148 | 6,275 | 5,153 | (995) |
| 16 | Contribution to/(from) balances | 0 | (127) | 1,033 | 1,032 |
| 17 | **COUNCIL TAX REQUIREMENT** | 6,148 | 6,148 | 6,185 | 37 |
| | **REVENUE BALANCES** | | | | |
| 18 | 1 April | 2,000 | 2,000 | 2,000 | 0 |
| 19 | General Fund Transfer | 0 | (127) | 1,033 | 1,032 |
| 20 | 31 March | 2,000 | 1,873 | 3,033 | 1,032 |

Notes:

| | | | | | |
|---|---|---|---|---|---|
| 12 | **Corporate Income and Expenditure** | | | | |
| | Interest Receivable | (977) | (977) | (949) | 28 |
| | Interest payable | 176 | 176 | 142 | (34) |
| | Minimum Revenue Provision | 362 | 362 | 329 | (33) |
| | Collection Fund (surplus)/deficit - Ctax | (101) | (101) | (101) | 0 |
| | Collection Fund (surplus)/deficit - NNDR | 22 | 22 | 22 | 0 |
| | Other Corporate Income and Expenditure | 69 | 69 | 126 | 57 |
| | **Total** | (449) | (449) | (431) | 18 |

| | | | | | |
|---|---|---|---|---|---|
| 13 | **Contributions to/(from) Reserve Accounts** | | | | |
| | Transfers to CPE Surplus Account | 82 | 82 | 131 | 49 |
| | Contributions to/(from) earmarked reserves/prior yr grants | (351) | (351) | 680 | 1,031 |
| | Contributions to/(from) earmarked reserves - carry forwards | | | 318 | 318 |
| | Contributions to/(from) Service Improvement Fund | (306) | (306) | (275) | 31 |
| | Contributions to/(from) Stability & Resilience Reserve | 117 | 117 | 117 | 0 |
| | Contributions to/(from) Commercial Reserve | 0 | 0 | 0 | 0 |
| | **Total** | (458) | (458) | 970 | 1,428 |

| | | | | | |
|---|---|---|---|---|---|
| 14 | **Central Government Funding** | | | | |
| | New Burdens and other non-ring-fenced grants | (201) | (201) | (325) | (124) |
| | New Homes Bonus | (1,095) | (1,095) | (1,095) | |
| | Revenue Support Grant | (190) | (190) | (190) | |
| | Business Rates Retention (BRR) | (3,624) | (3,624) | (3,974) | (350) |
| | **Total** | (5,110) | (5,110) | (5,584) | (474) |

**APPENDIX B**

**GENERAL FUND REVENUE ACCOUNT 2018/19**
**PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET**
**Variances identified during 2018/18 financial year amounting a net underspend of £2,233,065**

| **Corporate and Democratic Services Portfolio** | | **VARIANCES RELATED TO EXPENDITURE BUDGETS** | **£000** |
|---|---|---|---|
| Corporate Manager Legal Services | Legal Support | Publications moved to cheaper online portal and invoices cancelled as gesture of goodwill | (5,000) |
| | | Additional locum services were needed to keep up with the higher number of acquisions | 18,546 |
| Democracy, Strategy and Partnerships | Electoral Registration | Reduction in costs of printing and postages on Electoral Registration | (12,295) |
| | | Reduction in spend on design and implementation for new Customer Account for Electors for which a carry forward request will be requested: | |
| | | Canvass fees | (21,900) |
| | | Individual Elector Registration (Non-Recurring Item) (part funded from earmarked reserve (£15.3k)) | (31,900) |
| | Community Leisure | Reduction in spend as the work on the Cycle Track Feasibility has been delayed pending an initial options appraisal (Carry forward Request for the £15k has been submitted) | (15,000) |
| | | Reduction in spend on internal printing | (7,000) |
| | Grants to Major Organisations | Reduction in spend in relation to the grant to FAST due to a change in circumstances | (12,411) |
| | | Expenditure related to Farnborough Airport Community Environmental Fund | 56,197 |
| Human Resources | Personnel Support | Reduction in spend on corporate training for which a carry forward will be requested. Starting dates for the Management Development have been slipped to allow input from new Heads of Services | (17,471) |
| Financial Services | Finance Support | Reduction in spend in 2018/19 due to agency staff being off long term sick. Some audits to be carried out in 2019/20. A carry forward has been requested for £9,900 | (9,905) |
| | External audit and inspection | Reduction in spend due to reduction in fee charged | (9,600) |
| | Treasury Management and Bank Charges | Reduction in spend due to a change in timing of borrowing requirements | (14,000) |
| | Rent Allowances | Increase in expenditure due to lower than expected transfer to Universal Credit | 1,318,583 |
| All other expenditure variances within portfolio | | | (108,141) |
| **Total Expenditure Variances in Corporate and Democratic Services Portfolio** | | | **1,128,703** |

| Corporate and Democratic Services Portfolio | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|---|---|---|
| Corporate Manager Legal Services | Land Charges | Underachievement of planned income for Land Charge Searches due to reduction of said searches dictated by unfavourable market conditions and lack of portal available to general public for personal searches | 16,434 |
| | Legal Support | Underachievement of planned income due to higher than anticipated third party transactions and waiving of fees due to special circumstances of the deals | 10,207 |
| | | Still in transitional stage of the 'Increase in S106 Fees' project. New income budget not achieved for this year | 18,150 |
| Democracy, Strategy and Partnerships | Local Elections 1303 | Increase in contributions administering Elections organised on behalf of the Government and Hampshire County Council | (8,000) |
| | Grants to Major Organisations | Income relating to Farnborough Airport Community Environmental Fund | (61,563) |
| Financial Services | Rent Allowances | Increase in income due to lower than expected transfer to Universal Credit | (1,452,253) |
| All other income variances within portfolio | | | 137,771 |
| **Total Income Variances in Corporate and Democratic Services** | | | **(1,339,254)** |

| | |
|---|---|
| **Total Net Variances in Corporate and Democratic Services Portfolio** | **(210,551)** |

| Customer Experience and Improvement Portfolio | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|---|---|---|
| Customer Experience | Customer Services Unit | Reduction in spend on postages due to being proactive in ways of working using the postal services, and reduction in demand | (12,139) |
| | Communications | Reduction in spend on council magazine - have not used external resources to produce articles this financial year but unlikely to be able to sustain this in 2019/20 | (7,602) |
| | | Reduction in spend on web development due to delays in implementing changes to website (a carry forward will be requested) | (7,000) |
| ICT, Facilities and Project Services | IT Management | Budget required to review the financial system. Project delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20) | (29,761) |
| | | Also a reduction in spend on consultancy due to a reduction in requirement towards the end of the financial year. A carry forward of £20,000 has been requested | |
| | | Reduction in cost of photocopiers (due in part to an accrual error in 2017/18 for £3k) | (6,850) |
| | Rushmoor 2020 | Project delayed to allow new Head of Customer Experience and project team to research and assess requirements. A carry forward of £30,000 has been requested | (30,000) |
| | Application Support | Reduction in cost of applications software | (9,370) |
| | Council Offices | Various increase in spend, main areas being emergency repairs to a broekn compressor, wall heaters required for external occupants using offices out of hours, cleaning of air handling units, emergency works identified following legionella checks, boiler repairs and office furniture following a number of office moves/reconfigurations | 10,558 |
| | | Increase in cost of cleaners (both internal and external staff) | 5,811 |
| All other expenditure variances within portfolio | | | 223,386 |
| **Total Expenditure Variances in Customer Experience and Improvement Portfolio** | | | **137,033** |

| Customer Experience and Improvement Portfolio | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|---|---|---|
| ICT, Facilities and Project Services | Council Offices | Income received re the lift insurance claim. The claim was in respect of the replacement /repair of the lift | (15,328) |
| | | Reduction in income due to a number of historic invoices being cancelled as the official agreement for the increase had not been signed | 16,529 |
| | Other Income | Reduction in works carried out on behalf of another local authority | 5,745 |
| All other income variances within portfolio | | | (223,032) |
| **Total Income Variances in Customer Experience and Improvement Portfolio** | | | **(216,086)** |

| | |
|---|---|
| **Total Net Variances in Customer Experience and Improvement Portfolio** | **(79,053)** |

| Major Projects and Property Portfolio | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|---|---|---|
| Regeneration, Property and Highways | Aldershot Regeneration Strategy 1100 | Increased spend on consultancy fees for Aldershot Regeneration | 19,172 |
| | | Reduction in spend on anticipated set up costs for Regeneration Company (external support) for which a carry forward will be requested | (25,000) |
| | 168 High Street Guildford | Additional car parking costs for tenants during rendering works | 5,327 |
| | 35/39 High Street, Aldershot | Delay in appointing temporary building buidling surveyor to assess and instruct possible works needed on units | (6,704) |
| | Optrex Business Park | Budget is overstated | (11,974) |
| | 114-116 Dominion Road, Worthing | Adverse variance regarding additional unplanned consultancy fees for agent who negotiated rental review with Wickes | 8,942 |
| | 36-62 Union St Aldershot | Delay in structural surveys for Union Street Properties | (6,380) |
| | Farnborough Town Centre Regeneration Strategy 2102 | Reduction in spend on consultancy fees for Farnborough Regeneration for which a carry forward will be requested | (82,271) |
| | | Reduction in spend on anticipated set up costs for Regeneration Company (external support) for which a carry forward will be requested | (22,291) |
| All other expenditure variances within portfolio | | | (99,637) |
| **Total Expenditure Variances in Major Projects and Property Portfolio** | | | **(220,816)** |

| Major Projects and Property Portfolio | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|---|---|---|
| Regeneration, Property and Highways | Estates Management | Adverse variance due to re allocation of income to Legal Services due to restructure | 6,603 |
| | Industrial Estates | Additional lease income from Glen House Estates reflects a favourable variance | (26,231) |
| | Belle Vue Enterprise Cer | Loan to Wellesley House accounts to cover repairs and maintenance not currently being recovered by service charges | 5,382 |
| | Town Centres | Reduction in income due to budget set up in error for recharge of building insurance that could not be reclaimed due to nature of the lease | 12,440 |
| | | Increase in rental income due to new lease for Bevan Lodge | (13,680) |
| | | Increase in rental income due to rent reviews | (18,601) |
| | 35/39 High Street, Aldershot | Missing service charge income from Relate and Gurkha Welfare | 9,540 |
| | 36-63 Union Street, Aldershot | Favourable variance due to additional lease income from Marks and Spencer | (95,203) |
| | 168 High Street Guildford | Underachievement of rental income due to vacancies | 21,812 |
| | 13 Invincible Road, Farnborough | Favourable variance reflects additional 'top-up' rent to compensate Rushmoor for the rent-free period Dunelm had in their lease terms when the building was acquired | (97,358) |
| | Voyager House | Recent acquisition - no budget at present | (7,214) |
| | Frimley 4 Business Park | Recent acquisition - no budget at present | (11,813) |
| | Other Highways | Additional Engineering fee | (16,468) |
| | | Other contributions from HCC | (11,620) |
| | | Additional income related to temporary traffic regulations | (8,300) |
| All other income variances within portfolio | | | (24,149) |
| **Total Income Variances in Major Projects and Property Portfolio** | | | **(274,860)** |

| | |
|---|---|
| **Total Net Variances in Major Projects and Property Portfolio** | **(495,676)** |

| Operational Services Portfolio | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|---|---|---|
| Operations | Housing Advice 2402 | Increased spend on bed and breakfast costs for homeless applicants | 11,317 |
| | | Underspend on flexible homelessness | -163278 |
| | Parks and Recreation Grounds | Reduction in spend on general repairs and maintenance | (15,965) |
| | | Additional spend on maintenance of trees | 44,899 |
| | | Reduction in spend on playground apparatus | (18,285) |
| | | Additional spend on SANG projects as per the management plan (these costs are funded by developers contributions) | 28,810 |
| | | Reduction in spend on Pavilion/building repairs and maintenance | (8,524) |
| | | Reduction in spend on tree survey work | (6,843) |
| | | Additional spend on suitable projects that developers contributions have been collected for | 94,717 |
| | Car Parks | Additional spend on Littering and Dog Fouling Pilot Scheme (offset with income) | 14,900 |
| | | Reduction in spend on lighting repairs | (9,552) |
| | | Increase in spend in managed car parks due to the Council taking on the management of the Aldershot Centre for Health car park for an initial period of time | 23,141 |
| | | Increase in leisure centre user rebates | 7,646 |
| | | NNDR Interest Refund | 23,653 |
| | Crematorium | Additional spend on utility costs | 6,805 |
| | | Reduction in spend on ministers fees | (6,318) |
| | | Reduction in spend on the internet based music system | (7,970) |
| | Grounds Maintenance Contract | Reduction in spend on Grounds Maintenance Variations mainly due to funding a number of projects from suitable developers contributions (a carry forward requested for £20k for the Invincible Road trees) | (25,843) |
| | Domestic Refuse | Reduction in spend on contractors payment | (15,112) |
| | Street Cleansing | Reduction in spend on the contract variation for non-routine works | (23,051) |
| | Aldershot indoor pool | Reduction in spend on the leisure contract due to energy indices payment being less than anticipated | (11,464) |
| | LIDO | Reduction in spend on the leisure contract due to energy indices payment being less than anticipated | (5,016) |
| | Cemetries | General repairs and maintenance underspend | (5,933) |
| | | Grave digging underspend | (16,864) |
| | Pollution & Environmental Control | Reduction in spend on A331 Air Quality Feasibility Study, this is offset with a reduction in drawdown from the earmarked reserve, | (26,200) |
| | CCTV | Reduction in spend on equipment maintenance as we are currently on a pay as you go contract | (9,895) |
| All other expenditure variances within portfolio | | | (203,999) |
| **Total Expenditure Variances in Operational Services Portfolio** | | | **(324,224)** |

| Operational Services Portfolio | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|---|---|---|
| Operations | Improvement Grants 240 | Increase in income due to more applications than budgeted using support service for improvement grants | (34,608) |
| | Housing Advice | Increase in rents received | (22,586) |
| | | Additional homlessness grant received | (106,503) |
| | Parks and Recreation Grounds | Additional income from developers contributions being used to fund the additional spend on projects | (80,977) |
| | | Additional income from developers contributions for Southwood Country Park | (7,864) |
| | | Developers income received for Southwood Woodlands SANG * | (466,310) |
| | | Developers income received for Rowhill SANG * | (242,450) |
| | | * These SANG receipts will be transferred to the SANG Earmarked Reserve from the general fund at year end | |
| | Car Parks | Additional season ticket permit income due to smartcard top ups ceasing and some of the smartcard customers switching to permits instead of Pay and Display | (12,371) |
| | | Additional income on Littering and Dog Fouling Pilot Scheme (offset with expenditure) | (14,440) |
| | | Additional notional income of 'free' parking for charities/voluntary organisations (offset with notional cost figure in the Grants to Major Organisations cost centre) | (6,718) |
| | | Increase in Pay and Display income | (29,686) |
| | | Shortfall in penalty charge notice income | 17,464 |
| | Community Safety Partne | Additional income from recharges for Hosted Posts | (7,477) |
| | Parking Management | Increase in Pay and Display income | (15,794) |
| | | Shortfall in penalty charge notice income | 27,079 |
| | Cemeteries | Decrease in income from the number of interments of cremated remains in already purchased graves | 10,891 |
| | | Shortfall in grave sales income | 7,198 |
| | | Shortfall in monument rights income | 6,000 |
| | Crematorium | Additional net memorial income | (11,845) |
| | | Shortfall in income on ministers fees | 6,500 |
| | | Short fall in cremator income | 27,720 |
| | | Short fall on memorial vaults | 12,540 |
| | Recycling | Additional Materials Recycling Facility income | (33,397) |
| | | Additional recycling credit income due to tonnage | (7,884) |
| | | Additional green waste sales income | (16,794) |
| | Pollution & Environmental Control | Air Quality funding received in 2018/19 which will be offset with a transfer to the earmarked reserves as the project continues into 2019/20. | (32,216) |
| All other income variances within portfolio | | | 3,336 |
| **Total Income Variances in Operational Services Portfolio** | | | **(1,031,192)** |

| | |
|---|---|
| **Total Net Variances in Operational Services Portfolio** | **(1,355,416)** |

| Planning and Economy Portfolio | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|---|---|---|
| Regeneration, Property and Highways | Sustainability Initiatives | Favourable variance due to planned sustainability and Fairtrade works not coming to fruition in 2018/19 | (5,464) |
| Economic, Planning and Strategic Housing | Princes Hall | Additional spend on artistes | 32,987 |
| | | Additional spend on pantomime costs | 8,058 |
| | Planning Policy | NRI-LDF examinations lower than estimated | (10,970) |
| All other expenditure variances within portfolio | | | (138,799) |
| **Total Expenditure Variances in Planning and Economy Portfolio** | | | **(114,188)** |

| Planning and Economy Portfolio | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|---|---|---|
| Economic, Planning and Strategic Housing | Princes Hall | Additional income from the pantomime | (29,000) |
| | | Shortfall as the income anticipated as part of the pantomime pricing review was included in the 2018/19 Revised Budget but actually relates to the 2019/20 Budget onwards | 40,000 |
| | | Additional income from refreshments | (8,043) |
| | | Additional income from sales | (67,268) |
| | Building Control Development Fees | Income down during Nov to Feb, although March was a better performance month, there was too much of a shortfall to make up. | 21,100 |
| | | Favourable variance was reported during Q3/Q4 budget monitoring as there had been an increase in the income from street naming and numbering due to some large developments coming through. Final outturn is an overachievement of this. | (8,130) |
| | Planning Development | Planning applications lower than expected for the year at 9.8% below estimate | 39,200 |
| | | Planning application 20% additioanl fees lower than expected for the year | 7,700 |
| All other income variances within portfolio | | | 26,260 |
| **Total Income Variances in Planning and Economy Portfolio** | | | **21,819** |

| | |
|---|---|
| **Total Net Variances in Planning and Economy Portfolio** | **(92,370)** |

| | |
|---|---|
| **Net portfolio Expenditure Variances** | **606,507** |

| | |
|---|---|
| **Net Portfolio Income Variances** | **(2,839,573)** |

| | |
|---|---|
| **Net Portfolio Variances** | **(2,233,065)** |

# CAPITAL PROGRAMME MONITORING SUMMARY 2018/19

RUSHMOOR BOROUGH COUNCIL

| Expenditure<br>PORTFOLIO | TOTAL APPROVED BUDGET 2018/19 | ACTUAL SPEND 2018/19 | VARIANCE | SLIPPAGE TO 2019/20 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| MAJOR PROJECTS AND PROPERTY | 70,727 | 43,173 | (27,554) | 31,991 |
| CORPORATE AND DEMOCRATIC SERVICES | 1,497 | 1,433 | (64) | 64 |
| CUSTOMER EXPERIENCE AND IMPROVEMENT | 1,830 | 288 | (1,542) | 1,510 |
| OPERATIONAL SERVICES | 3,571 | 3,199 | (372) | 303 |
| PLANNING AND ECONOMY | 100 | 0 | (100) | 100 |
| **TOTAL** | **77,725** | **48,093** | **(29,632)** | **33,968** |

| Capital Financing<br>FUNDING | REVISED BUDGET 2018/19 | ACTUAL 2018/19 |
|---|---|---|
| | £'000 | £'000 |
| Grants and other Contributions | 2,929 | 1,871 |
| Developers' Contributions | 131 | 121 |
| Capital Receipts/Borrowing | 42,677 | 46,101 |
| **TOTAL** | **45,737** | **48,093** |

**Appendix C**

## Over/Underspends, slippage and material variances in relation to schemes financed by grants/contributions.

1 The significant over/(under) spend variations to date are as follows:

| Scheme | Explanation | Over / (Under) Spend £000s |
|---|---|---|
| **12 Arthur Street** Redevelopment | Project is complete. £3k underspend compared with the last budget monitoring. | **10** |
| **INVESTMENT PROPERTY** | Net impact of a timing variation in the purchasing of investment property against original 2018/19 budget. Corresponding slipped amount of £24,852K to 2019/20 outlined below. | **(20,428)** |
| **DEPOT** Southwood depot | No goods/services received in 18/19, the budget was only agreed late in 18/19, budget to carry forward to 19/20. (See Slipped items) | **(20)** |
| **COUNCIL OFFICES** Accommodation and Upgrade Changes | Priorities are identified as the year goes on and in this instance the full budget has not been spent in 2018/19. Budget to be released as new budget included for 2019/20. | **(13)** |
| **COUNCIL OFFICES** Co-Location - Relocation of Voluntary Group | The large overspend on the Citizens Advice relocation project (5341) is largely offset by underspends on co-location (5335) and office accommodation (5329). | **19** |
| **IMPROVEMENT GRANTS** Housing Renewal Grants | Unspent budget will be released, renewal grants are only discretionary so are not always fully paid out. | **(30)** |
| **REFUSE / RECYCLING** Wheeled Bins | Overspend is as a result of an increase in new builds. | **23** |

| | | |
|---|---|---|
| **CREMATORIUM**<br>Mobile Elevation Work Platform | The mobile elevation work platform not received until April and amount charged is £9,921 and therefore cost in 2019/20 will need to be moved to revenue. | **(10)** |
| **PARKS AND OPEN SPACES**<br>Ivy Road Sports Pavilion | Abortive project, costs in respect of 17/18 and 18/19 moved to revenue. | **(18)** |
| **CAR PARKS**<br>Car Park Enhancements | £10k of the budget was set aside for Farnborough Football Club car park entrance gates and perimeter railings, £7.7k spent. Remaining underspend can be released. The remaining £63k of the budget was set aside for Cove Football Club car park resurfacing and this work has been completed with the exception of line painting which should only be a few thousand Cove Football club. £4.5k has been allowed for line painting and the remainder of the budget has been released in line with budget monitoring. | **(20)** |
| **COMPUTER SYSTEMS**<br>ICT Strategy and Customer First Projects | Work has completed on the purchase of G/on tokens for flexible working, the purchase of iPads for Building Control mobile working and the bottomline payments system upgrade.<br><br>The Office 365 project is still ongoing. The Veeam backup project is nearing completion, just need to finish moving Princes Hall and the Crematorium from a physical server to a virtual server.<br><br>Annual penetration testing is delayed until April 2019 due to retendering the contract.<br><br>The CSU customer queuing system is likely to be delayed until 2019/20 due to delays by the provider responding to technical queries raised. This is reflected in the under spend figure and is also included as slippage below. | **(24)** |
| **COMPUTER SYSTEMS**<br>Finance/Cashier System Improvements | No budget slippage as £20k budget included in 19/20 for this (£10k for PCI compliance and £10k for additional | **(13)** |

| | | |
|---|---|---|
| | Integra modules) | |
| **COMPUTER SYSTEMS**<br>Digital by Design/Communities | Over spend on various project within code 7500. | **15** |

2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix C) net reduction in spend of £33,968,000 against the approved Capital Programme are provided in the table that follows:

| Scheme | Explanation | Slippage /(Pre-spend) to 2019/20 £000s |
|---|---|---|
| **INVESTMENT PROPERTY**<br>Property Purchases | The purchase of the property did not complete in 2018/19 therefore budget slippage required. | **24,852** |
| **REGENERATION**<br>Various Purchases 36-62 Union Street, Aldershot | No variance was reported at monitoring as there was reason to believe 48/48a would be purchased but this has not taken place in 2018/19. | **529** |
| **DEPOT**<br>Southwood depot | No goods/services received in 18/19, the budget was only agreed late in 18/19, budget to carry forward to 19/20. | **20** |
| **REGENERATION**<br>Activation Aldershot - Project 1 Integration between AUE and Town Centre | Works still not certified by HCC so still unable to pay LEP loan over. | **1,500** |
| **REGENERATION**<br>Civic Quarter, Farnborough | Contracts were not exchanged on the Police Station in 2018/19. | **6,350** |
| **Flexible Use of Capital Receipts**<br>Various Projects | Outturn is in line with mid Q4 budget monitoring with the exception of the leisure contract procurement project where more significant expenditure had been expected in 2018/19 related to a feasibility study of the leisure centre going to be completed in this period, however this did not take place. | **64** |

| | | |
|---|---|---|
| **REGENERATION**<br>Activation Aldershot - Project 2 Phase 6 - Station Forecourt Improvements | The project has been delayed further due to being integrated within the Windsor Way highway improvements. | **100** |
| **CYCLEYWAY LINKS**<br>Hazel Avenue to Arrow Road | A contractor is still to be identified but it is hoped that work on this should start early in 2019. | **23** |
| **REGENERATION**<br>Housing PRS Delivery | A small amount of expenditure incurred in 2018/19 on architects, valuers and other professional fees but the remainder of the budget can slip to 2019/20. | **80** |
| **REGENERATION**<br>Union Street East, Aldershot | No variance was reported at monitoring as there was reason to believe 48/48a would be purchased but this has not taken place in 2018/19. | **91** |
| **CEMETERIES**<br>Ship Lane - Drainage | No works carried out in 2018/19 and project is slipping to 2019/20 as works cannot commence until land has dried & nesting season is over | **11** |
| **IMPROVEMENT GRANTS**<br>Disabled Facilities Grants | The full budget has been committed in 2018/19 but not necessarily paid out or become due. | **153** |
| **DEPOTS**<br>Lyons Avenue Depot | The project still has a couple of things to be finished, such as the fuel tank which was due to arrive in Feb has been delayed until April. | **34** |
| **CAR PARKS**<br>Aldershot Park Car Park - LED powered lighting columns installation | Lights have been ordered but nothing received yet, budget slippage therefore required. | **26** |
| **CREMATORIUM**<br>New Cremator and Transfer Cabinet | The contractor has undertaken site surveys but there is doubt that this project will be completed in 2018/19 as the contractor needs to build the product. | **21** |
| **PARKS AND OPEN SPACES**<br>Moor Road Recreation Ground Development | Advised at budget monitoring there may be a some slippage but was unable to identify an amount. | **13** |
| **AFFORDABLE HOMES GRANT**<br>Affordable Homes Grant Funding | Practical completion of the properties is delayed resulting in forecast budget slippage. | **100** |

# APPENDIX E

**Planned Budget Savings**

Negative supplementary estimates showing as budget savings for 2018/19 (post revised estimate) of (£157,970) and total savings achieved are in 2018/19 shown below:

| | |
|---|---|
| ***Corporate and Democratic Services Portfolio*** | **£000** |
| Council Tax | |
| Procurement saving | **-8** |
| Council Tax Support Scheme | |
| Housing Benefit reorganisation | **-5** |
| Rent Allowance | |
| Housing Benefit reorganisation | **-11** |
| Commercial Loan Interest | **-27** |
| Treasury Management | **-99** |
| Zero Based Budget savings | **-44** |
| **Corporate and Democratic Services Portfolio Total** | **-194** |
| ***Customer Experience and Improvement Portfolio*** | **£000** |
| Customer Services Unit | |
| Service transformation saving (2018/19 only) | **-30** |
| Council Offices | |
| Restructure savings | **-1** |
| Procurement savings | **-2** |
| Facilities | |
| Restructure savings | **-1** |
| Application Support | |
| Procurment outlay producing a £90K saving across 5 years | **34** |
| Zero Based Budget savings | **-6** |
| **Customer Experience and Improvement Portfolio Total** | **-6** |

| | |
|---|---|
| ***Major Projects and Property Portfolio*** | **£000** |
| Commercial Property Investment | **-530** |
| Procurement savings | **-1** |
| Sustainability Initiatives<br>Restructing | **-31** |
| Zero Based Budget savings | **-5** |
| **Major Projects and Property Portfolio Total** | **-567** |

| | |
|---|---|
| ***Operational Services Portfolio*** | **£000** |
| Crematorium<br>Change in service delivery | **-33** |
| Procurement savings | **-8** |
| Zero Based Budget savings | **-61** |
| **Operational Services Portfolio Total** | **-102** |

| | |
|---|---|
| ***Planning and Economy Portfolio*** | **£000** |
| Development Management Pre Application Charges | **-11** |
| Procurement savings | **-4** |
| Development Management<br>Increase Planning Application income | **-100** |
| Zero Based Budget savings | **-41** |
| **Planning and Economy Portfolio Total** | **-156** |

| | |
|---|---|
| **Total Planned Budget Savings** | **-1025** |
| **Total Savings post revised budget** | **-158** |
| **Savings built into revised budget** | **-867** |

