

# Public Document Pack



## RUSHMOOR BOROUGH COUNCIL

### CABINET

*at the Council Offices, Farnborough on  
Tuesday, 15th October, 2019 at 7.00 pm*

To:

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

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

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

## A G E N D A

1. **MINUTES** – (Pages 1 - 4)

To confirm the Minutes of the meeting held on 17th September, 2019 (copy attached).

2. **RUSHMOOR 2020 PROGRESS AND ESTABLISHING THE ICE TRANSFORMATION PROGRAMME** – (Pages 5 - 50)

(Cllr Ken Muschamp, Customer Experience and Improvement Portfolio Holder)

To consider Report No. ED1907 (copy attached), which sets out an update on progress against the Rushmoor 2020 Programme and provides details of further

modernisation and improvement initiatives, which will be managed through a whole Council transformation programme known as ICE.

3. **MEDIUM TERM FINANCIAL STRATEGY 2020/21 - 2023/24** – (Pages 51 - 74)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1928 (copy attached), which sets out the Council's Medium Term Financial Strategy and the budgetary framework to support the preparation of the Council's 2020/21 budget.

4. **HOME IMPROVEMENTS AND EXTENSIONS SUPPLEMENTARY PLANNING DOCUMENT** – (Pages 75 - 102)  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH1944 (copy attached), which seeks agreement to publish for public consultation and, subject to no substantive policy or resource objections having been received, to adopt the draft Home Improvements and Extensions Supplementary Planning Document.

5. **EXCLUSION OF THE PUBLIC** –

To consider resolving:

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

<b>Item No.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
6	3	Information relating to financial or business affairs

6. **DISPOSAL OF PARSONS BARRACKS CAR PARK, ALDERSHOT** – (Pages 103 - 148)  
(Cllr Ken Muschamp, Deputy Leader of the Council)

To consider Exempt Report No. RP1921 (copy attached), which seeks approval for the disposal of the Council's freehold interest associated with Parsons Barracks Car Park to the Rushmoor Development Partnership.

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# CABINET

Meeting held on Tuesday, 17th September, 2019 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement Portfolio Holder (in the Chair)

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

Apologies for absence were submitted on behalf of the Chairman (Cllr D.E. Clifford) and Cllr P.G. Taylor.

The Chairman (Cllr K.H. Muschamp) confirmed that Agenda Item Nos. 6 (Exclusion of the Public) and 7 (Rushmoor Development Partnership – Approval of Parsons Barracks Car Park Project Plan) had been withdrawn on advice received from the Council's Monitoring Officer. The reason for this was that, due to the nature of Agenda Item No. 7, its consideration would have given rise to a declaration of prejudicial interest from a Member that would have left the Cabinet inquorate and, therefore, unable to approve a recommendation to the full Council.

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 **30th September, 2019**.

### 37. MINUTES –

The Minutes of the meeting of the Cabinet held on 20th August, 2019 were confirmed and signed by the Chairman.

### 38. ADOPTION OF THE DRAFT STATEMENT OF COMMUNITY INVOLVEMENT – (Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1945, which set out the Council's Statement of Community Involvement 2019 for approval. Members were informed that a public consultation exercise had taken place between 3rd June, 2019 and 15th July, 2019. This had attracted five representations and these were summarised in the Report. The draft document had been amended to take account of the fact that it no longer needed to contain the information on the consultation on the statement itself. The revised document was set out in Appendix A to the Report.

**The Cabinet RESOLVED** that the adoption of the Statement of Community Involvement 2019, as set out in Appendix A to Report No. EPSH1945, be approved.

39. **ADOPTION OF THE AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT –**  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1946, which set out the Council's Affordable Housing Supplementary Planning Document for approval. Members were informed that a public consultation exercise had taken place between 3rd June, 2019 and 15th July, 2019. This had attracted five representations and these were summarised in the Consultation Statement at Appendix B to the Report. The draft document had been amended to take account of these representations and legal advice on the viability section. The revised document was set out in Appendix A to the Report.

**The Cabinet RESOLVED** that the adoption of the Affordable Housing Supplementary Planning Document, as set out in Appendix A to Report No. EPSH1946, be approved.

40. **ARTICLE 4 DIRECTIONS AT CHURCH CIRCLE AND PINWOOD PARK, FARNBOROUGH –**  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1943, which sought confirmation of an Article 4 Direction to withdraw permitted development rights related to the replacement of windows, the alteration or removal of chimneys, the 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 Conservation Area by requiring property owners to make a planning application to carry out those works. Members were reminded that the Cabinet had, in February, 2019, approved the making of the Direction and that this was now proposed to be confirmed.

The Report also set out a proposal to cancel an Article 4 Direction in respect of the withdrawal of permitted development rights from properties at Pinewood Park, Farnborough. Members were informed that the Direction had been in force since the 1970s when the properties were under the jurisdiction of Hart District Council. The Direction was no longer considered to be serving a useful purpose.

In response to a question, it was confirmed that the residents of all properties affected at Church Circle had been advised of the new provisions. It was explained that, as rights were being restored at Pinewood Park and there was no longer considered to be a justification for the Article 4 Direction, no consultation had been undertaken in that respect.

**The Cabinet RESOLVED** that

- (i) the confirmation of an Article 4 Direction, under the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), in respect of properties at Church Circle, Farnborough, as set out in Report No. EPSH1943, be approved; and

- (ii) the cancellation of an Article 4 Direction, under the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), in respect of properties at Pinewood Park, Farnborough, as set out in the Report, be approved.

41. **RUSHMOOR'S UPDATED TENANCY STRATEGY –**  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1947, which sought approval for the Council's updated Tenancy Strategy. Members were informed that the Localism Act 2011 had placed a statutory obligation on local authorities to publish a Tenancy Strategy. It was confirmed that, in preparing the Strategy, consultation had taken place with the Council's Registered Provider partners and neighbouring authorities and further work had been carried out through the Overview and Scrutiny Committee's Registered Provider Review Programme.

In response to a question, it was confirmed that, in preparation of their own tenancy strategies, Registered Providers were required to have regard for the Council's Tenancy Strategy.

**The Cabinet RESOLVED** that the Council's Tenancy Strategy, as set out in Appendix A to Report No. EPSH1947, be approved.

42. **EXCLUSION OF THE PUBLIC –**

This item was withdrawn.

43. **RUSHMOOR DEVELOPMENT PARTNERSHIP - APPROVAL OF PARSONS BARRACKS CAR PARK PROJECT PLAN –**  
(Cllr Ken Muschamp, Deputy Leader of the Council)

This item was withdrawn.

The Meeting closed at 7.16 pm.

CLLR K.H. MUSCHAMP, DEPUTY LEADER OF THE COUNCIL

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CABINET

COUNCILLOR KEN MUSCHAMP  
CUSTOMER EXPERIENCE AND IMPROVEMENT  
PORTFOLIO HOLDER

15 OCTOBER 2019

REPORT NO. ED1907

**RUSHMOOR 2020 PROGRESS AND ESTABLISHING THE ICE  
TRANSFORMATION PROGRAMME**

**SUMMARY AND RECOMMENDATIONS:**

This report provides Cabinet with an update on progress since the Rushmoor 2020 Modernisation and Improvement report was agreed by the Council in 2018. It also sets out how the delivery of further modernisation and improvement will be managed through a whole Council transformation programme, known as ICE.

Recommended that Cabinet:

- (1) Note the progress to date with the Rushmoor 2020 programme
- (2) Note the initial recommendations of the Peer Challenge Review Team and confirm that these will be taken forward as part of the Council's ongoing modernisation and improvement work
- (3) Agree the Business Mandate and Programme Delivery Plan for the ICE programme
- (4) Note the focus and approach for the organisational redesign project, which will be delivered as part of the ICE programme
- (5) Note that the Chief Executive will confirm the consequential staffing service changes resulting from the process and organisational redesign projects throughout the programme
- (6) Authorise the Executive Head of Finance to make alterations to budgets as required to enable delivery of the programme

**1. INTRODUCTION**

- 1.1 In May 2018 the Council established the Rushmoor 2020 Modernisation and Improvement Programme as a mechanism to address the recommendations and improvements set out in the Peer Challenge report. It also included areas identified for improvement arising from a staff survey undertaken in 2017 and incorporated projects to take forward the opportunities identified from customer focus work undertaken with iESE. These projects would enable the Council to embrace digital and remodel services, to improve our customers experience and help reduce ongoing costs in a sustainable way.
- 1.2 Rushmoor 2020 brought together the Council's plans for improvement and financial sustainability into a single delivery programme led by one of the Council's Executive Directors. The overarching long-term outcome from Rushmoor 2020 is that the Council will be a more customer focussed, agile and

financially sustainable organisation, well placed to deliver on the ambitions in the Vision and the priorities in the Council's Business Plan.

- 1.3 This report provides an update on progress since the report was agreed by the Council. It also sets out how the delivery of further modernisation and improvement will be managed through a whole Council transformation programme, known as ICE.

The workstreams in Rushmoor 2020 are as follows:

<b>Work Stream</b>	<b>Outcome</b>
<b>Vision &amp; Priorities</b>	We have a clear vision and effective leadership for our residents and places
<b>People</b>	Staff with the right skills and behaviours in the right roles, committed to delivering the best possible outcomes for our communities
<b>Improving Performance Management &amp; Governance</b>	We have a clear view of performance and robust arrangements to ensure delivery
<b>Financial Sustainability</b>	We achieve savings in a sustainable way while maintaining the quality of our services and maximising our assets
<b>Customer Experience</b>	All our customers have an excellent customer experience every time
<b>Digital Council</b>	Technologies enable and support new ways of working and doing business – for our staff, customers and those who do business with us
<b>Communications</b>	Our residents, businesses, staff and members are well informed

- 1.4 Significant progress has been made during the last year. A summary of all projects as agreed in the May 2018 report and their current status, is attached at Appendix 1. All workstreams are now 'live' and, in the summary projects are broadly in 3 groups. Group 1 - where projects are complete or substantially underway, Group 2 - where projects are being actively worked on now and expected to conclude or be embedded as 'core business' by the end of this financial year; and Group 3 - where projects have been incorporated into the ICE transformation programme described further below.
- 1.5 Section 2 of this report provides details on the progress of those projects in Groups 1 and 2. Section 3 of the report describes the background and rationale for the ICE programme and Section 4 describes the approach being taken to completing the establishment of new service arrangements and proposes changes to better align the Council staffing resources against the new Council Business Plan. Section 5 looks at the wider implications of the report and Section 6 provides a summary and recommendations.



## 2. PROGRESS

### Vision & Priorities

#### 2.1 ***Develop a long-term vision for the area and extend the Council's planning horizon to support delivery of that vision***

A 10-year vision and set of ambitions for the area was agreed at the last meeting of the Council alongside a new 3-year business plan for the Council.

#### 2.2 ***Undertake more regular resident surveys and other engagement***

A residents' survey was undertaken in the Summer 2018 with further community engagement on developing a vision in early 2019. Other more project and place-based engagement has been undertaken, particularly linked to priorities such as Regeneration, particularly in Aldershot Town Centre and the Farnborough Civic Quarter development. This will continue during 2019/20, sometimes with the Council leading and in other cases through the Rushmoor Development Partnership and by partnering with community groups, as the Council is doing with the Aldershot Civic Society around the Aldershot Transition Plan and the Aldershot Town Centre Strategy.

### People

#### 2.3 ***Building the new Executive Team and Corporate Leadership Team***

All roles identified in the May 2018 report have now been filled, with the final postholder, Corporate Manager – People, commencing on the 16 September. The Corporate Leadership Team (CLT) and 2 Corporate Managers are set out in the table below.

<b>Job Role</b>	<b>Name</b>
Chief Executive	Paul Shackley
Executive Director and Deputy Chief Executive	Ian Harrison
Executive Director	Karen Edwards
Head of Customer Experience	Colin Eckworth
Head of Democracy, Strategy and Partnerships	Andrew Colver
Head of Economy, Planning and Strategic Housing	Tim Mills
Executive Head of Finance	David Stanley
Head of IT & Facilities	Nick Harding
Head of Operational Services	James Duggin
Executive Head of Regeneration and Property	Paul Brooks
Corporate Manager - Legal Services	Catriona Herbert
Corporate Manager - People	Alison McBride

Heads of Service are now working through their service resource requirements to ensure effective delivery of the new business plan. This is covered in more detail in Section 4 on organisational redesign.

## 2.4 ***Strengthen capacity in key areas particularly regeneration and transformation/modernisation***

In addition to the Head of Regeneration and Property, a new post of Property and Estates Manager has been appointed, along with a regeneration trainee and further surveyor roles. However, the demands of the regeneration programme and the continued focus on commercial property continue to place pressure on the regeneration and property and legal service areas. Proposed approaches to further strengthening capacity in these are set out in Section 4 below on organisational redesign.

An experienced Programme Manager has been appointed on an interim basis to support transformation work. As a result, solid programme and project governance arrangements are in place for the new ICE transformation programme. In addition, dedicated project and improvement managers have been recruited and working effectively across the programme.

A similar programme and governance model is currently being developed for the Regenerating Rushmoor Programme as the programme moves towards implementation.

## 2.5 ***Establish a leadership development programme***

A 'cross-slice' leadership development programme co-designed with Solace has been running since January and is drawing to its conclusion. 14 employees were selected for the first cohort and whilst detailed evaluation is yet to be completed, the programme has already met some of its desired outcomes, including the completion of two significant cross-cutting projects. Alongside the programme, a number of ILM apprenticeships have been undertaken with 10 employees due to complete their studies over the coming weeks. A further programme is being planned to run during 2020.

## 2.6 ***Develop all managers to have the skills and confidence to demonstrate leadership and manage performance***

A management development programme is being introduced to support all the Council's managers to learn or refresh skills. The first phase will begin in the Autumn 2019 and the modules in the programme are as follows:

1	Performance and behaviour management
2	Delegation and decision making in a local authority
3	Managing change
4	Project Management for managers
5	Problem solving
6	Prioritisation
7	Managing budgets
8	Managing in a political environment

9	Digital skills
10	Handling difference/difficult conversations
11	Self-awareness/behaviours/emotional intelligence
12	Coaching skills
13	Commercial/business thinking
14	Managing Remote teams
15	HR policies and procedures

## 2.7 ***HR Review***

A review of the HR service was commissioned from South East Employers by the Chief Executive. Their report has been received and the recommendations will be taken into account, as part of the ongoing work on organisational design for the whole Council, discussed in Section 4 of this report.

## 2.8 ***Embed the new behaviours framework***

As part of the May 2018 report, the Chief Executive set out a behaviours framework which help set expectations in term of employee attitudes and approach to work. It includes behaviours that we expect from everyone, and others that will be expected as employees develop in their roles or become more senior.

The behaviours framework formed part of employees development reviews during 2018/19 and was embedded as part of the Head of Service job roles and associated competencies. Over the next period, we will be rolling out further links with our behaviours and recruitment process at all levels.

## 2.9 ***Establish an approach to early exit which supports our move to financial sustainability***

Where it is decided to cease or substantially reduce an area of work altogether, any resulting reduction in the requirement for jobs will normally be dealt with under the Council's Organisational Change Policy. However, due to a number of years of service, cost reductions and the merging of many roles combined with the addition of new priorities, it is often not possible to simply cease or change work and make whole posts redundant.

The Council therefore put in place an additional approach through what is known as a Mutually Agreed Resignation Scheme (MARS) that is more flexible, gives choice to employees and managers, opens up career development opportunities and enables cost reductions over the medium term.

MARS enables individual employees, in agreement with the Council as their employer, to choose to leave their employment voluntarily in return for a discretionary 'MARS' payment. This creates job vacancies that may be filled by the redeployment of staff from other jobs or those seeking career development. In adopting this approach, the Council can create movement

which helps avoid compulsory redundancies, redeploys resources to different priorities and reduces costs in lower priority areas.

## **Improving Performance Management & Governance**

### **2.10 *Implement new scrutiny arrangements and associated staff and member development***

From June 2018, the previous system of five policy and review panels was replaced with an Overview and Scrutiny Committee (OSC) and a Policy and Project Advisory Board (PPAB).

As part of the process for establishing new scrutiny arrangements, initial training was provided with Members and officers directly involved with the Committee. In early 2019, a training session for Members and key support officers was provided by South East Employers to assist the Committee in developing effective processes and scrutiny procedures. This year further training for the Committee has been begun and specific training for officers has been undertaken on elements of the Constitution and working in a political environment (provided by South East Employers).

Both the OSC and the PPAB are working more effectively than under the previous arrangements, with Members engaging and driving their work agenda. This is being developed further in Year 2 of the new structure.

Work is underway with the Chairmen and Vice-Chairmen of the Committee and Board to ensure that work programmes are co-ordinated and processes are clear.

The level of support required has consequentially increased and developed, and options for how this need can be addressed is being considered as part of the work on organisational design.

### **2.11 *Improve performance management and establish effective governance arrangements***

These were two areas where the Peer Challenge team felt the Council should re-examine its approach to ensure that those responsible for performance management and project and programme governance had the information needed to undertake that role effectively, given the very ambitious programme of change and delivery the Council was embarking on.

Proposals in relation to changing the approach to performance management linked to the establishment of the new business plan are being worked through and will be considered by Members during the Autumn. The new approach will focus on improved governance, better quality and timeliness of data and integration of risk management in the process.

Programme, project and governance arrangements are in place for the Council's major programmes - Regenerating Rushmoor and now the ICE

programme. Work continues to develop the approach to oversight and governance for other major projects such as the leisure contract procurement and major capital programme projects.

## **Financial Sustainability**

### **2.12 *Develop and communicate a wider understanding of the underlying financial challenges now facing the Council, including more regular monitoring and vigorous challenge to significant or high-risk budgets***

An update on the Medium Term Financial Strategy (MTFS) and the financial position of the Council was given at the staff briefing sessions in May 2019. A further session on the Council's finances will be given to the next meeting of the Middle Managers Network.

From a Member perspective, the Budget Strategy Working Group (BSWG) was established to examine more closely the key strategic financial issues facing the Council and reports and make recommendations to Cabinet. The Terms of Reference for BSWG includes the following:

- To review the process for setting priorities and preparing the budget, including Member engagement in the process
- To monitor the Council's Medium Term Financial Strategy and progress towards achieving financial sustainability

BSWG sessions have focussed on the key financial risks and challenges over the medium-term. There has been an emphasis on understanding the longer-term impact of borrowing undertaken to support the Council's Regeneration programme on the Council's finances. This was supplemented with an all-member session in July 2019 on Treasury Management from Arlingclose.

A further BSWG session in July 2019 provided an update on the Council's finances post-outturn and considered the Council's balance sheet position (assets and balances/reserves).

The Executive Leadership Team (ELT) will receive risk-based monitoring reports throughout the year. This places particular emphasis on the delivery of the savings target, key income streams and high-risk budgets (e.g. Waste and Recycling, Commercial Property costs).

### **2.13 *Secure and deliver additional savings and income generation to reduce the use of reserves to produce a balanced budget over the coming years and move to a risk-based assessment of the level of required reserves***

Council approved the revised MTSF in February 2019, which set out the challenge facing the Council over the next 3 years at a time of increased financial uncertainty.

The MTFS highlighted the risks around changes to local government funding (75% Business Rates Retention, Fair Funding Review, and New Homes Bonus)

and provided a significant update of the level of savings and additional income required to set a balanced budget over the MTF period. A significant element of the savings identified for 2019/20 have already been delivered, as reported to Cabinet in August 2019.

Cabinet will receive a Budget Strategy and MTF report in October 2019 which will provide an update of the financial challenge facing the Council. In particular, the report will focus on the approach to delivering the Savings Plan and de-risking elements of the MTF (e.g. commercial property income). The report will also set out the risk-based Balances and Reserves Strategy.

The Savings Plan included in the MTF is linked to the workstreams identified within the ICE Transformation programme.

#### **2.14 *Integrated strategy to guide commercial and regeneration property investments, proactive performance monitoring of investment returns and a new asset management plan***

A report on how our approach to asset management should develop was approved by Cabinet in July 2019, including the Council's approach to acquiring and managing its commercial properties. The Council has also commissioned Lambert Smith Hampton (LSH) to review its commercial property purchases and an action plan has been developed to take the conclusions of the review forward. LSH have also been commissioned to review a further tranche of property investments and to develop and write an investment strategy going forward. The financial performance of the commercial assets has also been considered by the OSC.

In terms of the next stages the Council is reviewing its approach to its overall asset management and is currently preparing to outsource the function to specialists, such as LSH. This will be in place within the next six months as will a new approach to future acquisitions that will be tied to the investment strategy and portfolio mix recommended. A report to the OSC is scheduled for January 2020 on the review of commercial property as part of the scrutiny process.

