



BOROUGH OF RUSHMOOR

To the Mayor and Members of the Council,

YOU ARE HEREBY SUMMONED to attend a Meeting of the Council to be held at the Council Offices, Farnborough on **Thursday, 21st February, 2019 at 7.00 pm** for the transaction of the business set out on the Agenda given below.

A G E N D A

1. **MINUTES**

To confirm the Minutes of the Ordinary Meeting of the Council held on 6th December 2018 (copy Minutes attached).

2. **MAYOR'S ANNOUNCEMENTS**

3. **STANDING ORDER 8 - QUESTIONS**

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

4. **NOTICE OF MOTION - VIOLENCE AT WORK**

To consider the following Notice of Motion, which has been submitted by Cr. K. Dibble pursuant to Standing Order 9 (1):

“Rushmoor Borough Council recognises its staff is its greatest resource, and, as a good employer, must ensure all staff feel safe and secure in their place of work. We therefore call on the Council to sign up to Unison’s *Violence at Work Charter*.”

5. **MAYOR-ELECT AND DEPUTY MAYOR-ELECT 2019/20**

At its meeting on 28th January, 2019, the Licensing, Audit and General Purposes Committee considered the nominations for Mayor-Elect and the Deputy Mayor-Elect for 2019/20 and made the following recommendations:

- (i) That Cr. Sue Carter be selected as Mayor-Elect for the Municipal Year 2019/20; and
- (ii) That Cr. Peter Frank Rust be selected as Deputy Mayor-Elect for the Municipal Year 2019/20.

6. **RECOMMENDATIONS OF THE CABINET AND COMMITTEES**

To consider the recommendations of the Cabinet in relation to the following items:

(1) **Revenue Budget, Capital Programme, Council Tax Level and Council Tax Support Scheme 2019/20**

To receive a report from the Cabinet (copy attached – Annex 1), which recommends the approval of the Revenue Budget, Capital Programme, Council Tax Level and Council Tax Support Scheme for 2019/20. The Leader of the Council (Cr. D.E. Clifford) will introduce this item.

(2) **Annual Capital Strategy 2019/20**

To receive a report from the Cabinet (copy attached – Annex 2) which recommends the approval of the Council’s Capital Strategy for 2019/20. The Portfolio Holder for Corporate and Democratic Services (Cr. G.B. Lyon) will introduce this item.

(3) **Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2019/20**

To receive a report from the Cabinet (copy attached – Annex 3), which recommends the approval of the Treasury Management Strategy 2019/20, Non-Treasury Investment Strategy 2019/20 and the Minimum Revenue Provision Statement. The Portfolio Holder for Corporate and Democratic Services (Cr. G.B. Lyon) will introduce this item.

(4) **Council Tax Empty Property Premium Charge 2019/20 and Council Tax Discount - Properties Undergoing Major Repair or Structural Alteration**

To receive a report from the Cabinet (copy attached – Annex 4), which proposes an increase in the Empty Property Premium Charge. The Portfolio Holder for Corporate and Democratic Services (Cr. G.B. Lyon) will introduce this item.

(5) Adoption of the Rushmoor Local Plan

To receive a report from the Cabinet (copy attached – Annex 5), which recommends the adoption of the Rushmoor Local Plan. The Portfolio Holder for Planning and Economy (Cr. Barbara Hurst) will introduce this item.

7. THE COUNCIL TAX 2019/20

To fix the level of Council Tax for the financial year 2019/20 taking into account precepts of Hampshire County Council, the Police and Crime Commissioner for Hampshire and Hampshire Fire and Rescue Authority. (A copy of the appropriate draft resolution is attached – Annex 6)

8. QUESTIONS FOR THE CABINET

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

9. REPORTS OF CABINET AND COMMITTEES

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

Cabinet

11th December, 2018
8th January, 2019
5th February, 2019

Committees

Licensing, Audit and General Purposes	26th November, 2018
Development Management	5th December, 2018
Development Management	16th January, 2019
Licensing, Audit and General Purposes	28th January, 2019

10. REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE AND POLICY AND PROJECT ADVISORY BOARD

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

Overview and Scrutiny Committee	13th December, 2018
Policy and Project Advisory Board	23rd January, 2019
Overview and Scrutiny Committee	31st January, 2019

A.E. COLVER
Head of Democracy, Strategy and Partnerships

Council Offices
Farnborough
Hampshire GU14 7JU

Wednesday 13 February 2019

BOROUGH OF RUSHMOOR

MEETING OF THE BOROUGH COUNCIL held at the Council Chamber, Council Offices, Farnborough on Thursday, 6th December, 2018 at 7.00 pm.

The Worshipful The Mayor (Cllr S.J. Masterson (Chairman))
The Deputy Mayor (Cllr Sue Carter (Vice-Chairman))

Cllr Mrs. D.B. Bedford

Cllr J.B. Canty

Cllr Sophia Choudhary

Cllr D.E. Clifford

Cllr Liz Corps

Cllr P.I.C. Crerar

Cllr Sue Dibble

Cllr Veronica Graham-Green

Cllr A.J. Halstead

Cllr B. Jones

Cllr Marina Munro

Cllr M.J. Roberts

Cllr M.L. Sheehan

Cllr P.G. Taylor

Cllr B.A. Thomas

Cllr D.M.T. Bell

Cllr M.S. Choudhary

Cllr A.K. Chowdhury

Cllr R.M. Cooper

Cllr A.H. Crawford

Cllr K. Dibble

Cllr Jennifer Evans

Cllr C.P. Grattan

Cllr Barbara Hurst

Cllr J.H. Marsh

Cllr A.R. Newell

Cllr P.F. Rust

Cllr M.D. Smith

Cllr M.J. Tennant

Cllr J.E. Woolley

Honorary Alderman C. Balchin
Honorary Alderman R.J.Kimber

Apologies for absence were submitted on behalf of Cllr T.D. Bridgeman, Cllr R.L.G. Dibbs, Cllr G.B. Lyon, Cllr Mara Makunura, Cllr Nadia Martin, Cllr K.H. Muschamp and Cllr Jacqui Vosper.

Before the meeting was opened, the Mayor's Chaplain, the Reverend Steve Stewart, led the meeting in prayers.

85. MINUTES

It was **MOVED** by Cllr Barbara Hurst; **SECONDED** by Cllr M.J. Tennant and

RESOLVED: That the Minutes of the Ordinary meeting of the Council held on 4th October, 2018 (having been circulated previously) be taken as read, approved and signed as a correct record.

86. MAYOR'S ANNOUNCEMENTS

- (1) The Mayor reported that he had attended the official opening of the Cambridge Primary School on 18th October, 2018, where Lady Portal, representing the Lord-Lieutenant of Hampshire, had unveiled a plaque.

- (2) The Mayor advised that he had attended the Rushmoor Rose Bowl on 20th and 21st October, 2018 at the Gymnastics Centre in Aldershot, where teams from Switzerland, Spain, Holland and Canada took part.
- (3) The Mayor had also attended a number of events to mark the centenary of the end of the First World War, including:
 - The Opening ceremony of the Peace Garden in Manor Park, Aldershot
 - The “Aftermath 1918 – Hampshire at War” presentation at the Council Offices
 - The Silent Vigil in the Municipal Gardens, Aldershot
 - The beacon lighting event in front of Wellington Statue, as part of the national “Beacons of Light” scheme

On 11th November, 2018, the Mayor and the Deputy Mayor had attended Remembrance Day services around the Borough, which had also been well attended by Members.

- (4) The Mayor reported that he had attended the annual RVS Volunteer recognition event on 14th November, 2018.
- (5) The Mayor reported that the Christmas Afternoon Tea Party on 30th November, 2018 had been a great success, with over £732 raised for the Mayor’s charities. The Mayor expressed thanks to all those who supported the event and, in particular, thanked Cllr Jennifer Evans, Sue Glover and Hazel Masterson for baking cakes for the event.
- (6) The Mayor referred to forthcoming events, including a charity quiz on 25th January, 2019 and the Mayor’s Charity Banquet and Ball on Friday 8th March, 2019 at the Princes Hall, Aldershot.
- (7) The Mayor reported on the Community Carol Service, Fireworks and Christmas Market, held at the Cathedral Church of St Michael and St George and the Garrison Church of St Andrews, on 5th December, 2018. In spite of the weather, the services had been well attended.
- (8) The Mayor thanked all Members that had decided to donate money to his chosen charities rather than send Christmas cards.

87. **STANDING ORDER 8 - QUESTIONS**

The Mayor reported that no questions had been submitted under Standing Order 8 (3).

88. NOTICE OF MOTION - HOUSING ASSOCIATION PERFORMANCE

The Council was asked to consider a Motion which had been submitted by Cllr A.J. Halstead in accordance with the provisions of Standing Order 9 (1). It was MOVED by Cllr A.J. Halstead; SECONDED by Cllr K. Dibble – That

“This Council:

- Notes multiple reports of Housing Associations in Rushmoor failing to respond to emails, thereby impeding deaf and hearing impaired residents from communicating with their landlord;
- Notes that local authorities have limited powers to deal with poor performance by Housing Associations.

This Council therefore resolves:

- To write to the Secretary of State to request additional powers to sanction Housing Associations, including but not limited to fines and in extreme cases confiscation of housing”.

Speaking in support of his Motion, Cllr Halstead stated that people had experienced difficulty in getting a response from various Housing Associations in the Rushmoor area. These problems were magnified for anyone with a hearing impairment, where communication was already more difficult. Cllr Halstead knew personally of people who had tried to sort various issues with Housing Associations, including essential repairs and maintenance, without success. Cllr Halstead had himself sent test emails and letters to the Housing Associations and had experienced delays in receiving replies to emails and had not received a reply to a letter at all. It was his opinion that cost cutting and reorganisations had been major factors in the reduction in the level of service received by residents. He also noted that the Housing Association regulator was now less effective than once was the case.

During discussion, reference was made to the Council’s Registered Providers Task and Finish Group, which had been set up by the Overview and Scrutiny Committee to review the performance of Registered Providers in the Borough. It was recommended that Members should raise any problems experienced with Housing Associations through that Group in the first instance. This would allow the Group to collate the issues encountered and investigate these. It was acknowledged that problems had been experienced with the Borough’s largest housing provider, VIVID. The Registered Providers Task and Finish Group had intervened and this had led to an improvement in performance. Problems had been encountered by some Members in relation to other Housing Associations, including A2Dominion, and a commitment to drive up the performance of Housing Associations operating in the Borough was broadly supported.

In seconding the Motion, Cllr Dibble referred to the problems that had been experienced with VIVID and confirmed that, in supporting the Motion, no criticism was intended of either Rushmoor Members or Council staff. It was his contention that the measures referred to in the Motion were required to enable the Council to

successfully drive up the performance of Housing Associations operating in the Borough.

In summing up, Cllr Halstead acknowledged that some improvements had been seen but that these had not been enough to ensure a satisfactory service was being received by Rushmoor residents. He would contact Cllr Bedford, as Chairman of the Registered Providers Task and Finish Group, to provide details of the ongoing issues.

On a Recorded Vote there voted FOR: Cllrs D.M.T. Bell, A.K. Chowdhury, A.H. Crawford, K. Dibble, Sue Dibble, Jennifer Evans, C.P. Grattan, A.J. Halstead, B. Jones, M.J. Roberts and P.F. Rust (11); AGAINST: Cllrs Mrs. D.B. Bedford, J.B. Canty, M.S. Choudhary, Sophia Choudhary, D.E. Clifford, R.M. Cooper, Liz Corps, P.I.C. Crerar, Veronica Graham-Green, Barbara Hurst, J.H. Marsh, Marina Munro, A.R. Newell, M.L. Sheehan, M.D. Smith, P.G. Taylor, M.J. Tennant, B.A. Thomas and J.E. Woolley (19); and, ABSTAINED: the Mayor (Cllr S.J. Masterson) and the Deputy Mayor (Cllr Sue Carter) (2) and the Motion was **DECLARED LOST**.

89. **RECOMMENDATIONS OF THE CABINET AND COMMITTEES**

a) **Proposed Adoption of Post-Consultation Licensing Policy**

The Operational Services Portfolio Holder (Cllr M.L. Sheehan) introduced the Report of the Cabinet which recommended the adoption of the revised Statement of Licensing Policy 2018. It was MOVED by Cllr M.L. Sheehan; SECONDED by Cllr Barbara Hurst – That approval be given to the revised Statement of Licensing Policy 2018, as set out in the Report.

There voted FOR: 19; AGAINST: 0 and the Recommendations were **DECLARED CARRIED**.

b) **International Cultural and Business Links**

The Leader of the Council (Cllr D.E. Clifford) introduced the Report of the Cabinet which provided an overview of the background to town twinning and recommended the establishment of new international cultural and links.

It was MOVED by Cllr D.E. Clifford; SECONDED by Cllr Veronica Graham-Green – That

(i) the establishment of cultural and business links with the following places be approved:

- Gorkha Municipality, Nepal
- Rzeszow, Poland
- Dayton, Ohio, United States; and

(ii) the Chief Executive and the Head of Democracy, Strategy and Partnerships, in consultation with the Leader of the Council, be authorised to make the necessary arrangements to establish the formal links.

During discussion, Cllr K. Dibble spoke of his reservations regarding the lack of clarity and detail in relation to the proposals. It was **MOVED** by Cllr K. Dibble; **SECONDED** by Cllr Jennifer Evans - That the proposals should be referred to the Overview and Scrutiny Committee for scrutiny.

Following debate, the Motion was put to the Meeting. There voted **FOR**: 11; **AGAINST**: 19 and the Motion to refer to the Overview and Scrutiny Committee was **DECLARED LOST**.

The Council then voted on the original Recommendations. There voted **FOR**: 27; **AGAINST**: 0 and the Recommendations were **DECLARED CARRIED**.

90. **QUESTIONS FOR THE CABINET**

The Mayor reported that no questions had been submitted for the Cabinet.

91. **REPORTS OF CABINET AND COMMITTEES**

(1) **Cabinet**

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

RESOLVED: That the Reports of the Meetings of the Cabinet held on 16th October and 13th November, 2018 be received.

(2) **Licensing, Audit and General Purposes Committee**

It was **MOVED** by Cllr J.E. Woolley; **SECONDED** by Cllr M.D. Smith and

RESOLVED: That the Report of the Meeting of the Licensing, Audit and General Purposes Committee held on 24th September, 2018 be received.

(3) **Development Management Committee**

It was **MOVED** by Cllr B.A. Thomas; **SECONDED** by Cllr J.H. Marsh and

RESOLVED: That the Reports of the Meetings of the Development Management Committee held on 10th October, 2018 and 7th November, 2018 be received.

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

RESOLVED: That the Reports of the undermentioned meetings of the Overview and Scrutiny Committee and Policy and Project Advisory Board be received:

Meeting	Date
Overview and Scrutiny Committee	1st November, 2018
Policy and Project Advisory Board	21st November, 2018

The meeting closed at 8.46 pm.

COUNCIL MEETING – 21ST FEBRUARY 2019**AGENDA ITEM NO. 6 (1)****REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL,
COUNCIL TAX SUPPORT SCHEME 2019/20**

A report from the meeting of Cabinet on the 5th February 2019.

1 INTRODUCTION

- 1.1 Cabinet approved the budget framework and Medium Term Financial Strategy 2019-22 on 16 October 2018 (Report No: FIN1829).
- 1.2 On 05 February 2019, Cabinet considered report FIN1909 and agreed recommendations on the budget and Council Tax requirement for 2019/20, subject to any amendments in the final Local Government Finance Settlement, or the operation of the collection fund, particularly in respect of the Business Rates Retention Scheme. Any changes associated with the delegation arrangements (which were agreed at Council on the 20th January 2014), or the final settlement figures, would be made by the Executive Head of Finance, in consultation with the Leader of the Council and the portfolio holder for Corporate and Democratic Services.
- 1.3 Final estimates for business rates were completed on 31 January 2019 and the Local Government Finance Settlement was approved in Parliament on the 05 February 2019. There are no changes to the overall estimates for Business Rates, or to the Settlement figures, from those previously reported to Cabinet.
- 1.4 The estimated General Fund balance at the close of 2019/20 of £2.0m therefore remains as previously approved by Cabinet for recommendation to Council.
- 1.5 Cabinet also considered report ED1902 on the Council Tax Support Scheme for 2019/20 and recommended to Council that the current 12% minimum contribution (88% discount) for those of working age be retained for 2019/20;

2 OVERVIEW OF THE BUDGET REPORT

- 2.1 The Council's medium term financial forecast and budget proposals were the subject of a presentation to all members on 24 January 2019. Whilst the Medium Term Financial Forecast has been updated as part of the budget preparation, the broad assumptions contained within the budget remain the same and are consistent with the agreed Financial Strategy.
- 2.2 It is proposed that the Council increases Council Tax by the maximum permissible level (up to a 3% or £5.00, whichever is higher) for a Band D property. This would increase Rushmoor Borough Council's Band D rate by £5.93 (just over 11p per week) from £198.49 to £204.42.

- 2.3 The Local Government Finance Settlement (confirmed on 05 February 2019) was the final year of the multi-year settlement period 2016/17 to 2019/20. The settlement largely confirmed the funding levels set out in previous years. The Government confirmed the position from the technical consultation in the summer and cancelled negative RSG. There was no change to the New Homes Bonus national baseline.
- 2.4 These changes provided for a slightly improved funding position for the Council.
- 2.5 The Government released two technical consultation documents alongside the settlement covering the Fair Funding Review and Business Rates Retention Reform. The outcomes from these consultations are likely to have a transformative effect on the distribution of local government funding between tiers and geographic areas from 2020/21. As such, there is significant risk and uncertainty in future funding estimates.
- 2.6 The Council is legally required to set a balanced budget for the following financial year. As can be seen in the MTFS below, the Council's core financial position is a balanced budget next year (after transfers to reserves), with a projected deficit of £577k in 2021/22. An important part of the strategy for financial sustainability will be to continue to deliver efficiencies and savings over the coming years.

MTFS Item	2018/19 REV (£'000)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)
Portfolio Net Expenditure	12,469	11,801	11,506	11,993
Corporate Items	(946)	575	2,995	3,813
Adjusted Budget	11,523	12,376	14,500	15,806
Additional Revenue Items	75	632	1,048	1,408
Savings Plan	(379)	(4,256)	(5,873)	(5,913)
Proposed Net Revenue Budget	11,219	8,752	9,676	11,301
Funded by:				
Council Tax	6,148	6,409	6,667	6,935
Business Rates	3,624	3,836	2,739	2,817
New Homes Bonus	1,095	1,010	936	972
Other Funding	470	432	0	0
TOTAL Funding	11,336	11,688	10,342	10,724
Core Surplus / (Deficit)	117	2,936	666	(578)
Additional Transfers				
to Commercial Property Reserve		(2,000)		
to Stability & Resilience Reserve	(117)	(483)		
to Service Improvement Fund		(453)		
Core Surplus / (Deficit) after Transfers	0	0	666	(578)

- 2.7 The Council has a good track record of delivering budget and efficiency savings, and this needs to be sustained over the medium term. Budget incorporates savings already achieved (and included within the Portfolio expenditure estimates), and anticipated savings arising from a number of work streams. The savings plan has been updated to take account of these

and includes estimates in relation to investment returns from commercial property, which forms the key aspect of the Savings Plan.

- 2.8 There is an inherent risk with savings targets - there is a risk that these will not be achieved in full or in the timeframe required. The savings targets will be subject to regular review over the coming financial year to ensure they can be achieved.
- 2.9 The Council is increasingly reliant on income from Commercial Property, as set out in the Savings Plan. Given the risk with holding commercial property in terms of occupancy rates and fluctuations within the general property market, the budget report proposed that £2m of income is transferred to a new earmarked reserve in 2019/20 to provide some mitigation against this risk. An ongoing review of the Council property portfolio will be undertaken to ensure income opportunities are maximised and to provide robust risk mitigation.
- 2.10 The Council's financial position is supported by its balances and reserves. The Financial Strategy sets a target for these reserves to be maintained at a minimum of 5% of gross expenditure. As highlighted in the budget report, there is an increased level of risk and uncertainty facing the Council over the medium term. Therefore, funds will be above the target level during the forecast period. It is important to review the level of reserves regularly. Whilst the General Fund and the Stability and Resilience Reserve provide mitigation against short-term fluctuations in income and expenditure, they should not be utilised to fund normal, on-going service provision.
- 2.11 The revised Capital Programme for 2018/19 incorporates changes in expenditure profiles reported through Cabinet, particularly around the acquisition of Commercial Property and Regeneration sites.
- 2.12 The proposed Capital Programme for 2019/20 is £70.231m and focuses on delivering the Council's key priorities including Town Centre Regeneration, Income generation schemes, and enhancing the delivery of core services through improvement and enhancement of assets.
- 2.13 The programme also includes budget provision in 2018/19 of £80k to support the preparation of the business case for the Council's Housing Company. The business case for the Housing Company will be presented to a future Cabinet meeting for consideration. The capital programme also includes support for the provision of local housing and the Council's statutory duties in respect of Disabled Facilities Grants.
- 2.14 The Council has embarked upon an ambitious programme of regeneration and investment in commercial property. Further investment in commercial property of is anticipated in 2018/19 and 2019/20, with investment income forming a core element of the Council's Savings Plan. This activity contributes to the strategic aims of regeneration and promoting local economic growth. Given the nature of property acquisition, there may be some reprofiling across financial years to reflect the timing of completion on property purchases. The overall capital expenditure limit, as set out across the Capital Programme, will not change.

- 2.15 The capital programme includes significant capital expenditure for Town Centre Regeneration projects for Aldershot and Farnborough (Aldershot Town Centre and Farnborough Civic Quarter) - £28.3m in 2019/20, with a further £13m and £26.7m forecast for 2020/21 and 2021/22.
- 2.16 Implementation of the core programme in 2019/20 will require the use of £58.958m of Council resources, largely through borrowing, together with £11.272m use of grants and contributions including Better Care Fund and an element of developers' s106 contributions.

3 CORPORATE GOVERNANCE

- 3.1 The Executive Head of Finance, as the Council's Section 151 Officer, has made a statement in compliance with Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of the Council's reserves. This is attached at Appendix 6 of the budget booklet.

4 CONCLUSIONS

- 4.1 In spite of the uncertainties around future levels of Government Funding, and the risks around Brexit and the general economic position, the Council has been able to prepare a sound budget whilst maintaining services to residents. The budget will also provide a platform for Rushmoor to address future challenges.
- 4.2 The budget has been prepared in accordance with the approved budget strategy. In particular, this includes the principle of maintaining the Council's general fund revenue balances within a range of £1m-£2m and maintaining other usable reserves to mitigate risk and support improvement.
- 4.3 The budget allows for the implementation of essential additional revenue items and a substantial capital programme of approximately £70.231m in 2019/20.
- 4.4 The budget proposals provide for the current Council Tax level to increase by £5.93 or 2.99% for a Band D property (from £198.49 per annum to £204.42) - an increase of around 11p per week) in line with government assumptions within its settlement funding formula.
- 4.5 In order to achieve this, the budget proposals will require the implementation of budget savings of £3.931m in 2019/20, together with further savings over the medium term, totalling approximately £11.120m over the period to 2021/22. This will require reductions in the Council's service expenditure, and increased income generation, in accordance with the Medium-Term Financial Forecast and the Financial Strategy.
- 4.6 Reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing, which will be monitored and reported to Cabinet throughout 2019/20.

5 RECOMMENDATIONS

- 5.1 The Council is recommended to approve the following, as detailed in report FIN1909 and in the attached budget booklet:
- i) the General Fund Revenue Budget Summary, set out in Appendix 1
 - ii) the detailed General Fund Revenue Budget, set out in Appendix 2
 - iii) the additional items for inclusion in the budget, set out in Appendix 3
 - iv) the Council Tax Requirement of £6,409,171 for this Council
 - v) the Council Tax level for Rushmoor Borough Council's purposes of £204.42 for a Band D property in 2019/20
 - vi) the Capital Programme, set out in Appendix 4
 - vii) the Strategy for the Flexible Use of Capital Receipts, set out in Appendix 5
 - viii) the Executive Head of Finance's report under S.25 of the Local Government Act 2003 as set out in Appendix 6
 - ix) the additional transfers to earmarked reserves in 2019/20 and the holding of reserves, as previously detailed in report FIN1909.
- 5.2 The Council is recommended to approve the following in respect of the Council Tax Support Scheme, as detailed in report ED1902:
- i) that the current 12% minimum contribution (88% discount) for those of working age be retained for 2019/20

D E CLIFFORD
LEADER OF THE COUNCIL

G B LYON
PORTFOLIO HOLDER FOR CORPORATE
AND DEMOCRATIC SERVICES

This page is intentionally left blank

COUNCIL MEETING
21st FEBRUARY 2019

RUSHMOOR BOROUGH COUNCIL

REVENUE BUDGET & CAPITAL PROGRAMME

BUDGET BOOKLET 2019/20

BUDGET BOOKLET

CONTENTS

	Page No.
Appendix 1:	
General Fund Revenue Budget Summary	1
Appendix 2:	
Detailed Revenue Budget for:	
Corporate and Democratic Services	3
Customer Experience and Improvement	47
Major Projects and Property	59
Operational Services	75
Planning and Economy	121
Appendix 3:	
Additional Items for inclusion in the Budget	141
Appendix 4:	
Capital Programme	145
Appendix 5:	
Section 25 Report	157

This page has been left intentionally blank

GENERAL FUND REVENUE BUDGET SUMMARY

Appendix 1

	Original Estimate 2018/19 £000	Revised Estimate 2018/19 £000	Forecast 2019/20 £000
Net Cost of Services by Portfolio			
1 Corporate & Democratic Services	5,553	5,568	5,613
2 Customer Experience & Improvement	(6)	43	43
3 Major Projects & Property	(1,386)	(1,793)	(2,668)
4 Operational Services	7,819	8,232	8,547
5 Planning & Economy	2,666	2,574	2,727
6 PORTFOLIO NET EXPENDITURE	14,646	14,624	14,261
7 Capital Accounting Charges - Reversed	(1,491)	(1,710)	(1,964)
8 Pension Adj/Employee Benefits Reversed	(613)	(445)	(496)
9 NET EXPENDITURE AFTER ADJUSTMENTS	12,542	12,469	11,801
Provisions for Budget Re-structuring:			
10 Reductions in Service Costs/Income Generation	(1,550)	(329)	(3,931)
11 Vacancy Monitoring	(325)	(50)	(325)
12 Variations in Service	0	0	503
13 Non-recurring Items	0	75	129
14 Corporate Income and Expenditure	163	(449)	757
15 Contributions to/(from) Reserve Accounts	(34)	(459)	2,358
16 Central Government Funding	(4,888)	(5,109)	(4,883)
17 NET TOTAL EXPENDITURE	5,907	6,148	6,409
18 Contribution to/(from) balances	240	0	0
19 COUNCIL TAX REQUIREMENT	6,148	6,148	6,409
REVENUE BALANCES			
20 1 April	1,462	2,000	2,000
21 General Fund Transfer	240	0	0
22 31 March	1,702	2,000	2,000
Illustrative CT Levels (£)	198.49	198.49	204.42
CT Base	30,971.38	30,971.38	31,352.21
& CT Increase (%)	5.73	-	2.99
14 Corporate Income and Expenditure			
Interest Receivable	(846)	(977)	(1,358)
Interest payable	296	176	1,056
Minimum Revenue Provision	807	362	1,410
Collection Fund (surplus)/deficit - Ctax	(101)	(101)	(97)
- NNDR	22	22	(299)
Other Corporate Income and Expenditure	(16)	69	45
Total	163	(449)	757
15 Contributions to/(from) Reserve Accounts			
Transfers to CPE Surplus Account	212	82	76
Contributions to/(from) earmarked reserves/prior yr grants	(247)	(351)	(109)
Contributions to/(from) Service Improvement Fund	0	(306)	(93)
Contributions to/(from) Stability & Resilience Reserve	0	117	483
Contributions to/(from) Commercial Reserve	0	0	2,000
Total	(34)	(459)	2,358
16 Central Government Funding			
New Burdens and other non-ring-fenced grants	0	(201)	(36)
New Homes Bonus	(1,095)	(1,095)	(1,010)
Revenue Support Grant	(190)	(190)	0
Business Rates Retention (BRR)			
RBC share of rates collected	(19,790)	(19,790)	(19,988)
Retained surplus			
Tariff payable	15,710	15,710	16,070
Levy /(Safety net)	1,257	1,240	1,265
s31 grants in relation to business rates	(781)	(784)	(1,183)
Subtotal BRR	(3,604)	(3,624)	(3,836)
Risk - NDR Baseline reset	0	0	0
Total	(4,888)	(5,109)	(4,883)

REVENUE BUDGET 2019/20

Appendix 2

Portfolio Summary (£'s)		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
	Page No	£	£	£	£
Corporate and Democratic Services	3	5,168,140	5,553,350	5,567,710	5,612,580
Customer Experience and Improvement	47	11,213	(6,470)	43,400	42,610
Major Projects and Property	59	4,004	(1,385,540)	(1,792,880)	(2,668,140)
Operational Services	75	6,937,459	7,818,630	8,231,820	8,546,920
Planning and Economy	121	2,288,084	2,665,560	2,573,530	2,727,160
PORTFOLIO NET EXPENDITURE		14,408,900	14,645,530	14,623,580	14,261,130

Corporate and Democratic Services		Outturn	Original	Revised	Budget
		2017/18	2018/19	2018/19	2019/20
		£	£	£	£
Statutory	Page No				
Council Tax Collection	5	779,388	872,700	865,700	931,700
Rent Allowances	6	394,108	513,070	532,020	497,830
Finance Corporate Finance	7	315,936	344,170	321,550	324,750
Council Tax Support Scheme	8	277,586	287,170	192,210	213,480
Rev Cost Of Nndr Collection	9	113,182	125,180	180,100	197,860
Dem Serv Electoral Register	10	151,757	168,870	222,610	168,820
Dem Corp Policy Supp To Members	11	156,508	167,620	152,510	151,590
Dem Serv Local Elections	12	57,509	148,160	127,270	138,580
Dem Cttee Admin Supp To Member	13	137,145	150,950	135,130	136,090
Finance Treas Mgmt & Bank Chgs	14	100,429	119,540	101,450	111,770
Strategy & Comms Chief Executive	15	95,651	107,300	107,220	109,250
Dem Attendance At Member Mtgs	16	83,015	87,760	86,380	84,790
Land Charges	17	39,778	35,470	76,820	67,830
External Audit & Inspection	18	59,339	67,620	64,840	51,290
Strategy & Comms Emergency Planning	19	53,984	56,710	48,580	46,460
Strategy & Comms Public Performance Re	20	32,440	33,410	33,910	34,260
Dem Statutory Information	21	1,127	1,200	1,350	1,290
		2,848,882	3,286,900	3,249,650	3,267,640
Discretionary					
Major Grants To Orgs	22	600,437	559,680	573,030	598,870
Community Leisure	23	561,964	495,650	534,760	549,010
Dem Serv Members Expenditure	24	518,595	526,470	530,160	541,000
Grants To Organisations	25	251,902	215,190	242,430	220,710
Corporate Investigation	26	154,357	157,550	166,750	169,530
Dem Serv Mayors Costs	27	62,867	73,320	78,630	79,690
Town Twinning	28	50,142	52,150	60,610	63,680
Community Transport	29	47,974	48,010	49,120	48,400
Dem Serv Civic Ceremonial	30	28,389	40,230	44,680	36,970
Dem Serv Local Gov'T Assoc	31	29,167	32,430	33,170	32,360
Meals On Wheels	32	3,422	5,520	6,310	5,680
		2,309,216	2,206,200	2,319,650	2,345,900
Retirement/Pension Costs	33	10,043	600	670	640
Above items carried forward to next page					
3					

REVENUE BUDGET 2019/20

Appendix 2

Corporate and Democratic Services continued		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Statutory b/fwd from previous page		2,848,882	3,286,900	3,249,650	3,267,640
Discretionary b/fwd from previous page		2,309,216	2,206,200	2,319,650	2,345,900
Retirement/Pension Costs from prev page		10,043	600	670	640
Other	Page No				
Support Service	34	0	0	(5,000)	(5,000)
Dem Serv Support Service	35	(1)	0	0	0
Dem Serv Management	36	(1)	0	0	0
S & C Corporate Policy	37	0	0	(10)	1,730
Payroll Support Service	38	0	(410)	(10)	0
Hr Support Service	39	0	65,430	0	(10)
Exec Dir Customer, Digital Management	40	0	440	170	480
Exec Director Operations Management	41	0	(4,930)	80	320
Audit Support Service	42	0	10	0	0
Finance Support Service	43	1	0	3,000	980
Debtors Support	44	0	(890)	10	0
Revenues Management	45	0	0	(500)	(100)
		(1)	59,650	(2,260)	(1,600)
Net Expenditure		5,168,140	5,553,350	5,567,710	5,612,580

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COUNCIL TAX COLLECTION	2017/18	2018/19	2018/19	2019/20
Cost centre C3805				
Executive Head of Finance	£	£	£	£
Employees	335,107	374,520	330,120	347,850
Premises	-	-	-	-
Transport Related	1,009	-	690	580
Supplies & Services	74,897	93,200	79,410	76,340
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	457,361	480,920	529,160	578,630
Capital Accounting Charges	1,177	4,060	1,320	3,300
Total Expenditure	869,551	952,700	940,700	1,006,700
Income including recharges to other services	(90,163)	(80,000)	(75,000)	(75,000)
NET GENERAL FUND REQUIREMENT	779,388	872,700	865,700	931,700

Type of service: Statutory

Service Purpose: To issue accurate bills and collect money due from local residents for Council Tax.

Service Activity: Assessing liability for Council Tax. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with discounts and exemptions. Handling customer enquiries. Liaison with the Valuation Officer regarding properties to be charged.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies and services

Procurement savings achieved in 2018/19 on annual billing costs

Income

Changes in income due to reduction in the costs charged by the courts.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
RENT ALLOWANCES	2017/18	2018/19	2018/19	2019/20
Cost centre C3811#3813				
Executive Head of Finance	£	£	£	£
Employees	429,168	459,130	436,740	454,880
Premises	-	-	-	-
Transport Related	376	-	620	650
Supplies & Services	50,652	47,120	68,410	46,870
Third Party Payments	-	-	-	-
Transfer Payments	35,980,561	34,715,000	33,875,000	27,475,000
Support Services	398,648	417,330	464,360	502,730
Capital Accounting Charges	448	50	50	-
Total Expenditure	36,859,853	35,638,630	34,845,180	28,480,130
Income including recharges to other services	(36,465,745)	(35,125,560)	(34,313,160)	(27,982,300)
NET GENERAL FUND REQUIREMENT	394,108	513,070	532,020	497,830

Type of service: Statutory

Service Purpose: Management and administration of rent allowances.

Service Activity: Provision of rent allowances.

Explanation of significant expenditure/income changes

Supplies and services

2018/19 additional software costs due to benefit changes covered by grant from DWP.

Transfer payments

Reduction in Housing benefit payments due to Universal Credit full service rolling out from October 2018 in this Borough.

Income

Reduction in subsidy income as a consequence of the reduction in payments as detailed above.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE CORPORATE FINANCE	2017/18	2018/19	2018/19	2019/20
Cost centre C3402				
Executive Head of Finance	£	£	£	£
Employees	111,625	127,770	78,740	93,770
Premises	-	-	-	-
Transport Related	37	80	10	10
Supplies & Services	2,065	2,520	3,170	2,420
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	202,209	213,800	239,630	228,550
Capital Accounting Charges	-	-	-	-
Total Expenditure	315,936	344,170	321,550	324,750
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	315,936	344,170	321,550	324,750

Type of service: Statutory

Service Purpose: Provision of financial advice and support to the Council.

Service Activity: Provide for the preparation of budgets, closure of accounts and financial advice at the corporate level.

Explanation of significant expenditure/income changes

Employees

Increase in 1920 due, in part, to change in allocations.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COUNCIL TAX SUPPORT SCHEME	2017/18	2018/19	2018/19	2019/20
Cost centre C3806				
Executive Head of Finance	£	£	£	£
Employees	199,557	207,950	198,010	210,690
Premises	-	-	-	-
Transport Related	199	10	300	320
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	10,900	10,000	10,000	10,000
Support Services	66,699	69,180	64,170	68,470
Capital Accounting Charges	231	30	30	-
Total Expenditure	277,586	287,170	272,510	289,480
Income including recharges to other services	-	-	(80,300)	(76,000)
NET GENERAL FUND REQUIREMENT	277,586	287,170	192,210	213,480

Type of service: Statutory

Service Purpose: To assess claims for council tax support quickly and accurately.

Service Activity: Assist customers with their application for council tax support. Assessing and awarding any support due. Reviewing customer's circumstances as they change. Providing advice about other related welfare benefits.

Explanation of significant expenditure/income changes

Income

CTS admin support grant previously included in Housing Benefit for Rent Allowance budgets.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
REV COST OF NNDR COLLECTION	2017/18	2018/19	2018/19	2019/20
Cost centre C3804				
Executive Head of Finance	£	£	£	£
Employees	97,870	99,040	143,820	149,850
Premises	-	-	-	-
Transport Related	223	-	240	190
Supplies & Services	12,080	16,600	14,220	13,950
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	125,187	133,150	144,830	155,660
Capital Accounting Charges	769	20	100	210
Total Expenditure	236,129	248,810	303,210	319,860
Income including recharges to other services	(122,947)	(123,630)	(123,110)	(122,000)
NET GENERAL FUND REQUIREMENT	113,182	125,180	180,100	197,860

Type of service: Statutory

Service Purpose: To issue accurate bills and collect money due from local businesses for Non Domestic Rates.

Service Activity: Assessing liability for business rates. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with rating reliefs. Liaison with ratepayers about rating matters and customer enquiries and with the Valuation Officer regarding properties to be charged.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV ELECTORAL REGISTER	2017/18	2018/19	2018/19	2019/20
Cost centre C1302				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	74,244	68,920	76,910	64,540
Premises	-	-	-	-
Transport Related	150	230	260	290
Supplies & Services	60,448	77,900	121,200	75,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	37,676	38,320	41,140	40,390
Capital Accounting Charges	-	-	-	-
Total Expenditure	172,518	185,370	239,510	180,420
Income including recharges to other services	(20,761)	(16,500)	(16,900)	(11,600)
NET GENERAL FUND REQUIREMENT	151,757	168,870	222,610	168,820

Type of service: Statutory

Service Purpose: To maintain an up-to-date electoral register and to provide associated registration services.

Service Activity: Compile and maintain the electoral register through the yearly canvass and rolling registration; Maintain the lists of postal and proxy voters and overseas and service voters; promote and develop initiatives to increase the level of registration.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2017/18 underspend against budget on transitional costs for Individual Registration(IER), this budget has been carried forward to 2018/19

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM CORP POLICY SUPP TO MEMBERS	2017/18	2018/19	2018/19	2019/20
Cost centre C1317				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	106,533	116,840	115,940	118,410
Premises	-	-	-	-
Transport Related	112	320	230	230
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	43,964	50,460	36,340	32,950
Capital Accounting Charges	5,899	-	-	-
Total Expenditure	156,508	167,620	152,510	151,590
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	156,508	167,620	152,510	151,590

Type of service: Statutory

Service Purpose: To provide support to the Council and Members to ensure their duties are undertaken effectively and within the law.

Service Activity: Provide advice and co-ordination on the policy and procedural aspects of the decision-making process; ensure corporate documents and information (especially the Constitution) are maintained and up to date.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV LOCAL ELECTIONS	2017/18	2018/19	2018/19	2019/20
Cost centre C1303				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	39,657	73,400	67,850	69,150
Premises	415	5,800	5,700	5,800
Transport Related	85	800	150	660
Supplies & Services	16,011	54,890	42,790	44,680
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	24,540	21,390	22,920	18,440
Capital Accounting Charges	-	-	-	-
Total Expenditure	80,708	156,280	139,410	138,730
Income including recharges to other services	(23,199)	(8,120)	(12,140)	(150)
NET GENERAL FUND REQUIREMENT	57,509	148,160	127,270	138,580

Type of service: Statutory

Service Purpose: To arrange and manage elections in the Borough.

Service Activity: Organise all parliamentary, European and local elections in the Borough and the Aldershot Constituency; ensure compliance with legislative provisions and guidance relating to all administrative aspects of elections; promote and develop initiatives to increase turnout at elections.

Explanation of significant expenditure/income changes

There were no local elections in 2017/18.

Income

Contributions are dependant upon the Council administering Elections organised on behalf of the Government and Hampshire County Council.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM CTTEE ADMIN SUPP TO MEMBER	2017/18	2018/19	2018/19	2019/20
Cost centre C1316				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	87,914	93,510	77,050	79,170
Premises	-	-	-	-
Transport Related	204	390	430	430
Supplies & Services	16,354	16,700	16,100	16,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	43,137	37,350	38,550	37,390
Capital Accounting Charges	3,000	3,000	3,000	3,000
Total Expenditure	150,609	150,950	135,130	136,090
Income including recharges to other services	(13,464)	-	-	-
NET GENERAL FUND REQUIREMENT	137,145	150,950	135,130	136,090

Type of service: Statutory

Service Purpose: To support the Council and Members in undertaking their duties.

Service Activity: Provide administrative support to the Council, including the Cabinet, Committees, Policy and Review Panels and other Member groups.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE TREAS MGMT & BANK CHGS	2017/18	2018/19	2018/19	2019/20
Cost centre C3403				
Executive Head of Finance	£	£	£	£
Employees	29,763	34,030	19,390	24,410
Premises	-	-	-	-
Transport Related	32	60	10	-
Supplies & Services	38,071	50,610	44,690	50,700
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	32,563	34,840	37,360	36,660
Capital Accounting Charges	-	-	-	-
Total Expenditure	100,429	119,540	101,450	111,770
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	100,429	119,540	101,450	111,770

Type of service: Statutory

Service Purpose: Management of the Council's funds.

Service Activity: The management of the Council's investments, borrowing and cash flows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Explanation of significant expenditure/income changes

Employees

Original 2018/19 increase due to change in allocations and vacant post, returning to full establishment in 2019/20.

Supplies and Services

Increase in one-off use of consultants in 2017/18 followed by increase in brokers fees due to a change in the Council's borrowing requirements.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
STRATEGY & COMMS CHIEF EXECUTIVE	2017/18	2018/19	2018/19	2019/20
Cost centre C1407				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	80,766	91,430	91,300	93,180
Premises	-	-	-	-
Transport Related	50	340	120	120
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	14,835	15,530	15,800	15,950
Capital Accounting Charges	-	-	-	-
Total Expenditure	95,651	107,300	107,220	109,250
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	95,651	107,300	107,220	109,250

Type of service: Statutory

Service Purpose: Chief Executive's operational budget.

Service Activity: To support the Chief Executive function.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM ATTENDANCE AT MEMBER MTGS	2017/18	2018/19	2018/19	2019/20
Cost centre C1318				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	56,459	57,180	58,370	59,800
Premises	-	-	-	-
Transport Related	69	60	160	160
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	26,487	30,520	27,850	24,830
Capital Accounting Charges	-	-	-	-
Total Expenditure	83,015	87,760	86,380	84,790
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	83,015	87,760	86,380	84,790

Type of service: Statutory

Service Purpose: To provide professional and administrative support to the Council and Members at meetings.

Service Activity: Provide advice and co-ordination on procedural and administrative aspects of the decision making structure and processes at meetings.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
LAND CHARGES	2017/18	2018/19	2018/19	2019/20
Cost centre C1200				
Corporate Manager Legal Services	£	£	£	£
Employees	64,772	68,180	72,030	68,480
Premises	-	-	-	-
Transport Related	1	-	-	-
Supplies & Services	28,040	27,320	19,520	19,520
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	57,312	64,970	85,270	79,830
Capital Accounting Charges	-	-	-	-
Total Expenditure	150,125	160,470	176,820	167,830
Income including recharges to other services	(110,347)	(125,000)	(100,000)	(100,000)
NET GENERAL FUND REQUIREMENT	39,778	35,470	76,820	67,830

Type of service: Statutory

Service Purpose: To provide a land charges service.