**Appendix F**

**Carry Forward requests from 2018/19 budget into 2019/20**

| Schemes Funded from Revenue | | | | | |
|---|---|---|---|---|---|
| **Service** | **HoS/CLT** | **Code** | **Code Description** | **Amount (£)** | **Reason** |
| Financial Services | David Stanley | 3106 00040 | Audit Support Agency Staff | 9,900 | Long-term sickness in contract auditors resulted in not all planned audits taking place in 2018/19. Budget needs to be carried forward to enable the audit plan to be completed and allow an audit opinion to be given |
| Financial Services | David Stanley | 3401 30061 | Finance Support Consultancy Fees | 5,000 | Budget to be used to support the Financial System review. The project has been delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20) |
| ICT, Facilities and Project Services | Nick Harding | 3300 30061 | IT Management Consultancy | 20,000 | Budget required to review the financial system. Project delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20) |
| ICT, Facilities and Project Services | Nick Harding | 3300 30987 | IT Management R2020 | 30,000 | Budget required for external expertise relating to Rushmoor 2020. Project delayed to allow new Head of Customer Experience and project team to research and assess requirements |
| Economy, Planning and Strategic Housing | Tim Mills | 2613 30060 | Planning Policy Conferences and Seminars | 1,350 | The Planning Policy Team has been nominated at the Planning Awards for the Local Plan. The Awards are to take place in June 2019 and an invoice had been expected to be paid in 2018/19 using a budget saving virement from the Local Plan Preparation code however the invoice will not now be received until 2019/20 |
| Economy, Planning and Strategic Housing | Tim Mills | 1413 50066 | Economic Development Grants Gulf Stream | 10,000 | Carry forward required re timing issues as to when training requirements will arise |
| Economy, Planning and Strategic Housing | Tim Mills | 2543 80114 | Town Centre Management Other Contributions | 4,000 | Income from the Shop Watch radio scheme and the letting of space in the town centre to promotional stands. Commitment given when income received that it will be used for activities and work that benefits the town centre |
| Operational Services | James Duggin | 2211 30550 | Licensing General Vet Inspection Fee | 1,500 | Defra has issued new animal welfare legislation which required the Council to contract out animal licensing welfare inspections. The carry forwards provides for the delivery of the contract, to be invoices in 2020 |
| Operational Services | James Duggin | 2517 30161 | Parks and Open Spaces Maintenance of Trees | 10,000 | Following inspection, a number of trees within land owned by Rushmoor at Invincible Road were found to be potentially hazardous and require works in order to make safe.<br>These works have been estimated at £10k and a supplementary budget is required for 2019/20 to cover this expense to be funded by underspend from 2018/19 from 2517 or 2552 40013 (Grounds Maintenance Variances) |
| Democracy, Strategy and Partnerships | Andrew Colver | 2531 30326 | Town Twinning Twinning Events | 2,800 | Arrangements for finalising the civic ceremonial events for the three new sister cities/towns have been delayed until 2019/20 |
| Democracy, Strategy and Partnerships | Andrew Colver | 1211 30234 | Sustainability Initiative Promotions | 2,000 | The project was only scoped in March 2019 with set up in June. The 2018/19 expenditure will be incurred over the summer |
| Democracy, Strategy and Partnerships | Andrew Colver | 1211 30234 | Sustainability Initiative Promotions | 1,800 | There aren't any events or promotions in January to March when the budget was split. Events start in April to coincide with Easter which was later in 2019/20 |
| Democracy, Strategy and Partnerships | Andrew Colver | 1211 30234 | Sustainability Initiative Promotions | 1,500 | Hampshire Biological Information Centre (HBIC) delay in completing work and issuing invoice for green infrastructure Mapping. Seasonal work/delay in plants and shrubs purchasing until weather is finer |
| Democracy, Strategy and Partnerships | Andrew Colver | 1302 30036 | Electoral Registration Canvas Fees | 21,900 | Design and implementation for new Customer account for Elections |
| Democracy, Strategy and Partnerships | Andrew Colver | 1302 30982 | Electoral Registration Transfer costs IER | 16,600 | Design and implementation for new Customer account for Elections (further funding from Earmarked Reserves £15,300) |
| Democracy, Strategy and Partnerships | Andrew Colver | 2508 30560 | Cycle Track Feasibility | 15,000 | The work has been delayed pending an initial options appraisal. |
| Legal Services | Ian Harrison | 1202 30028 | Legal Department Support Books and Publications | 5,000 | Budget needed to vire to temporary staff code for additional work/expansion of estates management and properties management in Regeneration and Property department, meaning more locum services are needed |
| Legal Services | Ian Harrison | 1202 30067 | Legal Department Support Counsels' Fees | 2,500 | Budget needed to vire to temporary staff code for additional work/expansion of estates management and properties management in Regeneration and Property department, meaning more locum services are needed |

| | | | | | |
|---|---|---|---|---|---|
| Regeneration and Property | Paul Brooks | 1203 30061 | Estates Support Consultancy | 2,700 | Difficulties in finding temporary and permanent staff to instruct and/or carry out feasibility studies |
| Regeneration and Property | Paul Brooks | 1203 00016 | Estates Support Temporary Staff | 7,400 | Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800) |
| Regeneration and Property | Paul Brooks | 1205 00016 | Industrial Estates Temporary Staff | 1,480 | Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800) |
| Regeneration and Property | Paul Brooks | 1206 00016 | Belle Vue Temporary Staff | 2,220 | Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800) |
| Regeneration and Property | Paul Brooks | 1208 00016 | Town Centres Temporary Staff | 1,480 | Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800) |
| Regeneration and Property | Paul Brooks | 1209 00016 | Corporate Properties Temporary Staff | 2,220 | Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800) |
| Regeneration and Property | Paul Brooks | 1212 10026 | 35/39 High Street Aldershot General Repairs and Maintenance | 6,000 | Delay in appointing temporary building surveyor to assess and instruct possible works needed on properties |
| Regeneration and Property | Paul Brooks | 1206 10026 | Belle Vue General Repairs and Maintenance | 2,000 | Delay in appointing temporary building surveyor to assess and instruct possible works needed on properties |
| Regeneration and Property | Paul Brooks | 1230 30061 | 168 High Street Guildford Consultancy | 4,500 | Delays and difficulties with the negotiation of lease terms with new tenant, Pro Cook, and the corresponding agent's fees |
| Regeneration and Property | Paul Brooks | 1232 10026 | Optrex Business Park - General Repairs and Maintenance | 4,000 | Delay in appointing temporary building surveyor to assess and instruct possible works needed on units |
| Regeneration and Property | Paul Brooks | 1235 10026 | 36-62 Union Street Aldershot Development General Repairs and Maintenance | 6,000 | Delay in structural surveys for Union Street properties and urgent and essential need to 'make safe' the buildings |
| Regeneration and Property | Paul Brooks | 1100 30911 | Aldershot Regeneration Digital Games Hub Consultancy | 40,000 | The Games Hub is a complex project. Although most costs are likely to be put to capital there will be some costs that will remain revenue |
| Regeneration and Property | Paul Brooks | 2102 30061 | Regeneration Consultancy | 49,900 | Carry forward requested in order to ensure the revenue costs associated with the delivery of the Council's regeneration programme can be met. In particular there are costs in relation to holding he regeneration assets that have not been budgeted for but are connected with statutory compliance and health and safety. This will require a virement from this budget |
| Customer Experience | Colin Eckworth | 1411 30120 | Communications Web Support/Development | 7,000 | New website development is to take place in 2019/20 to facilitate a number of key projects in R2020. Self-service portals and a complete rework of content, branding and forms will need to be done as part of this project. Work in 2018/19 was delayed as the full Programme had yet to be schedules due to recruitment |
| Human Resources | Karen Edwards | 1415 00006 | Training | 2,600 | Funding HR professional qualification. Employee unsuccessful in application for the Leadership Development Programme, it was agreed a professional HR qualification would be more appropriate at this stage in their career and would provide additional professional expertise within the existing team |
| Human Resources | Karen Edwards | 1415 30139 | In-house Training | 17,500 | Management development modules being delayed. The first phase of management development modules were due to begin Autumn 2018 and provision had been made for this in the 2018/19 budget. However the Chief Executive requested these modules were delayed until 2019, both to get input from the new Heads of Services and because of the number of other learning activities and priorities in the organisation at the time.<br>A large proportion of the management modules are now expected to take place in 2019/20 rather than across two financial years as originally intended. Although additional budget has been requested for 2019/20 it is likely the modules will exceed that amount so carrying forward remaining budget fro 2018/19 would help support delivery of the management development programme |
| **TOTAL REVENUE FUNDED SCHEMES** | | | | **317,850** | |

| Schemes Funded from Other Resources | | | | | |
|---|---|---|---|---|---|
| **Service** | **HoS/CLT** | **Code** | **Code Description** | **Amount** | **Reason** |
| ***Flexible Use of Capital Receipts*** | | | | | |
| Operational Services | James Duggin | 2558 70901 | Aldershot Indoor Pool New Leisure Contract Refcus Flex 11 | 2,720 | The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20 |
| Operational Services | James Duggin | 2559 70901 | Aldershot Lido New Leisure Contract Refcus Flex 11 | 1,360 | The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20 |
| Operational Services | James Duggin | 2560 70901 | Farnborough Leisure Centre New Leisure Contract Refcus Flex 11 | 6,140 | The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20 |
| ICT, Facilities and Project Services | Nick Harding | 3304 70904 | IT Technical Services Waste Contract ICT Refcus Flex15 | 26,000 | The waste portal is a significant piece of work being delivered in phases. Some work has been delivered however there are a number still to develop and roll out including:<br>Online self-service portal for – garden waste<br>Online self-service portal for – bulky waste<br>Online self-service portal for – container enquiries<br>Online self-service portal for - grass cutting schedules<br>This project started in Q3 2018/19 and was not envisaged to be fully complete until Summer 2019 |
| Regeneration and Property | Paul Brooks | 1101 70900 | Housing Delivery Options Housing Set Up Refcus Flex22 | 17,213 | The business case for the housing company approved by cabinet on 5 March 2019. This approved the development of the business plan. The business plan will need the input of the shadow board and therefore is unlikely to be ready for review until the end of May 2019 |
| Customer Experience | Colin Eckworth | 1327 70905 | Customer Services Unit Customer Hub Flex Refcus20 | 10,101 | On-going scoping in progress |
| *sub-total* | | | | ***63,534*** | *Funded from Flexible use of Capital Receipts* |
| ***Service Improvement Fund*** | | | | | |
| Customer Experience | Colin Eckworth | 1327 30941 | Customer Services Unit Restructuring Fund | 20,000 | Part of Report CEX1801 which went to Cabinet 29 May 2018 (para 3.2). This budget is to support the Customer Experience Project ie IESE |
| Democracy, Strategy and Partnerships | Andrew Colver | 1409 30941 | Corporate Policy Restructuring Fund | 7,201 | Ongoing costs for Rushmoor 2020 Organisational Restructure and Transitional Arrangements |
| *sub-total* | | | | ***27,201*** | *Funded from Service Improvement Fund* |
| ***Individual Elector Registration*** | | | | | |
| Democracy, Strategy and Partnerships | Andrew Colver | 1302 30982 | Electoral Registration Transfer costs IER | 15,300 | Design and implementation for new Customer account for Elections (further funding from revenue funded schemes £16,600) |
| *sub-total* | | | | ***15,300*** | |
| ***Homelessness Initiatives*** | | | | | |
| Environmental Health and Housing | James Duggin | 2402 50951 | Housing Advice Under Occupancy | 1,570 | Scheme in place to assist moves with under occupancy |
| *sub-total* | | | | ***1,570*** | *Funded from Homelessness Initiatives Grant* |
| ***A331 Air Quality Project*** | | | | | |
| Environmental Health and Housing | James Duggin | 2213 30545 | Air Quality (Defra Funded Grant) Feasibility Study | 33,320 | Defra has imposed air quality improvements on the Council in the quickest possible time. The grant funding provides for this work (including recovery of officer time). This carry forward enables the continuation of this work. The sum includes £5,435 to cover the potential refund of underspent grant to Defra |
| *sub-total* | | | | ***33,320*** | |
| **TOTAL OTHER FUNDED SCHEMES** | | | | **140,925** | |
| **TOTAL CARRY FORWARDS REQUESTED** | | | | **458,775** | |

This page is intentionally left blank

**CABINET**

**COUNCILLOR ADRIAN NEWELL**
**DEMOCRACY, STRATEGY & PARTNERSHIPS PORTFOLIO HOLDER**
**REPORT NO. ELT1902**

**28th May, 2019**

**KEY DECISION? NO**

# COUNCIL PLAN 2018/19 - QUARTERLY UPDATE ON KEY ACTIONS JANUARY – MARCH 2019


**SUMMARY AND RECOMMENDATIONS:**

This paper sets out the Council Plan performance information for the fourth quarter of 2018/19, building on the four priorities and 34 key actions identified by Cabinet.

The Cabinet is asked to note the progress made towards delivering the Council Plan 2018/19.


## 1. Introduction

1.1 This paper sets out performance monitoring information for the key actions in the Council Plan for the 2018/19 Municipal Year.

## 2. Detail

2.1 The Council Plan is based around the Council's stated purpose **- Rushmoor Borough Council, working with others to improve the quality of people's lives**. This purpose is supported by four priorities.

2.2 The four priorities are to be delivered through 34 key actions as set out below. For each action we have identified which role(s) Rushmoor may undertake, the key to this is : **F** = Facilitate, **E** = Enable, **D** = Deliver

## Sustaining a thriving economy and boosting local business

- Set up new partnership and company arrangements to enable regeneration and the development of private rented and affordable housing on Council owned land **(D)**
- Finalise and consult on a development scheme for the Union Street East Scheme in Aldershot and agree proposals for other sites to support regeneration of Aldershot **(F,E,D)**
- Produce a retail plan (Aldershot Town Centre Strategy) for Aldershot town centre (**(D)**
- Finalise and consult on the Masterplan for the Civic Quarter area of Farnborough town centre. Agree the approach for moving forward each site in the Masterplan **(F,E,D)**
- Support HCC to implement the Farnborough Transport Package **(E)**
- Submit the Local Plan to Government and prepare for its examination **(D)**
- Work with schools, local FE providers, the County Council and employers to improve skills, raise aspirations and increase educational attainment **(F)**
- With partners start developing a centre of excellence for aerospace built on the Farnborough brand **(F)**
- Exploit the economic and social benefits of the Farnborough Air show2018 and the new conference centre. **(E)**
- Develop a more strategic and proactive approach to economic development, building on the Borough's assets and offer to investors**(F,E,D)**

## Supporting and empowering our Communities and meeting local needs

- Continue to address the rough sleeping and street drinking issues in our town centres through enforcement, deterrent and prevention **(F,E,D)**
- With partners reshape the Rushmoor Strategic Partnership to focus on fewer, more strategic issues that deliver outcomes through shared leadership **(F,E,D)**
- Use Council and community led events and other initiatives to foster civic pride and increase engagement **(F,E,D)**
- Determine a clearer focus on what the Council and partners are doing to tackle pockets of significant deprivation in parts of the Borough **(F,E,D)**
- Generate and support targeted employment and skills opportunities to improve outcomes for residents **(F,E,D)**
- Take tangible steps to address the loss of temporary accommodation in2021 and the current shortage of social housing **(FED)**
- Continue the Council's review of grants and support and work with affected voluntary sector organisations to become more sustainable **(F,E,D)**
- Agree future shape of the CCTV service and procure new cameras and maintenance and supply contracts **(D)**
- Support the CCG to open a facility in west Farnborough **(E,D)**
- Enable decisions to be made as close to customers and communities as possible **(F,E,D)**

## A cleaner, greener and more cultural Rushmoor

- Work with Serco to increase recycling rates **(F,E,D)**
- Complete and open the new depot **(D)**
- Commence new leisure contract procurement **(D)**
- Develop options for a new leisure centre in Farnborough as part of the Civic Quarter Development **(D)**
- Build the new pavilions and changing rooms at Ivy Road and Moor Road recreation grounds **(D)**
- Develop the management plan for delivering the new natural open parkland at Southwood **(D)**
- Develop the options and future maintenance arrangements for the public open space transferring to the Council's ownership as part of the Wellesley Development **(F,E,D)**
- Put in place and review the environmental enforcement pilot with East Hampshire DC **(E,D)**

## Financially sound with services fit for the future

- Develop and implement "Rushmoor 2020", a modernisation and improvement plan based on the "Listen, Learn, Deliver - Better" ethos and the findings from the Peer Challenge, Staff Survey and IESE work **(D)**
- Take forward the new operating model and implement structural review **(D)**
- Deliver the Customer & Digital Strategy plan for 2018/19 **(D)**
- Invest further in commercial property and explore other opportunities to generate income / reduce costs **(D)**
- Develop and renew the Asset Management Plan and implement a programme of review of the Council's asset and property holdings **(D)**
- Review of the constitution including changes to the scheme of delegation and procedures to enable improved democratic arrangements and to ensure better customer service and improved delivery **(D)**

2.3 So that Cabinet can have an overview of performance across the organisation and be reassured that progress is being made to deliver against their priorities, key areas of work and service measures are monitored. The full detailed set of monitored information is available on the Council's website at http://www.rushmoor.gov.uk/councilplan. Annex A to this report is an exceptions document which contains those monitored activities that are completed, new or facing challenges or issues.

2.4 A summary of the progress made against the variety of actions and activities monitored is set out in the following table. The colour coding system used is:

- Green indicates that the action or initiative is on course
- Amber flags up that achieving the action or indicator is in question or requires attention
- Red shows that we have not been able to achieve what we had expected at this time

| Green | Amber | Red |
|---|---|---|
| 77.0% | 17.6% | 5.4% |

## 3. Conclusion

3.1 Cabinet's views are sought on the performance made in delivering the Council Plan in the 2018/19 Municipal Year.

**BACKGROUND DOCUMENTS:**
None

**CONTACT DETAILS:**

**Report Author -** Jon Rundle, Strategy, Performance and Partnerships Manager - 01252 398801, jon.rundle@rushmoor.gov.uk

**Executive Leadership Team**

# Annex A - Four Quarter 2018/19
# Exception report

This annex to the Council Plan quarterly performance update report to Cabinet contains extracts from the full detailed set of monitored information and concentrates on those monitored activities that are facing challenges or issues, have been completed or are new to the quarterly monitoring report. In essence these are items that have been coded amber or red* in the monitoring exercise or have been amended in some way – for instance a change in a deadline date.

* The colour coding system used for the monitoring process is:

- Green indicates that the action or initiative is on course
- Amber flags up that achieving the action or indicator is in question or requires attention
- Red shows that we have not been able to achieve what we had expected at this time

**Summary of colour coding from full detailed set of monitored information:**

| Green | Amber | Red |
|---|---|---|
| 77.0% | 17.6% | 5.4% |

## Exception items set out under the Priorities

## Priority: Sustaining a thriving economy and boosting local business

**Action: Set up new partnership and company arrangements to enable regeneration and the development of private rented and affordable housing on Council owned land (D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Establish a local housing company and increase rental income<br>• Council approval for establishment of company | December 2018 | To support the provision of well-designed and appropriately located homes in sufficient numbers to meet the needs of our residents and support the |

| | | | |
|---|---|---|---|
| | | | economic future of the borough.<br>• 5 homes by 2019<br>• 47 homes by 2021 |
| Q1 | Q2 | Q3 | Q4 |
| Comment: Cabinet approved the business case and recommended the establishment of a Council owned housing company, appointment of a shadow board and development of the company business plan. Agreed at the April Council meeting. | | | |

**Action: Finalise and consult on a development scheme for the Union Street East Scheme in Aldershot and agree proposals for other sites to support regeneration of Aldershot (F,E,D)**

| Activity | | Timescales | Outcomes/deliverables |
|---|---|---|---|
| Union Street East | | By 2021 | Mixed use, residential-led redevelopment to provide new homes alongside new ground floor commercial uses. |
| Q1 | Q2 | Q3 | Q4 |
| Comment: As part of the Rushmoor Development Partnership, architects have been appointed to bring forward development proposals for the site. RBC is still engaged in site assembly to support the delivery of redevelopment. | | | |

**Action: Finalise and consult on the Masterplan for the Civic Quarter area of Farnborough town centre. Agree the approach for moving forward each site in the Masterplan (F,E,D)**

| Activity | | Timescales | Outcomes/deliverables |
|---|---|---|---|
| Civic Quarter<br>• Complete masterplan | | 2019 | Enable a mixed-use development, including new homes, leisure and community use alongside the introduction of new uses that will enhance the town centre and improve connectivity with the Business Parks. |
| Q1 | Q2 | Q3 | Q4 |
| Comment: As part of the Rushmoor Development Partnership, the business plan for developing the area will be produced by May/June 2019. Public consultation undertaken during January and February with local community groups and stakeholders and plans for consultation on the | | | |

| |
|---|
| potential mix of uses are being prepared by the Rushmoor Development Partnership. Anticipate that the masterplan will be developed during Q1 and Q2 2019/20. |

**Action: Support HCC to implement the Farnborough Transport Package (E)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Provide support to HCC in bringing forward the Farnborough Growth Package, these highway related schemes at Lynchford Road, Farnborough Road and Invincible Road will seek to improve accessibility to the town and some key locations | By 2020 | Improved access and journey times to the town and other key locations |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|
| Comment: Approval to progress Lynchford Rd preferred scheme given by HCC in January 2019. County Members are still deliberating because of objections. | | | |

**Action: Submit the Local Plan to Government and prepare for its examination (D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| • Examination by Planning Inspectorate<br>• Modified Local Plan to Cabinet<br>• Modified Local Plan to full Council | 9-18 May 2018<br>13 November 2018<br>6 December 2018 | Inspector's Report expected Autumn 2018<br>Endorsement of the modified plan<br>Adoption of Local Plan |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|
| Comment: Local Plan adopted on the 21st February 2019. ***Action ended in Q4*** | | | |

**Action: Work with schools, local FE providers, the County Council and employers to improve skills, raise aspirations and increase educational attainment (F)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| **Mental Health -** The Council is facilitating relations with Child and Adolescent Mental Health Services | On going | Pupils have access to mental health provision |

| | | | |
|---|---|---|---|
| (CAMHS) and local schools to provide mental health provision to young people | | | |
| Q1 | Q2 | Q3 | Q4 |
| Comment: No further progress made. We are continuing to try to facilitate between CAMHS and schools. | | | |
| **Mock Interviews** - Alongside other local businesses some council officers take part in mock interviews for Year 11 Fernhill students to prepare them for future job applications. | | Feb & October | Pupils have experience of interviews to give them confidence for future interviews. |
| Q1 | Q2 | Q3 | Q4 |
| Comment: No further requests received. Contact will be made with the school to assess future requirements. | | | |

## Priority: Supporting and empowering our communities and meeting local needs

**Action: Continue to address the rough sleeping and street drinking issues in our town centres through enforcement, deterrent and prevention (F,E,D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Public Space Protection Orders (PSPO) were launched in September 2017 for both Farnborough and Aldershot town centres. Police have been issuing Fixed Penalty Notices (FPN) for violations of the Orders. Both Community Patrol Officers (CPO) and Civil Enforcement Officers (CEO) have now received Community Safety Accreditation Scheme (CSAS) training to empower them also to issue FPNs and will partner with police officers initially. | CSAS accreditation process due to be finalised (including vetting) by end May 2018. | Increased partnership working with the police to enforce, deter and prevent antisocial behaviour in our town centres. |
| Q1 | Q2 | Q3 | Q4 |
| Comment: Two of three patrolling staff accredited, rotas being developed following successful trials in Q3. | | | |

| | | |
|---|---|---|
| Developing a Community Protection Notice (CPN) to address persistent unreasonable behaviour such as graffiti, rubbish and noise considered to be affecting the quality of life in an area. | Looking to put in place by August 2018 | Enforcement of action by those responsible for, or those with some control over the antisocial behaviour resulting in a warning in the first instance, and if the behaviour continues a fixed penalty or summons. |
| Q1 | Q2 | Q3 | Q4 |
| Comment: Further high profile individuals identified, with evidence gathering taking place with a view to issuing warning notices and full notices if further breaches are recorded. Assistance in gathering evidence required from Council patrolling officers and other means in order to satisfy high burden of evidence required. | | | |

**Action: Generate and support targeted employment and skills opportunities to improve outcomes for residents (F,E,D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Support and target residents to access Skilled Up programme and move into employment | 2018/19 | Facilitate promotion, induction and final session arrangements- link to Borough and priority neighbourhood activity |
| Q1 | Q2 | Q3 | Q4 |
| Comment: While the Skilled Up programme is not currently active while suitable new projects are identified, the Council has been working closely with Hampshire County Council to continue to deliver construction related training. The first Multi-trades CSCS course happened at the end of March involving 7 local people of whom 4 immediately entered employment. Further courses are planned including our first Highways course with 12 Learners booked to attend. We are delivering this course from our safe site and are very grateful to Grainger for use of their land. Following a successful audit, RBC are accredited to continue delivery of Level 1 Health and Safety Certificate to August 2019. Further accreditation is unlikely after September 2019, when all training providers are required to be a CITB approved training body, which will affect delivery of Skilled Up. Rushmoor's Level 1 Health and Safety Certificate training programme is designed to support learners who would not do well in a classroom environment and need to link their learning to hands on practical experience. Without this element of the course, participants will not be ready to take the test to achieve a CSCS card, which is needed to work on a construction site. Review situation in July 2019. Hampshire County Council have secured 1 million to deliver construction skills training programmes to over 600 learners between 2019 – 2020. We are working with them to ensure training opportunities reach local people. | | | |
| Implement Members Employment and Skills task force recommendations to embed employment and skills outcomes in Council activity (contract procurement, | 2018/19 | • April 18-Amendment to planning application form to include employment and skills<br>• Waste contract- Support SERCO employment and |

| | | |
|---|---|---|
| social value and new development) | | skills delivery<br>• Incorporate employment and skills objectives in Procurement Strategy and Social Value policies and practice |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: Revised Procurement Strategy due to members in Q2 2019/20 to provide framework for contract procurement objectives around employment and skills. SERCO recruitment for paid work experience placement completed. There is some deviation from the original offer which needs to be discussed with the contracts team.

**Action: Continue the Council's review of grants and support and work with affected voluntary sector organisations to become more sustainable (F,E,D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Implement new rent relief policy for charities and voluntary groups | 2018/19 | |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: Consideration being given to representations received from groups and organisations – policy review to take place in summer.

**Action: Agree future shape of the CCTV service and procure new cameras and maintenance and supply contracts (D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| Joint Hart & Rushmoor CCTV Progress Group commissioned a consultant review on current system capability and likely needs for future proofing as part of the procurement process for a new maintenance contract. An Options Report will be presented for Cabinet approval before procurement can begin. | Report going to Cabinet December 2018 | Defined specification for maintenance contract renewal procurement and possible network/equipment updates for service optimisation. |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: Service handed over to Community Safety in January 2019. CCTV Project meetings re-established and further meetings with consultant held. Way forward agreed, with consultant carrying out further work on requirements and a specification. Capital refresh money

| |
|---|
| bid for Rushmoor camera renewal granted. ***Revised date – Summer 2019*** |

**Action: Enable decisions to be made as close to customers and communities as possible (F,E,D)**

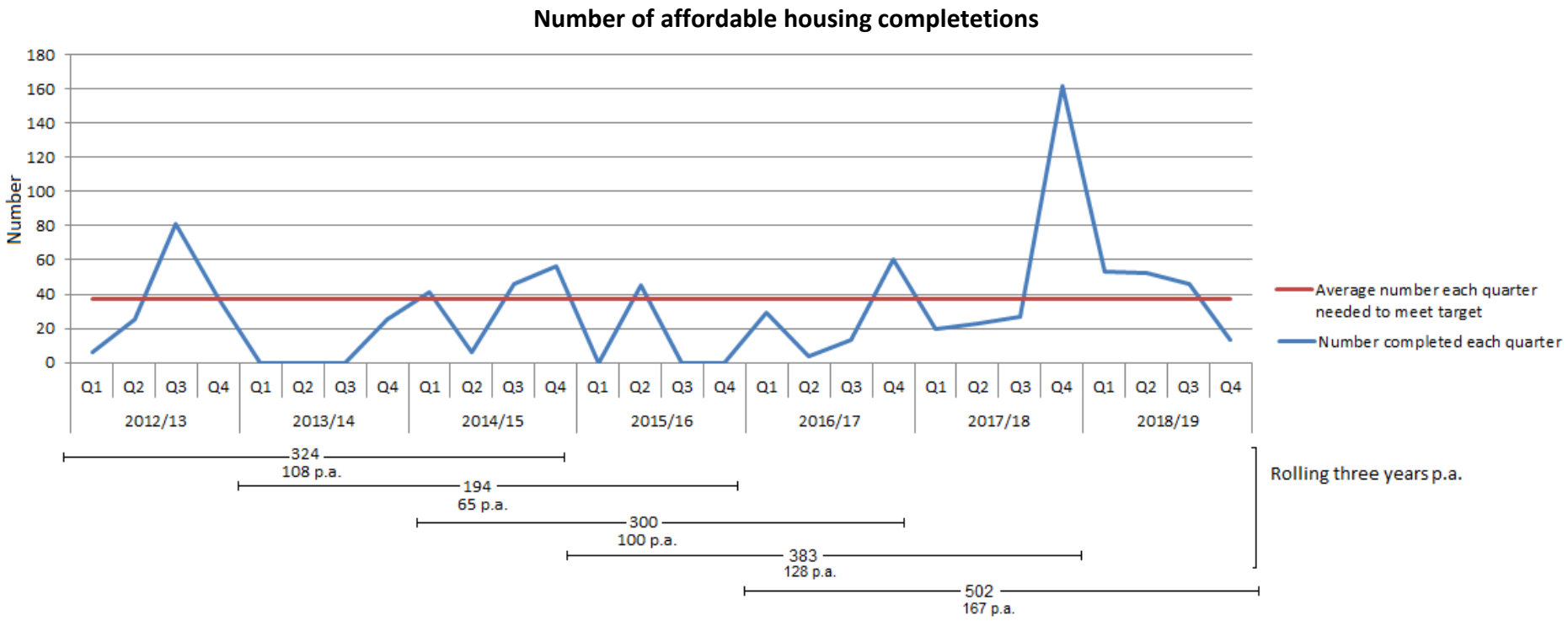
| Activity | | | Timescales | Outcomes/deliverables | |
|---|---|---|---|---|---|
| Investigate models and funding opportunities for community collaboration | | | March 2019 | Preferred method identified | |
| Q1 | Q2 | Q3 | | | Q4 |
| Comment: Options examined but no clear cut way forward. Finance currently not available to support this initiative. No further action. ***Action ended*** | | | | | |

**Action: Take tangible steps to address the loss of temporary accommodation in 2021 and the current shortage of social housing (FED)**

| Activity | | | Timescales | Outcomes/deliverables | |
|---|---|---|---|---|---|
| Work with providers to secure 222 units of affordable housing in 2018/2019. | | | April 2019 | 222 units of affordable housing delivered. | |
| Q1 | Q2 | Q3 | | | Q4 |
| Comment: 164 units delivered in 2018/19. 58 units at Birchett Road did slip into 2019/20, this was not unexpected and had been forecast in Q3. However, the target of an average of 150 units per year for 3 years has been exceeded. 12 of the 13 units delivered in Q4 are for move on, supporting the council's Temporary Accommodation Strategy . | | | | | |

## Key measures

| Affordable Housing Completions data | This quarter | Last quarter | This quarter last year |
|---|---|---|---|
| **Housing - Gross Affordable Housing Completions**<br>Target: Over rolling 3 years an average of 150 new affordable homes p.a. (450 over three years) | 13 | 46 | 162 |
| **Key:** this quarter's performance is better in comparision, this quarter's performance is the same in comparision, this quarter's performance is worse in comparision | | | |
| **Comment:** The target of an average of 150 units per year for 3 years has been exceeded | | | |



## Priority: A cleaner, greener and more cultural Rushmoor

**Action: Build the new pavilions and changing rooms at Ivy Road and Moor Road recreation grounds (D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| **Moor Road –**<br>• Obtain planning permission for development of leisure facilities at the Moor Road Recreation Ground<br>• Secure external funding<br>• Obtain approval for business case and tender works<br>• Open new leisure facilities | January 2019<br><br>February 2019<br>Summer 2019<br><br>September 2019 | Planning permission secured<br><br>Funding in place to develop project<br>Approval to progress project<br>Facilities available for the public |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: The planning application has been withdrawn to enable the project to be revised to take account of the latest residents' consultations, changes in external funding arrangements and revisions to the scheme layout. A report is being prepared for the revised scheme for July 2019.

| | | |
|---|---|---|
| **Ivy Road –**<br>• Obtain planning permission for Ivy Road Sports Pavilion<br>• Secure external funding<br>• Obtain approval for business case and tender works<br>• Open new Sports Pavilion | October 2018<br><br>March 2019<br><br>April 2019<br><br>December 2019 | Planning permission secured<br><br>Funding in place to include from section 106 and Vivid to develop project<br>Approval to progress project<br><br>Lease agreement in place and pavilion available for the club to use and let to the community |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: The current project is being reviewed as a result of new requirements of the football club. Discussions are being held for the club to enter into a pavilion share with Aldershot and Fleet Rugby Club in Aldershot Park. The project is currently on hold whilst a review of options for the area is undertaken.

## Priority: Financially sound with services fit for the future

**Action: Deliver the Customer & Digital Strategy plan (D)**

| Activity | Timescales | Outcomes/deliverables |
|---|---|---|
| General Data Protection Regulation (GDPR) Legal | Ongoing | Compliance |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: All but 30 of Council staff have received or are booked on a session to receive introductory training on Data Protection and this has been the main focus. A draft IG Framework is being finalised via the Information Governance Group to give a high level overview of the RBC approach to Information Governance and highlight the role of the SIRO (Senior Information Risk Owner) and the IAOs (Information Asset Owners) and IAMs (Information Asset Managers) Unfortunately, there has been slippage getting reports to L, A & GP on the adoption of a new Data Protection Policy and formal appointment of the CM – LS as Data Protection Officer. The Information Governance Officer role has to be filled and this recruitment is outstanding.

| | | |
|---|---|---|
| Commence work on new Council Web Site Re-design<br>• Customer self-service portals | End - Sept 19<br>End - 2020 | Improved customer experience – self-service/ transactional web site |

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|

Comment: Website project has been incorporated into the broader R2020 work programme and sequenced later in the delivery of the technology programme.

**CABINET**
**28 MAY 2019**

**COUNCILLOR MARTIN TENNANT**
**MAJOR PROJECTS AND PROPERTY PORTFOLIO HOLDER**

**KEY DECISION? NO**

**REPORT NO. RP1911**

# REGENERATING RUSHMOOR: QUARTER 4 PROGRESS REPORT


**SUMMARY AND RECOMMENDATIONS:**

This paper provides a progress report for the 'Regenerating Rushmoor' programme for the fourth quarter of 2018/19.

The Cabinet is asked to note the content of the report and associated appendices the progress made towards delivering the 'Regenerating Rushmoor' programme.


## 1. INTRODUCTION

1.1. This paper provides a progress report for the 'Regenerating Rushmoor' programme for the fourth quarter of 2018/19.

## 2. BACKGROUND

2.1. Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions.

2.2. The programme is a comprehensive partner co-ordinated approach to addressing the economic and place-making challenges facing the Borough's key towns of Aldershot and Farnborough whilst also seeking to tackle other borough-wide regeneration issues. It directly addresses the priorities in the Council plan of 'Sustaining a thriving economy and boosting local business and 'Supporting and empowering our communities and meeting local needs'.