#### **2.15 *Establish a local Housing Company***

The Council approved the business case for the local Housing Company in March 2019. Since then the Board has met three times, including an initial informal meeting and has meetings scheduled monthly until November. The initial task has been to put in place the governance arrangements for the company. The Shareholder Agreement, Articles of Association and the Facility Agreement with the Council have been drafted and considered by the Board of the unincorporated company. A Business Plan for the company is being developed in tandem with the first three development schemes. Policies are also being drafted with the Rent Setting Policy being the first considered by the Board. It is anticipated that the Business Plan will be presented to Cabinet/Council in October/November with the initial transfer of properties taking place in the last quarter of 2019/20.

2.16 ***Work with community and voluntary organisations to reduce reliance on Council Funding***

Changes have been made to the level of rent relief to a number of organisations and a review of this policy is underway in order that new arrangements can be embedded going forward. The work will also examine how the Council can take opportunities to maximise the value from the use of premises by community and voluntary organisations. In 2020 a review will also be undertaken of the support that the Council provides to major service providers in particular Citizens' Advice, Rushmoor Voluntary Services and the Farnborough and Cove War Memorial Hospital Trust.

2.17 ***Complete the review of all fees and charges and embed as part of the budget process***

A review of the majority of the Council's fees and charges has been completed and the Council now has in place an annual review process undertaken as part of budget building.

However, due to the complexities of regulating legislation, several chargeable areas have been subject to a more detailed review (including Licensing) and have not therefore been subject to fee changes at this time. These will be put forward in the next cycle.

2.18 ***Retender the Council's leisure contracts to reduce revenue costs***

This project is well underway and a Task and Finish Group is overseeing the process. The new contract is expected to be awarded in August next year with commencement in April 2021.

2.19 ***Develop a plan of targeted savings from procurement***

A spend analysis is currently underway and will underpin the plan and procurement activity for 2020/21. A new procurement strategy is scheduled to be considered by the PPAB in November.

3. **PEER CHALLENGE REVIEW 24-25 SEPTEMBER 2019**

3.1 A peer challenge review team returned to the Council on 24 and 25 September to review progress since the original review in 2017. They considered that overall the Council had made good progress and drew attention both to a number of areas of achievement and some areas for further consideration.

3.2 Areas for achievement included the team's view that new senior appointments were making a real difference to taking the organisation forward. The 2030

Vision for the Borough and 3-year Council Plan recently agreed were supporting a longer term planning horizon and good relationships between partners across Rushmoor have been sustained with the council well regarded by its partners. The team considered that performance management is becoming more embedded and acknowledged that the council recognised that more work was needed in this area. There was wide recognition that the new model for Scrutiny / Policy Advisory Board was working better than previous arrangements, that Members felt engaged in the new ways of working and that Cabinet and officers were responsive to scrutiny.

- 3.3 The team considered the council has addressed previous concerns around finances and could see that there is now a clearer and more consistent understanding of the budget position and the savings and investment required to sustain a sound financial position into the future. The team could see that a more commercial culture was emerging, alongside a more systematic and strategic approach to investments which was increasingly informed by external, expert advice. They considered that the ICE programme provided a more systematic and structured approach to transformation and change management, making the Council better able to modernise how it does things. The team also noted that staff welcomed the increased personal development opportunities including the Leadership Programme. They considered that these investments in the workforce were helping to support culture change and promote more cross-cutting working
- 3.4 In terms of areas for further improvement the review team recommended that the council ensure sustained focus on the priorities agreed in the Council Plan and avoid ad hoc additions in responding to emerging issues. Clearer monitoring of progress in key project areas was needed alongside a more focused and selective approach to performance reporting. The team also encouraged the council to set clear and realistic timescales for delivery and stick to these ensuring accountability for delivery and, given the scale and complexity of the council's plans, the team suggested that a simple and practical model for strategic risk management be put in place.
- 3.5 With the Council's commercial investments being such an important part of the MTFs the peer team encouraged the council to ensure good governance arrangements were in place to ensure risks are understood and managed and felt that commercial investments should now be seen and managed as mainstream, core business.
- 3.6 The team felt that the pace of change could be accelerated, but this needed to be achieved in the context of wider organisational development and resourcing. This would be supported by developing a work force strategy and giving continuing attention to culture change. This would include greater clarity and consistency of messages, and more direct and frequent engagement by the leadership across the organisation



- 3.7 The team reported that our partners recognise that Rushmoor Strategic Partnership needed to be re-shaped, but that there was a lack of clarity about the purpose of the new Partnership Network and attention should be paid to developing this further. Their final recommendation was that the work programmes for Overview and Scrutiny and the Policy & Advisory Board should be fully aligned with key Council priorities.
- 3.8 Whilst it will be a few weeks before the detailed report is received and considered, both the Leader and Chief Executive are pleased with the acknowledgement of the progress achieved and supportive of the recommended areas for further improvement. Many of these have already been included in the ICE transformation programme described in section 4 below. Any areas outstanding will be incorporated into the programme over the coming months or undertaken as part of other modernisation and improvement work.

#### **4. THE ICE PROGRAMME**

- 4.1 During 2018, Members were involved with some work on customer service principles and, through work with the Rushmoor 2020 Task and Finish Group, it was clear that there was a strong desire for the Council to become more customer centric and modernise service delivery to deliver more effective and efficient services and release savings and capacity at a whole Council level. iESE also ran an ambitions workshop with Members in October to develop a common language around transformation and helped clarify the priority areas where Members wanted to see improvement and innovation.
- 4.2 The Council has so far been successful in delivering savings through service specific savings and improvement projects. However, there comes a point when taking savings out of services in the traditional way becomes unsustainable and a new approach is needed which will change (transform) the way the Council works at a 'whole council' level.
- 4.3 Experience from other authorities suggests that if the Council focused a programme as a whole Council Modernisation and Improvement or Transformation project, it could:
- Move to a more customer centric approach;
  - Reduce the ongoing cost of services in a sustainable way; and
  - Create some financial headroom to help balance the council's budget and deliver different or better outcomes in line with the 3-year business plan
- Reports from iESE and others show that this approach has delivered more than double the traditional approach to service reviews with some councils achieving savings of between 15% and 30%.
- 4.4 This type of transformation programme will involve a deeper understanding of our customers' needs and expectations, developing people, truly embracing the concept of becoming a digital council, improving business intelligence and performance management, following through the next stage of our

organisational redesign and implementing a “21st Century approach to internal and external communications.”

- 4.5 A programme of this nature requires some clear outcomes and the outputs from earlier work with Members were incorporated into a set of draft programme outcomes, which have been reviewed and agreed by the Rushmoor 2020 Task and Finish Group as follows:

#### **Improved and modernised core business**

This means:

- The Council will be thinking digitally and understanding how it can use technology to improve services, increase productivity and create capacity and flexibility
- The Council will have redesigned services, targeting its resources on residents’ and businesses’ needs and our agreed priorities
- Everyone will feel well informed and connected and can collaborate in ways that support the delivery of the Council’s collective priorities and not just its individual work
- A clear workforce strategy will be in place to make sure the Council have the skills it needs now – and tomorrow

#### **Consistently excellent Customer Experience**

This means:

- The Council will offer consistently excellent customer service with a single/combined customer service as close to the customer as possible. The Council will work towards delivering a single-view of the customer throughout the Council.
- The Council will have implemented and simplified the technology and processes it needs to create consistent and excellent customer journeys for many of its services across multiple channels
- The Council’s customers will have more opportunities to ‘self-serve’, reducing contact and saving time and money
- Customers will be happy and confident to self-serve and use lower-cost channels
- The Council will be more visible out in the borough and better connected in how it looks after the place
- The Council will be making sure the residents and businesses are well informed about its priorities, services and campaigns

#### **Enable efficiencies, delivered savings and generated more income**

This means:

- The Council will have achieved at least £1.5 million of ongoing net expenditure reductions by the end of the programme
- The Council will be thinking about the future of services across the borough differently and taking opportunities to manage, reduce or turn off demand

- The Council will be thinking and working in a 'commercially aware' way - understanding and managing costs better, and maximising opportunities to generate income and to recover its costs
  - The Council will be using procurement to help deliver efficiencies and savings whilst ensuring that wider policy requirements are met.
- 4.6 To support the delivery of these desired outcomes, an overarching modernisation and improvement or transformation programme has been developed which will be known as the ICE Programme. The programme has been defined in a key document called the Business Mandate and Programme Delivery Plan which is attached at Appendix 2.
- 4.7 The Business Mandate and Delivery plan explains how the programme has been developed, how it contributes to the delivery of the Vision and Business Plan and confirms the outcomes needed. It sets out the programme governance arrangements, workstreams and projects, current timelines and explains how risk is to be managed. The document includes the approach to communications, a high-level budget and the benefits and financial savings expected.
- 4.8 Many of the projects in the programme are enablers which will provide the foundation for service improvement. The benefits will be seen both externally by residents and customers and also internally in term of better ways of working for employees and members. Whilst service improvement is essential, there are also clear financial drivers underpinning the need for the programme. As the Council's major spend is on employees, it is important that staffing resources are aligned well with Council priorities and the efficiencies enabled by, for example the introduction of better processes and digital services, are realised over the course of the programme. The advantage of managing change over a longer planned period as set out in the ICE programme is that it is possible to plan for upskilling and changed roles which will help minimise compulsory redundancies. The proposed approach to organisation redesign through the ICE programme is set out in section 5 below.

## 5. ORGANISATIONAL REDESIGN

- 5.1 The Council, as with all organisations, increasingly needs its staff to be flexible and develop their skills to meet the changing needs of our residents and the business. The new Heads of Service have now been in post sufficient time to understand their areas and have been considering their service staffing arrangements in the context of the new 3-year Council Business Plan. They have put forward proposals to ensure that the plan can be delivered. The Chief Executive, as Head of Paid Service, with the Executive Directors, has been considering these proposals alongside other areas described below where the Executive Team have identified the need for increased focus or other changes to meet service demands and enable delivery of the Council's priorities.
- 5.2 **Increased focus on organisational strategy, policy and performance** - The Chief Executive has spent the last 12 months focusing on the Council's regeneration priorities, overseeing the regeneration and property service and the establishment of the Rushmoor Development Partnership. With the

agreement of a new Vision and Council Plan and the inevitable changes that will result from a new government, he is planning to step away from these areas of delivery and focus on the broader needs of the Council, including strategic risk, long term financial strategy, delivery of priorities and the future policy agenda. Given the recommendations from the Peer Challenge team the Head of Democracy, Strategy and Partnerships is also considering how the council should further strengthen the arrangements for performance management and policy including some **enhanced support to the Executive Team**.

- 5.3 As Policy Advisory Board and Scrutiny functions have developed and due to their current and emerging workload, for example around the climate change agenda, it is apparent that there is also a need to provide a **different level of support to the PPAB and Overview and Scrutiny Committee**. The Head of Democracy, Strategy and Partnerships will work this through during the coming weeks.
- 5.4 **Developing Managers** – Appointing a new group of Heads of Service has created much needed capacity in the senior team who were appointed to have shared core capabilities and responsibilities and now focus more strategically across the Council as a whole. However, this change has created a gap between ‘middle’ managers and heads of service. As part of the Council’s approach to organisational development, it is keen to ‘grow our own’ staff more and the Executive Team, in considering several approaches to help reduce this gap, want to develop the skills and capabilities of existing managers. Discussions with managers on this will commence during September with a view to a new role of ‘Service Manager’ being created across the organisation.
- 5.5 **More commercial and place focused** – There is an opportunity to make more of some of the ‘business assets’ that the Council has, and it is proposed to look at how the council’s commercial services could be brought together as a group of business units with a strong emphasis on income generation – albeit within a social and community context. There is also still too much separation of responsibility across the Council in terms of those working ‘out in the borough’ and the project will look at how this can be improved.
- 5.6 **Capacity for key priorities in the plan** – As a consequence of the new focus of the Chief Executive, the Regenerating Rushmoor Programme will become the responsibility of the Executive Director and the Executive Head of Regeneration and Property with the expertise of the Chief Executive still available to support the programme. In addition, further resources are also felt to be justified now in order to move forward Council plan priorities including posts to support the delivery of regeneration and property priorities, resources in the legal service and increasing the resources supporting our work on economy and growth.
- 5.7 **Resourcing for additional emerging priorities**, in particular the Council’s response to climate change, will need to be considered as part of the budget building process for 2020/21

- 5.8 **Consequential changes from 2019 structure** – There are several business as usual staffing adjustments linked to the new Head of Service arrangements implemented last year that need to be formalised and these will be prioritised over the next 3 months to reduce uncertainty for employees in temporary roles. They include establishing arrangements that were put in on a temporary basis but are working effectively and implementing changes as a consequence of MARS departures.
- 5.9 The areas identified above will be addressed and managed as a single organisational redesign project within ICE, phased over the life of the programme. The initial focus will be on the re-alignment of resources to support the delivery of the new business plan. This will be managed over the next 6-9 months to enable a balance of level of change against the operational demands of the relevant services. Secondly, the project will take opportunities to reduce the overall cost of services through a systematic process of review, redesign and digitisation where service to customers can be improved or internal efficiencies realised. This is likely to start in the New Year and continue for the remainder of the programme.
- 5.10 Inevitably, at this stage there is a level of uncertainty as to the extent of costs associated with organisational redesign but from work undertaken to date it is expected that these can be met within current forecast budget allocation for the ICE programme.
- 5.12 As Head of Paid Service, the Chief Executive has delegated authority to make changes to the Council's establishment and vire relevant budgets for staffing purposes. Consultation will take place with relevant portfolio holders as changes are brought forward.

## **6. IMPLICATIONS**

### **Risks**

- 6.1 The risks of the ICE programme are managed through a comprehensive set of risk registers at programme and individual project level alongside the Council's normal management of emerging risks and mitigation as set out in the corporate risk register.

### **Legal Implications**

- 6.2 None as a direct result of this report

### **Financial and Resource Implications**

- 6.3 The financial and resource implications are set out in section 5 of the ICE Business Mandate and Delivery plan attached at Appendix 2 to this report. In summary the forecast Ice Programme costs are currently estimated at £1.32m with required ongoing savings of between £1.3 and £1.5m per annum.

## 7. CONCLUSIONS AND RECOMMENDATIONS

- 7.1 There has been significant progress in the delivery of the Rushmoor 2020 projects and this was confirmed by the recent review from the external LGA Peer Challenge Review Team. The ICE programme represents the next stage in the delivery of the council's modernisation and ensuring it is best placed to deliver the Council's business plan and support the long-term vision for the borough.
- 7.2 The report asks members to note the progress to date with the Rushmoor 2020 programme. Cabinet is asked to agree the Business Mandate and Programme Delivery Plan for the ICE programme and note the proposals and approach for the Organisational Redesign project.
- 

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**Background papers:**

- a) Report No CEX 1801 – Rushmoor 2020 – Modernisation and Improvement Programme

## Rushmoor 2020

Modernised organisational arrangements and service delivery, underpinned by a clear vision

<b>Customer Experience</b> <i>All our customers have an excellent customer experience every time</i> <b>Develop and deliver the Customer Experience project</b>			
<p><b>Vision &amp; priorities</b></p> <p><i>A Council with a clear vision and effective leadership for our residents and places</i></p> <p>Develop a long-term vision for the Borough and the Council</p> <p>Extend the planning horizon for the next Council Plan to support delivery of the vision</p> <p>Undertake more regular resident surveys and other engagement to inform the development and on-going review of the vision for the Borough and service transformation</p> <p>Reshape the Rushmoor Strategic Partnership (RSP) to focus on fewer more strategic issues</p>	<p><b>People</b></p> <p><i>Staff with the right skills and behaviours in the right roles, committed to delivering the best possible outcomes for our communities</i></p> <p>Build the new Executive Team and Corporate Leadership Team</p> <p>Strengthen capacity in key areas, such as regeneration; transformation and organisational development through a combination of buying in external expertise, partnerships and skills transfer and growing talent within the organisation</p> <p>Establish the new service arrangements</p> <p>Review the HR service</p> <p>Develop and implement a new workforce strategy and leadership development programme</p> <p>Embed the new behaviours framework</p> <p>Develop and commence delivery of a 2-year learning and development programme</p> <p>Develop all managers to have the skills and confidence to demonstrate leadership and manage performance</p> <p>Establish an approach to early exit which supports our move to financial sustainability</p>	<p><b>Improving Performance Management &amp; Governance</b></p> <p><i>We have a clear view of performance and robust arrangements to ensure delivery</i></p> <p>Develop and put in place a new performance management framework</p> <p>Implement new scrutiny arrangements</p> <p>Put in place ongoing staff and member development for scrutiny arrangements</p> <p>Establish effective Governance arrangements for</p> <ul style="list-style-type: none"> <li>• Regenerating Rushmoor Programme</li> <li>• Rushmoor 2020 Programme</li> <li>• Other Major projects</li> </ul>	<p><b>Financial Sustainability</b></p> <p><i>We achieve savings in a sustainable way while maintaining the quality of our services and maximising our assets</i></p> <p>Build a wider understanding of the underlying financial challenges now facing the Council, including better monitoring and more vigorous challenge to significant or high-risk budgets</p> <p>Secure and deliver additional savings and income generation to reduce the use of reserves to produce a balanced budget over the coming years and move to a risk-based assessment of the level of required reserves</p> <p>Develop an integrated strategy to guide commercial and regeneration property investments, along with proactive performance monitoring of investment returns</p> <p>Improve arrangements for the management and use of Council owned property including a new asset management plan</p> <p>Establish a local housing company and increase rental income</p> <p>Continue work with community and voluntary organisations to reduce reliance on Council financing</p> <p>Complete the review of all fees and charges and embed as part of budget processes</p> <p>Re-tender the Council's leisure contracts to reduce revenue costs</p> <p>Develop a comprehensive plan of targeted savings from procurement</p>
<p><b>Key</b></p> <ul style="list-style-type: none"> <li>• <b>Group 1:</b> Complete or well underway</li> <li>• <b>Group 2:</b> Currently active expected to be complete by/ during 2020</li> <li>• <b>Group 3:</b> ICE Programme - currently active</li> <li>• <b>Group 4:</b> ICE programme - future</li> </ul>			
<b>Digital Council</b> <i>Technologies enable and support new ways of working and doing business – for our staff, customers and those who do business with us</i>			
<p><b>New Website</b></p> <p>Enable new Ways of Working - Smart Places</p> <p>Fully establish use of mod.gov software</p>	<p><b>Deliver Cloud Strategy including Office 365</b></p> <p>Public access portal(s)</p> <p>Review 'Love Rushmoor' App</p> <p>E-learning platform and online learning offer</p>	<p><b>Digital skills</b></p> <p>Infrastructure and Security</p> <p>New Intranet/Staff Hub</p>	
<b>Communications</b> Our residents, businesses, staff and members are well informed <b>Develop and implement new communications strategy and approach to branding</b>			







# The ICE Transformation Programme

## Business Mandate and Programme Delivery Plan



Version 19.0a October 2019

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# 1 Introduction

## 1.1 Document Purpose

The purpose of this document is to:

1. Provide a context and understanding of the challenges and opportunities faced by Rushmoor Borough Council;
2. Identify the role that the ICE transformation programme will play in responding to these challenges;
3. Describe the opportunity to deliver a range of modernisation and improvement projects which will:

**Improve** and modernise core business

**Create** a consistently excellent Customer Experience

**Enable** efficiencies, savings and generate more income<sup>1</sup>

4. Set out a clear statement of what the future might look like once the ICE programme is completed;
5. Present a high-level business mandate and justification for the ICE project which identifies costs and benefits; and
6. Provide an overview of how the programme will be delivered including the relevant workstreams, governance, resources and timescales.

The ICE project will require technology, process and people change which will impact all services and will be 'cross-cutting' in nature. As a result, it will be important to engage widely with the organisation to gain an understanding of the key issues and concerns such a programme may generate.

Multi-disciplinary change teams will be established to support the delivery of the programme. Further detail of this approach is described in Section 3 of the report.

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<sup>1</sup> Individual projects have been brought together and are managed through a structured change programme called **ICE** (Improve, Create, Enable).

## 1.2 Methodology

This report builds on the Council's previous approach to the delivery of improvement, savings and income generation. In developing the proposals this report has taken account of:

1. The Rushmoor 2020 Modernisation and Improvement Programme Cabinet Report (29 May 2018) attached at Appendix 1 for information
2. Work undertaken with iese<sup>2</sup> during 2018<sup>3</sup>
3. Research into how other councils are undertaking transformation and current developments in approaches to the modernisation and digital delivery of council services. This has included attendance at conferences and learning events, supplier demonstrations from industry leading suppliers, reviews of other local authority's transformation programmes including visits to Eastleigh Borough Council, Wychavon Council, London Borough of Greenwich, South Kesteven District Council and learning and engagement with Bracknell Borough Council, and The London Borough of Islington.
4. A high-level technology assessment considering the potential of new technologies which assist in the delivery of digital transformation
5. Engagement with the Council Corporate Leadership Team (CLT).
6. Input from the Cabinet Portfolio holder, Policy and Projects Advisory Board and Rushmoor 2020 Task and Finish Group.