Service Activity: The registration of land charges; the collating of information; the compilation of official searches and the answering of Con 29 enquiries.

Explanation of significant expenditure/income changes

Supplies & Services

A decrease in the budget for Hampshire County searches reflects a reduction in the number of searches requested by the general public and, therefore, the HCC part of the search process.

Income

A decrease in the income budget for the LLC1 and CON29 searches reflects a reduction in the number of searches requested by the general public.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXTERNAL AUDIT & INSPECTION	2017/18	2018/19	2018/19	2019/20
Cost centre C3404				
Executive Head of Finance	£	£	£	£
Employees	12,538	14,940	8,310	10,110
Premises	-	-	-	-
Transport Related	7	30	10	10
Supplies & Services	43,673	49,840	53,640	38,380
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,121	2,810	2,880	2,790
Capital Accounting Charges	-	-	-	-
Total Expenditure	59,339	67,620	64,840	51,290
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	59,339	67,620	64,840	51,290

Type of service: Statutory

Service Purpose: External approval of the Council's financial management and governance.

Service Activity: Assisting external auditors in review and inspection work; Liaison at the operational and strategic level on the issues arising from the audit and payment of the subsequent fees for the work.

Explanation of significant expenditure/income changes

Employees

Increase due to change in allocations.

Supplies and Services

Refund received in 2017/18 followed by a reduction in the external audit fees in future years.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
STRATEGY & COMMS EMERGENCY PLANNING	2017/18	2018/19	2018/19	2019/20
Cost centre C1404				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	20,157	20,170	11,380	11,780
Premises	-	-	-	-
Transport Related	10	20	20	20
Supplies & Services	20,731	23,100	23,100	23,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	13,086	13,420	14,080	11,560
Capital Accounting Charges	-	-	-	-
Total Expenditure	53,984	56,710	48,580	46,460
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	53,984	56,710	48,580	46,460

Type of service: Statutory

Service Purpose: To meet the statutory requirements of the Civil Contingencies Act 2004.

Service Activity: Preparing the Council's response to a Major Civil Emergency. Including liaising with partners, updating the Emergency Plan, running a programme of training exercises, reviewing the Rushmoor Area Risk Register and participating in the delivery of NI188 Climate Change mitigation.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services STRATEGY & COMMS PUBLIC PERFORMANCE REP' Cost centre C1408 Head of Democracy, Strategy and Partnerships	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	24,433	25,030	25,320	26,010
Premises	-	-	-	-
Transport Related	21	70	70	70
Supplies & Services	176	400	400	400
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	7,810	7,910	8,120	7,780
Capital Accounting Charges	-	-	-	-
Total Expenditure	32,440	33,410	33,910	34,260
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	32,440	33,410	33,910	34,260

Type of service: Statutory

Service Purpose: Publication of the Corporate Plan and other corporate reports.

Service Activity: Production and printing of the Corporate Plan.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM STATUTORY INFORMATION	2017/18	2018/19	2018/19	2019/20
Cost centre C1319				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	1,127	1,200	1,350	1,290
Capital Accounting Charges	-	-	-	-
Total Expenditure	1,127	1,200	1,350	1,290
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	1,127	1,200	1,350	1,290

Type of service: Statutory

Service Purpose: Democratic statutory information.

Service Activity: Management and administration associated with democratic statutory information.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
MAJOR GRANTS TO ORGS	2017/18	2018/19	2018/19	2019/20
Cost centre C2535				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	3,577	3,780	12,080	10,670
Premises	-	-	-	-
Transport Related	1	10	50	50
Supplies & Services	122,003	90,170	94,830	122,510
Third Party Payments	-	-	-	-
Transfer Payments	468,890	459,110	458,000	458,000
Support Services	5,966	6,610	8,070	7,640
Capital Accounting Charges	-	-	-	-
Total Expenditure	600,437	559,680	573,030	598,870
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	600,437	559,680	573,030	598,870

Type of service: Discretionary

Service Purpose: To provide assistance to non-profit making organisations through the granting of discretionary rent relief or contribution to rent payments.

Service Activity: Providing financial and advisory support to organisations who provide benefit to the Borough.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

This budget reflects the notional costs associated with granting parking permits to various voluntary organisations and charities. The main increase in the notional cost is due to a change in the way we are issuing the parking permits to these organisations, in previous years these organisations were given smartcards and the credit on the smartcard was consumed as the smartcard was used. The use of smartcards has now stopped and instead the organisations are issued with parking permits, the value of the parking permit is calculated depending on the allocated car park and the hours the permit covers each day. The corresponding notional income is shown in the Car Parks cost centre.

Detail of the Transfer Payments is as follows:

* Citizens Advice Bureau	271,870	259,590	259,590	259,590
Farnborough & Cove War Memorial Hospital Trust	102,570	103,000	102,570	102,570
Rushmoor Voluntary Service	74,950	75,500	75,500	75,500
35-39 High Street Service Charge	19,500	21,020	20,340	20,340
	<u>468,890</u>	<u>459,110</u>	<u>458,000</u>	<u>458,000</u>

* 2017/18 Outturn included additional grant funding agreed in year.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COMMUNITY LEISURE	2017/18	2018/19	2018/19	2019/20
Cost centre C2508				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	384,014	330,930	340,780	353,880
Premises	-	-	-	-
Transport Related	1,298	1,960	2,320	2,310
Supplies & Services	20,818	15,140	15,130	15,140
Third Party Payments	-	-	-	-
Transfer Payments	16,898	14,610	14,610	14,610
Support Services	135,423	137,510	166,520	167,570
Capital Accounting Charges	13,785	-	-	-
Total Expenditure	572,236	500,150	539,360	553,510
Income including recharges to other services	(10,272)	(4,500)	(4,600)	(4,500)
NET GENERAL FUND REQUIREMENT	561,964	495,650	534,760	549,010

Type of service: Discretionary

Service Purpose: Provision of a community leisure programme.

Service Activity: Provision of health programmes and play activities.

Explanation of significant expenditure/income changes

Employees

2018/19 Original Estimate reflects a reduction in costs following a restructure to staffing and the completion of an externally funded post. 2017/18 Outturn also included vacancy savings on posts which are expected to be filled in 2018/19.

Supplies & Services

Fluctuations in expenditure mainly due to spend on uniting communities and other developing our community activities and projects. This expenditure is funded from grants and external contributions.

Income

Fluctuations in income mainly relating to external funding for developing our community activities and projects.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MEMBERS EXPENDITURE	2017/18	2018/19	2018/19	2019/20
Cost centre C1310				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	343,822	351,470	353,180	355,570
Premises	-	-	-	-
Transport Related	66	120	160	160
Supplies & Services	15,065	14,130	13,120	13,130
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	159,642	160,750	163,700	172,140
Capital Accounting Charges	-	-	-	-
Total Expenditure	518,595	526,470	530,160	541,000
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	518,595	526,470	530,160	541,000

Type of service: Discretionary

Service Purpose: To support the Council and elected Members in undertaking their duties.

Service Activity: Provide Members with the necessary support and resources within the framework set by the Council.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
GRANTS TO ORGANISATIONS	2017/18	2018/19	2018/19	2019/20
Cost centre C2513				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	20,361	21,240	26,180	25,320
Premises	-	-	-	-
Transport Related	47	10	100	100
Supplies & Services	335	1,070	2,070	2,110
Third Party Payments	-	-	-	-
Transfer Payments	278,311	177,700	197,630	177,630
Support Services	13,979	15,170	17,450	16,550
Capital Accounting Charges	(859)	-	-	-
Total Expenditure	312,174	215,190	243,430	221,710
Income including recharges to other services	(60,272)	-	(1,000)	(1,000)
NET GENERAL FUND REQUIREMENT	251,902	215,190	242,430	220,710

Type of service: Discretionary

Service Purpose: To provide small grants to voluntary, community, sports and arts and youth related groups.

Service Activity: The aim of the grant is to support non-profit making groups that require financial support to provide or improve services that will benefit the people of Rushmoor.

Transfer Payments contain the following amounts

#1 Grants & Contributions	20,125	20,000	40,000	20,000
#2 Farnborough Airport Community Env Fund	40,334	0	0	0
Service Charge	2,030	2,190	2,120	2,120
Community Matters Partnership	5,000	2,500	2,500	2,500
#3 Community Lottery	5,465	0	0	0
Rent Relief	205,357	153,010	153,010	153,010
Total transfer payments	278,311	177,700	197,630	177,630

Income is as follows:

#4 Farnborough Airport Community Env Fund	(54,152)	0	0	0
#5 Community Lottery Fund	(5,465)	0	0	0
Customer & Client Receipts	(654)	0	(1,000)	(1,000)
	(60,272)	0	(1,000)	(1,000)

#1 2018/19 Revised Estimate includes a one-off grant for Financial Assistance to Aldershot Town Football Club towards external gas main works to the site.

#2 2017/18 Actual shows the amount of Farnborough Airport Community Env Fund used in year.

#3 2017/18 Actual shows the amount of Grants processed in year from the Community Fund element of the Community Lottery .

#4 2017/18 Actual shows the amount of Farnborough Airport Community Env Fund received in year.

#5 2017/18 Actual shows the amount of Community Lottery fund received in year.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
CORPORATE INVESTIGATION	2017/18	2018/19	2018/19	2019/20
Cost centre C3809				
Executive Head of Finance	£	£	£	£
Employees	111,794	112,500	111,280	116,690
Premises	-	-	-	-
Transport Related	1,099	-	1,100	1,100
Supplies & Services	2,244	3,650	3,850	3,850
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	39,570	41,400	51,520	47,890
Capital Accounting Charges	-	-	-	-
Total Expenditure	154,707	157,550	167,750	169,530
Income including recharges to other services	(350)	-	(1,000)	-
NET GENERAL FUND REQUIREMENT	154,357	157,550	166,750	169,530

Type of service: Discretionary

Service Purpose: To investigate internal and external allegations of fraud, corruption and dishonesty in accordance with prevalent legislation and utilising appropriate investigative techniques.

Service Activity: To plan and undertake investigations into allegations of fraud and corruption of varying nature and complexity using the most cost effective and efficient methods. To comply with legislative requirements, Council policies and procedures governing the conduct of investigations. To assist in the identification of control weaknesses and implementing solutions and controls for future improvements. To assist in the development and delivery and to participate in education, training and awareness activities as part of the fraud prevention programme.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MAYORS COSTS	2017/18	2018/19	2018/19	2019/20
Cost centre C1304				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	39,523	44,940	49,560	50,740
Premises	-	-	-	-
Transport Related	3,949	7,250	7,250	7,260
Supplies & Services	14,536	15,600	15,900	16,010
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	16,667	16,980	17,520	17,280
Capital Accounting Charges	-	-	-	-
Total Expenditure	74,675	84,770	90,230	91,290
Income including recharges to other services	(11,808)	(11,450)	(11,600)	(11,600)
NET GENERAL FUND REQUIREMENT	62,867	73,320	78,630	79,690

Type of service: Discretionary

Service Purpose: To support the Mayor and Deputy Mayor in carrying out their duties.

Service Activity: Co-ordinate and make arrangements for all Mayoral engagements, organise certain events and provide support for the Mayor and Deputy Mayor during the Mayoral year.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
TOWN TWINNING	2017/18	2018/19	2018/19	2019/20
Cost centre C2531				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	36,990	38,700	40,140	40,220
Premises	-	-	-	-
Transport Related	605	520	540	540
Supplies & Services	135	-	3,000	6,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	12,412	12,930	16,930	16,920
Capital Accounting Charges	-	-	-	-
Total Expenditure	50,142	52,150	60,610	63,680
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	50,142	52,150	60,610	63,680

Type of service: Discretionary

Service Purpose: To encourage and facilitate educational, cultural and leisure links between Rushmoor organisations and their counterpart organisations in Rushmoor twin towns.

Service Activity: To encourage travel and hosting to Rushmoor clubs, societies and organisations (youth and adult) that wish to have links in Rushmoor twin towns. The Twinning Association itself is required to organise and represent the Borough in various annual events, both in Rushmoor and twin towns.

Explanation of significant expenditure/income changes

Supplies & Services
2018/19 Revised and 2019/20 Budget is for Town Twinning Events.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COMMUNITY TRANSPORT	2017/18	2018/19	2018/19	2019/20
Cost centre C2534				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	1,493	1,600	2,230	1,620
Premises	-	-	-	-
Transport Related	1	10	10	10
Supplies & Services	-	-	-	-
Third Party Payments	10,570	10,570	10,570	10,570
Transfer Payments	34,094	33,900	33,900	33,900
Support Services	1,816	1,930	2,410	2,300
Capital Accounting Charges	-	-	-	-
Total Expenditure	47,974	48,010	49,120	48,400
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	47,974	48,010	49,120	48,400

Type of service: Discretionary

Service Purpose: To support residents who may become isolated due to lack of transport.

Service Activity: To provide Dial a Ride in liaison with Rushmoor Voluntary Services and Hampshire County Council.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV CIVIC CEREMONIAL	2017/18	2018/19	2018/19	2019/20
Cost centre C1300				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	15,188	15,570	21,370	21,690
Premises	-	-	-	-
Transport Related	28	70	80	80
Supplies & Services	6,659	17,900	16,090	7,750
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	6,514	6,690	7,140	7,450
Capital Accounting Charges	-	-	-	-
Total Expenditure	28,389	40,230	44,680	36,970
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	28,389	40,230	44,680	36,970

Type of service: Discretionary

Service Purpose: To carry out civic activities within the community.

Service Activity: Make arrangements for civic events in the Borough; provide civic support to events organised within the local community.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2018/19 includes a budget for Commemorative events in the year (non recurring item).

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV LOCAL GOV'T ASSOC	2017/18	2018/19	2018/19	2019/20
Cost centre C1313				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	13,966	15,330	16,330	16,670
Premises	-	-	-	-
Transport Related	9	30	30	30
Supplies & Services	11,728	13,500	13,000	12,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,464	3,570	3,810	3,660
Capital Accounting Charges	-	-	-	-
Total Expenditure	29,167	32,430	33,170	32,360
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	29,167	32,430	33,170	32,360

Type of service: Discretionary

Service Purpose: To support the Council with its involvement in external organisations working for local government.

Service Activity: Provide Members and Officers with support and resources to work with local and national bodies including the Local Government Association and The Hampshire & Isle Of Wight Local Government Association.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
MEALS ON WHEELS	2017/18	2018/19	2018/19	2019/20
Cost centre C2536				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	1,493	1,390	1,940	1,420
Premises	-	-	-	-
Transport Related	1	10	10	10
Supplies & Services	-	-	-	-
Third Party Payments	400	-	-	-
Transfer Payments	-	2,500	2,500	2,500
Support Services	1,528	1,620	1,860	1,750
Capital Accounting Charges	-	-	-	-
Total Expenditure	3,422	5,520	6,310	5,680
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	3,422	5,520	6,310	5,680

Type of service: Discretionary

Service Purpose: To support a luncheon club at the Aldershot and Fleet Rugby Club and the County's Food and Friendship programme.

Service Activity: Provide grants to Age Concern.

Explanation of significant expenditure/income changes

Transfer Payments
Lunch Club Annual Fee

Corporate and Democratic Services	Outturn	Original	Revised	Budget
RETIREMENT/PENSION COSTS	2017/18	2018/19	2018/19	2019/20
Cost centre C1416				
Executive Head of People	£	£	£	£
Employees	9,480	-	(93,380)	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	563	600	670	640
Capital Accounting Charges	-	-	93,380	-
Total Expenditure	10,043	600	670	640
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	10,043	600	670	640

Type of service: Unapportionable Central Overheads

Service Purpose: To reflect the cost to the Council of early retirement costs, added years and other pension scheme costs.

Service Activity: To record payments to Hampshire Pension Fund.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C1202				
Corporate Manager Legal Services	£	£	£	£
Employees	370,159	380,190	384,590	315,120
Premises	-	-	-	-
Transport Related	23	70	-	-
Supplies & Services	88,676	101,390	107,440	104,390
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	73,704	80,620	97,710	94,920
Capital Accounting Charges	-	-	-	-
Total Expenditure	532,562	562,270	589,740	514,430
Income including recharges to other services	(532,562)	(562,270)	(594,740)	(519,430)
NET GENERAL FUND REQUIREMENT	0	0	(5,000)	(5,000)

Type of service: Overheads

Service Purpose: The provision of legal advice to the Council; the carrying out of the role of Monitoring Officer.

Service Activity: The provision of legal advice to officers, Members and the Council. To include general advice on planning, housing, local government law, environmental health, licensing, contracts and procurement, prosecutions, conveyancing, Freedom of Information requests and Data Protection duties.

Explanation of significant expenditure/income changes

Employees

Reflects virements to temporary staff code to cover solicitors employed on a contract or temporary basis.

Supplies & Services

Additional budget for the Council to become more GDPR compliant. Funded from the Service Improvement Fund.

Income

Increase in the fee charged for section 106 work to £1,000 per body of work. Resulting in a larger income figure.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C1312				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	32,084	33,480	53,060	52,890
Premises	-	-	-	-
Transport Related	28	70	130	130
Supplies & Services	13	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	12,704	13,120	14,200	14,610
Capital Accounting Charges	-	-	-	-
Total Expenditure	44,829	46,670	67,390	67,630
Income including recharges to other services	(44,830)	(46,670)	(67,390)	(67,630)
NET GENERAL FUND REQUIREMENT	(1)	0	0	0

Type of service: Overheads

Service Purpose: To provide support to corporate groups.

Service Activity: To provide administrative support to corporate groups including organising and attending meetings.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C1314				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	5,128	4,860	4,730	4,750
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	17,244	9,650	9,850	10,050
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	22,372	14,510	14,580	14,800
Income including recharges to other services	(22,373)	(14,510)	(14,580)	(14,800)
NET GENERAL FUND REQUIREMENT	(1)	0	0	0

Type of service: Overheads

Service Purpose: Democratic Services management.

Service Activity: Provision of Democratic Services management costs recharged to other activities.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
S & C CORPORATE POLICY	2017/18	2018/19	2018/19	2019/20
Cost centre C1409				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	410,303	408,140	419,390	486,250
Premises	-	-	-	-
Transport Related	383	890	990	1,010
Supplies & Services	26,428	6,000	188,260	203,530
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	379,918	481,120	480,520	526,870
Capital Accounting Charges	-	-	163,380	-
Total Expenditure	817,032	896,150	1,252,540	1,217,660
Income including recharges to other services	(817,032)	(896,150)	(1,252,550)	(1,215,930)
NET GENERAL FUND REQUIREMENT	0	0	(10)	1,730

Type of service: Overheads

Service Purpose: Development, implementation and monitoring of the Council's corporate strategies, policies and plans.

Service Activity: Collating, analysing and sharing key data to drive and inform decision making. Performance management and development of corporate strategy and planning, the production of quarterly monitoring reports to Corporate Leadership Team and Cabinet and corporate programme management. Community cohesion and integration strategy.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

Revised estimate 2018/19 and Estimates 2019/20 - One off costs re Organisational Restructure and Transitional Arrangements funded by Service Improvement Fund .

Corporate and Democratic Services	Outturn	Original	Revised	Budget
PAYROLL SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C1414				
Executive Head of People	£	£	£	£
Employees	52,790	55,820	41,760	42,650
Premises	-	-	-	-
Transport Related	25	-	10	-
Supplies & Services	161	600	500	500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	12,557	12,930	12,220	13,080
Capital Accounting Charges	400	-	-	-
Total Expenditure	65,933	69,350	54,490	56,230
Income including recharges to other services	(65,933)	(69,760)	(54,500)	(56,230)
NET GENERAL FUND REQUIREMENT	0	(410)	(10)	0

Type of service: Overheads

Service Purpose: To provide a payroll service to employees and Councillors.

Service Activity: To process 100% of changes to salary, including starters leavers, salary changes on a monthly basis.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
HR SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C1415				
Executive Head of People	£	£	£	£
Employees	335,119	314,800	376,580	340,500
Premises	-	-	-	-
Transport Related	118	100	80	-
Supplies & Services	52,396	65,600	69,900	53,400
Third Party Payments	-	-	-	-
Transfer Payments	34,334	37,000	35,500	36,000
Support Services	69,149	50,990	81,340	59,590
Capital Accounting Charges	2,285	2,520	2,520	2,520
Total Expenditure	493,401	471,010	565,920	492,010
Income including recharges to other services	(493,401)	(405,580)	(565,920)	(492,020)
NET GENERAL FUND REQUIREMENT	0	65,430	0	(10)

Type of service: Overheads

Service Purpose: To assist the Council in it's objectives by: - advising, supporting and guiding individuals and the organisation on people management issues, - by achieving and facilitating learning and improvement, and through interpretation and application of employment law and good employment practices.

Service Activity: Provide support to managers and employees through various activities - including employee relations, policy development, recruitment and selection and learning and development.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2018/19 included a budget request for 2018/19 only towards in house training.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXEC DIR CUSTOMER, DIGITAL MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2100				
Directors Costs	£	£	£	£
Employees	5,254	2,900	5,900	5,900
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	8,269	5,550	8,450	8,450
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,417	4,700	4,970	5,280
Capital Accounting Charges	-	-	-	-
Total Expenditure	17,940	13,150	19,320	19,630
Income including recharges to other services	(17,940)	(12,710)	(19,150)	(19,150)
NET GENERAL FUND REQUIREMENT	0	440	170	480

Type of service: Overheads

Service Purpose: Apportioned cost elements of the Executive Director (Customers, Digital and Rushmoor 2020).

Service Activity: Executive Director (Customers, Digital and Rushmoor 2020).

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXEC DIRECTOR OPERATIONS MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C3102				
Directors Costs	£	£	£	£
Employees	967	780	1,000	1,000
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	2,215	2,890	3,010	2,910
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,829	4,070	4,280	4,620
Capital Accounting Charges	-	-	-	-
Total Expenditure	7,011	7,740	8,290	8,530
Income including recharges to other services	(7,011)	(12,670)	(8,210)	(8,210)
NET GENERAL FUND REQUIREMENT	0	(4,930)	80	320

Type of service: Overheads

Service Purpose: Apportioned cost elements of the Executive Director (Operations) Deputy CEX and Monitoring Officer.

Service Activity: Executive Director (Operations) Deputy CEX and Monitoring Officer.

Explanation of significant expenditure/income changes

Income

Adjustment to recharges to other services.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
AUDIT SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C3106				
Executive Head of Finance	£	£	£	£
Employees	102,960	120,650	85,290	116,770
Premises	-	-	-	-
Transport Related	12	20	30	30
Supplies & Services	387	1,700	1,000	940
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	25,375	26,900	28,440	27,220
Capital Accounting Charges	500	-	-	-
Total Expenditure	129,234	149,270	114,760	144,960
Income including recharges to other services	(129,234)	(149,260)	(114,760)	(144,960)
NET GENERAL FUND REQUIREMENT	0	10	0	0

Type of service: Overheads

Service Purpose: The purpose of Internal Audit is to:

- Evaluate and assist in improving the effectiveness of governance, risk management and control processes within the Council.
- Provide the Council with anti-fraud and corruption, and internal investigation expertise.

Service Activity: To meet the above purpose the following activities are carried out by Internal Audit:

- Audit reviews of corporate and service activities.
- Significant financial audits.
- Work with management to address risks and issues identified.
- Provide advice on system controls, legislation and policies.
- Proactive anti-fraud and corruption work as well as investigations when required.

Explanation of significant expenditure/income changes

Employees

Fluctuations in expenditure relate to changes in staffing levels with vacancies in 2018/19 returning to full establishment in 2019/20.

Income

Adjustment to recharges to other services.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C3401				
Executive Head of Finance	£	£	£	£
Employees	411,810	451,070	512,780	483,750
Premises	-	-	-	-
Transport Related	146	250	130	70
Supplies & Services	17,765	23,060	19,890	17,760
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	93,976	100,640	114,330	112,420
Capital Accounting Charges	13,359	21,150	23,820	23,820
Total Expenditure	537,056	596,170	670,950	637,820
Income including recharges to other services	(537,055)	(596,170)	(667,950)	(636,840)
NET GENERAL FUND REQUIREMENT	1	0	3,000	980

Type of service: Overheads

Service Purpose: To provide financial support to all areas of the Council.

Service Activity: Provide a comprehensive budgeting and accounting service including the provision of financial advice, the exercising of financial control, the maintenance of financial systems, insurances and the payment of the Council's creditors.

Explanation of significant expenditure/income changes

Employees

Addition to establishment in 2018/19 plus change in allocations at revised estimate. Also increased use of temporary staff due to vacancies and then returning to full establishment in 2019/20

Supplies and Services

Reduction in spend in 2017/18 on Consultancy due to lack of requirement

Income

Adjustment to recharges to other services.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEBTORS SUPPORT	2017/18	2018/19	2018/19	2019/20
Cost centre C3807				
Executive Head of Finance	£	£	£	£
Employees	22,990	27,080	22,250	23,640
Premises	-	-	-	-
Transport Related	1	-	10	10
Supplies & Services	2,400	2,890	1,700	900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	10,728	10,750	11,910	13,180
Capital Accounting Charges	-	-	-	-
Total Expenditure	36,119	40,720	35,870	37,730
Income including recharges to other services	(36,119)	(41,610)	(35,860)	(37,730)
NET GENERAL FUND REQUIREMENT	0	(890)	10	0

Type of service: Overheads

Service Purpose: To issue accurate bills and collect money due from individuals and businesses for rents and services.

Service Activity: Issue bills, make collection arrangements and undertake recovery and enforcement for sums due. Liaise with Council Service areas to raise bills and establish liability and payment arrangements for debts from their area. Assist customers with enquiries about bills issued.

Corporate and Democratic Services	Outturn	Original	Revised	Budget
REVENUES MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C3808				
Executive Head of Finance	£	£	£	£
Employees	4,524	2,720	3,200	3,200
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	2,493	10,150	9,210	8,210
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	7,017	12,870	12,410	11,410
Income including recharges to other services	(7,017)	(12,870)	(12,910)	(11,510)
NET GENERAL FUND REQUIREMENT	0	0	(500)	(100)

Type of service: Overheads

Service Purpose: Management costs for Revenues income collection.

Service Activity: Revenues income collection.

Explanation of significant expenditure/income changes

Supplies and services

Underspend in 2017/18 on supplies and services costs

This page has been left intentionally blank

Customer Experience and Improvement		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Discretionary	Page No				
S & C Corporate Events	48	11,215	13,780	11,070	12,620
Other					
Customer Services Unit	49	0	10	10	0
S & C Communications	50	0	0	4,310	6,150
Systems Thinking Support	51	0	(17,600)	0	0
Information Technology Management	52	0	0	0	0
Information Technology Applications Supp	53	(1)	0	0	0
Information Technology Service Desk	54	0	0	0	0
Information Technology Technical Service:	55	(1)	(10)	(10)	0
Council Offices	56	0	(25,390)	6,230	4,750
Printing Unit	57	1	22,750	21,800	19,090
Facilities	58	(1)	(10)	(10)	0
		(2)	(20,250)	32,330	29,990
Net Expenditure		11,213	(6,470)	43,400	42,610

Customer Experience and Improvement S & C CORPORATE EVENTS Cost centre C1412 Head of Customer Experience	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	6,409	4,950	3,740	3,820
Premises	-	-	-	-
Transport Related	10	10	-	-
Supplies & Services	2,016	6,000	4,400	6,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,780	2,820	2,930	2,800
Capital Accounting Charges	-	-	-	-
Total Expenditure	11,215	13,780	11,070	12,620
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	11,215	13,780	11,070	12,620

Type of service: Discretionary

Service Purpose: To enable the Council to engage with the local community at local events in the Borough.

Service Activity: To enable the Council to engage with the local community and support events in the Borough including Farnborough Donkey Derby, Victoria Day, the Aldershot Military Festival, Christmas lights and the North Camp Summer Fayre.

Customer Experience and Improvement CUSTOMER SERVICES UNIT Cost centre C1327 Head of Customer Experience	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	466,472	540,410	482,610	524,490
Premises	-	-	-	-
Transport Related	120	350	100	100
Supplies & Services	160,508	178,910	186,960	447,210
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	171,375	180,500	178,680	174,280
Capital Accounting Charges	65,751	12,470	36,820	49,850
Total Expenditure	864,226	912,640	885,170	1,195,930
Income including recharges to other services	(864,226)	(912,630)	(885,160)	(1,195,930)
NET GENERAL FUND REQUIREMENT	0	10	10	0

Type of service: Overheads

Service Purpose: To answer enquiries from the general public calling at the Council offices in person, by telephone, letter and e-mail.

Service Activity: To run the Council's main reception area, the Council switchboard service and the customer service response team, answer e-mails and respond to enquiries via the Council's website. Process payments made to the Council in person, by phone and by post; and carry out meeting room administration and post services.

Explanation of significant expenditure/income changes

Supplies and Services

2019/20 One off costs for Customer Experience Project funded by Service Improvement Fund

Customer Experience and Improvement S & C COMMUNICATIONS Cost centre C1411 Head of Customer Experience	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	259,228	249,000	255,370	273,730
Premises	-	-	-	-
Transport Related	185	270	240	240
Supplies & Services	49,023	68,100	65,770	62,770
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	83,590	83,520	87,160	84,630
Capital Accounting Charges	29,545	31,150	34,770	26,810
Total Expenditure	421,571	432,040	443,310	448,180
Income including recharges to other services	(421,571)	(432,040)	(439,000)	(442,030)
NET GENERAL FUND REQUIREMENT	0	0	4,310	6,150

Type of service: Overheads

Service Purpose: To communicate, consult and engage with local residents. To maintain and develop the Council's website.

Service Activity: To promote Council services, protect its reputation and ensure the Council communicates effectively and professionally through a broad range of communication channels and engages meaningfully with the Rushmoor community, staff, Members and partners using

- Public, social and media relations
- Marketing, campaigns and publications
- Effective consultation, engagement and involvement

Customer Experience and Improvement SYSTEMS THINKING SUPPORT Cost centre C3103 Head of IT, Projects and Facilities	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	158,025	126,680	172,730	157,220
Premises	-	-	-	-
Transport Related	198	-	330	330
Supplies & Services	1,208	280	280	280
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	20,353	22,200	30,710	23,680
Capital Accounting Charges	-	-	-	-
Total Expenditure	179,784	149,160	204,050	181,510
Income including recharges to other services	(179,784)	(166,760)	(204,050)	(181,510)
NET GENERAL FUND REQUIREMENT	0	(17,600)	0	0

Type of service: Overheads

Service Purpose: To improve services to our customers by enhancing the design and management of our work.

Service Activity: Help improve the delivery of services to our customers; support managers by carrying out interventions in service areas; coaching in system thinking principles and work design; review data and redesign processes; run workshops and presentations.

Explanation of significant expenditure/income changes

Employees

Increase in staff costs due to additional work carried out on behalf of another Authority, not anticipated in 2019/20 (additional costs met by additional income received).

Income

Increase in income due to additional work carried out on behalf of another Authority, not anticipated in 2019/20 (additional staff costs incurred).

Customer Experience and Improvement INFORMATION TECHNOLOGY MANAGEMENT Cost centre C3300 Head of IT, Projects and Facilities	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	12,335	5,600	5,600	5,600
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	30,571	11,180	40,140	10,580
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	42,906	16,780	45,740	16,180
Income including recharges to other services	(42,906)	(16,780)	(45,740)	(16,180)
NET GENERAL FUND REQUIREMENT	0	0	0	0

Type of service: Overheads

Service Purpose: The managerial support for information technology utilised.

Service Activity: Information Technology management.

Explanation of significant expenditure/income changes

Employees

Increase in training expenses in 2017/18 due to additional training course held for a number of Authorities (additional costs met by additional income).

Supplies and Services

Increase in use of external support in 2018/19 (funded from salary savings).

Income

Adjustment to recharges to other services.

Customer Experience and Improvement INFORMATION TECHNOLOGY APPLICATIONS SUPP Cost centre C3302 Head of IT, Projects and Facilities	Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
	£	£	£	£
Employees	233,065	313,580	302,850	337,210
Premises	-	-	-	-
Transport Related	88	-	-	-
Supplies & Services	221,502	224,820	261,770	200,450
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	48,461	35,970	48,060	41,280
Capital Accounting Charges	4,105	4,010	9,150	7,520
Total Expenditure	507,221	578,380	621,830	586,460
Income including recharges to other services	(507,222)	(578,380)	(621,830)	(586,460)
NET GENERAL FUND REQUIREMENT	(1)	0	0	0

Type of service: Overheads

Service Purpose: • Maintaining, upgrading and developing applications to meet user requirements.
 • Liaise with customer departments and suppliers on planning upgrades and implementing new requirements.
 • Co-ordinate and project manage upgrade process or installation of new applications.
 • Production of statutory and other reports for service departments.

Service Activity: Liaise with suppliers on planning upgrades and new requirements; co-ordinate and project manage upgrade process or installation of new applications; maintain databases to ensure efficient running.

Explanation of significant expenditure/income changes

Employees

Reduction in spend due to staff vacancies in 2017/18, assumed full establishment in 2019/20.

Supplies and Services

New contract with software supplier leading to one-off increase in 2018/19 followed by reduction in spend in future years.

Income

Adjustment to recharges to other services.

Customer Experience and Improvement INFORMATION TECHNOLOGY SERVICE DESK Cost centre C3303 Head of IT, Projects and Facilities	Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
	£	£	£	£
Employees	210,800	238,290	222,310	239,850
Premises	-	-	-	-
Transport Related	94	70	40	70
Supplies & Services	5,332	5,300	5,300	5,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	38,926	31,540	41,330	35,480
Capital Accounting Charges	8,370	8,370	8,370	8,370
Total Expenditure	263,522	283,570	277,350	289,070
Income including recharges to other services	(263,522)	(283,570)	(277,350)	(289,070)
NET GENERAL FUND REQUIREMENT	0	0	0	0

Type of service: Overheads

Service Purpose: • Provide an integrated central contact point via central service desk system for users to report service requests or log incidents so that the IT service can resolve them
 • To periodically analyse the type and frequency of requests and incidents
 • Review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/

Service Activity: To periodically analyse the type and frequency of requests and incidents and review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/ infrastructure and training plan.

Explanation of significant expenditure/income changes

Employees

Reduction in spend in 2017/18 and at revised budget 2018/19 due mainly to vacant posts, budget in 2019/20 assumes full establishment.

Income

Adjustment to recharges to other services.

Customer Experience and Improvement	Outturn	Original	Revised	Budget
INFORMATION TECHNOLOGY TECHNICAL SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C3304				
Head of IT, Projects and Facilities	£	£	£	£
Employees	217,028	250,140	245,140	250,490
Premises	8,914	8,900	11,000	9,500
Transport Related	56	80	50	50
Supplies & Services	221,432	256,450	261,430	252,650
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	38,031	34,300	44,680	37,170
Capital Accounting Charges	197,572	174,090	205,680	178,510
Total Expenditure	683,033	723,960	767,980	728,370
Income including recharges to other services	(683,034)	(723,970)	(767,990)	(728,370)
NET GENERAL FUND REQUIREMENT	(1)	(10)	(10)	0

Type of service: Overheads

Service Purpose: • Maintaining, upgrading and developing ICT infrastructure (data network, telephony and server system environments, key corporate systems, ISO 27001 information security policy, security/ firewalls etc.).
 • Provision of 3rd line technical support, liaison with suppliers and customer departments on planning upgrades and implementing new requirements.

Service Activity: Research in changes in ICT infrastructure market and the potential benefits to the organisation.

Explanation of significant expenditure/income changes

Employees

Reduction in spend in 2017/18 due mainly to vacant posts

Supplies and Services

Telecomms refund received in 2017/18. Small increases in budget across a number of expenditure headings due, in part, to an increase in number of employees having the ability to work from home

Income

Adjustment to recharges to other services

Customer Experience and Improvement COUNCIL OFFICES Cost centre C3305 Head of IT, Projects and Facilities	Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
	£	£	£	£
Employees	120,388	131,740	133,890	139,410
Premises	440,711	436,220	471,530	490,510
Transport Related	663	690	720	720
Supplies & Services	61,474	55,260	64,840	60,540
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	46,128	43,350	42,410	39,440
Capital Accounting Charges	135,281	120,070	118,850	103,620
Total Expenditure	804,645	787,330	832,240	834,240
Income including recharges to other services	(804,645)	(812,720)	(826,010)	(829,490)
NET GENERAL FUND REQUIREMENT	0	(25,390)	6,230	4,750

Type of service: Overheads

Service Purpose: To provide a safe, secure and comfortable environment for all users of the Council Offices.

Service Activity: Ensure the building is maintained to the necessary standards of health and safety and meets the Council's needs. Maximise usage of the offices to provide capacity for use by external organisations where appropriate.

Explanation of significant expenditure/income changes

Employees

Increase in budget due in part to additional cleaning costs and a change in allocations

Premises

Various increases in budget on various premises costs, the main areas being utilities and trade refuse (as a result of increased shredding following GDPR)

Customer Experience and Improvement PRINTING UNIT Cost centre C3306 Head of IT, Projects and Facilities	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	61,072	63,310	61,920	63,000
Premises	-	-	-	-
Transport Related	240	170	70	70
Supplies & Services	67,663	74,720	71,510	71,510
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	12,295	11,440	15,190	12,510
Capital Accounting Charges	1,113	1,110	1,110	-
Total Expenditure	142,383	150,750	149,800	147,090
Income including recharges to other services	(142,382)	(128,000)	(128,000)	(128,000)
NET GENERAL FUND REQUIREMENT	1	22,750	21,800	19,090

Type of service: Overheads

Service Purpose: To provide comprehensive printing, copying and finishing services to Council services and external customers.

Service Activity: Manage photocopier contracts; deal with external printing requirements; provide volume and specialist printing services from within the Print room.

Explanation of significant expenditure/income changes

Supplies and Services

Reduction in spend in 2017/18 on purchase of paper and photocopiers

Income

Adjustment to recharges to other services

Customer Experience and Improvement FACILITIES Cost centre C1323#3307 Head of IT, Projects and Facilities	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	80,057	86,280	86,680	86,560
Premises	-	-	-	-
Transport Related	821	790	770	770
Supplies & Services	9,258	10,050	9,900	9,900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	45,706	47,980	56,250	50,790
Capital Accounting Charges	-	-	-	-
Total Expenditure	135,842	145,100	153,600	148,020
Income including recharges to other services	(135,843)	(145,110)	(153,610)	(148,020)
NET GENERAL FUND REQUIREMENT	(1)	(10)	(10)	0

Type of service: Overheads

Service Purpose: To provide appropriate facilities to maintain effective working arrangements within the Council.

Service Activity: Carry out all work associated with incoming and out-going mail and parcels; deal with all central purchasing of stationery and associated products; maintain the civic suite and provide appropriate meeting facilities.

Explanation of significant expenditure/income changes

Employees

Increase in 2018/19 original budget due mainly to cost of living increase and increments.

Income

Adjustment to recharges to other services.

Major Projects and Property		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Discretionary	Page No				
Regeneration	60	510,634	407,710	657,460	558,350
Other Highways	61	294,298	263,000	258,250	219,090
Maintenance Team	62	74,820	75,940	74,280	77,030
Street Furniture	63	27,674	27,980	23,300	28,230
Footpath Lighting	64	6,316	9,790	10,290	10,170
Markets And Car Boot Sales	65	(46,105)	(20,780)	(5,540)	(19,810)
Bellevue Enterprise Cntr	66	(86,386)	(66,560)	(76,400)	(73,540)
Regeneration Properties	67	1,062,983	2,400	(64,340)	(115,030)
Town Centres	68	(623,366)	(596,660)	(584,040)	(608,090)
Investment Properties	69	(254,655)	(583,950)	(1,222,900)	(1,877,350)
Industrial Estates	70	(962,210)	(904,410)	(861,480)	(865,430)
		4,003	(1,385,540)	(1,791,120)	(2,666,380)
Other					
Estates Support Service	71	1	0	0	0
Property & Estates Management	72	0	0	(1,760)	(1,760)
Building Services Support	73	0	0	0	0
		1	0	(1,760)	(1,760)
Net Expenditure		4,004	(1,385,540)	(1,792,880)	(2,668,140)

Major Projects and Property REGENERATION Cost centre C1100#1101#1102#2102 Executive Head of Regeneration and Property	Outturn 2017/18 £	Original 2018/19 £	Revised 2018/19 £	Budget 2019/20 £
Employees	158,743	271,610	228,570	290,570
Premises	-	-	-	-
Transport Related	149	280	1,100	1,130
Supplies & Services	21,111	102,350	329,580	215,350
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	31,356	31,930	49,530	49,760
Capital Accounting Charges	299,275	1,540	48,680	1,540
Total Expenditure	510,634	407,710	657,460	558,350
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	510,634	407,710	657,460	558,350

Type of service: Discretionary

Service Purpose: The regeneration and development of a range of sites within the Borough.

Service Activity: Regeneration activities for sites within the Borough.

Major Projects and Property	Outturn	Original	Revised	Budget
OTHER HIGHWAYS	2017/18	2018/19	2018/19	2019/20
Cost centre C2540				
Executive Head of Regeneration and Property	£	£	£	£
Employees	184,860	128,500	154,170	136,430
Premises	356	5,050	5,050	5,050
Transport Related	1,449	1,330	1,510	1,480
Supplies & Services	20,259	32,550	32,750	29,910
Third Party Payments	196,645	205,670	197,150	159,430
Transfer Payments	-	-	-	-
Support Services	91,121	94,070	79,590	80,960
Capital Accounting Charges	23,027	-	-	-
Total Expenditure	517,717	467,170	470,220	413,260
Income including recharges to other services	(223,419)	(204,170)	(211,970)	(194,170)
NET GENERAL FUND REQUIREMENT	294,298	263,000	258,250	219,090

Type of service: Discretionary

Service Purpose: Maintenance of the highway grass verges, shrubs and hedges on behalf of Hampshire County Council.

Service Activity: To maintain highway grass verges, shrub beds and hedges in accordance with grounds maintenance specifications and to facilitate non routine works to maintain a clean, bright and attractive urban environment.

Explanation of significant expenditure/income changes

Employees

2018/19 Original Estimate reflects a reduction in costs following a restructure to staffing. 2018/19 Revised estimate also includes additional training expenditure and apprenticeship costs.

Supplies & Services

2017/18 Actual reflects a reduction in spend on Brown Traffic signs and repairs and maintenance to On-Street parking signs.

Third Party Payments

2018/19 Revised estimate reflects a reduction in spend on basal growth around highway tree bases as this is not currently in the work plan. 2019/20 Budget reflects a reduction in the contractor payment as a result of a reduction in service specification (and funding) by Hampshire County Council for Highway grass, shrubs and hedges.

Income is analysed as follows:

Customer & Client Receipts	(104,211)	(87,170)	(94,970)	(77,170)
HCC Agency Contributions	(119,208)	(117,000)	(117,000)	(117,000)
	<u>(223,419)</u>	<u>(204,170)</u>	<u>(211,970)</u>	<u>(194,170)</u>

2018/19 Estimate onwards reflects the reduction in fee income which is offset by a reduction in employee costs. 2018/19 Revised Estimate includes additional income from temporary traffic regulation orders. 2019/20 Budget does not include the airshow income which is biennial.

Major Projects and Property	Outturn	Original	Revised	Budget
MAINTENANCE TEAM	2017/18	2018/19	2018/19	2019/20
Cost centre C2549				
Executive Head of Regeneration and Property	£	£	£	£
Employees	116,180	109,670	102,280	106,750
Premises	-	-	-	-
Transport Related	16,510	18,500	15,000	15,000
Supplies & Services	49,211	40,860	39,270	44,370
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	29,802	31,040	34,860	33,040
Capital Accounting Charges	-	-	-	-
Total Expenditure	211,703	200,070	191,410	199,160
Income including recharges to other services	(136,883)	(124,130)	(117,130)	(122,130)
NET GENERAL FUND REQUIREMENT	74,820	75,940	74,280	77,030

Type of service: Discretionary

Service Purpose: To maintain and improve the environment.