2.3. It sets out a vision for the town centres in 2028:

*"In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital - they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer.*

*Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands'.*

## 3. DETAIL

3.1. The programme is overseen by the Regenerating Rushmoor Steering Group that drives and steers the key projects within the programme. Appendix 1 of this paper provides a performance report on all projects within the programme on progress to the end of Quarter 4 2018/19.

3.2. In addition to the overall progress identified in Appendix 1, the Cabinet is asked to note the following project highlights for this quarter:

**A1 Galleries & High St Car Park and A2 Union Street East**
A total of £8.4m Housing Infrastructure Funding (HIF) has now been secured (subject to conditions) for both these projects towards the provision of Sustainable Alternative Natural Greenspace (SANG), a sewer diversion, car parking and on-site infrastructure. The Housing Infrastructure Fund (HIF) is a government capital grant programme for new infrastructure to unlock new housing development. SANG is a requirement to mitigate the impact of residential development on the nearby environmentally sensitive Thames Basin Heath Special Protection Area.

**A3 The Station and A7 High St Bus Interchange**
Planning permission was granted in February for the demolition of the existing bus station in Aldershot and the redevelopment of the site for a mixed-use development that includes three ground floor commercial units and 32 flats. The Council is working with partners including Hampshire County Council to deliver the associated public realm improvements, which include a new station forecourt and a new bus interchange in High Street, and to engage with stakeholders and secure external funding.

**F1 Civic Quarter**
Over 600 people responded to the public consultation on the vision for the Civic Quarter and many more took part in workshops or responded to a separate consultation on the skate park. A 'Heart of Farnborough' group has now been set up to enable residents to get more involved in the town.

**B1 Right Homes, Right Places**
Cabinet approved the establishment of the Housing Company in March and work is now underway to develop site options appraisal and a Business Plan to support the provision of well-designed and appropriately located

homes to meet the needs of our residents and support the economic future of the Borough.

## 4. IMPLICATIONS

**Risks**

4.1. The establishment of the Rushmoor Development Partnership has reduced the risk that the Council would not be able to deliver its regeneration ambitions.

**Legal Implications**

4.2. There are no additional legal implications arising from this report.

**Financial and Resource Implications**

4.3. There are no additional finance and resource implications arising from this report.

**Equalities Impact Implications**

4.4. There are no additional equalities impact implications arising from this report.

## 5. CONCLUSION

5.1. Cabinet is requested to note the progress achieved to deliver the Regenerating Rushmoor programme.

**Background documents:**

Cabinet report – Regenerating Rushmoor Programme 29 May 2018

Cabinet report – Regenerating Rushmoor Quarter 3 Progress Report 5 March 2019

**Contact details:**


**Report Authors:**

**Regeneration Programme Manager (temporary cover)**

Katharine Makant katharine.makant@rushmoor.gov.uk 01252 398464

**Executive Head of Regeneration and Property:**

Paul Brooks paul.brooks@rushmoor.gov.uk 01252 39854

## APPENDIX 1- REGENERATING RUSHMOOR PROGRESS SUMMARY 31 MARCH 2019

| **A1: Galleries & High Street Car Park** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 - A | Q2 - A | Q3 - R | Q4 - R |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Residential-led town centre regeneration scheme providing new homes alongside new ground floor commercial uses by 2025.

**Funding identified:**

£2.4m HIF (SANGs)

£1m HIF (sewer diversion)

**RAG Status explanation**

- Policy compliant parking scheme being prepared
- Transfer of car park required before HIF contract can be signed
- Work ongoing to deliver SANG

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar | |
|---|---|---|---|---|---|---|---|
| Heads of terms agreed | ◆ → | | | | | | **April 19** |
| Public consultation | | | | | ◆ → | | **May 19** |
| Planning application submitted | | | ◆ → | | | | **June 19** |

**Key actions progressed over last period:**

- Further consideration on how to meet parking requirements
- HIF funding progressed and expected to be secured
- Work ongoing to deliver SANG

**Key actions to be progressed over next period:**

- Parking issues resolved
- Public consultation
- Planning application submitted
- Work ongoing to deliver SANG

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| The developer may not be able to deliver a policy compliant scheme | R | Value engineering, consideration of off site parking or other solutions. | A |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| | | | |
|---|---|---|---|
| The Council will be entering into a Developer Agreement that will potentially result in the loss of an asset (car park) from the outset of the development. RBC needs to be satisfied that the project is viable and will be delivered | **R** | Undertake due diligence prior to entering into any developer agreement | **G** |
| HIF funding may not be secured | **R** | Conditional offer received and work in progress to comply with conditions | **G** |

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A2: Union Street East** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 - A | Q2 - A | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Mixed use, residential-led redevelopment to provide new homes and ground floor town centre uses within the heart of the town centre by 2021.

**Funding identified:**

- £5m HIF (SANG, car parking, on-site infrastructure)
- £1.1m EM3 LEP

**RAG Status explanation**

- Work in progress to comply with HIF funding conditions
- Site acquisition challenging

Project to be taken forward by Rushmoor Development Partnership

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| HIF funding conditions met | | | | | | **April 19** |
| LEP funding secured | | | | | | **July 19** |
| Site acquisition | | | | | | **June 19** |
| Scheme developed and planning application submitted | | | | | | **July 19** |

**Key actions progressed over last period:**

- Acquisition of 54-56 Union St completed
- Negotiations to acquire other properties ongoing
- HIF funding progressed and expected to be secured
- LEP funding business case prepared
- Work ongoing to deliver SANG

**Key actions to be progressed over next period:**

- Site acquisition continues
- Full business case developed for submission to LEP
- Scheme developed to planning application stage
- Work ongoing to deliver SANG

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Scheme continues to be unviable | R | Seek further funding opportunities<br>Delivery through Rushmoor Development Partnership | G |
| HIF funding may not be secured | R | Conditional offer received and work in progress to comply with conditions | G |
| Unable to acquire all properties by consent – means comprehensive scheme not possible and significant delays if CPO required | R | Negotiating | A |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A3: The Station & surrounding area, including Windsor Way** | **Lead Officer:** Principal Engineer | **RAG** | Q1 - R | Q2 - A | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Public realm improvements to the railway station forecourt to include a revised public transport interchange and the redevelopment of the bus station site for a mixed use development

- New station forecourt by 2020
- 30 new homes/commercial space by 2022

**Funding identified:**

£900k EM3 LEP £180k HCC £100k NSIP
£620k RBC £220k (Windsor Way) HCC

**RAG Status explanation**

- Planning permission granted for demolition of existing bus station and redevelopment of site
- Awaiting information from HCC to progress project

| **Key Milestones** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** |
|---|---|---|---|---|---|---|
| Approach agreed | ◆ → | → | → | → | → ◆ | |
| Agreement with LEP finalised | → | → | → | → | → | → **May 19** |
| Detailed design | → | → | → | → | → | → |
| Consultation | → | → | → | → | → | → |

**Key actions progressed over last period:**

- Alternative approach to project delivery agreed with partners
- Planning permission granted for demolition of existing bus station and redevelopment of site in February

**Key actions to be progressed over next period:**

- Detailed design
- Finalise LEP agreement
- Stakeholder consultation

| **Key Risks** | **Initial Rating** | **Mitigating Actions** | **Residual Rating** |
|---|---|---|---|
| Public sensitivities in relation to scheme | R | Implement communications strategy to address concerns | G |

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A5: The Games Hub** | **Lead Officer:** Regeneration Consultant | **RAG** | Q1 - G | Q2 - G | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Grow the games sector in Aldershot by creating a world class 5G enabled Games Hub (first in the UK) and potentially locate within heritage building.

**Funding secured:**

£867k - LEP; £40k - RBC

**RAG Status explanation**

- Heads of terms still being negotiated
- Additional bat survey required prior to planning application
- LEP funding agreement yet to be signed

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| LEP funding secured | | | | | | **April 19** |
| Works designed and tendered | | | | | | **July 19** |
| Planning apps etc submitted | | | | | | **July 19** |

**Key actions progressed over last period:**

- LEP grant claim submitted
- Negotiating heads of terms
- Bat surveys underway

**Key actions to be progressed over next period:**

- Negotiating heads of terms - ongoing
- Secure LEP funding
- Works designed and tendered

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Costs exceed budget – both for building works and business plan | A | Close attention to specification and attempt to secure other funding contributions | G |
| Bats assumed present – Phase 1 works reveals no presence of bats but building has high potential to support bats therefore assume present | R | Revise programme and secure approval of all key stakeholders | A |
| Heads of Terms not satisfactorily agreed | R | Discussions with affected parties ongoing | A |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A6: Parsons Barracks** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 - N | Q2 - N | Q3 - N | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Develop options for this site and adjoining land associated with Aldershot Football Club – could include student accommodation, new homes, offices, hotel etc

**Funding identified:**

None

**RAG Status explanation**

- Issues around site access and displacement of parking

Project to be taken forward by Rushmoor Development Partnership

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Investment partnership established | | ◆ | | | | |
| RDP Business Plan delivered | → | → | → | → | → | **June 19** |

**Key actions progressed over last period:**

- Meetings held with interested parties including RBC planning
- Development plans to dovetail with RDP Business Plan

**Key actions to be progressed over next period:**

- Further work to be undertaken with Rushmoor Development Partnership

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A7: High Street Bus Interchange** | **Lead Officer:** Principal Engineer | **RAG** | Q1 - A | Q2 - A | Q3- A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Provision of new bus stops between Wellington St and Short Street, including customer information centre and staff welfare facilities

Provides Gold Priority route 1 improvements linking Farnborough Aldershot and North Camp

**Funding identified:**

£60k LEP

**RAG Status explanation**

- Project to be driven by Union St East development and Railway Station

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Detailed design of highway infrastructure | | | | | | |
| Develop temporary bus facility location plans including shelter infrastructure | | | | | | |

**Key actions progressed over last period:**

- Alternative approach to project delivery for Railway Station agreed with partners
- Union St East scheme still being developed

**Key actions to be progressed over next period:**

- Detailed design of highway infrastructure
- Develop temporary bus facility location plans including shelter infrastructure

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Stagecoach do not agree interim arrangements | A | Continue dialogue to develop solution that works | G |
| HCC do not approve scheme | A | Design will be developed to County standards and in conjunction with HCC | G |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **A4: Aldershot Town Centre Strategy** | **Lead Officer:** Head of Economy, Planning & Strategic Housing | **RAG** | Q1 | Q2 | Q3 | Q4 - N |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Develop a town centre strategy to maintain the vibrancy of the town centre during the period of regeneration works and ensure the sustained health of the town centre in the longer term

**Funding identified:**

**RAG Status explanation**

- New project

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Develop transition plan | | | | | | |
| Develop Town Centre Strategy | | | | | | |

**Key actions progressed over last period:**

- Member input sought from PPAB, Steering Group and Cabinet

**Key actions to be progressed over next period:**

- Develop town centre strategy further
- Develop project plan for transition and implement from April

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| | | | |
| | | | |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **F1: Civic Quarter** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 - A | Q2 - A | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Mixed-use development that re-provides for existing community/civic uses with new uses that will enhance the town centre and improve connectivity to the Business Parks.

**Funding identified:**

Investment Partner

**RAG Status explanation**

- Masterplanning incomplete

Project to be taken forward by Rushmoor Development Partnership

| **Key Milestones** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** |
|---|---|---|---|---|---|---|
| Elles Hall closure | | | | | | **June 19** |
| Public engagement | | | | | | |
| Scheme development | | | | | | |

**Key actions progressed over last period:**

- Public engagement and further engagement with stakeholders around vision for the Civic Quarter site
- Acquisition of police station site
- Relocation of tenants from Elles Hall ongoing

**Key actions to be progressed over next period:**

- Masterplan to be commissioned by RDP
- Closure of Elles Hall managed
- Acquisition of police station site completed

| **Key Risks** | **Initial Rating** | **Mitigating Actions** | **Residual Rating** |
|---|---|---|---|
| Elles Hall – negative publicity resulting from closure | R | Put in place comms strategy and key messages | G |
| Development of site may come forward in piecemeal way | R | Engage with partners and maintain dialogue | G |

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **R2: Farnborough Transport Package** | **Lead Officer:** HCC | **RAG** | Q1 - A | Q2 - G | Q3 - G | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Lynchford Road Farnborough - Localised widening to improve traffic flow and reduce journey times. Improvement to connectivity between M3 and the new Exhibition Centre

A325 Corridor improvements - Various schemes yet to be developed

- March 2020 - completion

**Funding identified:**

Farnborough Growth Package, LEP funded

**RAG Status explanation**

- Approval to progress Lynchford Rd preferred scheme given by HCC in January 2019 but deliberations continuing due to objections received during consultation

Project to be delivered by Hampshire County Council

| **Key Milestones** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** |
|---|---|---|---|---|---|---|
| Detailed design signed off | → | → | → | → | → | → |
| Public consultation completed | | | | | ◆ | |
| Contractor appointed | → | → | → | → | → | → |

**Key actions progressed over last period:**

- Public consultation
- Lynchford Road – development of detailed design
- HCC funding agreement with LEP progressing

**Key actions to be progressed over next period:**

- Lynchford Road – detailed design signed off
- Contractor appointed

| **Key Risks** | **Initial Rating** | **Mitigating Actions** | **Residual Rating** |
|---|---|---|---|
| | | | |

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **F3: Invincible Road** | **Lead Officer:** Principal Engineer | **RAG** | Q1 - A | Q2 - R | Q3 - G | Q4 - G |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Improved access egress from Invincible Road onto Elles Road

**Funding secured:**

£100 – 150k s106 funding from HCC

**RAG Status explanation**

- Release of land agreed
- Planning application submitted

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Legal agreements completed | | | | | | **April 19** |
| Planning application submitted | | | | | | |
| Commence on site | | | | | | |

**Key actions progressed over last period:**

- Agreement to release of land
- Planning application submitted

**Key actions to be progressed over next period:**

- Legal agreements completed
- Contract tendered subject to planning permission

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Planning application refused | R | Initial conversations with planning are positive | G |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **F4: Farnborough Town Centre - The Meads** | **Lead Officer:** Property Manager | **RAG** | Q1 - A | Q2 - A | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Purchase of Phases 1 & 2 and development of Block 3

Completion of mixed use Town Centre Scheme providing commercial floorspace, new homes and access to car parking

**RAG Status explanation**

- Negotiations to purchase Phases 1 &2 protracted
- Revised planning application for Phase 3 being determined

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Purchase of phases 1 & 2 | | ◆ → | | | | |
| Planning application determined | | | ◆ → | | | **April 19** |

**Key actions progressed over last period:**

- Negotiations to purchase Phases 1 &2 continue
- Revised planning application for Block 3 under consideration

**Key actions to be progressed over next period:**

- Continue negotiations to purchase Blocks 1 & 2
- Subject to planning permission, complete S106 agreement for Block 3

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Phase 3 construction does not start according to agreed timescales | A | Maintain dialogue. Consider use of step in rights | G |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **F5: Union St West / Farnborough Main** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 | Q2 | Q3 | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Looking at feasibility for use of this site for new homes

**RAG Status explanation**

Project to be taken forward by Rushmoor Development Partnership

| **Key Milestones** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** |
|---|---|---|---|---|---|---|
| Investment partnership established | | ◆ | | | | |
| RDP Business Plan delivered | → | → | → | → | → | → **June 19** |

**Key actions progressed over last period:**

- Meetings held with interested parties
- Pre-application discussions held with the Council
- Feasibility issues to dovetail with RDP Business Plan

**Key actions to be progressed over next period:**

- Further work to be undertaken with Rushmoor Development Partnership

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

*Regenerating Rushmoor Programme – Quarter 4, 2018/19*

| **Farnborough North / Hawley Lane** | **Lead Officer:** Property Manager | **RAG** | Q1 | Q2 | Q3 | Q4 - N |
|---|---|---|---|---|---|---|

| **Project Description & Key Deliverables** | **RAG Status explanation** |
|---|---|
| To look at options for the Farnborough North and Hawley Lane sites including improving pedestrian safety in partnership with Network Rail | New project |

| **Key Milestones** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** |
|---|---|---|---|---|---|---|
| Develop initial design | | | | → | → | → |
| Site acquisition | | | | → | → | → |

| **Key actions progressed over last period:** | **Key actions to be progressed over next period:** |
|---|---|
| • Meetings held with interested parties including Network Rail | • Progress initial design phase<br>• Continue negotiations with interested parties |

| **GREEN** | **AMBER** | **RED** |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **B1: Right Homes, Right Places** | **Lead Officer:** Strategy and Enabling Manager | **RAG** | Q1 - A | Q2 - A | Q3 - A | Q4 - A |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

To set up a housing company to support the provision of well-designed and appropriately located homes in sufficient numbers to meet the needs of our residents and support the economic future of the borough.

**RAG Status explanation**

- Principle of Housing Company established but incorporation of company and business plan yet to be completed

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Establishment of Housing Company approved | | | | | | |
| Site options appraisal | | | | | | **April 19** |
| Develop Business Plan | | | | | | **July 19** |

**Key actions progressed over last period:**

- Housing Company – Cabinet approval to establish
- Site options appraisal

**Key actions to be progressed over next period:**

- Develop detail on first six sites for Business Plan

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Incurring abortive costs | A | Quantify level of possible costs. Account for in a holding account pending transfer of sites to housing company. | G |
| Sites may drop out of the portfolio due to ground conditions, neighbour objections, viability issues etc. The risk that the portfolio falls below the minimum number of properties required to maintain a viable financial case. | R | Review model if sites fall out of portfolio, decide whether to continue or terminate.<br><br>Seek replacement sites. | A |
| Re appraisals using "real" figures might highlight viability issues | R | Decide whether to continue or terminate. Achieve cost savings or increase in value | A |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

*Regenerating Rushmoor Programme – Quarter 4, 2018/19*

| **B2: Investment Partner** | **Lead Officer:** Regeneration Delivery Manager | **RAG** | Q1 - G | Q2 - G | Q3 - A | Q4 - G |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

Process for securing a preferred Investment Partner to develop and oversee proposals for four major sites in Rushmoor - Union Street East and Parsons Barracks car park in Aldershot, and the Civic Quarter and Union Street West car park in Farnborough

**RAG Status explanation**

- Partnership established and project plans and business plan under development

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Partnership established | | ◆ | | | | |
| Project plans and business plan developed | | → | → | → | → | → **May 19** |

**Key actions progressed over last period:**

- Partnership established
- Project plans and business plan progressed

**Key actions to be progressed over next period:**

- Finalise project plans and business plan

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Viable business and project plan not developed within 6 months of establishing the Partnership | A | Working with Investment Partner to bring these forward | G |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| **B3: Southwood SANG** | **Lead Officer:** Regeneration Programme Manager | **RAG** | Q1 | Q2 | Q3 - G | Q4 - G |
|---|---|---|---|---|---|---|

**Project Description & Key Deliverables**

This project will manage the transition of Southwood Golf Course to a SANG of sufficient size to enable the delivery of the Council's regeneration programme and to meet the requirement in the Rushmoor Local Plan. It will also consider, evaluate and recommend supplementary uses for the site and associated buildings, and, where agreed, implement those uses.

**Funding secured:**

£90k from Environment Agency for Phase 2

SANGs expenditure to be offset by developer contributions

**RAG Status explanation**

- Plans to open Phase 1 (western side) in time to facilitate future regeneration planning applications expected in June/July progressing and options for Phase 2 under consideration

| Key Milestones | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|
| Site returned to RBC | | ◆ | | | | |
| Options considered | | → | → | → | → | → |
| Phase 1 (western side) becomes available as SANG | | | | → | → | → **Aug 19** |
| Phase 2 (eastern side) – EA feasibility study | | | | | | → |

**Key actions progressed over last period:**

- Plans to open Phase 1 (western side) as SANG progressed and planning application for new car park submitted
- Approval given to carry out joint feasibility study with Environment Agency into creation of wetland habitat for Phase 2 (eastern side)
- Options for supplementary uses being considered

**Key actions to be progressed over next period:**

- Prepare Phase 1 (western side) for formal opening as SANG
- Appoint contractors to carry out EA feasibility study
- Evaluate options for supplementary uses

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

| Key Risks | Initial Rating | Mitigating Actions | Residual Rating |
|---|---|---|---|
| Disagreement on additional uses to include on the site may delay the delivery of the SANG | A | Project to be structured to deliver SANG as primary objective. Additional uses will be assessed and any delivery will be subsequent to the SANG | G |
| Vacant site may attract unauthorised encampments | R | Car park secured with concrete bollards and ditch dug to protect site at Ively Road entrance | G |

| GREEN | AMBER | RED |
|---|---|---|
| On track to deliver to plan and budget | Some concerns but corrective action in hand | Significant issues/ concerns requiring attention |

**CABINET**

**COUNCILLOR PAUL TAYLOR**
**CORPORATE SERVICES PORTFOLIO HOLDER**

**28TH MAY 2019**

**REPORT NO. FIN1916**

**KEY DECISION? ~~YES~~/NO**

# BUSINESS RATES – DISCRETIONARY GROWTH INCENTIVE RELIEF APPLICATION


**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY**

This report sets out one new application for Discretionary Rate Relief under the Council's new Discretionary Growth Incentive Relief Policy.

The application is from Farnborough International Limited who built and occupy the new exhibition and conference centre on the Farnborough Airfield.

**RECOMMENDATIONS**

Cabinet are recommended to approve the award of Discretionary Rate Relief to Farnborough International Limited for £60,000 a year for the next three years.


## 1. INTRODUCTION

1.1 The purpose of this report is to:

- Outline the background and financial implications of Discretionary Growth Incentive Relief; and
- Consider one new application for Discretionary Growth Incentive Relief.

## 2. BACKGROUND

2.1 The Local Government Finance Act 1988, as amended provides local authorities with discretionary powers to grant relief from non-domestic rates on properties occupied by charities and other non-profit making organisations.

2.2 A local authority has discretion to grant "top up" relief of up to 20% to charities that had received 80% mandatory relief

2.3 In addition, an authority can grant relief of up to 100% to non-profit making organisations.

2.4 The Localism Act 2011 introduced a new power for local authorities to award a local discretionary relief, in any circumstances, where it is in the Council Taxpayers interest to do so.

2.5 In April 2017, cabinet agreed a new policy to award temporary Discretionary Relief to support its growth aims, which is a key item under the council purpose around sustaining a thriving economy and boosting local businesses.

2.6 This new policy is known as “Growth Incentive Relief”. Full details of this policy can be found in Appendix 1.

2.7 The main aims of this policy is to:-

- Bring long term empty commercial properties back into use.
- Create new job opportunities, and
- To attract inward investment and economic growth, by building new commercial property or extending existing commercial property.

2.8 With Growth Incentive Relief we can promote sustainable occupation in areas where the level of unoccupied units is high and to attract new businesses to the borough to increase employment and to boost the local economy.

2.9 Growth Incentive Relief can also encourage existing businesses to expand their current operations and to create and extend their existing property, thus bringing economic benefit to the borough.

## 3. APPLICATION FOR RELIEF

3.1 This application is from Farnborough International Limited.

3.2 Farnborough International Limited are the organisers of the biennial Farnborough International Air show.

3.3 Until recently, Farnborough International had been using temporary structures to host exhibits at the air show but recently completed a permanent structure, which is known as Hall 1, Farnborough International Exhibition and Conference Centre.

3.4 The new exhibition and conference centre is 12,500sqm with nine flexible function rooms to accommodate up to 900 people for conferences and 600 for banqueting.

3.5 Farnborough International Limited have another exhibit hall, known as Hall 5. The business rates payable for that exhibition hall is £531,995.31 per annum.

3.6 The new Exhibition and Conference Centre has recently been valued for Business Rates with annual rates payable of £882,000. This means for both centres, the annual rates payable is £1,413,995.

3.7 Farnborough International Limited feel that the new rates assessment is excessive and are currently appealing against the rateable value on these premises. However, appeals can take some time to resolve, especially with valuations of exhibition centres as a more complex methodology is used to arrive at the Rateable Value, as opposed to the traditional method of rental value.

3.8 Farnborough International Response to their application is laid out in Appendix 2.

3.9 Farnborough International Limited have 51 employees of which, 17 are resident locally.

3.10 In addition to offering employment locally, the exhibition and conference centre adds to the local economy as additional events can be held at the conference centre that would otherwise be held at Excel (London) or NEC (Birmingham).

## 4 IMPLICATIONS

### Financial Implications

4.1 Since 1st April 2013, the Business Rates Retention Scheme has introduced a fundamentally new set of arrangements for dealing with the cost of business rates. The cost to the Council of granting any Discretionary Relief is most reliably estimated at being 40% of the value of the relief granted, although the total cost is ultimately determined by a range of factors, such as the Council's total rate receipts measured against its estimated threshold for growth and taking into account whether any payment levies or safety net contributions are payable or receivable.

4.2 The remaining 60% of the costs will be met by Central Government (50%), Hampshire County Council (9%) and Hampshire Fire and Rescue Authority (1%), under the Business Rates Retention Scheme.

4.3 Any award of discretionary rate relief is subject to state aid limits. The De Minimis regulations allow an undertaking to receive up to €200,000 (£180,000) in any three-year period.

4.4 Therefore, if Rushmoor BC were to award the maximum amount of £180,000 (£60,000 a year for three years), the financial effect on RBC over these three years would be a total of £72,000, £24,000 a year.

4.5 However, any award of Growth Incentive Relief is offset by an additional income of approximately £882,000 per annum. However, this figure may reduce if Farnborough International are successful with their appeal.

4.6 It is important to note, that Rushmoor Borough Council has a financial interest in Farnborough International Limited as the Council has provided a loan of £5.6m to date, to help with the development of the Exhibition Hall and Conference Centre.

**Legal Implications**

4.5 Section 47 of the Local Government Finance Act 1988, as amended, enables Councils to grant discretionary rate relief to any ratepayer.

4.6 This new policy to award Discretionary Growth Incentive Relief, follows guidance and advice provided by the Department of Communities and Local Government following the introduction of The Localism Act 2011.

4.7 Full details of this guidance can be found at the following web link: https://assets.publishing.service.gov.uk/government/uploads/system/.../1896534.pdf

To summarise, page 6 reads:-

"**Greater local control over business rates**

One of the most important things that councils can do to improve local life is to support the local economy. The Localism Act gives councils more freedom to offer business rate discounts - to help attract firms, investment and jobs. Whilst councils would need to meet the cost of any discount from local resources, they may decide that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area".

## 5. CONCLUSIONS

5.1 In conclusion, cabinet are asked to approve the award of Growth Incentive Relief of £60,000 a year for the next three years.

5.2 The Portfolio Holder for Corporate Services is supportive of the application to the level set out in this report.

5.3 The case was reviewed in its own merit and the decision was made using the Growth Incentive Relief Policy, which was approved following guidance provided by the Department of Communities and Local Government.

5.4 Farnborough International benefits the local economy by:-

- Creating employment opportunities, and
- Boosting the local economy by attracting visitors and other businesses to the borough.

**BACKGROUND DOCUMENTS:**

S47 Local Government Act 1988, as amended
Full applicant case file in respect of the applicant
Rushmoor Policy on Growth Incentive Relief

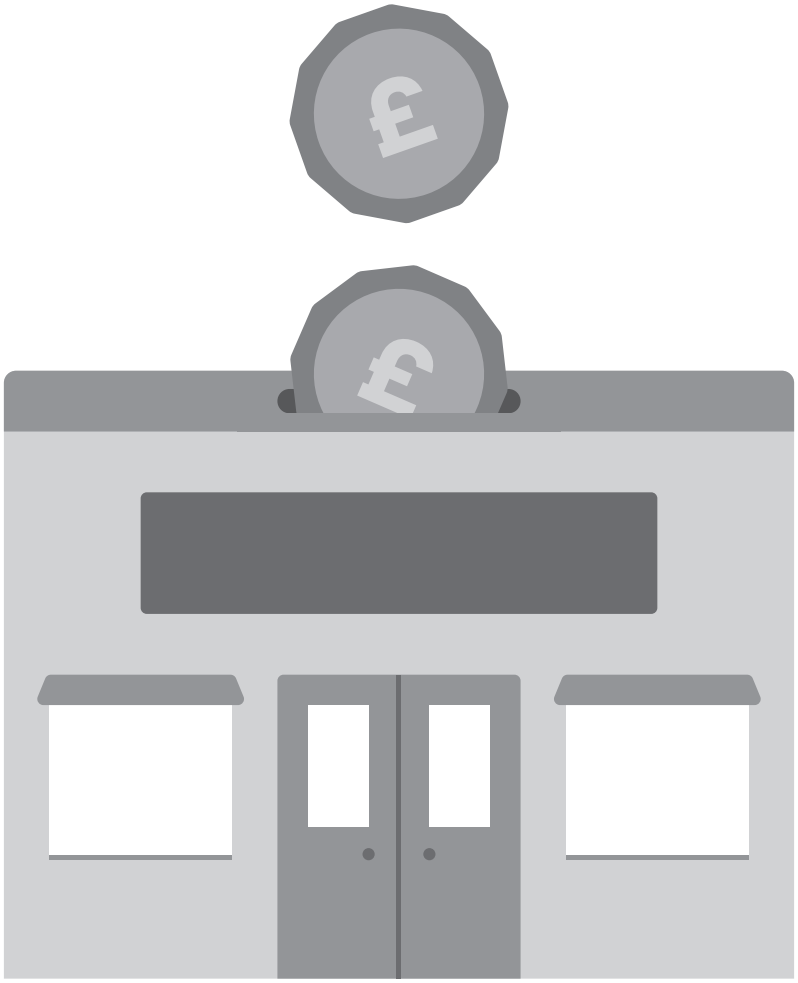
**CONTACT DETAILS:**

**Report Author –** David May / david.may@rushmoor.gov.uk / 01252 398330
**Head of Service** – David Stanley / david.stanley@rushmoor.gov.uk 01252 398440

APPENDIX 1

# Business Rates Growth Incentive Relief

## Policy Guidelines for the granting of Discretionary Rate Relief



RUSHMOOR BOROUGH COUNCIL

## Introduction

If Rushmoor is to continue to grow and prosper the council needs to take away barriers that might stifle business growth so our communities can all share the benefits of sustainable economic growth.

We recognise that a period of growth in a business can cause uncertainty and many businesses are naturally concerned that they do not over stretch themselves.

To help businesses achieve their growth potential the council has introduced a new scheme to give discretionary rate relief to help businesses with high potential to grow, bring empty buildings with significant economic value back into use and to attract inward investment and economic growth.

This new policy allows the council to use its discretionary powers to award temporary discretionary rate relief to support its growth aims. This supports one of the council's aims, which is to support local business and to help sustain a thriving economy in Rushmoor.

The aim of these guidelines is to set out the policy for awarding this relief to certain types of business rates payers within Rushmoor.

## Localism Act 2011

Prior to the Localism Act 2011, Section 47 of the Local Government Finance Act 1988 (LGFA 1988), Councils were able to grant discretionary rate relief only in certain specified circumstances. They could top up the 80% mandatory relief available on premises occupied by charities and Community Amateur Sports Clubs and they could award up to 100% relief to non-profit making bodies.

Section 69 of the Localism Act 2011 amended Section 47 of the LGFA 1988, and came into effect on 1 April 2012. The purposes of that Act allowed for an extension of the existing provisions in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in the area.

The amendments also require billing authorities to have regard to any relevant guidance issued by the secretary of state when deciding whether to grant relief under S47 of the LGFA 1988.

Government has not issued any further guidance in respect of how this power might be used.