This report and associated work programme will be reviewed and updated on a regular basis.

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<sup>2</sup> Management and Technology Consultants <https://www.iese.org.uk>

## 2 Background

### 2.1 Council Vision and Ambition

Rushmoor Borough Council wants to ensure Rushmoor continues to be a fantastic place to live, work and play. As a result, it has developed a vision outlined in *Your Future, Your Place vision for Aldershot and Farnborough* over the next ten years. The aspiration is rightly ambitious and will only be delivered by working with residents, businesses and partners. The ambitions are:

- Vibrant and distinctive town centres
- Housing for every stage of life
- Strong communities, proud of our area
- Healthy and green lifestyles
- A growing local economy - kind to the environment
- Opportunities for everyone - quality education and a skilled local workforce

### 2.2 Delivering the Vision – Three Year Business Plan

To deliver the vision the Council has developed a medium-term business planning cycle identifying what the Council will do over the next three-year period. The Business Plan 2019-2022 identifies four key themes:

#### 1. People

- To help improve the health and wellbeing of residents
- To encourage volunteering and being involved, and help people become more connected within their communities
- To help residents to remain independent in their homes
- To help residents and businesses be sustainable – including reducing waste, recycling more and making sustainable transport choices e.g. cycling.

#### 2. Partnerships

- To work with partners to help people feel safer
  - To strengthen relationships with the voluntary and community sectors to maximise the value they bring to the community
  - To continue to support the military community
  - To work with schools, businesses and other partners to improve educational attainment and raise career aspirations.
-

### 3. Place

- To continue to drive forward the regeneration of Aldershot and Farnborough town centres
- To maintain and develop excellent indoor and outdoor facilities
- To increase the Councils response to addressing climate change and other environmental issues
- To facilitate more homes being built that will meet the needs of local people
- To work to grow the local economy in a sustainable way.

### 4. Better Public Services

- To transform and modernise the way services are delivered to customers
- To listen and learn from residents and businesses and improve the ways the Council engages and communicates with customers
- To manage the Council finances well; increase income and deliver the savings and efficiencies that are needed to ensure the Council can deliver excellent services to residents.

## 2.3 *Rushmoor 2020*

The Rushmoor 2020 programme was established in May 2018. The role of the programme was to take forward a range of improvements set out in the Chief Executives report to Cabinet in May 2018, with a focus on the Council being a more customer focussed, agile and financially sustainable organisation to meet the expectations of residents and businesses and deliver the ambition in the Business Plan.

It was anticipated that by 2021/22 at least £1.3m of the Council's ongoing savings requirement would be achieved through the delivery of projects within the Rushmoor 2020 programme.

The Rushmoor 2020 programme consisted of seven workstreams summarised below:

- 1. Development of Vision and Priorities** - A Council with a clear vision and effective leadership for residents and places
- 2. Development of People** - Staff with the right skills and behaviours in the right roles, committed to delivering the best possible outcomes for communities
- 3. Improving Performance Management and Governance** - A clear view of performance and robust arrangements to ensure delivery

**4. Financial Sustainability** – Achieving savings in a sustainable way while maintaining the quality of services and maximising assets

**5. Customer Experience** - All customers having an excellent customer experience every time

**6. The Digital Council** - Technologies which enable and support new ways of working and doing business – for staff, customers and those who do business with us

**7. Communications** - Residents, businesses, staff & members are well informed

A number of Rushmoor 2020 projects have now completed or will be complete by the end of 2019/20 as reported to the Cabinet in October 2019 in report ED 1907. The report identifies the next phase of work is to deliver a consistently excellent customer experience, whilst creating the capacity to achieve the long-term vision and meet the required savings targets. The report states:

*The Council has so far been successful in delivering savings through service specific savings and improvement projects. However, there comes a point when taking savings out of services in the traditional way becomes unsustainable and a new approach is needed which will change (transform) the way the Council works at a 'whole council' level.*

The report identifies three major objectives:

- Move to a more customer centric approach;
- Reduce the ongoing cost of services in a sustainable way; and
- Create some financial headroom to help balance the council's budget and deliver different or better outcomes in line with the 3-year business plan

To achieve these objectives will require a corporate modernisation and improvement programme. This type of programme will involve gaining a deeper understanding of customers' needs and expectations, developing people, truly embracing the concept of becoming a digital council, improving business intelligence and performance management, following through the next stage of organisational redesign and implementing a 21<sup>st</sup> century approach to internal and external communications.

As a result, a new overarching transformation programme has been established called the **ICE Programme**.



## 3 The ICE Programme

Over the period to 2023 the intention will be to use the ICE Programme to build and deliver a programme of change which is transformative.

### 3.1 ICE Outcomes

A *'blueprint'* of the future organisation has been developed with three major outcomes:

#### **Improved and modernised core business**

This means:

- Thinking digitally and understanding how the Council can use technology to improve services, increase productivity and create capacity and flexibility
- Redesigning services, targeting the Council resources towards residents' and businesses' needs and agreed priorities
- Developing an environment where everyone will feel well informed and connected and can collaborate in ways that support the delivery of agreed priorities and not just individual work
- Having a workforce strategy in place to make sure the Council have the skills needed now – and tomorrow.

#### **Consistently excellent Customer Experience**

This means:

- Delivering consistently excellent customer service using a single/combined customer service as close to the customer as possible. The Council will work towards delivering a single view of the customer available across the organisation.
- Implementing and simplifying the technology and processes needed to create a consistent and excellent customer journey for services across multiple access channels.
- Customers will have more opportunities to 'self-serve', reducing contact and saving time and money
- Customers will be happy and confident to self-serve and use lower-cost channels
- The Council will be more visible out in the borough and better connected in how it looks after Place
- Making sure residents and businesses are well informed about priorities, services and campaigns.

## **Enable efficiencies, delivered savings and generated more income**

This means:

- The Council will have achieved at least £1.5 million of ongoing net expenditure reductions by the end of the programme
- The Council will be thinking about the future of services across the borough differently and taking opportunities to manage, reduce or turn off demand
- The Council will be thinking and working in a 'commercially aware' way - understanding and managing costs better, and maximising opportunities to generate income and to recover costs
- The Council will be using procurement to help deliver efficiencies and savings whilst ensuring that wider policy requirements are met.

### **3.2 Programme Structure**

The development of the ICE Programme has been informed by a review of the Councils previous improvement and modernisation work as well as work being undertaken in other local authorities. This suggested that the Council should bring together key areas of change into an overall, targeted and resourced Transformation Programme.

It is intended that clear Member oversight and senior level leadership of the programme will signal the importance of the work and set an expectation of collaboration at a whole council level. This will create optimum conditions to support a successful change programme to ensure delivery of required savings to the timelines outlined in the MTFS.

The ICE Programme is built around four workstreams -

1. Customer Experience
2. Digital Productivity
3. People, Culture and Organisational Design
4. Cost and Commercial

Each of the workstreams has a number of key change projects briefly described in the table 1:

Workstream 1 Customer Experience	Workstream 2 Digital Productivity
1. Customer Insight/Understanding our customers and demand	1. Office 365 'The Modern Workplace' (Exchange, Word, Excel, PP and embedded accessibility)
2. Customer charter/promises (common standards)	2. Flexible and mobile working - office modernisation
3. Process redesign - Redesigning current services to create more efficient processes and increased opportunities for self-service	3. Team working, collaboration and new Intranet
4. New website - to enable better transactional services	4. Performance management and business intelligence
5. Environmental Services portal projects	5. Modernising Line of Business Applications
6. Create the 'Rushmoor Customer Service' implement CRM capability and start to build a single customer view	6. IT Infrastructure and Cloud Migration
7. Love Rushmoor App - refresh/replacement	
8. Modernising Communications	
Workstream 3 People, Culture and Organisation	Workstream 4 Cost and Commercial
1. Workforce strategy	1. Better access to financial information
2. Leadership	2. Reducing debts and increasing income from existing services
3. Learning and development programme	3. Commercial strategy and management of assets
4. Culture, values and behaviour change	4. New procurement strategy and savings from procurement
5. Improving internal communications and collaboration	
6. Organisational Redesign	

Table 1 ICE Workstreams and Projects

This is an ambitious programme of work with a significant number of projects to deliver. It is recommended that where possible project teams are resourced from across the council in multi-disciplinary teams led by an experienced project manager.

The projects already underway are using this model and, subject to resource constraints, this will be rolled out to further projects.

A key feature of the ICE programme is the approach to change. The programme will ensure wide engagement in the programme and effective communication.

### **3.3 Organisational Behaviour and Cultural Change**

A significant number of projects in the ICE programme relate to the introduction of new technology which is designed to help transform ways of working. Critical to the success of the ICE programme will be a focus on organisational behaviour and cultural change. This recognises that whilst implementing new technology and redesigning processes is important, the skills and behaviours of the people who are going to use the new technologies and the processes that will guide and develop the use of technologies are even more important.

Organisational behaviour and cultural change activity is intended to help move the organisation's people, processes, and technology from the current 'as is' state to a desired future 'to be' state. To ensure effective, long-term, and sustainable transformative results, there must be a transition during which the required changes are introduced, tested, understood, and accepted. People have to let go of existing behaviours and attitudes and move to new behaviours and attitudes that achieve and sustain the desired outcomes.

The ICE Programme has established a series of projects in Workstream 3 (People, Culture and Organisation) designed to underpin an approach which recognises the need to support change using Organisation Development (OD) techniques. By integrating this into the ICE programme, as well as developing a comprehensive programme of communication to support leadership messaging and engagement in the change process, it will provide the programme with a better chance of success.

The remainder of this report sets out how the Council will use the four workstreams as a framework for projects which, if delivered successfully, will achieve the desired outcomes for the programme.

## 4 Delivery of the ICE Programme

### 4.1 Approach

The Programme is being managed using an adapted version of the Managing Successful Programmes (MSP) approach, originally developed to manage large scale cross-cutting programmes of work.

MSP is a methodology that comprises a set of principles and processes for use when managing a programme. A programme is made up of a specific set of Projects identified by an organisation that together will deliver some defined objective, or outcome, for the organisation. The objectives of the programme are typically at a strategic level so that the organisation can achieve benefits and improvements in the business operation. MSP is often used to manage complex whole organisation transformation programmes.

### 4.2 Programme Governance

The programme will be incorporated into the Council's three-year business plan and progress reported as part of the Council's quarterly performance report to Cabinet. Policy development will be undertaken by the Rushmoor 2020 Task and Finish group overseen by the Policy and Projects Advisory Board. At officer level the project will be part of the R2020 programme and report through the Council's Executive Leadership Team (ELT) acting as a programme board.

The programme governance structure is shown in Table 2:

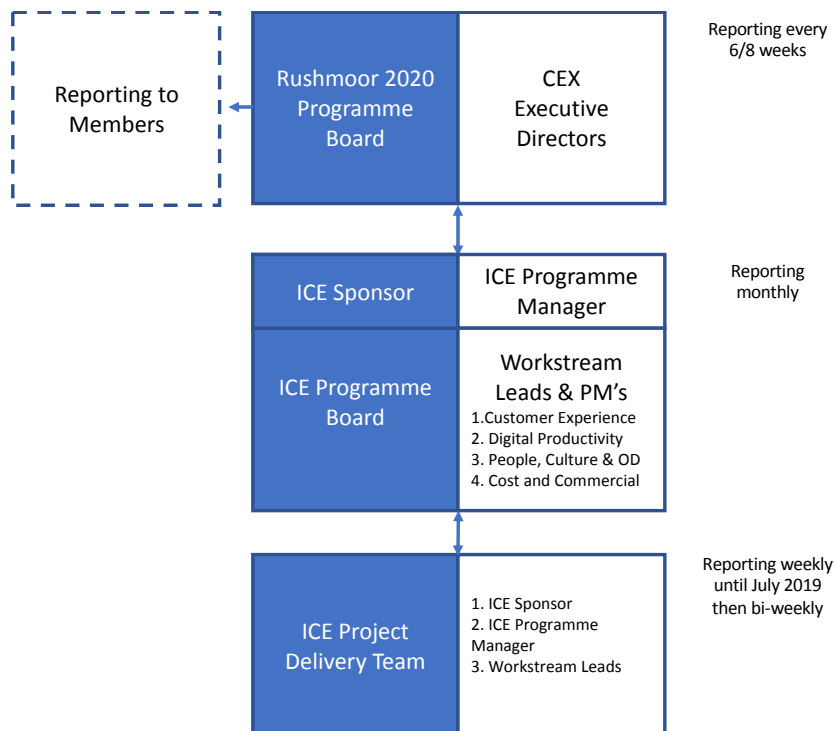


Table 2 ICE Programme Governance Structure

### **4.3 Programme Sequencing Phase 1**

Work has been undertaken to identify the most effective order in which to undertake the projects within each workstream. In doing so an overall programme level view has also been taken to ensure that benefits are being delivered from the investment made (see Benefits Realisation section).

The programme has considered the following factors in addressing project sequencing:

1. Investment required to deliver outcomes;
2. Current 'readiness' of service or operational areas when measured by capacity, skills, resources and an assessment of current management challenges e.g. new legislation or other initiatives already underway; and
3. Technological change required which includes an assessment of lead time for implementation of required technology and overall cost of change.

The purpose of this work is to gain the optimum 'mix' to deliver results quickly whilst ensuring a sustainable programme which achieves the required overall savings and organisational changes. It is expected that an ongoing programme of project sequencing will be required to achieve this and as a result the programme will be divided into a series of phases, with Phase 1 covering the initial sequencing between now and Christmas 2019, when a further phase of projects will be added.

The overall sequence of projects, updated to early September 2019, is shown in Appendix 2.

### **4.4 Key Modernisation and Improvement Projects Phase 1**

The following main modernisation and improvement projects are underway in Phase 1:

#### **4.4.1 Workstream 1 – Project 3 Process Review**

This critical project is intended to identify and review in sequence areas of Council service delivery. The review will consider what process changes are required, should the customer service be delivered centrally and identify any service efficiencies which are possible. Working closely with Project 6 (CRM), changes which are identified and worked on collaboratively with the service area team, will be implemented with support from technologies such as CRM.

#### **4.4.2 Workstream 1 – Project 6 CRM procurement and revised 'Rushmoor Customer Service' approach**

This project is responsible for the identification and procurement of a CRM system. The CRM system will underpin the roll-out of a centralised, coordinated

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approach to customer service. It is intended to review how current service are delivered to ensure that a single point of contact is established for all customers contacting the Council. Using CRM technology will allow information about customers to be collected via self-service, personal or telephone contact which will ensure that the Council can offer a more joined-up and target service in the future.

#### **4.4.3 Workstream 2 – Project 1 – roll-out of revised office productivity tools including Office 365 and SharePoint online**

Microsoft Office 365 and SharePoint online are projects which will deliver improved communication and collaboration tools for staff within the council. Offering tools to enable team working and cross organisation working will reduce ‘silo’ council operations and improve productivity of staff.

#### **4.4.4 Workstream 3 – Project 6 – Service redesign programme**

This project will focus on identifying changes to the organisational structure across the council to ensure the Council is effective and fit for the future. The work will address changes which may result as part of the introduction of new technology or from process reviews which identify improved ways of working, as well as management changes to the organisational structure to enable effective delivery of the Council’s business plan.

In addition to the above projects a number of other IT system replacements and developments and staff development projects are underway.

## 4.5 Programme Communications

It is recognised that programmes of this nature can easily fail. One of the primary reasons for this failure is poor communication.

The ICE programme has developed a comprehensive communication plan intended to ensure that all stakeholders impacted by the programme are properly communicated with. The key stakeholders are shown in below:

1 Members	7 Union
2 Portfolio Holder	8 CLT
3 R2020 Task and Finish Group	9 ICE Project team
4 ICE Programme Board	10 Middle Managers
5 ELT	11 All Staff
6. Chief Executive	12 Customers

Table 3 ICE Communication Stakeholder Groups

Communication channels will include:

1. Email
2. Newsletter (via email, staff hub or Yammer)
3. Yammer
4. Written reports such as, Highlight, Check Point and stage boundaries
5. Website
6. Intranet
7. Teams (TBA)
8. Meetings, briefing and events
9. Blogs

A copy of the draft ICE Communication Plan is shown in Appendix 3.



## 5 Resources and Benefits

### 5.1 Programme Investment

The ICE Programme investment falls into three main areas:

- **New Technology** – Software and hardware costs, associated licencing, support, maintenance and in some case, hosting costs;
- **People resources** – primarily programme and project management costs, where required beyond the available internal resources or skills; and
- **Project implementation costs** – generally related to the implementation of new technology but also in some cases to support with change management, organisational development and learning and specialist skills not retained in-house.

### 5.2 Programme Funding Summary

Table 2 below provides an indication of each workstream costs. It should be noted that workstream 0 deals with the management of the programme whilst workstreams 1- 4 deal with delivery of project outcomes.

Work has been undertaken to identify programme costs. In some cases, these costs remain estimates based the current programme understanding of the work required and potential costs. These costs will be updated as the programme moves forward and more accurate estimates are available.

Workstream	Description	3-year Capital Programme Cost £000'	3-year Revenue Programme Cost £000'	Total Cost Programme cost over 3 years £000'
Workstream 0 – Programme Management and Resourcing	Costs associated with programme management, additional programme and temporary staff and backfill of resources	-	£380	£380
Workstream 1 – Customer Service	Cost of projects including technology, process redesign and people costs	£120	£401	£521
Workstream 2 - Digital	Cost of projects including technology, process redesign and people costs	£206	£155	£361
Workstream 3 – People and Culture	Cost of projects including technology, process redesign and people development costs	-	£30	£30
Workstream 4 – Cost and Commercial	Cost of projects including technology, process redesign and people costs	-	£30	£30

Workstream	Description	3-year Capital Programme Cost £000'	3-year Revenue Programme Cost £000'	Total Cost Programme cost over 3 years £000'
Total		£326	£996	£1,322
	Funding already built into base budgets, Flexible use of Capital Receipts or Service Improvement Fund	£190	£774	£964
	<b>Current Forecast Additional Programme Funding Requirement as at September 2019</b>	<b>£136</b>	<b>£222</b>	<b>£358</b>

Table 4 Summary of ICE Programme Funding Requirements

### 5.3 Benefits

The ICE programme is intended to deliver a wide range of benefits which will enable a reduction in costs whilst improving the customers experience of dealing with the council. In particular it is expected that the programme will deliver benefits in the following areas:

- Improvements in technology will provide the opportunity to shift to a genuine customer self-service environment whereby council customers will have the opportunity to interact (Pay, Report, Request, Apply or Register) with the Council using either a computer or mobile device. Importantly, the customer experience will be consistent across all council services.
- Investment in a Customer Relationship Management system will allow the tracking of customer interactions across a number of services and the ability to offer a joined-up centralised customer service. In addition, this will provide the council with the ability to target communications with customers providing a more tailored and personalised service delivery.
- A modern, transactional website which is responsive for mobile users where customers can interact with the council to self-service or gain resolution to service queries
- Better, redesigned council processes supported by automated workflow systems which ensure that information, service requests reach the right council member of staff quickly, whether they are office, mobile or home based. This approach, sometimes referred to as workflow, relies on investment in technology which supports efficient service request processing and automated routing of information to the right point. This approach often allows for the redesign of current processes which may rely on traditional paper-based systems.
- Updating or replacement of core service specific systems
- Better integration between systems will allow for information to be provided once and used to update all council databases and records. 'Deep'

integration means that often manual tasks involving entering information into back-office systems is eliminated. The latest artificial intelligence (AI) systems can support capturing and entering this information without the need to human intervention. This has the potential over the next few years to significantly reduce the cost particularly of repetitive transactional service functions.

- The roll-out of modern cloud-based office productivity tools will transform the working environment, enabling mobile working from any location, reducing pressure on office space and improving overall productivity. These latest systems include major improvements aimed at better collaboration in the working environment, reduction in reliance on paper and improved communication tools.
- The development of a ‘customer first’ culture which encourages the design of services to be from a customer perspective and not a service perspective. To achieve this will require a significant shift in behaviour and attitudes within the council and partner organisations.

#### 5.4 Savings requirement

The savings requirement for the ICE programme was last forecast at £1.5m but will be revised in line with the Medium-Term Financial Strategy. Further details of the current projected savings are set out in Appendix 4 and currently show a saving total of £1.962m achieved between 2019 and 2023 with a current estimated ongoing annual saving from this work of £978,200 per annum.