Service Activity: To address vandalism, flytipping, graffiti, damage to street furniture and playground equipment; Installation of litter bins and street furniture; assist in emergencies as and when required.

Explanation of significant expenditure/income changes

Employees

2017/18 Included additional costs incurred within the Maintenance Team whilst working on internal capital projects, a corresponding credit is shown in the income line for the recharge of salaries to capital projects. 2018/19 Revised Estimate reflects vacancy savings in year.

Supplies & Services

2017/18 Includes additional expenditure on operational equipment. 2018/19 Revised estimate includes a reduction in spend on Skilled Up Project. 2018/19 Revised Estimate and 2019/20 Estimate includes a budget movement from other cost centres to cover the increase in operational equipment.

Income

2017/18 Actual includes a credit for the recharge of salaries to capital projects and additional skilled Up Project funding. The surplus skilled up funding received during 2017/18 has been transferred to the skilled up Earmarked Reserve. 2018/19 Revised Estimate reflects a reduction in Skilled Up Project income anticipated for that year.

Major Projects and Property	Outturn	Original	Revised	Budget
STREET FURNITURE	2017/18	2018/19	2018/19	2019/20
Cost centre C2541				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	-	-
Premises	1,796	2,000	2,000	2,000
Transport Related	-	-	-	-
Supplies & Services	24,389	24,390	19,390	24,390
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	1,489	1,590	1,910	1,840
Capital Accounting Charges	-	-	-	-
Total Expenditure	27,674	27,980	23,300	28,230
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	27,674	27,980	23,300	28,230

Type of service: Discretionary

Service Purpose: To improve the street scene.

Service Activity: Provide items of street furniture such as street name plates and public benches, in accordance within the requirements of the Highways Act 1980.

Major Projects and Property	Outturn	Original	Revised	Budget
FOOTPATH LIGHTING	2017/18	2018/19	2018/19	2019/20
Cost centre C2542				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	-	-
Premises	958	3,300	3,300	3,300
Transport Related	-	-	-	-
Supplies & Services	3,120	4,100	4,120	4,120
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,238	2,390	2,870	2,750
Capital Accounting Charges	-	-	-	-
Total Expenditure	6,316	9,790	10,290	10,170
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	6,316	9,790	10,290	10,170

Type of service: Discretionary

Service Purpose: To maintain and where appropriate improve street lighting throughout our parks & open spaces.

Service Activity: To provide lighting of footways and public areas.

Major Projects and Property	Outturn	Original	Revised	Budget
MARKETS AND CAR BOOT SALES	2017/18	2018/19	2018/19	2019/20
Cost centre C2565				
Executive Head of Regeneration and Property	£	£	£	£
Employees	54,929	70,800	70,370	70,700
Premises	38,419	41,100	41,100	41,540
Transport Related	2,488	2,980	2,980	2,980
Supplies & Services	5,222	9,660	9,680	9,680
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	7,171	7,590	8,240	8,200
Capital Accounting Charges	3,229	3,230	3,230	3,230
Total Expenditure	111,458	135,360	135,600	136,330
Income including recharges to other services	(157,563)	(156,140)	(141,140)	(156,140)
NET GENERAL FUND REQUIREMENT	(46,105)	(20,780)	(5,540)	(19,810)

Type of service: Discretionary

Service Purpose: To manage markets and car boot sales to enhance the town centre offering.

Service Activity: Manage the set up, safety and inspection of markets and car boot sales, and collect rent and entrance fees.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual reflects a reduction in spend on staffing.

Income

2018/19 Revised estimate reflects an anticipated shortfall in Markets income.

Major Projects and Property	Outturn	Original	Revised	Budget
BELLEVUE ENTERPRISE CNTR	2017/18	2018/19	2018/19	2019/20
Cost centre C1206				
Executive Head of Regeneration and Property	£	£	£	£
Employees	18,324	19,580	16,320	20,000
Premises	6,677	11,280	9,080	11,200
Transport Related	31	40	10	20
Supplies & Services	16,438	15,750	15,620	15,660
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	17,444	19,170	28,150	25,160
Capital Accounting Charges	20,799	20,800	20,800	20,800
Total Expenditure	79,713	86,620	89,980	92,840
Income including recharges to other services	(166,099)	(153,180)	(166,380)	(166,380)
NET GENERAL FUND REQUIREMENT	(86,386)	(66,560)	(76,400)	(73,540)

Type of service: Discretionary

Service Purpose: To provide starter units for small businesses.

Service Activity: To manage the estate, collect income, arrange repairs and lettings.

Explanation of significant expenditure/income changes

Income

Increase in rental income due to rent reviews.

Major Projects and Property	Outturn	Original	Revised	Budget
REGENERATION PROPERTIES	2017/18	2018/19	2018/19	2019/20
Cost centre C1212#1235				
Executive Head of Regeneration and Property	£	£	£	£
Employees	24,337	12,680	9,590	8,390
Premises	18,768	36,120	41,920	44,850
Transport Related	1	-	-	-
Supplies & Services	7,218	4,890	9,380	9,570
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	10,914	10,290	11,640	10,690
Capital Accounting Charges	1,096,150	38,560	23,270	151,610
Total Expenditure	1,157,388	102,540	95,800	225,110
Income including recharges to other services	(94,405)	(100,140)	(160,140)	(340,140)
NET GENERAL FUND REQUIREMENT	1,062,983	2,400	(64,340)	(115,030)

Type of service: Discretionary

Service Purpose: Regeneration & development of properties within Rushmoor BC

Service Activity: Costs and income related to Aldershot sites 35/39 High and 36-62 Union Street.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocation

Premises

2018/19 Revised estimates reflects the changes to utilities' providers and associated bills. Plus increases in NNDR costs incurred by the Council, due to vacant properties.

Income

Steady increases across all years are due to newly acquired properties and associated rental income

Major Projects and Property	Outturn	Original	Revised	Budget
TOWN CENTRES	2017/18	2018/19	2018/19	2019/20
Cost centre C1208				
Executive Head of Regeneration and Property	£	£	£	£
Employees	37,360	38,650	37,060	39,630
Premises	51,477	66,090	71,850	69,960
Transport Related	70	120	20	40
Supplies & Services	38,846	38,330	37,310	37,650
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	75,074	81,440	101,210	91,190
Capital Accounting Charges	15,500	15,500	15,500	12,430
Total Expenditure	218,327	240,130	262,950	250,900
Income including recharges to other services	(841,693)	(836,790)	(846,990)	(858,990)
NET GENERAL FUND REQUIREMENT	(623,366)	(596,660)	(584,040)	(608,090)

Type of service: Discretionary

Service Purpose: To manage the Council's town centre holdings.

Service Activity: Estate management of lettings, repairs, collection of rents etc.

Explanation of significant expenditure/income changes

Premises

2018/19 Revised estimates reflects fluctuations in utility costs and NNDR costs due to vacant properties.

Major Projects and Property	Outturn	Original	Revised	Budget
INVESTMENT PROPERTIES	2017/18	2018/19	2018/19	2019/20
Cost centre C1209#1230#1231#1232#1233#1234#1236#1237#1238#1239				
Executive Head of Regeneration and Property	£	£	£	£
Employees	95,359	104,670	82,720	85,920
Premises	70,274	59,730	51,240	40,140
Transport Related	116	200	40	80
Supplies & Services	56,548	62,380	66,280	64,460
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	130,994	142,200	129,160	117,700
Capital Accounting Charges	308,486	3,950	5,020	5,000
Total Expenditure	661,777	373,130	334,460	313,300
Income including recharges to other services	(916,432)	(957,080)	(1,557,360)	(2,190,650)
NET GENERAL FUND REQUIREMENT	(254,655)	(583,950)	(1,222,900)	(1,877,350)

Type of service: Discretionary

Service Purpose: Revenue effect of the Council's investment properties

Service Activity: Investment properties

Explanation of significant expenditure/income changes

Employees

Amendment to salary percentage allocation

Premises

Changes to utilities' providers and associated bills. Fluctuations in NNDR costs due to vacant properties. Fluctuations in repairs, maintenance and legionella costs.

Supplies & Services

New management agent and increase in the associated management costs.

Income

New tenants, rental reviews and fewer vacancies resulted in an increase in the associated rental income. Plus increases in service charge **income**.

Major Projects and Property	Outturn	Original	Revised	Budget
INDUSTRIAL ESTATES	2017/18	2018/19	2018/19	2019/20
Cost centre C1205				
Executive Head of Regeneration and Property	£	£	£	£
Employees	16,899	16,700	16,170	17,090
Premises	112	200	200	200
Transport Related	28	40	10	20
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	49,683	56,590	72,820	64,870
Capital Accounting Charges	-	-	-	-
Total Expenditure	66,722	73,530	89,200	82,180
Income including recharges to other services	(1,028,932)	(977,940)	(950,680)	(947,610)
NET GENERAL FUND REQUIREMENT	(962,210)	(904,410)	(861,480)	(865,430)

Type of service: Discretionary

Service Purpose: To manage the industrial estates.

Service Activity: To deal with estate management matters and asset strategy in relation to Farnborough, Black Water Valley and Holder Road Industrial Estates, including variations, covenant issues, renewals, extensions and rent reviews.

Major Projects and Property	Outturn	Original	Revised	Budget
ESTATES SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C1203				
Executive Head of Regeneration and Property	£	£	£	£
Employees	59,646	59,130	40,270	34,710
Premises	-	-	-	-
Transport Related	262	270	30	30
Supplies & Services	34,023	16,100	26,100	26,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	12,797	13,960	14,620	13,670
Capital Accounting Charges	-	-	-	-
Total Expenditure	106,728	89,460	81,020	74,510
Income including recharges to other services	(106,727)	(89,460)	(81,020)	(74,510)
NET GENERAL FUND REQUIREMENT	1	0	0	0

Type of service: Overheads

Service Purpose: To provide an Estate Management Service for the residual estate within the Communities portfolio.

Service Activity: Provision of admin and management support to the residual estate within the Communities portfolio.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Supplies & Services

2018/19 Revised estimates reflects increases in the number of valuations and associated costs.

Income

Adjustments to recharges to other services

Major Projects and Property	Outturn	Original	Revised	Budget
PROPERTY & ESTATES MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C1204				
Executive Head of Regeneration and Property	£	£	£	£
Employees	639	1,740	1,740	1,740
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	5,399	8,500	8,500	8,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	6,038	10,240	10,240	10,240
Income including recharges to other services	(6,038)	(10,240)	(12,000)	(12,000)
NET GENERAL FUND REQUIREMENT	0	0	(1,760)	(1,760)

Type of service: Overheads

Service Purpose: The utilisation of resources to management Property and Estates matters.

Service Activity: Property and Estates management.

Major Projects and Property	Outturn	Original	Revised	Budget
BUILDING SERVICES SUPPORT	2017/18	2018/19	2018/19	2019/20
Cost centre C1210				
Executive Head of Regeneration and Property	£	£	£	£
Employees	123,792	113,670	129,130	96,090
Premises	3,100	6,000	6,000	6,000
Transport Related	409	410	10	10
Supplies & Services	270	800	1,580	800
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	10,632	11,140	11,530	10,830
Capital Accounting Charges	-	-	-	-
Total Expenditure	138,203	132,020	148,250	113,730
Income including recharges to other services	(138,203)	(132,020)	(148,250)	(113,730)
NET GENERAL FUND REQUIREMENT	0	0	0	0

Type of service: Overheads

Service Purpose: To provide a building support service for the Council's property portfolio.

Service Activity: Provision of administrative and management support, building surveying service, repairs and maintenance, health and safety issues for the Council's estate.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations.

Income

Adjustments to recharges to other services.

This page has been left intentionally blank

Operational Services		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Statutory	Page No				
Domestic Refuse	78	1,517,426	1,459,320	1,577,360	1,561,350
Street Cleansing	79	863,371	973,440	976,170	1,049,240
Recycling	80	302,923	465,800	437,290	520,740
Health Pollution & Env Control	81	406,626	449,120	497,480	473,180
Health Food Safety	82	235,117	229,930	227,940	243,280
Health Licensing General	83	128,765	173,890	166,810	181,350
Health Health & Safety	84	164,004	168,100	173,380	171,400
Health Taxi Licensing	85	78,829	112,120	103,210	126,970
Housing Houses In Multiple Occ	86	128,872	143,550	51,040	101,610
Abandoned Vehicles	87	21,784	24,460	24,670	29,310
Health Land Drainage/Sewerage	88	18,330	24,110	19,950	19,740
		3,866,047	4,223,840	4,255,300	4,478,170

Financial information for Discretionary activities continues on the following page

REVENUE BUDGET 2019/20

Appendix 2

Operational Services continued		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Discretionary					
Housing Advice	89	752,558	912,130	924,200	973,840
Parks And Recreation Grds	90	324,161	648,870	722,910	708,260
Farnborough Leisure Centre	91	595,616	402,790	620,770	646,010
Grounds Maint Contracts	92	636,122	620,420	553,420	557,930
Aldershot Indoor Pools	93	403,274	438,140	443,360	458,830
Aldershot Lido	94	328,803	348,870	327,210	357,940
Cctv	95	306,770	328,560	332,320	333,480
Community Patrol Team	96	213,935	228,890	227,860	259,890
Housing Improvement Grants-Rev	97	160,922	212,030	203,190	211,080
Public Conveniences	98	284,287	210,930	192,760	194,020
Southwood Golf Course	99	65,708	74,880	88,280	77,300
Gymnastics Academy	100	71,730	77,330	71,750	70,850
Health Dog Warden	101	61,621	82,970	63,340	63,340
Cemeteries	102	62,377	32,880	68,260	65,960
Public Halls & Community Centres	103	97,699	102,440	89,730	80,930
Health Emergency Callout	104	41,038	39,580	38,400	38,240
Health Pest Control - Client	105	34,590	34,880	34,430	33,600
Blackwater Valley Project	106	24,373	24,640	24,910	24,190
Alderwood Campus Funding	107	19,968	21,320	19,360	20,190
Allotments	108	23,162	23,350	21,560	18,560
Rushmoor Healthy Living	109	7,108	7,120	7,000	7,000
Alpine Snowsports Centre	110	(4,297)	3,040	(6,260)	2,990
Housing Support Service	111	1	0	0	0
Housing Grants To Registered Social Lanc	112	98,500	0	0	0
Operational Services Management	113	(1)	0	0	0
Operational Services Support	114	0	0	0	0
Parking Management	115	(133,879)	(239,410)	(92,390)	(85,890)
Car Parks	116	(696,006)	(563,790)	(573,070)	(616,880)
Crematorium	117	(913,323)	(694,670)	(637,140)	(679,180)
		2,866,817	3,378,190	3,766,160	3,822,480

Financial information for Mixed & Other activities continues on the following page

Operational Services continued		Outturn 2017/18	Original 2018/19	Revised 2018/19	Budget 2019/20
		£	£	£	£
Statutory b/fwd from page 75		3,866,047	4,223,840	4,255,300	4,478,170
Discretionary b/fwd from page 76		2,866,817	3,378,190	3,766,160	3,822,480
Mixed					
Community Safety	118	204,594	216,600	210,360	246,270
		204,594	216,600	210,360	246,270
Other					
Health Support Service	119	0	0	0	0
Env Health And Housing	120	1	0	0	0
		1	0	0	0
Net Expenditure		6,937,459	7,818,630	8,231,820	8,546,920

Operational Services	Outturn	Original	Revised	Budget
DOMESTIC REFUSE	2017/18	2018/19	2018/19	2019/20
Cost centre C2553				
Head of Operational Services	£	£	£	£
Employees	74,846	79,010	65,730	64,460
Premises	3,349	-	5,160	5,280
Transport Related	547	700	550	540
Supplies & Services	167,507	76,650	134,090	17,730
Third Party Payments	1,063,628	951,180	981,390	1,023,970
Transfer Payments	-	-	-	-
Support Services	278,716	294,520	298,910	354,490
Capital Accounting Charges	29,854	157,610	170,680	228,000
Total Expenditure	1,618,447	1,559,670	1,656,510	1,694,470
Income including recharges to other services	(101,021)	(100,350)	(79,150)	(133,120)
NET GENERAL FUND REQUIREMENT	1,517,426	1,459,320	1,577,360	1,561,350

Type of service: Statutory

Service Purpose: Protecting public health and developing a clean, sustainable and green environment by provision of a regular domestic waste collection.

Service Activity: Weekly collection of household residual waste from 39,250 households; weekly household clinical waste collection service; collection service for bulky/heavy items of household waste.

Explanation of significant expenditure/income changes

Employees

2018/19 Revised Estimate & 2019/20 Estimate reflects a saving following a temporary restructure to the staffing arrangements.

Premises

2017/18 onwards includes the Non Domestic Rates costs for The Redan Road bin store area which the Council is now responsible for.

Supplies & Services

2017/18 & 2018/19 include the cost of mobilising the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract from the Doman Road depot whilst our new depot is being constructed.

Third Party Payments

2017/18 Actual reflects the fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017. 2018/19 Revised Estimate onwards includes an increase in payment for Bulky Waste collections (which is offset by additional income) and any changes to the contractor payment based on the number of properties receiving the service.

Income

2018/19 Revised Estimate reflects the Council's income from the Contractor for commercial activities start date is 2019/20. 2018/19 Revised Estimate onwards also includes additional income from bulky waste collections.

Operational Services	Outturn	Original	Revised	Budget
STREET CLEANSING	2017/18	2018/19	2018/19	2019/20
Cost centre C2556				
Head of Operational Services	£	£	£	£
Employees	46,460	49,350	38,890	38,960
Premises	1,500	8,190	8,190	8,190
Transport Related	471	620	480	470
Supplies & Services	16,204	30,100	26,400	28,350
Third Party Payments	922,201	933,410	934,100	976,740
Transfer Payments	-	-	-	-
Support Services	22,267	24,670	29,670	29,910
Capital Accounting Charges	10,617	80,210	73,580	124,630
Total Expenditure	1,019,720	1,126,550	1,111,310	1,207,250
Income including recharges to other services	(156,349)	(153,110)	(135,140)	(158,010)
NET GENERAL FUND REQUIREMENT	863,371	973,440	976,170	1,049,240

Type of service: Statutory

Service Purpose: To maintain and enhance the visual appearance and environmental quality of the Borough, thus protecting and developing a clean, sustainable and green environment, helping to make Rushmoor a place that our communities want to live and work in and reducing the fear of crime.

Adequately ensuring levels of public hygiene and health by regularly removing litter.

Service Activity: Removal of litter, flyposting, flytips, graffiti and shopping trolleys; sweeping of streets; leaf collection; emptying of litter bins, gum removal and street washing. All of these activities take place on the public highway, in town centres, parks, playgrounds, Council land and public open space.

Explanation of significant expenditure/income changes

Employees

2018/19 Revised Estimate & 2019/20 Estimate reflects a saving following a temporary restructure to the staffing arrangements.

Premises

2017/18 Actual includes a reduction in spend on specialist cleaning.

Supplies & Services

2018/19 onwards includes the cost of monitoring the contract performance.

Income

2018/19 Revised Estimate reflects the Council's income from the Contractor for commercial activities start date is 2019/20.

Operational Services	Outturn	Original	Revised	Budget
RECYCLING	2017/18	2018/19	2018/19	2019/20
Cost centre C2554				
Head of Operational Services	£	£	£	£
Employees	95,576	100,050	95,490	105,490
Premises	-	-	-	-
Transport Related	2,812	3,780	2,130	2,410
Supplies & Services	45,365	49,710	52,250	54,690
Third Party Payments	672,434	673,010	649,680	684,080
Transfer Payments	-	-	-	-
Support Services	96,402	103,560	111,720	120,070
Capital Accounting Charges	34,883	154,790	145,470	179,700
Total Expenditure	947,472	1,084,900	1,056,740	1,146,440
Income including recharges to other services	(644,549)	(619,100)	(619,450)	(625,700)
NET GENERAL FUND REQUIREMENT	302,923	465,800	437,290	520,740

Type of service: Statutory

Service Purpose: To protect and develop a clean, sustainable and green environment by providing a regular collection service for recyclable materials, which also contributes to conservation of natural resources, energy saving – (CO2 reduction & climate change) and cost avoidance.

Service Activity: Mixed dry recyclables are collected via a blue 240L wheeled bin or equivalent to apx 39,000 properties; Compostable garden waste is collected via re-useable green sacks or 240L brown bins; Glass collection via a basket to all houses or via 240L purple bin to flats; Provision of circa. 50 bring sites across the Borough for a variety of household recyclables; Problems and queries associated with both household and commercial recycling are dealt with; Advice is provided to developers on the provision of recycling and refuse facilities for residential developments.

Explanation of significant expenditure/income changes

Employees

2018/19 Revised Estimate & 2019/20 Estimate reflects the temporary restructure to the staffing arrangements.

Third Party Payments

2018/19 Revised and 2019/20 Estimate take into account changes in the contractor payment based on the number of properties receiving the service.

Operational Services	Outturn	Original	Revised	Budget
HEALTH POLLUTION & ENV CONTROL	2017/18	2018/19	2018/19	2019/20
Cost centre C2213				
Head of Operational Services	£	£	£	£
Employees	328,970	335,340	344,820	352,560
Premises	-	400	400	400
Transport Related	1,818	2,700	2,100	1,770
Supplies & Services	38,644	7,740	33,980	7,670
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	119,427	125,030	138,070	133,260
Capital Accounting Charges	4,459	4,460	4,460	4,460
Total Expenditure	493,318	475,670	523,830	500,120
Income including recharges to other services	(86,692)	(26,550)	(26,350)	(26,940)
NET GENERAL FUND REQUIREMENT	406,626	449,120	497,480	473,180

Type of service: Statutory

Service Purpose: The service responds to complaints from residents regarding potential nuisance including noise, drainage, odour, smoke, rubbish and unauthorised encampments.

Service Activity: • Response to service requests.

- Air quality measurements in accordance with Government guidance.
- Identification of potential contaminated land and control potentially polluting industries.
- Responsible authority under the Licensing Act 2003 for applications for Premises and Club Premises Licences to ensure that the licensing objective ("Prevention of Public Nuisance") is successfully achieved.
- Working with other statutory agencies; responsibility for surface water drainage and land drainage with the aim of preventing potential flooding.

Explanation of significant expenditure/income changes

Supplies & Services

2017/18 Actual & 2018/19 Revised Estimate include the expenditure for the Air Quality Feasibility Study on the A331.

Income

2017/18 Actual includes the grant income from DEFRA for the Air Quality Feasibility Study on the A331.

Operational Services	Outturn	Original	Revised	Budget
HEALTH FOOD SAFETY	2017/18	2018/19	2018/19	2019/20
Cost centre C2208				
Head of Operational Services	£	£	£	£
Employees	175,177	174,810	175,870	174,290
Premises	-	-	-	-
Transport Related	823	670	700	590
Supplies & Services	438	1,500	1,500	1,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	68,175	73,320	75,640	72,990
Capital Accounting Charges	-	-	-	-
Total Expenditure	244,613	250,300	253,710	249,370
Income including recharges to other services	(9,496)	(20,370)	(25,770)	(6,090)
NET GENERAL FUND REQUIREMENT	235,117	229,930	227,940	243,280

Type of service: Statutory

Service Purpose: To ensure that food and drink on sale for human consumption in the Borough is without risks to the health of the consumer.

Service Activity: Inspection of food premises in accordance with the Food Standards Agency Framework Agreement; Maintenance of a 100% level of customer satisfaction with the food safety regulatory service; Response to service requests in an appropriate manner, with a same day response to matters of evident concern; Support and develop the public health benefits of the National Food Hygiene Rating Scheme.

Explanation of significant expenditure/income changes

Income

Fluctuations due to biennial Air Show food inspections

Operational Services	Outturn	Original	Revised	Budget
HEALTH LICENSING GENERAL	2017/18	2018/19	2018/19	2019/20
Cost centre C2211				
Head of Operational Services	£	£	£	£
Employees	158,196	174,490	162,040	175,010
Premises	-	-	-	-
Transport Related	358	630	580	530
Supplies & Services	1,757	5,070	3,250	3,270
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	81,786	88,190	97,590	93,690
Capital Accounting Charges	-	-	-	-
Total Expenditure	242,097	268,380	263,460	272,500
Income including recharges to other services	(113,332)	(94,490)	(96,650)	(91,150)
NET GENERAL FUND REQUIREMENT	128,765	173,890	166,810	181,350

Type of service: Statutory

Service Purpose: To enable good business through the administration and enforcement of the Council's principal licensing functions concerning regulated entertainments, late night refreshments, liquor, gaming, lotteries, street trading consents, tables and chairs, charitable collections and sex establishments.

Service Activity: Consultation with key agencies, to ensure the fair and efficient determination of relevant licensing applications, including conducting hearings where appropriate. Inspection of licensed premises and resolution of problems arising from and in connection with licensed premises activities.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual includes vacancy savings.

Income

Additional income received in 2017/18 mainly from premises licences.

Operational Services	Outturn	Original	Revised	Budget
HEALTH HEALTH & SAFETY	2017/18	2018/19	2018/19	2019/20
Cost centre C2206				
Head of Operational Services	£	£	£	£
Employees	122,488	126,870	124,050	123,930
Premises	-	-	-	-
Transport Related	507	570	610	540
Supplies & Services	4,296	2,850	2,440	2,440
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	44,533	46,310	47,840	46,290
Capital Accounting Charges	-	-	-	-
Total Expenditure	171,824	176,600	174,940	173,200
Income including recharges to other services	(7,820)	(8,500)	(1,560)	(1,800)
NET GENERAL FUND REQUIREMENT	164,004	168,100	173,380	171,400

Type of service: Statutory

Service Purpose: To ensure the Borough's workplaces are healthy and safe.

Service Activity: Inspection of premises to ensure health and safety standards;
Maintenance of 100% level of customer satisfaction with the food safety regulatory service;
Response to service requests (e.g. accidents, notifications, complaints and requests for assistance);
Maximisation of public health benefits arising from the Rushmoor Health and Wellbeing Partnership.

Explanation of significant expenditure/income changes

Income

2018/19 Revised Estimate onwards reflects the reduction in Primary Authority Income.

Operational Services	Outturn	Original	Revised	Budget
HEALTH TAXI LICENSING	2017/18	2018/19	2018/19	2019/20
Cost centre C2218				
Head of Operational Services	£	£	£	£
Employees	102,688	125,730	114,860	138,020
Premises	-	-	-	-
Transport Related	110	380	350	340
Supplies & Services	10,109	10,550	10,550	11,150
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	49,040	51,200	54,800	53,810
Capital Accounting Charges	-	-	-	-
Total Expenditure	161,947	187,860	180,560	203,320
Income including recharges to other services	(83,118)	(75,740)	(77,350)	(76,350)
NET GENERAL FUND REQUIREMENT	78,829	112,120	103,210	126,970

Type of service: Statutory

Service Purpose: To enable good business by providing quality, timely and value for money taxi licensing and regulatory services that reasonably ensure the safety and protection of both the public and other road users and provides for a suitable, good quality and efficient public transportation service for all.

Service Activity: Processing of licence applications and supervision of hackney carriage and private hire drivers, vehicles and operators; inclusive of carrying out Criminal Records, DVLA and medical checks. Other documentation (e.g. insurance) checks. Carrying out Council tests and inspection of licensed vehicles.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual and 2018/19 Revised Estimate include vacancy savings. 2019/20 Original budget reflects a salary allocation change within the service.

Income

2017/18 Includes additional income mainly from driver licence fees, vehicle fees, CRB deposits (offset by additional expenditure), vehicle plate income and knowledge tests.

Operational Services	Outturn	Original	Revised	Budget
HOUSING HOUSES IN MULTIPLE OCC	2017/18	2018/19	2018/19	2019/20
Cost centre C2403				
Head of Operational Services	£	£	£	£
Employees	107,700	120,830	106,060	110,970
Premises	-	-	-	-
Transport Related	1,184	1,120	850	800
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	35,270	36,600	42,130	41,640
Capital Accounting Charges	-	-	-	-
Total Expenditure	144,154	158,550	149,040	153,410
Income including recharges to other services	(15,282)	(15,000)	(98,000)	(51,800)
NET GENERAL FUND REQUIREMENT	128,872	143,550	51,040	101,610

Type of service: Statutory

Service Purpose: Safeguard the public from poor housing conditions. Licence high-risk houses in multiple occupation.

Service Activity: All high risk houses; 3 storey and above, housing 5 people or more not in the same household. Licencing will ensure properties are maintained to legal requirement minimising risk to residents.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Income

in 2018/19 increase in income due to Licencing changes for Houses in Multiple Occupation rules with effect from 1st October, Renewal is every 5 years.

Operational Services	Outturn	Original	Revised	Budget
ABANDONED VEHICLES	2017/18	2018/19	2018/19	2019/20
Cost centre C2557				
Head of Operational Services	£	£	£	£
Employees	3,865	4,270	4,700	5,380
Premises	-	-	-	-
Transport Related	72	60	70	70
Supplies & Services	704	1,900	820	1,900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	17,143	18,230	19,080	21,960
Capital Accounting Charges	-	-	-	-
Total Expenditure	21,784	24,460	24,670	29,310
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	21,784	24,460	24,670	29,310

Type of service: Statutory

Service Purpose: Protecting and maintaining a clean, sustainable and green environment by removing abandoned vehicles; removal of these helps reduce fear of crime; prevents abuse of unsafe abandoned vehicles (e.g. burnt out vehicles) and maintains local environmental quality.

Service Activity: Collection of abandoned and end of life vehicles; problems and queries associated with nuisance vehicles and implementation of collection and disposal legislation.

Operational Services	Outturn	Original	Revised	Budget
HEALTH LAND DRAINAGE/SEWERAGE	2017/18	2018/19	2018/19	2019/20
Cost centre C2227				
Head of Operational Services	£	£	£	£
Employees	3,249	7,710	2,600	2,650
Premises	653	1,600	1,600	1,600
Transport Related	-	10	-	-
Supplies & Services	9,230	9,230	9,230	9,230
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,198	5,560	6,520	6,260
Capital Accounting Charges	-	-	-	-
Total Expenditure	18,330	24,110	19,950	19,740
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	18,330	24,110	19,950	19,740

Type of service: Statutory

Service Purpose: Inspection of ditches and watercourses to ensure free flow of water. To ensure that the Council carries out its riparian duties and also that others with riparian responsibilities are required to complete necessary works. Inspection of watercourses and removal of obstructions where necessary, working with the Environment Agency and Hampshire County Council as the Lead Local Flood Risk Authority.

Service Activity: Blockages are cleared and obstructions removed; provision of sandbags, inspections carried out; minor works undertaken e.g. digging. Laying of new pipes to assist land drainage.

Explanation of significant expenditure/income changes

Employees

Fluctuations in 2018/19 Original Estimate due to salary allocation changes within the service.

Operational Services	Outturn	Original	Revised	Budget
HOUSING ADVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C2402				
Head of Operational Services	£	£	£	£
Employees	486,919	532,060	526,050	579,540
Premises	-	-	-	-
Transport Related	1,290	970	740	680
Supplies & Services	137,591	131,520	132,680	133,480
Third Party Payments	-	-	-	-
Transfer Payments	226,658	364,650	358,310	354,370
Support Services	181,619	185,680	213,170	214,740
Capital Accounting Charges	-	1,000	1,000	1,000
Total Expenditure	1,034,077	1,215,880	1,231,950	1,283,810
Income including recharges to other services	(281,519)	(303,750)	(307,750)	(309,970)
NET GENERAL FUND REQUIREMENT	752,558	912,130	924,200	973,840

Type of service: Discretionary

Service Purpose: To help people solve their housing problem and to provide a suitable home to those in housing need.

Service Activity: Manage the housing allocation pool and choice based lettings home finder scheme. Provide temporary and permanent accommodation to priority homeless people and those in housing need. Make referrals to other agencies as appropriate.

Explanation of significant expenditure/income changes

Employees

2018/19 and 2019/20 includes a variation to budget for 2 staff for 2 years in Housing options funded by reserves.

Transfer payments

2017/18 includes underspend on use of flexible housing grant. The underspend element has been transferred to earmarked reserves to be used in future years.

Income

2018/19 increase in flexible Housing grant income received from central government.

Operational Services	Outturn	Original	Revised	Budget
PARKS AND RECREATION GRDS	2017/18	2018/19	2018/19	2019/20
Cost centre C2517				
Head of Operational Services	£	£	£	£
Employees	126,361	131,090	107,400	101,790
Premises	130,475	141,370	149,250	147,000
Transport Related	346	790	640	620
Supplies & Services	247,211	225,170	237,330	242,180
Third Party Payments	12,000	12,000	12,000	13,000
Transfer Payments	-	-	-	-
Support Services	143,255	141,000	125,460	119,730
Capital Accounting Charges	200,541	172,460	260,470	257,750
Total Expenditure	860,189	823,880	892,550	882,070
Income including recharges to other services	(536,028)	(175,010)	(169,640)	(173,810)
NET GENERAL FUND REQUIREMENT	324,161	648,870	722,910	708,260

Type of service: Discretionary

Service Purpose: To provide parks, open spaces, playgrounds, sports pitches and tree management service.

Service Activity: To manage and maintain green infrastructure to ensure facilities are safe and attractive for all sections of the community. To provide quality inspirational facilities and ensure the legacy of quality provision for future generations.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Premises

2017/18 Actual reflects a reduction in spend on general repairs and maintenance. 2018/19 Revised Estimate onwards includes additional utilities costs.

Supplies & Services

2017/18 Actual includes additional spend on one-off revenue projects funded by developers contributions. 2018/19 Revised Estimate includes a carry forward of budget from 2017/18 for additional tree maintenance works.

Income

2017/18 Actual includes developers contributions, which if not used in year are transferred to an earmarked reserve.

Operational Services	Outturn	Original	Revised	Budget
FARNBOROUGH LEISURE CENTRE	2017/18	2018/19	2018/19	2019/20
Cost centre C2560				
Head of Operational Services	£	£	£	£
Employees	20,913	22,110	19,640	18,670
Premises	34,255	34,630	34,630	34,630
Transport Related	26	30	20	20
Supplies & Services	77,726	81,620	79,300	81,680
Third Party Payments	125,251	128,220	130,640	134,080
Transfer Payments	-	-	-	-
Support Services	28,668	31,430	33,810	31,100
Capital Accounting Charges	308,777	104,750	322,730	345,830
Total Expenditure	595,616	402,790	620,770	646,010
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	595,616	402,790	620,770	646,010

Type of service: Discretionary

Service Purpose: To provide and maintain a multi purpose leisure centre through a leisure management contract.

Service Activity: 33.3m main pool, 12.8m teaching pool, 100+ station fitness gym, cafeteria, 4x squash courts, 10 lane ten pin bowling, sauna and steam rooms, crèche, soft play area, 10 court sports hall, 6 lane indoor bowls green, meeting rooms, treatment rooms, office accommodation, multi activity rooms and dance studios.

Operational Services	Outturn	Original	Revised	Budget
GROUPS MAINT CONTRACTS	2017/18	2018/19	2018/19	2019/20
Cost centre C2552				
Head of Operational Services	£	£	£	£
Employees	9,090	9,510	8,280	7,080
Premises	94,031	75,440	76,830	79,490
Transport Related	1	80	80	80
Supplies & Services	-	2,350	2,350	2,350
Third Party Payments	512,460	501,500	475,730	494,350
Transfer Payments	-	-	-	-
Support Services	8,695	10,310	11,890	11,930
Capital Accounting Charges	32,469	55,930	750	750
Total Expenditure	656,746	655,120	575,910	596,030
Income including recharges to other services	(20,624)	(34,700)	(22,490)	(38,100)
NET GENERAL FUND REQUIREMENT	636,122	620,420	553,420	557,930

Type of service: Discretionary

Service Purpose: To maintain Council owned property and promote pride of place by provision of quality, value for money services which greatly contribute to making Rushmoor a place our communities want to live and work in.

Service Activity: Provision of quality services to maintain the grounds of the Borough's parks, recreation grounds, gardens, open spaces and sports pitches/facilities by cutting grass, pruning/weeding shrub beds, rose beds, hedges and planting flower beds etc. to ensure the Borough appears clean, bright and attractive.

Explanation of significant expenditure/income changes

Premises

2017/18 onwards includes the Non Domestic Rates costs for The Grove and Manor Park nurse/depot which the Council is now responsible for under the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017

Third Party Payments

2017/18 Actual reflects the fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017. 2018/19 Revised Estimate includes a reallocation of Grounds Maintenance costs between individual cost centres.

Income

2018/19 Revised Estimate reflects the Council's income from the Contractor for commercial activities start date is 2019/20.

Operational Services	Outturn	Original	Revised	Budget
ALDERSHOT INDOOR POOLS	2017/18	2018/19	2018/19	2019/20
Cost centre C2558				
Head of Operational Services	£	£	£	£
Employees	11,341	11,960	11,110	9,980
Premises	15,213	19,320	19,320	19,320
Transport Related	11	20	10	10
Supplies & Services	25,615	26,670	27,140	27,960
Third Party Payments	261,485	281,910	287,370	294,640
Transfer Payments	-	-	-	-
Support Services	11,821	12,170	14,180	13,780
Capital Accounting Charges	77,788	86,090	84,230	93,140
Total Expenditure	403,274	438,140	443,360	458,830
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	403,274	438,140	443,360	458,830

Type of service: Discretionary

Service Purpose: To provide and maintain swimming pool and fitness room facilities through a leisure management contract.

Service Activity: 25m main pool, 12m teaching pool, 50+ station fitness gym, office accommodation and changing rooms.

Explanation of significant expenditure/income changes

Third Party Payments
2017/18 Actual reflects a reduction in the contractual energy payment

Operational Services	Outturn	Original	Revised	Budget
ALDERSHOT LIDO	2017/18	2018/19	2018/19	2019/20
Cost centre C2559				
Head of Operational Services	£	£	£	£
Employees	8,233	8,680	7,460	5,620
Premises	9,914	9,440	9,440	9,440
Transport Related	6	10	10	10
Supplies & Services	17,321	18,190	17,190	17,710
Third Party Payments	118,825	127,850	130,270	133,580
Transfer Payments	-	-	-	-
Support Services	10,022	10,650	12,370	11,100
Capital Accounting Charges	168,482	174,050	171,170	180,480
Total Expenditure	332,803	348,870	347,910	357,940
Income including recharges to other services	(4,000)	-	(20,700)	-
NET GENERAL FUND REQUIREMENT	328,803	348,870	327,210	357,940

Type of service: Discretionary

Service Purpose: To provide and maintain an outdoor Lido through a leisure management contract.

Service Activity: Large outdoor Lido with 3 flumes, changing rooms, catering outlet, extensive open space, 2x all weather floodlit football pitches, coach and car parking for 180 vehicles.

Explanation of significant expenditure/income changes

Third Party Payments

2017/18 Actual reflects a reduction in the contractual energy payment

Income

2017/18 Actual and 2018/19 Revised Estimate include the share of income the Council receive from the profit share/loss agreement with the contractor.

Operational Services	Outturn	Original	Revised	Budget
CCTV	2017/18	2018/19	2018/19	2019/20
Cost centre C2246				
Head of Operational Services	£	£	£	£
Employees	143,099	163,890	156,750	159,110
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	79,149	70,040	70,440	69,680
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	66,920	80,770	91,270	92,860
Capital Accounting Charges	33,148	28,330	28,330	26,730
Total Expenditure	322,316	343,030	346,790	348,380
Income including recharges to other services	(15,546)	(14,470)	(14,470)	(14,900)
NET GENERAL FUND REQUIREMENT	306,770	328,560	332,320	333,480

Type of service: Discretionary

Service Purpose: To help prevent and deter crime and disorder and reduce the fear of crime.

Service Activity: Provide a joint Hart and Rushmoor CCTV service, consisting of a control room and 115 CCTV cameras, to monitor activity in town centres and parks and open spaces in both local authority areas. The main functions are to reduce the fear of crime, deter crime and anti-social behaviour, assist the police in identifying and prosecuting offenders, help protect Council property, provide a link for both Councils' out of hours service and to assist in civil emergencies.

Explanation of significant expenditure/income changes

Employees

Fluctuations due to vacancy and recruitment savings.

Supplies & Services

2017/18 includes the additional consultancy costs offset with a reduction in equipment maintenance costs.

Operational Services	Outturn	Original	Revised	Budget
COMMUNITY PATROL TEAM	2017/18	2018/19	2018/19	2019/20
Cost centre C2228				
Head of Operational Services	£	£	£	£
Employees	135,019	144,640	138,940	170,160
Premises	-	-	-	-
Transport Related	15,042	18,580	16,240	18,530
Supplies & Services	5,272	5,090	6,420	5,390
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	59,532	62,080	66,260	67,310
Capital Accounting Charges	-	-	-	-
Total Expenditure	214,865	230,390	227,860	261,390
Income including recharges to other services	(930)	(1,500)	-	(1,500)
NET GENERAL FUND REQUIREMENT	213,935	228,890	227,860	259,890

Type of service: Discretionary

Service Purpose: Provides a reassuring presence on the streets and in public places - to ensure a 'Safe and Clean environment'. This is achieved by dealing with issues related to environmental crime. Work closely with residents, local groups, neighbourhood watch, ward Councillors to identify issues in their areas and work to resolve them.

Service Activity: Completion of environmental audits to improve the appearance of wards to help to secure safe and clean streets and public places. Investigation and removal of abandoned vehicles, fly tipping, fly posting, graffiti. Enforcement work through Fixed Penalty Notices, Inspections of Parks and Playgrounds. Dealing with parking contraventions during patrols and in response to complaints.

Explanation of significant expenditure/income changes

Employees

Fluctuations due to vacancy savings in 2017/18 Actual and 2018/19 Revised Estimates and salary allocation changes mainly with the Dog Warden cost centre.

Operational Services	Outturn	Original	Revised	Budget
HOUSING IMPROVEMENT GRANTS-REV	2017/18	2018/19	2018/19	2019/20
Cost centre C2404				
Head of Operational Services	£	£	£	£
Employees	143,876	169,610	152,180	160,280
Premises	-	-	-	-
Transport Related	1,538	1,410	1,440	1,390
Supplies & Services	5,092	5,100	5,100	5,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	49,146	50,910	59,470	59,310
Capital Accounting Charges	982,465	982,810	1,106,420	982,810
Total Expenditure	1,182,117	1,209,840	1,324,610	1,208,890
Income including recharges to other services	(1,021,195)	(997,810)	(1,121,420)	(997,810)
NET GENERAL FUND REQUIREMENT	160,922	212,030	203,190	211,080

Type of service: Discretionary

Service Purpose: The provision of funding to vulnerable people who are not able to afford essential repairs and or adaptations to their home.

Service Activity: All cases applying for grants are means tested and funding provided to vulnerable and eligible people. Essential repairs and adaptations (recommended by Social Service Occupational Therapists) are approved where there is a high risk of injury or a person is unable to remain in their home without the necessary work being carried out.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Operational Services	Outturn	Original	Revised	Budget
PUBLIC CONVENIENCES	2017/18	2018/19	2018/19	2019/20
Cost centre C2555				
Head of Operational Services	£	£	£	£
Employees	8,568	9,110	8,670	8,630
Premises	32,315	30,000	33,940	29,540
Transport Related	72	70	70	70
Supplies & Services	1,586	2,190	60	60
Third Party Payments	135,660	126,790	125,630	132,040
Transfer Payments	-	-	-	-
Support Services	13,171	13,780	11,400	10,690
Capital Accounting Charges	92,915	28,990	12,990	12,990
Total Expenditure	284,287	210,930	192,760	194,020
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	284,287	210,930	192,760	194,020

Type of service: Discretionary

Service Purpose: Protecting and sustaining a clean, sustainable and green environment and supporting the local economy by providing a network of public conveniences in town centres and parks.