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

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

## Rushmoor Borough Council's Growth Incentive Policy

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

- The ratepayer must not be entitled to mandatory or 100% small business rate relief;
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
- The premises and organisation must be of significant benefit to the residents of the borough;

The ratepayer must also demonstrate that they satisfy as much of the following criteria as possible:

- The award relates to business rates payable in respect of a new hereditament or an increase in rateable value of an existing hereditament and as a result of the new or extended hereditament the following benefits will be derived:
  - New employment opportunities will be created;
  - The organisation must bring social, environmental or economic benefit to the community; or
  - Contribute to the sustainable development of the borough;
- The applicant must prove economic value of bringing empty commercial properties back into use and the following benefits derived (The property must have been vacant for a minimum of 12 months):
  - New employment opportunities will be created;
  - The organisation must bring social, environmental or economic benefit to the community; or
  - Contribute to the sustainable development of the borough;
- Provide the resident of the borough with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
- The ratepayer must demonstrate that assistance (provided by the discretionary rate relief) will be for a short time only and that any business/ operation is financially viable in the medium and long term;
- The ratepayer must show that the activities of the organisation are consistent with the Council plan.

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

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

## Excepted organisations

Relief cannot be granted to excepted properties, i.e. one where all or part of the property is occupied by any of the following:

- A billing authority, such as Rushmoor Borough Council, or
- A precepting authority such as Hampshire County Council, Police and Crime Commissioner and Hampshire Fire and Rescue Authority.

## Cost of awarding relief

The cost of awarding all forms of rate relief is split between central government, billing authorities and major preceptors on a fixed percentage basis.

Central Government bears 50% of the cost, the county 9%, the fire authority 1% and billing authorities the remaining 40%.

In regard to discretionary rate relief, if the relevant conditions are satisfied, the local authority has the discretion to award or refuse the application. When making their decision the local authority must consider the guidelines and appendices in this document and take into account the impact that such awards might have on local authority tax payers in the area, as 40% of the cost is borne by the local authority.

## State aid

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

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

# APPENDIX 2

**Application for Discretionary Growth Incentive Rate Relief**

**Farnborough International Limited**

**Hall1, Farnborough International Exhibition Centre**

**ETPS Road, Farnborough, GU14 6FD**

Farnborough International Limited are the organisers of the biennial Farnborough International Air show.

They also provide consultancy service to other aviation organisations wishing to host similar events.

More information about Farnborough International Limited and the Exhibition and Conference Centre can be found at https://www.farnboroughinternational.org.

In their application, Farnborough International Advise of the following:-

**Please describe the nature of your business?**

Farnborough International Limited (FIL) is an exhibition business with a focus on Aerospace. Born out of the Farnborough International Airshow, the business is expanding in to a wider range of exhibitions and events, providing facilities for businesses in all sectors to stage major trade exhibitions in Farnborough, with the air show continuing to be staged every other year.

**For what purposes does the organisation use the premises?**

The premises will be primarily used for corporate conferences and trade exhibitions, including the Farnborough International Airshow. From time to time, the building may be used for other commercial activity such as filming for TV productions or adverts.

**Employment opportunities?**

No of employees = 51
Resident Locally = 17

Of the current staff of 60, 7 of these permanent positions have been created in the business covering exhibition management, sales and security, since the exhibition hall was built. In addition, for each event stages, temporary staff are now required to assist with catering, organisation and security and this could create as many as 30 positions depending on the size of the event. One study estimated that over £64m would be brought in to the area over the next 10 years, supporting 100 full time positions in external industries, many of which would be in the local area.

This does not include the opportunities created within the area as part of the actual construction of the building.

**Please give the reason for your application, including how the business brings social environmental or economic benefit to the borough and contributes towards the sustainable development of the borough?**

There are two reasons for the application for rates relief.

Firstly, the overall FIL business is not profitable over a 2-year Air show cycle (so 2017 and 2018) and whilst new management are keen for that to change in the future, adding over £900k in overheads as what is essentially a start-up phase of the business at risk before it even gets off the ground. With the inward investment that this is likely to bring in to the area, it would be self-defeating for the council not to support this application.

Secondly, it was estimated that in 2013, FIL bought over 57,000 people to the area through holding events in the similar Hall 5 and temporary structure, Hall 4. The building of a permanent structure should see this number increase substantially which will not only create local jobs but will bring money in to the area that would otherwise be spent in areas such as London (for events held at Excel) or Birmingham (for events at NEC).

Creating jobs and bringing visitors in to the borough will bring economic benefit as money is spent and this in turn will be able to support sustainable development of the borough and provide economic support for local regeneration plans.

**Please explain why you consider your business benefits local taxpayers?**

FIL will benefit local taxpayers by providing increased employment opportunities, particularly during events and this will benefit local taxpayers either directly (in that the employment opportunity is taken by local residents) or indirectly , in that more money is brought in to the area creating incremental value through job creation or spend, ultimately resulting in the council being able to invest more in the local community.

Bringing so many people into the borough can only be a benefit to the council and local community and will support the council's current regeneration plans as hotels, restaurants and bars will be frequented during the week, as well as just weekends.

This page is intentionally left blank

**CABINET**

**COUNCILLOR PAUL TAYLOR**
**CORPORATE SERVICES PORTFOLIO HOLDER**

**28 MAY 2019**

**REPORT NO. FIN1917**

**KEY DECISION? ~~YES~~/NO**

# BUSINESS RATES – DISCRETIONARY RATE RELIEF POLICY FOR DISCRETIONARY REVALUATION RELIEF


**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY**

This report seeks approval to amend our existing Discretionary Relief Policy to reduce business rates liabilities to those businesses most affected by the 2017 national revaluation.

Cabinet approved the original policy on 19 September 2017 which was to award qualifying businesses a 57% reduction where the increase in rates payable between 2016-17 and 2017-18 was greater than 10%.

The policy was amended on 24 July 2018 to award 17% relief from the increase in rates payable for the financial year 2018-19.

This amendment to the policy seeks to increase the percentage of relief to be awarded for the year 2018-19 and to approve the percentage of relief to be awarded to qualifying businesses for the financial year 2019-20.

**RECOMMENDATIONS**

Cabinet are recommended to approve the following changes to the existing policy:

a) Increase the percentage of relief awarded to qualifying ratepayers from 17% to 18.5%, of the increase in rates payable for the financial year 2018-19; and
b) To approve the percentage of relief to be awarded for 2019-20 at 7% of the increase in rates payable.


## 1. INTRODUCTION

1.1 This report seeks to amend our existing local policy which enabled the Council to award Discretionary Rate Relief with effect from 1 April 2017 to small and medium businesses that have been most affected by the 2017 National Business Rates Revaluation.

1.2 The amendment for the policy is to increase the value of relief to be awarded for the year 2018-19 and to allow the relief to be awarded for the financial year 2019-20.

1.3 When Cabinet originally approved the policy, the rates payable for the financial year 2018-19 and 2019-20 were unknown and it was therefore not possible to calculate the percentage reduction that we can award.

## 2. BACKGROUND

2.1 In the Spring Budget 2017, on 8th March 2017, the Chancellor announced three new schemes of Discretionary Rate Relief to support those businesses that experienced large increases to their bills following the 2017 revaluation.

2.2 These new reliefs are known as Supporting Small Businesses Relief, Pub Relief and Business Rates Discretionary Rate Relief (Revaluation).

2.3 The policies for awarding Supporting Small Businesses Relief and Pub Relief have been successfully implemented and are working well. However, our policy for awarding Discretionary rate Relief (Revaluation) requires modification.

## 3. DISCRETIONARY RATE RELIEF (REVALUATION)

3.1 The Chancellor announced that a discretionary fund of £300m would be made available nationally over four years from 2017/18 to support those businesses facing the steepest increases in their business rates bills due to the 2017 National Revaluation.

3.2 Rushmoor Borough Council's allocation from the fund is £533k, spread over four years as follows:

- Year 1 (2017/18) = £311k
- Year 2 (2018/19) = £151k
- Year 3 (2019/20) = £62k
- Year 4 (2020/21) = £9k

3.3 The qualifying criteria for the Council's current policy are:-

- Relief will only be granted to those premises with a Rateable Value at 1st April 2017 of less than £200,000

- Relief will only be granted where the increase in rates payable between 2016-17 and 2017-18 is greater than 10%

- Businesses will be required to pay the first £600.00 of any increase before any relief is awarded

- Relief will only be awarded to premises that are occupied

- Relief will only be granted to businesses who were in occupation at 31 March 2017 and in occupation on 1 April 2017

- Relief may be awarded to businesses who occupy more than one property as long as all criteria are met

- Relief will not be granted in respect of the following:-

  - Betting and gambling premises including casinos, bingo Halls, and amusement arcades

  - Pawnbrokers and payday lenders

  - Headshops or those selling drugs paraphernalia

  - Private Members' Clubs

3.4 The amount of relief to be awarded for the year 2017-18 and 2018-19 was determined to be 57% and 17% respectively, of the increase in rates payable.

3.5 However, due to adjustments in Rateable Values, businesses moving out of their premises and issues around state aid law, several businesses have informed us that they are not entitled to this relief, leaving a net spend of £138,000 out of our £151,000 budget for the year 2018-19.

## 4 DETAILS OF THE PROPOSAL - 2018-19

4.1 The Government has consistently encouraged local Councils to spend the maximum amount of funding available; ensuring maximum available support goes to those affected by the Revaluation.

4.2 The proposal is to increase the percentage of relief awarded to ratepayers to 18.5%, which was previously 17%.

4.3 This would see an increase in the total award of £12,000 meaning a total award of £151,000.

## 5 DETAILS OF THE PROPOSAL - 2019-20

5.1 The proposal is for those ratepayers that were receiving relief in 2017-18 and 2018-19 will continue to receive this relief for 2019-20 albeit at a reduced amount.

5.2 Due to the fact that the allocation from the fund reduces year on year and is now £62,000 for the year 2019-20, the amount of relief to be awarded for the year 2019-20 has been calculated at 7%.

5.3 This will see 126 businesses receive this relief with a total award of £61,900.

## 6 IMPLEMENTATION

6.1 Once the scheme for 2018-19 has been amended and the scheme for 2019-20 approved, all businesses that are eligible for relief will have the relief applied to their account and a revised bill will be issued. A letter will also be issued requesting the ratepayer to advise the council if the award of this relief breaches state aid regulations.

## 7. LEGAL IMPLICATIONS

7.1 Local Authorities are expected to deliver the scheme using their discretionary relief powers under Section 47 of the Local Government Finance Act 1988.

## 8 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 Rushmoor has been allocated £151,000 for the year 2018-19 and £62K for the year 2019-20 to award this discretionary relief.

8.2 Any amount not awarded will be returned to central government.

8.3 The Ministry for Housing, Communities and Local Government (MHCLG) recognises that implementing new schemes places additional burdens on billing authorities. MHCLG have provided Rushmoor Borough Council £12,000 (under the New Burdens regime) towards the cost of awarding this relief (and Supporting Small Businesses Relief and Pub Relief).

8.4 Therefore, there will be no financial impact on the Council but will have a direct benefit to certain businesses within the Borough.

## 9 CONCLUSIONS

9.1 In conclusion, Cabinet are asked to approve the amendment to the existing discretionary rate relief policy that will enable qualifying businesses to receive 18.5% relief from their business rates bill for the year 2018-19 and 7% relief from their business rates bill for the year 2019-20.

9.2 Amending our current scheme will help small and medium businesses in the Borough by limiting increases in rates payable following the revaluation on 1 April 2017.

9.3 The relief is delivered using our existing Discretionary Relief powers under Section 47 Local Government Finance Act 1988 and the Council is reimbursed for all the relief awarded under this scheme.

9.4 The Council has received a grant towards the cost of implementing this relief.

**BACKGROUND DOCUMENTS:**

Business Rates Information Letter (4/2017): Spring Update
Discretionary Funding for BRR Relief Grant Determination Letter 28 April 2017
DCLG – Business Rates Discretionary Rate Relief Consultation – March 2017
Local Government Finance Act 1988, Section 47
Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 1989 1059)

**CONTACT DETAILS:**

**Report Author –** David May / david.may@rushmoor.gov.uk / 01252 398330
**Head of Service** – David Stanley / david.stanley@rushmoor.gov.uk 01252 398440

This page is intentionally left blank

**CABINET**

**COUNCILLOR MARINA MUNRO**
**PLANNING AND ECONOMY PORTFOLIO HOLDER**

**28 May 2019**

**REPORT NO. EPSH1927**

**KEY DECISION? YES**

# REVOCATION OF FOUR SUPPLEMENTARY PLANNING DOCUMENTS


**SUMMARY AND RECOMMENDATIONS:**

Following the adoption of the Rushmoor Local Plan in February 2019, approval is sought to revoke four Supplementary Planning Documents (SPDs) that are now out of date.

**It is recommended that Cabinet, in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, revoke the following supplementary planning documents with effect from Monday 10 June 2019:**

- **Aldershot Urban Extension SPD (Adopted 2009)**
- **Housing Density and Design SPD (Adopted 2006)**
- **Sustainable Design and Construction SPD (Adopted 2006)**
- **Telecommunications SPD (Adopted 2006)**


## 1. INTRODUCTION

1.1. This report summarises the reasons why four Supplementary Planning Documents should be revoked following the adoption of the Rushmoor Local Plan.

1.2. This is a key decision, because the revocation of the Supplementary Planning Documents affects all parts of the Borough.

## 2. BACKGROUND

2.1. The Rushmoor Local Plan was adopted on the 21st February 2019 to guide the location, scale and type of future development in Rushmoor Borough up to 2032 and provide detailed development management policies to be used in determining planning applications. The Local Plan has replaced the Core Strategy (adopted 2011) and saved policies from the Rushmoor Local Plan Review (adopted in 2000).

2.2. There are currently twelve adopted Supplementary Planning Documents (SPDs) that were produced to provide additional guidance to support the policies and proposals in the Core Strategy and Rushmoor Local Plan Review, which as noted above have since been superseded.

2.3. National Planning Practice Guidance (NPPG) states that SPDs should build upon and provide more detailed advice or guidance on policies in an adopted local plan. As they do not form part of the development plan, they cannot introduce new planning policies into the development plan. They are however a material consideration in decision-making. In addition, the guidance makes it clear that SPDs should not add unnecessarily to the financial burdens on development (for example by introducing requirements that will increase development costs).

2.4. The adopted SPDs all 'hang off' policies contained within planning documents that have been superseded by the Rushmoor Local Plan (e.g. the Core Strategy and / or Local Plan Review Saved Policies). However, a number of the existing SPDs are referred to in the recently adopted Local Plan.

## 3. DETAILS OF THE PROPOSAL

3.1. It is recommended that Cabinet approve the revocation of four SPDs. The following section provides a short summary of the reasons why each of the SPDs should be revoked.

Aldershot Urban Extensions SPD

3.2. The document was adopted in 2009 to set out a vision and key objectives for development on the Surplus Military Land and its purpose was to guide development of the AUE. In the ten years since the document was adopted, the AUE (Wellesley) has planning consent (ref 12/00958/OUT) and the early phases are complete. The Local Plan (2019) contains a detailed section on Wellesley (section 7.5) and a detailed Policy (SP5) that cross-references the design codes agreed as part of the planning application.

Housing Density and Design SPD

3.3. The document was adopted in 2006 to promote well designed housing at an appropriate density for the location of new development. It is not intended to impose detailed design control. The SPD pre-dates the National Planning Policy Framework (NPPF) (2012) and is based upon the policies of the Rushmoor Local Plan Review (1996).

3.4. The NPPF (updated 2019) promotes making efficient use of land (Chapter 8) and achieving well-designed places (Chapter 9). In addition, the recently adopted Local Plan (2019) contains detailed design policies set out in Chapter 9.2 (Design in the Built Environment).

Sustainable Design and Construction SPD

3.5. The document was adopted in 2006 to raise awareness of the impact new development has on the environment and to encourage proposals to minimise this impact. It establishes principles rather than setting prescriptive standards.

3.6. The SPD cross-references the Local Plan Review (1996 policies) and emerging Core Strategy Policies and pre-dates the NPPF. Since the SPD was adopted, National Policy has been updated to cover components of sustainable design and construction, Building Regulations have improved significantly in terms of building energy efficiency and linked to this the government have limited local planning authorities' ability to set local standards for energy performance.

Telecommunications SPD

3.7. The document was adopted in 2006 to provide guidance for those involved in planning and designing of new telecommunications development. Since the adoption of the SPD, telecommunications technology and its supporting infrastructure have advanced rapidly and this is likely to continue into the future.

3.8. The SPD cross-references the Local Plan Review (1996 policies) and emerging Core Strategy Policies and pre-dates the NPPF. The Rushmoor Local Plan (2019) contains a Policy IN3 – Telecommunications that provides the policy framework against which planning applications for infrastructure (including telecommunications) will be determined. In addition, telecommunications technology and the supporting infrastructure is a fast moving area.

**Alternative Option**

3.9. The alternative option would be not to revoke the four SPDs. However, this would conflict with the purpose of SPDs, which is to provide more detailed advice or guidance on policies in an adopted local plan.

**Consultation**

3.10. Officers have undertaken a review of the portfolio of adopted SPDs and a paper was taken to Strategic Housing and Local Plan Group (SHLPG) on 27 March 2019, which recommended that the four SPDs detailed in this report be revoked as soon as practicable.

3.11. If Cabinet agrees to revoke the four SPDs, the Council will publish a statement to confirm the revocation of the SPDs on the Council's website

and all physical and digital copies of the documents will be removed from the Council Offices, reference libraries and the Council's website.

## 4. IMPLICATIONS

### Risks

4.1. There are not considered to be any risks associated with the implementation of the recommendations of this report.

### Legal Implications

4.2. The Council will need to publish a statement confirming the revocation of the SPD(s) in accordance with Regulation 15 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

### Financial and Resource Implications

4.3. There are not considered to be any financial implication arising from the decision.

### Equalities Impact Implications

4.4. The purpose of this report is to revoke four Supplementary Planning Documents which are out of date. Due to the nature of the topics covered by the documents and the fact that that recently adopted Local Plan was supported by an Equalities Impact Assessment there are not considered to be any equalities implications.

## 5. CONCLUSIONS

5.1. The Council has a portfolio of supplementary planning documents that are based on planning documents that have since been superseded by the adopted Local Plan.

5.2. The recommendation to revoke the four supplementary planning documents detailed in Section 3 has the support of the Strategic Housing and Local Plan Group (SHLPG).

5.3. The revocation of the SPDs will ensure that only relevant supplementary planning guidance is retained.

**BACKGROUND DOCUMENTS:**
The current suite of Supplementary Planning Documents can be viewed via:
https://www.rushmoor.gov.uk/spds

**CONTACT DETAILS:**

**Report Author** – Ian Mawer / ian.mawer@rushmoor.gov.uk / 01252 398733

**Head of Service** – Tim Mills / tim.mills@rushmoor.gov.uk / 01252 398542

This page is intentionally left blank

**CABINET**

**COUNCILLOR MARINA MUNRO**
**PLANNING AND ECONOMY PORTFOLIO HOLDER**

**28 May 2019**

**REPORT NO. EPSH1928**

**KEY DECISION? NO**

# CONSULTATION ON THE DRAFT STATEMENT OF COMMUNITY INVOLVEMENT (SCI)


**SUMMARY AND RECOMMENDATIONS:**

The Council's current Statement of Community Involvement (SCI) that the Rushmoor Local Plan was examined against was adopted in 2013 and since this time, there have been a number of changes to planning legislation that need to be reflected. Therefore, an updated SCI has been prepared for public consultation to take account of these changes.

**It is recommended that Cabinet, approve the publication of the Draft Statement of Community Involvement (2019) for the purposes of six weeks public consultation.**


## 1. INTRODUCTION

1.1. The purpose of this report is to present to Councillors the draft Statement of Community Involvement (SCI) (attached as Appendix A) and recommend that it be subject to six weeks public consultation commencing on Monday 3 June 2019 at 9am and closing on Monday 15 July 2019 at 5pm.

1.2. The production of a Statement of Community Involvement (SCI) is a legal requirement as is the requirement to update the document every five years. The Council's current SCI was adopted in 2013 and since this time, there have been a number of changes to planning legislation that need to be reflected.

1.3. The purpose of the SCI is to set out how people and groups can engage with the planning system in the best way by setting out how the public, businesses and interest groups within the Borough can get involved in the creation of local planning policy, neighbourhood planning and the planning application decision-making process**.**

## 2. BACKGROUND

2.1. The preparation of a SCI is a legal requirement of the Planning and Compulsory Purchase Act 2004 (Section 18) as amended by the Planning Act 2008, the Localism Act 2011 and the Neighbourhood Planning Act

2017. This legislation requires the Council to prepare a statement for how it will involve those with an interest in development in the area, including the preparation and review of the Local Plan and Supplementary Planning Documents, Neighbourhood Plans/Orders, Community Infrastructure Levy and the consideration of planning applications.

2.2. The draft SCI attached as Appendix A is essentially a factual update to the current SCI to reflect legislation changes and best practice.

## 3. DETAILS OF THE PROPOSAL

3.1. The proposal is to undertake six weeks public consultation on a draft Statement of Community Involvement. Following public consultation the document will be amended as necessary before being presented to Cabinet for adoption, this is anticipated to take place in August 2019. Upon adoption, the document will supersede the 2013 Rushmoor Statement of Community Involvement.

### Alternative Option

3.2. The alternative option would be not to update the SCI. However, this would mean that the Council would not be in conformity with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2017 (as amended).

### Consultation

3.3. The draft SCI will be subject to six weeks public consultation following Cabinet approval.

## 4. IMPLICATIONS

### Risks

4.1. There are not considered to be any risks associated with the implementation of the recommendations of this report.

### Legal Implications

4.2. There are legal issues to consider in progressing the SCI towards adoption, in relation to satisfying the necessary regulations. The preparation of a SCI is a legal requirement of the Planning and Compulsory Purchase Act 2004 (Section 18) as amended by the Planning Act 2008, the Localism Act 2011 and the Neighbourhood Planning Act 2017.

**Financial and Resource Implications**

4.3. There are not considered to be any financial implication arising from the decision.

**Equalities Impact Implications**

4.4. The purpose of this report is to publish an updated Statement of Community Involvement (SCI) that sets out how the Council will engage with the community, including hard to reach groups. Therefore, there are not considered to be any equalities implications.

## 5. CONCLUSIONS

5.1 Following the adoption of the Local Plan, it is now time to update the Council's SCI to ensure that the planning authority is complying with current planning legislation.

## BACKGROUND DOCUMENTS:

**Appendix A** – Draft Rushmoor Statement of Community Involvement 2019.

The adopted Rushmoor Statement of Community Involvement (2013) can be accessed from the following link: https://www.rushmoor.gov.uk/sci

## CONTACT DETAILS:

**Report Author** – Katharine Makant / katharine.makant@rushmoor.gov.uk / 01252 398416

**Head of Service** – Tim Mills / tim.mills@rushmoor.gov.uk / 01252 398542

**APPENDIX A**

# DRAFT STATEMENT OF COMMUNITY INVOLVEMENT

**June 2019**

## Consultation

This draft Statement of Community Involvement (SCI) has been published for public consultation to give residents, businesses, stakeholders and other groups the opportunity to have a say in how they want to be involved in planning for land use and future development in Rushmoor. The consultation runs for six weeks from Monday 3 June 2019 to 5pm Monday 15 July 2019.

You can view the document and comment online at https://www.rushmoor.gov.uk/planningpolicy. This is the simplest, most cost-effective way of sending us your comments. If you are unable to access the internet, paper copies of the document are available to view at the Council Offices in Farnborough during normal office hours.

Comments can be submitted:

**By email:** planningpolicy@rushmoor.gov.uk

**By writing in person to:**

The Planning Policy and Conservation Team
Rushmoor Borough Council
Council Offices
Farnborough Road
Farnborough
GU14 7JU

**Please note:** the comments received during this consultation cannot be treated as confidential so please do not include any personal information within your comments. Responses will be published on the Council's website, together with the name and/or organisation name of the respondent.

You can find out how we will use the information you send us at:
https://www.rushmoor.gov.uk/article/10359/Keep-up-to-date-with-the-latest-news-on-the-Rushmoor-Plan

We will consider all comments received on the document and amend it if necessary before deciding whether to adopt it.

## Foreword

The Statement of Community Involvement (SCI) sets out the ways in which residents, businesses and other interested parties can become involved in planning for land use and development in Rushmoor. It also helps us, as a Council, to meet the requirements for consultation and engagement that are set out in national planning legislation. The Council will always meet these requirements and, where resources allow, will try to go beyond them to seek broader community involvement in plan-making.

# Contents

Consultation ..... 2

Foreword ..... 3

Contents ..... 4

1. Introduction ..... 5

2. National Planning Policy and Guidance ..... 7

3. Community Involvement Principles ..... 9

4. Local Planning Policy ..... 10

5. Neighbourhood Planning ..... 18

6. Community Infrastructure Levy (CIL) ..... 20

7. Community involvement in determining planning applications ..... 20

8. How we publicise planning applications ..... 22

9. Conclusion ..... 23

Appendix 1: Consultation Groups Involved in Local Plan production ..... 24

# 1. Introduction

1.1 Planning affects everybody in our community. The decisions that the Council makes as a local planning authority will have an impact on the type of development that takes place in the Borough, where it is located and what it looks like.

1.2 Therefore, it is only right that you, as residents, businesses and stakeholders, get the opportunity to be involved in the planning process and influence the decisions we make.

## What is a Statement of Community Involvement?

1.3 A Statement of Community Involvement (SCI) sets out the ways in which residents, businesses and other interested parties can become involved in planning in Rushmoor. It also helps us, as a Council, to meet the requirements for consultation and engagement set out in national planning legislation.[1]

1.4 Our SCI seeks to ensure that as many people as possible can voice their opinion on planning matters. Part of this is making sure that we consult people in the right way and at the right time.

1.5 The SCI sets out how you can get involved in:

**Planning Policy:**
- The Rushmoor Local Plan
- Supplementary Planning Documents (SPDs)
- Neighbourhood Planning
- Community Infrastructure Levy (CIL)

**Development Management:**
- Planning Applications

## Who will be involved?

1.6 There are statutory requirements for those we must consult when preparing planning policy documents. For example, organisations like other local authorities, Natural England, Historic England and utility companies. A full list of those we must consult (specific consultation bodies) can be found at Appendix 1. It is important that we aim to involve as many people and groups as possible in Rushmoor to help us develop our planning policies. Anyone can make comments on the future planning

[1] Planning and Compulsory Purchase Act 2004 (section 18) and Local Government and Public Involvement in Health Act 2007 (Section 138)

for development in Rushmoor and it is particularly important that our local community does so.

1.7 We aim to involve the full cross-section of Rushmoor's community including 'hard-to-reach' groups who are under-represented in the planning process. Such groups may have specific needs and include but are not limited to:

- young people;
- older people;
- ethnic minorities; and
- people with disabilities.

1.8 To achieve wider involvement we intend to:

- use social media (e.g. Facebook, Twitter) where appropriate;
- Involve the Senior Citizens Forum and Rushmoor Youth Forum (once established) in the future development of the Borough;
- Work closely with organisations who represent and / or support young people, older people, people with disabilities and ethnic minorities, including the Nepali community; and
- Understand our communities better, using the most up-to-date information available including census data and other sources, so that we can meet the needs of our community in terms of how best to involve them.

## Why are we updating our Statement?

1.9 The preparation of an SCI is a legal requirement of the Planning and Compulsory Purchase Act 2004 (Section 18) as amended by the Planning Act 2008, the Localism Act 2011 and the Neighbourhood Planning Act 2017. As well as new legislation, there have been changes to national planning policy and guidance since the publication of the last Statement of Community Involvement (SCI) in 2013. Amended Planning Legislation introduced in 2017 requires SCIs to be reviewed every five years.

## 2. National Planning Policy and Guidance

2.1 National planning policies are set out in the National Planning Policy Framework (NPPF).[2] The NPPF provides a framework within which locally-prepared plans for housing and other development can be produced and it is a material consideration in planning decisions e.g. on planning applications.

2.2 Guidance on how the NPPF should be applied is set out in the Government's Planning Practice Guidance, which is a web-based document that is regularly reviewed and updated.[3]

2.3 The rules governing how the Council's local planning policy documents must be prepared, including public consultation, are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)[4].

### Duty to Co-Operate

2.4 Local authorities have a duty to co-operate with specific bodies in relation to planning of sustainable development and strategic matters.[5] A 'strategic matter' is defined as:

a) sustainable development or use of land that has or would have a significant impact on at least two planning areas, including infrastructure that is; and

b) sustainable development or use of land if the development or use –

i. is a county matter;

ii. has or would have a significant impact on a county matter.

2.5 The specific bodies prescribed for the purposes of the duty to cooperate are outlined in Appendix 1.

### Community Rights and the Localism Act

2.6 The Localism Act came into force in 2011.[6] The Act focussed on devolving power from central government to local communities. A major aim of the Act was to reform

[2] https://www.gov.uk/government/collections/revised-national-planning-policy-framework

[3] https://www.gov.uk/government/collections/planning-practice-guidance

[4] http://www.legislation.gov.uk/uksi/2012/767/contents/made

[5] Section 33A of the Planning and Compulsory Purchase Act 2004 (local development),

[6] http://www.legislation.gov.uk/uksi/2012/767/contents/made

the planning system to make it more effective and democratic, and to give new powers to both individuals and communities.

2.7 As a result of the Localism Act, the following community rights were introduced:

- **Community right to challenge** enables local community groups to procure important local services and deliver them for the borough;
- **Community right to bid** enables local groups to buy buildings that the local authority has placed on a list of community assets;
- **Community right to build** enables members of the local community to bring forward proposals for what they would like to see built in their local area.

2.8 You can find out more about community rights at http://mycommunityrights.org.uk/ and how to nominate a building or land of local importance to the register of assets of community value at https://www.rushmoor.gov.uk/communityrighttobid.

# 3. Community Involvement Principles

3.1 The benefits of early community engagement are:

- a greater focus on the priorities identified by local communities;
- more influence over the provision of infrastructure to ensure that it meets local needs;
- an improved sense of ownership of the plan by the community;
- better understanding of how planning policies are developed and linked to each other;
- more support for local planning policies;
- cutting down on costly and unnecessary conflict.

3.2 We aim to make sure that there is a clear and proper consultation procedure that shows what the community and stakeholders should expect from it. To achieve this we will adhere to the following five principles:

- **Ensuring equal opportunity –** we are committed to ensuring that all members of the community involved in engagement are treated fairly without discrimination;
- **Keeping the community informed** - we will inform the community when we are consulting and how the consultation process will work, aiming to provide balanced and objective information to help people understand the process;
- **Ensuring the community is involved –** we want as many interested parties to be involved as possible, so we want to make the process of having your opinion heard as easy as possible throughout the process. Community engagement will be readily accessible, with the relevant documents available for inspection at specified public places and on the Council's website. Electronic forms of communication will be used where it is best placed to serve the community;
- **Ensuring community engagement is relevant –** we aim to focus our engagement on the groups/individuals to which the subject matter is relevant. This includes those who are not recognised as a statutory consultee.
- **Providing feedback –** we will analyse all responses to consultations and respond as appropriate. This may be in the form of consultation statements, reports following any research and the Authority Monitoring Report, which will show how we are performing against our adopted Local Plan policies.

## Data Protection

3.3 We will comply with our obligations under the General Data Protection Regulations 2018, and the principles of the Data Protection Act 2018, in how we manage any personal data collected through consultation processes. You can find out more on our website at https://www.rushmoor.gov.uk/dataprotection.

# 4. Local Planning Policy

4.1 Every local authority is required to produce a development plan for its area.[7] The plan must include strategic policies (over a minimum 15-year period) to address the priorities for the development and use of land in the area and can also contain more detailed non-strategic policies.

4.2 We also produce Supplementary Planning Documents (SPDs) that provide additional detail to enable us to implement the planning policies contained within the adopted Local Plan. These documents are required to go through one stage of public consultation and do not go through the Examination in Public process. The Council is able to adopt SPDs subject to completion of the consultation period and any subsequent changes considered appropriate in the light of responses.

4.3 The Council's Local Development Scheme sets out the programme for preparing our future planning documents. It outlines what documents we are working on and the timetables for producing them.