Item	£'000
Current identified savings 2019-2023	1,962
Ongoing saving	978

Table 5 Summary Savings

Savings associated with workstream 4 will be identified as part of the budget setting process for 2020/21 and will be finalised in the budget paper in February. These are anticipated to be in the region of £1-1.5m and will include

- Savings from procurement
- Review of fees and charges
- Improved cost and demand management
- Income from commercial strategy and enhanced asset management

The programme savings requirement will be revised (at least annually) in line with the MTFs requirement but the programme approach and infrastructure that will be established is flexible enough to accommodate changes.

## 5.5 Benefit Realisation

The programme will use a Benefits Realisation approach, described below.

Benefits Realisation is the process by which potential benefits are identified, measured and tracked to demonstrate that projects deliver value to the organisation.

The Council will know it has been successful by the end of the programme if it can show it has met the outcomes summarised below:

- Improved customer satisfaction from improved employee morale
- increased number of services delivered electronically end-to-end
- increased Council income
- Delivery of target savings
- Improved resident satisfaction with the area as a place to live

The programme will adopt a four stage Benefits Realisation approach based on a standard benefits realisation approach shown in Table 6:

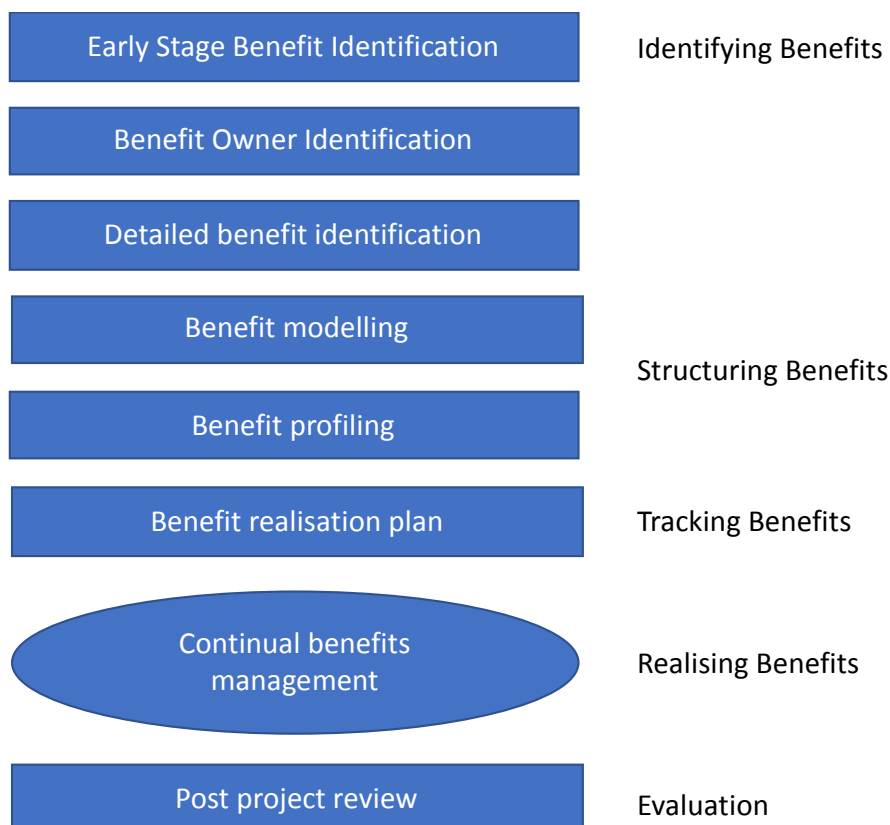


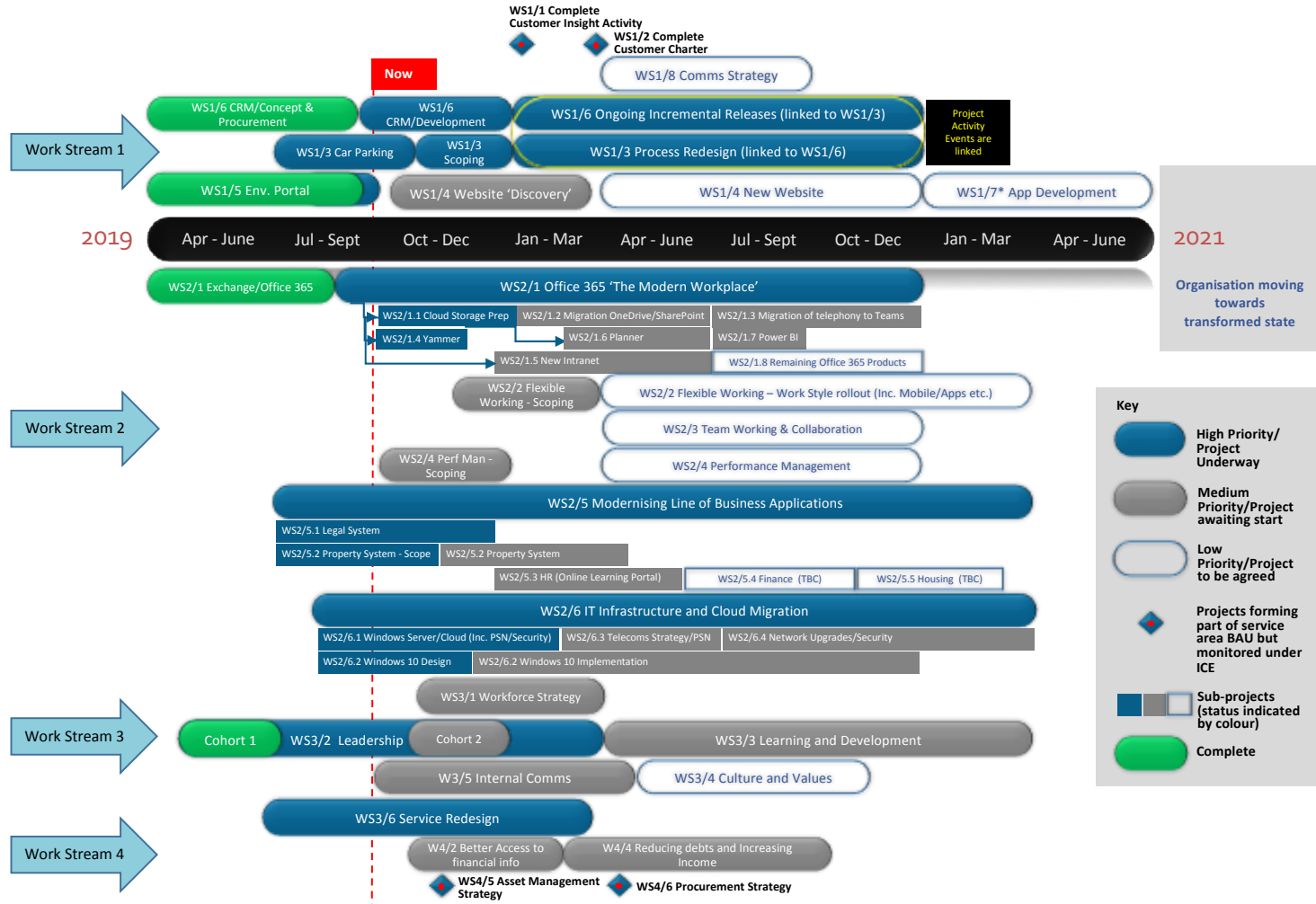
Table 6 Benefits Realisation Framework

# Appendix 1 – Rushmoor 2020 Modernisation and Improvement Programme Cabinet Report



RUSHMOOR 2020  
- MODERNISATION

# Appendix 2 ICE Programme Sequencing Sept 2019



## Appendix 3 – ICE Communication Plan

Ref	Communication Activity	Audience (Stakeholder Group in brackets)	Key Messages	Channel	When and Frequency	Responsibility
C1	Newsletter	ICE Programme Board (4) ELT (5) CX (6) CLT (8) Project team (9) Mid Managers (10) All Staff (11)	Introduction to ICE ICE outcomes Key Programme highlights Important new technology features What the changes will mean to staff and Members Regular 'drip feed' of ICE news items Use of repetition	Email newsletter	Fortnightly or less frequently depending on content	Programme manager to coordinate content  Comms to produce newsletter  Sign off Workstream Lead (CE)
C2	Senior manager briefing at CLT	CLT (8)	Leadership messages Change messages ICE roadmap and timeline Why ICE is important	Email updates  CLT Meetings via presentation, written or verbal updates	As required  Monthly or bi-monthly depending on content	To be delivered at CLT by Workstream Lead (depending on content)

Ref	Communication Activity	Audience (Stakeholder Group in brackets)	Key Messages	Channel	When and Frequency	Responsibility
			<p>What they need to do</p> <p>Impact on their service</p> <p>Details of outcomes targets</p>			
C3	Member Briefing	R2020 T&F (3) and Members (1) Portfolio Holder (2) as required	<p>What's done and what's next</p> <p>ICE roadmap and timeline</p> <p>Items which require Member policy input/steer</p> <p>Items for Member sign off</p> <p>Progress reporting on ICE outcomes</p>	Meeting	Bi-monthly	<p>Sponsor</p> <p>Workstream Leads</p>
C4	Project specific Middle Managers Briefing	Middle Managers (10)	<p>ICE Update</p> <p>Specific Project issues</p>	Middle Managers Meetings	Quarterly	<p>Sponsor</p> <p>Workstream Leads</p>
C5	ELT update	ELT (5)	Programme Highlight reporting /End stage	Written reports	Monthly or bi-monthly	KE



Ref	Communication Activity	Audience (Stakeholder Group in brackets)	Key Messages	Channel	When and Frequency	Responsibility
			Key ICE decisions which involve new funding  Any items which require corporate approval		depending on content	
C6	Customer briefings	Customers (12)	New developments, online features and service improvements  Channel shift activity	Website	As required	Programme Board to approve  Comms to produce  Sign off Workstream Lead (CE)
C7	ICE Union Updates	Union (7)	Issues related to staff and general ICE updates	Email  Meetings	As Required but minimum every six months	Sponsor  Workstream Leads
C8	ICE Programme Board Communication	Programme Board (4)	Highlight reporting  Programme Risks and Issues  Programme Key decisions  Leadership messages	Verbal and Written reports  Programme meeting	Monthly	Programme Manager  Project Managers

Ref	Communication Activity	Audience (Stakeholder Group in brackets)	Key Messages	Channel	When and Frequency	Responsibility
			Change messages ICE roadmap and timeline ICE Comms messages ICE Programme sequencing			
C9	ICE Project Team Communication	Project Team (9)	Project highlight reports Project Board decisions Key project issues Project risks and issues	Verbal and Written reports  Project Delivery Team meeting	Bi-Weekly meeting  Weekly checkpoint telephone call	Workstream Leads  Project Managers

## Appendix 4 – Summary ICE Programme Savings\*

	Saving 2019/20	Cost 2019/20	Saving 2020/21	Cost 2020/21	Saving 2021/22	Cost 2021/22	Saving 2022/23	Cost 2022/23	Saving 2019-23	Cost 2019-23
<b>ICE Savings, Income and Efficiencies Summary</b>										
Technology related	0	0	10,000	0	20,000	0	20,000	0	50,000	0
Income from space utilisation	48,238	0	56,780	0	76,780	0	76,780	0	258,578	0
Process Redesign, automation and service systems	0	0	51,581	0	140,330	0	266,492	0	458,403	0
Organisational Redesign Phase 1	0	0	465,576	353,266	549,606	354,426	615,607	355,559	1,630,789	1,063,251
Organisational Redesign Phase 2	0	0	0	0	153,876	0	293,747	0	447,624	0
Additional Income from existing services (only S106 identified to date)			60,000		60,000		60,000		180,000	
Fees and Charges	To be confirmed alongside budget setting process									
Procurement	To be confirmed alongside budget setting process									
<b>Total</b>	48,238	0	643,937	353,266	1,000,592	354,426	1,332,626	355,559	3,025,393	1,063,251

\* Technology and implementation costs shown in main report and currently excludes personal exit costs

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CABINET

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES  
PORTFOLIO HOLDER  
REPORT NO. FIN1928

15 OCTOBER 2019

KEY DECISION? YES/NO

### MEDIUM TERM FINANCIAL STRATEGY 2020/21 TO 2023/24

#### SUMMARY:

This report sets out the Medium Term Financial Strategy (MTFS) and the budgetary framework to support the preparation of the 2020/21 budget.

The report also provides an update on the financial position of the Council and sets out the financial forecast over the medium-term for financial planning purposes. Final decisions on the overall budget and Council Tax level will be made by Council in February 2020.

#### RECOMMENDATIONS:

That Cabinet

- (i) Approves the Budget Strategy 2020/21 as set out in section 6 of the report
- (ii) Notes the Medium Term Financial Forecast and associated risks and uncertainties as outlined in sections 7 and 8 of the report.

## 1. INTRODUCTION/BACKGROUND

- 1.1. This report will inform members of the current financial position as set out in the Council's Medium Term Financial Strategy (MTFS), which is shown in Appendix A. The report proposes a strategy for addressing the (projected) core budget deficit highlighted in the MTFS and models the options available to the Council regarding the level of Council Tax for 2020/21.
- 1.2. Section 6 of the report outlines the approach that will be taken when setting the detailed revenue and capital budgets for 2020/21.

## 2. STRATEGIC CONTEXT

- 2.1. In common with many local authorities, Rushmoor Borough Council continues to face significant financial challenges over the medium term. The Council will need to continue to take difficult decisions around resource allocation.
- 2.2. The Medium Term Financial Strategy 2019-22 report from October 2018 set out four key drivers of change that affect the MTFS (Population, Economy, Policy Decisions, Rushmoor 2020). Whilst these drivers are still relevant and can assist members in decision making, the level of uncertainty around

national policy issues (Brexit in particular) and the global economy makes it more difficult to predict the impact on the Council.

- 2.3. This report provides members with an update on the key drivers, with an emphasis on the economic factors that are likely to have an impact on the budget and the MTF5. **Section 3** of the report sets out the Economic context, **Section 4** of the report provides an update on population and demographic changes, **Section 5** sets out the Local Government Funding context, with **Section 6** reviewing the key assumptions that inform the 2020/21 budget and the MTF5 2020/21 to 2023/24.

### **3. NATIONAL AND GLOBAL ECONOMIC OUTLOOK**

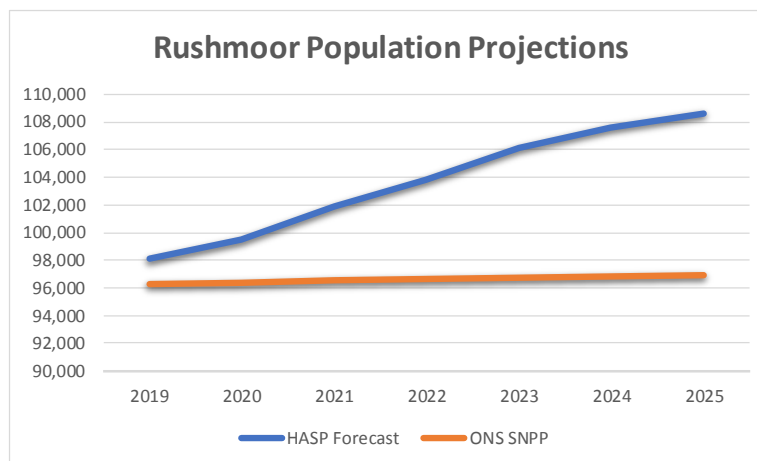
- 3.1. As outlined in Section 2 of the report, there is considerable uncertainty in the national and global economic outlook. The commentary below reflects the position at the time of writing (late September 2109), and will, of course, be subject to change.
- 3.2. At its meeting ending on 18 September 2019, the Monetary Policy Committee (MPC) voted unanimously to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the current level of Quantitative Easing (QE).
- 3.3. Since the MPC's previous meeting, the trade war between the United States and China has intensified, and the outlook for global growth has weakened. Monetary policy has been loosened in many major economies. Shifting expectations about the potential timing and nature of Brexit have continued to generate heightened volatility in UK asset prices, in particular the sterling exchange rate has risen by over 3½%.
- 3.4. Brexit-related developments are making UK economic data more volatile, with GDP falling by 0.2% in 2019 Q2 and now expected to rise by 0.2% in Q3. The MPC judged that underlying economic growth has slowed but remains slightly positive. Brexit uncertainties have continued to weigh on business investment, although consumption growth has remained resilient, supported by continued growth in real household income.
- 3.5. CPI inflation unexpectedly fell to 1.7% in August, from 2.1% in July, and is forecast to remain slightly below the 2% target in the near term. However, the recent attack on Saudi Arabia's oil facilities and subsequent increase in the oil price shows how sensitive prices can be.
- 3.6. The labour market appears to remain tight, with the unemployment rate having been just under 4% since the beginning of this year. Annual pay growth has strengthened further to the highest rate in over a decade. Unit wage cost growth has also risen, to a level above that consistent with meeting the inflation target in the medium term. The labour market does not appear to be tightening further, however, with official and survey measures of employment growth softening.

- 3.7. For most of the period following the EU referendum, the degree of slack in the UK economy has been falling and global growth has been relatively strong. Recently, however, entrenched Brexit uncertainties and slower global growth have led to the re-emergence of a margin of excess supply. Increased uncertainty about the nature of EU withdrawal means that the economy could follow a wide range of paths over coming years. The appropriate response of monetary policy will depend on the balance of the effects of Brexit on demand, supply and the sterling exchange rate.
- 3.8. It is possible that political events could lead to a further period of entrenched uncertainty about the nature of, and the transition to, the United Kingdom's eventual future trading relationship with the European Union. The longer those uncertainties persist, particularly in an environment of weaker global growth, the more likely it is that demand growth will remain below potential, increasing excess supply. In such an eventuality, domestically generated inflationary pressures would be reduced.
- 3.9. The impact on the Council is likely to be through the level of Inflation and Interest Rates. This will affect the cost of service delivery and decisions around treasury management and the affordability of the Capital Programme supported by debt financing. In addition, weaker global economic growth may have a direct impact on the local economy.
- 3.10. The Council will also need to consider the impact of changes in the housing market. The Council's regeneration programme and other significant housing schemes may be at risk if there is a downturn in the housing market. Uncertainty around Brexit has led to a softening in the housing market, although this may not be representative of any longer-term trend.

#### **4. POPULATION AND DEMOGRAPHIC CHANGE**

- 4.1. As highlighted in the October 2018 MTFS report, population and demographic change should be considered over the medium-term strategy period to ensure that service delivery budgets reflect the demand a growing and changing population may put on them.
- 4.2. The Table and graph below show the population projections from two different methodologies – Sub-National Population Projection (which analyses past information to form a trend) and Hampshire Small Study Area Projection (based on projected housing starts). The current Office for National Statistics (ONS) mid-2018 population estimate indicates Rushmoor's population is 95,142

**Table 1: Population projections**



Rushmoor	TOTAL	Aged 0-17	Aged 18-64	Aged 65-89	Aged 90+
2019 Estimate *	98,150	21,458	61,517	14,376	799
2025 Estimate *	108,568	23,574	66,590	17,399	1,005
<b>Change (2019 to 2025)</b>	<b>10,418</b>	<b>2,116</b>	<b>5,073</b>	<b>3,023</b>	<b>206</b>
% Change	10.61%	9.86%	8.25%	21.03%	25.78%
2019 Estimate **	96,274	21,127	60,973	13,496	679
2025 Estimate **	96,936	20,754	59,947	15,461	775
2041 Estimate **	99,045	19,532	57,002	20,780	1,731
<b>Change (2019 to 2025)</b>	<b>662</b>	<b>(373)</b>	<b>(1,026)</b>	<b>1,965</b>	<b>96</b>
% Change	0.69%	-1.77%	-1.68%	14.56%	14.20%

\* Source: Hampshire County Environment Department's 2018 based Small Area Population Forecasts

\*\* Source: ONS 2016-Based Sub-National Population Projections

- 4.3. Clearly, there is a marked difference in the projections, with the HSAP forecasts, which incorporate planned additional housing, show a much sharper increase in the population. The Council will need to consider the impact such a change in population may have on its budget – particularly around Waste and Recycling and the provision of leisure and recreation facilities for example.
- 4.4. It is also worth noting the demographic trend towards and older population. The proportion of the borough's population that will be aged 65 and over will increase between 2019 and 2025 and the Council will need to consider the way in which services can be accessed.

## 5. LOCAL GOVERNMENT FUNDING

- 5.1. The provisional settlement for 2019/20, announced on 13 December 2018, was the final year of the multi-year settlement and did not provide any indication of funding for 2020/21 and beyond.



- 5.2. Alongside the 2019/20 settlement announcement, the Government issued two consultation documents that were likely to have a significant impact on the nature and distribution of local government funding from 2020/21. Changes in funding were expected through the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the move to 75% Business Rates Retention which were to be introduced from April 2020.
- 5.3. However, in the recent Spending Round announcement on 04 September 2019 the Government have announced that these changes have been postponed until April 2021.