Service Activity: The service provides and maintains a network of 8 public conveniences, they are cleansed twice daily, opened at approximately 8am and closed at 7pm.

Explanation of significant expenditure/income changes

Third Party Payments

2017/18 Actual reflects the fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017.

Operational Services	Outturn	Original	Revised	Budget
SOUTHWOOD GOLF COURSE	2017/18	2018/19	2018/19	2019/20
Cost centre C2561				
Head of Operational Services	£	£	£	£
Employees	10,084	10,600	14,980	12,220
Premises	28,661	38,170	34,870	36,790
Transport Related	11	10	20	20
Supplies & Services	4,190	2,230	12,450	2,460
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	18,273	19,640	21,470	20,130
Capital Accounting Charges	5,679	5,420	5,680	5,680
Total Expenditure	66,898	76,070	89,470	77,300
Income including recharges to other services	(1,190)	(1,190)	(1,190)	-
NET GENERAL FUND REQUIREMENT	65,708	74,880	88,280	77,300

Type of service: Discretionary

Service Purpose: The land will provide Suitable Alternative Natural Greenspace.

Service Activity: The land will be converted into new natural open parkland which will provide Suitable Alternative Natural Greenspace, to enable new homes to continue to be built in the Borough and town centres to be regenerated.

Explanation of significant expenditure/income changes

In December 2017 the Cabinet agreed that the golf course should close and the land be converted into new natural open parkland which would provide Suitable Alternative Natural Greenspace, to enable new homes to continue to be built in the borough and the town centres to be regenerated.

Operational Services	Outturn	Original	Revised	Budget
GYMNASTICS ACADEMY	2017/18	2018/19	2018/19	2019/20
Cost centre C2514				
Head of Operational Services	£	£	£	£
Employees	970	870	550	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,771	3,010	3,210	2,860
Capital Accounting Charges	82,789	88,250	82,790	82,790
Total Expenditure	86,530	92,130	86,550	85,650
Income including recharges to other services	(14,800)	(14,800)	(14,800)	(14,800)
NET GENERAL FUND REQUIREMENT	71,730	77,330	71,750	70,850

Type of service: Discretionary

Service Purpose: Support the health and fitness of residents and other users.

Service Activity: Leasing of accommodation to the independent gymnastics academy.

Operational Services	Outturn	Original	Revised	Budget
HEALTH DOG WARDEN	2017/18	2018/19	2018/19	2019/20
Cost centre C2204				
Head of Operational Services	£	£	£	£
Employees	34,814	53,560	30,190	30,550
Premises	-	-	-	-
Transport Related	2,646	3,850	3,640	3,720
Supplies & Services	13,002	12,910	13,510	13,710
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	13,686	15,110	18,360	17,720
Capital Accounting Charges	-	-	-	-
Total Expenditure	64,148	85,430	65,700	65,700
Income including recharges to other services	(2,527)	(2,460)	(2,360)	(2,360)
NET GENERAL FUND REQUIREMENT	61,621	82,970	63,340	63,340

Type of service: Discretionary

Service Purpose: To enforce legislation for the control of dogs and dog-related problems and promote responsible dog ownership.

Service Activity: Collection of stray dogs; provision of an out of hours service; response to residents' queries regarding fouling and stray dogs.

Explanation of significant expenditure/income changes

Employees

2018/19 Original Estimate includes a salary allocation change, the corresponding salary allocation change is shown the Community Patrol Team cost centre

Operational Services	Outturn	Original	Revised	Budget
CEMETERIES	2017/18	2018/19	2018/19	2019/20
Cost centre C2550				
Head of Operational Services	£	£	£	£
Employees	26,632	27,780	27,710	28,310
Premises	23,360	17,690	17,730	19,650
Transport Related	66	70	70	70
Supplies & Services	14,542	17,610	20,260	17,380
Third Party Payments	145,377	126,230	134,050	138,650
Transfer Payments	-	-	-	-
Support Services	21,658	22,710	25,160	23,410
Capital Accounting Charges	11,963	5,750	9,290	8,180
Total Expenditure	243,598	217,840	234,270	235,650
Income including recharges to other services	(181,221)	(184,960)	(166,010)	(169,690)
NET GENERAL FUND REQUIREMENT	62,377	32,880	68,260	65,960

Type of service: Discretionary

Service Purpose: To provide a dignified and personal bereavement service.

Service Activity: The provision of a cemeteries service to residents and others, which offers individual attention, reverence and respect and which recognises individual cultural requirements. This is achieved through the management of the Borough's three cemeteries.

Explanation of significant expenditure/income changes

Third Party Payments

2017/18 Actual reflects the fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017. 2018/19 Revised Estimate includes a reallocation of Grounds Maintenance costs between individual cost centres.

Income

2018/19 Revised Estimate onwards reflect a reduction in Grave Sales income.

Operational Services	Outturn	Original	Revised	Budget
PUBLIC HALLS & COMMUNITY CENTRES	2017/18	2018/19	2018/19	2019/20
Cost centre C2505#2506#2507#2511#2515#2516#2526#2548				
Head of Operational Services	£	£	£	£
Employees	21,695	13,910	15,620	13,160
Premises	85,249	75,760	77,010	78,030
Transport Related	1	20	30	30
Supplies & Services	3,786	4,340	4,080	4,160
Third Party Payments	-	-	-	-
Transfer Payments	-	16,500	6,000	6,000
Support Services	47,140	55,630	54,490	45,920
Capital Accounting Charges	37,079	38,330	37,190	38,520
Total Expenditure	194,950	204,490	194,420	185,820
Income including recharges to other services	(97,251)	(102,050)	(104,690)	(104,890)
NET GENERAL FUND REQUIREMENT	97,699	102,440	89,730	80,930

Type of service: Discretionary

Service Purpose: To provide facilities for educational, recreational, arts and social opportunities.

Service Activity: Facilities provided at Farnborough Community Centre, Prospect Centre, Southwood Community Centre, Blunden Hall and Beaumont Guardrooms.

Explanation of significant expenditure/income changes

Employees

2017/18 includes additional salary allocations.

Premises

2017/18 Actual and 2018/19 Revised Estimate onwards reflect an increase in cleaning costs (and a reduction in grant expenditure on the Transfer Payments line below) as the Prospect Community Centre is being managed in-house.

Transfer Payments

2017/18 Actual and 2018/19 Revised Estimate onwards reflect a reduction in grant expenditure (and an increase in cleaning costs shown in the premises line above) as the Prospect Community Centre is being managed in-house also in 2017/18 the annual grant to Farnborough Community Centre was not paid.

Income

18/19 Revised Estimate includes a back dated recharge for electricity at the Southwood Community Centre.

Operational Services	Outturn	Original	Revised	Budget
HEALTH EMERGENCY CALLOUT	2017/18	2018/19	2018/19	2019/20
Cost centre C2207				
Head of Operational Services	£	£	£	£
Employees	35,635	33,410	33,350	33,370
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	62	500	500	500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,341	5,670	4,550	4,370
Capital Accounting Charges	-	-	-	-
Total Expenditure	41,038	39,580	38,400	38,240
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	41,038	39,580	38,400	38,240

Type of service: Discretionary

Service Purpose: Corporate out of hours response service provided to cover all service areas where an emergency response may be required.

Service Activity: Provision of an out of hours service between 17:00hrs (16:30 Friday) and 8:30hrs the following day, all day Saturday and Sunday and Bank Holidays. Response to complaints such as noise, alarms, drainage, flooding and civil emergencies.

Operational Services	Outturn	Original	Revised	Budget
HEALTH PEST CONTROL - CLIENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2212				
Head of Operational Services	£	£	£	£
Employees	4,089	3,600	3,320	2,650
Premises	-	-	-	-
Transport Related	11	-	10	-
Supplies & Services	-	100	100	100
Third Party Payments	21,326	20,820	20,820	20,820
Transfer Payments	-	-	-	-
Support Services	9,164	10,360	10,180	10,030
Capital Accounting Charges	-	-	-	-
Total Expenditure	34,590	34,880	34,430	33,600
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	34,590	34,880	34,430	33,600

Type of service: Discretionary

Service Purpose: Provision of a pest control service.

Service Activity: This service is currently contracted out; pest infestations and issues are investigated and resolved.

Operational Services	Outturn	Original	Revised	Budget
BLACKWATER VALLEY PROJECT	2017/18	2018/19	2018/19	2019/20
Cost centre C2525				
Head of Operational Services	£	£	£	£
Employees	4,413	4,560	4,170	3,600
Premises	-	-	-	-
Transport Related	13	20	20	20
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	17,500	17,500	17,500	17,500
Support Services	2,447	2,560	3,220	3,070
Capital Accounting Charges	-	-	-	-
Total Expenditure	24,373	24,640	24,910	24,190
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	24,373	24,640	24,910	24,190

Type of service: Discretionary

Service Purpose: To manage, maintain and improve the environment of the Blackwater Valley and enable recreational access for the benefit of the local community.

Service Activity: To provide a local Countryside Service and volunteer worker co-ordination within the Borough. To contribute to the cost of the service along with other sponsor authorities to enable access to the countryside via a long distance footpath (green corridor), maintain/protect the environment of the valley for both Community benefit and nature conservation. To lead with land reclamation projects such as renewal of old gravel pits to nature rich areas (reserves) and Suitable Alternative Natural Green Space (SANGS) management within the Borough.

Operational Services	Outturn	Original	Revised	Budget
ALDERWOOD CAMPUS FUNDING	2017/18	2018/19	2018/19	2019/20
Cost centre C2528				
Head of Operational Services	£	£	£	£
Employees	3,746	4,070	2,690	1,100
Premises	-	-	-	-
Transport Related	-	10	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	16,222	17,240	16,670	19,090
Capital Accounting Charges	-	-	-	-
Total Expenditure	19,968	21,320	19,360	20,190
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	19,968	21,320	19,360	20,190

Type of service: Discretionary

Service Purpose: Provision of Connaught Leisure Centre.

Service Activity: Provide and maintain the service in partnership with Hampshire County Council for educational, recreational, cultural and social opportunities.

Operational Services	Outturn	Original	Revised	Budget
ALLOTMENTS	2017/18	2018/19	2018/19	2019/20
Cost centre C2502				
Head of Operational Services	£	£	£	£
Employees	15,950	17,200	14,110	13,770
Premises	8,828	8,770	9,070	9,220
Transport Related	246	500	500	500
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	9,379	10,000	11,520	11,440
Capital Accounting Charges	-	-	-	-
Total Expenditure	34,403	36,470	35,200	34,930
Income including recharges to other services	(11,241)	(13,120)	(13,640)	(16,370)
NET GENERAL FUND REQUIREMENT	23,162	23,350	21,560	18,560

Type of service: Discretionary

Service Purpose: Management and administration of the allotments.

Service Activity: Provision of allotments.

Operational Services	Outturn	Original	Revised	Budget
RUSHMOOR HEALTHY LIVING	2017/18	2018/19	2018/19	2019/20
Cost centre C2248				
Head of Operational Services	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	7,000	7,000	7,000	7,000
Support Services	108	120	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	7,108	7,120	7,000	7,000
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	7,108	7,120	7,000	7,000

Type of service: Discretionary

Service Purpose: The promotion of good health and healthy lifestyles across the Borough.

Service Activity: The service is delivered by a charity Rushmoor Healthy Living and covers a wide variety of health-related projects.

Operational Services	Outturn	Original	Revised	Budget
ALPINE SNOWSPORTS CENTRE	2017/18	2018/19	2018/19	2019/20
Cost centre C2503				
Head of Operational Services	£	£	£	£
Employees	5,559	5,880	5,320	5,250
Premises	234	1,000	1,000	1,000
Transport Related	7	10	10	10
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,334	5,860	6,220	5,740
Capital Accounting Charges	17,603	17,790	19,890	18,490
Total Expenditure	28,737	30,540	32,440	30,490
Income including recharges to other services	(33,034)	(27,500)	(38,700)	(27,500)
NET GENERAL FUND REQUIREMENT	(4,297)	3,040	(6,260)	2,990

Type of service: Discretionary

Service Purpose: To provide and maintain a ski centre through a management contract.

Service Activity: 3 dry ski slopes, mist lubrication system, ski lifts and tows, floodlighting, main building inc. office accommodation, bar and cafeteria, function area, maintenance workshop, chalet building and car park.

Explanation of significant expenditure/income changes

Income

2017/18 Actual and 2018/19 Revised Estimate includes additional profit share income.

Operational Services	Outturn	Original	Revised	Budget
HOUSING SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C2405				
Head of Operational Services	£	£	£	£
Employees	26,009	26,500	17,380	5,760
Premises	-	-	-	-
Transport Related	84	70	100	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,065	4,190	4,030	3,190
Capital Accounting Charges	-	-	-	-
Total Expenditure	30,158	30,760	21,510	8,950
Income including recharges to other services	(30,157)	(30,760)	(21,510)	(8,950)
NET GENERAL FUND REQUIREMENT	1	0	0	0

Type of service: Discretionary

Service Purpose: Provision of a housing support service.

Service Activity: Housing support service

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Operational Services	Outturn	Original	Revised	Budget
HOUSING GRANTS TO REGISTERED SOCIAL LANDL	2017/18	2018/19	2018/19	2019/20
Cost centre C2406				
Head of Operational Services	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	98,500	-	-	-
Total Expenditure	98,500	0	0	0
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	98,500	0	0	0

Type of service: Discretionary

Service Purpose: Management and administration for grants made to Registered Social Landlords.

Service Activity: Grants made to Registered Social Landlords.

Operational Services	Outturn	Original	Revised	Budget
OPERATIONAL SERVICES MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2510				
Head of Operational Services	£	£	£	£
Employees	7,017	9,100	8,900	8,900
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	20,930	24,080	24,080	24,080
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	27,947	33,180	32,980	32,980
Income including recharges to other services	(27,948)	(33,180)	(32,980)	(32,980)
NET GENERAL FUND REQUIREMENT	(1)	0	0	0

Type of service: Discretionary

Service Purpose: Provision of a community management service.

Service Activity: Community management.

Operational Services	Outturn	Original	Revised	Budget
OPERATIONAL SERVICES SUPPORT	2017/18	2018/19	2018/19	2019/20
Cost centre C2522				
Head of Operational Services	£	£	£	£
Employees	17,474	30,500	30,160	30,940
Premises	-	-	-	-
Transport Related	15	30	30	30
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,908	3,460	3,790	3,630
Capital Accounting Charges	-	-	-	-
Total Expenditure	20,397	33,990	33,980	34,600
Income including recharges to other services	(20,397)	(33,990)	(33,980)	(34,600)
NET GENERAL FUND REQUIREMENT	0	0	0	0

Type of service: Discretionary

Service Purpose: Provision of a community support service.

Service Activity: Community support service.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Operational Services	Outturn	Original	Revised	Budget
PARKING MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2538				
Head of Operational Services	£	£	£	£
Employees	396,779	390,030	365,220	414,200
Premises	1,307	9,300	3,150	9,300
Transport Related	6,216	7,410	6,880	6,750
Supplies & Services	75,009	78,410	78,330	76,140
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	100,000
Support Services	149,319	136,520	173,190	150,700
Capital Accounting Charges	17,919	14,470	33,120	34,070
Total Expenditure	646,549	636,140	659,890	791,160
Income including recharges to other services	(780,428)	(875,550)	(752,280)	(877,050)
NET GENERAL FUND REQUIREMENT	(133,879)	(239,410)	(92,390)	(85,890)

Type of service: Discretionary

Service Purpose: Effect strategic traffic management objectives through powers delegated by Hampshire County Council to secure safe and accessible town centres and residential areas .

Service Activity: On-street enforcement against parking contraventions; on-street charging; on-street residents permit parking facilities.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual Fluctuations mainly due vacancy savings and a change to one officers time allocations. 2018/19 Revised Estimate reflects in year vacancy savings. 2019/20 Estimate includes the one year temporary parking support officer costs that have slipped from the 2018/19 Original Estimate

Premises

2017/18 Actual and 2018/19 Revised Estimate reflect a reduction in spend on gantry barriers.

Transfer Payments

2019/20 Estimate reflects the payment to Hampshire County Council from the Civil Parking Enforcement surplus being generated in year.

Income

2017/18 Actual and 2018/19 Revised Estimate includes a reduction in Penalty Charge Notice income due to staff vacancies in year. 2017/18 Actual and 2018/19 Revised Estimate also includes a reduction in on-street parking pay and display income.

Operational Services	Outturn	Original	Revised	Budget
CAR PARKS	2017/18	2018/19	2018/19	2019/20
Cost centre C2537				
Head of Operational Services	£	£	£	£
Employees	134,554	156,230	148,180	161,860
Premises	217,822	242,820	265,090	252,870
Transport Related	2,252	3,050	2,940	2,890
Supplies & Services	258,821	332,660	362,410	311,730
Third Party Payments	100,445	106,790	189,910	109,460
Transfer Payments	-	-	-	-
Support Services	182,554	177,610	193,010	175,110
Capital Accounting Charges	17,647	51,160	28,720	27,730
Total Expenditure	914,095	1,070,320	1,190,260	1,041,650
Income including recharges to other services	(1,610,101)	(1,634,110)	(1,763,330)	(1,658,530)
NET GENERAL FUND REQUIREMENT	(696,006)	(563,790)	(573,070)	(616,880)

Type of service: Discretionary

Service Purpose: Car parks

Service Activity: Provision and operation of car parks.

Employees - 2017/18 Actual Fluctuations mainly due vacancy savings and a change to one officers time allocations. 2018/19 Revised Estimate reflects in year vacancy savings.

Premises - 2017/18 Actual reflects reduction in spend on general repairs and maintenance, lighting repairs and lift maintenance. 2018/19 Revised Estimate includes a one-off additional maintenance costs, an increase in the utility costs and a reduction in the lift maintenance cost.

Supplies & Services - 2017/18 Actual includes a reduction in spend on repairs & maintenance of signs, payments made for existing managed car parks and licenses. 2018/19 Original Estimate reflects the cost to the Council of credit & debit surcharges following the installation of new Pay & Display machines that now offer our customers these payment methods and an anticipated increase in leisure centre user rebates. 2018/19 Revised Estimate includes an increase in the managed car parks costs as we are managing an additional car park initially on a trial basis (offset by additional income) and a reduction in leisure centre user rebates and credit & debit card surcharge costs. 2019/20 Estimate does not include the costs of managing the additional car park (or the income).

Third Party Payments - 2018/19 Revised Estimate includes the initial one year cost of the littering & dog fouling pilot project (offset by additional income).

Income - 2017/18 Actual includes a reduction in Penalty Charge Notice income due to staff vacancies in year. 2018/19 Revised Estimate includes the income from the littering & dog fouling pilot project and the income from managing the additional car park initially on a trial basis. 2019/20 Estimate includes the notional income associated with granting parking permits to various voluntary organisations and charities. The main increase in the notional income is due to a change in the way we are issuing the parking permits to these organisations, in previous years these organisations were given smartcards and the credit on the smartcard was consumed as the smartcard was used. The use of smartcards has now stopped and instead the organisations are issued with parking permits, the value of the parking permit is calculated depending on the allocated car park and the hours the permit covers each day. The corresponding notional cost is shown in the Grants to Major Voluntary Organisations cost centre.

Operational Services	Outturn	Original	Revised	Budget
CREMATORIUM	2017/18	2018/19	2018/19	2019/20
Cost centre C2551				
Head of Operational Services	£	£	£	£
Employees	348,770	397,010	332,310	354,460
Premises	153,429	150,950	223,840	175,170
Transport Related	471	470	480	490
Supplies & Services	155,838	151,700	171,000	170,500
Third Party Payments	68,347	48,810	51,530	53,300
Transfer Payments	-	-	-	-
Support Services	120,481	125,970	158,370	156,040
Capital Accounting Charges	(124,111)	42,040	73,030	76,460
Total Expenditure	723,225	916,950	1,010,560	986,420
Income including recharges to other services	(1,636,548)	(1,611,620)	(1,647,700)	(1,665,600)
NET GENERAL FUND REQUIREMENT	(913,323)	(694,670)	(637,140)	(679,180)

Type of service: Discretionary

Service Purpose: To provide a dignified and personal bereavement service.

Service Activity: The provision of a bereavement service that offers individual attention, reverence and respect whilst recognising cultural requirements. Provision of memorials that offer a wide variety of opportunities in which to remember loved ones.

Explanation of significant expenditure/income changes

Employees

Fluctuations due to a change in Service delivery.

Premises

2018/19 Revised Estimate includes the one-off costs for the cremator repairs.

Supplies & Services

Fluctuations due to a change in Service delivery.

Third Party Payments

2017/18 Actual reflects the fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience contract which commenced on 31st July 2017. 2018/19 Revised Estimate includes a reallocation of Grounds Maintenance costs between individual cost centres.

Operational Services	Outturn	Original	Revised	Budget
COMMUNITY SAFETY	2017/18	2018/19	2018/19	2019/20
Cost centre C2547				
Head of Operational Services	£	£	£	£
Employees	132,065	132,090	133,030	157,380
Premises	4,331	7,840	4,340	4,350
Transport Related	1,265	2,180	1,450	1,630
Supplies & Services	22,730	19,470	19,470	21,470
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	61,586	66,380	85,200	84,600
Capital Accounting Charges	216	100	100	-
Total Expenditure	222,193	228,060	243,590	269,430
Income including recharges to other services	(17,599)	(11,460)	(33,230)	(23,160)
NET GENERAL FUND REQUIREMENT	204,594	216,600	210,360	246,270

Type of service: Mixed

Service Purpose: Work in partnership to reduce crime, disorder, anti-social behaviour and the fear of crime .

Service Activity: Work with partners including the Police, Hampshire Fire & Rescue Service, Clinical Commissioning Groups, Probation services, HCC Youth Offending Team and Housing Associations to tackle Crime and Disorder and ASB. Take a lead role in the Rushmoor Community Safety Partnership tackling issues of domestic violence, substance misuse (drugs and alcohol), violent crime arising from the night time economy and acquisitive crimes such as burglary and theft.

Explanation of significant expenditure/income changes

Employees

2018/19 Revised Estimate and 2019/20 Estimate include the cost of an additional post that we are recharging in full to the Basingstoke Improvement District

Income

Fluctuations include additional income from running training courses, contributions to the Think Safe project and the credit for the additional post that we are recharging in full to the Basingstoke Improvement District.

Operational Services	Outturn	Original	Revised	Budget
HEALTH SUPPORT SERVICE	2017/18	2018/19	2018/19	2019/20
Cost centre C2217				
Head of Operational Services	£	£	£	£
Employees	24,879	24,110	25,160	28,100
Premises	-	-	-	-
Transport Related	121	60	60	60
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,449	5,570	5,840	5,720
Capital Accounting Charges	-	-	-	-
Total Expenditure	30,449	29,740	31,060	33,880
Income including recharges to other services	(30,449)	(29,740)	(31,060)	(33,880)
NET GENERAL FUND REQUIREMENT	0	0	0	0

Type of service: Overheads

Service Purpose: Provision of a health support service.

Service Activity: Health support service

Operational Services	Outturn	Original	Revised	Budget
ENV HEALTH AND HOUSING	2017/18	2018/19	2018/19	2019/20
Cost centre C2203				
Head of Operational Services	£	£	£	£
Employees	20,916	17,100	17,100	17,100
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	25,880	24,700	24,700	24,700
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	46,796	41,800	41,800	41,800
Income including recharges to other services	(46,797)	(41,800)	(41,800)	(41,800)
NET GENERAL FUND REQUIREMENT	(1)	0	0	0

Type of service: Overheads

Service Purpose: Provision of environmental health and housing costs.

Service Activity: Environmental Health & Housing costs.

Planning and Economy		Outturn	Original	Revised	Budget
		2017/18	2018/19	2018/19	2019/20
		£	£	£	£
Statutory	Page No				
Planning Development Management	122	453,285	728,250	577,160	639,700
Planning Policy	123	523,879	442,600	586,120	583,960
Planning Conservation	124	111,134	127,040	126,290	142,170
Planning Building Control Non Fee	125	130,984	135,850	128,660	120,420
Planning Building Control- Fees	126	83,278	87,760	62,420	57,450
		1,302,560	1,521,500	1,480,650	1,543,700
Discretionary					
Princes Hall	127	342,428	509,330	478,120	512,820
Economic Development	128	169,280	190,850	135,690	226,970
Town Centre Management	129	120,212	141,270	185,430	164,660
Housing Strategy	130	186,477	164,720	151,170	152,140
Tourism	131	81,775	82,320	81,390	80,740
Sustainability Initiatives	132	60,363	31,570	22,130	21,970
Special Events	133	23,193	18,410	35,400	21,150
Rushmoor In Bloom	134	1,793	3,850	3,550	3,010
		985,521	1,142,320	1,092,880	1,183,460
Other					
Plg Dev Control Management	135	0	1,720	0	0
Plg Building Ctrl Management	136	1	0	0	0
Planning Policy Management	137	1	0	0	0
Planning Conservation Management	138	0	20	0	0
Planning Building Control Support	139	1	0	0	0
		3	1,740	0	0
Net Expenditure		2,288,084	2,665,560	2,573,530	2,727,160

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING DEVELOPMENT MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2604				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	763,643	754,860	772,160	809,440
Premises	-	-	-	-
Transport Related	3,114	2,420	2,790	2,650
Supplies & Services	4,152	6,900	8,300	6,830
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	328,998	344,140	394,030	378,260
Capital Accounting Charges	2,190	2,000	2,000	-
Total Expenditure	1,102,097	1,110,320	1,179,280	1,197,180
Income including recharges to other services	(648,812)	(382,070)	(602,120)	(557,480)
NET GENERAL FUND REQUIREMENT	453,285	728,250	577,160	639,700

Type of service: Statutory

Service Purpose: Promote and enable good development in the Borough.

Service Activity: The provision of informal planning advice and the determination of planning applications. The provision of planning enforcement, investigating breaches of planning control and taking appropriate action. Presentation of the Council's submission at appeal.

Explanation of significant expenditure/income changes

Income

The 2017/18 actuals reflect an increase in income due to: Some large planning applications being received; a 20% increase in planning application charges being levied two thirds of the way through 2017/18; and a contribution from HCC to the Transportation Officer position (this role no longer exists), none of these items are reflected in the 2018/19 original budget. The revised 2018/19 budget reflects that an increase in large planning applications is expected to be a trend and accounts for the additional 20% increase which is levied on planning applications. The reduction in the 2019/20 estimate when compared with the 2018/19 revised budget is due to officer time being recharged externally dropping off and no monies being expected from historic S106 admin charges.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING POLICY	2017/18	2018/19	2018/19	2019/20
Cost centre C2609				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	331,177	306,550	340,290	419,870
Premises	-	-	-	-
Transport Related	465	640	710	1,090
Supplies & Services	79,877	22,500	103,100	22,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	115,071	115,650	142,020	140,500
Capital Accounting Charges	-	-	-	-
Total Expenditure	526,590	445,340	586,120	583,960
Income including recharges to other services	(2,711)	(2,740)	-	-
NET GENERAL FUND REQUIREMENT	523,879	442,600	586,120	583,960

Type of service: Statutory

Service Purpose: Prepare the planning policy framework for the Borough.

Service Activity: Preparation of the Local Plan for Rushmoor. Review policy documents from central government, regional bodies and adjoining local authorities. Prepare detailed planning guidance for important development sites within the Borough.

Explanation of significant expenditure/income changes

Employees

The 2017/18 actuals include some temporary staffing costs but nothing is included for temporary staffing in the 2018/19 original budget. The increase in the 2019/20 estimate when compared with the 2018/19 revised budget is mainly attributable to a temporary staffing budget being included. The 2019/20 estimate reflects staffing structure amendments.

Supplies & Services

Spend on the Local Plan varies from year to year depending on the delivery cycle.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING CONSERVATION	2017/18	2018/19	2018/19	2019/20
Cost centre C2610				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	90,223	91,020	74,610	90,700
Premises	-	-	-	-
Transport Related	779	910	880	930
Supplies & Services	3,430	7,450	7,450	7,450
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	43,588	44,990	43,350	43,090
Capital Accounting Charges	-	-	-	-
Total Expenditure	138,020	144,370	126,290	142,170
Income including recharges to other services	(26,886)	(17,330)	-	-
NET GENERAL FUND REQUIREMENT	111,134	127,040	126,290	142,170

Type of service: Statutory

Service Purpose: Preserve and enhance the Borough's Conservation Areas and ensure that its Listed Buildings and preserved trees are adequately protected.

Service Activity: Provision of advice on works to listed buildings and within conservation areas. Determination of applications for works to preserved trees, and provide specialist advice on ecology, biodiversity and landscaping.

Explanation of significant expenditure/income changes

Employees

The 2018/19 revised budget includes vacancy savings on a post which was subsequently filled part way through 2018/19.

Income

Income has ceased as all Planning Service Level Agreements in place with another Local Authority ended by the end of 2017/18.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL NON FEE	2017/18	2018/19	2018/19	2019/20
Cost centre C2601				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	92,787	96,040	84,670	77,720
Premises	-	-	-	-
Transport Related	902	1,060	840	830
Supplies & Services	-	1,000	1,000	1,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	39,293	40,770	45,170	43,970
Capital Accounting Charges	-	-	-	-
Total Expenditure	132,982	138,870	131,680	123,520
Income including recharges to other services	(1,998)	(3,020)	(3,020)	(3,100)
NET GENERAL FUND REQUIREMENT	130,984	135,850	128,660	120,420

Type of service: Statutory

Service Purpose: Ensure the safe condition of buildings and structures in the Borough.

Service Activity: The provision of advice on building regulations, demolition licences, dangerous structures and street naming and numbering within the Borough.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL- FEES	2017/18	2018/19	2018/19	2019/20
Cost centre C2608				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	166,458	172,620	145,570	149,470
Premises	-	-	-	-
Transport Related	2,519	2,770	2,270	2,270
Supplies & Services	3,729	3,460	3,940	3,980
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	124,313	127,620	130,850	134,130
Capital Accounting Charges	-	-	-	-
Total Expenditure	297,019	306,470	282,630	289,850
Income including recharges to other services	(213,741)	(218,710)	(220,210)	(232,400)
NET GENERAL FUND REQUIREMENT	83,278	87,760	62,420	57,450

Type of service: Statutory

Service Purpose: Ensure the safe construction of buildings and structures in the Borough.

Service Activity: The determination of applications under the building regulations. Inspection and liaison with builders and developers.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Income

The increase in the 2019/20 estimate when compared with the revised 2018/19 budget reflects an increase in Building Control fees and charges.

Planning and Economy	Outturn	Original	Revised	Budget
PRINCES HALL	2017/18	2018/19	2018/19	2019/20
Cost centre C2518				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	430,313	481,970	470,310	492,820
Premises	125,338	131,130	139,740	135,240
Transport Related	690	230	220	220
Supplies & Services	488,568	481,560	477,520	483,210
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	164,517	191,560	224,740	228,690
Capital Accounting Charges	99,310	100,680	112,640	99,940
Total Expenditure	1,308,736	1,387,130	1,425,170	1,440,120
Income including recharges to other services	(966,308)	(877,800)	(947,050)	(927,300)
NET GENERAL FUND REQUIREMENT	342,428	509,330	478,120	512,820

Type of service: Discretionary

Service Purpose: Provide multi-purpose entertainment centre for residents.

Service Activity: 595 seat auditorium and three function rooms, hosting professional and amateur shows, meetings, parties, workshops, wedding receptions, etc.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual includes vacancy savings. 2018/19 Revised Estimate reflects in year vacancy and recruitment savings.

Premises

2018/19 Original Estimate includes an increase in utility costs. 2018/19 Revised Estimate includes an additional spent for general repairs & maintenance.

Income

2017/18 Actual includes additional income mainly from ticket sales, refreshments and sponsorship income, these increases in income are included in the 2018/19 Revised Estimate and 2019/20 Estimate. 2018/19 Revised Estimate also includes additional lettings income.

Planning and Economy	Outturn	Original	Revised	Budget
ECONOMIC DEVELOPMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C1413				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	83,072	99,190	38,950	45,360
Premises	14,500	14,500	14,500	14,500
Transport Related	377	980	30	30
Supplies & Services	35,753	42,000	41,700	42,000
Third Party Payments	-	-	-	-
Transfer Payments	13,979	12,900	21,220	99,880
Support Services	21,599	21,280	25,990	25,200
Capital Accounting Charges	-	-	-	-
Total Expenditure	169,280	190,850	142,390	226,970
Income including recharges to other services	-	-	(6,700)	-
NET GENERAL FUND REQUIREMENT	169,280	190,850	135,690	226,970

Type of service: Discretionary

Service Purpose: Economic development within the Borough.

Service Activity: Costs related to the support for economic development matters within the Borough.

Planning and Economy	Outturn	Original	Revised	Budget
TOWN CENTRE MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2543				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	61,096	103,110	122,020	120,710
Premises	19,572	-	(1,290)	-
Transport Related	298	130	140	140
Supplies & Services	26,305	15,500	35,200	15,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	20,636	22,530	29,360	28,310
Capital Accounting Charges	-	-	-	-
Total Expenditure	127,907	141,270	185,430	164,660
Income including recharges to other services	(7,695)	-	-	-
NET GENERAL FUND REQUIREMENT	120,212	141,270	185,430	164,660

Type of service: Discretionary

Service Purpose: Improve and promote Aldershot Town Centre.

Service Activity: Improve the appearance of the town centre, support retailers, organise events, etc.

Explanation of significant expenditure/income changes

Employees

2017/18 Actual includes vacancy savings. 2018/19 Revised Estimate includes additional recruitment costs and fluctuations due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2017/18 Actual includes additional costs for various events covered by contributions from companies and a budget carry forward from 2016/17. 2018/19 Revised Estimates includes a carry forward of promotions budgets from 2017/18 and a one-off transfer of budget from the Economical Development cost centre for various events.

Income

2017/18 Actual includes contributions received towards TownCentre promotions and the ShopWatch scheme.

Planning and Economy	Outturn	Original	Revised	Budget
HOUSING STRATEGY	2017/18	2018/19	2018/19	2019/20
Cost centre C2401				
Head of Economy, Planning & Strategic Housing	£	£	£	£
Employees	123,697	128,350	108,970	111,610
Premises	-	-	-	-
Transport Related	330	530	560	430
Supplies & Services	84	1,300	1,200	1,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	33,287	34,540	40,440	38,900
Capital Accounting Charges	29,079	-	-	-
Total Expenditure	186,477	164,720	151,170	152,140
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	186,477	164,720	151,170	152,140

Type of service: Discretionary

Service Purpose: Formulation of strategic housing issues.

Service Activity: Housing Strategic matters.

Planning and Economy	Outturn	Original	Revised	Budget
TOURISM	2017/18	2018/19	2018/19	2019/20
Cost centre C2523				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	5,446	5,730	5,320	4,760
Premises	-	-	-	-
Transport Related	16	20	20	20
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	71,858	71,880	71,880	71,880
Support Services	4,455	4,690	4,170	4,080
Capital Accounting Charges	-	-	-	-
Total Expenditure	81,775	82,320	81,390	80,740
Income including recharges to other services	-	-	-	-
NET GENERAL FUND REQUIREMENT	81,775	82,320	81,390	80,740

Type of service: Discretionary

Service Purpose: Promote tourism in the Borough.

Service Activity: Grants to Aldershot Military Museum and Basingstoke Canal Management Committee.

Planning and Economy	Outturn	Original	Revised	Budget
SUSTAINABILITY INITIATIVES	2017/18	2018/19	2018/19	2019/20
Cost centre C1211				
Executive Head of Regeneration and Property	£	£	£	£
Employees	27,988	27,540	-	-
Premises	-	-	-	-
Transport Related	522	620	-	-
Supplies & Services	8,148	8,300	8,300	8,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	13,835	14,910	13,830	13,670
Capital Accounting Charges	32,547	-	-	-
Total Expenditure	83,040	51,370	22,130	21,970
Income including recharges to other services	(22,677)	(19,800)	-	-
NET GENERAL FUND REQUIREMENT	60,363	31,570	22,130	21,970

Type of service: Discretionary

Service Purpose: To plan and deliver the Council's work to promote sustainability in the Borough.

Service Activity: Develop, implement and monitor the Council's Climate Change Strategy and Action Plan; promote sustainability initiatives and implement associated actions with the community and partnership organisations; initiate, manage and support the delivery of projects to improve the Council's and its partners sustainability performance, particularly in relation to resource use.

Planning and Economy	Outturn	Original	Revised	Budget
SPECIAL EVENTS	2017/18	2018/19	2018/19	2019/20
Cost centre C2533				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	8,277	8,720	10,160	9,610
Premises	-	-	-	-
Transport Related	20	30	50	50
Supplies & Services	25,360	41,820	25,270	41,820
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	6,786	7,140	8,670	8,970
Capital Accounting Charges	-	-	-	-
Total Expenditure	40,443	57,710	44,150	60,450
Income including recharges to other services	(17,250)	(39,300)	(8,750)	(39,300)
NET GENERAL FUND REQUIREMENT	23,193	18,410	35,400	21,150

Type of service: Discretionary

Service Purpose: To support and promote various community events within the Borough.

Service Activity: Includes Annual Fireworks display, Victoria Day, Junior Citizen's event and various voluntary events.

Explanation of significant expenditure/income changes

Supplies & Services

2017/18 Actual & 2018/19 Revised Estimates reflects the changes made for the 2017 & 2018 Fireworks event which was scaled back in size, offered free to the public and partially funded through sponsorship and concessions income.

Income

2017/18 Actual & 2018/19 Revised Estimates reflects the changes made for the 2017 & 2018 Fireworks event which was scaled back in size, offered free to the public and partially funded through sponsorship and concessions income.

Planning and Economy	Outturn	Original	Revised	Budget
RUSHMOOR IN BLOOM	2017/18	2018/19	2018/19	2019/20
Cost centre C2529				
Head of Operational Services	£	£	£	£
Employees	8,637	8,950	8,540	8,050
Premises	3,495	2,770	2,540	2,200
Transport Related	16	50	50	50
Supplies & Services	3,852	5,500	5,500	5,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,685	4,910	5,250	5,540
Capital Accounting Charges	-	-	-	-
Total Expenditure	20,685	22,180	21,880	21,340
Income including recharges to other services	(18,892)	(18,330)	(18,330)	(18,330)
NET GENERAL FUND REQUIREMENT	1,793	3,850	3,550	3,010

Type of service: Discretionary

Service Purpose: Promote and enable civic pride and encourage participation.

Service Activity: To promote and develop an environmental campaign to include community gardening and planting projects, litter picking events, local gardening competition, allotment competition and school gardening and painting competition. Enable residents and business to be active in improving their communities.

Planning and Economy	Outturn	Original	Revised	Budget
PLG DEV CONTROL MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2611				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	1,873	2,300	2,300	2,300
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	13,457	10,750	10,760	10,760
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	15,330	13,050	13,060	13,060
Income including recharges to other services	(15,330)	(11,330)	(13,060)	(13,060)
NET GENERAL FUND REQUIREMENT	0	1,720	0	0

Type of service: Overheads

Service Purpose: Provision of Planning Development Control management.

Service Activity: Planning Development Control management.

Planning and Economy	Outturn	Original	Revised	Budget
PLG BUILDING CTRL MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2612				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	1,831	1,950	1,950	1,950
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	6,110	5,230	5,230	5,230
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	7,941	7,180	7,180	7,180
Income including recharges to other services	(7,940)	(7,180)	(7,180)	(7,180)
NET GENERAL FUND REQUIREMENT	1	0	0	0

Type of service: Overheads

Service Purpose: Provision of Building Control management.

Service Activity: Building Control management.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING POLICY MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2613				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	1,766	2,600	6,410	7,830
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	5,354	3,500	3,500	3,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	7,120	6,100	9,910	11,330
Income including recharges to other services	(7,119)	(6,100)	(9,910)	(11,330)
NET GENERAL FUND REQUIREMENT	1	0	0	0

Type of service: Overheads

Service Purpose: Provision of Planning Policy management.

Service Activity: Planning Policy management.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING CONSERVATION MANAGEMENT	2017/18	2018/19	2018/19	2019/20
Cost centre C2614				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	1,281	1,000	1,000	1,000
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	1,976	2,220	2,200	2,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
Total Expenditure	3,257	3,220	3,200	3,200
Income including recharges to other services	(3,257)	(3,200)	(3,200)	(3,200)
NET GENERAL FUND REQUIREMENT	0	20	0	0

Type of service: Overheads

Service Purpose: Provision of Planning Conservation management.

Service Activity: Planning Conservation management.

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL SUPPORT	2017/18	2018/19	2018/19	2019/20
Cost centre C2616				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	358	410	400	410
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	93	100	90	90
Capital Accounting Charges	-	-	-	-
Total Expenditure	451	510	490	500
Income including recharges to other services	(450)	(510)	(490)	(500)
NET GENERAL FUND REQUIREMENT	1	0	0	0

Type of service: Overheads

Service Purpose: Provision of Building Control support.

Service Activity: Building Control support.