## The Local Plan

4.4 The Rushmoor Local Plan is the main planning policy document produced by the Council. The Rushmoor Local Plan was adopted on 21 February 2019 following public consultation and examination by a Planning Inspector. It has replaced the 2011 Core Strategy and saved policies from the 2000 Local Plan Review and provides the planning policies that will guide new development within the Borough to 2032. The policies in Local Plans must be reviewed every five years - sooner if there are significant changes in national policy, local circumstances or housing requirements. Updates to the adopted Local Plan, or certain policies within it, must follow the statutory plan-making procedure, including public consultation.

4.5 A new Local Plan (or any significant change to it) is required to go through two stages of public consultation and is then examined by a Planning Inspector before the Council can formally adopt it. Early community engagement is essential to ensure that residents, businesses and stakeholders have the greatest possible input to the shaping of the Plan. As plan preparation proceeds through the statutory process, opportunities to comment become more focussed on the wording of the policies.

## How you can be involved

4.6 The minimum legal requirements for community involvement and public participation are set out in the 2012 Regulations (as amended). The consultation

[7] Town and Country Planning (Local Planning) (England) Regulations 2012 (the 2012 Regulations)

methods utilised by the Council will depend on the type of document being produced and its subject matter.

4.7 Tables 1 and 2 below outline both the statutory requirements and some of the additional ways in which we may seek to involve people in respect of the Local Plan and Supplementary Planning Documents. It is not an exhaustive list - we will use the methods that we consider are most effective in terms of resources and outcomes.

## What happens to the comments received?

4.8 We will acknowledge the written comments we receive and anyone making comments on early stages of a document will be added to our consultation database (unless they request otherwise) and automatically consulted at later stages. At the end of the consultation period, we may analyse the written responses and/or the results from the community involvement process and create a summary report. This will then be made available on our website, reported to the relevant Council elected members group and referred to in the relevant documents.

4.9 All representations received will be made available to the public via the Council's website, except where consultation responses (e.g. libellous or threatening comments) are deemed inappropriate for publication by the Council.

## Monitoring

4.10 If necessary, we will review our procedures for involving the community and monitor their effectiveness in our Authority Monitoring Report, which is usually published annually. Wherever possible we will look to make improvements to ensure that we are as effective as we can be when involving our local communities in the planning process.

## Statement of Community Involvement

4.11 This Statement of Community Involvement (SCI) is reviewed regularly to ensure it is in accordance with the regulations and the Council's consultation procedures. Should fundamental changes take place that warrant a new SCI, the Council will undertake public consultation for a minimum period of six weeks.

4.12 There is no legal requirement to notify specific consultation bodies, however the Council will notify those bodies considered relevant. Reference copies will be made publicly available at the Council Offices. A summary of public representations submitted during consultation will be provided within the Schedule of Officer Responses to Representations Received and will be made publicly available on the Council's website. Those who submitted representations can request to be notified of when the document has been adopted.

## Local Plan Sustainability Appraisal

4.13 A sustainability appraisal is a systematic process that must be carried out during the preparation of a Local Plan. Its role is to promote sustainable development by assessing the extent to which the emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives.

4.14 When undertaking sustainability appraisals, as required by the Environmental Assessment of Plans and Programmes Regulation 2004, the Council will:

- Consult stakeholders, including the Environment Agency, Natural England and Historic England (required bodies) on the scope of the appraisal;
- Consult key stakeholders and the public on Sustainability Appraisal Reports as part of public participation in the preparation of the Local Plan;
- Undertake public consultation on the final Sustainability Appraisal which supports the Proposed Submission Local Plan.

**Table 1 The Local Plan**

| Activity | Involvement & Notification<br><br>What we will do<br><br>*(Legal requirements are italicised)* | When will you be involved?<br><br>*(Legal requirements are italicised)* | How will you be involved?<br><br>*(Legal requirements are italicised)* |
|---|---|---|---|
| **Initial evidence gathering and informal community engagement** | We may employ the following engagement techniques as deemed appropriate, depending upon the subject matter:<br>• Articles in the Council's Arena magazine<br>• Issue press release/newsletter<br>• Social media<br>• Workshops for key stakeholders<br>• One-to-one meetings<br>• Presentations to interested parties | | Register your contact details on the Planning Policy Consultation Database |
| **Issues and Options Stage/Preferred Approach**<br><br>**(Regulation 18)** | *Notify specific and general consultation bodies (see Appendix 1) as the local planning authority consider appropriate.*<br><br>*Publish information on our website*<br><br>Dependent upon the subject matter of the Local Plan, we may employ further engagement techniques such as<br>• Workshops for key stakeholders<br>• One-to-one meetings | *Specific and general consultation bodies will be notified of the consultation period prior to the publication of the document.*<br><br>*The consultation will run for a period not less than 6 weeks.*<br><br>In addition, we will contact all those on our consultation database who have asked to be consulted on planning | *Documents will be published on the website and placed in the Council Offices and local libraries.*<br><br>Dependent upon the subject matter of the Local Plan, we may employ further engagement techniques as deemed appropriate.<br><br>We encourage comments to be submitted online wherever possible. For |

| Activity | Involvement & Notification<br><br>What we will do<br><br>*(Legal requirements are italicised)* | When will you be involved?<br><br>*(Legal requirements are italicised)* | How will you be involved?<br><br>*(Legal requirements are italicised)* |
|---|---|---|---|
| | • Presentations to interested parties<br>• Articles in the Council's Arena magazine<br>• Issue press release/newsletter<br>• Social media | policy documents, with details of how they can comment. | those who find this difficult, we will provide comment forms that can be completed electronically or in hard copy and submitted via email or post. |
| **Publication of a Local Plan (Regulation 19) and Representations relating to a Local Plan (Regulation 20)** | *Make available for inspection the pre-submission plan, supporting documents and information on how to respond (the "statement of representations procedure")*<br><br>*Invite statutory consultation bodies and general consultation bodies to make representations under Regulation 18 and provide them with:*<br><br>• *A statement of the representations procedure;*<br><br>• *A statement of the fact that the Submission Documents are available for inspection and of the places and times at which they can be inspected.*<br><br>Dependent upon the subject matter of the | *Specific and general consultation bodies will be notified on publication of the pre-submission plan.*<br><br>*The consultation will run for a period not less than 6 weeks.*<br><br>In addition, we will contact all those on our consultation database who have asked to be consulted on planning policy documents, with details of how they can comment on the pre-submission plan. | *Documents will be published on the website and placed in the council offices and local libraries.*<br><br>*Any person may make representations about a Local Plan which the local planning authority proposes to submit.*<br><br>We encourage comments to be submitted online wherever possible. For those who find this difficult, we will provide comment forms that can be completed electronically or in hard copy and submitted via email or post. |

| Activity | Involvement & Notification<br><br>What we will do<br><br>*(Legal requirements are italicised)* | When will you be involved?<br><br>*(Legal requirements are italicised)* | How will you be involved?<br><br>*(Legal requirements are italicised)* |
|---|---|---|---|
| | Local Plan, we may employ further engagement techniques such as<br><br>• Social media<br>• Articles in the Council's Arena magazine<br>• Issue press release/newsletter<br>• Presentations to interested parties | | |
| **Independent Examination (Regulation 24)** | A Pre-Examination Hearing may occur 6 weeks prior to the Examination in Public (EiP)[8].<br><br>*At least 6 weeks before the examination starts, the Council will*<br><br>• *Publish details on website*<br>• *Notify people who made representations of the date the examination starts and name of person appointed to hold examination* | *All those who have submitted a representation will be notified of the dates and times of both the Pre-Examination Hearing (if held) and the EiP.*<br><br>In addition, the oral hearings are open to the public to attend although only those who have submitted objections to the Plan have the right to be heard by the Planning Inspector. | *All those who have objected to the Plan have the right to appear before the Planning Inspector at the oral hearings.*<br><br>*An independent Programme Officer appointed to oversee the Examination process will advise objectors and other participants of the timetable and check that those who have previously stated their intent to provide oral evidence at the EiP still wish to do so.* |

[8] The Planning Inspectorate - Examining Development Plan Documents: Procedure Guidance June 2016 (4th Edition)

| Activity | Involvement & Notification<br><br>What we will do<br><br>*(Legal requirements are italicised)* | When will you be involved?<br><br>*(Legal requirements are italicised)* | How will you be involved?<br><br>*(Legal requirements are italicised)* |
|---|---|---|---|
| **Main Modifications to the Local Plan** | *We will consult on any proposed Main Modifications to the Plan which may arise as a result of the examination process.*<br><br>At this stage, the consultation will focus ONLY on the wording of the proposed modifications – general comments on the Plan will not be accepted. | *Specific and general consultation bodies will be notified on publication of the proposed main modifications.*<br><br>*The consultation will run for a period not less than 6 weeks.*<br><br>In addition, we will contact all those on our consultation database who have asked to be consulted on planning policy documents, with details of how they can comment on the proposed main modifications. | *The modifications will be published on the website and made available for inspection at the council offices.*<br><br>*Any person may make representations about the proposed main modifications.*<br><br>We encourage comments to be submitted online wherever possible. For those who find this difficult, we will accept written comments by email or post. |
| **Adoption (Regulation 26)** | *As soon as is reasonably practicable after we adopt a Local Plan, we will:*<br><br>• *Make available the adopted Plan, adoption statement and sustainability appraisal report for inspection*<br>• *Notify anyone who requested to be notified of adoption*<br>• *Send an adoption statement to the Secretary of State* | | *All statutory consultation bodies and anyone else who submitted a representation will be sent the adoption statement. The adopted Local Plan will be made available at the Council Offices, local libraries and on our website.* |

**Table 2 Supplementary Planning Documents**

| Activity | Involvement & Notification<br><br>What we will do | When will you be involved? | How will you be involved? |
|---|---|---|---|
| **Public Participation (Regulation 12) and Consultation (Regulation 13)** | *Copies of the SPD document and a consultation statement setting out who has been consulted, issues raised and how they have been addressed will be made available for inspection at the Council Offices, local libraries and on our website.*<br><br>The Council will also notify the general public via social media and, where deemed appropriate, press releases and carry out targeted engagement with local residents for site specific SPD's. | *Specific and general consultation bodies, identified by the Council as relevant to the context of the SPD, will be notified of the consultation on publication of the document.*<br><br>The consultation will run for a period of not less than 4 weeks. However, the Council will usually consult for 6 weeks to ensure maximum opportunity for engagement. | For site-specific SPD's, the Council will seek to engage with local residents/businesses through events and focus groups in the early stage of developing the SPD and continue engagement through to adoption.<br><br>For issue-based SPDs, appropriate groups and organisations will be involved in developing options and approaches. Where the issue has wider public interest general surveys may also be undertaken. |
| **Adoption (Regulation 14)** | As soon as reasonably practicable after adoption, we will:<br><br>• Make the SPD and adoption statement available for inspection<br>• Notify anyone who requested to be notified of adoption | | *All relevant statutory/general consultation bodies and anyone else who submitted a representation will be sent the adoption statement.* |

## 5. Neighbourhood Planning

5.1 Neighbourhood planning was introduced by the Localism Act 2011 and updated by the Neighbourhood Planning Act 2017. It gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area. They can choose where they want new homes, shops and offices to be built, have their say on what those new buildings should look like and what infrastructure should be provided, and (through Neighbourhood Development Orders) grant planning permission for the new buildings they want to see go ahead.

5.2 The policies set out within neighbourhood plans must be 'in conformity' with national planning policy and the up-to-date Local Plan. Communities may decide that they could achieve the outcomes they want to see through other planning routes, such as incorporating their proposals for the neighbourhood into the Local Plan or through pre-application consultation on development proposals.

5.3 Once confirmed, neighbourhood plans become part of the Local Plan and the policies within them are used in the determination of planning applications. In areas where there are no Town or Parish Councils, such as Rushmoor, only designated neighbourhood forums are allowed to produce neighbourhood plans and the plans must be approved by an independent examiner and local referendum before they can be formally approved.

5.4 You can find out more about neighbourhood planning on our website https://www.rushmoor.gov.uk/planningpolicy, at the Government's website at https://www.gov.uk/guidance/neighbourhood-planning--2 and there are further details, including financial and technical support available for communities interested in creating a neighbourhood plan, at https://neighbourhoodplanning.org/.

5.5 The Council will offer the following support to communities interested in preparing neighbourhood plans:

- We will provide advice on the statutory criteria for setting up a neighbourhood forum to develop a neighbourhood plan for a designated neighbourhood area and how to go about applying to us for formal designation;
- On receipt of a valid application for designation as a neighbourhood area and/or neighbourhood forum, we will publicise and invite comments on the application and determine it according to the statutory timescales;
- Should we decide to designate a smaller neighbourhood area than has been applied for, or should we refuse an application for designation as a neighbourhood forum, we will explain our reasons;

- We will take a proactive and positive approach, working collaboratively with designated neighbourhood forums on each key stage, sharing our evidence base and seeking to resolve any issues, including potential conflicts with national policy and the Local Plan, to ensure that the draft neighbourhood plan has the greatest chance of success at independent examination;

- Following the submission of the draft neighbourhood plan, we will undertake the relevant public consultation and organise and fund the examination and referendum within the statutory timescales.

5.6 Like local plans, there are regulations covering the preparation of neighbourhood plans, including consultation requirements. Up to the submission of the draft plan, the neighbourhood forum is responsible for public consultation and engagement with relevant consultees (e.g. infrastructure providers) in its preparation.

## 6. Community Infrastructure Levy (CIL)

6.1 The Community Infrastructure Levy (CIL) is a charge which local authorities can set to require contributions from developers bringing forward new development, in order to help deliver infrastructure. As of February 2019, Rushmoor Borough Council has not introduced CIL and relies on a different method of developer contributions (known as Section 106 legal agreements) to fund infrastructure that is required to support development. Information about how much has been collected in developer contributions and what it is spent on is set out in the Authority Monitoring Report.

6.2 If we do decide to introduce CIL, we can only do so once we have prepared and adopted a CIL charging schedule. This must go through a process of consultation and independent examination before we can adopt it. Under current regulations, councils must carry out a two-stage process for consulting on a draft CIL charging schedule. However, the latest draft amendments to the regulations, published for consultation in December 2018, propose that this is reduced to one stage of public consultation.

6.3 Further information about our approach to CIL is set out on the website at: https://www.rushmoor.gov.uk/CIL

## 7. Community involvement in determining planning applications

7.1 With any planning application, we must display a site notice or advise neighbours by letter and take into account any relevant responses we receive. However, in some cases, especially where the development is on a large scale, there are further requirements for us in terms of publicity.[9]

7.2 To encourage developers and agents to discuss their plans for developments, we can provide some informal advice before they make a formal application. We offer more detailed written pre-application advice on a fee-paying basis. Pre-application advice aims to ensure that the application is complete and valid when we receive it, and to address any issues which might make it unacceptable. This also helps with the aim of seeing the community fully involved in shaping and deciding the development that occurs in Rushmoor, as at this point we strongly encourage developers of major or potentially controversial proposals to carry out their own consultation of the local community. We believe this is the most helpful time for developers to engage with the community, as it will allow their views to be heard and considered before the

[9] As set out in the Town and Country Planning (Development Management Procedure) (England) Order 2015

process is too far along, and allow them to understand what the proposal may look like.

7.3 Community consultation by developers will be expected in relation to the following types of development:

- Residential schemes over 100 units;
- Employment and warehouse/distribution schemes over 10,000 square metres;
- Retail schemes totalling over 5,000 square metres;
- Leisure schemes totalling over 2,000 square metres;
- All applications for telecommunication development.

7.4 Any consultation by developers will need to adhere to the same principles that we use ourselves, although we are happy for developers to use a range of methods and techniques to engage with the community. Potential applicants are advised to discuss their proposals for community consultation with the Council beforehand. Their methods could include:

- Identifying and contacting all key stakeholders and members of the community directly or indirectly affected by the proposals;
- Using websites, social media and emails;
- Producing newsletters, leaflets and posters to keep people informed;
- Organising local exhibitions;
- Holding stakeholder workshops and focus groups;
- Informing consultees through local media and specific newsletters;
- Producing a public consultation statement.

7.5 This statement is required to be submitted at the same time as the planning application. The results of the consultation will be reported and taken into consideration in any decisions made by, and on the behalf of, the Council.

## 8. How we publicise planning applications

| Type of development | Statutory Requirements | Additional publicity |
|---|---|---|
| Application accompanied by an Environmental Impact Assessment (EIA)<br><br>Development which is contrary to the provisions of the Local Plan<br><br>Development affecting a public right of way | Site notice display in at least one place on or near the land to which the application relates for not less than 21 days;<br>**and**<br>By publication of the notice in a newspaper circulating in the locality in which the land to which the application relates is situated. | Neighbours and properties considered likely to be affected by the proposal notified by letter and given 21 days to respond. |
| Major development | By site notice display in at least one place on or near the land to which the application relates for not less than 21 days;<br>**or**<br>By serving the notice on any adjoining owner or occupier;<br>**and**<br>By publication of the notice in a newspaper circulating in the locality in which the land to which the application relates is situated. | Neighbours and properties considered likely to be affected by the proposal notified by letter and given 21 days to respond. |
| Minor development/<br>Householder/<br>Certificate of Lawful Use | By site display in at least one place on or near the land to which the application relates for not less than 21 days;<br>**or**<br>By letter to anyone sharing a boundary with the application site. | Neighbours and properties considered likely to be affected by the proposal notified by letter and given 21 days to respond. |
| Development affecting the setting of a listed building | The Secretary of State may prescribe requirements as to publicity for applications for planning permission in cases where the local planning authority think that the development of land would affect the setting of a listed building. | Advertisement in newspaper;<br>**and**<br>Site notice;<br>**and**<br>Neighbours and properties considered likely to be affected by the proposal notified by letter and given 21 days to respond. |
| Development affecting the character or appearance of a conservation area | The Secretary of State may prescribe requirements as to publicity for applications for planning permission in cases where the local planning authority think that the development of land would affect the setting of a listed building. | Advertisement in a newspaper;<br>**and**<br>Site notice;<br>**and**<br>Neighbours and properties considered likely to be affected by the proposal notified by letter and given 21 days to respond. |

8.1 As well as the above, we will publish the following on our website:

- The address or location of the proposed development;
- A description of the proposed development;
- The date by which any representations about the application must be made (usually 14 days from the date on which the information is published);
- Where and when the application may be inspected
- How representations may be made about the application
- That, in the case of a householder application, in the event of an appeal that proceeds by way of the expedited procedure, any representations made about the application will be passed to the Secretary of State and there will be no opportunity to make further representations.

8.2 Public comments received in relation to publicised planning applications will be taken into consideration by the Council as part of the determination process. Comments must be relevant to planning matters in order to be deemed a material consideration for determination purposes.

## 9. Conclusion

9.1 We hope that this document sets out clearly how all those affected by development in Rushmoor can expect to be involved in helping to shape the growth, expansion and improvement of the Borough.

9.2 If you have any comments on this Statement of Community Involvement or would like to raise any questions, please get in touch with the Planning Policy team on 01252 398735 or via planningpolicy@rushmoor.gov.uk.

# Appendix 1: Consultation Groups Involved in Local Plan production

## Specific Consultation bodies

The council must involve the following statutory organisations in the Local plan process. These along with the government departments listed below form the specific consultation bodies as defined in the Town and Country Planning (Local Planning) (England) Regulations 2012. These are:

- Environment Agency
- Historic England
- Natural England
- Network Rail
- Secretary of State for Transport
- Highways England
- Hampshire County Council (Strategy, Transport and Planning)
- Adjacent local authorities
- Enterprise M3 (Local Enterprise Partnership)
- Local Nature Partnership
- Civil Aviation Authority
- Clinical Commissioning Groups
- Hampshire Police
- Police and crime commissioner
- Relevant telecommunications companies
- Relevant electricity and gas companies
- Relevant water and sewerage undertakers
- Homes England

## General consultation bodies

- Voluntary bodies some or all of whose activities benefit any part of the Borough
- Bodies that represent the interests of different racial, ethnic or national groups in the Borough
- Bodies that represent the interests of different religious groups in the Borough
- Bodies, which represent the interests of disabled persons in the Borough
- Bodies, which represent the interests of persons carrying on business in the Borough.

## Duty to co-operate bodies

- Environment Agency
- Historic England
- Natural England
- The Mayor of London
- Civil Aviation Authority

- Homes England
- Clinical Commissioning Groups
- Office of Rail Regulation
- Transport for London
- Hampshire County Council
- Highways England
- Enterprise M3 Local Enterprise Partnership
- Local Nature Partnership

## Other Consultees

Many other bodies and individuals are registered on our planning policy database. These have been grouped and include:

- Individual Residents, residents associations, local strategic partnership, community groups, societies and political parties
- Councillors - Local and County
- Local businesses, business associations, chamber of commerce, commercial companies
- Planning Officers in other local authorities, developers, agents, planning consultants, architects, surveyors, landscape architects, housing associations
- Landowners, Estate agents (residential and commercial)
- Disabled groups, public agencies, charity organisations, voluntary organisations, ethic groups, care providers, health providers, leisure groups, minority groups, religious groups, sports bodies, young people, allotments groups, police, older people, faith groups, equalities groups, community support groups.
- Environment, nature and historic groups, Conservation Area Advisory Committees
- Infrastructure providers, schools and education institutes, transport groups
- Members of Parliament
- Government Departments

This page is intentionally left blank

**CABINET**

**COUNCILLOR MARINA MUNRO**
**PLANNING AND ECONOMY PORTFOLIO HOLDER**

**28 May 2019**

**REPORT NO. EPSH1929**

**KEY DECISION? NO**

# PUBLIC CONSULTATION ON THE DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT


**SUMMARY AND RECOMMENDATIONS:**

The purpose of the Draft Affordable Housing Supplementary Planning Document (SPD) is to provide further guidance to support the implementation of the affordable housing policy contained in the recently adopted Rushmoor Local Plan and the housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.

**It is recommended that Cabinet, approve the publication of the Draft Affordable Housing Supplementary Planning Document for the purposes of six weeks public consultation.**


## 1. INTRODUCTION

1.1. The purpose of this report is to present to Councillors the draft Affordable Housing Supplementary Planning Document (SPD) (attached as Appendix A) and recommend that it be subject to six weeks public consultation commencing on the 3 June 2019 at 9am and closing on the 15 July 2019 at 5pm.

1.2. The purpose of the Draft Affordable Housing SPD is to provide further guidance to support the implementation of the affordable housing policy of the Rushmoor Local Plan (Policy LN2: Affordable Housing) and the housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.

1.3. The Affordable Housing SPD upon adoption will supersede the current affordable housing guidance (2014) that relates to the now superseded Core Strategy and its supporting evidence base.

## 2. BACKGROUND

2.1. The purpose of an SPD is to build upon and provide more detailed advice or guidance on policies contained in an adopted Local Plan. SPDs are a material consideration in decision-making but cannot introduce new planning policies into the development plan or add unnecessarily to the financial burdens on development.

2.2. To support the Implementation of Local Plan Policy LN2: Affordable Housing the Draft SPD provides further guidance on:

- how to undertake early engagement with expertise within the Council
- how an appropriate mix of affordable units will be calculated
- the Council's rent setting framework in relation to the Local Housing Allowance
- procuring a registered provider
- grant funding available to support affordable housing schemes
- vacant building credit
- commuted sums to fund off site affordable housing provision.

2.3. The supporting text to Local Plan Policy LN2 (paragraph 10.18) commits the Council to publishing and adopting guidance in the form of an SPD to provide further detail on the type and mix of affordable housing to best meet local needs. Upon adoption, the draft Affordable Housing SPD will satisfy this commitment.

2.4. Planning Legislation sets out the process for preparing Supplementary Planning Documents.

## 3. DETAILS OF THE PROPOSAL

3.1. The proposal is to undertake six weeks public consultation on a draft Affordable Housing SPD. Following public consultation the document will be amended as necessary before being presented to Cabinet for adoption, this is anticipated to take place in August 2019. Upon adoption, the document will supersede the current affordable housing guidance (adopted 2014).

### Alternative Option

3.2. The alternative option would be not to produce an Affordable Housing SPD However, this would mean that the Council will not have published up to date guidance on securing affordable housing delivery, potentially undermining the authorities ability to implement the Affordable Housing policy of the recently adopted Local Plan.

### Consultation

3.3. Officers presented the draft Affordable Housing SPD to Strategic Housing and Local Plan Group (SHLPG) on 27 March 2019.

3.4. Following Cabinet approval, the draft Affordable Housing SPD will be subject to six weeks public consultation in accordance with the Council's adopted Statement of Community Involvement.

## 4. IMPLICATIONS

### Risks

4.1. There are not considered to be any risks associated with the implementation of the recommendations of this report.

### Legal Implications

4.2. There are legal issues to consider in progressing the SPD towards adoption, specifically satisfying Part 5 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

### Financial and Resource Implications

4.3. There are not considered to be any financial implications arising from the decision.

### Equalities Impact Implications

4.4. The adoption of the Affordable Housing SPD is likely to lead to positive equalities implications, as it will ensure that affordable housing provision secured from development meets local needs.

## 5. CONCLUSIONS

5.1 Following the adoption of the Local Plan, updated guidance on the implementation of Affordable Housing policy in the Borough is required.

## BACKGROUND DOCUMENTS:

**Appendix A** – Draft Affordable Housing Supplementary Planning Document.

The current Rushmoor Affordable Housing Development Guidance Note (2014) can be accessed from the following link:

https://www.rushmoor.gov.uk/CHttpHandler.ashx?id=13226&p=0

**CONTACT DETAILS:**

**Report Author** – Zoe Paine / zoe.paine@rushmoor.gov.uk / 01252 398687

**Head of Service** – Tim Mills / tim.mills@rushmoor.gov.uk / 01252 398542

**APPENDIX A**

Rushmoor Plan

# DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

**June 2019**

1. Consultation ..... 3
2. Introduction ..... 4
What is a Supplementary Planning Document? ..... 4
What is the purpose of this SPD? ..... 4
National Policy Context ..... 4
Local Policy Context ..... 5
When does this guidance apply ..... 6
Early Engagement ..... 6
3. Affordable Housing: On Site Provision ..... 7
Mix of affordable units ..... 7
Affordability of rented units ..... 7
Procuring a Registered Provider ..... 8
Difficulty Procuring a Registered Provider ..... 9
Accessible and Adaptable Homes ..... 9
Internal Space Standards ..... 9
Residential Amenity Space Standards ..... 10
Other Design considerations ..... 10
4. Affordable Housing Off Site Provision (Commuted Sums) ..... 11
5. Viability ..... 12
Viability Appraisals to justify a departure from Policy LN2 ..... 12
Grant Funding ..... 12
Vacant Building Credit ..... 13
Glossary ..... 15

DRAFT

# 1. Consultation

1.1. The Adopted Rushmoor Local Plan (2019) sets out the development strategy for the borough up to 2032.

1.2. This draft Affordable Housing Supplementary Planning Document (SPD) provide further guidance to support the implementation of the affordable housing policies of the Rushmoor Local Plan and housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.

1.3. This draft Affordable Housing SPD is available for public consultation for a period of six weeks between 3 June 2019 and 15 July 2019.

1.4. Comments can be submitted:

**By email:** planningpolicy@rushmoor.gov.uk

**By writing in person to:**

The Planning Policy and Conservation Team

Rushmoor Borough Council
Council Offices
Farnborough Road
Farnborough
GU14 7JU

**Please note:** the comments received during this consultation cannot be treated as confidential so please do not include any personal information within your comments. Responses will be published on the Council's website, together with the name and/or organisation name of the respondent.

You can find out how we will use the information you send us at:
https://www.rushmoor.gov.uk/article/10359/Keep-up-to-date-with-the-latest-news-on-the-Rushmoor-Plan

We will consider all comments received on the document and amend it if necessary before deciding whether to adopt it as formal supplementary planning guidance early next year.

DRAFT

# 2. Introduction

## What is a Supplementary Planning Document?

2.1. A Supplementary Planning Document (SPD) elaborates upon policies in the Development Plan, in this instance the Rushmoor Local Plan 2014-20321 (adopted February 2019). SPDs are one of the material considerations that can be taken into account when determining a planning application.

2.2. This SPD elaborates upon Local Plan Policy LN2: Affordable Housing.

## What is the purpose of this SPD?

2.3. The purpose of this Supplementary Planning Document (SPD) is to provide further guidance to support the implementation of the affordable housing policies of the Rushmoor Local Plan and housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-20222.

2.4. A core purpose of this SPD is to ensure the delivery of affordable housing that meets residents' needs and aspirations, and which supports the delivery of sustainable, inclusive communities.

## National Policy Context

2.5. Chapter 5 of the National Planning Policy Framework (NPPF), 2019 confirms the importance of significantly boosting the supply of homes and delivering housing needed for different groups in the community, including those who require affordable housing.

2.6. Paragraph 62 states that planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and

b) the agreed approach contributes to the objective of creating mixed and balanced communities.

2.7. Paragraph 63 states that the provision of affordable housing should not be sought for residential developments that are not major developments... To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount[3].

---

[1] https://www.rushmoor.gov.uk/rushmoorplan

[2] https://www.rushmoor.gov.uk/housingstrategies

[3] Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.

2.8. The national planning policy definition of affordable housing is included in the Glossary of the NPPF which is repeated in the Glossary of this document. However, an extract of the definition is provided below:

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

*a) Affordable housing for rent*

*b) Starter homes*

*c) Discounted market sales housing*

*d) Other affordable routes to home ownership*

## Local Policy Context

2.9. To support the provision of the overall level of housing required, and the mix of housing types and tenures, the Council jointly commissioned a Strategic Housing Market Assessment (SHMA)4 with Hart and Surrey Heath councils. The SHMA (2016) identifies a need in Rushmoor for 160 affordable subsidised rented homes per annum (social or affordable rent). In addition, there is a need for 220 intermediate (subsidised home ownership) homes a year.

2.10. The SHMA and Local Plan Viability Evidence have informed the Local Plan Affordable Housing Policy (LN2) detailed below:

***Policy LN2 - Affordable Housing***

*The delivery of affordable housing will be supported by requiring developments, subject to site viability, to provide:*

*a) On sites of 11 or more dwellings, a minimum of 30% of dwellings as affordable homes;*

*b) On sites within Aldershot and Farnborough town centres of 11 or more dwellings, a minimum of 20% of dwellings as affordable homes;*

*c) A site appropriate mix of dwelling sizes designed to meet local needs, as set out in the SHMA (2016) or any subsequent update;*

*d) Predominantly subsidised rented affordable housing, in order to best meet local needs as set out in the SHMA (2016) and any subsequent update, with a smaller proportion of intermediate affordable housing, to help create mixed communities;*

*e) The integration of affordable housing with market housing, unless the development is 100% affordable housing;*

[4] https://www.rushmoor.gov.uk/shlaa

*f) On sites of 15 or more dwellings, on-site provision of affordable housing, unless there are exceptional circumstances, in which case a commuted sum of equivalent value will be required;*

*g) On sites of 11 to 14 dwellings, either on-site provision of affordable housing or a commuted sum of equivalent value; and*

*h) Subject to site suitability, affordable dwellings to be built to accessible and adaptable standards to meet the requirements of Building Regulations M4(2) and, where evidenced by local need, a proportion of affordable dwellings to be built as wheelchair user dwellings to meet the requirements of Building Regulations M4(3).*

2.11. On site affordable housing provision in accordance with Local Plan Policy LN2 will be secured by a Planning Obligation (S106 Legal Agreement) unless the developer can demonstrate that the development would be made unviable as a result of the policy requirements or the developer has difficulty procuring a Registered Provider (see Section X for further information).

2.12. The Rushmoor Housing and Homelessness Strategy 2017-20225 (2017) aims to ensure that Rushmoor's residents have access to good-quality homes that are affordable and appropriate to their needs. It identifies the need for housing for different groups and includes actions in relation to the delivery of specialist housing. These groups include those leaving the Army and their families, who have priority status for home ownership schemes and 'local connection' status with any local authority to which they present as homeless, and the Nepali community, many of whom are former Gurkhas and their families who have settled in the Borough. The Council works in partnership with providers to meet the specialist needs of disabled veterans and the older population through the Housing and Homelessness Strategy and to address issues of access to housing.