Housing, Communities and Local Government Committee report on Local Government Finance

- 5.4. The committee published their report on Local Government Finance and the 2019 Spending Review in August 2019. The report looked at the way in which local government is financed, both by government and through Council Tax, and local government's responsibilities and the services it provides.
- 5.5. The report made several recommendations around funding for social care, reforming the business rates retention system, and for government to provide multi-year settlements to allow councils to plan ahead.

Spending Round

- 5.6. The Spending Round, which was announced in September 2019, set out the government's spending plans for 2020/21.
- 5.7. In terms of the main announcements:
- Core Spending Power is expected to rise by £2.9 billion in cash terms (£2.0 billion in real terms). It is worth noting that CSP includes assumptions about increase in Council Tax and the tax base.
  - Additional £1 billion grant for adults and children's social care and the continuation of existing social care grants (Better Care Fund, Winter Pressures).
  - 'Negative RSG' will continue to be funded (although subject to confirmation in the provisional settlement)
  - Rural Services Delivery Grant to continue
  - Additional £54m funding for Homelessness
  - Referendum principles for Council Tax and the Adult Social Care Precept were outlined, subject to consultation in the finance settlement.
- 5.8. The Government issued a Technical consultation on the Local Government Finance Settlement 2020/21 on 03 October. At a broad level, the technical consultation focuses on the announcements contained within the Spending Round.
- Baseline Funding Levels will be uprated in line with the change in the small business rates multiplier (this is linked to CPI)
  - No change to mechanism for tariff/top-ups
  - Government minded to pay-off negative RSG in full through foregone business rates receipts (as it has done for 2019/20)

- 2% or £5 flexibility on Council Tax proposed for Shire Districts (interestingly there's no reference to this being higher in the previous two years)
  - No decision on what Council Tax principles there will be for Police and Crime Commissioner – this will be announced at provisional settlement
  - Increased Better Care Fund continues on same basis as last year
  - Social Care funding – Hampshire County Council to receive £24.961m in total
  - Continuation of Rural Service Delivery Grant worth £81m (awarded to top-quartile of local authorities on the basis of the super-sparsity indicator)
- 5.9. Importantly for Rushmoor, the consultation document does set out the Government's view on New Homes Bonus, although very little scheme detail is provided. Legacy payments will continue to be funded, and the government confirms that a new round of allocations will be made for 2020/21.
- 5.10. However, the government has indicated that it will confirm the proposals on the baseline (the element of growth that is not rewarded – currently set at 0.4% of council tax base weighted by band) at the provisional settlement. The approach for 2020/21 bonus payments is that they will not result in legacy payments being made in subsequent years.
- 5.11. Question 7 of the consultation is worth noting as it does give an insight into the government's funding priorities for local government:  
*“Do you agree that there should be a new round of 2020-21 New Homes Bonus allocations for 2020-21, or would you prefer to see this funding allocated for a different purpose, and if so how should the funding be allocated?”*
- 75% Business Rates Retention (BRR) & Review of Relative Needs and Resources
- 5.12. As indicated in paragraph 5.3 of the report, the introduction of 75% Business Rates Retention and the Review of Relative Needs and Resources has been postponed until April 2021.
- 5.13. Section 4 of the Revenue Budget, Capital Programme and Council Tax Level report to Cabinet in February 2019 provided members with an overview of the changes the Government were consulting on at the time.
- 5.14. Given the expected introduction of these changes was due to be April 2020, the MTFS at the time assumed a significant reduction in the level of Government Funding (£1.174m – approximately 30% reduction in retained business rates income). Considering the Spending Round announcement, the MTFS assumes no reduction for 2020/21 but maintains the view that there will be a reduction from April 2021.
- 5.15. Since February, the Systems Design Working Group have considered several technical areas such as how growth will be measured in the new system and the timing of the rating list and system reset. A further technical

consultation is expected that will help inform the way in which the 75% system will operate.

New Homes Bonus (NHB)

5.16. The spending round confirmed that the New Homes Bonus scheme will continue in 2020/21. However, the Government are yet to confirm the position on legacy payments, whether the 0.4% threshold applied to the calculation will be amended, and what the future scheme will look like. A consultation is expected on this over the Autumn.

5.17. The tables below shows the assumptions made in February 2019 MTFS around future New Homes Bonus payments. A number of scenarios were considered with a prudent view taken recognising the direction of travel the Government have indicated around future funding (Scenario **Reduced** as highlighted was included in the MTFS). The second of the tables follows the same methodology but with updated delivery figures (which based on draft figures for 2019/20 delivery are expected to be lower).

**Tables 2a to 2c: New Homes Bonus**

NHB Scenarios	2018/19	2019/20	2020/21	2021/22
	Original		Forecast	Forecast
	(£'000)	(£'000)	(£'000)	(£'000)
New Homes Bonus (Legacy only)	1,095	1,010	710	548
New Homes Bonus (Stops)	1,095	1,010	0	0
New Homes Bonus (No change)	1,095	1,010	1,388	1,819
<b>New Homes Bonus (Reduced)</b>	<b>1,095</b>	<b>1,010</b>	<b>936</b>	<b>972</b>
New Homes Bonus (Pessimistic)	1,095	1,010	810	748

NHB Scenarios	2019/20	2020/21	2021/22	2022/23	2023/24
		Forecast	Forecast	Forecast	Forecast
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
New Homes Bonus (Legacy only)	1,010	710	548	209	0
New Homes Bonus (Stops)	1,010	0	0	0	0
New Homes Bonus (No change)	1,010	1,080	898	909	1,000
<b>New Homes Bonus (Reduced)</b>	<b>1,010</b>	<b>834</b>	<b>665</b>	<b>442</b>	<b>333</b>
New Homes Bonus (Pessimistic)	1,010	810	748	509	400

5.18. Considering the technical consultation document proposals on New Homes Bonus outlined earlier, an emerging view is that the either (a) only legacy payments are honoured (with no new reward incentive) or (b) that NHB stops completely (as funding is reprioritised). The table below shows the additional impact on the MTFS should the Government only make legacy payments or stop NHB entirely.

<b>New Homes Bonus - budget pressure if funding is curtailed</b>	<b>2019/20 (£'000)</b>	<b>2020/21 Forecast (£'000)</b>	<b>2021/22 Forecast (£'000)</b>	<b>2022/23 Forecast (£'000)</b>	<b>2023/24 Forecast (£'000)</b>
Reduction in funding (a) Legacy only	0	123	117	233	333
Reduction in funding (b) Stops	0	834	665	442	333

5.19. Should the Government stop New Homes Bonus entirely, the Council would face a potential loss of £2.274m of funding over the medium-term. The Council would need to find additional savings and efficiencies to offset the loss of NHB.

5.20. Given the lack of clarity on the level of funding from New Homes Bonus for 2020/21 and beyond, the forecast within the MTFs has only been updated to reflect the technical consultation and reduced housing delivery expectations. A more comprehensive update to the NHB forecast will be completed after the finance settlement is published. Additional work will be undertaken on estimating the delivery of new homes in the borough over the MTFs period to ensure any future forecast reflects the current position.

#### Council Tax

5.21. As highlighted in paragraph 5.7 of this report, the Government announced the Council Tax referendum principles in the Spending Round. For 2020/21, the maximum increase in Council Tax for District/Borough Councils will be 2% or £5, whichever is the greater. This is a reduced limit over the previous two years where the maximum increase allowable was 3% or £5, whichever was the greater.

5.22. Whilst the principles are subject to consultation through the finance settlement, the lower threshold will reduce the amount of Council Tax the Council could choose to raise over the MTFs period. The February 2019 MTFs assumed the 3% threshold level would continue.

5.23. The table below shows the impact of the potential reduced Council Tax threshold limit. For 2020/21 the difference between a 2.99% increase and a £5 increase is a reduction of £35,466, increasing to £181,630 by 2023/24. The cumulative reduction in the Council Tax forecast is £419,836.

5.24. The forecast assumes a 1% increase in the Tax base but does not include the impact of future housing delivery due to uncertainty. An updated forecast of the tax base will be included in the budget reports to Cabinet and Council in February 2020.

**Table 3: Council Tax forecast**

Year	Taxbase forecast	Change (%)	Band D Rate (£)	Precept (£)	Increase in Precept (£)	Precept (previous assumption) (£)	Reduction in assumed Council Tax (£)	Cumulative reduction in assumed Council Tax (£)
2019/20	31,352.21	1.23%	204.42	6,409,019		6,409,019	0	0
2020/21	31,665.73	1.00%	209.42	6,631,437	222,418	6,666,903	(35,466)	(35,466)
2021/22	31,982.39	1.00%	214.42	6,857,664	226,227	6,934,742	(77,078)	(112,543)
2022/23	32,302.21	1.00%	219.42	7,087,752	230,088	7,213,414	(125,662)	(238,205)
2023/24	32,625.24	1.00%	224.42	7,321,755	234,004	7,503,386	(181,630)	(419,836)

Balances & Reserves Strategy

5.25. The Council holds balances and reserves to provide financing for future expenditure plans. The Council held £14.064m in balances and reserves at the end of the last financial year is set out in the table below along with the original forecast for 2019/20.

**Table 4: Balances and Reserves forecast**

Balances and Reserves	2018/19 Closing Balance (£'000)	Transfer in (£'000)	Transfer Out (£'000)	2019/20 Forecast (£'000)
General Fund Balance	(2,000)			(2,000)
Stability & Resilience Reserve	(4,869)	(483)	0	(5,352)
Service Improvement Fund	(1,000)	(453)	93	(1,360)
Commercial Reserve	(475)	(2,000)	405	(2,070)
s106/SANG/Commutated Sums	(3,088)	0	0	(3,088)
Other Earmarked Reserves	(2,634)	0	109	(2,525)
<b>Estimated Balances at 31 March</b>	<b>(14,064)</b>	<b>(2,936)</b>	<b>607</b>	<b>(16,393)</b>

5.26. The Council holds these sums for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing [Stability and Resilience Reserve, Commercial Reserve];
- a risk-assessed contingency to cushion the impact of unexpected events or emergencies [General Fund Balance];
- a means of building up funds to meet known or predicted requirements

5.27. A review of the balances and reserves and a comprehensive strategy will be completed and presented to Cabinet and Council in February alongside the revenue and capital budgets for 2020/21.

## 6. 2020/21 BUDGET STRATEGY - ASSUMPTIONS

6.1. The 2020/21 Budget Strategy sets out the key assumptions that will be made when reviewing the Council's revenue budgets for 2020/21.

### Government Funding & Council Tax

6.2. As discussed earlier in the report, there is very little certainty around the level of Government Funding that the Council will receive in future years.

6.3. The announcement in the Spending Round of a delay in the introduction of 75% Business Rates Retention and the Review of Relative Needs and Resources has been postponed until April 2021 is welcome. However, the detailed position for the Council will not be known until December 2019 and is unlikely to provide details of funding beyond 2020/21.

6.4. The table below sets out the assumptions made on Government funding for 2020/21 and over the MTF5 period and reflect the updated information discussed in Section 7 of the report.

**Table 5: Government Funding assumptions**

	2019/20 (£'000)	2020/21 Forecast (£'000)	2021/22 Forecast (£'000)	2022/23 Forecast (£'000)	2023/24 Forecast (£'000)
<b>Government Funding</b>					
Business Rates Retention	3,836	3,913	3,991	4,071	4,152
Risk: BRR Baseline Reset	0	0	(1,174)	(1,174)	(1,174)
Risk - Fair Funding Review	0	0	0	0	0
Revenue Support Grant	0	0	0	0	0
<b>Subtotal</b>	<b>3,836</b>	<b>3,913</b>	<b>2,817</b>	<b>2,897</b>	<b>2,978</b>
New Homes Bonus	1,010	834	665	442	333
Other Grants	36	0	0	0	0
<b>TOTAL Government Funding</b>	<b>4,883</b>	<b>4,746</b>	<b>3,482</b>	<b>3,339</b>	<b>3,312</b>

### Pay and Price Inflation

6.5. The budget will be prepared on a 'standstill' basis in that no price inflation will be added other than to contractual commitments to pay an annual inflationary increase such as contracts and software licence agreements.

6.6. Salary budgets for 2020/21 will be increased by 2% to reflect the longer-term assumptions made in the MTF5 around future pay awards. Members may be aware that the three largest local government unions have submitted a pay claim for would see the lowest paid staff earning at least £10 per hour, and all other council employees receiving a 10% pay rise. Negotiations with local government and the unions are ongoing, but it is considered prudent to budget at a level that is sustainable and in-line with previous pay award levels.

6.7. The Bank of England published the August CPI and RPI figures on 18 September 2019, with the September inflation figures due to be available on 16 October 2019. These figures are generally used as the basis for uprating

of some welfare benefits. An allowance is made in the MTFS each year for the impact of inflation pressure within the General Fund and this will be reviewed over the Autumn.

#### Fees & Charges

- 6.8. Cabinet approved the methodology for the annual review of fees and charges made for Council services ([Report No. FIN1624](#)). Budget holders are required to review the fees and charges as part of the budget setting process to ensure they are set at an appropriate level and that charges are transparent and show a clear methodology for their increase.
- 6.9. Whilst the focus is on the level of charge made for services, budget holders are encouraged to review and understand the cost drivers within their service as cost control is an integral part of the annual review of fees and charges process.

#### Commercial Property

- 6.10. As highlighted in the Budget report to Cabinet and Council in February 2019, the Council is increasingly reliant on income from Commercial Property to provide funding for other Council services. Given the risk in holding commercial property (e.g. occupancy rates and fluctuations in the property market), income and expenditure budgets associated with the portfolio will be reviewed. This will help ensure the Council is budgeting at the appropriate level and that risks to income and expenditure changes across the medium term can be incorporate into the MTFS and Capital Programme.
- 6.11. The budget setting process is likely to propose that a proportion of commercial income is set aside in the Commercial Reserve each year to provide and ongoing funding stream to manage the portfolio.
- 6.12. Following the Council's acquisition of commercial properties to increase its income the Property Service has struggled to cope with the additional demands. The Council's portfolio is complex and is of significant size. The approach adopted by the Council needs to change and actions have been taken to improve the situation and to respond to the concerns of Members.
- 6.13. The Council recently approved an Asset Management Strategy that lays out the framework for its properties. In addition, the Council has undertaken a review (by LSH Investment Management, a wholly owned subsidiary of Lambert Smith Hampton Group) of a tranche of its properties and has commissioned a further review of a second tranche. Details of both reports will be reported to Members in due course with identified priority actions.
- 6.14. The Council has also commissioned a further piece of work by LSH Investment Management to develop a property investment strategy. Members will be invited to take part in a series of workshops and meetings to shape this strategy. The outcome being that a strategy will be presented to Members for approval in due course as well as a full update report on the performance of the portfolio.

6.15. Members will recall that a Commercial Property Reserve was established to provide funding to mitigate some of the financial risk associated with the portfolio. For 2019/20, the costs associated with the LSH Investment Management advice can be funded from the reserve to secure the appropriate external advice allowing the Council to manage its property on a commercial basis.

Local Government Pension Scheme (LGPS)

6.16. An actuarial review of the Local Government Pension Scheme is currently being undertaken with indicative funding results expected in the Autumn. Provision was made in the MTFS for increases to the employer's contribution to the Fund up to the next actuarial review due in 2022/23.

6.17. Following consultation with the Hampshire authorities earlier in 2019, the Hampshire Pension Fund Panel and Board approved a number of structural changes to the way employers are grouped together for funding purposes.

6.18. The 2019 triennial valuation provided an opportunity to make these structural changes because there has been a material improvement in the funding level since the last valuation. It has not been possible to make changes prior to this valuation due to the financial impact it would have had on employers through the allocation of the fund deficit.

6.19. The structural changes have effectively created smaller funding groups for Academies and for the Town and Parish Councils. The Admitted Bodies Group (ABG) is maintained (which includes the Hampshire local District/Borough and City/County Councils).

6.20. The benefit is that this allows the fund actuary to calculate individual employer contribution rates (rather than there being a common rate amongst the ABG. This had the disadvantage that decisions taken by other ABG members in terms of workforce planning had an impact on the level of contribution made by Rushmoor.

6.21. In addition, the changes also opens-up the opportunity for ABG members to pre-pay contributions for the 3-year period post actuarial review. Subject to agreement with the fund actuary and the accounting treatment, this would allow the Council to benefit from a discount on the total amount due over that period, effectively reducing the cash amount that is required if paid annually.

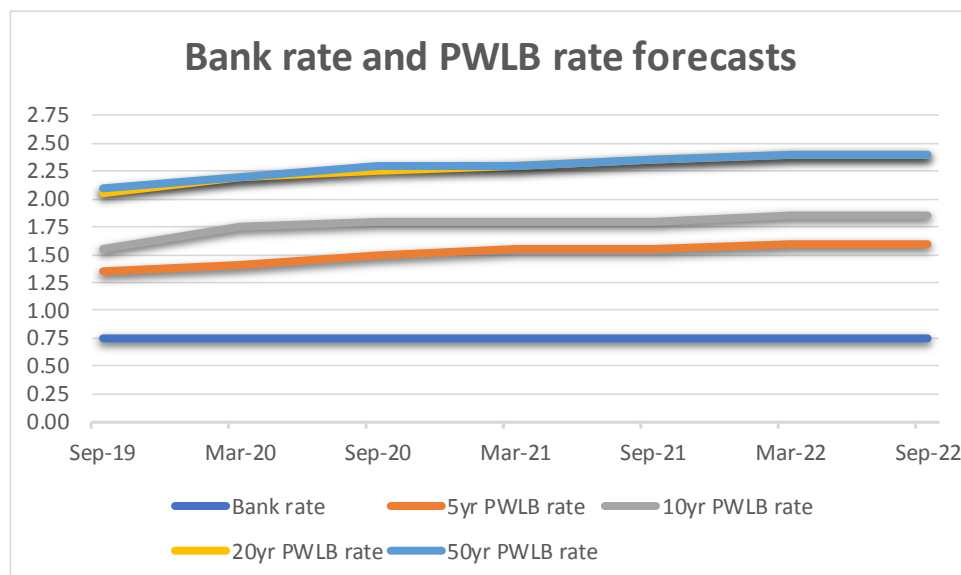
6.22. The changes will be made as part of the 2019 actuarial review, with the first impact on contribution rates from 01 April 2020. Given the impact of these changes and the review is not known at this stage, the MTFS assumes a continuation in contribution levels consistent with the 2016 Actuarial review. Any change to the current level of funding will be included in the February 2020 MTFS update.



Interest Rates

- 6.23. The Bank of England base rate was increased from 0.50% to 0.75% in August 2018 and was held at this level at the Monetary Policy Committee meeting in September 2019.
- 6.24. Given the uncertainties around Brexit, it is difficult to predict what impact there will be on interest rates in the near future. The latest forecasts from our Treasury advisors (August 2019) suggest that the bank base rate will remain at 0.75% for the foreseeable future.
- 6.25. However, there are a number of substantial risks in the forecasts, largely around expectations around Brexit outcomes, the global economic position and on-going political uncertainty in the UK and abroad. The US Federal Reserve has cut its advisory base rate twice in 2019, with the ECB restating QE.
- 6.26. The table below indicates an expectation that the bank base rate will remain unchanged for the foreseeable future, with PWLB rates increasing slightly over the same period. However, there is the possibility that the Bank of England base rate may reduce in the short-term due to the economy's persistent weakness, as indicated by MPC member Michael Saunders at the end of September – *“If the UK avoids a no-deal Brexit, monetary policy also could go either way and I think it is quite plausible that the next move in the bank rate would be down rather than up.”*
- 6.27. Bank base rate and PWLB forecasts are due to be updated in November 2019 following the Bank of England's monetary policy committee meeting in November.

**Table 6: Bank Base rate and PWLB Rates**



	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22
Bank rate	0.75	0.75	0.75	0.75	0.75	0.75	0.75
5yr PWLB rate	1.35	1.40	1.50	1.55	1.55	1.60	1.60
10yr PWLB rate	1.55	1.75	1.80	1.80	1.80	1.85	1.85
20yr PWLB rate	2.05	2.20	2.25	2.30	2.35	2.40	2.40
50yr PWLB rate	2.10	2.20	2.30	2.30	2.35	2.40	2.40

#### Treasury Management - Investment Returns

- 6.28. The Council continues to benefit from strong returns from the Treasury Management investments. The Council holds around £25m of externally managed pooled funds and is continuing to achieve annual returns of around 4.3% - the highest return of all Arlingcloses's clients.
- 6.29. Treasury Management income is forecast to remain at around £1.3m over the MTFs period, but as with all treasury investments, is reviewed regularly to ensure appropriate diversification is in place and the principles of Security, Liquidity and Yield are met.