This page has been left intentionally blank

ADDITIONAL ITEMS

Portfolio	Cost Centre	Description	Revised Estimate 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £
	<u>Non-Recurring Items</u>				
Corporate and Democratic Services	Human Resources	To facilitate the Management Development Programme		15,000	
		New e-learning portal		11,200	
		Trial suite of psychometric tests for use as aid to recruitment		7,500	
	Community Leisure	Feasibility work for the Southwood Closed Circuit Cycle track	15,000		
		Initiatives to promote healthy weights		10,000	
	Grants to Organisations	Contribution to FAST for a study to be undertaken into the condition and reprovision of the centrifuge at Farnborough airport	10,000		
	Civic Ceremonial	Civic Events for 2019/20		7,000	
Customer Experience and Improvement	Community Leisure	City Cycling - To encourage healthy lifestyles and to promote awareness of environmental damage. Use of an app to promote the benefits of cycling. The costs related to the app and promotions and other activities		2,500	
		Re-signing of the Military Covenant		1,500	
	Communications	Additional staff resources for two years to support the implementation of a new website, intranet and greater digital engagement with our customers and businesses, as part of the delivery of Rushmoor 2020		25,000	25,000
IT Management	Review of Corporate Financial System	20,000			
	Provision of specialist consultancy services to identify technologies to deliver customer experience solution		15,000	15,000	
	Rushmoor 2020 - External consultancy requirement for Customer Experience Project Feasibility	30,000	30,000		

ADDITIONAL ITEMS

Portfolio	Cost Centre	Description	Revised Estimate 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £
<u>Non-Recurring Items continued</u>					
Operational	Housing Advice	Upgrade to existing software associated with the Homelessness Reduction Act 2017		9,000	
		Funded from earmarked reserves		-9,000	
		Extension to Social Inclusion contract with Home Group Funded from earmarked reserves		30,000	20,000
			-30,000	-20,000	
		Extend provision for North Lane Lodge and service level agreement with providers Funded from earmarked reserves		20,000	
			-20,000		
Parks and Recreation Grounds		Revenue expenditure required for Southwood Golf Course SANG during initial set-up phase. To provide for grass cutting and safety related tree maintenance.	8,000	50,000	
		Funded by future SANG Developer contribution	-8,000	-50,000	
	Crematorium	To establish the requirements for new cremators or to refurbish the existing ones To be funded by the Mercury Abatement earmarked reserve		50,000	
				-50,000	
	Taxi Licensing	Provision of drugs and alcohol testing kits for drugs testing of taxi drivers		4,250	
Planning and Economy	Conservation	Surveys and management plan development. The work is required to deliver the SANG which is important to enable development in the borough to move forward		8,000	
		Funded by future SANG Developer contribution		-8,000	
Total Non-Recurring Items			75,000	128,950	40,000

ADDITIONAL ITEMS

Portfolio	Cost Centre	Description	Revised Estimate 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £	
	<u>Variations in Service</u>					
Customer Experience and Improvement	IT Technical Services	Replacement of existing office productivity and collaboration systems licence (email, office, document management, intranet etc) due to expiration of current licence		28,000	28,000	
		Upgrade and maintenance of a range of departmental software		20,000	20,000	
		Public Services Network annual compliance and statutory cyber security health check		13,000	13,000	
	Human Resources	Annual ongoing licence costs of the HR e-portal			5,000	
Major Projects and Property	Regeneration and Property	Maintenance works to keep Rushmoor Borough Council properties in reasonable condition (Bid includes the £250,000 showing in the Medium Term Financial Strategy)		300,000	300,000	
		Various new budgets within supplies and services to cover the new Regeneration service		24,300	24,300	
	Legal Estates Support Service	Valuation viability survey costs for land development		10,000	10,000	
		Valuation viability survey income from developers		-10,000	-10,000	
		New post of Property Management and Investment Acquisitions		52,000	52,000	
			Projected increase in income		-60,000	-60,000
	Legal Support Services	New post of Information Governance Officer		40,000	40,000	
Operational Services	Other Highways	Additional cost for maintaining current standard for grass, shrubs and hedges following the reduction in funding by Hampshire County Council.		59,500	59,500	
	Taxi Licensing	Provision of drugs and alcohol testing kits for drugs testing of taxi drivers		1,300	1,300	
Planning and Economy	Town Centre Management	Delivery of a sustainable events programme across both town centres		25,000	25,000	
			Total Variations in Service	0	503,100	508,100
			Total Additional Items	75,000	632,050	548,100

This page has been left intentionally blank

CAPITAL PROGRAMME SUMMARY 2018/2019 TO 2022/2023

	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
			Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
CAPITAL EXPENDITURE ON PORTFOLIOS						
Corporate and Democratic Services	484,850	1,496,910	1,223,580	-	-	-
Customer Experience and Improvement	375,700	329,890	321,000	95,000	75,000	-
Major Projects and Property	24,108,700	40,172,860	65,056,020	20,642,900	27,561,300	1,371,700
Operational Services	3,748,450	3,637,460	3,510,040	2,405,000	1,205,000	1,205,000
Planning and Economy	-	100,000	120,000	50,000	-	-
TOTAL CAPITAL EXPENDITURE	28,717,700	45,737,120	70,230,640	23,192,900	28,841,300	2,576,700
CAPITAL EXPENDITURE RESOURCES						
Revenue Contribution to Capital - General	-	-	-	-	-	-
Revenue Contribution to Capital - Improvement Grants	-	-	-	-	-	-
Total Revenue Contributions	-	-	-	-	-	-
Grants & Contributions from Other Bodies (see Grants & Conds Summary page)	6,015,000	1,669,827	9,478,500	2,265,000	1,515,000	15,000
Grants & Contributions - Improvement Grants	982,809	1,258,628	983,000	983,000	983,000	983,000
Section 106 Developers Contributions (see s106 Summary page)	647,750	131,070	810,170	-	-	-
	7,645,559	3,059,525	11,271,670	3,248,000	2,498,000	998,000
Capital Receipts & Borrowing - General Fund Schemes	21,022,141	42,627,595	58,908,970	19,894,900	26,293,300	1,528,700
Capital Receipts & Borrowing - Housing Schemes	50,000	50,000	50,000	50,000	50,000	50,000
Total Capital Receipts & Borrowing	21,072,141	42,677,595	58,958,970	19,944,900	26,343,300	1,578,700
TOTAL CAPITAL FINANCING	28,717,700	45,737,120	70,230,640	23,192,900	28,841,300	2,576,700

GRANTS & CONTRIBUTIONS SUMMARY 2018/2019 TO 2022/2023

Project Number	PROJECT	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
				Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
General Fund - Grants & Contributions							
6518	- Wheeled Bin Contributions (Developers & Householders)	15,000	15,000	15,000	15,000	15,000	15,000
5329	- Council Offices Accommodation Contract Cost (Insurance Claim)		15,000				
5337	- Council Offices Parking Bays and External Work (CPE)		2,930				
6404	- Affordable Homes Funding (Developers)		100,000				
6524	- Pay and Display Machine Replacements (CPE)		8,107				
6567	- Replacement Cremator (CAMEO)				600,000		
6597	- Car Park Enhancements (CPE)			120,000			
6601	- Alpine Ski Centre Aldershot - Various internal and external works (Ski Centre Development Fund)	40,000	28,790				
	- Alpine Ski Centre Aldershot - Workshop Ceiling & Lighting and Footpath Repair (Ski Centre Development Fund)			11,500			
6588	- Ivy Road - Sports Pavilion (VIVID, The Football Foundation, Landfill Tax)	230,000		330,000			
6608	- Moor Road - Recreation Ground Development (Sport England, PEBL, Landfill Tax)	300,000		300,000			
6610	- Recreation Ground Playground Renewal (Landfill Tax)	50,000					
Regeneration Projects							
5407	- Union Street East, Aldershot (LEP and Housing Infrastructure Fund)	5,100,000		3,350,000	1,650,000		
	- Games Hub (LEP)			767,000			
	- The Galleries (Housing Infrastructure Fund)			3,400,000			
Activation Aldershot Projects							
5401	- Project 1 - Integration between AUE and Town Centre (LEP loan)		1,500,000				
5404	- Project 2 Phase 6 - Station Forecourt Improvements (Local Growth Fund, HCC, South Western Railway)	280,000		1,185,000			
Total General Fund Grants & Contributions		6,015,000	1,669,827	9,478,500	2,265,000	1,515,000	15,000
Housing Schemes - Government Grants							
640050013	- Improvement Grants - Disabled Facilities Grants (Better Care Fund)	982,809	1,258,628	983,000	983,000	983,000	983,000
TOTAL GRANTS & CONTRIBUTIONS		6,997,809	2,928,455	10,461,500	3,248,000	2,498,000	998,000

SECTION 106 DEVELOPERS CONTRIBUTIONS SUMMARY 2018/2019 TO 2022/2023

Project Number	PROJECT	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
				Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	General Fund Schemes						
6528	- Brickfield Country Park - Improvement Works	22,800	40,670				
6571	- Manor Park - Lake Improvements	14,950		49,970			
6588	- Ivy Road - Sports Pavilion	300,000	18,000	280,400			
6603	- Aldershot Park Car Park -Playground Resurface		24,400				
6605	- Aldershot Park Car Park - Installation of LED powered lighting columns	30,000	30,000				
6608	- Moor Road - Recreation Ground Development	250,000	18,000	229,800			
6610	- Recreation Ground Playground Renewal	30,000		150,000			
	- Parks Improvements			100,000			
TOTAL SECTION 106 DEVELOPERS CONTRIBUTIONS		647,750	131,070	810,170	-	-	-

CORPORATE AND DEMOCRATIC SERVICES PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

1 of 1 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
5403	FARNBOROUGH AIRPORT Farnborough International Ltd Loan (s)	4,435,401		1,100,000	1,100,000			
5299	FLEXIBLE CAPITAL RECEIPTS Schemes funded by unallocated Capital Receipts (s)	297,715	484,850	396,910	123,580			
	TOTAL	4,733,116	484,850	1,496,910	1,223,580	-	-	-

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

CUSTOMER EXPERIENCE AND IMPROVEMENT PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

1 of 1 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	COMPUTER SYSTEMS							
7305	IT Equipment Replacement	36,124	30,000	5,000	25,000	25,000	25,000	
7306	Idox Onsite Apps	25,700	25,700					
7500	ICT/Digital Strategy - Various Projects (bc) Rushmoor 2020 (bc)	293,000	180,000	159,960	81,000 145,000	10,000		
	COUNCIL OFFICES							
5329	Office Accommodation	20,033	35,000	97,000	35,000	35,000	30,000	
5335	Desks & storage and creation of 'touch down' and flexible meeting spaces	30,724	20,000	20,000	25,000	25,000	20,000	
5337	New Parking Bays	5,000		2,930				
5340	Electrical Generator Switch (s)		10,000		10,000			
5341	Relocation of Voluntary Groups		30,000	45,000				
5342	Co-Location Joint Reception (bc)		45,000					
	TOTAL	410,580	375,700	329,890	321,000	95,000	75,000	-

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

MAJOR PROJECTS AND PROPERTY PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

1 of 1 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	ALDERSHOT TOWN CENTRE PROJECTS							
5401	Town Centre Integration			1,500,000				
5402	Shop front Improvements	239,129		11,310				
	The Galleries Regeneration (bc)				3,400,000			
	The Games Hub				767,000			
5404	Train Station and Surrounding Area Works (s)		896,200	100,000	1,485,000			
	ARTHUR STREET							
5215	12 Arthur Street Conversion	188,914		124,600				
	CIVIC QUARTER FARNBOROUGH							
5405	Civic Quarter Farnborough Development (bc)	58,605	280,000		10,000,000	10,000,000	19,000,000	
	HOUSING MATTERS							
5406	Housing PRS Delivery (bc)		707,200	80,100	661,300	2,719,200	861,300	1,371,700
	INVESTMENT PROPERTIES							
5213	Purchase of 10A Wellesley House	18,812						
5221	Purchase of Land Adjacent Optrex Business Park	928						
5222	Boulters House, 237 High Street Redevelopment	2,960		32,840				
5223	Lease Purchase 2A Windsor Way	125,000						
5224	252 Ash Road, Aldershot purchase and Boundary Wall Enhancement	8,336		1,830,000				
5225	Various Investment Property Purchases (bc) (s)	41,018	15,000,000	29,428,610	43,292,600	4,923,700		
	Redevelopment of new Units at Optrex Business Park (bc)				300,000			
	UNION STREET ALDERSHOT							
5220	36-62 Union Street Enhancement Works	1,899,284	735,300	578,500	150,120			
5407	Union Street East Aldershot Regeneration (bc)		6,450,000	6,450,000	5,000,000	3,000,000	7,700,000	
	WELLINGTON STREET REFURBISHMENT							
5209	9 Wellington Street Refurbishment	3,080						
5227	9A Wellington St Refurb			34,900				
	COUNCIL PROPERTIES							
5313	Energy Management (bc)	41,811	40,000	2,000				
	TOTAL	2,627,878	24,108,700	40,172,860	65,056,020	20,642,900	27,561,300	1,371,700

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

1 of 4 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	ALDERSHOT POOLS COMPLEX							
6242	Lido Concrete Works	14,630	15,000	13,070	15,000	15,000	15,000	15,000
6543	Aldershot Pools Electrical Testing & Rewiring	8,612	10,000	10,000	10,000	10,000	10,000	10,000
6551	Lido Replacment Pumps & Valves	16,471	15,000	15,000	15,000	15,000	15,000	15,000
6557	Aldershot Pools Roof Insulation & Coating	6,819		60,790				
	ALPINE SNOWSPORTS							
6501	Repair & Anti Corrosion	1,015						
6527	Slope Maintenance (s)		75,000	2,850	72,150			
6601	Various Internal & External Works Workshop Ceiling & Lighting and Footpath Repair		40,000	28,790	11,500			
	BEAUMONT COMMUNITY PARK							
6510	Boundary Wall	7,559						
6521	Repairs to Stonework (s)				19,000			
	BLUNDEN HALL COMMUNITY CENTRE							
6602	Kitchen & Hall Works		35,000	37,100				
	BRICKFIELD COUNTRY PARK							
6528	Park Improvement Works	630	22,800	40,670				
	CAR PARKS							
6524	Car Park Ticket Machines	276,566		18,530				
6597	Enhancement Works for Various Car Parks (s)		73,300	73,300	120,000			
6604	Kingsmoat Car Park Resurfacing (s)		80,000		80,000			
6605	Aldershot Park Car Park LED Columns		30,000	30,000				
6609	Pinehurst Car Park Security (bc) (s)		50,000		50,000			

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

2 of 4 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	CCTV							
6611	Equipment Refresh (bc)		30,000					
	CEMETERIES							
6226	Ship Lane Toilets Upgrade	19,558		-8,700				
6227	Redan Road Repairs to Boundary Wall			28,360				
6231	Ship Lane Cemetery Drainage			11,000				
6589	Victoria Road Chapel Roof	41,940						
6600	Victoria Road Cemetery Fencing and Redecoration (s)		10,000		10,000			
	CREMATORIUM							
6560	Mobile Elevation Work Platform			10,000				
6565	Waiting Room Modernisation	5,070		4,930				
6566	Replacement Cremator Equipment	54,726						
6567	Replacement Cremators					1,200,000		
6568	Equipment for the Chapel and Waiting Room	18,195						
6591	Crematorium Woodland Memorial	5,600						
6606	Fan and PCME Monitor Upgrade		19,000	19,010				
6607	Cremulator and Transfer Cabinet		21,000	21,000				
	Sanctum 2000 Area 7 (Memorial Vaults)				15,000			
	CYCLEWAY LINKS							
6520	Cove Brook Greenway	15,731	13,600	17,870				
6577	Hazel Avenue to Arrow Road		3,000	23,000				
	DEPOTS							
6517	Hawley Lane Development Works (s)	2,790	50,000	86,990	45,220			
6573	New Depot Lysons Avenue	2,590,118	504,990	1,588,380				

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

3 of 4 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	FARNBOROUGH LEISURE CENTRE							
6541	Electrical Testing & Rewiring	12,072	15,000	15,000	15,000	15,000	15,000	15,000
6545	Replacment Pumps & Valves	14,982	15,000	15,000	15,000	15,000	15,000	15,000
6548	Teaching Pool Filter Refurbishment	14,136						
	FARNBOROUGH SKATE PARK							
6572	Skate Park Refurbishment	17,220						
	IVY ROAD PLAYING FIELDS							
6588	New Sports Pavilion (bc) (s)	1,600	530,000	18,000	610,400			
	MANOR PARK							
6571	Lake Improvements (s)	630	14,950		49,970			
6586	Construction of a property in Manor Park	10,956	191,000					
6590	Manor Park Lodge Renovation	10,027						
6593	Manor Park Cottage Redecoration and Repairs	47,511		-890				
6595	Link Fence Replacement	18,143						
	MOOR ROAD DEVELOPMENT							
6608	Recreation Ground Dvlpmt (bc) (s)	2,195	550,000	18,000	529,800			
	PARKS & OPEN SPACES							
	Unspecified Park Improvements				100,000			
	Southwood Golf Course SANG Setup				422,000			
	PLAYGROUND WORKS							
6585	Municipal Gardens Playground Refurbishment	154,240						
6603	Aldershot Park Playground Resurfacing		30,000	24,440				
6610	Recreation Ground Playground Renewal (bc) (s)		150,000		150,000			

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

4 of 4 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments				
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	
	PUBLIC CONVENIENCES								
6523	King George V Public Conveniences Upgrade	8,648		5,340					
6533	North Camp Public Conveniences Refurbishment	24,030							
	REFUSE/RECYCLING								
6518	Domestic Refuse - Wheeled Bins	92,207	90,000	90,000	90,000	90,000	90,000	90,000	90,000
	SOUTHWOOD COMMUNITY CENTRE								
6532	Internal Decoration (s)		20,000		20,000				
	STREET CLEANSING								
6515	Litter/ Cigarette Bins	11,380	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	IMPROVEMENT GRANTS								
640050013	Disabled Facilities Grants	949,542	982,810	1,258,630	983,000	983,000	983,000	983,000	983,000
640050022	Home Improvement Grants	32,923	50,000	50,000	50,000	50,000	50,000	50,000	50,000
6401	Grants To Registered Providers of Social Housing	98,500							
	NORTH LANE LODGE								
6403	North Lane Lodge - Wellesley Site	1,470							
	TOTAL	4,608,440	3,748,450	3,637,460	3,510,040	2,405,000	1,205,000	1,205,000	1,205,000

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

PLANNING AND ECONOMY PORTFOLIO CAPITAL PROGRAMME 2018/2019 TO 2022/2023

1 of 1 Project Number	Project	Payments To 31.3.18	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Payments			
					Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
6404	AFFORDABLE HOMES GRANT Affordable Homes Grant Funding			100,000				
6581	PRINCES HALL Replacement Flooring in the Princes Suite Essential Roof Works Main Hall Floor Works	15,033			120,000	50,000		
	TOTAL	15,033	-	100,000	120,000	50,000	-	-

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet
(s) denotes projects which include slippage from 2018/19 into 2019/20

This page has been left intentionally blank

REPORT UNDER S.25 OF LOCAL GOVERNMENT ACT 2003
CHIEF FINANCE OFFICER'S REPORT

Section 25 of the Local Government Finance Act 2003 places a statutory duty on the Chief Financial Officer to report to the authority, at the time the budget is considered and the council tax is set on the robustness of the budget estimates and the adequacy of the financial reserves. The Act requires councillors to have regard to the report in making decision at the Council's budget and rent setting, and the council tax setting meetings.

The basis on which the budget for 2019/20 and the MTFS have been prepared has been set out clearly in this report. I am satisfied that the budgets for the General Fund and the Capital Programme have been based on sound and reasonable assumptions.

The report (#1) does set out the core deficit position the council is facing over the MTFS. Progress has been made during the year to address the deficit with a number of savings already identified and being delivered, and a number of savings targets. The council will still be relying on income from commercial property investments and reserve balances to support expenditure plans over the MTFS. The Savings Plan is core to the delivery of financial sustainability, but it important to note that the deficit continues to increase over the medium term.

It is important that the council is able to balance the budget over the medium term in a sustainable and manageable way through a combination of income, sensible use of reserves and a robust savings plan. Therefore, an ongoing and continuous savings plan, that identifies further budget and efficiency savings over and above those indicated in this report will need to be brought forward into the MTFP.

The current savings plan includes a target level of savings to be achieved over the medium term. These include commercial property income and organisation modernisation and redesign. There is a risk associated with savings targets. Should these savings not materialise at the level or within the timeframe assumed this will increase the pressure on the Council balances and reserves. The Council will need to identify further savings or ways of reducing spend/increasing income to mitigate this risk.

Some risks remain, particularly around the economic and financial impact of Brexit. Whilst the government date that the country will leave the European Union is 29 March 2019, there remains considerable uncertainty over the MTFS period around the impact this will have on both the national and local economy.

Risks around inflation and interest rates also remain, and may be inexorably linked to leaving the EU. Allowance has been made in the MTFS estimates for inflationary pressures in the General Fund. Future interest rate increases are expected over the medium term, and this must be considered when assessing the level of return on commercial property investments.

*#1 - Reference to "the report" in the text above relates to FIN1909 REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL Cabinet 5th February 2019, and Full Council 21st February 2019
Continued on following page>*

Changes made in April 2013 to the way in which local government is financed could have a material effect on the council's finances if not managed over the MTFS. The council has adopted a local Council Tax Support (CTS) scheme that provides an affordable level of support to local residents. The Council will need to consider the potential impact in future years of increases to claimant numbers if there is a negative economic impact from exiting the EU in March 2019. The Council would need to review the design of the scheme, or find equivalent savings across the general fund to mitigate any financial impact.

The localisation of business rates through the Business Rates Retention scheme does pose a financial risk to the council on two levels. Firstly, that the level of business rates income budgeted for in the MTFS does not materialise. Secondly, the level of backdated appeals remains a significant area of uncertainty. Whilst allowance is made within the calculation of retained business rates income for backdated appeals, these losses could be higher than projected. The introduction of the new rating list in April 2017 and the 'check, challenge, appeal' process has to date reduced the level of new appeals coming through the system. A review of the provision for appeals will be undertaken when completing the NNDR1 and NNDR3 returns which will help mitigate this risk.

The move to a new local government finance system through 75% Business Rates retention by 2020/21 is difficult to quantify financially. Taken alongside the potential impact of the Fair Funding Review, there is a significant risk to the level of government support to the Council in future years. Pressures faced by authorities with social care responsibilities may see funding shifted from District/Borough authorities to upper-tier authorities.

For Rushmoor, the future of New Homes Bonus is also a significant financial risk, given the anticipated increase in the number of new homes being delivered in the Borough over the next 3 years.

The general fund is forecast to remain within range of balances approved in previous financial strategies. The Stability and Resilience Reserve set up during 2012/13 provides sufficient resource to allow the Council to react to the increase in risk and uncertainty it faces over the medium-term and any consequential adverse effect on its financial position. The Service Improvement Fund and the current freedoms over use of capital receipts, also support the Council's endeavour to achieve a sustainable financial position over the medium-term, by supporting key projects, which deliver significant financial benefit to the organisation.

These proposals will enable the Council to meet the challenges of achieving a balanced budget in the current year, to be protected from potential volatility in its finances and to reshape the organisation to be sustainable over the longer-term.

In conclusion, I am satisfied that the budget is robust and is supported by adequate reserves.

David Stanley, Executive Head of Finance/S151 Officer

COUNCIL MEETING – 21ST FEBRUARY 2019

AGENDA ITEM NO. 6 (2)

ANNUAL CAPITAL STRATEGY 2019/20

A report from the meeting of Cabinet held on 5th February 2019

1. INTRODUCTION

- 1.1 This report sets out the proposed Capital Strategy for the year 2019/20, including the Prudential indicators for capital finance for 2019/20.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy and Investment Strategy before the start of each financial year.
- 1.3 The CIPFA "Prudential Code" 2017 edition, "Treasury Management Code of Practice" 2017 edition and MHCLG revised guidance 2018 have resulted in the creation of a new Capital Strategy which is required to be approved by the Council before the start of each financial year.

2. PURPOSE

- 2.1 The purpose of the Capital Strategy is to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.2 The purpose of investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.3 The second main function of the Capital Strategy is to set the Prudential indicators for affordable, prudent and sustainable capital investment.
- 2.4 Appendix A sets out the Capital Strategy for 2019/20 to 2021/22 and fulfil key legislative requirements as follows:

Appendix A

- The **Capital Strategy** which sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in accordance with

CIPFA's Code of Practice on Treasury Management, the Prudential Code and HMCLG guidance on local government investments.

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

3. SCOPE

- 3.1 This report covers the Council's Capital management activities as set out in paragraphs 2.1 to 2.2 above. A summary of Treasury Management and Commercial investments and the Council's borrowing requirements to fund the Capital strategy are set out. Prudential indicators are identified to set measures for affordability, prudent and sustainable. The funds invested consist of short-term cash available due to timing of income and expenditure, prudential borrowing and the Council's capital receipts.

- 3.2 The Council incurred prudential code borrowing in 2017/18 in the sum of £5.89m in relation to its capital expenditure. Further borrowing to support the financing of its approved capital programme in the year 2018/19 will also be required. It therefore commences the year 2019/20 in a position where its investment holdings continue to remain significant (although, less than in previous financial years) but it also carries some accumulating debt. There will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

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

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

4. RECOMMENDATIONS

- 4.1 The Council is recommended to approve the Capital Strategy 2019/20 and Prudential Indicators attached at Appendix A.

G B LYON
PORTFOLIO HOLDER FOR CORPORATE
AND DEMOCRATIC SERVICES

CAPITAL STRATEGY 2019/20**1. INTRODUCTION**

- 1.1 This capital strategy is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

2. CAPITAL EXPENDITURE AND FINANCING

- 2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

- For details of the Council's policy on capitalisation, see: Issued Financial statements 17/18:

<https://www.rushmoor.gov.uk/statementofaccounts>

- 2.2 In 2019/20, the Council is planning capital expenditure of £45.7m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund services	12.4	45.7	70.2	23.2	28.8
TOTAL	12.4	45.7	70.2	23.2	28.8

- 2.3 The main General Fund capital projects in 2018/19 include investment property acquisitions in Ash Road, Eelmoor Road, Invincible Road and offices in Guildford. In addition property purchases in Union Street Aldershot. In 2019/20 a further £35m of investment properties are due to be purchased alongside £16m of regeneration expenditure. The Council does not plan to incur expenditure of capital expenditure on Treasury Management investments in 2019/20.

APPENDIX A

2.4 **Governance:** Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). The Strategic Capital & Asset Group (SC&AG) appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to Council Leadership Team (CLT). The final capital programme is then presented to Cabinet early February and to Council in late February each year. Variation to capital bids and new capital bids can be received during the year from Service managers and are reviewed by SC&AG.

- For full details of the Council's capital programme, including the project appraisals undertaken, see: Appendix 4, FN1909 Revenue budget, Capital Programme and Council Tax

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

Table 2: Capital financing in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
External sources	1.4	3.1	11.3	3.2	2.5
Own resources	5.3	0.4	0.1	0.0	0.0
Debt	5.7	42.3	58.8	19.9	26.3
TOTAL	12.4	45.7	70.2	23.2	28.8

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

Table 3: Replacement of debt finance in £ millions

	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Own resources	0.4	1.4	2.7	3.1

- The Council’s full minimum revenue provision statement is available here: Appendix C, FN1905 Annual Treasury Management Strategy and Investment Strategy

2.7 The Council’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £44.7 m during 2019/20. Based on the above figures for expenditure and financing, the Council’s estimated CFR is as follows:

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

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
General Fund services	12.5	57.9	119.1	140.2	166.1
MRP	-0.1	-0.4	-1.4	-2.7	-3.1
IFRIC 4 Lease Adjustment	3.2	2.8	2.5	2.3	2.1
TOTAL CFR	15.6	60.3	120.2	139.8	165.1

2.8 **Asset management:** To ensure that capital assets continue to be of long-term use, the Council is in the process of putting an asset management strategy in place.

2.9 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council does not have any plans to receive capital receipts in the medium term.

Table 5: Capital receipts in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Asset sales	0.5	0	0	0	0
TOTAL	0.5	0	0	0	0

- The Council’s Flexible Use of Capital Receipts Policy is available here: Appendix 5, FN 1909 Revenue budget, Capital Programme and Council Tax

3. TREASURY MANAGEMENT

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to decisions taken in the past, the Council currently has £26.6m borrowing at an average interest rate of 0.86% and £28.5million treasury investments at an average rate of 3.89%.
- 3.4 **Borrowing strategy:** The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.9%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).
- 3.5 Projected levels of the Council’s total outstanding debt (which comprises borrowing, leases and LEP are shown below, compared with the capital financing requirement (see above).

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

	31.3.2018	31.3.2019	31.3.2020	31.3.2021	31.3.2022
	actual	forecast	budget	budget	budget
Debt (incl. leases)	15.6	60.7	121.6	142.5	168.2
Capital Financing Requirement	99.9	111.6	172.5	176.6	176.8
Difference	84.3	50.9	50.9	34.1	8.5

- 3.6 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.
- 3.7 **Liability benchmark:** To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £4m at each year-end. This benchmark is currently £39.1m and is forecast to rise to £146.6m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Outstanding borrowing	15.6	60.7	121.6	142.5	168.2
Liability benchmark	-7.7	39.1	100.0	120.9	146.6

- 3.8 The table shows that the Council expects to remain borrowed above its liability benchmark. This is because a deliberate decision has been made to maintain pooled investment fund balances and not deplete to cover potential borrow costs.
- 3.9 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 limit	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit - total external debt	76.0	137.0	158.0	184.0
Operational boundary - total external debt	71.0	132.0	153.0	179.0

APPENDIX A

- Further details on borrowing are contained in the treasury management strategy – Appendix A FN1905 Annual Treasury Management Strategy and Investment Strategy
- 3.10 **Treasury Management Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.11 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Near-term investments	7.7	4	4	4	4
Longer-term investments	19.6	21.6	21.6	21.6	21.6
TOTAL	27.3	25.6	25.6	25.6	25.6

- Further details on treasury investments are contained the treasury management strategy - Appendix A FN1905 Annual Treasury Management Strategy and Investment Strategy
- 3.12 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Executive Head of Finance and staff, who must act in line with the treasury management strategy approved by Full Council. Year-end report and half-yearly reports on treasury management activity are presented to Licencing, Audit & General Purposes Committee (LA&GP) and Cabinet. The LA&GP Committee is responsible for scrutinising treasury management decisions.

4. NON-TREASURY INVESTMENTS FOR SERVICE PURPOSES

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

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

- Further details on service investments are contained in of the investment strategy: Appendix B FN1905 Annual Treasury Management Strategy and Investment Strategy

5. COMMERCIAL ACTIVITIES

5.1 With central government financial support for local public services declining, the Council invests in commercial property purely or mainly for financial gain and lends to its subsidiary for the same reason. Total commercial investments for 2018/19 are forecast to be £31.2m, the portfolio providing a net return after all costs of 5.3%.

5.2 With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include level of competition, barriers to entry/exit, future market prospects

These risks are managed by:

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

In order that commercial investments remain proportionate to the size of the Council, these are subject to an overall maximum investment limit of

APPENDIX A

£162m and contingency plans are in place should expected yields not materialise.

5.3 **Governance:** Decisions on commercial investments are made by Executive Head of Regeneration and Property in line with the criteria and limits approved by LA&GP Committee, Cabinet and Full Council in the investment strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on commercial investments and limits on their use are contained in of the investment strategy: Appendix B FN1905 Annual Treasury Management Strategy and Investment Strategy

6. LIABILITIES

6.1 In addition to debt of £120.2m detailed above, the Council is committed to making future payments to cover its pension fund deficit. It has also set aside £3.9m to cover risks of Business Rate *Appeals*. The Council is also at risk of having to pay for Local Land Charges but has not put aside any money because the value of claim is unknown.

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

- Further details on liabilities and guarantees are on page 55 of the 2017/18 statement of accounts:

<https://www.rushmoor.gov.uk/statementofaccounts>

7. REVENUE BUDGET IMPLICATIONS

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

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs (£m)	-0.6	-0.4	1.1	2.9	3.7
Proportion of net revenue stream	-6.40%	-4.2%	10.6%	32.4%	39.1%

- Further details on the revenue implications of capital expenditure are contained in the 2019/20 revenue budget: Appendix 2, FN 1909 Revenue budget, Capital Programme and Council Tax

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

8. KNOWLEDGE AND SKILLS

8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Executive Head of Finance is a qualified accountant (Chartered Institute of Public Finance and Accountancy) with 20 years’ experience of local government finance, the Executive Head of Regeneration and Property is a qualified surveyor (Royal Institute of Chartered Surveyors). The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), RICS.

8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, commercial property consultants as required depending on the nature of the professional advice sought This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

This page is intentionally left blank

COUNCIL MEETING – 21ST FEBRUARY 2019**AGENDA ITEM NO. 6 (3)****ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY INVESTMENT STRATEGY 2019/20**

A report from the meeting of Cabinet held on 5th February 2019

1. INTRODUCTION

- 1.1 This report sets out the proposed Treasury Management Strategy and Non-Treasury Investment Strategy for the year 2019/20, including the borrowing and investment strategies and treasury management indicators for capital finance for 2019/20 and the Minimum Revenue Provision Statement.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy and Non-Treasury Investment Strategy before the start of each financial year.
- 1.3 The CIPFA "Prudential Code" 2017 edition, "Treasury Management Code of Practice" 2017 edition and MHCLG revised guidance February 2018 focus on "non- treasury" investments. With particular attention on the purchase of investment property and other commercial activities that aim to generate income; but may require external borrowing (or the use of existing cash balances) to raise the cash to finance such activities.
- 1.4 Investment now includes all financial assets of the Council and those non-financial assets held primarily or partially to generate profit, including investment property and loans to subsidiaries and third parties. A new separate Non-Treasury Investment Strategy (Appendix B) must be approved before April 2019.

2. PURPOSE

- 2.1 The purpose of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's low risk approach, pursuing optimum performance while ensuring that security of the investment is considered ahead of investment return. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure.

- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure the Council can meet its capital spending obligations. The management of longer-term cash may involve the arrangement of long and/or short term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing).
- 2.3 Accordingly, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: *"The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"*.
- 2.4 The purpose of non-treasury investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.5 The second main function of investment management is to generate potential returns and monitor performance of returns on a regular basis.
- 2.6 The purpose of the Indicators is to set a framework for affordable, prudent and sustainable capital investment.
- 2.7 The appendices (A to C) set out the Treasury Management Strategy, Investment Strategy and Minimal Revenue Provision Statement for 2019/20 to 2022/23 and fulfil key legislative requirements as follows:

Appendix A

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

Appendix B

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

Appendix C

- The Council's **Minimum Revenue Provision (MRP) Statement**, which sets out how the Council will pay for capital assets through revenue each year, as required by the Local Government Act 2003 (Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003). At the time the 2017/18 MRP statement was issued Government guidance was expected to set the maximum useful economic life of 50 years for freehold land and 40 years for other assets. Government guidance actually set the maximum useful economic life of 50 years for freehold land and 40 years for other assets The Council's Minimum Revenue Provision (MRP) Statement is therefore suitably updated in line with the issued guidance and will be prospectively applied from 18/19 onward.

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

3. SCOPE

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

3.2 Arlingclose advice continues to indicate that the Council should diversify investment risk (spreading smaller amounts over an increasing number of counterparties) wherever possible. The Council is now progressively incurring further borrowing, and Arlingclose have advised that in the circumstances of some current investments reaching their maturity date(s) the Council should replace with long-term pooled funds. This strategy allows for the maintained level of principle sums to be invested during a period when borrowing is increasing.

3.3 The Council incurred prudential code borrowing in 2017/18 in the sum of £5.89m in relation to its capital expenditure. Further borrowing to support the financing of its approved capital programme in the year 2018/19 will also be required. It therefore commences the year 2019/20 in a position where its investment holdings continue to remain significant (although, less than in previous financial years) but it also carries some accumulating debt. There will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

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

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

4. RECOMMENDATIONS

4.1 The Council is recommended to approve:

- (i) The Treasury Management Strategy, Annual Borrowing Strategy and Annual Investment Strategy attached at Appendix A;
- (ii) The Non-Treasury Investment Strategy attached at Appendix B; and
- (iii) The Minimal Revenue Provision (MRP) Statement set out in Appendix C.

G B LYON
PORTFOLIO HOLDER FOR CORPORATE
AND DEMOCRATIC SERVICES

TREASURY MANAGEMENT STRATEGY 2019/20

1. INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code. The Licensing, Audit and General Purposes Committee is the nominated Committee responsible for the effective scrutiny of the Treasury Management Strategy and policies.
- 1.3 Investments held for service purposes or for commercial profit are considered in a separate report, the Investment Strategy at Appendix B.
- 1.4 This strategy covers:
- External context
 - Current borrowing and investment portfolio position
 - Annual Borrowing Strategy
 - Annual Investment Strategy
 - Performance Indicators

2. EXTERNAL CONTEXT (commentary provided by Arlingclose)

- 2.1 **Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2019/20.
- 2.2 UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay

excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.

- 2.3 The rise in quarterly GDP growth to 0.6% in Q3 from 0.4% in the previous quarter was due to weather-related factors boosting overall household consumption and construction activity over the summer following the weather-related weakness in Q1. At 1.5%, annual GDP growth continues to remain below trend. Looking ahead, the BoE, in its November Inflation Report, expects GDP growth to average around 1.75% over the forecast horizon, providing the UK's exit from the EU is relatively smooth.
- 2.4 Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.
- 2.5 While US growth has slowed over 2018, the economy continues to perform robustly. The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the current 2%-2.25% in September. Markets continue to expect one more rate rise in December, but expectations are fading that the further hikes previously expected in 2019 will materialise as concerns over trade wars drag on economic activity.
- 2.6 **Credit outlook:** The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.
- 2.7 The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.
- 2.8 European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown,

although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

- 2.9 **Interest rate forecast:** Following the increase in Bank Rate to 0.75% in August 2018, the Council's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.
- 2.10 The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity (*at the time of writing this commentary in mid-December*). As such, the risks to the interest rate forecast are considered firmly to the downside.
- 2.11 Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose's interest rate projections, due to the strength of the US economy and the ECB's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.
- 2.12 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 1.
- 2.13 For the purpose of setting the budget, it has been assumed that investments will be made at an average rate of 3.86%, and that new short-term loans will be borrowed at an average rate of 1.25%.

3 LOCAL CONTEXT

- 3.1 On 31st December 2018, the Council held £26.6m of borrowing, long-term liabilities of £3.2 and £28.5m of investments. This is set out in further detail below in table 3. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

APPENDIX A

Table 1: Balance sheet (Capital Expenditure and Capital Financing summary and forecast)

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Debt (incl. leases)	15.6	60.7	121.6	142.5	168.2
Capital Financing Requirement	99.9	111.6	172.5	176.6	176.8
Difference	84.3	50.9	50.9	34.1	8.5
Investments	27.3	25.6	25.6	25.6	25.6

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 The Council has an increasing CFR due to the capital programme, stable level of investments and will therefore be required to borrow up to £128.5 m over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2019/20.
- 3.5 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £4m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Outstanding borrowing	15.6	60.7	121.6	142.5	168.2
Investment min	4.0	4.0	4.0	4.0	4.0
Liability benchmark	-7.7	39.1	100.0	120.9	146.6

5. CURRENT BORROWING & INVESTMENT PORTFOLIO POSITION

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity, and the Council's aim has been to achieve a yield commensurate with these principles. The Council continues to follow Arlingclose advice in the knowledge that whilst long-term interest rate forecasts remain low it should generate enhanced returns with counterparties other than banks and to invest across a diverse investment portfolio.
- 5.2 During 2018/19 the Council has generated returns from existing long-term pooled fund investments together with diversification within the Council's investment portfolio. The Council held the following investments at 31st December 2018:
- £19.6m in pooled funds (providing a balance across a range of 5 different types of fund).
 - Various temporary investments of minor amounts held in Money Market funds all for durations of 6 months or less
- 5.3 Local Authorities have adopted the new IFRS 9 accounting standard for the financial instruments including investments, borrowing, receivables and payables in 2018/19. A statutory override has been applied to the fair value movement on pooled investment fund. Any fair value movement can be reversed out from the General Fund to an unusable reserve called the Pooled Fund Adjustment Account. It is forecast that all Treasury Management investments will be held within pooled funds including Money Market Funds.

Table 3: – Existing Investment & Debt Portfolio Position

	Actual Portfolio at 31 st Dec 18 £m	Average Rate %	
Total External Borrowing			
Borrowing from the M3 LEP	2.1	0	
Borrowing from other Local Authorities	24.5	0.86	***
Other external Borrowing	0		
Total Gross External Debt	26.6		
Other long-term liabilities:			
Finance Leases	3.2		
Total other long-term liabilities	3.2		
Investments:			
Managed in-house:			
Money Market Funds	8.9	0.47	**
Managed externally:			
Pooled Funds:			
Schroder Income Maximiser Fund	5	7.43	*
CCLA LAMIT Property Fund	3.6	4.83	**
M&G Investments Strategic Corporate Bond Fund	4	3.6	**
UBS Multi Asset Fund	5	3.86	**
Threadneedle Investments	2	3.15	**
Total Investments	28.5	3.89	
Net debt	1.3		

*Estimated return based on 12 month average between July 17 to June 18

**Based on 12 month average April 2018 to December 2018

***Based on average of borrowing holding at December 2018

Table 1 Illustrates the Council's investment and debt portfolio position as at 31st December 2018.

6. ANNUAL BORROWING STRATEGY 2018/19

- 6.1 The Council currently holds £26.6 million of loans, an increase of £13.5 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1

shows that the Council expects to borrow up to £60.7m in 2019/20.

- 6.2 The Council has made use of funds from the Enterprise M3 (LEP) by borrowing £3m in an earlier year to progress the Aldershot regeneration schemes. External contributions will be received over a seven-year period to fully finance this amount. At the commencement of 2019/21 £2.1m of this borrowed amount remains outstanding.
- 6.3 Capital expenditure in the previous financial year (2018/19) is programmed to be substantial, including a significant amount for investment property acquisitions in Ash Road, Eelmoor Road and invincible Road, property purchases in Union Street Aldershot. Capital expenditure in relation to the Farnborough International Loan will be concluded within 2019/20. Prudential code borrowing will therefore be required in order to achieve overall financing. The Council will incur some further borrowing during 2019/20 in order assist in the financing of its capital programme.
- 6.4 **Objectives:** The Council's chief objective when borrowing money will be to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 6.5 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 6.6 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 6.7 Alternatively, the Council may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 6.8 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.

6.9 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are detailed within Treasury Management Practices (TMP) 4 (Approved Instruments, Methods and Techniques), and are summarised below:

- Public Works Loan Board (PWLB) and any successor body
- Money market loans (long term & temporary)
- Any bank or building society authorised to operate in the UK
- UK Local Authorities
- UK public and private sector pension funds (except the Local Government Pension Scheme administered by Hampshire County Council)
- Capital market bond investors
- UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues.
- Lottery monies

6.10 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

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

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

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

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

7. ANNUAL TREASURY MANAGEMENT INVESTMENT STRATEGY 2019/20

- 7.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. As at 31 December the Council's investment balance stood at £28.5m, and similar levels are expected to be maintained in the forthcoming year.
- 7.2 **Objectives:** Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 7.3 **Negative interest rates:** If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 7.4 **Strategy:** The Council continues to maintain a diverse range of secure and/or higher yielding asset classes during 2019/20. All of the Council's surplus cash remains invested in short-term unsecured bank deposits, and money market funds.
- 7.4 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 7.5 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 4 below, subject to the cash limits (per counterparty) and the time limits shown. The schedule of approved counterparties is underpinned by a detailed list of named counterparties. This list is maintained within Financial Services for treasury management operational purposes.

Table 4: Approved Investment Counterparties

Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit †
Banks Unsecured whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£20m in total	5 Years*
	AA+	£2m		5 Years*
	AA	£2m		4 years*
	AA-	£2m		3 years*
	A+	£2m		2 years
	A	£2m		13 months
	A-	£2m		6 months
	BBB+	£1m		100 days
Banks Secured whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	20 years
	AA+	£4m		10 years
	AA	£4m		5 years
	AA-	£4m		4 years
	A+	£4m		3 years
	A	£4m		2 years
	A-	£4m		13 months
	BBB+	£2m		6 months
	BBB or BBB-	£2m		100 days
Government whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	50 Years
	AA+	£4m		25 Years
	AA	£4m		15 Years
	AA-	£4m		10 Years
	A+	£2m		5 Years
	A	£2m		5 Years
	A-	£2m		5 Years
	BBB+	£1m		2 Years
	None	£4m		25 Years
Corporates whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£6m in total	20 Years
	AA+	£2m		10 Years
	AA	£2m		10 Years
	AA-	£2m		10 Years
	A+	£2m		5 Years
	A	£2m		2 Years
	A-	£1m		13 months
	BBB+	£1m		6 months
	none	£0.5m		5 Years

APPENDIX A

Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit †
Registered Providers whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	£10m in total	20 Years
	AA+	£4m		10 Years
	AA	£4m		10 Years
	AA-	£4m		10 Years
	A+	£4m		5 Years
	A	£4m		5 Years
	A-	£4m		5 Years
	BBB+	£4m		5 Years
	None	£4m		5 Years
The Council's current account bank if it fails to meet the above criteria		£2m	£2m	next day
UK Building Societies without credit rating		£1m	£4m	1 Year
Money market funds		£5m	£20m in total	n/a
Collective Investment Schemes (pooled funds)		£5m per fund	£25m in total	These funds do not have a defined maturity date

** no longer than 2 years in fixed-term deposits and other illiquid instruments*

- 7.6 Investments may be made with banks or any public or private sector organisations that meet the above credit rating criteria. The Council may also invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management adviser.
- 7.7 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 7.8 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £2 million on 31st March 2019. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4 million. A group of banks under the same ownership will be treated as a single

organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries. Detail of investment limits are given in table 4 above.

7.9 Further information as to why certain counterparties have been included in Table 4 is set out below:

- **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Investments in unrated small businesses may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

- **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing and registered social landlords, formerly known as Housing

Associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain a high likelihood of receiving government support if needed.