## When does this guidance apply

2.13. This guidance applies to all schemes in the Borough that generate a need to provide affordable housing in accordance with Rushmoor Local Plan Policy LN2 – Affordable Housing.

## Early Engagement

2.14. We recommend that development proposals be discussed with the Council's Housing Strategy and Enabling Team before a planning application is submitted to identify and resolve any issues at an early stage. The Housing Strategy and Enabling Team can advise on the tenure mix and design of policy compliant schemes, which meet housing need, as well as capital funding available to support scheme viability. There is no charge for this advice; enquiries should be addressed to housingstrategy&enabling@rushmoor.gov.uk

[5] Housing and Homelessness Strategy https://www.rushmoor.gov.uk/housingstrategies

2.15. In addition, the Council's Development Management Team can provide pre-application planning advice; this is a fee charging service. Further information on pre-application can be found here:

https://www.rushmoor.gov.uk/article/3433/Pre-application-advice

# 3. Affordable Housing: On Site Provision

## Mix of affordable units

3.1. The Local Plan is based on evidence contained in the Hart, Rushmoor and Surrey Heath Strategic Housing Market Assessment (SHMA) 2014-2032. Affordable housing should secure 70% for rent and 30% for intermediate housing. As private market rents are high in Rushmoor compared to local incomes, social rents should be offered wherever possible to support low-income households who live and work in the borough.

3.2. The Local Plan identifies the following house size mix to enable the Council to meet affordable housing need in the longer term:

- One-bedroom: 30%
- Two-bedrooms: 30-40%
- Three or more bedrooms: Around 30%, with 10% sought as 4 bedrooms.

3.3. To best meet housing needs, the two-bed requirement should provide a mix of houses and flats. To offer maximum flexibility, two-bed homes should be able to accommodate occupation by four people.

3.4. The Council recognises that the full house type mix may not be appropriate on all sites, however, the Council's objective is to secure policy compliant development wherever possible. The developer must evidence where this is not appropriate and consult with the Housing Strategy and Enabling Team before submitting a planning application.

3.5. The Local Plan and its supporting evidence base identify that greatest need for affordable homes in the Borough is for social rented properties. Therefore, the starting point for a developer is to assume that tenure mix requirements will be 70% for social rent and 30% for intermediate products (e.g. shared ownership). This exact affordable mix will be dependent upon site-specific circumstances (e.g. site size and location), local needs and viability.

## Affordability of rented units

3.6. Affordable homes must be genuinely affordable to those whose incomes do not allow them to rent or buy a home that is suitable for their needs on the open market. Importantly affordable and social rented homes in the Borough must be affordable to the households in the Rushmoor Housing Allocation Pool (those residents who the Council nominates to rented homes). Local income data informs the Council's approach to rent setting.

DRAFT

3.7. The measure of affordability that developers should consider when appraising schemes is that rents should not exceed 30% of lower quartile gross household incomes.

3.8. Income data can be accessed at www.ons.gov.uk. In addition, income data for those waiting for affordable housing in Rushmoor is available on request from the Housing Strategy and Enabling team.

3.9. The Council's preference is for social rent, wherever possible, Homes England capital grant is available to subsidise the delivery of social rent in Rushmoor (see Section 5 for more details). Social rented units delivered in Rushmoor should be calculated using the National Guidance on Rents available at www.gov.uk/government/publications/guidance-on-rents-for-social-housing.

3.10. Where Affordable Rents are used the Councils preferred rent-setting framework is:

- One-, two- and three-bed properties: 70% of the open market rent or the Local Housing Allowance, whichever is the lower;
- Four- and five-bedroom properties: 65% of open market rent or the Local Housing Allowance, whichever is the lower;
- A rent cap in the region of £250 per week for a four-bed property;
- Other such rents as agreed with the Council.

3.11. Local Housing Allowance rates are available at https://www.rushmoor.gov.uk/article/3079/Local-Housing-Allowance-LHA-for-private-tenants

## Procuring a Registered Provider

3.12. Registered Providers own and / or manage the affordable housing stock (social rent and shared ownership) in the Borough. Therefore, early engagement with Registered Providers (RPs) that operate in the Borough is actively encouraged as this will potentially reduce design related issues with the dwellings, but also in the longer term early engagement of an RP could result in reduced management costs to future residents. The Council's Housing Strategy and Enabling Team maintain a list of RP partners that are active in the borough, which can be provided.

3.13. Once a Registered Provider has been secured for a development, the Council will enter into a nomination agreement with them. This is a contract, which allows the Council to nominate those in housing need to affordable homes as they become available.

3.14. It is important to note that Registered Providers let their properties in accordance with their own tenancy policies. However, the Borough Council encourages RPs to take account of the Council's Tenancy Strategy6 when setting their policies.

[6] www.rushmoor.gov.uk/housingstrategies

## Difficulty Procuring a Registered Provider

3.15. The Council recognise that for some development, particularly on smaller sites, a situation may arise where the developer is unable to fulfil the affordable housing obligations as, despite all reasonable efforts, no registered Provider (RP) is willing to procure the affordable dwellings. This may be due to a number of factors, such as the tenure proposed does not fit the RPs business model or the financial offer submitted by the RP may not cover the developers reasonable build costs.

3.16. In these circumstances and where provision has been made within the s106 agreement the developer may apply to the Council to commute onsite provision of affordable housing to a financial sum. The Council will need to be satisfied that the developer has made all reasonable efforts to dispose of the affordable housing to an RP and they will be required to evidence details of any offers received from RPs or correspondence with RPs. This may also include financial information on the sum the developer is seeking for the affordable dwellings to ensure that cost is not the overriding factor in the failure to procure an RP.

3.17. If the Council agrees, the affordable housing obligations may be committed to a financial payment to fund off site provision (see below). However, it is important to note that the Councils priority remains the provision of affordable housing on the application site and this cascade to a financial sim is the last resort. Before considering requests, the Council will first explore with the developer whether amended affordable housing scheme, including changes to the number, type, tenure and location within the site, will make on site provision possible.

## Accessible and Adaptable Homes

3.18. Rushmoor Local Plan Policy LN2 (criteria h) requires affordable housing to be accessible and adaptable standards to meet the requirements of the Building Regulations M4(2), unless the site is unsuitable. This is to support the aging population and the specific needs of people with mobility problems.

3.19. In addition, where evidenced by local need, a proportion of affordable dwellings should be built as wheelchair-user homes to meet the requirements of Building Regulations M4(3). The Housing Strategy and Enabling Team can advise on the level of need.

3.20. Standards for accessible and adaptable homes are contained within Building Regulations Approved Document M: Volume 1 (2015). This is available online at: https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

## Internal Space Standards

3.21. To achieve a satisfactory living environment, homes should meet the internal space standards set out Local Plan Policy DE2 – Residential Internal Space Standards. These standards reflect the nationally described space standard, which was published by the government in 2015.

DRAFT

## Residential Amenity Space Standards

3.22. Access to outside green space is important to people's health and well-being, particularly children. To achieve a satisfactory living environment, homes should meet the standards set out Local Plan Policy DE3 – Residential Amenity Standards.

3.23. Amenity space can be in the form of private or communal gardens, balconies, and/or roof terraces. The minimum requirements for private outdoor space are:

- Flatted development: a balcony of a 5 sq m which is accessible from the main habitable room
- 1 or 2 bed houses: 15 sq m garden
- Residential units of Two bedrooms or more: 30 sq m garden space

3.24. For flatted developments, if it is not possible to provide external balconies, Juliet balconies with compensating internal space in the living area may be acceptable. Ideally, balconies should have enclosures that are safe, offer some degree of privacy, and be robust enough to take clothes-drying equipment and furniture.

## Other Design considerations

3.25. Housing design must be genuinely tenure blind, therefore affordable and market dwellings must be completely indistinguishable across the different tenures. It is preferable if affordable units are dispersed throughout the development.

3.26. The Council has analysed the outcome of new-build affordable housing schemes in the borough, and it is our view that consideration of the issues set below can reduce housing management issues in completed properties. The council therefore requires:

- Circulation space near the entrance to allow space to accommodate outside items, such as prams, umbrellas, coats and shoes.
- Direct entry from the outside into a living room should be avoided.
- Clear circulation space provided in bathrooms, that meet (or preferably exceed) the standards set in Optional technical Standard M4(2) of building regulations. This will allow properties to be used by a wide range of occupiers, including those with mobility problems.
- In larger homes, careful thought should be given when designing open-plan living and dining and kitchen areas, taking into account the number of potential occupiers and the need for some quiet space.
- All rooms, except internal bathrooms, should have natural light.
- Double and twin bedrooms must be capable of being used interchangeably to reflect the occupancy rates expected of affordable housing. A minimum width of 2.75 metres allows this to be achieved.
- Layouts should be planned so that the effect of noise from adjoining properties is minimised in sound-sensitive rooms (for example, bedrooms).

DRAFT

3.27. In addition, lack of internal and external storage space is frequently identified as an issue in new dwellings. The provision of internal built-in storage space in excess of the nationally described space standard will therefore always be welcomed.

3.28. Good design can incorporate bin storage into a scheme so that bins are easily accessed from the home but do not harm the appearance of the development. Arrangements that require rubbish to be taken through the home should be avoided. Consideration should be given to the size of the bin stores and how bins will be collected. Further information is available online at www.rushmoor.gov.uk/article/3434/Rubbish-and-recycling-bins-at-new-or-converted-properties

### High-density developments (flats)

3.29. Although high density usually results in the development of flats, concentrations of similar housing types should be avoided, and developers should aim to provide a mix of housing types wherever possible, although it is acknowledged that site specific factors (such as location) will influence the type and density of residential units provided.

3.30. To enable the effective management of residential buildings containing flats, the number of units served by a single entrance should be limited. The Council and its partners have found that no more than 12 units served by a single entrance point works well.

## 4. Affordable Housing Off Site Provision (Commuted Sums)

4.1. Local Plan Policy LN2 enables the use of committed sums (a financial contribution) towards off site affordable housing provision for schemes of between 11 and 14 dwellings or schemes greater than 15 units in exceptional circumstances

4.2. The Council's preference is to deliver affordable housing units on-site. As noted above, in exceptional circumstances, the Council may agree that the local housing need can best be met by a financial contribution for off-site provision.

4.3. The financial contribution will be calculated using the following formula:

*Residual Land Value (with 100% market housing) – Residual Land Value (with 30% affordable housing)*

In Aldershot and Farnborough Town Centres, the financial contribution will be calculated as follows:

*Residual Land Value (with 100% market housing) – Residual Land Value (with 20% affordable housing)*

Note that the calculation of Residual Land Value with affordable housing should be based on 70% rented and 30% intermediate tenure.

4.4. It is important to note that the developer will be asked to provide financial appraisals to support the inputs / assumptions for determining the financial contribution. The Council will submit this appraisal for an independent financial assessment, with the costs borne by

DRAFT

the developer. All commuted sum funding received is ring-fenced for affordable housing delivery.

4.5. A worked example of how to calculate commuted sums is shown below:

| Dwelling Mix | X30% Aff Hsg | X70% rent | X30% | OMV per unit | AR per unit | Int per unit | AR total | Int total |
|---|---|---|---|---|---|---|---|---|
| | Aff Hsg | | int | | @45%OMV | @35%OMV | | |
| 1 bedx38 | 11 | 8 | 3 | £230K | £103,500 | £80,500 | £1,138,500 | £644,000 |
| 2 bed x 42 | 13 | 9 | 4 | £300K | £135,000 | £47,250 | £1,755,000 | £425,250 |
| 3 bed + x 80 | 24 | 17 | 7 | £400,000 | £180,000 | £140,000 | £4,320,000 | £2,380,000 |
| 160 | 48 | 34 | 14 | £53,340,000 | | | £7,213,500 | £3,449,250 |
| | | | | | | | | £10,662,750 |

*GDV= £53,340,000 - £42,677,250 (policy compliant scheme) =Commuted Sum of £10,662,750*

# 5. Viability

## Viability Appraisals to justify a departure from Policy LN2

5.1. The Local Plan is supported by Evidence base including the Local Plan and Community Infrastructure Levy Economic Viability Study (2017) 7 that has considered the effect of the requirements in the Local Plan to ensure that the combined total impact of such requirements does not threaten the viability of the sites and scale of development identified in the development plan.

5.2. Where schemes do not meet the policy requirements for potential viability reasons (such as those set out in Policy LN2: Affordable Housing), the Council will require applicants to submit an open book viability assessment as part of the planning application submission. It is important to note that this information will be made available in the public domain. In such cases, the Council will commission an independent review of the viability assessment, the cost of which should be met by the applicant.

5.3. Proposals for a lower level of affordable housing provision will only be acceptable where the viability case is supported by the independent review and the Council accepts that meeting the full affordable housing requirement makes the scheme unviable.

## Grant Funding

5.4. The Council may be able to provide capital grant funding in support of affordable housing schemes. Affordable housing must therefore comply with the space standards; these standards also ensure development meets the grant conditions of Homes England. In addition, each scheme must also:

[7] https://www.rushmoor.gov.uk/article/10136/Background-evidence-on-viability

- Meet the standards set out in this SPD;
- Provide homes for rent that comply with the Council's rent-setting formula (see paragraph 3.10);
- Provide the Council with nomination rights;
- Provide an opportunity for chain lettings; and
- In the case of shared ownership, offer additional units to the shared ownership requirement of an s106 agreement or offer a return to the Council in the form of a ground rent or a share in capital growth.

5.5. To assist with the pre-application process, the Council has an online pre-application checklist. This can be found at www.rushmoor.gov.uk/article/3433/pre-application-advice-for-developers.

## Vacant Building Credit

5.6. The National Planning Policy Framework (NPPF) (paragraph 63) provides an incentive for brownfield development on sites containing vacant buildings. National Planning Practice Guidance8 (NPPG) requires that where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.

5.7. The Local Plan acknowledges that the Vacant Building credit is intended to incentivise brownfield development on sites with empty or redundant buildings, and that if applicable a 'credit' should be then applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use (converted) or demolished.

5.8. The Local Plan makes it clear that in considering Vacant Building Credit applications, the Council will have regard to the national policy, which is to incentivise brownfield redevelopment and not simply to reduce the affordable housing requirement of schemes that would have come forward anyway. Sites allocated for development within the Local Plan in Aldershot and Farnborough Town Centres may not be eligible for Vacant Building Credit, as the Affordable Housing requirements have already been reduced in these locations to reflect the higher costs associated with redeveloping brownfield land.

5.9. It is important to note that the vacant building credit does not apply to buildings that have been abandoned. The Council will determine on a base by case basis whether building is vacant or abandoned. As a general principal to qualify for the vacant building credit a building should be vacant at the time a planning application is registered. The credit is only applicable to relevant vacant buildings; the Council will not accept for example sheds and non-permanent buildings for the purposes of vacant building credit.

---

[8] NPPG Paragraph: 021 Reference ID: 23b-021-20160519 https://www.gov.uk/guidance/planning-obligations

5.10. In instances where the Council considers that a proposed development qualifies for Vacant Building Credit, the following formula should be used for schemes providing on-site affordable housing provision:

**Step 1** - Calculate the number of dwellings that should be provided as affordable housing on a given site in accordance with Local Plan Policy LN2: Affordable Housing

**Step 2** - Calculate as a proportion, the extent of existing floorspace compared against the proposed floorspace.

**Step 3** - Make a deduction to the number of affordable dwellings to be provided based on the proportion identified at Step 2.

5.11. This will be calculated by the formula RAH = AH – (AD x E / P) where:

RAH = Revised number of affordable housing units to be provided

AH = Expected number of affordable housing units to be provided prior to application of credit in accordance with Local Plan Policy LN2

E= Existing floorspace to be demolished

P = Proposed floorspace to be created

DRAFT

## Glossary

**Affordable Housing (National Planning Policy Framework 2019 definition):** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

**Affordable housing for rent**: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

**Starter homes**: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

**Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

**Other affordable routes to home ownership**: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

**Chain Lettings**: Chain letting is an important approach in managing and securing the best use of affordable housing . It ensures that as many tenants as possible are housed in accommodation that is suitable for their needs and encourages mobility of tenants into the right sized home.

For example:

A housing association tenant currently under-occupying moves into a new build one-bed property releasing their property to house an overcrowded household. The smaller property released by the overcrowded household can be allocated as a management move to another household OR be used to house an applicant in the housing allocation pool and so on. Using this approach can achieve several right sizing moves through a single new build property .

**Intermediate Housing:** Homes for sale and rent provided at a cost above social rent but below market levels. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

DRAFT

**Nomination Rights:** Allow the local authority to send referrals (nominations) to RPs to fill a certain percentage of their vacant at the beginning of a new development and as vacancies arise (re lets). Households or individuals nominated must come from the council's allocations scheme. Nomination Rights are relevant for both rented and intermediate tenures.

**Registered Providers:** Government-funded not-for-profit organisations that provide affordable housing. They include housing associations, trusts and co-operatives. They work with local authorities to provide homes for people who meet the affordable homes criteria. As well as developing land and building homes, they undertake a landlord function by maintaining properties and collecting rent.

**Social rented Housing:** Owned by local authorities and private registered providers, as defined in Section 80 of the Housing and Regeneration Act 2008, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental agreements to the above, as agreed with the local authority or with the Homes and Communities Agency (HCA).

**Strategic Housing Market Assessment:** An evidence base document that:

Estimates housing need and demand in terms of affordable and market housing

Determines how the distribution of need an demand varies across the Hart, Rushmoor and Surrey Heath Housing Market Area; and

Consider future demographic trends ad identify the accommodation requirements of specific groups.

DRAFT

**CABINET** | **COUNCILLOR MARTIN TENNANT**
**MAJOR PROJECTS AND PROPERTY**
**28 MAY 2019** | **PORTFOLIO HOLDER**

**KEY DECISION NO** | **REPORT NO. RP1913**

# KPI LIMITED – ALTERATION TO DEVELOPMENT AGREEMENT


**EXECUTIVE SUMMARY:**

The Council has been approached by the Developer to agree an extension to the long-stop dates for completion of Blocks 3 & 4 in the redevelopment of Farnborough Town Centre. The Council as freeholder of the sites retains step-in rights should completion not be achieved by the target dates. In light of recent progress with Block 3 it is reasonable to agree the proposed amendments to achieve completion of the phased delivery of the scheme.

**RECOMMENDATIONS:**

It is recommended that the Cabinet should approve the proposed amendment to the Development Agreement between the Council and KPI Ltd and St Modwen that would allow the longstop date for Block 3 to be 31 October 2021 and in relation to Block 4 for work to be commenced within one year of the practical completion of Block 3 with Block 4 to be completed within 2 years of commencement of work on it, with a longstop date of 31 October 2024.


## 1. INTRODUCTION

1.1 This report seeks authority to agree an amendment to the Development Agreement relating to Kingsmead, The Mead, Firgrove Court and land at Queensmead, Farnborough, Hampshire to provide extended long stop dates for Block 3 and Block 4 of the scheme.

## 2. BACKGROUND

2.1 Key Property Investments (KPI) Limited, is seeking a further amendment to the existing Development Agreement with Rushmoor Borough Council in order to enable additional time to complete the development of Block 3 and provide a further long stop date for completion of Block 4, linked to completion of Block 3, which would conclude the outstanding phases of the Farnborough Town Centre North Queensmead redevelopment.

2.2 Outline planning permission was originally granted for a major redevelopment at the northern end of the town stretching across from Queensmead to Firgrove Court and the Kingsmead car park in July 2003. Full planning permission (04/00080/FUL) was subsequently granted on 24th November 2004 for the following:

*Demolition and redevelopment to provide retail (A1/A2/A3) space including new superstore, commercial leisure (D2), office (B1a), hotel (C1) and residential accommodation (C3) together with associated provision for access, servicing, parking and landscaping at Kingsmead, The Mead, Firgrove Court and Land at Queensmead, Farnborough*

2.3 Rushmoor Borough Council, as the freeholder of the site, entered into a Development Agreement with KPI Ltd and St Modwen at the outset of the development scheme. A key component of that agreement is the ability for the Council to 'step in' at a certain point should the development be stalled. Step-in rights would enable the Council to step in to the shoes of another party, in this instance KPI Ltd, in relation to the obligations of the Development Agreement and appoint a new development partner to complete the scheme. The current agreement includes a step-in date of March 2021.

2.4 The proposals were broken down into 4 phases of development, referred to as Blocks 1-4. Blocks 1 and 2 have been completed and consist of the Sainsbury's superstore, Travelodge hotel, Wetherspoons public house and town centre retail units alongside residential apartments above. A planning application for a revised Scheme for Block 3 was submitted in February 2019 and has been approved subject to completion of a Section 106 Planning Obligation.

2.5 Progress is now being made on the delivery of Block 3. The developer has commenced work on the site but more comprehensive start up and progression on site is subject to the Council agreeing the revised long stop dates.

2.6 Some of the delay in getting to this stage can be attributed to the impacts of the financial recession. Further to this, there was a concerted effort to avoid higher 'void rates' within the town centre, which would have been the case had additional units been delivered whilst still seeking tenants for Blocks 1 and 2.

## 3. DETAILS OF PROPOSED COURSE OF ACTION

3.1 KPI Ltd has requested an amendment to the Development Agreement that would allow for an extension of the long stop date to allow for completion of the entire Scheme in a coherent manner allowing for the risks around retail decline and the property slowdown in recent years. The Longstop Date for Block 3 is proposed to be 31 October 2021. The proposals in relation to Block 4 are for work to be commenced within one year of the practical completion of

Block 3 with Block 4 to be completed within 2 years of commencement, with a longstop date of 31 October 2024.

3.2 The Council is keen to support the continued implementation of the consented scheme with KPI Ltd as the preferred development partner, particularly given the real progress in bringing forward Block 3 this Spring.

3.3 It is clear that the current long stop date of 25 March 2021 is not achievable notwithstanding the start on site and the imminent granting of planning permission (once the s106 is completed) for a revised scheme. If the extension is not agreed this will jeopardise progress on delivery of the phases 3 & 4 due to the uncertainty on delivery and the Council is keen to work pro-actively with KPI Ltd to ensure successful delivery of the scheme.

3.4 In order to protect the Council further KPI / St Modwen has agreed to pay the sum of £100,000 by way of a deposit to the Council returnable once a contract has been let for the construction of Block 3.

## 4. IMPLICATIONS

### Risks

4.1 Whilst the economic climate is challenging there is a risk of further delay however the Developer has progressed the planning application for Block 3 and is currently actively progressing the negotiations and pressing for completion of the required s106 planning obligation which is very near to conclusion. In addition, the Developer has committed to paying the Council £100,000 should the build not progress in a timely manner. Thereafter, the Council maintains its step-in rights which is an added incentive to the Developer to progress matters.

### Legal Implications

4.2 An agreed amendment to the Development Agreement is required to provide the time for completion of Blocks 3 and 4 in a phased way with the Council still retaining control through the step-in rights which would be fully preserved.

### Financial and Resource Implications

4.3 An agreement on amended long stop dates maintains the positive relationship with the Council's development partner and facilitates a more managed approach to the Council's need to step in should that arise in the future. Block 3 is a bigger site and building project than Block 4 so it is in the Council's best interests to facilitate progress with that site now. If the trigger for progress on Block 3 is not met the Council has the benefit of the payment of £100,000 from the Developer to help mitigate the financial risks should step in rights require to be invoked.

**Equalities Impact Implications**

4.4 None.

**BACKGROUND DOCUMENTS**:

Farnborough Town Centre Plan showing Block 3 and Block 4

**CONTACT DETAILS**:

**Report Author** - Catriona Herbert Corporate Manager – Legal Services
cherbert@rushmoor.gov.uk – 01252 398616

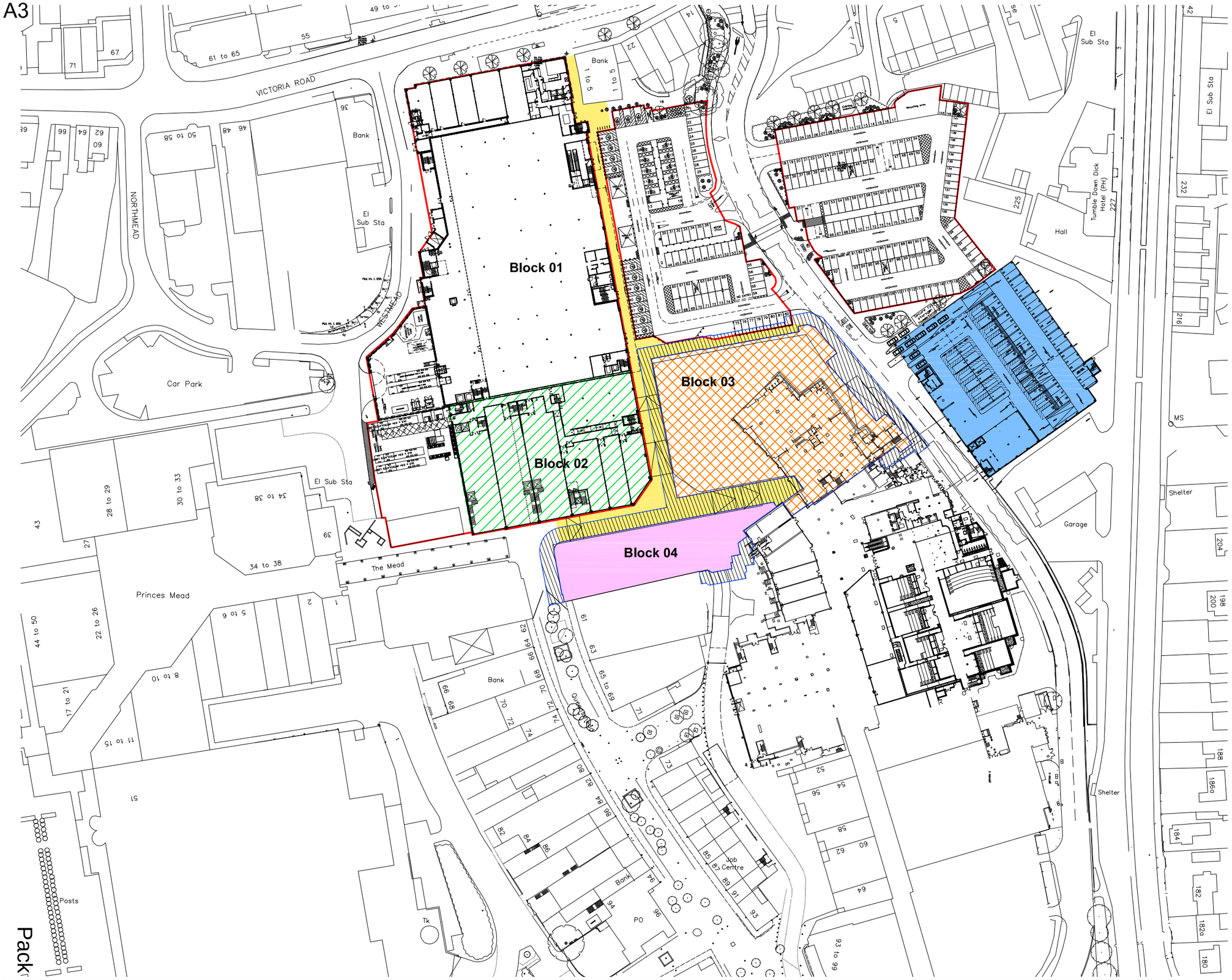
**Head of Service** – Paul Brooks Executive Head of Regeneration and Property – pbrooks@rushmoor.gov.uk – 01252 398544

A3

# 16066 LD-005 APPENDIX 1

g:\2016\2016-066\drawings\ld\16066-ld-005.dwg

Client
ST MODWEN




DRAWING KEY:

- Access Ways serving Block 1, 2 and 3
- Zone of car park deck above Block 2
- Extent of Block 3 Proposal
- Extent of consented Block 4
- Construction zone for Block 3 and 4
- Existing 'The Meads Shopping Centre Car Park'

NOTE:
THIS OVERLAY DRAWING HAS BEEN PRODUCED TRACING SCANNED PAPER COPIES OF TITLE DRAWINGS OR SIMILAR WITH HISTORIC OS MAP INFORMATION, INACCURACIES APPLY ACCORDINGLY.

N
APPROXIMATE NORTH

0 10 50m
Scale 1:1250

© LYONS+SLEEMAN+HOARE Ltd

LYONS+SLEEMAN+HOARE | Architects
Neil Brewery, Cricket Green, Hartley Wintney, Hants RG27 8QA
Tel: 01252 844144 Fax: 01252 844800 Web: www.lsharch.co.uk

| Job Nº/Drg Nº | Rev | Scale | Status | Job |
|---|---|---|---|---|
| 16066 LD-005 | A | 1:1250 | **PRELIMINARY** | FARNBOROUGH BLOCK 3 |
| **Date** | **Director** | **Author** | **Check** | **Drawing** |
| 08/12/2017 | GG | FR | GG | TRANSFER PLAN |

NOTE: All figures are approximate and have been measured and expressed in a manner as defined by the current edition of the RICS/ISVA Code of Measuring Practice. Figures relate to the current stage of the project and any development decisions to be made on the basis of this information should include due allowance for the increases and decreases inherent in the design and building processes. Reproduced from Ordnance Survey mapping under Licence Numbers AR152978 & 100020449

This drawing may be scaled or cross referenced to the scale bar for Planning Application purposes only. Do not scale for any other purpose, use figured dimensions only. Subject to site survey and all necessary consents. All dimensions to be checked by user and any discrepancies, errors or omissions to be reported to the Architect before work commences. This drawing is to be read in conjunction with all other relevant materials.

This page is intentionally left blank

**CABINET**
**28 MAY 2019**

**COUNCILLOR MARTIN TENNANT**
**MAJOR PROJECTS AND PROPERTY PORTFOLIO HOLDER**
**REPORT NO. RP1912**

**KEY DECISION: YES**

# PROPERTY – LEASEHOLD DISPOSAL
# ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET, ALDERSHOT


**SUMMARY AND RECOMMENDATIONS:**

This report seeks authority to grant a new long leasehold interest in Aldershot Town Football Club (ATFC), The EBB Stadium, High Street, Aldershot, GU11 1TW to assist ATFC in regenerating the stadium.

**Recommendations**

That Cabinet:

(i) agrees to the grant of a new 118 year leasehold interest to Love of the Game Limited t/a Aldershot Town Football Club (ATFC); and

(ii) authorises the Executive Head of Regeneration and Property, in consultation with the Major Projects and Property Portfolio Holder, to conclude negotiations for the grant of the new long lease, the rent reserved under the new lease being £1 per annum, to allow the Club to raise funding for redevelopment of the stadium site, subject to the conditions outlined in this report.


## 1. INTRODUCTION

1.1 This report seeks authority to grant a new long leasehold interest to Aldershot Town Football Club to assist the club with re-development of the stadium and ancillary uses on the site. The current stadium opened in 1926 and the stands were constructed between 1927 and 1932 when the club was known as Aldershot; Aldershot Town Football Club was latterly formed in 1992. The ground has an ancillary office and treatment accommodation adjacent to the stadium and a bar at the rear of the site which is used by visiting fans on game days only. It is believed the stands have not received significant repair / redevelopment since their original construction.

1.2 The stadium has a maximum capacity of 7,100 (2,136 seated) The Council is collaborating with ATFC to ascertain the extent of repairs required to ensure compliance with Health & Safety and other statutory regulations.

1.3 ATFC occupies a prominent position on the High Street and lies in close proximity to Aldershot rail station. This transport infrastructure is critical for

supporters travelling to the club and The Council has supported the Club in the past and believes that it should support the club in their ambition to regenerate the stadium for the long term prosperity of the club and the supporters, many of whom are local residents in Aldershot.