#### Treasury Management - Borrowing costs and MRP

- 6.30. The Council has undertaken significant external borrowing to finance its capital programme and currently manages a debt portfolio of £80m. The Council's Treasury Management Strategy, as approved by Council in February 2019, sets out the approach taken to borrowing.
- 6.31. The Council's main objective when borrowing money is to maintain an appropriate low-risk balance between securing low interest rate costs and achieving cost certainty over the period for which funding is required. Given the low interest rate environment, there is a financial benefit to the Council of taking advantage of short-term borrowing (typically 3-6 month duration), but at the same time there is a risk around refinancing those short-term loans.
- 6.32. During the current financial year, the Council has sought to mitigate the refinancing risk by borrowing over longer period (between 1 and 2 years). As the Council works through its asset management plans and revises the Capital Programme, there may be opportunities to refinance its borrowing over a longer period without incurring significant additional cost due to the current position on long-term PWLB borrowing.
- 6.33. It is likely that the cost of borrowing in 2019/20 will come in below the budgeted £1.056m, in part due to lower than anticipated interest rates but also due to a lower level of borrowing. Estimates for 2020/21 and beyond will be undertaken once the Capital Programme has been reviewed and will be included in the budget papers for Cabinet and Council in February 2020.

## 7. MEDIUM TERM FINANCIAL STRATEGY 2020/21 TO 2023/24

7.1. The Medium Term Financial; Strategy projects forward the likely income and expenditure for the next four years and supports delivery of the Council's priorities and the Council Business Plan.

### Balanced Budget Requirement

7.2. The council is legally required to set a balanced budget for the coming year. The Budget report to Council in February 2019, provided a forecast of the Council's core budget position over the MTFS period:

- 2020/21 – Surplus of £666k
- 2021/22 – Deficit of £578k

7.3. An important part of the strategy for financial sustainability is that the Council will need to continue to deliver efficiencies and savings over the coming years. The Council has in previous year utilised the Stability and Resilience reserve over the medium-term strategy period to help maintain a balanced budget position, although the Council will need to ensure it does not become reliant on this and requires a balance of savings, efficiencies, additional income and cost reductions.

### Savings Plan

7.4. The Council has a good track record of delivering budget and efficiency savings, and this needs to be sustained over the medium term. The Budget report to Cabinet and Council in February 2019 outlined the Savings Plan for the period 2019/20 to 2021/22, which is set out in the Table below.

**Table 7a: Savings Plan**

	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)
<b>Savings to be delivered over MTFS</b>			
Organisational Redesign	300	1,300	1,300
Better Procurement & major contract renewal	230	230	230
Commercial Property Investment	3,191	3,718	3,718
Income Generation (Other)	0	50	50
Reduction in service costs	151	151	151
Reviewing fees, charges and concessions	59	94	129
<b>Subtotal</b>	<b>3,931</b>	<b>5,543</b>	<b>5,578</b>
Vacancy Monitoring	325	330	335
<b>TOTAL Savings</b>	<b>4,256</b>	<b>5,873</b>	<b>5,913</b>

7.5. As reported to Cabinet in August 2019, the Council has made good progress in achieving the savings target, although there is still a requirement to deliver further savings during the year to ensure there is not a negative impact on the Council financial position in the short and medium term. The Table below highlights the last reported position. The forecast shortfall in savings was in part offset but a positive variation within service budgets and on investment income returns. The Q2 position will be reported to Cabinet at their meeting in November.

**Table 7b: Savings Plan (Q1 performance)**

	<b>2019/20 Target (£'000)</b>	<b>Q1 Achieved (£'000)</b>	<b>Savings still required (£'000)</b>
<b>Savings to be delivered over MTFS</b>			
Organisational Redesign	300	20	280
Better Procurement & major contract renewal	230	253	(23)
Commercial Property Investment	3,191	2,765	426
Income Generation (Other)	0	0	0
Reduction in service costs	151	160	(9)
Reviewing fees, charges and concessions	59	0	59
<b>Subtotal</b>	<b>3,931</b>	<b>3,198</b>	<b>733</b>
Vacancy Monitoring	325	98	227
<b>TOTAL Savings</b>	<b>4,256</b>	<b>3,296</b>	<b>960</b>

- 7.6. The Savings Plan for the period 2020/21 to 2023/24 will be updated over the coming weeks and will be presented to Cabinet and Council in February 2020. It is worth noting at this stage that there will be changes to two key savings plan areas – Organisation Redesign and Commercial Property Investment.
- 7.7. Members will be aware that Cabinet Agenda includes a report on the ICE Modernisation and Improvement Programme and sets out the way in which Organisational Redesign savings will be delivered through the ICE Programme.
- 7.8. The Savings Plan currently includes a savings target for Organisational Redesign (£1.3m in 2020/21) and Vacancy Monitoring (£330k in 2020/21). These savings will now be delivered within the ICE Programme through Workstream 3 and the Savings Plan will be updated over the coming weeks to reflect the phasing and delivery expectations.
- 7.9. Savings associated with workstream 4 will be identified as part of the budget setting process for 2020/21 and will be finalised in the budget paper in February. These are anticipated to include savings from procurement, review of fees and charges, Improved cost and demand management, and Income from commercial strategy and enhanced asset management. It is likely that savings from this workstream will complement and balance the overall savings plan.
- 7.10. The Council is currently at an early stage with a number of projects that will deliver cost reductions and income streams over the medium-term. These ‘pipeline’ savings have not been included in the Savings Plan and MTFS as the projects either require a formal Cabinet/Council decision, or are subject to a detailed business case being prepared. These projects are expected to have a significant positive impact on the Council’s finances. An update will be provided to members in February.

**Table 7c: 'Pipeline' savings (estimated and will be subject to further detailed work before inclusion in the MTFS)**

	2019/20	2020/21	2021/22	2022/23	2023/24
Pipeline Savings	(£'000)	Forecast (£'000)	Forecast (£'000)	Forecast (£'000)	Forecast (£'000)
Additional Pipeline Savings (est)	0	(215)	(1,843)	(2,721)	(2,921)

7.11. Paragraphs 6.10 to 6.15 of this report set out the wider position with the Council's Commercial Property portfolio and the external advice commissioned from LSH Investment. This advice will help inform the expectations for income from the portfolio and update the Savings Plan accordingly.

7.12. In terms of Commercial Property Investment, the Council has not acquired any further investment properties other than those purchased in April 2019. The savings plan had assumed a further acquisition would have taken place by the end of Q2 of the financial year. As a result, there is a shortfall against the savings plan this year. The MTFS assumes that further acquisition will take place following the review of the property portfolio by LSH Investment Management in order to both meet the savings plan commitment and enhance, balance and optimise the property portfolio.

7.13. There is an inherent risk with savings targets - there is a risk that these are not be achieved in full or in the timeframe required. The savings targets will be subject to review over the coming weeks to ensure they can be achieved.

Budget Pressures/Growth

7.14. Hampshire County Council notified the Council in early September of proposed changes to Waste Disposal arrangements that forms part of the County's Transformation to 2021 Efficiency Programme.

7.15. The County have proposed that from 31 March 2021 that they will:

- Cease to pay Recycling Credits for recyclables for which provision has been made through the [Waste Disposal] contract
- Re-charge each Waste Collection Authority the cost of disposing of the contamination/non-recyclable materials within their dry mixed recycling deliveries
- Retain the income from the sale of all material recovery facility (MRF) processed recyclables

7.16. The estimated budgetary impact on Rushmoor is around £350k per annum, which has been included in the MTFS as a future budget pressure. The Council will need to consider options to mitigate this additional cost over the coming months.

7.17. At their meeting on 20 June 2019, the Council unanimously supported a motion acknowledging a Climate Emergency and developing a plan to become a carbon-neutral Council by 2030.

7.18. Members will need to consider their response to the climate emergency and as part of the budget setting process for 2020/21. Currently, there are no additional resources identified to support this priority.

MTFS 2020/21 to 2023/24

7.19. The table below shows the summarised MTFS and considers the assumptions made earlier in the report around funding and expenditure. It is worth noting that the level of uncertainty around future government funding is unprecedented, which has made forecasting the Council's finances beyond next year extremely difficult.

7.20. Service revenue expenditure budgets have not been updated for 2020/21 and beyond and at this stage reflect a flattening of the revised budget for 2019/20 after removing the impact of carry forwards. Detailed revenue estimates will be provided in February.

7.21. Therefore, members should view the period 2021/22 to 2023/24 as an indicative position. The MTFS will be updated over the coming weeks with a clearer expenditure position. However, the funding forecasts may only change significantly later in 2020 when the Government provides detailed technical information on the impact of the changes to local government funding.

**Table 8: Summary MTFS**

Item	2019/20 LAB (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Portfolio Net Expenditure	12,453	11,994	11,994	11,994	11,994
Corporate Items	(2,797)	1,147	2,578	3,184	3,796
<b>Adjusted Budget</b>	<b>9,656</b>	<b>13,141</b>	<b>14,572</b>	<b>15,178</b>	<b>15,791</b>
Budget Pressures	0	(63)	787	1,037	1,037
Savings Plan	(470)	(2,274)	(2,909)	(2,909)	(2,909)
<b>Draft Net Revenue Budget</b>	<b>9,186</b>	<b>10,804</b>	<b>12,450</b>	<b>13,306</b>	<b>13,919</b>
<b>Funded by:</b>					
Council Tax	6,409	6,631	6,858	7,088	7,322
Business Rates	3,836	3,913	2,817	2,897	2,978
New Homes Bonus	1,010	834	665	442	333
Other Funding	432	0	0	0	0
<b>TOTAL Funding</b>	<b>11,688</b>	<b>11,378</b>	<b>10,340</b>	<b>10,427</b>	<b>10,634</b>
<b>Core Surplus / (Deficit)</b>	<b>2,502</b>	<b>574</b>	<b>(2,111)</b>	<b>(2,879)</b>	<b>(3,285)</b>
<b>Additional transfers</b>					
to Commercial Property Reserve	(2,000)	0	0	0	0
to Stability & Resilience Reserve	0	0	0	0	0
to Service Improvement Fund	(502)	0	0	0	0
<b>Core Surplus / (Deficit) after Transfers</b>	<b>0</b>	<b>574</b>	<b>(2,111)</b>	<b>(2,879)</b>	<b>(3,285)</b>

7.22. As the table shows, the indicative position outlined for 2020/21 should allow the Council to set a balanced budget. This is largely due to the improved

level of funding following the delay to changes in local government funding which will now be introduced in April 2021.

- 7.23. The table does show a significantly higher core deficit from 2021/22. This is due to a reduced expectation from New Homes Bonus, provision for inflation, and budget pressures arising from proposed changes from the County Council to Waste and Recycling.
- 7.24. As highlighted earlier in the report, the Savings Plan will be subject to a significant update over the coming weeks and will be reported to members in February.
- 7.25. Therefore, at this stage of the budget setting process, the expectation is that the level of the core deficit will reduce as detailed revenue budgets are prepared, the savings plan is updated, and the revenue impact of the capital programme is updated. An indication of the potential additional savings and the impact on the Core Deficit is shown in the table below:

**Table 9: Impact on MTFS Core Deficit of Pipeline Savings**

	2019/20	2020/21	2021/22	2022/23	2023/24
Impact of Pipeline Savings	(£'000)	Forecast (£'000)	Forecast (£'000)	Forecast (£'000)	Forecast (£'000)
<b>Core Surplus / (Deficit) as per MTFS</b>	<b>2,502</b>	<b>574</b>	<b>(2,111)</b>	<b>(2,879)</b>	<b>(3,285)</b>
Additional Pipeline Savings (est)	0	215	1,843	2,721	2,921
<b>Potential Core Surplus / (Deficit)</b>	<b>2,502</b>	<b>789</b>	<b>(267)</b>	<b>(158)</b>	<b>(364)</b>

Impact on Balances and Reserves

- 7.26. Paragraphs 5.25 to 5.27 of the report set out the current position on balances and reserves. The level of the core deficit shown in the summary MTFS would have a significant detrimental impact on the Council's balances and reserves. The cumulative core deficit position over the medium-term period as indicated in the current MTFS is £7.702m which is not sustainable. The pipeline savings and review of the savings plan, as outlined earlier in this report, will reduce the level of the core deficit and reduce the call on reserve funding to support the revenue budget. As indicated in Table 9, this has the potential to reduce the core deficit to a much more sustainable level.
- 7.27. It must be stressed that members will consider the impact on balances and reserves of the 2020/21 revenue budget, MTFS, and Capital Programme in the reports to Cabinet and Council in February 2020.

## **8. CAPITAL PROGRAMME**

- 8.1. The Capital Programme includes the costs of acquiring or maintaining fixed assets such as land, building or equipment and concentrates on delivering the Council key priorities around regeneration and investment in community facilities.

### Capital Expenditure Forecast

- 8.2. The Council approved the current Capital Programme (2019/20 to 2022/23) in February 2019, with an updated programme reported to Cabinet in August 2019 based on the Quarter 1 Capital Monitoring position. An updated forecast will be provided to Cabinet based on the Quarter 2 position in November.

- 8.3. This report does not provide an update on the capital programme as the review of the capital programme is ongoing and will not be completed until later in the budget setting process.

### Capital Finance

- 8.4. The Council has limited capital resources to support the capital programme and has become reliant upon external borrowing.
- 8.5. The MTF5 includes estimates of the revenue cost of borrowing – interest payable and the minimum revenue provision (local authorities are required each year to set aside some of the revenue budget as provision for the repayment of debt). The estimates for interest payable and MRP will be updated once the review of the capital

## **9. IMPLICATIONS**

### **Risks**

- 9.1. This report has identified some specific risk around the Council's funding from Government. Whilst the Council has some certainty around the level of government funding in 2020/21, there is significant uncertainty for 2021/22 and beyond due to changes through the review of Relative Needs and Resources and Business Rates Retention.
- 9.2. Other risks to the Council include (but are not limited to) the following specific areas:
- Housing market – a slow down in the housing market could have an impact on the Council's wider regeneration plans and a number of key strategic housing sites across the Borough. There are indications of market uncertainty, largely in response to Brexit as buyers remain cautious. For the Council, where regeneration schemes includes housing development, there may be a requirement to continually assessment the financial viability of schemes to ensure they are able to deliver the required outcomes.
  - Economy and Brexit – the impact of the UK leaving the European Union is difficult to quantify as the terms of the withdrawal and timing are not



known with certainty. The Council has a number of income streams that are linked to economic performance including fees and charges, treasury management activities, and commercial investment. A significant downturn in the economy could reduce the amount of disposable income available to residents, erode investment fund performance, and reduce the value of commercial property and rental income.

- Commercial property performance – the Council is increasingly reliant on income from commercial investment properties. Any shortfall in income or additional costs associated with managing the property portfolio will have an adverse effect on service delivery. To mitigate future variable income flows, a Commercial Property Reserve has been established. This will be reviewed as part of the Council Balances and Reserves Strategy.

### **Legal Implications**

- 9.3. The Council through its Members has a legal obligation to set a balanced budget and the MTFS provides the information that will inform the approach to be taken in the budget setting process for early 2020 when reports will be taken to Cabinet and Council for approval.

### **Financial and Resource Implications**

- 9.4. There are not considered to be any financial implications arising directly from this report. However, it is worth noting the indicative MTFS position shows a widening funding gap based on the assumptions made within this report. It is anticipated that significant work on the expenditure and savings plans will enable the funding gap to be reduced. An updated position will be included in the reports to Cabinet and Council in February 2020.

### **Equalities Impact Implications**

- 9.5. None

## **10. CONCLUSIONS**

- 10.1. The Medium Term Financial Strategy, as set out in Appendix A, provides a framework for managing the Council's financial position over the next four years and helps to ensure that resources are available to deliver against the Council Plan.
- 10.2. Whilst the Council has delivered a number of budget and efficiency savings against its Savings Plan, the Council should continue to review progress in the current financial year and identify further budget and efficiency savings over and above those contained within the MTFS.
- 10.3. The Council does face a financial challenge over the medium term, particularly given the uncertainty set out in this report with regard to the Government's proposed changes to local government funding.

10.4. The Council will need to ensure the adequate reserves are maintained over the medium term to mitigate the risks identified in this report. However, the use of reserves to deal with changes in the financial standing of the Council on an ongoing basis is not a long-term or sustainable plan. It does, however, enable the Council to mitigate against short-term changes, whilst allowing the Council to plan and implement effectively over the medium-term.

#### **BACKGROUND DOCUMENTS:**

#### **CONTACT DETAILS:**

##### **Report Author and Head of Service**

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## APPENDIX A

Item	2019/20 LAB (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
<b>Base Budgets</b>					
Corporate & Democratic Services	5,799	5,671	5,671	5,671	5,671
Customer Experience & Improvement	279	169	169	169	169
Major Projects & Property	(4,802)	(4,949)	(4,949)	(4,949)	(4,949)
Operational Services	8,390	8,331	8,331	8,331	8,331
Planning & Economy	2,788	2,773	2,773	2,773	2,773
<b>Portfolio Net Expenditure</b>	<b>12,453</b>	<b>11,994</b>	<b>11,994</b>	<b>11,994</b>	<b>11,994</b>
Less: Capital Charges (Rev)	(1,964)	(1,964)	(1,964)	(1,964)	(1,964)
Less: Pension Adj (Rev)	(496)	(496)	(496)	(496)	(496)
<b>Net Expenditure</b>	<b>9,993</b>	<b>9,534</b>	<b>9,534</b>	<b>9,534</b>	<b>9,534</b>
<b>Corporate Items</b>					
MRP	1,410	2,669	3,141	3,141	3,141
Transfers To/From reserves	(1,426)	47	76	76	76
Other CI&E	(19)	(19)	(19)	(19)	(19)
Interest Payable	1,056	1,606	1,922	1,922	1,922
Investment Income	(1,358)	(1,372)	(1,372)	(1,372)	(1,372)
<b>Subtotal</b>	<b>(337)</b>	<b>2,931</b>	<b>3,749</b>	<b>3,749</b>	<b>3,749</b>
<b>Adjusted Budget</b>	<b>9,656</b>	<b>12,465</b>	<b>13,283</b>	<b>13,283</b>	<b>13,283</b>
<b>Inflationary Provision</b>					
Inflation (Pay)		280	560	840	1,120
Inflation (Contracts/Non-Pay)		200	350	500	650
Employer's Pension Contribution		196	379	555	738
<b>Subtotal</b>	<b>0</b>	<b>676</b>	<b>1,289</b>	<b>1,895</b>	<b>2,508</b>
<b>Adjusted MTFP Position</b>	<b>9,656</b>	<b>13,141</b>	<b>14,572</b>	<b>15,178</b>	<b>15,791</b>
<b>Budget Proposals/Growth</b>					
Reversal of Non recurring revenue items		(63)	(63)	(63)	(63)
Revenue - HCC Waste proposals			350	350	350
Revenue - Interest rate risk on investments			500	750	750
<b>Subtotal</b>	<b>0</b>	<b>(63)</b>	<b>787</b>	<b>1,037</b>	<b>1,037</b>
<b>Savings Plan</b>					
2019/20 Savings	(350)	(1,394)	(1,429)	(1,429)	(1,429)
Procurement/Contracts		(230)	(230)	(230)	(230)
Commercial Property		(600)	(1,200)	(1,200)	(1,200)
Salaries monitoring	(120)	(50)	(50)	(50)	(50)
<b>Subtotal</b>	<b>(470)</b>	<b>(2,274)</b>	<b>(2,909)</b>	<b>(2,909)</b>	<b>(2,909)</b>
<b>Proposed Net Revenue Budget</b>	<b>9,186</b>	<b>10,804</b>	<b>12,450</b>	<b>13,306</b>	<b>13,919</b>
<b>Funded by:</b>					
Council Tax	6,409	6,631	6,858	7,088	7,322
Business Rates Retention	3,836	3,913	3,991	4,071	4,152
Risk - BRR Baseline reset			(1,174)	(1,174)	(1,174)
Other Funding	36				
New Homes Bonus (Legacy)	1,010	710	548	209	0
New Homes Bonus (New)		370	350	700	1,000
New Homes Bonus (Assumed reduction)		(247)	(233)	(467)	(667)
Collection Fund - CT	97	0	0	0	0
Collection Fund - NNDR	299	0	0	0	0
<b>TOTAL Funding</b>	<b>11,688</b>	<b>11,378</b>	<b>10,340</b>	<b>10,427</b>	<b>10,634</b>
<b>Core Surplus / (Deficit)</b>	<b>2,502</b>	<b>574</b>	<b>(2,111)</b>	<b>(2,879)</b>	<b>(3,285)</b>
<b>Additional Transfers</b>					
to Commercial Property Reserve	(2,000)				
to Stability & Resilience Reserve					
to Service Improvement Fund	(502)				
<b>Core Surplus / (Deficit) after Transfers</b>	<b>0</b>	<b>574</b>	<b>(2,111)</b>	<b>(2,879)</b>	<b>(3,285)</b>

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CABINET

**COUNCILLOR MARINA MUNRO**  
**PLANNING AND ECONOMY PORTFOLIO**  
**HOLDER**  
**REPORT NO. EPSH1944**

15 OCTOBER 2019

KEY DECISION? YES

**DRAFT HOME IMPROVEMENTS AND EXTENSIONS  
 SUPPLEMENTARY PLANNING DOCUMENT**

**SUMMARY AND RECOMMENDATIONS:**

The purpose of the Draft Home Improvements and Extensions Supplementary Planning Document (SPD) is to provide further guidance to support the implementation of Policy DE1: Design in the Built Environment, contained in the recently adopted Rushmoor Local Plan.