- **Money Market Funds:** These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. We will continue to use funds that offer same-day liquidity as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- **Other Pooled Funds:** Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

7.10 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made with that entity
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

7.11 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 7.12 **Liquidity management:** The Council reviewed cash flow on a daily basis to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.
- 7.13 **Other Information on the Security of Investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 7.14 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not reflected in general credit-ratings. In these circumstances, where the Council feels the whole market has been affected, it will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

8. TREASURY MANAGEMENT INDICATORS

- 8.1 The Treasury Management Code requires that local authorities set a number of indicators for treasury management performance, which have been set as below. A voluntary measure for credit risk as set out in paragraph 8.2
- 8.2 **Credit Risk (Credit Score Analysis):**
The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

APPENDIX A

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

Credit Risk Indicator	Target
Portfolio average credit rating	A-
Portfolio average credit score	7.0

- 8.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice.

Liquidity risk indicator	Target
Total sum borrowed in past 3 months without prior notice	£2m

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

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

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

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

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

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

- 8.6 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk

APPENDIX A

of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Principal Sums Invested	2019/20	2020/21	2021/22
Limit on principal invested beyond year end at any one time	£40m	£40m	£40m

9. OTHER ITEMS

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

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

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

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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

9.4 **Investment Training:** The needs of the Council's treasury management staff for training in investment management are assessed on a continuous basis, discussed as part of the staff appraisal process and reviewed as the responsibilities of individual members of staff

change.

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

- 9.5 **Investment Advisers:** The Council jointly tendered the treasury management service together with three other District Councils located within the Hampshire area, and appointed Arlingclose Limited for a further 3 year contract in April 2016. This contract enables the Council to receive specific advice on investment, debt and capital finance issues. The quality of this service will be reviewed on an ongoing basis as part of the process of monitoring the Council's investment portfolio.
- 9.6 **Financial Implications - Investments:** The budget for investment income in 2019/20 is £1.36 million (gross of borrowing interest), based on an average investment portfolio of £28.5 million at interest rates ranging from 0.47% liquid MMF and other short-term investments to 7.43% on the highest yielding long-term pooled property investment fund. Performance of investments against budget will be reviewed on an ongoing basis and as part of our quarterly budget monitoring process.
- 9.7 **Financial Implications - Borrowing:** The budget for interest costs in relation to borrowing in 2019/20 is £1.0m (not including IFRIC 4 lease accounting interest). It is determined using estimated short-term interest rates. The Council's actual borrowing at the end of 2019/20 is estimated to be in the region of £121.6m
- 9.8 **Other Options Considered:** The CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Executive Head of Finance continues to believe that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

APPENDIX A

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

Appendix A – Arlingclose Economic & Interest Rate Forecast December 2018

Underlying assumptions:

- Our central interest rate forecasts are predicated on there being a transitional period following the UK's official exit from the EU.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider that: 1) tight labour markets will prompt inflationary pressure in the future, 2) ultra-low interest rates result in other economic problems, and 3) higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.
- Both our projected outlook and the increase in the magnitude of political and economic risks facing the UK economy means we maintain the significant downside risks to our forecasts, despite the potential for slightly stronger growth next year as business investment rebounds should the EU Withdrawal Agreement be approved. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. We expect the Bank of England to hold at or reduce interest rates from current levels if Brexit risks materialise.
- The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in the middle quarters of 2018, but more recent data suggests the economy slowed markedly in Q4. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures are easing but inflation is forecast to remain above the Bank's 2% target through most of the forecast period. Lower oil prices have reduced inflationary pressure, but the tight labour market and decline in the value of sterling means inflation may remain above target for longer than expected.
- Global economic growth is slowing. Despite slower growth, the European Central Bank is conditioning markets for the end of QE, the timing of the first rate hike (2019) and their path thereafter. More recent US data has placed pressure on the Federal Reserve to reduce the pace of monetary tightening – previous hikes and heightened expectations will, however, slow economic growth.
- Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon, but recent events around Brexit have

APPENDIX 1

dampened interest rate expectations. Our central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. The risks are weighted to the downside.

- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our central case that the UK will enter a transitional period following its EU exit in March 2019. However, our projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.13
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.85
3-mth money market rate														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.17
Arlingclose Central Case	0.90	0.95	1.10	1.30	1.40	1.40	1.40	1.35	1.35	1.35	1.35	1.35	1.35	1.27
Downside risk	-0.20	-0.45	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.76
1-yr money market rate														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.33
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.70	1.60	1.50	1.40	1.35	1.35	1.35	1.35	1.35	1.40
Downside risk	-0.35	-0.50	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.77
5-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.50	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.33
Downside risk	-0.50	-0.60	-0.65	-0.80	-0.80	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.66
10-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.50	1.65	1.70	1.80	1.80	1.75	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Downside risk	-0.55	-0.70	-0.70	-0.80	-0.80	-0.75	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.71
20-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	2.00	2.10	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.18
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
50-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.90	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73

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

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

ANNUAL NON-TREASURY INVESTMENT STRATEGY

1. INTRODUCTION

- 1.1 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.2 This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

2. SERVICE IMPROVEMNTS: LOANS

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

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2018 actual			18/19	2019/20
	Balance owing	Loss allowance	Net figure in accounts	Forecast	Approved Limit
Local businesses	4.5	0	4.5	5.6	6.7
Employees	0.1	0	0.1	0.1	0.1
TOTAL	4.6	0	4.6	5.7	6.8

- 2.3 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 2.4 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding service loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help meet and how these will evolve over time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Executive Head of Finance. All loans will be subject to contract agreed by the Corporate Manager – Legal Services. All loans must be approved by full Council and will be monitored by the Executive Head of Finance.

3. SERVICE INVESTMENTS: SHARES

- 3.1 **Contribution:** The Council invests in the shares of its subsidiary and holds a financial share in a development partnership to support local public services and stimulate local economic growth.
- 3.2 The creation of a Wholly Owned Company (WOC) subsidiary will assist to develop new homes to meet the Council's regeneration priorities and desire to improve the availability of quality housing within the Borough. It will enable the Council to hold existing properties, acquire and develop rented homes, responding to housing needs in the Borough and providing social and economic benefits. It is anticipated that approximately 52 houses and apartments will be constructed on up to 14 sites initially. Other foreseeable potential sites for development may be pursued once the WOC is operating. The WOC could create a number of jobs and training opportunities during the construction and operational phase, stimulating economic growth and regeneration. The income and capital growth generated can be reinvested in delivering Council services.
- 3.3 The purpose of Rushmoor Development Partnership (RDP) is to develop the Civic Quarter, Union St Farnborough, Union St Aldershot and Parson's Barracks Aldershot. All developments will include retail and housing items. Elements of the developments may also include relocation of some RBC operational services. In particular, it directly contributes to the delivery of the following Place Making strategic objective which underpins the Vision: "Great Places to Live – to make Aldershot and Farnborough town centres great places to live with a wide variety of quality new homes attractive to a diverse range of people"

- 3.2 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	18/19	2019/20
	Forecast	Approved Limit
Subsidiaries and Partnerships	0	10
TOTAL	0	10

- 3.3 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding shares in line with paragraph 41 of *Capital Finance: Guidance on local government investment (third edition)*
- 3.4 The Council has excellent knowledge of the market planned for WOC developments, as each of the initial 14 sites that may be developed by the WOC are currently in the ownership of the Council. Given that the WOC aim is to provide private sector rental units the Council (as 100% shareholder of the WOC) on sites of limited space and accessibility then the nature and level of competition is considered to be low or none. There is every expectation that the market demand for PRS will continue to grow within the local economy, particularly as the possibility of home ownership for a significant element of the local population becomes less achievable as time progresses. The Council considers that exit from the WOC (& market) is viable (if required) as the WOC investment is locked into quality housing stock, which has the potential for sale disposal as soon as it is developed.
- 3.5 The Council has good knowledge of the RDP intended developments. RDP is effectively a closed market and it will provide development in accordance with agreement between the Council and the developer. Competition has effectively been evaluated at the time of the creation of RDP. The Council considers that RDP (an LLP) is the most appropriate mechanism to achieve the developments required. Hence, the barriers to entry have been lifted (by creation of RDP) and barriers to exit are eliminated because RDP has a specific set of defined initiatives.
- 3.6 The Council has used three external advisors regarding the potential for creation and development of the WOC and development of the RDP. These three advisors are Freeths (legal and financial advice), Regenco (housing & economic advice) & Arlingclose (treasury management and financial advice).

- 3.7 The Council observes strict procedure regarding its procurement of external advisors. They are appointed utilising specific competitive tendering procedure processes, relevant to the category of advice and guidance that is sought. Maintenance of the quality of advice is reviewed within the relatively frequent tender engagement process.
- 3.8 The market for the WOC and RDP is localised to the Borough of Rushmoor only in the first instance, but noting that it possible that the WOC may look for development potential outside of the local economy at some time in the future. The local market cannot be compared to any global information issued by credit agencies. Hence, no element of the risk assessment utilises credit ratings.
- 3.9 In the circumstances of the WOC and RDP no credit ratings have been used.
- 3.10 The relatively stable asset stability of the WOC assists to significantly lower financial risk. A detailed financial model has been developed by Council staff to enable it to provide monthly budget/target achievement information. This model can be used to identify development risk, which (if it occurred) is limited mainly to asset creation achieved within the WOC budget plan. There is a perception that risk is greater during site development(s) as work in progress has lesser value when compared to a finished product article. The WOC development team will monitor developments to ensure minimisation of risk.
- 3.11 The RDP Investment team will monitor developments to ensure minimisation of risk. None of the site developments would proceed if there were considerations that no financial return would be achieved. The developer would not participate in any venture that did not deliver financial return. Both partners are insistent on the creation of specific and clearly defined development plans for all sites. Data and advice from the developer is paramount to assess and monitor risk for each development.
- 3.12 **Liquidity:** The creation of the WOC will commit funds initially a period of 26 years. There is potential to extend the commitment to 40 years. RDP funds will be committed for an estimated period of 10 years
- 3.13 **Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

4. **COMERCIAL INVESTMENTS: PROPERTY**

- 4.1 **Contribution:** The Council invests in local and regional commercial and

APPENDIX B

residential property with the intention of making a profit that will be spent on local public services.

Table 3: Property held for investment purposes in £ millions

Property by type	31.3.2018 actual			31.3.2019 expected		
	Pre-18/19 Investment Property portfolio	Gains or (losses)	Value in accounts	Purchase cost during 18/19	Gains or (losses)	Value in accounts
Historic Investment Portfolio	44.3	1.8	46.1	0	0	46.1
Industrial units				6.7	0	6.7
Retail				11.7	0	11.7
Offices				12.8	0	12.8
TOTAL	44.3	1.8	46.1	31.2	0	77.3

4.2 **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

4.3 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

4.4 Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

4.5 *Where value in accounts is below purchase cost:* The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council is therefore taking mitigating actions to protect the capital invested. These actions include:

- Review of the portfolio during 2019/20 by external agency
- An assessment from the Head of Regeneration and Property that the best course of action is to hold the assets as values will increase over the long term. Giving consideration to the soundness of the assets with strong covenants/dependable income streams.

4.6 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by:

- Assessment of the relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
- Assessment of exposure to particular market segments to ensure adequate diversification
- Use of external advisors if considered appropriate by the Executive

Head of Finance

- Full and comprehensive report on all new investments to Cabinet
- Continual monitoring of risk across the whole portfolio and specific assets

4.7 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council. It is clearly difficult to sell property/convert into liquid asset at short notice and will be subject to market conditions in terms of timescales involved. However, to ensure that invested sums could be accessed when they are needed the portfolio will be regularly reviewed and prioritised to ensure that commercial property could be sold as a going concern within a period of six months.

5. LOAN COMMITMENTS AND FINANCIAL GUARANTEES

5.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

5.2 The Council has contractually committed to make up to £1.1m of loans to local businesses should it request it during 2019/20.

6. PROPORTIONALITY

6.1 The Council plans to become increasingly dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Council has earmarked reserves available to cover any immediate shortfall in income. The Executive Head of Regeneration and Property would review the cause of any shortfall and identify any actions needed to ensure the income shortfall is mitigated or remedied.

Table 4: Proportionality of Investments

	2017/18 Actual	2018/19 Forecast	2019/20 Budget
Gross service expenditure	65.5	63.9	57.9
Investment income	4.7	4.0	8.4
Proportion	7.2%	6.2%	14.5%

7. BORROWING IN ADVANCE OF NEED

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

8. CAPACITY, SKILLS AND CULTURE

- 8.1 **Elected members and statutory officers:** The Council recognises that those elected Members and statutory officers involved in the investments decision making process must have appropriate capacity, skills and information to enable them to:

- take informed decisions as to whether to enter into a specific investment;
- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

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

- 8.2 **Commercial deals:** The Council will ensure that the Cabinet, and officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- 8.3 **Corporate governance:** Any investment decisions will be scrutinised by Executive Leadership Team, and Cabinet before final approval. The Overview and Scrutiny committee review all decisions made by the Cabinet. Although after the event the Committee can make any recommendations to the Council if it sees fit.

9. INVESTMENT INDICATORS

9.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Council’s total risk exposure as a result of its investment decisions.

9.2 **Total risk exposure:** The first indicator shows the Council’s total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	27.3	25.6	25.6
Service investments: Loans	4.5	5.6	6.7
Service investments: Shares	0	0	10
Commercial investments: Property	46.1	77.3	119.1
TOTAL INVESTMENTS	77.9	108.5	161.4
Commitments to lend	1.1	1.1	0
TOTAL EXPOSURE	79	109.6	161.4

9.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2018 Actual	31.03.2020 Forecast
Treasury management investments	0	0
Service investments: Loans	0	2.2
Service investments: Shares	0	2
Commercial investments: Property	0	73.0
TOTAL FUNDED BY BORROWING	0	77.2

- 9.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	2.5%	3.0%	4.2%
Service investments: Loans	4.1%	4.0%	4.1%
Service investments: Shares	0%	0%	1%
Commercial investments: Property	8.4%	5.4%	7.6%
ALL INVESTMENTS	6.2%	4.6%	6.3%

- 9.5 The above table shows a forecast reduction in commercial property investment return net of all finance costs in 2018/19. This is due to the additional borrowing and MRP costs accrued when purchasing investment property with the aid of external loans during 2018/19. The return on commercial property investment recovers to 7.6% in 2019/20 as returns on new commercial property investments are recognised for the full 2019/20 financial year.
- 9.6 The Council has considered the following additional indicators prudent to report given the investment activities.

APPENDIX B

Table 8: Other investment indicators

Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Debt to net service expenditure ratio	1.1	4.1	8.2
Commercial income to net service expenditure ratio	0.28	0.22	0.5

MINIMUM REVENUE PROVISION STATEMENT

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.
- 1.2 The Local Government Act 2003 requires the Council to have regard to the Ministry for Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.
- 1.3 The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.4 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. This statement only incorporates options recommended in the Guidance.
- 1.5 For any unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure for all other assets or on capital expenditure not related to fixed assets but which has been capitalised by regulation or direction (revenue expenditure financed by capital under statute), will be charged over 50 years. MRP will be applied in the year following expenditure was incurred.
- 1.6 For assets acquired by finance lease or private finance initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 1.7 Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead.
- 1.8 It should be noted that the Council continues to make use of two revolving infrastructure funds from the Local Enterprise Partnership (LEP). The related capital expenditure does not however give rise to MRP as a contract of structured external repayments will eliminate the need to incur MRP.

APPENDIX C

- 1.9 At the commencement of 2018/19 the Council had, a Capital Financing Requirement (CFR) of £15.6million in relation to a specific elements of capital expenditure incurred in the previous financial year (2017/18). The Council has incurred further amounts of capital expenditure in 2018/19 and will need to engage in an element of Prudential Code borrowing in that financial year to achieve total financing of its capital programme. It is inevitable therefore that the borrowing that is required in 2018/19 will require MRP to be charged to the Council's General Fund Revenue Account in 2019/20 and future years.
- 1.10 The implementation of International Financial Reporting Standards (IFRS) has meant that the accounting treatment for assets used within major contracts may result in embedded finance leases appearing on the Balance Sheet, leading to a requirement for MRP. This is purely an accounting requirement and does not give rise to any requirement to borrow to fund these assets.

COUNCIL MEETING – 21ST FEBRUARY 2019**AGENDA ITEM NO. 6 (4)****COUNCIL TAX EMPTY PROPERTY PREMIUM CHARGE – 2019/20 AND
COUNCIL TAX DISCOUNT – PROPERTIES UNDERGOING MAJOR REPAIR
OR STRUCTURAL ALTERATION**

A report from the meeting of the Cabinet held on 5th February 2019.

1. INTRODUCTION

- 1.1 The Council has power to vary the level of certain council tax discounts, and to introduce local discounts as well as imposing an Empty Homes Premium for properties, which have been empty for a period in excess of two years. This report details proposed changes to the premium charge from 1 April 2019.
- 1.2 Recent legislation now allows the council to charge a higher premium for long-term empty properties, which can increase further depending on how long a property has been empty.

2. BACKGROUND

- 2.1 The Local Government Finance Act 2012 introduced some amendments to the Local Government Finance Act 1992, giving discretionary powers for councils to set the level of Council Tax discount on empty properties.
- 2.2 As a result of this flexibility, the council currently award the discounts outlined in paragraphs 2.3 and 2.4 for properties which are unoccupied and unfurnished and properties that are unoccupied and unfurnished but undergoing major repair work or structural alteration.
- 2.3 Unoccupied and unfurnished properties are awarded a 100% discount for the first two months, followed by the full 100% liability once the two months have expired.
- 2.4 Properties, which are unoccupied and unfurnished and undergoing major repair work or structural alteration, are awarded a 50% discount for 6 months, followed by the full 100% liability once the 6 months have expired.
- 2.5 If these two categories of properties have been unoccupied and unfurnished for 2 years or longer, they are charged a premium charge of 50% on top of the 100% liability, meaning 150% of the Council Tax becomes payable. The premium charge of 50% was agreed at full Council on 23rd January 2013 and came into effect on 1 April 2013.

3. COUNCIL TAX (EMPTY DWELLINGS) ACT 2018

3.1 The Council Tax (Empty Dwellings) Act 2018 provides for the Council Tax Premium to be increased from 1 April 2019 as follows:-

- From 1st April 2019 – 100% premium (200% Council Tax Liability, for properties which have been empty for 2 years or more).
- From 1st April 2020 – 200% premium (300% Council Tax Liability, for properties which have been empty for 5 years or more).
- From 1st April 2021 – 300% premium (400% Council Tax Liability, for properties which have been empty for 10 years or more).

3.2 Approval is being sought to increase the premium charge in line with the incremental changes outlined in paragraph 3.1.

3.2 The premium charge does not apply to any empty property qualifying for an exemption, for example whilst waiting for probate to be granted or where the owner is now in a care home.

3.3 Guidance provided by the former Department of Communities and Local Government (DCLG) in May 2013, has prescribed two further classes of properties, which are exempt from the premium charge. These are:-

- Military personnel who are absent from a property due to serving elsewhere; and
- An annexe

3.4 The Government also expects billing authorities to consider the reasons why the properties are unoccupied and unfurnished, including whether they are available for sale or rent, and decide whether they want such properties to be included in their determination.

3.5 As a result of this guidance, a policy has been created to detail the level of Council Tax charged for an empty dwelling and in what circumstances a premium charge can be waived. See appendix 1.

3.6 To summarise, the policy contains the following:-

- The empty properties, which are exempt from Council Tax and where the council cannot make any amendments to the amount payable.
- The discounts empty properties are entitled to where the Council can make variations to the amount payable.
- Instances where the council is not entitled to impose a premium charge.
- Discretionary powers to waive the premium charge

- How to request a waiver from the premium charge.

Any decision to waive the premium charge and to resolve disputes shall be delegated to the Executive Head of Finance in consultation with the Corporate and Democratic Services Portfolio Holder, in line with the recommendations by the former DCLG and outlined in the Council's Council Tax Empty Homes Policy.

- 3.7 Full details of this guidance can be found at the following web link: <https://www.gov.uk/government/publications/council-tax-empty-homes-premium>

Reasons for Recommendations

- 3.8 The intention of the change is to encourage owners of long-term empty properties to bring them back into use. This also meets the council's aims and those of the Council's corporate empty homes group.
- 3.9 Empty properties as well as serving no useful purpose often attract a disproportionate amount of public resources. Sometimes becoming an environmental nuisance or the target for anti-social behaviour and neighbour complaints.
- 3.10 There is a shortage of homes both locally and nationally. Through charging the maximum permitted by the legislation, it is hoped that owners of empty properties are going to be more likely to bring their empty properties back into use more quickly than under the current charges, therefore providing more housing locally.
- 3.11 Any of the additional income received can be used for services within Rushmoor.
- 3.12 The Corporate Empty Homes Group welcomes the increase to the premium charge, which it hopes will have a positive impact to support bringing empty properties back into use.

4 ALTERNATIVE OPTIONS

- 4.1 The council could choose to leave the level of Premium Charge at 50% or even remove the premium charge altogether.
- 4.2 However, by removing the premium charge or leaving it at the current rate, it could have a detrimental impact on bringing long-term empty properties back into use if the financial incentive is lost.

5 CONSULTATION

- 5.1 A public consultation is not required before making any changes to the long-term empty home premium charge.

6. IMPLICATIONS

Legal Implications

- 6.1 The legal provision to charge Council Tax on empty properties is contained within the Local Government Finance Act 1992 and Local Government Finance Act 2012 and their association regulations.
- 6.2 The Council Tax (Empty Dwellings) Act 2018 provides for an increase to the Council Tax Premium charge as outlined in paragraph 3.1.
- 6.3 There is no legal requirement to consult with residents regarding the increase to the premium charge; however, there is a legal requirement for the Council to publish a decision to begin using these powers, in a local newspaper within 21 days of the decision.

Financial and Resource Implications

- 6.4 Table 1 shows the number of properties affected and the additional income raised since the premium charge was applied in April 2013. Table 2 show what the additional income raised would have been if the premium charge was a 100%. These tables also demonstrate the number of accounts that are in arrears and the value of these arrears.
- 6.5 Table 1 shows that the council would have raised an additional £251k, of which, £32k would be retained by the Council..
- 6.6 Table 2 shows that if the premium charge was set at 100%, then the additional income raised would have been £502k, of which, 64k would be retained by the council.
- 6.7 These tables also reflect that on average, 126 properties have been charged the premium charge year on year from April 2013 and only 4 accounts, remain in arrears.

Table 1

Year	Number of Accounts	Value of Premium Charge (£)	Amount Retained by RBC (£)	Number of Accounts in Arrears	Value of Arrears (£)
2013	131	50,637	6,482	2	2,105
2014	138	53,587	6,859	4	5,078
2015	80	35,980	4,605	4	4,589
2016	117	47,903	6,132	5	5,426
2017	165	63,389	8,114	5	6,212
Total	631	251,497	32,192	20	23,409
Average	126	50,229.34	6,438.32	4	4,682

Table 2

Year	Number of Accounts	Value of Premium Charge (£)	Amount Retained by RBC (£)	Number of Accounts in Arrears	Value of Arrears (£)
2013	131	101,274.94	12,963.19	2	4,209
2014	138	107,174.22	13,718.30	4	10,156
2015	80	71,959.50	9,210.82	4	9,177
2016	117	95,806.04	12,263.17	5	10,852
2017	165	126,778.68	16,227.67	5	12,424
Total	631	502,993.38	64,383.15	20	46,819
Average	126	100,598.68	12,876.63	4	9,363.75

6.8 These tables also indicate that the number of long-term empty properties has not reduced since the introduction of the premium charge.

6.9 It is hoped that by increasing the amount of the premium charge to the maximum amount possible, this will encourage owners of properties to bring these properties back into use due to the significant financial implications.

6.10 It is important to note that at present, there are currently 109 domestic properties attracting the premium charge. However, 57 of these form part of the North Town Regeneration site and are due to be demolished before 31 March 2019. Therefore, this will affect the income received from the properties subject to the premium charge. This leaves 52 properties still subject to the premium charge.

6.11 Of the 52 remaining properties, these have been empty for the following number of years:-

- 2-5 years = 24 properties
- 5-10 years = 15 properties
- Over 10 years = 13 properties

6.12 The property that has been empty for the longest is being recorded on Council Tax records as having been empty for 26 years. However, this is as far back as our Council Tax Records go back so it is possible that this property has been empty for longer.

6.13 Of the 13 properties that have been empty in excess of 10 years; this is broken down by the number of years.

- 10 years = 1 property
- 11 years = 2 properties
- 12 years = 1 property

- 13 years = 1 property
- 14 years = 5 properties
- 17 years = 1 property
- 22 years = 1 property
- 24 years = 1 property
- 26 years = 1 property

7 RISKS

- 7.1 The implementation of the 50% premium charge in 2013/14 prompted a number of complaints from affected taxpayers. It is likely that any increase in the premium charge to 100% will have the same affect.
- 7.2 However, the number of complaints received is likely to be negligible against the potential number of properties that could be brought back into use. As outlined in paragraph 8.1, less than one percent of the properties in Rushmoor will be affected by this change.
- 7.3 The income generated from the increased premium charge may be less than that estimated in the report. The intention of the premium is to bring long-term empty properties back into use, so if the policy change is successful it will result in fewer properties paying the premium charge. However, it is not the additional income that is the driver for this change.

8 IMPACT ON RESIDENTS

- 8.1 The number of properties affected by the proposed change to the premium charge would be an average of 52 per annum (after removing those properties owned by Vivid Housing). This is against 40,353 properties in the borough. This would therefore, only affect a very small number of residents in the borough, approximately 0.2%.
- 8.2 However, all residents in the borough would benefit from these changes because:-
- Trying to discourage empty homes to free up housing
 - Empty properties as well as serving no useful housing purpose often attract a disproportionate amount of public resources. Sometimes becoming an environmental nuisance or the target for anti-social behaviour and neighbour complaints.
- 8.3 If the Council approves the recommendation the Revenues Ream will contact all Council Tax Payers likely to be affected by the revised empty homes premium from April 2019 to advise them of the change.
- 8.4 The Revenues and Benefits Service have devised a policy allowing them to waive the premium charge in certain circumstances.

9 COUNCIL TAX DISCOUNT – PROPERTIES UNDERGOING MAJOR REPAIR WORK

- 9.1 Under the Local Government Finance Act 1992, as amended, properties that are undergoing major refurbishment or structural alteration were exempt payment of Council Tax for twelve months, 100% of the Council Tax became payable thereafter.
- 9.2 The Local Government Finance Act 2012 amended this legislation and as a result, this exemption was abolished and gave discretionary powers for councils to set their own level of Council Tax discount on these properties.
- 9.3 On 23 January 2013, the Council determined that properties undergoing major repair work or structural alteration, would receive a discount of 50% for 12 months and then 100% Council Tax becomes payable, effective from 1 April 2013
- 9.4 On 30 January 2018, following the advice from the Revenues and Benefits Service, the Council determined to reduce the discount further so that 50% would be awarded for 6 months and then 100% Council Tax becomes payable, effective from 1 April 2018.
- 9.5 However, since the length of discount was reduced to 6 months, it has come to light, that it is, and remains, Governments intention that although local authorities are able to vary the percentage reduction awarded for these properties, or remove the discount altogether, local authorities are unable to vary the period of time that this discount is awarded for.
- 9.6 The number of discounts awarded under this new discount is low affecting 21 customers to a total value discount amounting to £4k.
- 9.7 If the Council approves the recommendation to move the discount back to 50% for 12 months, the Revenues team will contact all Council Tax Payers affected by this discount and award them their revised entitlement.
- 9.8 All future discounts will then be awarded at 50% for 12 months and this discount will be reviewed during the financial year 1 April 2019 – 31 March 2020.

10 RECOMMENDATIONS

- 10.1 The Council is recommended to approve:
- (i) an increase to the amount of Council Tax Empty Homes Premium charged for long-term empty properties as set out in paragraph 3.1 of this report; and
 - (ii) the application of a Council Tax discount of 50% for 12 months in respect of empty homes undergoing major repairs or structural alterations as set out in the report.

G B LYON
PORTFOLIO HOLDER FOR CORPORATE
AND DEMOCRATIC SERVICES

ANNEX 5**COUNCIL MEETING – 21ST FEBRUARY 2019****AGENDA ITEM NO. 6 (5)****ADOPTION OF THE RUSHMOOR LOCAL PLAN**

A report from the meeting of the Cabinet held on 5th February, 2019

1. INTRODUCTION

- 1.1 This report summarises the recommendations set out in the report of the independent Planning Inspector following the Examination of the Local Plan, which relate to main modifications required for soundness, and seeks approval to recommend to Council the adoption of the Rushmoor Local Plan and associated Policies Map.
- 1.2 Whilst the adoption of the Local Plan is not an executive decision for Cabinet, clearly it is a key decision for the Council as it is very significant in terms of its effects on communities living or working in the whole Borough and for steering development into the future.

2. BACKGROUND

- 2.1 The Rushmoor Local Plan will guide the location, scale and type of future development in Rushmoor Borough up to 2032 and provides detailed development management policies to be used in determining planning applications. The Local Plan will replace the Core Strategy (adopted 2011) and saved policies from the Rushmoor Local Plan Review (adopted in 2000).
- 2.2 The Local Plan was submitted to the Secretary of State on 2 February 2018, together with copies of all representations received during the public consultation on the Plan (which took place between 9 June and 21 July 2017). An independent Planning Inspector was appointed to consider the representations, and all the supporting evidence, and to determine whether the Local Plan was 'sound'. The full definition of 'soundness' is set out in paragraph 182 of the 2012 National Planning Policy Framework (NPPF) and includes the requirement for the Plan to be positively prepared (meets local needs); justified (evidence-based); effective (deliverable) and consistent with national policy. Plans submitted before January 2019 have been examined against the 2012 version of the NPPF rather than the revised NPPF published in July 2018.
- 2.3 The Planning Inspector issued her final report on 14 January 2019. Having considered all the evidence before her, including that presented at the public hearings held on 9, 10, 16 and 18 May 2018, she has concluded that the Local Plan provides an appropriate basis for the planning of the Borough, subject to a series of main modifications. Copies of the

Inspector's report and the main modifications required to make the Plan 'sound' are attached at Appendices A and B to this report.

3. DETAILS OF THE PROPOSAL

Main Modifications

- 3.1 The main modifications all concern matters that were discussed at the examination hearings and all were subject to a six-week public consultation period between 7 September and 19 October 2018. In addition to the main modifications, the Council consulted on a list of minor modifications, which did not go to the soundness of the Plan (e.g. factual corrections and typographical errors), proposed modifications to the Policies Map, and a Sustainability Appraisal Addendum. The Inspector considered all the representations received during the consultation when reaching her conclusions, and two of the main modifications were amended to take account of comments made (*MM4 which updates public health data and MM71 which corrects the definition of secular as it applies in the Heritage at Risk Register*).
- 3.2 The main modifications can be summarised as follows:
- Ensuring the Spatial Strategy is positively prepared (*e.g. MM3 which explains the difference between 'Growth' and 'Step-Up' towns*);
 - Ensuring that the Local Plan reflects up to date evidence for housing supply (*e.g. MM9 which provides updated figures on capacity*);
 - Modifying employment policies so that they are effective (*e.g. MM108 and MM109 which delete criteria already covered under other policies in the Plan*);
 - Amending the Town Centre policies so that they are positively prepared and consistent with national policy (*e.g. MM17 and MM33 which add references to markets*);
 - Modifying housing and local needs policies so that they are effective and consistent with national policy (*e.g. MM100 which removes a requirement for specialist housing proposals to show how they meet local need, since the need has already been established*);
 - Ensuring that the policies for the historic, built and natural environment are positively prepared (*e.g. MM76 which addresses concerns expressed by Historic England*);
 - Modifying the policies for Farnborough Airport so that they are effective (*e.g. MM47 which clarifies the position on monitoring*); and
 - Amending infrastructure and site allocations policies so that they reflect up to date evidence, and are consistent with national policy (*e.g. MM14 which clarifies the Council's position on viability*).
- 3.3 The recommendation of main modifications by an Inspector to make a Plan 'sound' is not unusual in a Local Plan examination and many of the proposed modifications have been put forward by the Council to deal with issues as they arose during the examination process.

Minor Modifications and Policies Map

- 3.4 The Policies Map is a graphical representation of the Council's planning policies. The Council is free to make further minor modifications to the Plan and to the Policies Map up to the point of publication. There are a number of further changes to the Policies Map, which arose during consideration of the representations. These will be incorporated into a new Policies Map, to provide a single graphical representation of the Local Plan Policies.
- 3.5 It is proposed that authority be delegated to the Planning and Economy portfolio holder in conjunction with the Head of Economy, Planning and Strategic Housing, to agree any minor changes to the Plan and the Policies Map prior to publication. This would only include the presentational style of the final version document, including a foreword, photographs and illustrations and any final factual, grammatical and/or typographical errors that have not previously been identified and which would not materially affect the content or meaning of the Plan.
- 3.6 A final draft version of the Local Plan, which incorporates all of the main modifications attached to the Inspector's report, and the minor modifications identified to date can be viewed on the Council's website at <https://www.rushmoor.gov.uk/localplanexamination>. Hard copies of the final draft Policies Map will be available to view at the meeting.

Replacement of Core Strategy and Rushmoor Local Plan Review Policies

- 3.7 The new Local Plan will form the definitive development plan against which all planning applications considered after its adoption will be assessed. Chapter 16 of the Local Plan identifies those saved Rushmoor Local Plan Review (2000) and Core Strategy (2011) policies that will be replaced by the new Local Plan once it is adopted. There have been no changes to this list during the Examination process.

Formal Adoption of Plan

- 3.8 The Local Plan needs to be formally adopted by Council at its meeting on 21st February 2019, and then, as soon as is reasonably practical, it should be made available on the Council's website and at the Council offices along with an Adoption Statement, the Sustainability Appraisal and details of where the documents can be inspected. The Council must also send copies of the Adoption Statement to interested parties and the Secretary of State.
- 3.9 The validity of the Local Plan and its adoption may be challenged in the High Court, within a six-week period from the date of adoption (no later than 4th April 2019), by way of section 113 of the Planning and Compulsory Purchase Act 2004. However, based on the objections which have been put forward to date, and which have all been considered as part of the examination, a legal challenge is not expected.

Five-Year Review

- 3.10 The 2018 NPPF (paragraph 33) requires that policies in local plans should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from adoption, and should take into account changes to national policy and local circumstances, including changes to local housing need.

Alternative Option

- 3.11 The alternative option would be not to recommend the Local Plan for adoption by Council. However, this would conflict with the requirement in the 2018 National Planning Policy Framework (NPPF) for local planning authorities to have an up-to-date and adopted Local Plan. In the absence of such a Plan, the presumption in favour of sustainable development will apply and there is a risk of planning decisions being made on appeal against the wishes of the local community.

Consultation and Duty to Co-operate

- 3.12 Public consultation on the Local Plan has taken place at key stages throughout its development, since its initial conception as a Delivering Development DPD to sit alongside the Core Strategy, including formal six-week public consultations at preferred approach stage in 2015 and pre-submission in 2017. This is set out in the Consultation Statement submitted with the Plan.
- 3.13 In addition, the Council has consulted a range of Duty to Co-operate bodies including neighbouring authorities, infrastructure providers and other statutory bodies, as set out in the Duty to Co-operate Statement submitted with the Plan.
- 3.14 The Inspector concluded in her report that the Duty to Co-operate has been met, with the Council engaging constructively, actively and on an on-going basis in the preparation of the Plan, and that consultation on the Plan and the main modifications was carried out in compliance with the Council's Statement of Community Involvement. The Inspector made particular mention of the steps taken by the Council to involve the Nepali community in the plan-making process.
- 3.15 As set out above, it is proposed that the Planning and Economy portfolio holder, in conjunction with the Head of Economy, Planning and Strategic Housing, be given delegated authority to agree any minor changes to the Local Plan and the Policies Map prior to publication.

4. IMPLICATIONS

Risks

- 4.1 There are not considered to be any risks associated with the implementation of the recommendations of this report. If the Plan is not adopted, the presumption in favour of sustainable development will apply, and there is a risk of planning decisions being made on appeal against the wishes of the local community.

Legal Implications

- 4.2 There are not considered to be any legal implications arising from the decision other than those already identified above.

Financial and Resource Implications

- 4.3 There are not considered to be any financial implications arising from the decision. The cost of the Examination has been included within budgetary provision.

Equalities Impact Implications

- 4.4 An Equality Impact Assessment was submitted with the Plan for Examination. The Inspector has had regard to this and to the Public Sector Equality Duty contained in the Equality Act 2010 in reaching her conclusions and has noted that the policies in the Local Plan will have a generally positive impact, in particular in relation to the protected characteristics of older people, gypsies and travellers and those with disabilities.

5. CONCLUSIONS

- 5.1 The Local Plan has been found 'sound' by an independent Planning Inspector, following an Examination which included four days of public hearings, subject to main modifications which have been consulted upon over a six week period. If the Plan is not adopted by Council, the presumption in favour of sustainable development will apply and there is a risk of planning decisions being made on appeal against the wishes of the local community.

6. RECOMMENDATIONS

- 6.1 Cabinet recommends to the Council that, in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, it adopts the Rushmoor Local Plan, and accompanying changes to the Policies Map, as amended by the main modifications identified in the Inspector's Report dated 14 January 2019.

- 6.2 Cabinet recommends to Council that it acknowledge that the Rushmoor Local Plan Review (2000) saved policies, and Core Strategy (2011) policies, as listed in Chapter 16 of the new Local Plan, will be replaced by the new Local Plan policies upon its adoption.
- 6.3 Cabinet recommends to Council that the Head of Economy, Planning and Strategic Housing, in consultation with the Planning and Economy Portfolio Holder, be authorised to agree any further minor changes to the new Local Plan and the Policies Map, prior to publication.

BARBARA HURST
PORTFOLIO HOLDER
FOR PLANNING AND ECONOMY

BACKGROUND DOCUMENTS:

Report No PLN1701 considered by [Cabinet on 4 April 2017](#), which approved the publication of the Draft Submission Local Plan for consultation.

Report No EPSH1901 considered by [Cabinet on 5 February 2019](#), which recommended to Council the adoption of the Rushmoor Local Plan and associated changes to the Policies Map.

The background documents that have informed the preparation of the new Local Plan can be viewed via www.rushmoor.gov.uk/newlocalplan.

ANNEX 6

COUNCIL MEETING – 21ST FEBRUARY 2019

AGENDA ITEM NO. 7

COUNCIL TAX RESOLUTION 2019/20

1. That it be noted that the Council calculated the amount of 31,352.21 as its Council Tax Base for the year 2019/20 in accordance with Section 31B(3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the 'Act').
2. That the following amounts be calculated by the Council for the year 2019/20 in accordance with Sections 31 and Sections 34 to 36 of the Act:
 - (a) £84,543,699 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act
 - (b) £78,134,528 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £6,409,171 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
 - (d) £204.42 being the amount at 2(c) above, all divided by the amount at 1 above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e)	Valuation Bands	
	A	£136.28
	B	£158.99
	C	£181.70
	D	£204.42
	E	£249.84
	F	£295.27
	G	£340.70
	H	£408.84

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

- 3 That it be noted that for the year 2019/20 Hampshire County Council, the Police and Crime Commissioner for Hampshire and Hampshire Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Precepting Authority	Valuation Bands	
Hampshire County Council (including Adult Social Care precept)	A	£824.58
	B	£962.01
	C	£1099.44
	D	£1236.87
	E	£1511.73
	F	£1786.59
	G	£2061.45
	H	£2473.74

Precepting Authority	Valuation Bands	
Police and Crime Commissioner for Hampshire	A	£134.31
	B	£156.69
	C	£179.08
	D	£201.46
	E	£246.23
	F	£291.00
	G	£335.77
	H	£402.92

Precepting Authority

Hampshire Fire and Rescue Authority

Valuation Bands

A	£45.14
B	£52.66
C	£60.19
D	£67.71
E	£82.76
F	£97.80
G	£112.85
H	£135.42

4. That, having calculated the aggregate in each case of the amounts at 2(e) and 3 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:

Valuation Bands

A	£1140.31
B	£1330.35
C	£1520.41
D	£1710.46
E	£2090.56
F	£2470.66
G	£2850.77
H	£3420.92

This page is intentionally left blank

CABINET

Meeting held on Tuesday, 11th December, 2018 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr D.E. Clifford, Leader of the Council
Cllr K.H. Muschamp, Deputy Leader

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 **24th December, 2018**.

59. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 13th November, 2018 were confirmed and signed by the Chairman.

60. **PROVISIONAL SETTLEMENT 2019/20 AND BUDGET UPDATE –** (Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet received Report No. FIN1840, which provided information in relation to the Government's funding for Local Government in 2019/20, known as the Provisional Settlement.

It was explained that the announcement of the Provisional Settlement had been delayed by the Government. This would set out the funding for specific and general revenue grants, as well as capital. The Provisional Settlement announcement had been due on 6th December, 2018 and it was now expected that this would be announced later in December, with the Final Settlement announcement due in late January, 2019.

The Cabinet NOTED the latest position in relation to the Provisional Settlement and the effect it would have on the Council's 2019/20 budget, as set out in Report No. FIN1840.

61. **TREASURY MANAGEMENT OPERATIONS MID-YEAR REPORT 2018/19 –** (Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet received Report No. FIN1836, which set out the main activities of the treasury management operations during the first half of 2018/19.

The Cabinet was informed that the Council had continued to receive treasury management advice from Arlingclose Limited, who had provided a detailed commentary on the economic background, which was set out at Appendix A to the Report. In relation to investment activity in 2018/19, Arlingclose had produced a graph that was set out at Appendix B to the Report. Whilst this indicated total investment returns generated were down on the same period in the previous year, when benchmarked against all of Arlingclose's 135 local authority clients, the current half-year performance was good. Appendix C to the Report showed the actual prudential indicators relating to capital and treasury activities for the first half of 2018/19 and compared these to the indicators which had been set in the Annual Treasury Management Strategy 2018/19, which had been approved by the Council on 22nd February, 2018.

In response to a question, it was confirmed that, when retendering for the provision of treasury management advice, the Council would consider bids from any suitably qualified, providers including any local companies that met the Council's specification and criteria.

The Cabinet RESOLVED that

- (i) the Council's treasury management operations in the first half of 2018/19, as set out in Report No. FIN1836, be noted;
- (ii) the low return of investment income returned from Payden and Rygel's Sterling Reserve pooled fund and the option to replace it with a higher yielding fund, be noted; and
- (iii) an increase of £5 million in the Collective Investment Schemes (pooled funds) investment limit, as set out in the Annual Treasury Management Strategy 2018/19, be approved in order to allow the reinvestment of the remaining Covered Bonds, due to redeem in December 2018, and to increase investment income return.

62. COUNCIL TAX SUPPORT SCHEME 2019/20 –

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

The Cabinet considered Report No. CTSG1801, which set out work undertaken by the Council Tax Support Task and Finish Group to review the Council's Council Tax Support Scheme. The Chairman welcomed the Group's Chairman, Cllr Mrs. D.B. Bedford, and Cllr Jennifer Evans, who was a member of the Group and had requested to address the Cabinet on this issue.

It was confirmed that the Task and Finish Group had met twice to discuss options for changes to the Council Tax Support Scheme 2019/20, in particular to the minimum contribution for working age recipients, which was set currently at 12%. The Report set out the Group's deliberations and options considered. It was confirmed that the Group's preferred option was to undertake a consultation exercise to seek views regarding an increase in the minimum contribution for working age recipients of Council Tax Support from 12% to 15%. Members were reminded that, following the consultation, any proposal to increase the minimum contribution would be brought back to the Cabinet to make a recommendation to the Council.

Cllr Evans expressed opposition to any increase of the minimum contribution from 12% and requested that the consultation should include an option to opt for no change to the current scheme.

In response to a question, it was confirmed that, with the proposed consultation only seeking views on one option, to increase the minimum contribution to 15%, it would be clear how many respondents had opted for no change.