1.4 The current lease expires 29 May 2023 (circa four years unexpired) and the current rent reserved is £25,000 per annum. In July 2017 Cabinet approved a grant funding proposal detailing a combination of rent and rate relief from 2016 through to 2021. In the current 2019/2020 financial year, ATFC received 10% rent relief and 80% business rates relief. In 2020/2021, ATFC will receive no rent relief and will continue with 80% rate relief.

1.5 Officers have been engaging with ATFC to find a solution that will ensure the Club's future and contribute to the regeneration of the town centre.

## 2 BACKGROUND

2.1 The stadium opened in 1926. The ground, stands and associated buildings have not changed materially since construction some 90 years ago. The pitch is considered high quality and the club hosts Chelsea FC and various local clubs when not used by the AFTC 1st XI team.

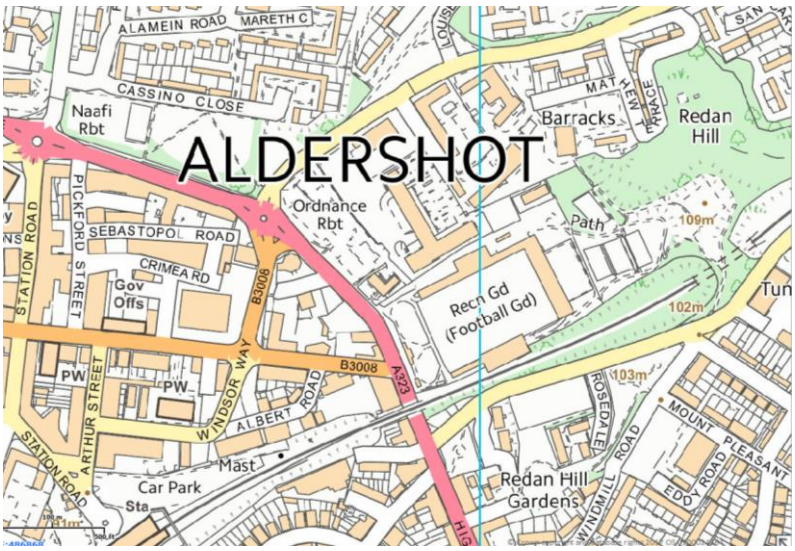
2.2 ATFC has endured a challenging season and at present has been relegated from the Vanarama National League and will play in National League South for the 2019 – 2020 season.

2.3 The existing lease is due to expire 29 May 2023 and as stated above the rent reserved is £25,000 per annum. ATFC has a full repairing liability over the whole site and is faced with a decaying ground with mounting repair obligations.

## 3 DETAILS OF THE PROPOSAL

### *Location*

3.1 The ground occupies a prominent position on High Street, Aldershot, a site plan of the ground is below. Pedestrian and limited vehicular access is off the High Street with ancillary access provided off Ordnance Road via Parsons Barracks.



### *Buildings and site*

3.2 The ATFC current leasehold site comprises a football pitch, four spectator stands, ancillary changing and office building, small car park at the rear and an external food / beverage bar.

3.3 The Council ownership extends beyond the stadium to the east where three dilapidated tennis courts are situated and pedestrian pathways through

woodland allowing access to the reinstated 'Redan Hill' fort. The Council is responsible for this woodland and the fort area has fallen into disrepair and overgrown vegetation prominent across the site. ATFC has used an access for 'Away' fans to access the football stadium through this woodland due to Football Association criteria ensuring Home and Away fans access the site via separate entrances / exits.

3.4 Providing separate access for Home and Away fans is a challenge with no easy solution. The Council is proposing to increase the area contained within the proposed new lease to include three tennis courts and part of the woodland path located at the eastern end of the site. The rear of the site has a natural change in ground level as the path extends to the top of Redan Hill and the site boundary is proposed along this level change. The extra Lease area will allow ATFC the potential to redevelop / expand the area of buildings and in return take on a greater repair/maintenance liability of this site as otherwise there is the potential The Council will inherit a ground with repairing requirements if the club is no longer solvent.

3.5 The stands, as shown in the photograph below, are aged and need considerable investment. A detailed inspection is recommended to ascertain the full extent of refurbishment cost but at present, the responsibility lies with ATFC.

***Lease Implications***

3.7 The football stadium site can be accessed off Ordnance Road (adopted public highway) via an access road adjacent to Parsons Barracks, the majority of this road is owned freehold by Rushmoor Borough Council. However, there is a small section of land adjacent to the ATFC site owned by BT plc and the Council has a long lease of 119 years as a right of access over the land. The Council is proposing to grant ATFC a lease term equivalent to 118 years so that the proposed lease will expire prior to the expiry of the right of access over the BT land.

A copy of this title plan (HP616977) is attached at Appendix 1 showing the access rights granted to the Buddhist Community Centre from point 'A' on Ordnance Road to point 'B' adjacent to the football stadium.

3.8 Under the current lease agreement, ATFC has rights of pedestrian and vehicular access to the site direct from the High Street. ATFC members of staff regularly use the vehicular access off Ordnance Road adjacent to the Parsons Barracks car park site that is an access road, also servicing the Buddhist Community Centre. The existing ATFC lease does not afford a legal right for ATFC to use this access road to access the football stadium site. It is proposed to formalise this agreement as part of the new lease.

3.9 At present the rent payable is £25,000 per annum although ATFC receives rent and business rates rebate funding under a financial package authorised by Cabinet in July 2017. The proposed new lease is subject to conditions including successful grant of planning consent for the proposed development works. Until planning consent is obtained, the existing lease terms and annual rent of £25,000 will remain. If Cabinet grants permission, the new long lease will complete on grant of planning permission and will reserve a rent of £1 per annum, to allow ATFC to raise their own funding to facilitate the redevelopment of the stadium. However, if ATFC does not complete agreed redevelopment plans within 10 years of the grant of the new long lease, then the annual rent will revert to £25,000 subject to review every five years in line with RPI indexation.

3.10 The loss of rent should be seen as the Council's contribution towards the Club and should also be seen against the risk of the site reverting back to The Council with the liabilities associated with this. Negotiations are close to conclusion whereby in exchange for a rent of £1 per annum, ATFC will redevelop the stadium and the terms agreed are on the basis that all benefit / profits derived from development work are recycled back into the football club to assist their continued growth and promotion through the football leagues.

3.11 If in the event ATFC wishes to dispose of an ancillary part of the site which has been developed, officers have negotiated strict Income sharing clauses which would ensure the Council receives a share of any profits made by a disposal.

## 4 IMPLICATIONS

### *Risk review*

4.1 The ability to continue use of the stadium in its current configuration is limited and poses a real risk of the club requiring new premises elsewhere.

4.2 Should discussions for a new long lease cease, there is a strong possibility that the site will revert back to Council responsibility at the end of May 2023. ATFC do have a repairing liability under the existing lease limited by a schedule of condition. In this scenario the site would be handed back in its

current configuration. The Council would then be faced with a financial liability to ensure the site does not fall further into disrepair.

4.3 As this proposal is being considered on its own merits it is therefore not setting a precedent for other sports clubs and there are not implications for other assets within the Council's ownership.

***Legal implications***

4.4 Upon expiry of the existing lease, the following are potential options for the site:
i) ATFC request a new lease which the Council agree to (lease term to be agreed between the parties
ii) ATFC request a new lease. The Council can disagree and take the site back for Council use or redevelopment, if not then a Court would award ATFC a maximum term of 15 years for the new lease
iii) ATFC decide not to renew the lease and the site reverts back to Council ownership / liability. The Council is then faced with a large financial liability to refurbish the stadium, redevelop the whole site or close the site for public access.

4.5 If a new lease of circa 15 years is granted to ATFC, the club would be liable for payment of market rent (currently reserved at £25,000 pa) but it would not allow redevelopment of the stadium as the lease term is not long enough for ATFC to gain planning consent and secure funding for a stadium redevelopment.

***Financial and Resource Implications***

4.6 There is a loss of £25,000 per annum to the Council's asset revenue budget in the event that planning permission is granted and the redevelopment occurs.

4.7 If the site reverts back to Council ownership, the Council will be responsible for securing the site, managing the empty buildings, payment of empty business rates, utility bills, insurance, clearance of all fixtures and fittings.

4.8 In the event that there are windfall profits from the sale of assets RBC would receive a proportion of development profits.

## 5. CONCLUSIONS

5.1 The report above set out benefits and risks associated with this grant of a new long leasehold interest and conclude that it is in the interests of both the Council and ATFC to grant a new long lease on the basis that the benefits of redeveloping the stadium site outweigh the risks of the Council taking ownership of the site long term. The benefits include job creation from the new stadium, fit for purpose premises for the club and prosperity for the club

supporters, which in turn will generate income for various retailers within Aldershot, by encouraging fans to visit the town and stadium.

**5.2** Further work is required to establish refurbishment / redevelopment costs.

**APPENDICES:**

**Appendix 1: Site Access Plan**

**CONTACT DETAILS:**

**Report Author: Glyn Lloyd, Estates Officer, Property Services/ glyn.lloyd@rushmoor.gov.uk/ 01252 398411**

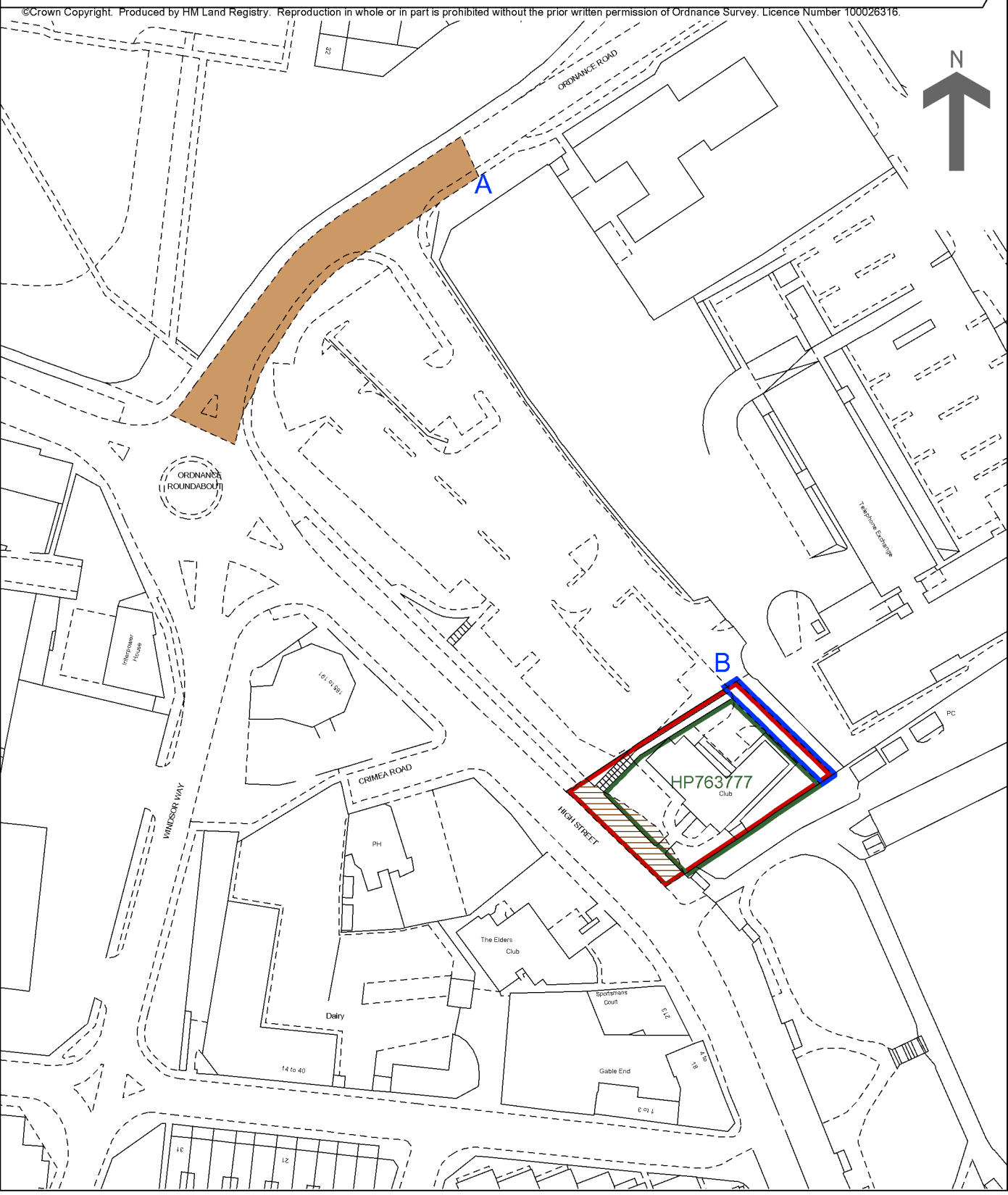
**Head of Service** – Paul Brooks / paul.brooks@rushmoor.gov.uk / 01252 398544

# HM Land Registry
## Current title plan

Title number **HP616977**
Ordnance Survey map reference **SU8650NE**
Scale **1:1250**
Administrative area **Hampshire : Rushmoor**

**APPENDIX 1**

©Crown Copyright. Produced by HM Land Registry. Reproduction in whole or in part is prohibited without the prior written permission of Ordnance Survey. Licence Number 100026316.




**This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 22 March 2019 at 12:24:37. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.**



**This title is dealt with by HM Land Registry, Weymouth Office.**

This page is intentionally left blank

**CABINET**

**COUNCILLOR MARTIN TENNANT**
**MAJOR PROJECTS AND PROPERTY**
**PORTFOLIO HOLDER**

**28TH May 2019**

**REPORT NO. RP1910**

**KEY DECISION YES**

# NO. 168 HIGH STREET, GUILDFORD - ADMINISTRATION OF STEAMER TRADING LIMITED


**SUMMARY:**

This report sets out the background surrounding the administration of the Council's tenant, Steamer Trading Ltd. It details the financial implications of the various options available to Rushmoor Borough Council and recommends a letting to a new tenant for a term of 10 years at £220,000 per annum, following the marketing of the property.

All options considered in this report represent a reduced level of income against the budget, leading to a significant income shortfall in 2019/20 and putting pressure on the MTFS. The report does set out how this will be addressed in the current financial year and over the medium term, largely funded from the improved financial position set out in the General Fund Outturn report to Cabinet.

The recommended option secures the best overall returns to the Council (although below the level of income currently budgeted for), but associated costs will be incurred in order to achieve this outcome.

In total these costs are a total expenditure of £131,000 to secure this lease, and for improvements to a vacant office suite at the rear of the building (£67,000 as capital, £64,000 as revenue).


**RECOMMENDATIONS:**

That Cabinet approves

1. The new letting as set out in this report is agreed with the occupier recommended.
2. A delegation to the Executive Head of regeneration and Property, in consultation with the leader and Portfolio Holder, to deal with the granting, renewing, surrendering, and terminating of leases up to the value of £250,000 for the next 6 months.

## 1. INTRODUCTION

1.1 This report provides an overview of the administration of Steamer Trading Ltd. and a recommendation to let to another party that has made a provisional offer.

## 2. BACKGROUND

2.1 168 High Street, Guildford was purchased by the Council 19th August 2016, for a purchase price of £6.8 Million.

2.2 The purchase was funded by existing capital.

2.3 The property is arranged as a retail unit fronting onto the High Street, and four office suites with car parking accessed from Sydenham Road. Prior to the administration of Steamer Trading Ltd, the retail element represented 73.5% of the rental income.

2.4 Appendix 1 is a location plan of the property.

2.5 Appendix 2 is a schedule of photographs taken 31/1/19 of the retail.

2.6 Steamer Trading Ltd (trading as Steamer Cookshop) operated as a specialty kitchenware retailer. At the time of the purchase, their lease was for a term of 15 years, at a rent of £285,000 per annum, with 5 yearly rent reviews, and no breaks.

2.7 This length of lease was unusually long, with the standard lease length for retail being 5 years.

2.8 Steamer Trading Ltd was placed into administration, and was simultaneously purchased on the 9th January by Procook, who confirmed their intention to close 10 stores. The Council was not made aware of this prior to the announcement of Procook's purchase, nor when the announcement was made public.

2.9 KSA Properties was appointed to market the property in view of the difficulties in reaching an agreement with Procook.

## 3. DETAILS OF THE PROPOSAL

**General**

3.1 Procook initially wished to continue occupation of the property at a reduced rent, and, following negotiations, a new lease was agreed However, Procook has recently changed its mind, at very short notice, and this store is now closed. The administrators are in the process of disclaiming the lease, but the Council is no longer receiving any income.

3.2 To enable the grant of a lease to the new tenant the Council will need to accept a surrender of the Steamer Lease. The administrators are keen to surrender the lease, as it removes a liability.

3.3 Accepting a surrender would mean the Council is unable to lodge a claim against the administrators for the owed rent, but given the company has been in administration since the beginning of January, it's unlikely to have enough items value to pay back the owed rent, and as the letting is time sensitive, It's more valuable to the Council to complete the letting.

3.4 During these negotiations with Procook for a lease on revised terms, the Council put the property on the market to let and has received an offer. Details of this offer are set in Part 2. In summary the offer is from a homeware retailer for a period of 10 years with a break in the 5th year at a rent of £220,000 per annum.

3.5 In order to achieve the letting to the tenant, the Council will be required to undertake items that amount to a total expenditure of £107,000. Part 2 of this report contains further details of this expenditure.

3.6 Similarly, one of the offices at the rear of the building is vacant and requires a minor refurbishment. Appendix 3 is a photographic schedule of the vacant suite.

3.7 Along with general improvements to the offices, this has been estimated at £22,000, with the Council anticipating a rental income of £30,800 per annum. Further details can be found in Part 2 of this report.

## 4. CONCLUSION

4.1 The Council has had to optimise the situation following the administration of Steamer Trading Ltd., and has been able to secure a tenant following marketing.

4.2 In order to secure continuing income on the retail element of the property, and to improve the Council's ability to let the vacant office, and any other office suites that become vacant, it is recommended to proceed with the letting as further detailed in part 2 of this report.

4.3 The Council has found itself in a difficult position, but in this case has been able to identify an alternative tenant.

4.4 There are, unfortunately, costs associated with the new lease that is proposed, and the effect on the Council's budget has been explained within the report.

4.5 Members will be aware that the Council has taken a pro-active approach to commercial property acquisitions and management, and as a result of this approach the Council has to react to the market, hence this report.

4.6 Officers are currently reviewing the constitution and scheme of delegation particularly as a result of the changing environment both commercially, and as a result of the Councils focus on regeneration.

4.7 There are occasions where the Council is required to act quickly and make commercial decisions at pace. This is of particular relevance when dealing with the granting, surrendering, terminating, and renewal of property leases.

4.8 It is therefore proposed as part of this report that Cabinet agrees to delegate to offices in consultation with the Leader and Portfolio Holder the ability to deal with leases up to £250,000 per annum for a time limited period of 6 months whilst the constitution review is completed.

**BACKGROUND DOCUMENTS**

Appendix 1 – Location Plan
Appendix 2 – Photographic Schedule of the Shop
Appendix 3 – Photographic Schedule of vacant office suite

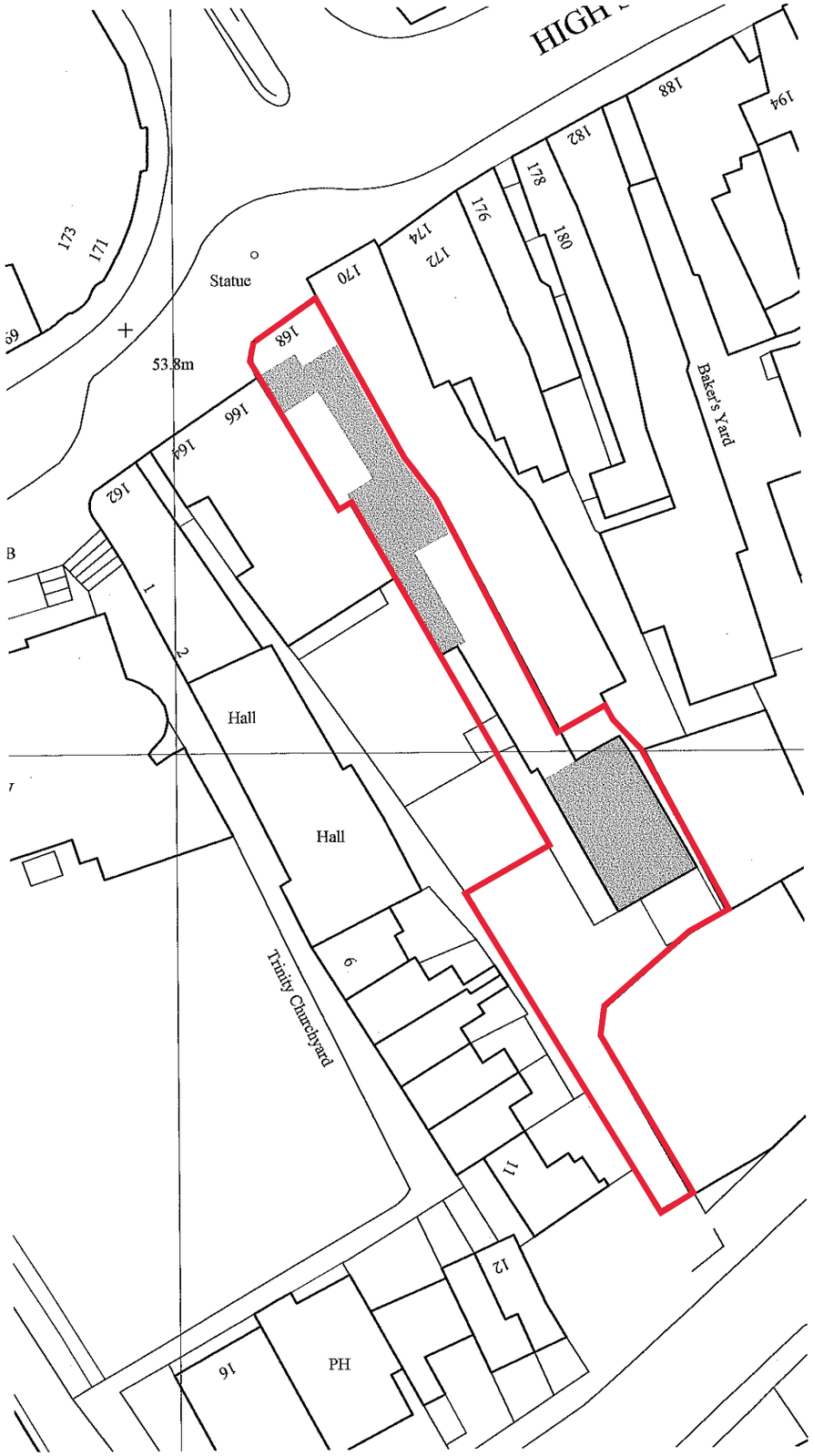
**CONTACT DETAILS:**

**Report Author –**
Andrew Soane,
Surveyor,
Property Services,
andrew.soane@rushmoor.gov.uk
01252 398 753

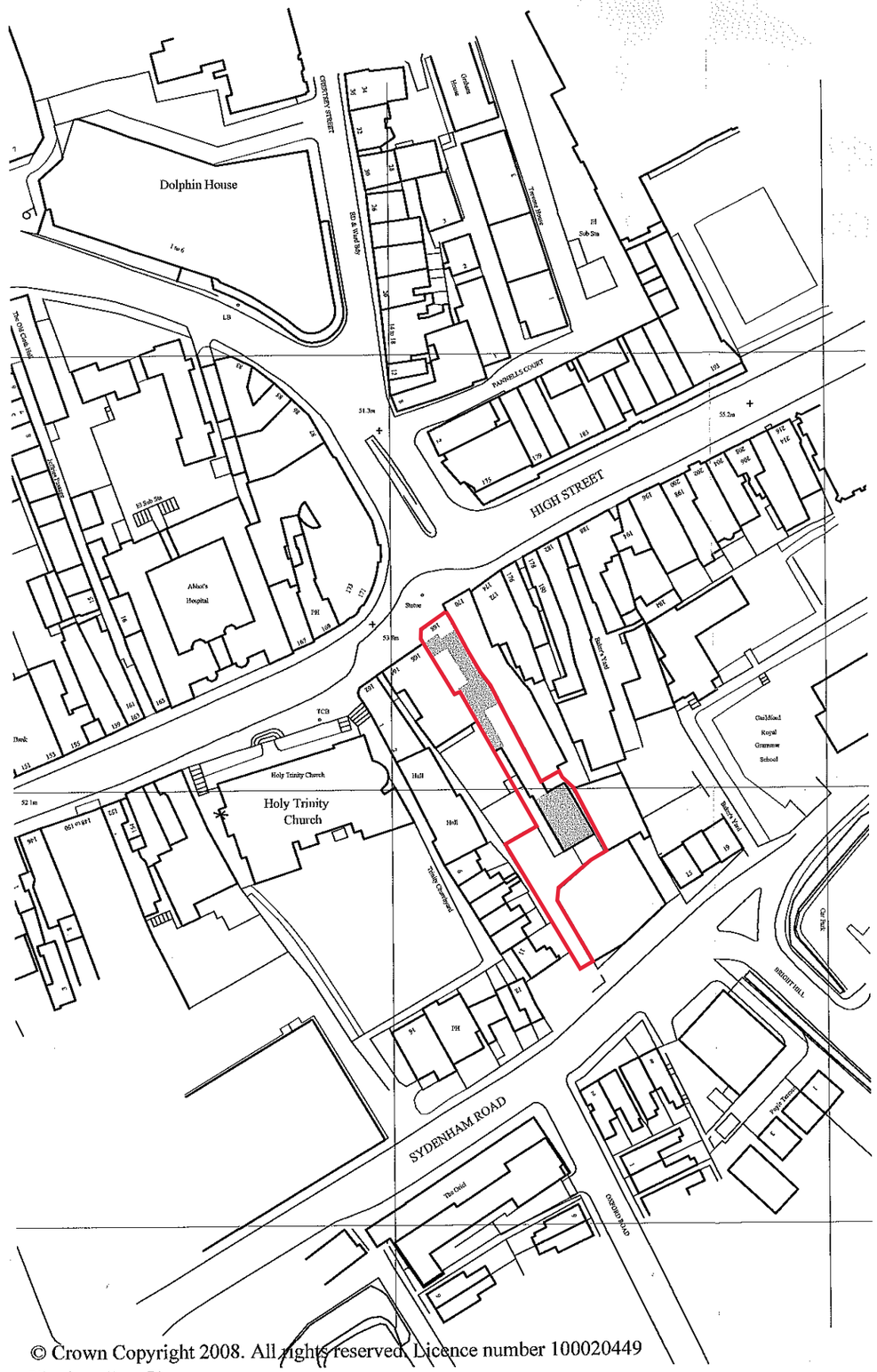
**Head of Service** –
Paul Brooks,
Executive Head of Regeneration and Property,
paul.brooks@rushmoor.gov.uk
01252 398544

# Appendix 1

DO NOT SCALE FROM THIS DRAWING EXCEPT FOR PLANNING PURPOSES. THE CONTRACTOR IS TO CHECK ALL DIMENSIONS AND LEVELS ON SITE BEFORE COMMENCING WORK AND NOTIFY THE ARCHITECT OF ANY DISCREPANCIES.




Block Plan
scale 1:500




© Crown Copyright 2008. All rights reserved. Licence number 100020449

Site Location Plan
scale 1:1250

N

| REV. | DATE | DESCRIPTION |
|---|---|---|

PROJECT

Steamer Trading
168 High Street
Guildford

TITLE

Site Location Plan
Block Plan

JDC
JOHN D CLARKE
EST. 1909
CHARTERED ARCHITECTS

2 West Terrace, Eastbourne, BN21 4QX - Telephone: 01323 411506
admin@jdcarchitects.co.uk www.jdcarchitects.co.uk

| SCALE | DRAWING No. | DRAWN BY |
|---|---|---|
| 1:1250, 1:500 | siteplan EXCH/01 | A.P.D. |
| DATE 18.08.16 | REVISION | Original Paper Size A3 |

# APPENDIX 2

SALE
31.1.2019 16:14

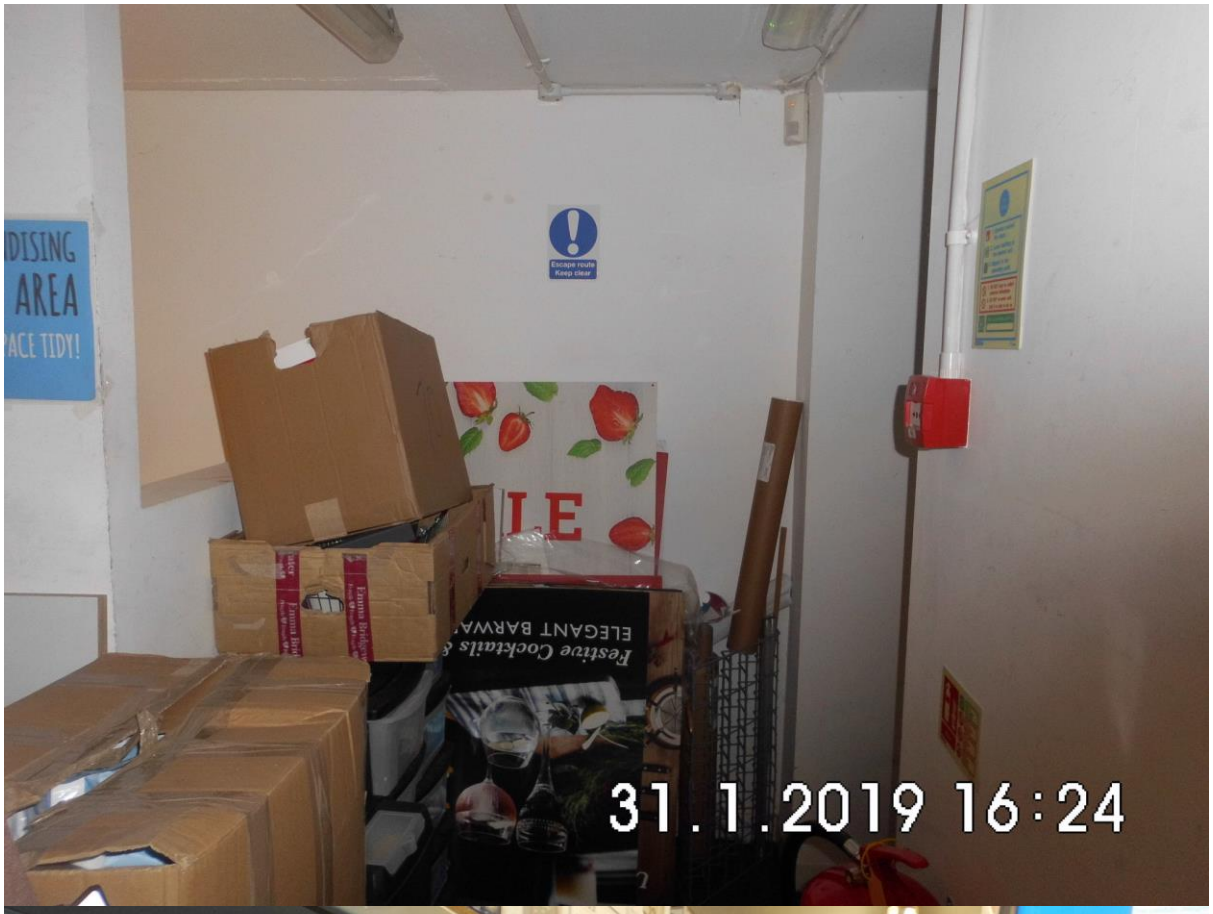
steamer trading cookshop
SALE
31.1.2019 16:14