**It is recommended that Cabinet:**

- 1) approves the publication of the Draft Home Improvements and Extensions Supplementary Planning Document for the purposes of six weeks public consultation;**
- 2) delegates to the Head of Economy, Planning and Strategic Housing, in consultation with the Portfolio Holder for Planning and Economy, to make any necessary factual and/or non-substantive minor amendments to the document prior to consultation and adoption;**
- 3) following the consultation period and subject to no substantive policy or resource objections being received during that time, approves the adoption of the Home Improvements and Extensions SPD with any minor amendments; and**
- 4) notes that, in the event of substantive policy or resource objections being received, the matter will be brought back to the Cabinet for consideration.**

**1. INTRODUCTION**

- 1.1. The purpose of this report is to present the draft Home Improvements and Extensions Supplementary Planning Document (SPD) (attached as Appendix 1) and recommend that it be subject to six weeks public consultation commencing on 25 October 2019 at 9am and closing on 6 December 2019 at 5pm. In the event that no substantive policy or resource objections are received during the consultation, the report also seeks approval to adopt the SPD with minor amendments as required. In the event

of substantive objections being received, the matter will be brought back to Cabinet for consideration.

- 1.2. The draft Home Improvements and Extensions SPD was formerly known as the Householder Design SPD but, during discussion with the Communications team, it was felt that the new title better reflected the contents. The document provides further guidance to support the implementation of Policy DE1: Design in the Built Environment, contained within the Rushmoor Local Plan, adopted in February 2019.
- 1.3. The adoption of the final version post consultation is considered to be a Key Decision, as it provides guidance which could be significant in terms of its effects on communities living in the whole of the Borough.

## **2. BACKGROUND**

- 2.1. The purpose of an SPD is to build upon and provide more detailed advice or guidance on policies contained in an adopted Local Plan. SPDs are a material consideration in decision-making but cannot introduce new planning policies into the development plan or add unnecessarily to the financial burdens on development.
- 2.2. To support the implementation of Policy DE1: Design in the Built Environment, the draft SPD provides further guidance on how to deal with potential design and amenity issues for extending a dwelling, building a new outbuilding, or erecting a new boundary. It is intended to assist with determining planning applications for minor residential developments and to provide useful information for householders even where planning permission is not required.
- 2.3. Chapter 12 of the National Planning Policy Framework (2019) confirms the importance attached to high quality design in the built environment. Policy DE1 in the Local Plan requires that (in summary):
  - The design of the proposed development is of high quality and respects the character and appearance of the local area, including materials, building lines and heights, windows and doors, roof lines, open space and trees; and
  - The proposed development will not cause harm to new and existing residents and neighbouring properties, including loss of light, privacy or outlook.
- 2.4. The draft SPD sets out the national and local policy context for householder development and provides links to further information on permitted development, development of historic buildings or within conservation areas, pre-application advice and other considerations including building regulations and legal considerations. It goes on to set out general advice on design and provisions for householders' own amenity (e.g. garden space, side access and bin storage) before moving on to considering neighbours' amenity such as privacy, over-looking and loss of light.

2.5. Specific advice is also included on:

- Front extensions and porches
- Side extensions
- Extensions on corner plots
- Rear extensions (including conservatories)
- Roof extensions (including loft conversions, dormers and roof lights)
- Garages, outbuildings and annexes
- Fences, walls and hedges
- Car parking and electric vehicle charging

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

### **3. DETAILS OF THE PROPOSAL**

3.1 The proposal is to undertake six weeks public consultation on the draft Home Improvements and Extensions SPD. The report seeks approval to delegate to the Head of Economy, Planning and Strategic Housing, in consultation with the Portfolio Holder for Planning and Economy, to make any necessary factual and/or non-substantive minor amendments to the document, to address comments received during the consultation.

3.2 If the objections received are not substantive, the proposal is for Cabinet to approve the SPD for adoption together with the minor amendments made under delegated authority. If substantive objections are received, the matter will be brought back to Cabinet for consideration.

#### **Alternative Option**

3.3 The alternative option would be not to produce a Home Improvements and Extensions SPD. However, this would mean that the Council will not have published guidance to support householders and planning officers in implementing Policy DE1 in the Local Plan.

#### **Consultation**

3.4 Officers presented the draft Householder Design SPD (now the Home Improvements and Extensions SPD) to Strategic Housing and Local Plan Group (SHLPG) on 28 August 2019. The Group was supportive of the draft SPD and suggested a couple of amendments, including encouragement of the use of solar panels and electric vehicle charging points. These have been incorporated into the attached revised draft. Since then, discussions have been held with the Communications team on making the document more 'user friendly' for the intended audience.

3.5 Following Cabinet approval, the draft Home Improvements and Extensions SPD will be subject to six weeks public consultation in accordance with the Council's adopted Statement of Community Involvement. Consultation

methods will include the use of online survey tools and social media in order to broaden the extent of public engagement and encourage feedback.

#### **4. IMPLICATIONS**

##### **Risks**

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

##### **Legal Implications**

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

##### **Financial and Resource Implications**

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

##### **Equalities Impact Implications**

- 4.4. The adoption of the Home Improvements and Extensions SPD is likely to lead to positive equalities implications, as it will ensure that minor development is of high quality and respects the character and appearance of the local area.

#### **CONCLUSIONS**

- 4.5. The Draft Home Improvements and Extensions SPD provides further guidance to support the implementation of Policy DE1: Design in the Built Environment, contained in the recently adopted Rushmoor Local Plan
- 4.6. The draft SPD in its earlier iteration was supported by the Strategic Housing and Local Plan Group at its meeting on 28 August 2019.
- 4.7. The adoption of the SPD will be a Key Decision, as it provides guidance which could be significant in terms of its effects on communities living in the whole of the Borough.
- 4.8. The SPD, once adopted, will assist in ensuring that minor householder development proposals are of high quality and respect the character and appearance of the local area.



## **BACKGROUND DOCUMENTS:**

**Appendix 1** – Draft Home Improvements and Extensions Supplementary Planning Document

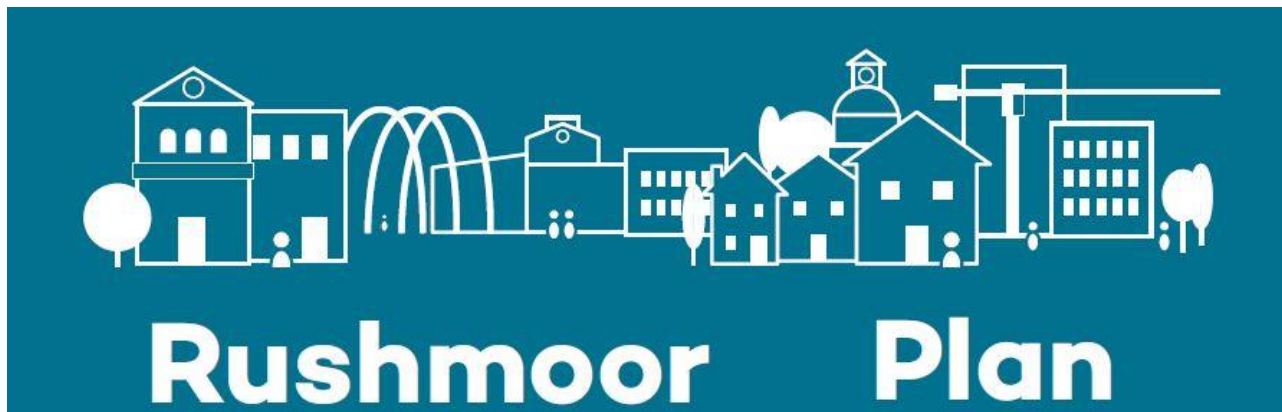
The adopted Local Plan is available to view at:  
<https://www.rushmoor.gov.uk/rushmoorlocalplan>

## **CONTACT DETAILS:**

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**Head of Service** – Tim Mills / Head of Economy, Planning and Strategic Housing  
/ Email: [tim.mills@rushmoor.gov.uk](mailto:tim.mills@rushmoor.gov.uk) / Tel: 01252 398542





**DRAFT**

**HOME IMPROVEMENTS AND EXTENSIONS  
SUPPLEMENTARY PLANNING DOCUMENT**

**OCTOBER 2019**

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# 1. Consultation

- 1.1 We want homes in our Borough to be well designed. This includes improvements and extensions to existing properties.
- 1.2 This draft Home Improvements and Extensions Supplementary Planning Document (SPD) sets out some key principles for how householders can achieve good design of their homes. It reflects the planning policies in the Adopted Rushmoor Local Plan (2019), which sets out the development strategy for the borough up to 2032.
- 1.3 As part of a six-week public consultation, we would like to hear your views on this draft design guidance.
- 1.4 The document starts by explaining what an SPD is and the context in which we have prepared it and then gives details of the principles on which we would like your views. In particular, we would like to know whether you would find the guidance useful when drawing up plans to improve or extend your home and whether there is anything we have missed that could usefully be added.
- 1.5 You can give your views between **Friday 25<sup>th</sup> October 2019** and **5pm on Friday 6<sup>th</sup> December 2019** in the following ways:

**By email:** [planningpolicy@rushmoor.gov.uk](mailto:planningpolicy@rushmoor.gov.uk)

**In writing to:**

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

**Please note:** We cannot treat the comments we receive during this consultation as confidential, so please do not include any personal information. We will publish all responses on the council's website, together with the name of the respondent and/or organisation

You can find out how we will use the information you send us in our [privacy notice](#) on the council's website.

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

## 2. Introduction

### What is a Supplementary Planning Document?

- 2.1 A Supplementary Planning Document (SPD) supports national planning policy guidance and elaborates upon policies in the [Rushmoor Local Plan 2014-2032](#) (adopted February 2019). SPDs are one of the material considerations that [national planning policy](#) says we can take into account when determining a planning application.
- 2.2 This SPD elaborates upon Local Plan Policy DE1: Design in the Built Environment. You can read the whole text of the policy in Appendix 1 of this document.

### The purpose of this SPD

- 2.3 The purpose of this Supplementary Planning Document (SPD) is to provide guidance for householders on how to deal with potential design and amenity issues when it comes to extending their home, building a new out building, or erecting a new boundary. **By ‘amenity’, we mean a desirable or useful feature of a place as well as qualities such as daylight, privacy, peace and quiet which an occupant or visitor would expect to enjoy.** The SPD will help prospective applicants to make successful planning to extend their homes and for other minor householder developments. It also provides useful information on design and amenity considerations even where planning permission is not needed.
- 2.4 We must take into account the effect which any proposed extension may have on neighbouring homes, the property itself and the character and appearance of the area where you live. This SPD outlines the design and amenity principles that we will follow when we consider planning applications. However, we will always consider each case on its own merits, taking account of all relevant policies of the Local Plan.

### National policy context

- 2.5 The [National Planning Policy Framework](#) sets out broad principles, which councils must take into consideration when deciding whether to grant planning permission, including achieving well-designed designed places.
- 2.6 Chapter 12 of the NPPF (2019) confirms the importance that the Government attached to design and the built environment. Amongst other things, it states that *‘permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions, taking into account any local design standards or style guides in plans or supplementary planning documents’* (Paragraph 130).

### Local policy context

- 2.7 The [Rushmoor Local Plan](#) sets out a range of policies designed to protect and improve the natural and built environment in the borough. Certain criteria set out in [Policy DE1: Design](#)

in the Built Environment are particularly relevant to residential extensions and the relevant extracts are set out below. These require that:

- The design of the extension is of high quality and respects the character and appearance of the local area, including materials, building lines and heights, windows and doors, roof lines, open space and trees; and
- The proposed extension will not cause harm to new and existing residents and neighbouring properties, including loss of light, privacy or outlook.

2.8 You can read the full text of Policy DE1 in Appendix 1. Other policies from the council's Local Plan may also be relevant in determining a planning application or in designing an extension or home improvement.

2.9 For example, if you live in, or near, a conservation area, where development could affect a heritage asset, we will need to consider your extension or home improvement in the context of Local Plan Policies HE1 (Heritage), HE3 (Development within or next to a conservation area) and HE4 (Archaeology). If your proposals are inconsistent with the requirement to conserve, enhance, maintain or manage the borough's heritage assets, we are likely to refuse them (see paragraph 2.15 below for more information).

### **When this guidance applies**

2.10 You can use this guidance when you want to extend or improve your home. Whether you need planning permission or not, the principles set out in this SPD represent good practice in designing an extension or addition to your property.

2.11 Good design does not always mean greater cost. Employing an architect and using high quality materials may cost more to start with, but in the long term, a well designed and constructed extension will cost less to maintain and make more efficient use of land, as well as improving the appearance of the local area. However, it is not necessary to employ an architect for simple proposals.

#### **Planning permission**

2.12 You can find out [whether you need planning permission](#) on the council's website. Some proposals for extending a house, making minor alterations, or building a new outbuilding may not require planning permission. This is because they would constitute **permitted development**. This is development that is already permitted by Part 1 of Schedule 2 of The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), without the need for permission from council.

2.13 The Government's [planning portal website and interactive house guide](#) explains how permitted development works. The government has also published [technical guidance](#) which helps to explain how permitted development rights apply to the particular circumstances or design of your home.

2.14 However, even in cases of permitted development, we encourage householders and their agents to take note of the advice within this document, in order to achieve a high standard of design and to avoid future conflicts with neighbours.

## Historic buildings and conservation areas

- 2.15 Rushmoor is home to eight conservation areas of special architectural or historic interest, whose character we want to preserve. Examples include Aldershot Military Town, Cargate Avenue and Farnborough Hill. We also have many historic buildings which are designated as of national or local importance and considered worthy of conservation. Additional restrictions on development apply to designated historic buildings and conservation areas.
- 2.16 You can check on our [conservation and listed buildings page](#) on our website to see if your home is in one of these conservation areas and/or it is a building of national or local historic importance. If it is, your proposals should conserve and enhance the character and features of the building/area<sup>1</sup> and it is likely that you will need planning permission for the alterations.

## Pre-application advice

- 2.17 If you want to be sure you don't need planning permission, the best thing to do is to contact us. We can give informal advice over the telephone but there is a charge for more detailed and/or written advice. Find out more about our [Pre-application advice](#) service on our website.

## Other considerations

- 2.18 All building work must comply with current Building Regulations and the Party Wall Act, regardless of whether planning permission is required or not. You can find out more about [Building Regulations](#) on the council's website and more about the [Party Wall Act](#) on the Government website. You should also be mindful that there may be covenants on your property which restrict how it can be developed. In this case, you should seek independent legal advice.
- 2.19 It is a good idea to discuss your plans with your neighbours before making a planning application or proceeding with your building project. Not only will this make them feel that you have kept them informed, it will also avoid them becoming alarmed if they receive an official notification letter e.g. as part of the planning application process or to comply with the Party Wall Act.

## Employing an architect

- 2.20 Most people who are not experienced with the planning process choose to employ an architect or plan drawer to design, submit and manage their applications for planning permission, building regulations consent and any other types of permission that may be required. When choosing an architect or plan drawer, try not to base your decision on cost alone - look for accreditation of reputable institutions and professional bodies, ask to see examples of their work and talk to their previous customers. In addition, you can use search previous planning applications in your area using our [online search facility - public access](#). If

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<sup>1</sup> As set out in Rushmoor Local Plan Policies HE1: Heritage and HE3: Development in or adjoining a Conservation Area



a building is Listed or within a Conservation Area, you should try to employ someone who has expertise in this area.

## 3. Extensions

### General advice for extensions

- 3.1 Alterations and extensions must be of a high-quality design which improves the original building where the opportunity arises. To achieve this, you should assess the factors which make up the existing character, appearance and setting of your home. The gaps in between buildings and the space surrounding them make an important contribution to the setting and an extension that looks too big can harm the character of the area.
- 3.2 In general, your extension, its roof pitch and eaves details, its profile/outline, the materials used, positions of windows and doors and their details should all relate to the original building and the existing street scene and building patterns. Extensions are generally most successful when they are subordinate to (i.e. less important than) the existing house.
- 3.3 However, we don't want to discourage extensions of contemporary design that respect and enhance the existing buildings and the surrounding area. We will consider each case on its merits, as what is acceptable in one setting may not be acceptable in another.
- 3.4 You can achieve an extension that is in-keeping with and subordinate to (i.e. less important than) the original house by:
  - Positioning the ridge of the extension at a lower height than the ridge (and sometimes also the eaves) of the original building
  - Setting the extension back from the front elevation
  - Respecting the existing design and placement of windows and doors
  - Using building material and finishes that are similar in colour, appearance and texture to those of the existing building
- 3.5 Flat roofs or 'false pitch roofs' (which seek to disguise a flat roof behind) on two-storey extensions on a traditionally constructed house are generally not acceptable, as they tend to be less pleasing in appearance and have a shorter lifespan than pitched or hipped roofs. However, design proposals which are contemporary rather than traditional in style may be acceptable in the right setting.
- 3.6 The layout and positioning of an extension can sometimes affect the operation or maintenance of nearby utilities, such as water mains, sewers or overhead electricity lines. Where your proposals would require these to be relocated or where new access arrangements would be needed for maintenance, you should contact the relevant utility owners/operators, to discuss costs and re-routing options.
- 3.7 Wherever possible, you should keep garden trees and landscaping features that make a positive contribution to the residential environment. They can also help screen or soften the visual impact of a new extension and help to integrate it with the surroundings. As well as providing a pleasant residential environment, trees and gardens contribute towards biodiversity and health and well-being.

- 3.8 You should ensure that, once your extension is built, there is sufficient useable private garden space for sitting out, drying clothes and for children to play. The minimum amount of useable private garden space<sup>2</sup> that is considered acceptable (under Local Plan Policy DE3) is as follows.
- 15 sq m for 1-2 person houses
  - 30 sq m for family houses (2-bed and above)
- 3.9 You may also want to consider installing solar panels or solar tiles and slates on your new roof, if appropriate, to reduce energy use. You can find out more on the [Energy Saving Trust](#) website.
- 3.10 You should also consider your own amenity when planning your extension or alteration. By 'amenity' we mean the desirable or useful feature of a place as well as qualities such as daylight, privacy, peace and quiet which an occupant or visitor would expect to enjoy, for example:
- Garden access - where possible, rear gardens should have separate direct access so that you can take cycles and garden equipment into the garden without having to go through the house
  - Space around the building – allow sufficient room at the side of your property for access to the rear of the building and to allow future maintenance
  - Bin storage – leave sufficient space to store your bins, including recycling bins, on your property and out of public view (preferably to the rear of the property)

## Considering your neighbours

- 3.11 You should consider whether the size of the extension would adversely affect your neighbours. For example:
- Would it result in overshadowing or overbearing impact on their gardens or outdoor space, or cause a harmful loss of light into the existing rooms of a neighbouring property?
  - Would the position of new windows in habitable rooms (e.g. living rooms or bedrooms) result in overlooking of neighbouring properties?
- 3.12 You should also ensure that no part of the extension physically extends beyond the site boundaries. This includes foundations and rainwater goods such as drainpipes. In particular, you should make sure there is sufficient access for maintenance, in case access across your neighbours' land is not permitted.
- 3.13 When seeking planning advice or applying for planning permission, you should provide plans or drawings that show your property and those of your neighbours, so that we can assess the proposed development in context.

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<sup>2</sup> Useable private garden space excludes garages, driveways, access ways and front gardens that are open to the street

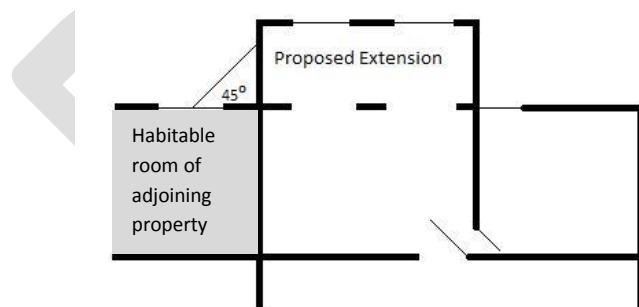
### Privacy and overlooking

- 3.14 Ideally, the design of any extension should not significantly reduce the privacy enjoyed by your neighbours. The location of windows to habitable rooms such as living rooms and bedrooms is critical to avoid overlooking.
- 3.15 You should take care if your proposal relies on an existing hedge or tree line to screen neighbouring properties from the proposal. The hedge or trees may be reduced in height or even removed by the owners, resulting in overlooking from the development.
- 3.16 Balconies are generally only acceptable if it can be shown that there is no significant overlooking of nearby properties. Juliette style balconies may be acceptable depending on the circumstances.

### Light considerations

- 3.17 We will take a number of factors into account to protect the daylight into neighbouring properties. These considerations are equally important whether your proposal needs planning permission or not, to ensure that the development is neighbourly.
- 3.18 We may use the '**45 degree test**' to help determine the appropriate depth of extensions in relation to windows of adjoining properties on the first floor. On a plan and in elevation, we draw a line at a 45-degree angle from the centre of the window of the nearest habitable<sup>3</sup> room of an adjoining property. The proposed extension footprint should not project beyond it.

**Figure 1**



*Diagram showing unacceptable impact arising from application of 45 degree rule*

- 3.19 We will also take into consideration the orientation of the property and any shadowing effect from the proposed development. If we consider that there will be an adverse effect on the neighbours' enjoyment of daylight and other amenity, we may ask you to set the extension back from the boundary.

<sup>3</sup> i.e. living room or bedroom

***Key points for general advice on extensions***

- Extensions should be subordinate to (i.e. less important than) the host building and sympathetic to its appearance
- Extensions should be in keeping with the street scene and character of the area
- You should make allowances for your own amenity including side and rear access and bin storage;
- You should ensure you have kept sufficient garden space to satisfy Local Plan Policy DE3
- Consider installing solar panels or tiles to reduce energy use
- Extensions must not cause unacceptable overshadowing of, or overbearing impacts on, neighbouring property.

**Specific advice**

- 3.20 Each of the following sections provide more specific advice about certain types of residential extension. You should read them in the context of relevant policies in the Local Plan.

**Front extensions & porches**

- 3.21 Extensions to the front of properties facing the street should be appropriately designed to avoid harm to the street scene, and should not encroach on off-street parking.
- 3.22 Extensions and porches should respect the character of the house and street. The roof line should reflect the design and shape of the existing roof. Extensions and porches should not conflict with existing features such as bay windows.

***Key points for front extensions:***

- Front extensions should not be excessively large
- Front extensions should be designed to respect the street scene
- Front extensions should not encroach on off-street parking.

**Side extensions**

- 3.23 Side extensions are generally visible from the street and it is particularly important to avoid a ‘terracing’ effect in streets where the visual gaps between buildings contribute to the character of the area. It is also important to avoid having a negative effect on your neighbours’ amenity (i.e. daylight, privacy and peace and quiet).

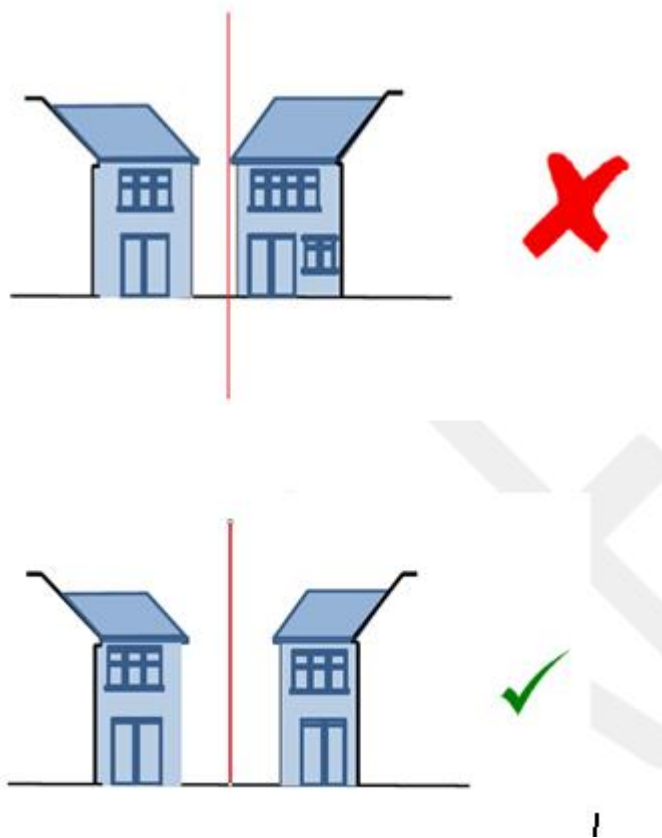
3.24 The closer your extension is to the boundary with your neighbours, the more planning issues there are likely to be that need resolving. When you build a side extension, you should:

- Be mindful of the spacing between houses in the street to avoid a ‘terracing’ effect;
- Where possible, ensure that there is a gap to the side of the house for maintenance, and to retain external access to the rear of the property;
- Avoid any adverse effect on an existing side window in an adjoining property, if it is the only means of light for any habitable room (including living rooms, bedrooms and kitchens);
- Avoid side-facing windows that may cause loss of privacy for neighbours (obscure glazing may be acceptable in stairwells or bathrooms/toilets).

3.25 You should avoid designing a two-storey side extension with a new bedroom whose only source of light is a side-facing window, since this may result in overlooking and obscure glazing may be required.

3.26 Two storey side extensions should be designed to ensure they are subordinate to (I.e. less important than) the existing house. In order to achieve this, you may be asked to:

- Set the extension back from the front elevation
- Have a ridge level lower than the main ridge
- Have a roof pitch which matches the existing house
- Retain existing features such as chimney pots and ridge tiles.



**Figure 2**

*The perception of terracing can be an inadvertent consequence of badly designed side extensions. The top image illustrates two side extensions that “close the gap” between the adjacent building to such an extent that the character of the area is likely to be adversely affected. The bottom image illustrates an example that is more acceptable, where a reasonable gap has been maintained between the buildings.*

***Key points for side extensions:***

- Side extensions should avoid creating a 'terracing effect' on the street scene
- Side extensions must not cause unacceptable overshadowing of, or overbearing impacts on neighbouring property
- Windows to habitable rooms (e.g. living rooms, bedrooms and kitchens) should not allow unrestricted views into neighbouring windows or private amenity areas such as gardens or other outdoor space.

### **Extensions on corner plots**

- 3.27 If your property is on a corner plot, or has an angled side boundary, you should follow the guidance outlined elsewhere in this document, but there are some additional matters to consider.
- 3.28 Extensions on corner plots can be especially difficult to design as any extension must take account of two, potentially very different, streetscapes. Where appropriate, the extension should be set back from the front elevation, while maintaining a gap with existing boundaries, so that it retains the character of the area and help the building 'turn the corner'.
- 3.29 You should also consider how to maintain an active frontage along both streets. We encourage 'active frontage' because it creates a sense of place and avoids blank walls. Where a house faces the street from more than one aspect, you should give particular attention to the design and placement of windows and doors and other design details of the new extension. Wherever possible without adversely affecting the neighbours' privacy, there should be windows facing both street frontages, to allow for visual interest from the street and natural surveillance (i.e. occasional observation of people and property to aid security).

***Key points for corner plots:***

- Corner extensions are visible from a number of locations, so it is important to assess their impact and produce a high standard of design and detailing
- The extension should help to present an active frontage for both streetscapes to create a sense of place and avoid blank walls
- Extensions should be set back from the front elevation, while maintaining a gap with existing boundaries.

## Rear extensions (including conservatories)

- 3.30 Although rear extensions are often less visible from the street (unless they are on corner plots), they are generally visible from all properties that back on to the rear garden. If you have a mid-terraced property, you will need to take care that your new rear extension does not adversely affect your neighbours' amenity (i.e. daylight, privacy and peace and quiet). The design and materials of any pitched roof should follow the style and pitch of the main building wherever possible.
- 3.31 Single storey rear extensions may have flat roofs although we encourage pitched roofs where appropriate and where they may fit better with the main building. Conservatories may require solid walls or opaque glass where they face neighbouring properties to avoid loss of privacy.
- 3.32 Two-storey rear extensions should be subordinate to (i.e. less important than) the main building and should generally have a pitched roof unless the main building has a flat roof.

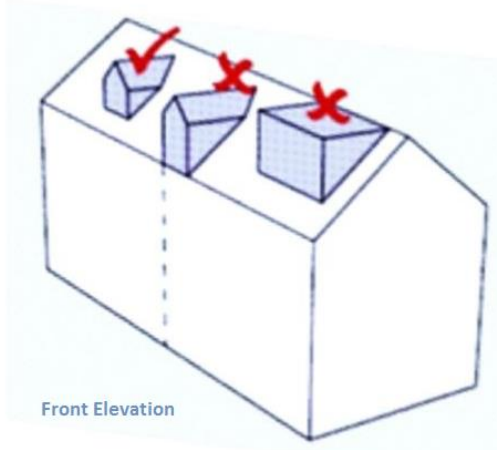
### ***Key points for rear extensions:***

- Rear extensions to terraced properties must be careful not to cause unacceptable impact on neighbours' amenity including privacy and light
- Windows to habitable rooms (e.g. living rooms and bedrooms) should not allow unrestricted views into neighbouring windows or private amenity areas
- Two storey rear extensions should generally have a pitched roof unless the main building has a flat roof.

## Roof extensions (including loft conversions, dormers and roof lights)

- 3.33 The design and profile of the roof makes an important contribution to the overall appearance of your home. Roof extensions can therefore have a positive or negative impact on the character of the property and its surroundings. Significant changes to the profile of pitch of the roof are generally unacceptable because they are likely to be unsympathetic to the overall design of the house.
- 3.34 Dormers on the front roof slope can have an adverse effect on the street scene and you should avoid flat roofs.
- 3.35 Side dormers should be subordinate and should be in proportion to the roof and appropriate for the street scene. Windows in side dormers should generally be obscure glazed and fixed to prevent loss of neighbours' privacy.
- 3.36 Rear dormers can be the full width of the original roof plane but should not project onto or over another rear projection. Flat roofs are generally acceptable unless they can be seen from public areas.

- 3.37 Both rear and side dormers should be set down from the ridge and set up from the eaves line (roof edge). They should not be over-dominant or out of proportion.
- 3.38 No dormer should be higher than the existing ridge.



**Figure 3:**

*Roof extensions to the front elevation. Two of these proposals are unacceptable because of their size, and their intrusive effect on the roof of the existing building. The smaller dormer is in-keeping with the roof of the building and of a more appropriate size.*

- 3.39 You should carefully position dormers, windows and roof lights to avoid unacceptable overlooking of neighbouring properties and to reflect the alignment, symmetry and design of existing window openings in the building. You should also avoid side facing windows that may cause loss of privacy for neighbours although obscure glazing may be acceptable in stairwells or bathrooms/toilets.

***Key points for roof extensions:***

- Roof extensions should not significantly alter the pitch or profile of the existing roof;
- New dormers should not dominate the roof and should complement the proportions, size, arrangement and details of existing windows;
- The design of the dormer should be in-keeping with the existing roof, particularly in terms of its materials and roof design
- New rooflights should also be well-related to the existing design and placement of windows and doors and should not dominate the roof.



## 4. Other household development

### Garages, outbuildings and annexes

- 4.1 Garages and other outbuildings can have a similar impact to other extensions on the existing building. Any outbuilding should be subordinate to (i.e. less important than) the main property and should respect its materials, scale and character.
- 4.2 An outbuilding or annex can be a good way of creating extra storage space or a place to engage in a hobby. If you live in a house, you may not need planning permission so long as it is ancillary to the main property. You will need planning permission if you wish to use it for residential purposes. If you live in a flat, you will need planning permission to build an outbuilding. You can find out more on the [Planning Portal](#) website.
- 4.3 Where planning permission is required, the maximum size of your outbuilding will usually be determined by the size of your garden and its location. Outbuildings and sheds should generally be located at the end of your garden and be single storey to avoid adversely affecting your neighbours' amenity. The maximum height will usually be determined by the proximity to the boundary.
- 4.4 Garages should be set back from the main building line and there should remain sufficient space forward of the garage for car parking, including space to open the door (the minimum size of a parking in front of a garage is 5.5m x 2.5m). It is also desirable to provide turning space within the boundaries of your property.
- 4.5 You should give particular attention to proposed outbuildings in a conservation area, where the main property is a listed building, or where it would be near a listed building.
- 4.6 Outbuildings, as with other extensions, should not lead to an unacceptable increase in overshadowing, loss of privacy or disturbance of any neighbouring property

#### ***Key points for garages, outbuildings and annexes***

- Garages and outbuildings should respect the scale and character of the existing building
- The siting of any outbuildings should respect any established building line or be set back from the existing building
- Sufficient space for car parking and turning should remain between any proposed garage and the highway;
- Proposals should not impact upon the amenity of any neighbouring property.

## Fences, walls and hedges

- 4.7 Fences, walls, hedges and other boundaries, whether traditional or modern, contribute to the streetscape and character of an area. They are important for establishing private amenity space and often make positive contributions to the settings of buildings. Fences, walls and hedges should normally match the height and type of properties on either side. This is particularly important if the uniform appearance of the street is a distinctive characteristic of the area. You should give careful thought to the potential impact of their demolition.
- 4.8 In conservation areas, you will need consent to demolish. This is unlikely to be acceptable where it would harm the street scene. The substantial alteration of historic boundaries is unlikely to be acceptable.
- 4.9 Poorly designed fences, walls and hedges can undermine the quality of the built environment and can negatively affect the relationships between buildings. The style of new boundaries should generally be typical of the immediate area, unless an alternative would help to create a more active street frontage that would improve the view from your home (i.e. avoid high blank walls). You should set new boundaries back from the road and avoid using materials that are out of keeping with the area (e.g. a wooden fence when the area is characterised by brick walls).
- 4.10 In most cases, you will not need planning permission for walls and fences that are less than one metre high. This increases to a maximum of two metres on boundaries that are not next to a road. You can find out more on the [Planning Portal](#) website.
- 4.11 You should make sure that fences, walls and hedges are made of high quality materials or planting and are in keeping with the surroundings, especially when fronting the street.

### ***Key points for fences, walls and hedges***

- The removal or substantial alteration of traditional or historic boundaries is unlikely to be acceptable

## Car parking and electric vehicle charging

- 4.12 You should avoid the loss of off-street car parking spaces, particularly if your extension will add new bedrooms and parking on the street is difficult or dangerous. You should refer to the [council's adopted vehicle parking standards](#), specifically where extra bedrooms are proposed.
- 4.13 You may wish to consider installing electric vehicle charging points in your new garage or car parking area, if appropriate. You can find out more on the [Energy Saving Trust](#) website.

- 4.14 Specific rules apply for householders wanting to pave over their front gardens. In general, you should use porous surfacing (e.g. gravel or permeable paving) which allows water to drain through in order to avoid surface flooding. You should also think carefully about the balance of hard and soft landscaping in your front garden and retain enough planting to soften the impact on the environment and the street scene. Different rules about paving over front gardens apply for flats and maisonettes and for those whose properties have been converted or created through permitted development change of use.
- 4.15 Different rules apply for patios and driveways that are not part of a front garden.
- 4.16 You can find out more about these rules on the [Planning Portal](#) website.

***Key points for car parking***

- You should avoid the loss of off-street car parking spaces
- Specific rules apply for householders wanting to pave over their front gardens
- Different rules apply for patios and driveways that are not part of a front garden
- Consider installing electric vehicle charging points to reduce energy use.

## 5. Checklist

You can use this checklist to make sure you have considered the design and amenity suggestions set out in this document.

- *Is my property a nationally or locally listed historic building or is it in or near a [conservation area](#)? If so, contact us as planning permission is likely to be needed*
- *Are there covenants on my property which may restrict how it can be developed and/or are there party walls involved? If so, you may need to take independent legal advice*
- *Do my plans affect trees in my or my neighbour's garden? If so – check to see whether they are subject to [Tree Preservation Orders](#), as planning permission is needed for works to protected trees*
- *Does my extension include one or more extra bedrooms? If so, you may need to provide an extra parking space – please contact us;*
- *Does my design affect my neighbours in terms of overlooking and loss of light? If so, you may need to change it*
- *Will my extension have a negative impact on the surrounding street scene i.e. will it look out of place? If so, you may need to change your plan*
- *Is there sufficient space around my extension to allow for rear access, bin storage, planting and car or cycle parking (where relevant)? If not, you may need to change your plan*
- *Have I considered including low carbon and renewable energy features e.g. solar panels or electric vehicle charging points?*

## Glossary

**Active frontage:** this is a façade or side of a building that includes windows, doors, balconies and design features that add visual interest from the street. It enables people to see into and out from the building, helping to create a sense of place and fenestration to provide natural surveillance (see below).

**Amenity:** this refers to the pleasant or attractive qualities of a place or a building; a desirable or useful feature of a place (e.g. bin storage); what an occupant or visitor would expect to enjoy from using that place/building (e.g. natural daylight, privacy, peace and quiet).

**Building line:** an imaginary line that describes the physical limit of a row of buildings in relation to a street. It can be uniform, when all buildings are a certain distance from the road, or variable when buildings are staggered and at varying distances from the road.

**Boundary treatment:** the way in which the borders of a property or space are defined using physical structures or features such as fences, walls and hedges.

**Character:** this is the combination of matters such as: land uses, the design and layout of buildings and public spaces, typical views and other distinctive features such as local topography and natural green space, which come together to make one place feel different and function differently from another.

**Context:** this is the setting for a building or a development site, which is influenced by surrounding land uses, any notable landscape features, and (more broadly) the character of the surrounding area.

**Elevation:** this is a side-view perspective of a building, from the exterior

**Fenestration:** this is the design and placement of openings (windows and doors) in a building.

**Habitable rooms:** this is a room that is used for building purposes, but which is not solely a kitchen, utility room, bathroom, cellar or sanitary accommodation

**Mass:** the mass of a building is how massive it appears based on its perceived size, shape and form.

**Natural surveillance:** the informal and incidental observation of people and property in public areas to assist with keeping them safe.

**Overbearing:** the impact of a building on its surroundings in terms of its scale, massing and general dominating effect.

**Overshadowing:** the impact of a building on its surroundings in terms of the effect that its scale, mass and height may have on blocking out daylight and sunlight for nearby properties.

**Private amenity space:** this is outside space that is associated with a building and is for the enjoyment and benefit of residents, protected from public view by the design of the building / boundary treatments.

**Streetscape:** this is the physical features that compromise how a street appears the road, external facades of buildings, pavements, street furniture, trees, verges and open spaces).

**Street scene:** the appearance of a street, including the building frontages where these are visible, from a certain perspective.

# Appendix 1

## Policy DE1 - Design in the Built Environment (Rushmoor Local Plan adopted February 2019)

*New development will be required to make a positive contribution towards improving the quality of the built environment. It will, where relevant to the proposal:*

- a. Include high-quality design that respects the character and appearance of the local area;*
- b. Promote designs and layouts which take account of the need to adapt to and mitigate against the effects of climate change, including the use of renewable energy;*
- c. Not cause harm to the proposed, existing and/or adjacent users by reason of:
  - 1. loss of light, privacy or outlook;*
  - 2. noise, light pollution, vibration, smell, or air pollution;**
- d. Respect established building lines;*
- e. Take account of adjacent building heights, fenestration, roof and cornice lines;*
- f. Use materials sympathetic to local character;*
- g. Give consideration to the introduction of contemporary materials that respect or enhance existing built form;*
- h. Include a level of architectural detail that gives the building visual interest for views both near and far;*
- i. Make a positive contribution to the public realm – facing the street, animating it and ensuring that all open space within the curtilage of the site is positively used and managed;*
- j. Ensure that existing landscape features (for example, topography (the surface shape) and trees worthy of retention) are included within the overall design of the scheme from an early stage;*
- k. Give appropriate consideration to the relationship between public and private space;*
- l. Have regard to the relevant character appraisal if proposing development within a conservation area; and*
- m. Demonstrate, through a supporting design and access statement, that the wider, existing context has been factored into the proposals through analysis of the following:*
  - Surrounding uses*
  - Scale*
  - Massing*
  - Layout*
  - Landscape (setting of development)*
  - Materials*
  - Orientation: and*
  - Topography*
- n. All development proposals will demonstrate how they incorporate sustainable construction standards and techniques. Major commercial developments over 1,000 sq m gross floorspace will be*

*required to meet BREEAM 'very good' standard overall (or any future national equivalent) and BREEAM 'excellent' standard for water consumption (or any future national equivalent).*

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