The Cabinet RESOLVED that

- (i) the undertaking of a public consultation on the option to increase the minimum contribution payable in respect of the Council's Council Tax Support Scheme to 15%, as set out in Report No. CTSG1801, be approved;
- (ii) the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at its recommendation, as set out in the Report, be noted; and
- (iii) a report on the outcome of the consultation and any subsequent proposals to amend the Council Tax Support Scheme be considered by the Cabinet at its meeting on 5th February, 2019.

63. **AIR QUALITY PLAN TO REDUCE NITROGEN DIOXIDE CONCENTRATIONS ON THE A331 - OUTLINE BUSINESS CASE –**
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS1832, which set out a proposal to improve air quality on the A331 (Blackwater Valley Relief Road), in order to comply with a Ministerial Direction, served on the Council on 27th July, 2018.

The Report set out the background behind the requirement to prepare an Outline Business Case to explore measures to achieve compliance with EU limits for roadside nitrogen dioxide concentrations along the A331 within the shortest possible time. Members were informed that the Secretary of State expected the Outline Business Case to have been approved by the Cabinet by 31st December, 2018 at the latest. The scheme would be funded by the Government and would carry no financial implications for the Council. In reply to a question, it was confirmed that the Council was at risk of a financial penalty if it did not comply with the Ministerial Direction.

The Cabinet RESOLVED that

- (i) the Outline Business Plan, along with the preferred option of a 50mph speed limit on a section of the A331, as set out in in Report No. OS1832 and shown in Figure 2, be endorsed;
- (ii) the Head of Operations, in consultation with the Operational Services Portfolio Holder, be authorised to finalise and submit the Outline Business Case to the Government by 31st December, 2018;

- (iii) the Head of Operations, in the consultation with the Operational Services Portfolio Holder, be authorised to finalise and submit the Full Business Case to the Government when complete; and
- (iv) the Head of Operations be authorised to approve future income and expenditure in relation to the Plan through the budget monitoring process, whilst ensuring that expenditure should be kept in line with income.

64. **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
65	3	Information relating to financial or business affairs

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

65. **APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered the Exempt Report No. FIN1837, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from Fight Science Limited, Maida Gym, Hospital Road, Wellesley, Aldershot, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area.

The Corporate and Democratic Services Portfolio Holder and the Principal Revenues and Benefits Officer had visited the premises to discuss the application with the proprietor. The Cabinet discussed the application and expressed support for this business, particularly in light of the company’s engagement with the local community.

The Cabinet RESOLVED that 50% hardship relief be granted to Fight Science Limited for a period of six months in the 2018/19 financial year.

66. **ADDITIONAL ITEM - COUNCIL OFFICES - REPLACEMENT HEATING BOILER –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. ITFMP1802, which sought approval to vary the 2018/19 Capital Programme to allow urgent works to be undertaken to replace one of the two gas condensing boilers serving the Council Offices. The item had been

added to the agenda as a matter of urgency due to a lack of resilience in the heating of the Council Offices in the winter with only one boiler in operation.

The Cabinet was informed that the works would cost up to £35,000 to complete and this included associated works that were required to bring existing flue and ventilation arrangements up to modern day standards.

The Cabinet RESOLVED that approval be given to a variation to the 2018/19 Capital Programme of up to £35,000 to enable the replacement of the faulty boiler to be completed, as set out in Report No. ITFMP1802.

The Meeting closed at 7.58 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

CABINET

Meeting held on Tuesday, 8th January, 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

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 **21st January, 2019**.

67. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 11th December, 2018 were confirmed and signed by the Chairman.

68. **RUSHMOOR COMMUNITY LOTTERY –**

(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. DSP1901, which set out a review of the Rushmoor Community Lottery, following the first year of operation.

Members heard that the Lottery had been operating since July, 2017 and had raised over £33,000 for good causes. The Cabinet was informed that some proceeds from every ticket sold were transferred to the Community Fund and it was now proposed that a Community Forum should be established to consider funding applications made to the Community Fund. The Report set out the proposed composition of the Forum and it was confirmed that the application process would be reviewed after one year of operation.

In response to a question, it was confirmed that participating organisations would be encouraged to increase ticket sales and would be supported in doing this, if necessary.

The Cabinet RESOLVED that

- (i) the establishment of the Community Forum, as set out in Section 3 of Report No. DSP1901, be approved; and
- (ii) the Community Forum be authorised to allocate the Community Fund, in accordance with the arrangements set out in Section 3 of the Report.

69. **BUSINESS RATES - DISCRETIONARY GROWTH INCENTIVE RELIEF APPLICATION –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1901, which set out details of an application for discretionary rate relief, under the Council’s Discretionary Growth Incentive Relief Policy, from Hancock’s Restaurants Limited (Nos. 46 – 50 Kingsmead, Farnborough).

The Cabinet RESOLVED that 50% discretionary rate relief be awarded to Hancock’s Restaurants Limited for a period of twelve months.

NOTE: Cllr P.G. Taylor declared an interest in this item in respect of the proximity of the application address to his place of work. He remained in the meeting during the discussion on this item but did not take part in the voting thereon.

70. **EXCLUSION OF THE PUBLIC –**

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

Minute Nos.	Schedule 12A Para. No.	Category
71, 72 and 73	3	Information relating to financial or business affairs

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

71. **ALDERSHOT REGENERATION - SITE ASSEMBLY –**
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. RP1901, which set out an update on the Cabinet’s previously agreed approach to the acquisition of properties in Aldershot town centre for reasons of regeneration.

The Report set out the latest position in relation to the assembly of sites in the town centre to enable a comprehensive redevelopment scheme to be brought forward. It was reported that good progress had been made to date in this respect and that negotiations were in progress to acquire the remaining properties. The Report referred to one particular property where meetings had been held between the current owner, the Leader of the Council and the Chief Executive, with a view to its acquisition by the Council. It was confirmed that, following further negotiations, the asking price was likely to be within the range set out in a recent valuation of the property. The Cabinet was requested to agree an upper limit to enable the Chief Executive, in consultation with the Major Projects and Property Portfolio Holder, to negotiate to acquire, by agreement, the property. It was further requested that, in the

event that the acquisition was not possible by agreement, the Corporate Manager – Legal Services, in consultation with the Chief Executive, should be authorised to commence the compulsory purchase of the property, at the appropriate time.

In discussing this matter, the Cabinet considered this to be a key site in the regeneration of Aldershot town centre. In answer to a question, it was confirmed that external funding that had been secured in relation to the regeneration of Aldershot town centre was at risk if there was delay to delivery timescales. It was considered that a delay would be inevitable if the Council opted to acquire the property through the compulsory purchase process. The Chief Executive drew Members' attention to the fact that the property had been valued between £1.2 million and £2.6 million, depending on the assumptions that were made. He also pointed out that, with reference to property values in Aldershot, it was unlikely that the Council would realise a return on this purchase and it was more probable that this would be written off as a contribution to the regeneration of Aldershot town centre going forward. The Cabinet expressed strong support for attempting to acquire the property by agreement and agreed an upper negotiation limit.

The Cabinet RESOLVED that

- (i) an upper limit of £2.6 million be approved, to allow the Chief Executive, in consultation with the Major Projects and Property Portfolio Holder, to negotiate and acquire, by agreement, the freehold of the property set out in Exempt Report No. RP1901;
- (ii) in the event that it was not possible to agree an acquisition value within the agreed parameters, the Corporate Manager – Legal Services, in consultation with the Chief Executive, be authorised to take necessary steps to commence the compulsory purchase of the property, at the appropriate time; and
- (iii) the requirement for a future variation to the Capital Programme, to enable the acquisition of all remaining properties set out in the Report, be noted.

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

The Cabinet considered Exempt Report No. RP1902, which set out a proposal to acquire the freehold investment in a property, as part of the asset investment programme in the Council's Medium Term Financial Strategy.

The Report set out the details of the potential investment, including the current lettings, the projected rates of return and the rationale for the purchase. A recent condition survey had confirmed that the property was in a satisfactory state of repair. The Cabinet was supportive of the purchase and, taking all factors into account, considered it to be a sound investment for the Council.

The Cabinet

- (i) **RESOLVED** that

- (a) the purchase of the property, as set out in Exempt Report No. RP1902, be approved;
 - (b) the Executive Head of Regeneration and Property, in consultation with the Council's statutory officers and the Major Projects and Property Portfolio Holder, be authorised to conclude negotiations, subject to due diligence, for the freehold at a price up to the figure set out in the Report; and
- (ii) **RECOMMENDED TO THE COUNCIL** that approval be given to a variation of the Capital Programme, as set out in the Report, to reflect the purchase, including the relevant fees.

73. **APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered the Exempt Report No. FIN1902, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from Gharelu Grocery Store Limited, No. 18 Victoria Road, Farnborough, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area. The Corporate and Democratic Services Portfolio Holder and the Principal Revenues and Benefits Officer had met to discuss the application in detail.

The Cabinet RESOLVED that 33% hardship relief be granted to Gharelu Grocery Store Limited for the period from 1st May, 2018 to 31st March, 2019.

NOTE: Cllr D.E. Clifford declared a prejudicial interest in this item in respect of his attendance at the store's opening ceremony and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting thereon.

The Meeting closed at 7.40 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

CABINET

Meeting held on Tuesday, 5th February, 2019 at the Council Offices, Farnborough at 6.30 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 **18th February, 2019**.

74. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 8th January, 2019 were confirmed and signed by the Chairman.

75. **REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL –** (Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1909, which made recommendations on the budget, Council Tax requirement and proposals for budget savings for 2019/20.

The Cabinet was reminded that, at its meeting on 16th October, 2018, the budget framework set out in the Medium Term Financial Strategy 2019-22 had been approved. The Strategy provided a risk-based General Fund balance of around £2 million, with a minimum expected level for total working balances of 5% of gross expenditure. The Cabinet was advised that the Report had been prepared on the basis that there would be no change to the provisional local government finance settlement figure. It was proposed that any changes which materially altered the figures contained in the budget summary, particularly in respect of the local government finance settlement figure or the business rates estimates, would be made by the Council's Section 151 Officer, in consultation with the Leader of the Council and the Corporate and Democratic Services Portfolio Holder, prior to consideration of the budget by the Council on 21st February, 2019.

The General Fund Revenue Budget would enable the Council, in broad terms, to maintain current service delivery, whilst identifying reductions in the level of net expenditure of £3.931 million to be delivered during 2019/20. The General Fund summary showed that the revenue balances were expected to be maintained at £2 million by the end of 2019/20. This was at the top end of the approved range of balances of £1 million - £2 million and was deemed to be acceptable given the levels of risks and uncertainty that had been identified. The General Fund Revenue Budget

assumed a 2.99% increase in a Band D charge for Council Tax, which fell within the permissible level of increase before triggering a local referendum. The Cabinet was advised that the Business Rate Retention Scheme continued to represent a volatile income stream and, for this reason, it was necessary to maintain sufficient reserves to meet any unforeseen shocks to the system.

The Capital Programme of £70.231 million in 2019/20 was set out in Appendix 4 of the Report. Implementation of the core Programme in 2019/20 would require the use of £58.958 million of the Council's resources, largely through borrowing, together with £11.272 million use of grants and contributions, including the Better Care Fund, and an element of developers' Section 106 contributions. The main areas where the Council would be facing increased levels of risk and uncertainty over the medium term were set out in Section 9 of the Report. Members were informed that the most significant risks were the move to a 75% business rates retention model and the potential for the redistribution of funding under the Fairer Funding Review, which would reallocate resources across local authorities based on an assessment of relative needs.

Under Section 25 of the Local Government Act, 2003, the Executive Head of Finance, being the Council's Chief Financial Officer, was required to report to the Council on the robustness of the estimates contained in the budget and the adequacy of the financial reserves maintained by the Council. The Council had to have regard to this report when making its decisions on the budget. The Chief Financial Officer was satisfied that the budget was robust and that it was supported by adequate reserves.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to:
 - (a) the General Fund Revenue Budget Summary, as set out in Appendix 1 of Report No. FIN1909;
 - (b) the detailed General Fund Revenue Budget, as set out in Appendix 2 of the Report;
 - (c) the additional items for inclusion in the budget, as set out in Appendix 3 of the Report;
 - (d) the Council Tax requirement of £6,409,171 for this Council;
 - (e) the Council Tax level for Rushmoor Borough Council's purposes of £204.42 for a Band D property in 2019/20;
 - (f) the Capital Programme, as set out in Appendix 4 of the Report;
 - (g) the Strategy for the Flexible Use of Capital Receipts, as set out in Appendix 5 of the Report;
 - (h) the Executive Head of Finance's Report under Section 25 of the Local Government Act, 2003, as set out in Section 10 of the Report;

- (i) the additional transfers to earmarked reserves in 2019/20 and the holding of reserves, as set out in the Report; and
- (ii) **RESOLVED** that authority be delegated to the Council's Section 151 Officer, in consultation with the Leader of the Council and the Corporate and Democratic Services Portfolio Holder, to make any necessary changes to the General Fund Summary arising from the final confirmation of the Local Government Finance Settlement and the Business Rates Retention Scheme estimates.

76. **COUNCIL TAX SUPPORT SCHEME 2019/20 –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. ED1902, which set out the outcome of the recent public consultation exercise and the considerations and recommendations of the Council's Council Tax Support Task and Finish Group in respect of potential changes to the Council Tax Support Scheme. The Chairman welcomed Cllr Mrs. D.B. Bedford, who was the Chairman of the Council Tax Support Task and Finish Group, and was attending to report on the Group's recommendations.

Members were informed that a public consultation exercise had run from 12th December, 2018 to 16th January, 2019 on potential changes to the Scheme. A total of 392 responses had been received and a detailed consultation report was set out in Appendix 1 to the Report.

The Council Tax Support Task and Finish Group had met on 21st January, 2019 to consider the consultation responses. The majority of the Group had supported recommending to increase the minimum amount of Council Tax that working age people would pay from 12% (88% discount) to 15% (85% discount) for 2019/20. To mitigate any unforeseen hardship that the increase might cause, the Group further recommended that the Hardship Fund should be increased by £2,000 per annum from the 2019/20 financial year onwards.

In considering the proposals, the Cabinet made reference to a representation that had been received from two Members. This had suggested that the Cabinet should consider retaining the minimum contribution at 12% in 2019/20. Additionally, it was suggested that the Council Tax Support Task and Finish Group should be asked to review and, if appropriate, recommend reforms to the eligibility criteria for Council Tax support, to ensure that this would provide help to those who most needed it. In discussion, broad support was expressed for this approach.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that the current 12% minimum contribution (88% discount) for those of working age be retained for 2019/20; and
- (ii) **RESOLVED** that the Council Tax Support Task and Finish Group be requested to review and, if appropriate, recommend reforms to the eligibility criteria for the Council's Council Tax Support Scheme.

77. **ANNUAL CAPITAL STRATEGY 2019/20 –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1906, which set out the Council's Annual Capital Strategy 2019/20, which included the Prudential Indicators for Capital Finance in 2019/20. Members were informed that this was the first time that a Capital Strategy had been produced, following the revision of codes of practice and guidance, as set out in paragraph 1.3 of the Report.

The purpose of the Capital Strategy was to give an overview of how capital expenditure, capital financing and treasury management activity would contribute to the provision of local public services, along with an overview of how associated risk would be managed and the implications for future financial sustainability. The proposed Capital Strategy was set out in Appendix A of the Report.

The Cabinet RECOMMENDED TO THE COUNCIL that approval be given to the Capital Strategy 2019/20 and Prudential Indicators, as set out in Report No. FIN1906.

78. **ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY INVESTMENT STRATEGY 2019/20 –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1905, which set out an update to the Treasury Management Strategy, a new Non-Treasury Investment Strategy (Investment Strategy) for 2019/20 and the Council's Minimum Revenue Provision Statement. Members were reminded that the purpose of the treasury management operation was to ensure that the Council's cash flow was adequately planned, so that sufficient cash was available when needed but also that any surplus funds were invested in counterparties or instruments, in line with the Council's low risk approach. The second main function of the treasury management service was the funding of the Council's capital plans.

The Cabinet RECOMMENDED TO THE COUNCIL that approval be given to:

- (i) the Treasury Management Strategy and Annual Borrowing Strategy, as set out in Appendix A of Report No. FIN1905;
- (ii) the Annual Non-Treasury Investment Strategy, as set out in Appendix B of the Report; and
- (iii) the Minimum Revenue Provision Statement, as set out in Appendix C of the Report.

79. **BUSINESS RATES - RETAIL DISCOUNT POLICY –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1908, which set out a proposed new Business Rates Retail Discount Policy, which would enable the Council to award a retail discount from business rates, with effect from 1st April, 2019.

Members were informed that this retail discount had been introduced by the Government in response to the significant challenges faced by retailers in town centres in light of changing consumer behaviour. The new discount scheme would apply to retail properties with a rateable value of less than £51,000. Eligible businesses would receive a discount of one third of the annual business rates bill for the financial years 2019/20 and 2020/21.

The Cabinet expressed support for this initiative, which, it was considered, would provide a boost for smaller businesses locally.

The Cabinet RESOLVED that

- (i) the adoption of the local Retail Discount Policy, as set out in Annex 1 of Report No. FIN1908, be approved; and
- (ii) the Executive Head of Finance, in consultation with the Corporate and Democratic Services Portfolio Holder, be authorised to award the discount and resolve disputes in relation to eligibility.

80. **COUNCIL TAX EMPTY PROPERTY PREMIUM CHARGE 2019/20 AND AMENDMENT TO COUNCIL TAX DISCOUNTS –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Report No. FIN1907, which set out a proposal to increase the Council's Council Tax empty property premium charge in line with new legislation and sought an amendment to the level of discount applied in respect of properties that were empty and unfurnished and undergoing major repair work or structural alteration.

Members were informed that recent legislation now allowed the Council to charge a higher premium in respect of long-term empty properties. It was proposed that the charge would escalate to a higher level the longer a property remained empty. The Government had explained that these provisions had been introduced to help to reduce the number of long-term empty properties by providing an incentive to owners to bring properties back into use. The Report also set out a proposed Council Tax Empty Homes Policy, which provided information about which discounts or exemptions empty properties might qualify for and the circumstances under which the premium charge might be waived. Finally, the Report set out the reasons for recommending reverting to 50% Council Tax discount for a twelve month period in cases where empty properties were undergoing major repairs or structural alteration.

The Cabinet expressed support for the proposed increase to the premium charge and felt that this would reduce the number of empty homes in the Borough.

The Cabinet

- (i) **RESOLVED** that
 - (a) the Council Tax Empty Homes Policy, as set out in Report No. FIN1907, be approved;

- (b) the Executive Head of Finance, in consultation with the Corporate and Democratic Services Portfolio Holder, be authorised to waive the premium charge in certain circumstances and resolve disputes, as set out in the Report; and

(ii) **RECOMMENDED TO THE COUNCIL** that

- (a) an increase to the amount of Council Tax Empty Homes Premium charged for long-term empty properties from 1st April, 2019 to 100%, from 1st April, 2020 to 200% and from 1st April, 2021 to 300%, as set out in Report No. FIN1907, be approved; and
- (b) the application of a Council Tax discount of 50% for twelve months in respect of empty homes undergoing major repairs or structural alterations, as set out in Report No. FIN1907, be approved.

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

The Cabinet considered Report No. DSP1902, 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:

Cove Football Club	£1,500
Grange Community Junior School PTA	£2,505
Southwood Infant School	£7,000

82. **ADOPTION OF THE RUSHMOOR LOCAL PLAN –**
(Cllr Barbara Hurst, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1901, which set out the Rushmoor Local Plan and associated Policies Map, which would, subject to the Cabinet's endorsement, be submitted to the Council for adoption.

The Cabinet was informed that this was the culmination of five years' work, predominantly by the Council's Planning Policy Team, and the Chairman congratulated all those involved in the production of the Plan.

Members considered that, once adopted, the Local Plan would be integral to the delivery of the Council's regeneration priorities and the provision of housing in the Borough.

The Cabinet RECOMMENDED TO THE COUNCIL that

- (i) in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, the new Local Plan, and accompanying changes to the Policies Map, as amended by the main modifications identified in the Inspector's Report dated 14th January, 2019, be approved;
- (ii) the replacement of the Rushmoor Local Plan Review (2000) saved policies and Core Strategy (2011) policies, as listed in Chapter 16 of the new Local Plan, by the new Local Plan policies upon its adoption, be approved; and
- (iii) the Head of Economy, Planning and Strategic Housing, in consultation with the Planning and Economy Portfolio Holder, be authorised to agree any further minor changes to the new Local Plan and the Policies Map, prior to publication.

83. SOUTHWOOD SANG –
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. ED1901, which provided a progress report on the conversion of the former Southwood Golf Course to a major new parkland and to deliver Suitable Alternative Natural Greenspace (SANG).

Members were reminded that the decision to close the Southwood Golf Course, to provide SANG to mitigate the potential recreational impact of net new residential development on the Thames Basin Heaths Special Protection Area, had been made in December 2017. The Golf Course had closed in October 2018, when the operators, Mack Trading, had entered voluntary liquidation. Since that time, Rushmoor officers had been working with Natural England to bring forward plans to convert the site to parkland and identify complementary additional uses for the site. The next stage was to submit planning applications, where needed, to allow the project to progress.

The Cabinet RESOLVED that

- (i) the submission of planning applications, as necessary to enable the conversion of the site to an operational SANG, be approved; and
- (ii) the progress on the conversion of the former Southwood Golf Course, as set out in Report No. ED1901, be noted.

84. PLANNING DELIVERY FUND –
(Cllr Barbara Hurst, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1906, which set out a proposal to spend grant funding awarded by the Government, from the Planning Delivery Fund.

Members were informed that the funding would be used to progress joint working between Rushmoor, Hart and Surrey Heath Councils on issues relating to the Thames Basin Heaths Special Protection Area. The project had started on 1st October, 2018 and would run until 31st September, 2020. The project's aim was to investigate and seek to implement alternative and complementary avoidance and mitigation measures to mitigate new housing development within the Hart, Rushmoor

and Surrey Heath Housing Market Area. A previous report to the Cabinet had set out plans to use the funding to appoint a project officer on a fixed two-year contract to progress this work. The purpose of this Report, following the appointment of the project officer, was to enable the drawdown of the grant from reserves for expenditure on advice and consultancy to support the project. Members were informed that, given the limited timescale, it was important that the project proceeded without delay.

The Cabinet RESOLVED that

- (i) the drawdown of the remaining grant of £130,000 over a two-year period, to spend on appropriate consultancy support and/or expert advice to support the legal, technical and ecological aspects of the work, as set out in Report No. EPSH1906, be approved; and
- (ii) the Head of Economy, Planning and Strategic Housing be authorised to approve future expenditure and report through the budget monitoring process, ensuring that expenditure should not exceed the amount of the Planning Delivery Fund grant, with any expenditure being offset by the drawdown from the earmarked reserve where the Planning Delivery Fund grant monies were being held, to the General Fund.

85. ARTICLE 4 DIRECTION FOR CHURCH CIRCLE –
(Cllr Barbara Hurst, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1908, which sought approval to make an Article 4 Direction to withdraw permitted development rights related to the replacement of windows, the alteration or removal of chimneys, removal of front boundary walls and the laying out of hard surfacing on the front garden areas of identified properties in Church Circle, Farnborough, which formed part of the South Farnborough Conservation Area. The proposed Direction would enable the Council to protect the architectural and historic character of that part of the Conversation Area by requiring property owners to make a planning application to carry out those works. Members were informed that, as things stood, permitted development rights removed the requirement to obtain such consent.

In response to a question, it was confirmed that it might be possible to make similar Directions elsewhere in the Borough, but that there would have to be robust and justifiable planning grounds, including the assessed level of threat.

The Cabinet RESOLVED that

- (i) the making of an Article 4 Direction, under the Town and Country Planning (General Permitted Development) (England) Order 1995 (as amended), as set out in Report No. EPSH1908, be approved; and
- (ii) the Corporate Manager – Legal Services, in consultation with the Head of Economy, Planning and Strategic Housing, be authorised to take all necessary steps in making, serving and publicising an Article 4 Direction to remove permitted development rights, as set out in paragraphs 3.1 and 3.2 of the Report.

86. **CIVIL PENALTIES POLICY –**
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS1903, which set out a proposed new Civil Penalties Policy, which had been produced following the introduction of new powers, under the Housing and Planning Act 2017, that would enable local authorities to deal with non-compliant landlords.

Members were informed that the new legislation had amended the Housing Act 2004 and included powers for a local authority to issue civil penalties for housing offences, as an alternative to taking prosecution proceedings. The proposed Policy was set out the Annex to the Report.

The Cabinet RESOLVED that

- (i) the adoption of the Civil Penalties Policy, as set out in Report No. OS1903, be approved; and
- (ii) the Head of Operational Services, in consultation with the Operational Services Portfolio Holder, be authorised to approve any minor changes to the Policy that may be required following the introduction of new regulations or secondary legislation.

87. **UPDATED LICENSING POLICY FOR HOUSES IN MULTIPLE OCCUPATION –**
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. OS1902, which set out an updated licensing policy for Houses in Multiple Occupation (HMOs), following the reform of licensing through secondary legislation which had amended the Housing Act 2004.

Members were informed that the new legislation had extended the requirement to licence HMOs to cover all properties occupied by five or more people, living as more than one household, irrespective of the number of storeys of the building. Previously, licensing had only been required if the HMO building had comprised three or more storeys. The proposed licensing policy was set out in the Annex to the Report.

In response to a question, it was confirmed that, where enforcement had led to residents being displaced into short-term accommodation, it was the landlord's responsibility to cover the cost of this. During discussion, the Cabinet expressed concern in relation to cases where developers converted family accommodation into HMOs and requested that the Overview and Scrutiny Committee should be asked to investigate whether powers were available to regulate this.

The Cabinet RESOLVED that

- (i) the adoption of the updated Licensing Policy for Houses in Multiple Occupation, as set out in Report No. OS1902, be approved; and
- (ii) the Head of Operational Services, in consultation with the Operational Services Portfolio Holder, be authorised to approve any minor changes to the

Policy that may be required following the introduction of new regulations or secondary legislation.

88. EXCLUSION OF THE PUBLIC –

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

Minute Nos.	Schedule 12A Para. No.	Category
89 and 90	3	Information relating to financial or business affairs

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

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

The Cabinet considered Exempt Report No. RP1903, which set out a proposal to acquire the freehold investment in a property, as part of the asset investment programme in the Council's Medium Term Financial Strategy. The Chairman welcomed to the meeting Piers Leigh and Ellie Kirkby from Avison Young, who had been appointed to advise the Council in relation to this potential acquisition.

The Report set out the details of the potential investment, including the current lettings, the projected rates of return, the associated risks and the rationale for the purchase. Members were informed that the site contained a number of buildings, with a variety of uses and tenants and benefitted from excellent road links. It was explained that part of the site was, currently, undeveloped and would provide an opportunity for the Council to consider development in the future. Options for the undeveloped site included the provision of further office accommodation. Alternatively, consideration could be given to the development of a hotel on the site, although this would require significant planning policy issues to be addressed.

In considering this matter, the Cabinet discussed many issues, including the projected rates of return, the nature of the current tenants, the level of management fees, the appointment of managing agents, the ownership of a piece of art located on the site and public transport links. The Cabinet was supportive of the purchase and, taking all factors into account, considered it to be an excellent investment for the Council.

The Cabinet

- (i) **RESOLVED** that
 - (a) the purchase of the property, as set out in Exempt Report No. RP1903, be approved;

(b) the Chief Executive, in consultation with the Council’s statutory officers and the Major Projects and Property Portfolio Holder, be authorised to conclude negotiations, subject to due diligence, for the freehold at a price up to the figure set out in the Report; and

(ii) **RECOMMENDED TO THE COUNCIL** that approval be given to a variation of the Capital Programme, as set out in the Exempt Report, to reflect the purchase, including the relevant fees.

90. **APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**
(Cllr Gareth Lyon, Corporate and Democratic Services Portfolio Holder)

The Cabinet considered Exempt Report No. FIN1904, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from UK Fitness Limited, trading as The Unit Gym, Nos. 209 – 211 Lynchford Road, Farnborough, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area. The Corporate and Democratic Services Portfolio Holder had met with the proprietor at the premises to discuss the application in detail.

The Cabinet RESOLVED that 35% hardship relief be granted to UK Fitness Limited, trading as The Unit Gym for the period from 1st May, 2018 to 31st March, 2019.

91. **ADDITIONAL ITEM - 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
92	3	Information relating to financial or business affairs

92. **ADDITIONAL ITEM - ALDERSHOT REGENERATION - SITE ASSEMBLY UPDATE –**
(Paul Shackley, Chief Executive)

The Cabinet considered Exempt Report No. CEX1901, which set out the latest position in relation to the acquisition of a particular property as part of the assembly of sites in Aldershot town centre to enable a comprehensive redevelopment scheme to be brought forward. The item had been included on the agenda as a matter of urgency given that a further independent evaluation of site value had been received as part of the diligence process for purchasing this integral property to the overall regeneration of the Union Street site. The Chairman of the Overview and Scrutiny

Committee had been advised of the reasons for the urgency and the need for the matter to be considered at this meeting and he had supported this approach.

Members were reminded that, at the Cabinet meeting on 8th January, 2019, an upper limit of £2.6 million had been approved to allow the Chief Executive, in consultation with the Major Projects and Property Portfolio Holder, to negotiate and acquire, by agreement, the freehold of the property. At that time, it was confirmed that the asking price was likely to be within the range set out in a recent valuation of the property. Members were informed that, following due diligence, the valuation of the property had been revised. This material change was the reason for this matter to be brought back to the Cabinet. The Exempt Report set out the latest position in relation to the condition of the property and the details of the financial assessments that had been carried out, including an estimated cost of acquiring the property through the compulsory purchase process.

In discussing this matter, the Cabinet maintained its view that this was a key site in the regeneration of Aldershot town centre. It was confirmed that, should the Cabinet choose to acquire the property by the compulsory purchase process, this would take longer to complete, estimated to be at least two years. It was further confirmed that the significant funding secured from Homes England was conditional upon the ability to drawdown and spend the allocation by early in 2021. It was considered that the project was unlikely to be completed in this timescale if the compulsory purchase route was taken. The Cabinet felt that the delay involved with compulsory purchase, compared to a negotiated settlement, along with the consequential risk of the loss of significant external funding, would not be acceptable in terms of progressing the regeneration of Aldershot town centre.

The Cabinet RESOLVED that the acquisition of the property, by agreement, at the purchase price set out in paragraph 4.2 of Exempt Report No. CEX1901, be approved.

The Meeting closed at 8.30 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 26th November, 2018 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr J.E. Woolley (Chairman)
Cllr Jacqui Vosper (Vice-Chairman)

Cllr Sue Carter
Cllr M.S. Choudhary
Cllr A.K. Chowdhury
Cllr A.H. Crawford
Cllr A.J. Halstead
Cllr B. Jones
Cllr Marina Munro
Cllr M.D. Smith

Apologies for absence were submitted on behalf of Cllr Liz Corps.

22. MINUTES

The minutes of the meeting held on 24th September, 2018 were approved and signed by the Chairman.

23. TREASURY MANAGEMENT MID-YEAR REPORT

The Committee considered the Executive Head of Finance's Report No. FIN1836, which set out the main activities of the Treasury Management Operations during the first half of 2018/19, provided an update on the current economic conditions affecting Treasury Management decisions and a forward look for the remainder of the financial year.

It was noted that the Council's full year 2018/19 budgeted investment income interest was estimated to be £835,000, compared to the original budget for the year of £846,000. Borrowing interest costs for the financial year were estimated to be £262,000 compared to a budget of £296,000 contained in the original budget for 2018/19.

The Committee was advised that the treasury team continued to concentrate on the security of deposits/investments while keeping a keen regard to the income returns available. Members were informed that the £5 million investment in Payden & Rygel's Sterling Reserve Fund had provided a 0.79% income performance. Due to the low level of income returned an alternative pooled fund option was being considered.

As a borrowing authority, any bonds that the Council redeemed would offset the need to borrow. However, interest income would then be lost which had a revenue implication. The Committee was advised that current short-term borrowing rates were around 1% and there was an option to reinvest a current active bond on redemption with a higher yielding pooled fund, producing a net benefit when taking into account borrowing rates. To enable a reinvestment of a Covered Bond in pooled funds the investment limit for pooled funds needed to be increased above the current £20 million limit by £5 million.

It was estimated that the Council's commitment towards capital expenditure in the current year would raise the level of external borrowing at the end of the year. Further capital expenditure in 2018/19 and future years would require further additional borrowing. Higher yielding pooled fund investments would be retained for as long as possible, as their redemption in the future to raise cash for capital purposes would cause significant revenue effects in relation to the loss of investment income.

It was confirmed that all treasury management activities undertaken during the first half of the financial year had fully complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. The Council continued to seek to diversify its investments in order to maximise returns and to safeguard the Council's treasury management position.

During discussion, a question was raised regarding a previous request made for Arlingclose to attend a meeting of the Committee. It was agreed that this would be followed up. Members also raised questions regarding how long the Payden & Rygel's Sterling Reserve Fund had been underperforming and also on short-term investments and these were answered by the Executive Head of Finance. A question concerning the incremental impact of capital investment decisions would be given a written response by the Executive Head of Finance.

RESOLVED: That

- (i) the Executive Head of Finance's Report No. FIN1836 be noted;
- (ii) the low level of investment income returned from Payden & Rygel's Sterling Reserve pooled fund and the option to replace it with a higher yielding fund be noted; and
- (iii) approval be given to an increase of £5 million in the Collective Investment Schemes (pooled funds) investment limit, as set in the Annual Treasury Management Strategy for 2018/19 and approved by the Council on 22nd February 2018.

24. **INTERNAL AUDIT UPDATE**

The Committee considered the Audit Manager's Report No. AUD1805 which gave an overview of the work completed by Internal Audit for Quarter 2, an update on progress made on expected deliverables for Quarters 3 and 4 and a schedule of work expected to be delivered in Quarter 4.

The Committee noted the status of audit findings following audit work carried out within Quarter 2 in respect of :

- Purchase Ledger
- GDPR
- Cyber Security

The status of the following audit findings would be reported to the Committee meeting in January 2019:

- IT access controls
- Weekly refuse and recycling contract
- Parking machine income follow-up
- Portable IT equipment follow-up
- Transparency code follow-up
- Depot

The Committee was also advised that work had been carried out in order to establish the current demands on the Corporate Investigations Officers, who now came under Internal Audit, so that a work programme could be established for the 2019/20 financial year and quarterly updates provided to the Committee on their work.

The Report also set out the work expected to be delivered in Quarters 3 and 4, on which an update would be provided at the next meeting in January, 2019.

During discussion, Members requested further information concerning the recommendations made regarding the purchase ledger audit.

RESOLVED: That

- (i) the audit work carried out in Quarter 2 be noted;
- (ii) the update to the expected deliverables for Quarter 3; and
- (iii) the expected deliverables for Quarter 4 be endorsed.

25. **DATA PROTECTION BREACH POLICY**

The Committee considered the Audit Manager's Report No. AUD1807 which set out an updated Data Protection Breach Policy to meet the new General Data Protection Regulation (GDPR), including a form to record all data breaches. The updated policy would ensure that any data breaches, whether paper or electronic, were dealt with appropriately and the necessary action taken to mitigate the risk and, where necessary, inform individuals and regulatory bodies (eg the Information Commissioner's Office or National Cyber Security Centre).

The policy would be communicated to Members and Officers. A training session would be held at a middle-managers meeting to highlight the key issues and actions to be taken. This would then be cascaded down to all employees and Members.

The communication of the policy to new employees would be carried out during induction sessions.

During discussion, clarification was sought regarding registration with the Information Commissioner's Office.

RESOLVED: That approval be given to the Data Protection Breach Policy, as set out in the Audit Manager's Report No. AUD1807.

26. **AUDIT CHARTER**

The Committee considered the Audit Manager's Report No. AUD1806 which set out the purpose, authority and responsibility of Internal Audit within the Council.

It was noted that, as part of the Public Sector Internal Audit Standards, there was a requirement to have an Internal Audit Charter in place. As part of the Quality Assurance Improvement Plan, it was agreed that an Internal Audit Charter would be developed to ensure there was greater compliance towards the standards. The Charter would be updated annually and considered by the Committee, in line with the requirements of the Public Sector Internal Audit Standards.

RESOLVED: That the Audit Manager's Report No. AUD1806 be approved.

27. **URGENT ADDITIONAL ITEM - PROPOSED VARIATION TO THE STANDARD SEX SHOP LICENCE CONDITIONS**

The Chairman had agreed that this item could be included in the business of the meeting as a matter of urgency.

The Committee considered the Head of Operational Services' Report No. EHH1826 which outlined proposals to vary the standard conditions applied to sex shop licences. It was noted that the Council's standard conditions had previously been reviewed in 1999. Darker Enterprises Limited had recently submitted a request seeking permission to modernise its premises. Consideration of the request had prompted a review of the standard conditions, which required updating to take account of changes in the law and the experience of officers engaged in the regulation of the premises.

The Report set out the proposed standard conditions. It was noted that, following the removal of conditions that duplicated other regulatory requirements, the amended standard conditions consolidated the previous set of standard conditions and those of other authorities with licensed premises within the Hampshire & Isle of Wight Licensing Officers Group. It was further proposed that a six weeks period of public consultation would be undertaken in respect of the proposed changes. If no representations were made on the consultation, the revised conditions would take effect from 1st February 2019. Any substantive feedback would be referred back to the Committee for consideration.

RESOLVED: That

- (i) approval be given to the proposed standard conditions for licensed sex shops for public consultation for a six weeks period; and
- (ii) if no substantive representations be made during the consultation period, the revised conditions to take effect from 1st February, 2019.

28. **URGENT ADDITIONAL ITEM - APPOINTMENT OF EXECUTIVE HEAD OF FINANCE AND SECTION 151 OFFICER**

The Chairman had agreed that this item could be included in the business of the meeting as a matter of urgency.

The Committee was advised that, following interviews on 23rd November, 2018 by a panel of Members, consisting of the Chairman, Cllrs P.F. Rust, D.M.T. Bell, D.E Clifford (Leader of the Council) and Barbara Hurst (Cabinet Member), the post of Executive Head of Finance and Section 151 Officer had been offered to, and verbally accepted by, Mr David Stanley.

RESOLVED: That

- (i) approval be given to the appointment of David Stanley as the Executive Head of Finance and Section 151 Officer, subject to references and no Cabinet objection; and
- (ii) the Chief Executive, in consultation with the Chairman, formally appoint the candidate, Mr David Stanley.

The meeting closed at 8.12 pm.

CLLR J.E. WOOLLEY (CHAIRMAN)

DEVELOPMENT MANAGEMENT COMMITTEE

Meeting held on Wednesday, 5th December, 2018 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr B.A. Thomas (Chairman)
Cllr J.H. Marsh (Vice-Chairman)

Cllr Mrs. D.B. Bedford
Cllr D.M.T. Bell
Cllr R.M. Cooper
Cllr Sue Dibble
Cllr Jennifer Evans
Cllr A.R. Newell

Apologies for absence were submitted on behalf of Cllr P.I.C. Crerar, Cllr C.P. Grattan and Cllr Mara Makunura.

Cllr Veronica Graham-Green and Cllr P.F. Rust attended the meeting as Standing Deputies.

Non-Voting Member

Cllr Barbara Hurst (Planning and Economy Portfolio Holder) (ex officio)

41. DECLARATIONS OF INTEREST

Cllr A.R. Newell declared a prejudicial interest in respect of planning application 18/00683/FULPP (Unit 10, Springlakes Industrial Estate, Deadbrook Lane, Aldershot) in respect of his ownership of a property in the vicinity and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting thereon.

42. MINUTES

The Minutes of the meeting held on 7th November, 2018 were approved and signed by the Chairman.

43. PLANNING APPLICATIONS

RESOLVED: That

- (i) permission be given to the following application, as set out in Appendix "A" attached hereto, subject to the conditions, restrictions and prohibitions (if

any) mentioned therein:

- * 18/00683/FULPP (Unit 10, Springlakes Industrial Estate, Deadbrook Lane, Aldershot);
- (ii) the applications dealt with by the Head of Economy, Planning and Strategic Housing, where necessary in consultation with the Chairman, in accordance with the Council's Scheme of Delegation, more particularly specified in Section "D" of the Head of Economy, Planning and Strategic Housing's Report No. PLN1831, be noted;
- (iii) the following applications be determined by the Head of Economy, Planning and Strategic Housing, in consultation with the Chairman:
 - * 16/00981/FULPP (Aldershot Bus Station, No. 3 Station Road, Aldershot);
 - * 18/00709/FULPP (Hawley Yard, land adjacent to Green Hedges, Hawley Road, Blackwater, Camberley);
- (iv) the current position with regard to the following applications (as updated at the meeting) be noted pending consideration at a future meeting:
 - 18/00225/LBCPP (Ramsden Garden Wall Memorial – Montgomery Lines, Aldershot);
 - 18/00367/OUTPP (Former Police Station, Pinehurst Avenue, Farnborough);
 - 18/00614/FULPP (Randell House, Fernhill Road, Blackwater, Camberley);
 - * 18/00818/FULPP (Nos. 68-70 Giffard Drive, Farnborough);
- (v) the receipt of a petition in respect of the following application be noted:
 - 18/00683/FULPP (Unit 10, Springlakes Industrial Estate, Deadbrook Lane, Aldershot);
 - * The Head of Economy, Planning and Strategic Housing's Report No. PLN1831 in respect of these applications was amended at the meeting

44. **SITE VISITS**

RESOLVED: That

- (i) a site visit be undertaken in respect of the following planning application for the reason set out:

Application No.	Address	Reason for Site Visit
18/00818/FULPP	Nos. 68-70 Giffard Drive, Farnborough	To help Members understand the issues given that the previous application on this site had been contentious.

- (ii) the date of the next scheduled site visit (if required) be changed to 5th January, 2019, from 29th December, 2018.

45. REPRESENTATIONS ON APPLICATIONS

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

Application No.	Address	Representation	In support of or against the application
16/00981/FULPP	Aldershot Bus Station, No. 3 Station Road, Aldershot	Mrs. M. Bailey	Against
18/00709/FULPP	Hawley Yard, land adjacent Green Hedges, Hawley Road, Blackwater, Camberley	Mr. N. Cobbold	In support

46. APPLICATION NO. 16/00981/FULPP - ALDERSHOT BUS STATION, NO. 3 STATION ROAD, ALDERSHOT

The Committee considered the Head of Economy, Planning and Strategic Housing’s Report No. PLN1831 (as amended at the meeting) regarding the demolition of existing bus station and re-development of site with the erection of a mixed use building comprising three ground floor commercial units with flexible use falling within Use Classes A1, A2, A3, A4, A5 or laundrette (sui generis); and upper floor residential use (Use Class C3) comprising 32 market residential flats (18 one-bedroom, 12 two-bedroom and two three-bedroom units) with associated on-site servicing and parking areas.

It was noted that the recommendation was to grant permission subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 5th February, 2019.

RESOLVED: That

- (i) subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 5th February, 2019 to secure the following:
 - (a) a financial contribution of £147,265 towards the maintenance of Special Protection Area (SPA) avoidance and mitigation;
 - (b) a £52,925 Public Open Space Contribution; and
 - (c) financial liability re-assessment clauses in the event that the implementation and completion of the scheme is protracted and market conditions improve the value of the scheme;

the Head of Economy, Planning and Strategic Housing, in consultation with the Chairman, be authorised to grant planning permission, subject to the conditions and informatives set out in the Report (as amended at the meeting); and

- (ii) in the event that a satisfactory Section 106 planning obligation is not received by 5th February, 2019, the Head of Economy, Planning and Strategic Housing, in consultation with the Chairman, be authorised to refuse planning permission on the grounds that the proposal does not make satisfactory provision for public open space in accordance with Core Strategy Policies CP10, CP11 and CP12 and saved Local Plan Policy OR4; and a financial contribution to mitigate the effect of the development on the Thames Basin Heaths Special Protection Area in accordance with The Rushmoor Thames Basin Heaths Special Protection Area Interim Avoidance and Mitigation Strategy and Core Strategy Policies CP11 and CP13.

47. APPLICATION NO. 18/00709/FULPP - HAWLEY YARD, LAND ADJACENT GREEN HEDGES, HAWLEY ROAD, BLACKWATER, CAMBERLEY

The Committee considered the Head of Economy, Planning and Strategic Housing's Report No. PLN1831 (as amended at the meeting) regarding the re-development of site with ten dwellings (comprising six two-bedroom and four three-bedroom units) with associated vehicular access road, parking and acoustic fence following demolition of existing buildings.

It was noted that the recommendation was to grant permission subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 23rd December, 2018.

RESOLVED: That

- (i) subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 23rd December, 2018 to secure the SPA, Strategic Access Management and Monitoring Measures (SAMMs) and Public Open Space contributions as set out in the report, the Head of Economy, Planning and Strategic Housing, in consultation with the Chairman, be authorised to grant planning permission subject to the

conditions and informatives set out in the Report (as amended at the meeting); and

- (ii) in the event that a satisfactory Section 106 planning obligation is not received by 23rd December, 2018, the Head of Economy, Planning and Strategic Housing, in consultation with the Chairman, be authorised to refuse planning permission on the grounds that the proposal does not make satisfactory provision for a public open space contribution in accordance with Core Strategy Policies CP10, CP11 and CP12 and saved Local Plan Policy OR4; and a financial contribution to mitigate the effect of the development on the Thames Basin Heaths Special Protection Area in accordance with The Rushmoor Thames Basin Heaths Special Protection Area Interim Avoidance and Mitigation Strategy and Core Strategy Policies CP11 and CP13.

48. ENFORCEMENT AND POSSIBLE UNAUTHORISED DEVELOPMENT - NO. 76 ALEXANDRA ROAD, ALDERSHOT

The Committee considered the Head of Economy, Planning and Strategic Housing's Report No. PLN1832 regarding the building of a new boundary fence over one metre in height and the erection of a wooden shed to the front of the property without permitted development rights. The property owners had been invited to submit a planning application for the retention of the boundary fence and shed. To date, no application had been submitted. The Committee was advised that were an application to be submitted, it would be recommended for approval.

RESOLVED: That no further action be taken.

49. PINEHURST HOUSE, NO. 117 FARNBOROUGH ROAD, FARNBOROUGH

The Committee received the Head of Economy, Planning and Strategic Housing's Report No. PLN1833 which requested authority for the Council to complete a Section 106 legal agreement in relation to Pinehurst House, No. 117 Farnborough Road, Farnborough.

The Committee was reminded that permission had been refused at the previous meeting of the Committee for Reasons relating to:

1. the design, mass, bulk and height of the additions to the building;
2. failure to secure Section 106 contributions towards Special Protection Area Mitigation and Avoidance;
3. failure to secure Section 106 contributions towards public open space; and
4. failure to secure Section 106 contributions towards transport provision.

The applicants had approached the Solicitor to the Council to request that work could be undertaken with the Council to produce a draft Section 106 Agreement seeking to address Reasons for Refusal Nos. 2, 3 and 4. Authority was therefore being sought from the Development Management Committee for the Head of Economy, Planning and Strategic Housing, in consultation with the Solicitor to the Council, to prepare the necessary draft Section 106 Agreement to address these matters.

The Committee was assured that this work would not affect the Council's position in relation to Reason for Refusal No. 1 but would remove the need for the Council to defend Reasons for Refusal Nos. 2, 3 and 4 with the appeal proceedings, were an appeal to be lodged formally.

RESOLVED: That the Head of Economy, Planning and Strategic Housing, in consultation with the Solicitor to the Council, be authorised to complete a legal agreement to address the impacts of the development as identified in Reasons for Refusal Nos. 2, 3 and 4 as set out in detail in the Minutes of the meeting of the Development Management Committee held on 7th November, 2018.

50. **DEED OF VARIATION - LAND AT GUILLEMONT PARK SUN PARK, MINLEY ROAD, FARNBOROUGH**

The Committee received the Head of Economy, Planning and Strategic Housing's Report No. PLN1834 (as amended at the meeting) which sought authority to vary the terms of the Section 106 Agreement, approved in 2014, in relation to Phase 1 of the Sun Park residential redevelopment.

The purpose of the Report was to seek authority to vary the terms of the 2014 Section 106 Agreement in respect of amendments to the definitions of Registered Provider Mortgagee and the Mortgagee in Possession to satisfy the requirements of the lenders to the Registered Affordable Housing Provider (Synergy Housing Limited, part of the Aster Group) for securitisation purposes.

RESOLVED: That the Solicitor to the Council, subject to being satisfied, in consultation with the Head of Economy, Planning and Strategic Housing, with the proposed terms, be authorised to enter into a Deed of Variation, incorporating the changes outlined in the Head of Economy, Planning and Strategic Housing's Report No. PLN1834 (as amended at the meeting).

The meeting closed at 8.05 pm.

CLLR B.A. THOMAS (CHAIRMAN)

**Development Management Committee
5th December 2018**

Appendix "A"

Application No. & Date Valid: **18/00683/FULPP** **18th September 2018**

Proposal: Erection of extension to front of existing building to provide additional workshop area and a mezzanine office at **Unit 10 Springlakes Industrial Estate Deadbrook Lane Aldershot**

Applicant: Camberley Rubber Mouldings Ltd

Conditions: 1 The development hereby permitted shall be begun before the expiration of three years from the date of this permission.

Reason - As required by Section 91 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

2 The permission hereby granted shall be carried out in accordance with the following approved drawings - Dawson Group Drawing Nos.4381G 00 REV05 GROUND FLOOR PLAN; 4381G 01 REV.03 SECTION; 4381G 04 REV04 MEZZANINE PLAN; 4381G 03 REV03 PROPOSED SITE PLAN; 4381G 08 REV00 CAR PARK EXISTING; 4381G 09 REV00 CAR PARK PROPOSED; 4381G 05 REV03 S-E ELEVATION; 4381G 06 REV04 S-W ELEVATION; 4381G 07 REV03 N-E ELEVATION; & 4381G 02 REV02 EXISTING SITE PLAN; BLUE JET 1:500; and BLUE JET 1:1250.

Reason - To ensure the development is implemented in accordance with the permission granted.

3 Construction of the following elements of the development hereby approved [the external walls, roofing materials, and window frames/glazing] shall not start until a schedule and/or samples of the materials to be used in them have been submitted to, and approved in writing by, the Local Planning Authority. Those elements of the development shall be carried out using the materials so approved and thereafter retained.

Reason - To ensure satisfactory external appearance. *

- 4 Construction or demolition work of any sort within the area covered by the application shall only take place between the hours of 0800-1800 on Monday to Fridays and 0800-1300 on Saturdays. No work at all shall take place on Sundays and Bank or Statutory Holidays.

Reason - To protect the amenities of neighbouring residential properties and to prevent adverse impact on traffic and parking conditions in the vicinity.

- 5 The roller shutter door in the extension hereby approved shall be kept shut except when being used for access to and from the building. No works that are audible at the facade of the nearest nearby residential property shall take place within the building whilst the door is open.

Reason - To protect the amenities of occupiers of nearby residential properties.

- 6 The parking spaces shown on the plans hereby approved shall be retained at all times solely for these purposes for the use of occupiers of, and/or visitors to, the property.

Reason - To ensure the provision and availability at all times of adequate on-site parking arrangements.

- 7 No sound reproduction equipment, conveying messages, music, or other sound which is audible outside the premises shall be installed on the site.

Reason - To protect the amenity of neighbouring properties.

- 8 No additional floorspace over and above the existing 3,090 sqm plus the 203 sqm hereby approved (including mezzanine floorspace) shall be provided and/or installed within the building hereby approved.

Reason - In order for the Council to retain control over the future quantum of floorspace at the site in the interests of the amenities of the area and the safety and convenience of highway users.

- 9 Notwithstanding the provisions of the Town and Country Planning (General Permitted Development Order) 2015, (or any Order revoking and re-enacting that Order), no further windows, doors or openings of any kind (including in respect of the installation of plant and/or extraction equipment shall be inserted in the elevations

and/or upon the roof of the development hereby permitted.

Reason - To protect the amenities of neighbouring residential properties.

- 10 In the event that unforeseen ground conditions or materials which suggest potential or actual contamination are revealed at any time during implementation of the approved development it must be reported, in writing, immediately to the Local Planning Authority. A competent person must undertake a risk assessment and assess the level and extent of the problem and, where necessary, prepare a report identifying remedial action which shall be submitted to and approved in writing by the Local Planning Authority before the measures are implemented.

Following completion of measures identified in the approved remediation scheme a verification report must be prepared and is subject to approval in writing by the Local Planning Authority.

Reason - To ensure that the site is safe for the development permitted and in the interests of amenity and pollution prevention.

- 11 Prior to first occupation or use of the development hereby approved a fully detailed landscape and planting scheme for the boundary of the application site adjoining Field Way shall be first submitted to and approved in writing by the Local Planning Authority.

All planting, seeding or turfing comprised in the approved details of landscaping shall be carried out in the first planting and seeding season following the first occupation of the development hereby approved or the practical completion of the development hereby approved, whichever is the sooner, and shall be retained thereafter.

Reason - To bolster the existing screen landscape planting on this boundary of the site in order to maintain adequate visual screening of the site from these neighbouring residential properties. *

DEVELOPMENT MANAGEMENT COMMITTEE

Meeting held on Wednesday, 16th January, 2019 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr J.H. Marsh (Vice-Chairman) (in the Chair)

Cllr Mrs. D.B. Bedford
Cllr D.M.T. Bell
Cllr R.M. Cooper
Cllr Sue Dibble
Cllr Jennifer Evans
Cllr C.P. Grattan
Cllr Mara Makunura

Apologies for absence were submitted on behalf of Cllr P.I.C. Crerar, Cllr A.R. Newell and Cllr B.A. Thomas.

Cllr Veronica Graham-Green attended the meeting as a Standing Deputy.

Non-Voting Members

Cllr Barbara Hurst (Planning and Economy Portfolio Holder) (ex officio)

Cllr D.M.T. Bell was present at the start of the meeting only and left after his Declarations of Interest.

51. DECLARATIONS OF INTEREST

Cllr D.M.T. Bell declared a prejudicial interest in respect of planning application 18/00818/FULPP (Nos. 68-70 Giffard Drive, Farnborough) as he was a patient at the medical practice associated with the planning application and, in accordance with the Members' Code of Conduct, left the meeting during the discussion and voting thereon.

52. MINUTES

The Minutes of the meeting held on 5th December, 2018 were approved and signed by the Vice-Chairman.

53. PLANNING APPLICATIONS

RESOLVED: That

(i) planning permission/consent be refused in respect of the following application as set out in Appendix “A” attached hereto for the reasons mentioned therein:

* 18/00818/FULPP (Nos. 68-70 Giffard Drive, Farnborough);

(ii) the applications dealt with by the Head of Economy, Planning and Strategic Housing, where necessary in consultation with the Chairman, in accordance with the Council’s Scheme of Delegation, more particularly specified in Section “D” of the Head of Economy, Planning and Strategic Housing’s Report No. PLN1902, be noted;

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

18/00225/LBCPP (Ramsden Garden Wall Memorial – Montgomery Lines, Aldershot);

18/00367/OUTPP (Former Police Station, Pinehurst Avenue, Farnborough);

18/00614/FULPP (Randell House, Fernhill Road, Blackwater, Camberley);

18/00887/FULPP (Abercorn House, Fernhill Road, Blackwater, Camberley);

* The Head of Economy, Planning and Strategic Housing’s Report No. PLN1902 in respect of this application was amended at the meeting

54. **SITE VISIT**

RESOLVED: That a site visit be undertaken in respect of the following planning application for the reason set out:

Application No.	Address	Reason for Site Visit
18/00887/FULPP	Abercorn House, Fernhill Road, Blackwater, Camberley	To assist in consideration of the application given the proximity to properties in Woodlands Close.

55. **REPRESENTATIONS BY THE PUBLIC**

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

Application No.	Address	Representation	In support of or against the application
18/00818/FULPP	Nos. 68-70 Giffard Drive, Farnborough	Mr. P. Boyle Dr. I. Stuart	Against In support

56. **APPEALS PROGRESS REPORT**

The Committee received the Head of Economy, Planning and Strategic Housing's Report No. PLN1903 concerning the following new appeals:

Address	Description
Park End, No. 152 Sycamore Road, Farnborough	Against the refusal of planning permission for the erection of a three-bedroom detached house on land to the rear, with access to the public highway via King George Close. It was noted that this appeal was being dealt with by means of the written procedure and that an application for costs against the Council had also been made.
Nos. 110-118 Victoria Road, Farnborough	Against the refusal of planning permission for the demolition of Nos. 110-118 Victoria Road and the erection of 42 apartments (27 one-bedroom and 15 two-bedroom) for the elderly (sixty years of age and/or partner over fifty-five years of age), guest apartment, communal facilities, access, car parking and landscaping. It was noted that this appeal was being dealt with by means of the written procedure.

RESOLVED: That the Head of Economy, Planning and Strategic Housing's Report No. PLN1903 be noted.

57. **APPLICATION NO. 18/00140/FULPP - MEUDON HOUSE, MEUDON AVENUE, FARNBOROUGH**

The Committee received information regarding an urgent decision, made in consultation with the Vice-Chairman, to extend the deadline for the completion of the Section 106 Planning Obligation in respect of the redevelopment of the above site comprising the demolition of existing structures and the erection of 205 dwellings comprising 93 one-bedroom flats; 80 two-bedroom flats and 32 three-bedroom townhouses with associated access, parking and landscape arrangements, in accordance with the application under the above reference.

Members were reminded that the Committee had resolved to grant planning permission on 7th November, 2018 for the above redevelopment, subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 19th December, 2018.

It was reported that despite best endeavours between the parties, the applicants had been concerned that the deadline would not be achievable and had requested an extension of the deadline to 31st January, 2019.

The extension of time for completion of the agreement after the deadline of 19th December, 2018 had required further authority to grant planning permission. Therefore, in accordance with Part 3 - 'Responsibility for Functions', Paragraph 6 of the Constitution, the Head of Economy, Planning and Strategic Housing, in consultation with the Vice-Chairman of the Development Management Committee, had amended the terms of the resolution of 7th November, 2018 to extend the deadline for the completion of the Planning Obligation under Section 106 until 31st January, 2019.

RESOLVED: That the report be noted and the action taken be endorsed.

58. **APPLICATION NO. 18/00623/FULPP - NOS. 110-118 VICTORIA ROAD, FARNBOROUGH**

The Committee received information regarding an urgent decision, made in consultation with the Vice-Chairman, to extend the deadline for the completion of the Section 106 Planning Obligation in respect of the redevelopment of the above site comprising the demolition of five detached dwellings and the erection of 42 apartments (26 one-bedroom and 16 two-bedroom) for the elderly (60 years of age and/or partner over 55 years of age), guest apartment, communal facilities, access, car parking and landscaping, in accordance with the application under the above reference.

Members were reminded that the Committee had resolved to grant planning permission on 10th October, 2018 for the above redevelopment, subject to the completion of a satisfactory Planning Obligation under Section 106 of the Town and Country Planning Act 1990 by 6th December, 2018.

It was reported that the applicants had been unable to complete the required agreement in accordance with the resolution because they had experienced difficulty in obtaining the necessary signatures to complete the legal agreement, specifically a bank mortgagee, and the applicants had requested an extension in time to obtain this signature and complete the agreement.

The extension of time for completion of the agreement after the deadline of 6th December, 2018 had required further authority to grant planning permission. Therefore, in accordance with Part 3 - 'Responsibility for Functions', Paragraph 6 of the Constitution, the Head of Economy, Planning and Strategic Housing, in consultation with the Vice-Chairman of the Development Management Committee, had amended the terms of the resolution of 10th October, 2018 to extend the deadline for the completion of the Planning Obligation under Section 106 until 18th January, 2019.

RESOLVED: That the report be noted and the action taken be endorsed.

59. **NOS. 110-118 VICTORIA ROAD, FARNBOROUGH - SECTION 106 AGREEMENT**

The Committee received the Head of Economy, Planning and Strategic Housing's Report No. PLN1907 which requested authority for the Council to complete a Section 106 legal agreement in relation to Nos. 110-118 Victoria Road, Farnborough.

The Committee was reminded that permission had been refused by the Development Management Committee in March, 2018 for the demolition of Nos. 110-118 Victoria Road and the erection of 42 apartments (27 one-bedroom and 15 two-bedroom) for the elderly (60 years of age and/or partner over 55 years of age), guest apartment, communal facilities, access, car parking and landscaping for Reasons relating to:

1. the height and massing of the proposed building;
2. the unacceptable loss of privacy to the occupiers of No. 108 Victoria Road by virtue of overlooking between the development and this property;
3. the unacceptable living environment for residents by virtue of the lack of kitchen windows serving a number of flats;
4. conflict in respect of parking provision for cars, mobility scooters and cycles and unacceptable refuse collections arrangements, with the objectives policy CP16 of the Rushmoor Core Strategy and the Council's adopted Car and Cycle Parking Standards 2017 and regard to policy IN2 of the Rushmoor Local Plan Draft Submission June 2017.
5. failure to secure Section 106 contributions towards Special Protection Area Mitigation and Avoidance;
6. failure to secure Section 106 contributions towards public open space; and
7. failure to secure Section 106 contributions towards transport provision.

The applicants had approached the Solicitor to the Council to request that work should be undertaken with the Council to produce a draft Section 106 Agreement seeking to address Reasons for Refusal Nos. 5, 6 and 7 and to address the issue of affordable housing. Authority was therefore being sought from the Development Management Committee for the Head of Economy, Planning and Strategic Housing, in consultation with the Corporate Manager, Legal Services, to prepare the necessary draft Section 106 Agreement to address these matters.

The Committee was assured that by entering this Agreement, the Council's position in relation to the Reasons for Refusal set out above was not affected, but would remove the need for the Council to defend these matters, as far as can be agreed, as part of any appeal. It was noted that the issue of SANG mitigation would not form part of this Agreement.

The Committee was also reminded that permission had been granted by the Development Management Committee in October, 2018 for a revised scheme involving the demolition of five detached dwellings and the erection of 42 apartments (26 one-bedroom and 16 two-bedroom) for the elderly (60 years of age and/or partner over 55 years of age), guest apartment, communal facilities, access, car parking and landscaping.

RESOLVED: That the Head of Economy, Planning and Strategic Housing, in consultation with the Corporate Manager - Legal Services, be authorised to enter into a legal agreement to address the impact of the development as set out above and in detail in the report considered by the Development Management Committee on 28th March, 2018.

The meeting closed at 7.45 pm.

LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 28th January, 2019 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr J.E. Woolley (Chairman)
Cllr Jacqui Vosper (Vice-Chairman)

Cllr Sue Carter
Cllr M.S. Choudhary
Cllr Liz Corps
Cllr A.H. Crawford
Cllr B. Jones
Cllr Marina Munro
Cllr M.D. Smith

29. MINUTES

The minutes of the meeting held on 26th November, 2018 were approved and agreed by the Chairman.

30. SELECTION OF THE MAYOR AND DEPUTY MAYOR 2019/20

The Chief Executive reported on the outcome of the selection process for the Mayor-Elect and the Deputy Mayor-Elect for 2019/20. The Chief Executive had contacted the appropriate Members on the seniority list and reported that Cllr Peter Frank Rust was the next Member able to accept the nomination for Deputy Mayor. Through normal progression, Cllr Sue Carter, currently Deputy Mayor, would progress to the position of Mayor for 2019/20.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr Sue Carter be appointed as Mayor-Elect for the 2019/20 Municipal Year; and
- (ii) Cllr Peter Frank Rust be appointed as Deputy Mayor-Elect for the 2019/20 Municipal Year.

31. INTERNAL AUDIT UPDATE

The Committee considered the Audit Manager's Report No. AUD1901, which described the work carried out by Internal Audit for quarter 3 and the proposed work to be delivered for quarter 4.

Members were advised that the following audit work had been carried out in quarter 3:

- Council depot
- Transparency Code follow-up

It was noted that there had been a delay in some of the audits carried out by the contract auditors due to two officers being on long periods of sickness. There had been an assurance from the senior auditor at Wokingham Borough Council that all the audits required would be completed by the end of March, as per the contract.

The Committee was advised that the following work was expected to be delivered in quarter 4, subject to change due to the changing needs of the organisation or resource availability:

- Contract management
- Corporate governance
- Benefits
- Recovery
- Sales ledger
- Purchase of property follow-up
- Card payments follow-up
- Contract letting and tendering follow-up
- IT portable equipment follow-up
- Planning applications
- Disabled Facilities Grant
- Capital Programme Management
- Risk management

During discussion, Members referred to the audit findings on the Depot and the lessons to be learned going forward. Following a question, the Chief Executive undertook to provide cost/benefit analysis information to the Committee.

RESOLVED: That

- (i) the audit work carried out in quarter 3 be noted;
- (ii) the update to the expected deliverables for quarter 4 be noted; and
- (iii) the expected deliverables for quarter 4 be endorsed.

32. **EXTERNAL AUDIT PLAN**

The Chairman welcomed Justine Thorpe (Audit Manager, Ernst & Young) to the meeting. The Committee received a copy of Ernst & Young's Audit Plan for the 2017/18 audit, which provided a basis on which to review the proposed approach and scope for the audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the

Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

The Audit Plan summarised the auditor's initial assessment of the key risks driving the development of an effective audit for the Council and outlined the planned audit strategy in response to those risks. It was noted that the Audit Plan would cover the work that was planned to provide the Council with:

- an audit opinion on whether the financial statements gave a true and fair view of the financial position as at 31st March 2019 and of the income and expenditure for the year then ended; and
- a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

The audit would also take into account several key inputs, including:

- strategic, operational and financial risks relevant to the financial statements;
- developments in financial reporting and auditing standards;
- the quality of systems and processes;
- changes in the business and regulatory environment; and
- management's views on all of these inputs.

During discussion, the Executive Head of Finance and Audit Manager of Ernst & Young answered questions regarding the valuation of land and buildings, depreciation of assets, the budget strategy and budget savings and income generation.

RESOLVED: That the Audit Planning report by Ernst & Young for the year ended 31st March 2019 be noted.

33. **CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT**

The Committee received the external auditor's report on housing benefit subsidy certification work for the Council's 2017-18 housing benefit claim.

It was noted that the housing benefits subsidy claim with a total value of £35,785,954 had been checked and certified. Ernst & Young had not had to amend the Council's claim. The certification fee for the 2017-18 housing benefit subsidy claim was £8,652.

From 2018-19 onwards the Council would be responsible for appointing its own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process requirements that had been established by the Department for Work and Pensions. The Council had not appointed Ernst & Young as its reporting accountant from 2018-19.

RESOLVED: That Ernst & Young's report on housing benefit subsidy certification work for the 2017-18 housing benefit claim be noted.

34. **TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2019/20**

The Committee considered the Executive Head of Finance's Report No. FIN1905, which set out the proposed Treasury Management Strategy and Investment Strategy for 2019/20, including the borrowing and investment strategies and treasury management indicators for capital finance for 2019/20 and the Minimum Revenue Provision Statement.

It was noted that CIPFA had conducted reviews of the Prudential Code and the Treasury Management Code of Practice in 2017 and that the Ministry of Housing, Communities and Local Government had also issued revised guidance on Local Government Investment. The Treasury Management Strategy Statement for 2019/20 and the Investment Strategy had been prepared in accordance with the new guidance.

Arlingclose advice continued to indicate that the Council should diversify investment risk by spreading smaller amounts over an increasing number of counterparties wherever possible. The Council was progressively incurring further borrowing and Arlingclose had advised that, in the circumstances of some current investments reaching their maturity date, the Council should replace them with long-term pooled funds. This strategy allowed for the maintained level of principal sums to be invested during a period when borrowing was increasing.

The Committee noted that the Council had incurred prudential code borrowing in 2017/18 in the sum of £5.89 million in relation to its capital expenditure. Further borrowing to support the financing of the Council's approved Capital Programme for the year 2018/19 would also be required. The Council would commence the 2019/20 financial year in a position where investment holdings continued to remain significant (although less than in previous financial years) but it also carried some accumulating debt. There would be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

It was advised that careful observation of the "gross debt v capital financing requirement" indicator would need to be undertaken progressively throughout the financial year. Where a material change to the proposed strategies during the year was required, a revised strategy would be presented to the Council before the change was implemented.

During discussion, Members raised the question about Arlingclose being invited to brief the Committee. It was agreed that this would be actioned as a briefing seminar for all Members. Questions were also raised regarding the valuation of commercial properties, which were answered by the Executive Head of Finance.

RESOLVED: That:

- (i) the Cabinet be recommended to approve

- (a) the Treasury Management Strategy and Annual Borrowing Strategy as set out in Appendix A to the Executive Head of Finance's Report No. FIN1905;
 - (b) the Annual Investment Strategy, as set out in Appendix B; and
 - (c) the Minimum Revenue Position Statement, as set out in Appendix C; and
- (ii) an all Member seminar be organised on the role and work of Arlingclose in due course.

The meeting closed at 8.17 pm.

CLLR J.E. WOOLLEY (CHAIRMAN)

This page is intentionally left blank

OVERVIEW AND SCRUTINY COMMITTEE

Meeting held on Thursday, 13th December, 2018 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr M.D. Smith (Chairman)
Cllr Mrs. D.B. Bedford (Vice-Chairman)
Cllr J.B. Canty (Vice-Chairman)

Cllr M.S. Choudhary
Cllr R.M. Cooper
Cllr K. Dibble
Cllr Veronica Graham-Green
Cllr B. Jones
Cllr Nadia Martin
Cllr B.A. Thomas

Apologies for absence were submitted on behalf of Cllr T.D. Bridgeman

19. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 1st November, 2018 were agreed as a correct record.

20. TRAVELLER INCURSIONS - ARRANGEMENTS

The Committee welcomed, Ms Helen Payne, Principal Environmental Health Officer, and Katharine Opie, Environmental Health Technical Officer, who were in attendance to give an overview of the Council's process of dealing with unauthorised encampments.

The key priority in the first instance of dealing with unauthorised encampments was to establish whose land the encampment was on. Once this was determined, the relevant organisation could begin the process to evict the travellers. If an encampment was on Council owned land a site visit would be carried out to assess the situation and identify any potential issues such as vulnerable people and those with particular educational, health and wellbeing or housing needs. Should any issues be identified the individuals would be signposted to organisations which could offer support and advice. Facilities on the site were also checked, including the provision of running water and toilets.

At this stage in the process a Notice of Direction would be issued to leave the land forthwith. This notice would be given to each individual and attached to every vehicle/caravan on the site and displayed at the entrance of the site. The individuals were requested to attend the Magistrates Court for the summons to be signed, once signed; 24 hours must pass until the court hearing. When the complaint had been

heard in the Magistrates Court, an eviction notice could be issued. The departure from the site would then be negotiated and the eviction enforced if necessary. The Committee noted that it was an offence not to comply with the order and individuals were not allowed to return to the site within three months of the Notice of Direction.

Police involvement in the process was part of the Section 61 Criminal Justice and Public Order Act. The police would become involved if two or more people were found to be trespassing by residing on land and had caused damaged to property or land, and/or if six or more vehicles were situated on the land. The Council would carry out welfare checks on behalf of the Police and the land owner would then need to follow the process to remove the trespassers from their land. In some cases the Police may issue a Notice of Direction to leave the land.

The Committee discussed the recent incursion on the car park at the former Southwood Golf Course. The Council had successfully moved the travellers on within eight days, the site had then been cleared and new prevention measures put in place. Prevention measures had included new heavy weight concrete barriers over the entrance to the car park and a trench dug on the opposite side of the road to prevent the travellers gaining access. Court costs had been incurred as part of this eviction and a bailiff had been engaged.

The Committee reviewed data showing the number of unauthorised encampments over the last seven years to date across the Borough and the number, which had been on Council owned land; the numbers averaged about three per year on Council land during this period. The average length of stay on Council land was 2.6 days compared to 3.5 days for land owned by others over the same period.

The Committee discussed legitimate reasons why travellers might be allowed to remain on the land for longer periods, these might include pregnancy/birth and mechanical failure.

The Committee discussed the presentation and requested that great emphasis should be placed on prevention measures and that information should be obtained on the costs relating to the incursion at the former Southwood Golf Course car park.

ACTION:

Action to be taken:	By Whom:	When:
To provide detail of the costs incurred relating to the eviction of the travellers from the former Southwood Golf Course car park. Cost should include: <ul style="list-style-type: none"> • Cost of court fees and the engagement of bailiffs • Cost of prevention measures, site clearance and man hours 	Helen Payne, Principal Environmental Health Officer Ashley Sharpe, Principal Contracts Manager	January, 2019

21. **PERFORMANCE MONITORING QUARTER 2 2018/19**

The Committee reviewed the information provided on performance monitoring and the following issues were raised:

- **Rough sleeping and street drinking issues in our town centres, through enforcement, deterrent and prevention** – It was noted that the timetable for this had slipped due to uncertainties surrounding the corporate structure, the new structure was now in place and final arrangements were being made to implement the scheme. The Committee requested that some clarity should be given on this from a relevant officer.
- **Future shape of the CCTV service and procurement of new cameras and maintenance and supply contract** – The Committee agreed to keep a watching brief of this issue.
- **Website visits** – The Committee requested further data on website usage, in particular how people access the web, what transaction are carried out online and how people use the Council’s website for this purpose.

A discussion was held on key indicators and the availability of live data in some areas. It was agreed that a discussion would be held at a future meeting to identify areas for further scrutiny, what a good deliverable looked like and how target dates were chosen.

The Committee were updated on the implementation of the General Data Protection Regulations (GDPR). It was noted that 37 Councillors were using Rushmoor email addresses successfully and some training had been provided to Members with more to be provided in early 2019. It was noted that not all paid staff had been trained, and consideration was being given to how this would take place going forward. An E-learning package had been identified as a potential way forward.

A discussion were held on Freedom of Information Requests. It was noted that the Council averaged an 80% on time return rate per month. Services that received the most requests included Operations and Finance. The Committee requested some further information relating to the requestors and subjects of the requests received.

ACTION:

Action to be taken:	By Whom:	When:
To provide further data on Freedom of Information Requests including: <ul style="list-style-type: none"> • Requestor - Individual/Organisation/Business • Nature of the request 	Andrew Colver, Head of Democracy, Strategy and Partnerships	March, 2019

22. **WORK PLAN**

The Committee noted the current Work Plan.

The meeting closed at 8.50 pm.

CLLR M.D. SMITH (CHAIRMAN)

POLICY AND PROJECT ADVISORY BOARD

Meeting held on Wednesday, 23rd January, 2019 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr A.R. Newell (Chairman)
Cllr Marina Munro (Vice-Chairman)

Cllr J.B. Canty
Cllr A.H. Crawford
Cllr Mara Makunura
Cllr M.J. Roberts
Cllr P.F. Rust
Cllr J.E. Woolley

Apologies for absence were submitted on behalf of Cllr Sophia Choudhary, Cllr P.I.C. Crerar and Cllr R.L.G. Dibbs.

21. MINUTES

The Minutes of the meeting held on 21st November, 2018 were approved and signed by the Chairman. It was requested that, in addition to the Progress Group update report that was on the agenda, the action notes from the Progress Group were also circulated to all members of the Advisory Board.

Action to be taken	By whom	When
Circulate action notes from the Progress Group to Advisory Board members	Justine Davie	7th February 2019

22. FARNBOROUGH CIVIC QUARTER

The Executive Director updated the Board on the progress to date on the Farnborough Civic Quarter engagement. The facilitated workshops had been attended by 80 stakeholders. In addition, 150 people had visited the drop-in events and 200 web forms had been received. GT3 would be pulling together a report setting out the results from the workshops and drop-ins which was expected to be complete by mid-February and would be reported to the April Board meeting.

It was proposed that a group similar to the Aldershot Community Together Group should be set up in Farnborough as a forum to engage with on the Farnborough Civic Quarter masterplan. Efforts had been made to set up a group of young people to be involved in the process but responses from the colleges and secondary schools had been disappointing. Further contact would be made with the schools and colleges to encourage participation. Members of the Board were requested to advise the Executive Director the names of any young people that would be interested in being included in an engagement event. It was suggested that larger

numbers of young people should be consulted which it was agreed would be picked up as part of the work by the Rushmoor 2020 Task and Finish Group.

23. UPDATE FROM SUB GROUPS

The Board received an update from the sub-groups set up under the remit of the Policy and Project Advisory Board. The Progress Group met between Board meetings and discussed items to be included on the Board agenda. It was agreed that the notes of the Progress Group would be circulated to the full Board in future.

The Strategic Housing and Local Plan Group had met in July and November 2018 and discussed a number of planning and housing issues. A programme of further meetings and subject matters to be discussed had been agreed for 2019 which was circulated to the Board. The Elections Group had met in August and November 2018 and had discussed issues arising from the May Election and new developments in electoral administration.

The Leisure Facilities & Contracts Task and Finish Group and Rushmoor 2020 Task and Finish Group had not yet met but the initial meetings had been arranged. An update on the work of these Groups would be provided at a future Board meeting.

24. WORK PROGRAMME

The Board **NOTED** the work programme. A question was raised regarding the status of the Aldershot Lido Working Group. The Board was advised that the work of the Aldershot Lido Working Group had been amalgamated into the work of the Leisure Facilities and Contracts Task and Finish Group. It was suggested that consideration should be given to re-establishing the Aldershot Lido Working Group so the Friends of Aldershot Lido had a way of feeding into the work of the Leisure Facilities and Contracts Group. The matter would be raised at the first meeting of the Leisure Facilities and Contracts Group.

Action to be taken	By whom	When
Leisure Facilities and Contracts Group to be asked to consider how to ensure the views of the Friends of Aldershot Lido are received and considered	Justine Davie/ Katherine Booker	12th February 2019

The meeting closed at 7.30 pm.

CLLR A.R. NEWELL (CHAIRMAN)

OVERVIEW AND SCRUTINY COMMITTEE

Meeting held on Thursday, 31st January, 2019 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Mrs. D.B. Bedford (Vice-Chairman)
Cllr J.B. Canty (Vice-Chairman)

Cllr M.S. Choudhary
Cllr R.M. Cooper
Cllr K. Dibble
Cllr Veronica Graham-Green
Cllr B. Jones
Cllr Nadia Martin

Apologies for absence were submitted on behalf of Cllr T.D. Bridgeman and Cllr B.A. Thomas

23. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 13th December, 2018 were agreed as a correct record.

24. EXCLUSION OF THE PUBLIC

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

Minute Nos.	Schedule 12A Para. No.	Category
25	3	Information relating to financial or business affairs

25. CALL-IN - ALDERSHOT REGENERATION SITE ASSEMBLY

The Committee was advised of the submission of a request to call-in the resolution made by the Cabinet on 8th January, 2019 in relation the Aldershot Regeneration Site Assembly. The request for call-in had been submitted by Cllrs. Alex Crawford, Terry Bridgeman, Keith Dibble, Sue Dibble, Jennifer Evans, Barry Jones, Nadia Martin and Mike Roberts.

The Committee was advised that should the call-in request be rejected the decision made by the Cabinet on 8th January, 2019 would take effect as of 1st February, 2019. If the call-in request was accepted, a report would be made to Cabinet at its next meeting on 5th February, 2019.

Cllr. Crawford attended the meeting to present the call-in request and the reasons behind it. The Members who had submitted the call-in felt that the information given to the Cabinet at the time had been inadequate and had not provided a full picture of the current situation with the particular property referred to in Exempt Report No. RP1901. It was suggested that there was an absence of knowledge regarding the quality of work carried out in the past two years at the property and it was felt that the Council were unlikely to see a financial return and would subsequently have to write off the purchase price to allow the scheme to move ahead. It was felt that the Council was taking a reputational risk in paying an inflated price for the property to save time and the information provided did not provide the necessary justification for the decision.

Cllr. Tennant, Major Projects and Property Portfolio Holder, addressed the meeting on behalf of the Cabinet. Cllr. Tennant advised that the Cabinet had received both Exempt Report No. 1901 and a verbal report from the Chief Executive on the evening of 8th January, 2019. It was noted that the purchase of the particular property would allow the redevelopment of the site as a whole. Other options would be to carry out a Compulsory Purchase Order, which could complicate/delay the process or not acquire the site and work around the property, this could have implications if the development was considered substandard and may affect the viability of the overall project. In addition, Housing Infrastructure Funding (HIF) secured for the regeneration of Aldershot to the value of £8 million, could be put at risk as the funding terms stated that the monies should be spent within a strict timeframe. He felt strongly that the council had considered the options thoroughly and based its decision on sound and comprehensive information.

The Chief Executive, Mr. Paul Shackley advised that the Council had previously agreed to give powers of delegation to the Chief Executive in consultation with the Major Projects and Property Portfolio Holder, to negotiate and acquire properties. In this case, the Chief Executive had referred the decision back to the Cabinet for consideration. The Committee also noted that due diligence was being carried out on the property and this was expected to take a few more days. The Chief Executive advised that the Rushmoor Development Partnership (RDP) felt that the acquisition of the property was important to the viability of the whole site.

In response to a question, it was advised that if the value of the property was found to be less than predicted after due diligence had been carried out, a further report would need to be made to the Cabinet for consideration.

After further discussion, it was noted that the £8 million HIF funding had a three year time limit and was dependant on the privately owned Galleries site as well the Union Street East site. Cllr. Crawford stressed the importance of an outline business case for the Union Street East site to ensure viability. It was noted that a commitment had been made to regenerate Aldershot and through the partnership with Hill Investment

the risk was shared equally with the Council to provide a town centre for the people of Aldershot.

Having considered the issues, Members **AGREED** that there was insufficient evidence to support the call-in request.

In confirming the rejection of the call-in request, the chairman advised the decision made by the Cabinet at the meeting on 8th January, 2019 which would take effect as of 1st February, 2019.

26. **CABINET CHAMPIONS - WORK PROGRAMMES**

The Chairman welcomed Cllr. Ken Muschamp, Deputy Leader of the Council, and Cllrs Sue Carter, Liz Corps and Jacqui Vosper who were in attendance at the meeting to give an overview of their role as Cabinet Champions.

The Deputy Leader gave an introduction to the Cabinet Champion roles and explained how they had been created under the new governance structure. The purpose of the roles was to focus on specific themes or priorities not sitting within a portfolio. For 2018/19 three areas, had been established:

- Education and Youth
- Events and Civic Pride
- Armed Forces

Cllr Muschamp explained that the Champions' focus was to influence areas where the Cabinet had no allocated resources, statutory right or other way to engage with. It was hoped that the Champions could liaise with, befriend and influence partners to build good working relationships.

The Committee then received an update from each Champion:

Education and Youth – Cllr Carter considered the Champion role was important to building relations with schools and local youth organisations and leading the Council's work.

Key projects for 2018/19 had included:

- **Farnborough College of Technology Shadowing Programme** – the project had been designed to encourage young people's interest in local democracy. To date students had participated in an introduction to local government and a councillor/student engagement event. The next stage in the programme would be to pair students with councillors for shadowing purposes.
- **Raising Aspirations** – The Council was supporting this project being run by Hampshire County Council. The Council had funded ten local primary schools to participate in STEM (Science, Technology, Engineering and Mathematics) projects, which would bring engineering and engineers into the classroom to inspire children and teachers through professional development and training, classwork and competitions. This project would commence in January, 2019.

The Council was also working alongside Enterprise M3 to engage with secondary schools Robotics Challenge.

- **Youth Service Provider Forum** – The Forum aimed to work locally to pull together providers of youth services to encourage multi agency joined up work. The first meeting of the Forum would take place on 11th February, to which 22 organisations had agreed to attend.
- **Youth Influence Group** – The Champion had set up an all-inclusive group of young people to debate issues specific to them. Ultimately the Champion would like to create a Mayor's Youth Council.

Cllr Carter also referred to a range of other activities that she was driving forward and answered members questions.

Events and Civic Pride – It was explained that the purpose of the role was to promote events and civic pride and complement other work in this area undertaken by the Council.

Cllr Corps then reported on the key projects being undertaken in 2018/19:

- **Aftermath Event** – the Champion had supported the work to set up an event in November to mark the 100-year anniversary of the end of World War 1. Four local historians had presented a local perspective on the area at this time. An exhibition of pictures and artefacts had accompanied the presentation and these were now being displayed in the museum and libraries in the Borough.
- **North Camp Methodist Church** – The Champion had supported the fundraising initiatives co-ordinated by the Royal British Legion to provide a stained glass window at the Church to mark the centenary of the end of World War 1. The window would provide a lasting legacy.
- **Joint Working with the Libraries** – visits had been made to each of the local libraries and meetings had been held to help develop community links and help foster civic pride amongst residents and users. Areas had been discussed on how the Council and the Libraries could work together through joint promotion of events, shared use of facilities, helping to develop basic skills and joint work to support disadvantaged residents.
- **Other activities** – other work being undertaken included a Tableaux Vivant, a living picture to be displayed in the town centres during 2019 in conjunction with the Aldershot Military Museum. The Champion had been collaborating with the development of the Rushmoor Community Food Festival and liaising with different food providers from different cultures who it was hoped would attend. The event would take place on 14th September, 2019 in the Municipal Gardens, Aldershot. The Champion has also been forging links with different Faith Groups and hoped to work with schools and other organisations on projects going forward.

Cllr Corps then answered members questions on her work and the projects.

Armed Forces – The Champion was taking forward the Council’s work to meet the objectives of the Military Community Covenant agreed by the Council in 2012 and was building relations with the military authorities. The role was also involved in co-ordinating activities.

Cllr Vosper then explained the key projects for 2018/19, which included:

- **Core Infrastructure and Delivery Process** – A guide to delivering the Covenant provided to local authorities contained a toolkit for action. The Council was largely compliant but was seeking to fill any gaps. Activities included, being part of the Rushmoor and Hart partnership with the military authorities and working with unit leads and the Garrison community engagement team on projects for serving personnel, their dependents and veterans.
- **Resigning of the Covenant** – An event was likely to be held in 2019 to resign the Military Community Covenant at a joint event with Hart District Council. In addition, the Council was looking to sign the Armed Forces Covenant, which would help focus activity and support the application for the Defence Employers’ Recognition Scheme Silver Award.
- **Defence Employers’ Recognition Scheme** – The Council would be seeking to achieve the silver Award after securing the bronze Award in 2017. Over the past few months, the Council had been making changes to some of its HR and other policies to help achieve this award. A sponsor had been secured for the application which would be submitted in April, 2019.
- **Events** – Cllr Vosper indicated that she had supported and was involved in the planning and delivery of a number of events during the year. These included:
 - Armed Forces day
 - Remembrance Sunday events – including the Beacon of Light and all-night vigil
 - Community Carol Concert
 - 4 Armoured Medical Corps Freedom March Past – 11th May, 2019
 - Parachute Regiment anniversary unveiling of statue and event – 6th July, 2019
 - 80th anniversary for the Parachute Regiment – 2019

In addition, a presentation would be made to Members by the Garrison Commander in Spring 2019. A health fair, within the Garrison was also being planned.

The Committee discussed the work of the Cabinet Champions. It was suggested that consideration be given to changing the designation to Council Champion which might allow the role to be open to more Members. It was also suggested that other

Members would add value to the work of the Champions and this was acknowledged.

The Committee **ENDORSED** the work of the Champions and requested a short report at the end of their term.

27. **DECISION MAKING STRUCTURE**

This item was postponed until the following meeting.

28. **WORK PLAN**

The Committee noted the current work programme.

The meeting closed at 9.10 pm.