31.1.2019 16:14

SALE
UP TO
fusion
31.1.2019 16:23

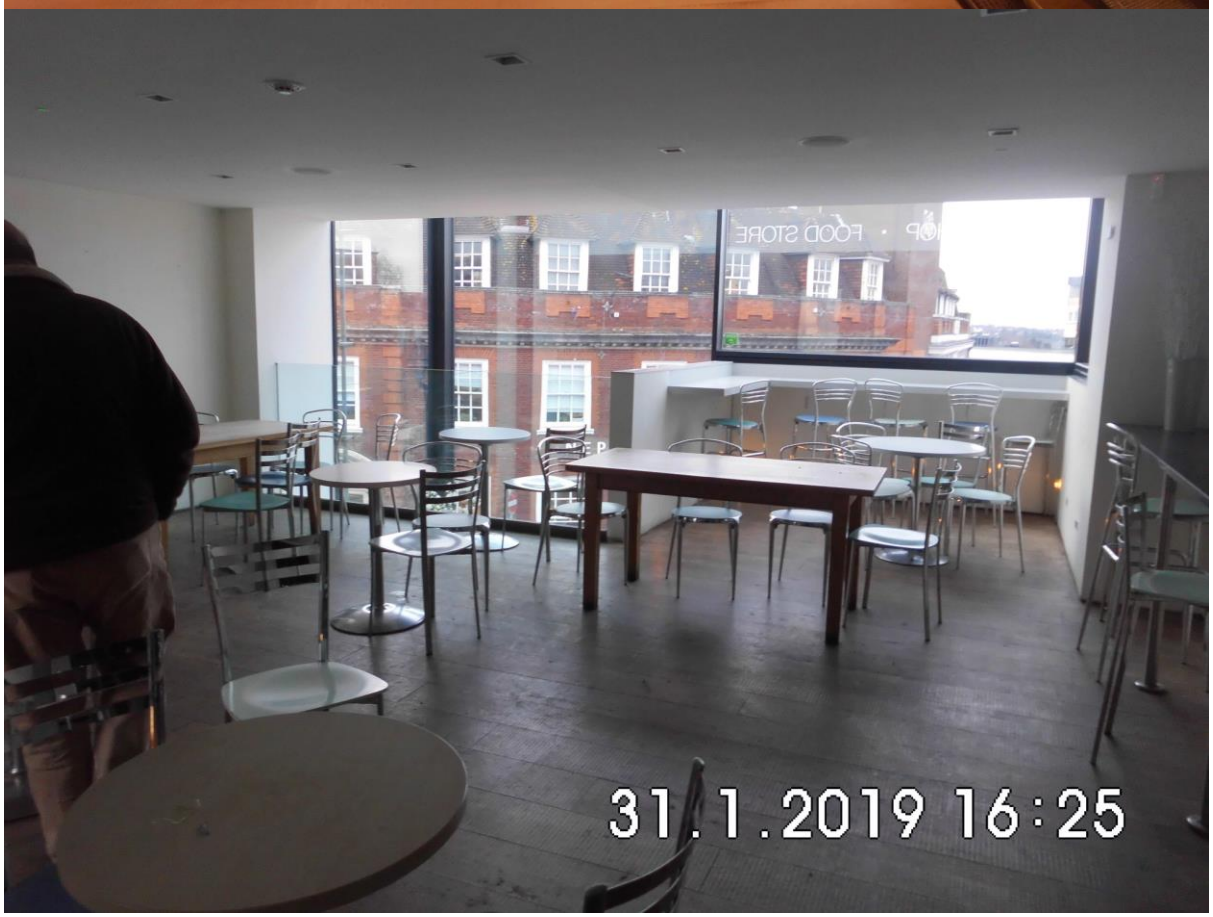
SCANPAN
IMPACT
31.1.2019 16:23

31.1.2019 16:23

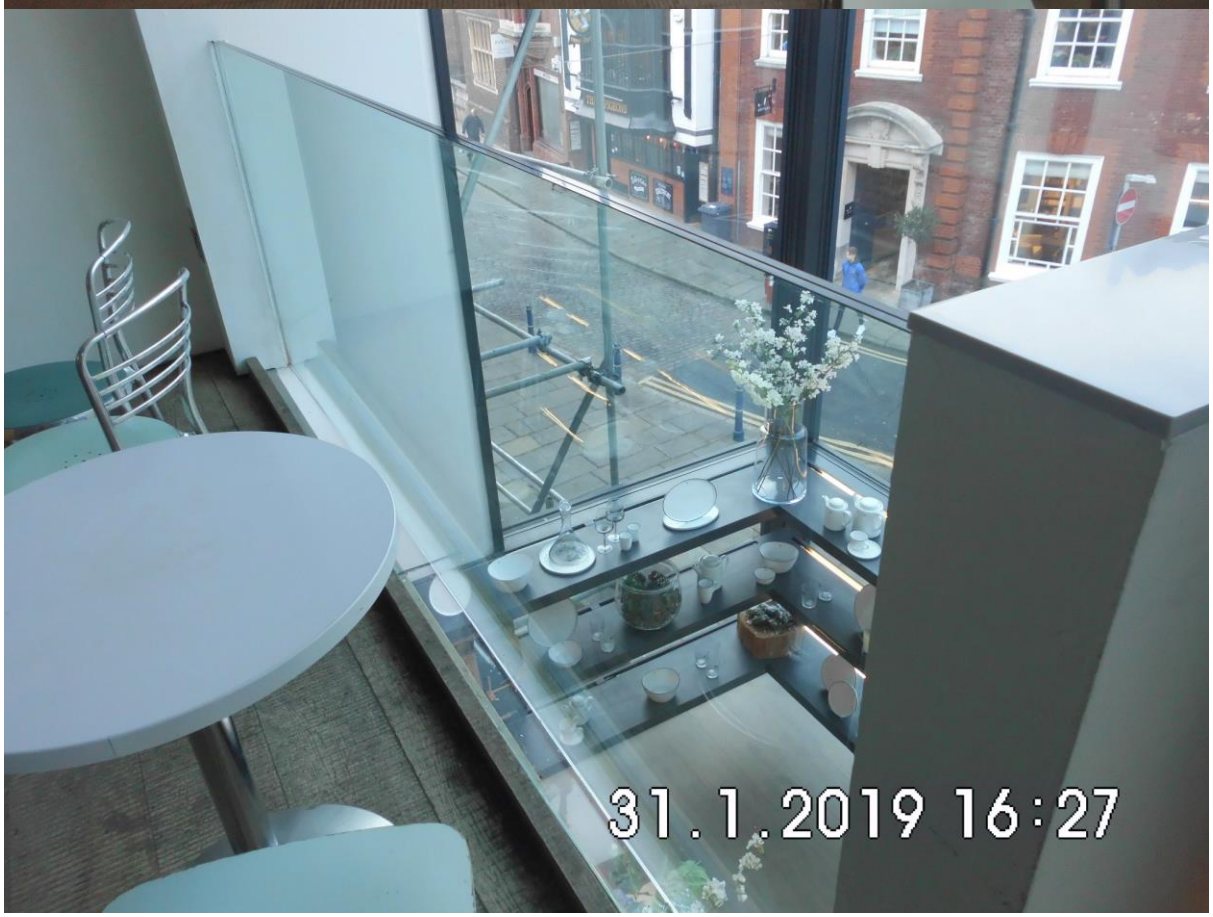

DISING
AREA
ACE TIDY!
Escape route
Keep clear
31.1.2019 16:24

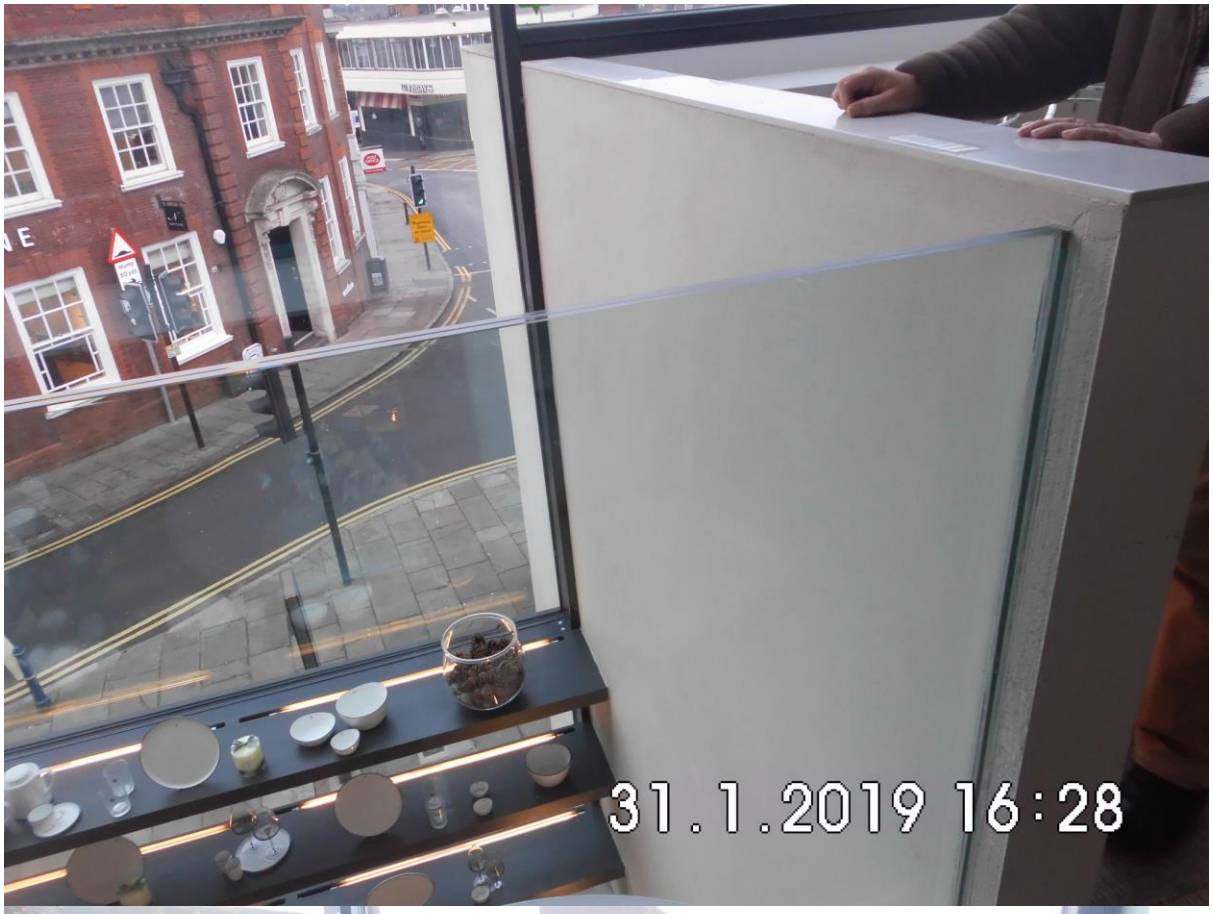
KitchenAid
Sage by heston blumenthal
magimix
KENWOOD
31.1.2019 16:24

SALE
SALE
31.1.2019 16:25


31.1.2019 16:25

31.1.2019 16:26


31.1.2019 16:27


31.1.2019 16:28

31.1.2019 16:29

31.1.2019 16:30

31.1.2019 16:31

31.1.2019 16:32

31.1.2019 16:32

31.1.2019 16:32

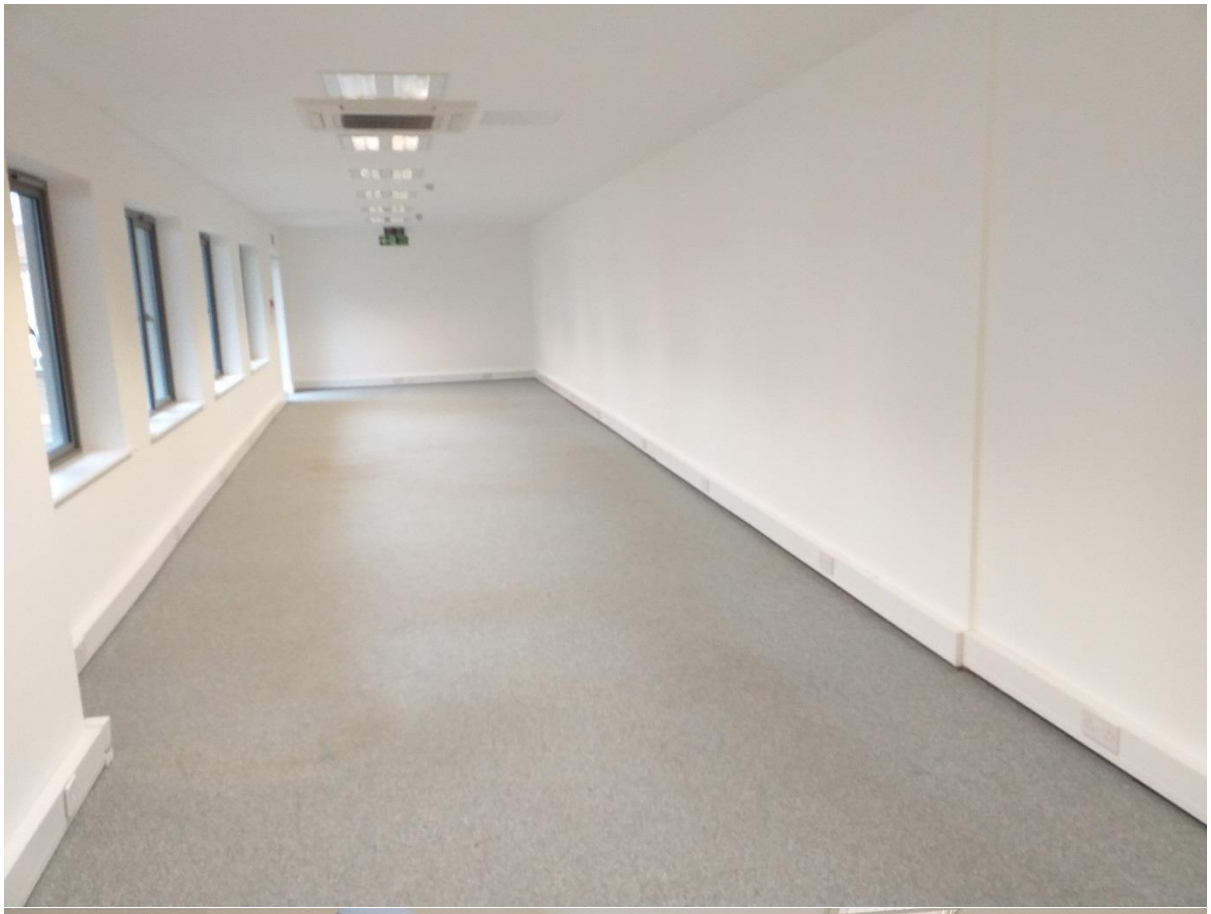
31.1.2019 16:33

Citation
Hand Hygiene
31.1.2019 16:34

31.1.2019 16:34

31.1.2019 16:52

# Appendix 3



This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

**CABINET REPORT**

**COUNCILLOR MARTIN TENNANT**
**MAJOR PROJECTS AND PROPERTY**
**PORTFOLIO HOLDER**

**28 May 2019**

**REPORT NO. RP1909**

**KEY DECISION: YES**

# THE GALLERIES & HIGH STREET MULTI-STOREY CAR PARK, ALDERSHOT REDEVELOPMENT


**SUMMARY AND RECOMMENDATIONS:**

This report provides an update to Members on the Galleries & High Street Multi-Storey Car Park scheme. Members will note that Cabinet has previously delegated approvals to officers to confirm the final agreement with Shaviram Aldershot Limited. However, following conversations at senior management level, it is considered prudent to revert to Cabinet owing to the sensitivity and significance of the development for Aldershot town centre.

It is recommended that, subject to either:

1. confirmation that best consideration under Section 123 of the Local Government Act 1972 can be achieved; or
2. any undervalue being within the £2 million limit set out in the General Consent Order;

Cabinet approves:

i) the disposal of the Council's legal interest in the existing High Street Multi-Storey Car Park, Aldershot and the acquisition of a long lease of a new 250 space car park within The Galleries redevelopment;

ii) the agreement of the final terms being delegated to the Executive Head of Regeneration and Property in consultation with the Major Projects and Property Portfolio Holder.

The final terms of the transaction will include the following documents:

- Housing Infrastructure Funding (HIF) agreement with Homes England for The Galleries project
- Grant funding agreement between The Council and Shaviram Aldershot Ltd
- Agreement for the surrender of the lease of the High Street Multi-Storey Car Park (in accordance with the Heads of Terms at Appendix 2)
- Agreement to lease for a new car park of circa 250 spaces within The Galleries redevelopment (in accordance with the Heads of Terms at Appendix 2)

## 1. INTRODUCTION

1.1 It is recommended that in order to progress The Galleries & High Street Multi-Storey Car Park redevelopment project, which forms part of the overall Regenerating Rushmoor Programme, it is necessary to agree terms for the disposal of the existing car park and the acquisition of a long lease of a car park to be built within the new Galleries redevelopment.

## 2. BACKGROUND

2.1. The Cabinet received report number LEG1616 in December 2016, approving in principle the Council disposing of its interest in the High Street Multi-Storey Car Park to Shaviram Aldershot Ltd to facilitate the redevelopment of The Galleries shopping centre. The car park is in substantial disrepair as set out in previous reports, Essential maintenance has been carried out in the meantime.

2.2. The report approved the transaction subject to:

- Either an independent valuer agreeing that the terms of the agreement provide best value; or a further decision of the Cabinet that any disposal at an undervalue not exceeding £2m will help to secure the improvement of the economic, social or environmental wellbeing of Aldershot
- The Solicitor to the Council agreeing the terms of a development agreement
- The developer meeting the Council's reasonable legal & valuation costs.

2.3. The redevelopment of the former Galleries shopping centre is a key activity in the comprehensive partner co-ordinated approach to addressing the economic and place-making challenges facing the town of Aldershot. It directly addresses the priorities in the Council Plan of 'Sustaining a thriving economy and boosting local business' and 'Supporting and empowering our communities and meeting local needs'.

2.4. The regeneration of Aldershot town centre will only be successful if a number of significant projects are delivered over the next few years. The Regenerating Rushmoor Programme has identified the key schemes, which will achieve this change. The Galleries is a key scheme together with the Rushmoor Development Partnership site on Union Street East, changes to the activity in the Wellington centre, transport and urban realm improvements. The proposed schemes provide a change of emphasis from poor quality, empty retail to mixed use, residential-led projects with active frontage at ground floor, enhanced public realm which will bring a step change to improve how the town looks and feels for residents.

2.5. Current proposals in project development across both The Galleries and Union Street East projects will provide approximately 800 homes, with other smaller projects in the town adding to that number.

2.6. The Council currently owns the freehold of the High Street Multi-Storey Car Park, with Shaviram Aldershot Ltd owning a head lease and the Council a full repairing and insuring under-lease until 2112.

2.7. The design and condition of the car park mean it is not attractive to users and only a limited number of floors are in active use. Following a condition report in 2016, it was identified that a significant capital sum would be needed to carry out remedial building works, which the Council would have to finance. In addition, the lifts serving the car park have been out of commission for a number of years with an estimated replacement cost in 2016 of £450,000.

2.8. The current condition has resulted in around only 300 spaces being available for use. The demand for spaces is variable and there are only a limited number of times of year when the car park is full, usually when free parking is offered in association with major town centre events. A car parking usage report was commissioned for Aldershot Town Centre in 2016, and based on that report, it was considered that re-provision of up to 300 spaces rather than the current capacity of approx. 600 spaces would be appropriate. However, this did not reflect the ongoing reduction in the retail offer in the town and since that time the usage of the existing car park has declined. This has demonstrated that replacing 250 good quality spaces would meet the current requirements. A further report around the future car parking for the town is currently being commissioned as part of the Aldershot Town Centre Strategy project. The results of the car parking study will be known later in the summer of 2019. If it were not for the need to satisfy the Housing Infrastructure Fund (HIF) requirements, it may have been that this decision could be deferred. As there is significant underuse within the High Street Car Park, there is capacity within the proposed new car park to absorb some increased demand.

2.9. The Council have been working with the owners of The Galleries since 2016 to develop proposals which will achieve a step change in town centre regeneration. There have been a significant number of challenges, as with any complex regeneration scheme, which have needed to be resolved before seeking Cabinet approval to proceed. Shaviram Aldershot Ltd has invested significant resources in developing the scheme design, which will be mixed use providing residential, commercial space, enhanced public realm and car parking. The principle matters have now been resolved and the project is at a stage where agreements need to be legally binding. The plan at Appendix 1 identifies the red line of the existing Multi-Storey Car Park and the overall area of The Galleries scheme. The site extends from Wellington Avenue in the north to Victoria Road in the south and will create new frontage to Wellington Street, High Street and Little Wellington Street (the focus of a proposed new public square).

2.10. In 2018 there were three further reports - CD1801 where an additional budget of £10,000 was agreed to meet professional advice associated with the transfer; CEX1804 which supported the public consultation on The Galleries scheme taking place and noted that this and the subsequent submission of the planning application by Shaviram Aldershot Ltd would

include the site of the Council owned High Street Multi-Storey Car Park and take place in advance of the legal agreements being finalised; and CD1802 which covered the implications of the successful HIF funding and Cabinet resolved that:

- The implications for the Council and the terms and conditions of the Housing Infrastructure Fund be noted and accepted;
- The Head of Financial Services be authorised to enter into any funding agreement associated with the HIF marginal viability Gap Fund grant;
- The Solicitor to the Council be authorised to enter into and agree the terms of:
    - 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);
    - 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
    - The future financial implications associated with entering into a new long lease arrangement for a new public car park be noted.

2.11. The project has significant infrastructure costs and the Council has been able to secure a £3.4m grant from Homes England to support some of these costs, but as with any funding, the conditions require the project to deliver to a tight timetable. This requires an early resolution of the car parking provision for The Galleries scheme.

2.12. In order to progress this important regeneration project, the proposed agreement will see the Council surrender its legal interest in the failing High Street Multi-Storey Car Park and receive a long lease of circa 250 dedicated parking spaces in the redevelopment, which will be located within the footprint of the existing shopping centre.

## 3. DETAIL

3.1. The Heads of Terms (at Exempt Appendix 2 of this report) have been agreed with Shaviram Aldershot Ltd. The terms lay out the legal framework for the transaction and will form the basis of a developer agreement between the two parties.

3.2. The project timetable has a number of key milestones, and the headline timetable is set out below:

| Activity | Target date |
|---|---|
| Pre- application discussions | April/May19 |
| Conditional documents signed | May 19 |
| Pre-application consultation | May/June 19 |
| Planning application submission | June 19 |
| Planning decision | Sept/Oct 19 |
| Sewer diversion commence | Jan 20 |
| Infrastructure completed | Dec 20 |
| Housing construction commences on site | Jan 21 |

3.3. The timetable is being driven by the Homes England grant funding, the timing of which is not flexible. Further details will be confirmed with the developer once the detailed timetable is certain. This will not be agreed unless the Council is comfortable that there is sufficient alternative car parking available so as not to affect the viability of the town centre in the interim period and that the development plans for Union Street East are not detrimentally affected.

3.4. The Council has commissioned an independent valuation of both the existing car park with its complex freehold and leasehold ownership arrangements and property condition, and a valuation of the proposed new car park. The report will consider whether the transfer would comply with the Council's obligations to achieve the "best consideration reasonably obtainable" under Section 123 of the Local Government Act 1972, and if not, to confirm if any 'undervalue' is within the £2 million limit set out in the General Consent Order.

3.5. The Council will need to satisfy itself that this transaction provides best value or the disposal at an undervalue not exceeding £2m will help to secure the improvement of the economic, social or environmental wellbeing of Aldershot. Advice provided by GVA in August 2017 set out that the principles of the proposals were deemed to be appropriate, and if accepted, the Council would be complying with their obligations to achieve best consideration on the basis that the Council's expected net revenue from the new car park would be equal to, or greater than the existing car park and the value of the new car park would be expected to be equal to, or greater than the value of the Council's existing underlease given that the Council would be absolved of the high repair liability enforceable under the terms of the underlease on the current asset. It is not anticipated that an undervalue will exceed the £2 million limit.

3.6. In addition to the property transaction that exchanges the car parks, as noted above, the Council has been successful in securing £3.4m Housing Infrastructure Fund for this project from Homes England, which will assist in meeting the costs of a surface water sewer diversion and Suitable Alternative Natural Greenspace (SANG) contributions. A grant agreement between Shaviram Aldershot Ltd and the Council will bind the developer to meet the grant conditions.

3.7. These funds are conditional on milestones being achieved in 2019/20, and the Council is required to enter into a grant funding agreement with Homes England. There are a number of pre-drawdown conditions which will be completed prior to any drawdown of grant, covering a range of due-diligence matters including "Know your Customer". The financial and company structure of Shaviram UK Ltd. matter has already been satisfactorily considered by both the Council's Head of Finance in 2018 and Homes England and will be revisited again by the lawyers acting for the Council prior to entering into any agreement.

3.8. It is proposed that the Council will enter into an agreement with Shaviram Aldershot Ltd that will mirror the conditions in the Homes England Agreement. The agreement will include conditions which will need to be cleared before the grant can be drawn down.

3.9. The works must be completed within a defined timetable and the housing construction must commence on site by 31st March 2021.

## 4. IMPLICATIONS

### Risks

4.1. There are a number of inherent risks in any development, and the proposed arrangements have been structured to mitigate the risks to the Council but to maintain some control over the delivery to the agreed grant milestones.

4.2. To mitigate against the loss of the existing car park/income to the Council, the heads of terms set out that either the replacement car parking be provided prior to the surrender of the existing car park or if agreed by the Council a security bond in the form of an escrow account in favour of the Council be provided to ensure delivery. In respect of the latter option, it is unlikely that the Council would agree to this but it has been included should the need arise and is at the Council's discretion.

4.3. The agreement will provide for the Council to terminate the agreement if the work has not commenced on site within an agreed timetable.

4.4. The agreement will provide for the Council to instigate 'step-in rights' if the scheme is stalled once it has commenced on site

4.5. All conditions from the Homes England grant to be mirrored in the grant agreement between the Council and Shaviram Aldershot Ltd.

4.6. The availability of a suitable SANGS allocation at the appropriate time during the planning process is identified as a risk on the project risk register and will need to be managed in order to ensure that there is sufficient SANG available at the time of the application later in 2019.

### Legal Implications

4.7. There are several matters that have had to be considered in order to ensure compliance from both a State Aid position and OJEU procurement regulations. The structure of the transaction has been developed to be compliant and will be confirmed again prior to the exchange of documents.

### Financial and Resource Implications

4.8. The legal and surveying costs of the Council for this transaction will be met by Shaviram Aldershot Ltd.

4.9. Specific VAT advice has been sought from the Councils retained VAT advisors to ensure that the Council de minimus VAT position is not adversely affected.

4.10. It is likely that the car parking income to the Council will increase in respect of the new car park when compared to the existing High Street Car Park.

**Equalities Impact Implications**

4.11. There are no additional equalities impact implications arising from this report.

## 5. CONCLUSION

5.1. Cabinet is requested to note the progress achieved to deliver the Regenerating Rushmoor Programme. There is a very tight timetable to meet in order to secure the Homes England grant funding and for Shaviram Aldershot Ltd to plan and deliver the public consultation prior to the submission of the planning application in June 2019. This report recommends delegation to the Executive Head of Regeneration and Property in consultation with the Major Projects and Property Portfolio Holder to approve the final detailed terms of the transactions in line with the Heads of Terms, valuation and framework set out in this report.

**Appendix 1**
Site Boundary

**Appendix 2 (Exempt – commercially confidential)**
Draft Heads of Terms between Rushmoor Borough Council and Shaviram Aldershot Limited

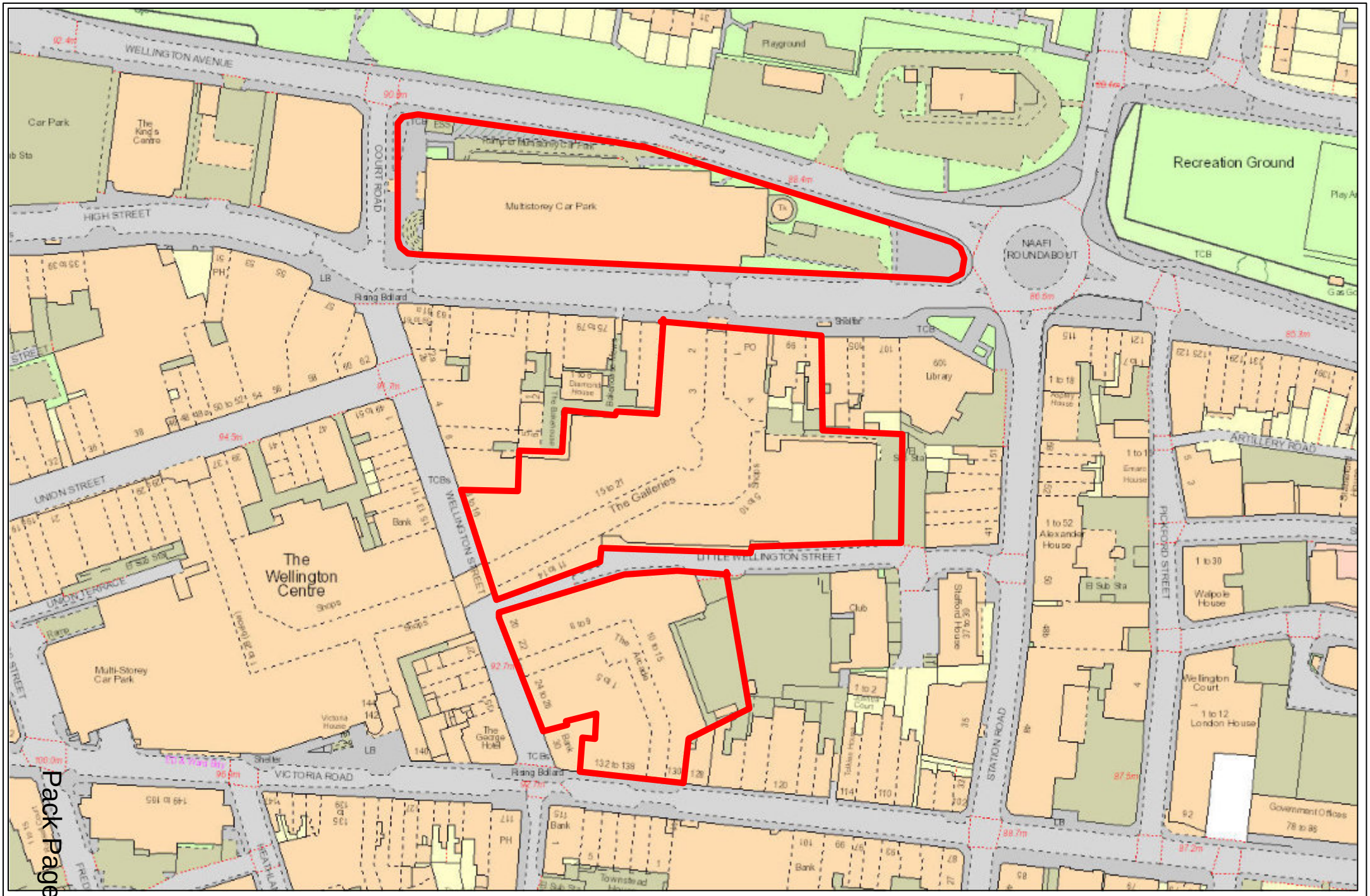
**Background documents:**

Cabinet report – 13 December 2016 LEG1616
Cabinet report – 9 January 2018 CD1801
Cabinet report – 29 May 2018 CD1802
Cabinet report – 21 August 2018 CEX1804
Development Viability – Proposal for disposal: High Street Multi-Storey Car Park, Aldershot (GVA, August 2017)

**Contact details:**

**Regeneration Delivery Manager**
Nick Irvine nick.irvine@rushmoor.gov.uk 01252 398739

**Executive Head of Regeneration and Property**
Paul Brooks paul.brooks@rushmoor.gov.uk 01252 398544




# Appendix 1 - Site Boundary

© 2019 Rushmoor Borough Council
© Crown copyright and database rights 2013 Ordnance Survey 100024264

Date: 19/03/2019
Created using M:app

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank