

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 12th November, 2019 at 7.00 pm*

To:

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

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

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

A G E N D A

1. **MINUTES** – (Pages 1 - 4)

To confirm the Minutes of the meeting held on 15th October, 2019 (copy attached).

2. **REVENUE BUDGET MONITORING AND FORECASTING 2019/20 – POSITION AS
AT OCTOBER, 2019** – (Pages 5 - 30)

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1930 (copy attached), which sets out the Council's anticipated financial position for 2019/20, based on the monitoring exercise carried out during September, 2019.

3. **CAPITAL PROGRAMME MONITORING AND FORECASTING 2019/20 - POSITION AS AT SEPTEMBER, 2019** – (Pages 31 - 42)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1932 (copy attached), which sets out the Council's position regarding the Capital Programme for 2019/20, based on the monitoring exercise carried out during September, 2019.

4. **COUNCIL BUSINESS PLAN PROGRESS UPDATE JULY - SEPTEMBER 2019/20** – (Pages 43 - 84)
(Cllr David Clifford, Leader of the Council)

To consider Report No. ELT1905 (copy attached), which sets out the Council Business Plan performance monitoring information at the end of second quarter of 2019/20, including progress in the two key programmes of work which are vital for delivering the priorities, the Regenerating Rushmoor Programme and the ICE Programme.

5. **AUTHORITY TO APPLY FOR PLANNING PERMISSION** – (Pages 85 - 88)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1919 (copy attached), which seeks approval to apply for planning consent in respect of a number of projects.

6. **REVIEW OF RENT RELIEF FOR VOLUNTARY ORGANISATIONS** – (Pages 89 - 94)
(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

To consider Report No. DSP1912 (copy attached), which sets out the outcomes of a recent review of the rent relief provided to voluntary organisations that lease land and/or buildings from the Council.

7. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND** – (Pages 95 - 98)
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

To consider Report No. DSP1911 (copy attached), which sets out details of an application for a grant from the Farnborough Airport Community Environmental Fund.

8. **BUSINESS RATES - DISCRETIONARY RATE RELIEF APPLICATION** – (Pages 99 - 116)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1929 (copy attached), which gives details of an application for discretionary rate relief.

9. **ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET, ALDERSHOT - GRANT OF NEW LONG LEASEHOLD** – (Pages 117 - 124)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1925 (copy attached), which sets out a proposal to grant a new, long, leasehold interest in Aldershot Town Football Club, The EBB Stadium, High Street, Aldershot.

10. **ALDERSHOT RAILWAY STATION** – (Pages 125 - 130)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP1923 (copy attached), which seeks approval to enter into a grant funding agreement to deliver the Aldershot Railway Station and Surrounds project and proposes changes to the provision of public art in that area.

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CABINET

Meeting held on Tuesday, 15th October, 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 P.G. Taylor, Corporate Services Portfolio Holder
 Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

An apology for absence was submitted on behalf of Cllr D.E. Clifford.

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **28th October, 2019**.

44. MINUTES –

The Minutes of the meeting of the Cabinet held on 17th September, 2019 were confirmed and signed by the Chairman.

45. RUSHMOOR 2020 PROGRESS AND ESTABLISHING THE ICE TRANSFORMATION PROGRAMME –

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

The Cabinet considered Report No. ED1907, which set out an update on progress towards the Rushmoor 2020 modernisation and improvement programme, which had been adopted by the Council in 2018. Members were informed that the programme had been established as a mechanism to address the recommendations and improvements set out in the report resulting from the Council's Peer Challenge exercise in December 2017. The Cabinet was informed that the recent Peer Challenge review exercise had found that the Council had made good progress in many areas.

The Report also explained how the delivery of further modernisation and improvement would be managed through a whole Council transformation programme known as ICE.

The Cabinet RESOLVED that

- (i) the progress to date with the Rushmoor 2020 programme, as set out in Report No. ED1907, be noted;
- (ii) the initial recommendations of the Peer Challenge Review Team, as set out in

the Report, be noted and these be taken forward as part of the Council's ongoing modernisation and improvement work;

- (iii) the Business Mandate and Programme Delivery Plan for the ICE programme, as set out in the Report, be approved;
- (iv) the focus and approach for the organisational redesign project, to be delivered as part of the ICE programme, be noted;
- (v) the confirmation by the Chief Executive of the consequential staffing service changes resulting from the process and organisational redesign projects throughout the programme, be noted; and
- (vi) the Executive Head of Finance be authorised to make alterations to budgets, as required, to enable delivery of the programme.

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

The Cabinet considered Report No. FIN1928, which set out the Medium Term Financial Strategy (MTFS) and the budgetary framework to support the preparation of the 2020/21 budget. The Report also provided an update on the Council's financial position and set out the financial forecast over the medium term, for financial planning purposes.

Members were informed that the current projected deficit in 2021/22 stood at £2,111,000. This was significantly higher than previous years due to a number of factors, including uncertainty over the level of New Homes Bonus, provision for inflation and budget pressures arising from proposed changes by Hampshire County Council to waste and recycling arrangements. It was reported that the Council's balances and reserves were at good levels, as reflected in Table 4 of the Report. Members were informed that the Government was, currently, carrying out a technical consultation and that the Executive Head of Finance, in consultation with the Corporate Services Portfolio Holder, would prepare a response to this.

The Cabinet RESOLVED that

- (i) the Budget Strategy 2020/21, as set out in Section 6 of Report No. FIN1928, be approved; and
- (ii) the Medium Term Financial Forecast and associated risks and uncertainties, as set out in Sections 7 and 8 of the Report, be noted.

47. **HOME IMPROVEMENTS AND EXTENSIONS SUPPLEMENTARY PLANNING DOCUMENT –**
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1944, which set out the draft Home Improvements and Extensions Supplementary Planning Document (SPD) and sought agreement for this to be published for consultation and, following the consultation period, adopted.

Members were informed that the purpose of this SPD was to provide further guidance to support the implementation of Policy DE1: Design in the Built Environment, which was contained in the recently adopted Rushmoor Local Plan. It was proposed that the Cabinet would adopt the SPD, subject to no substantive policy or resource objections being received during the consultation exercise. If such objections were received, the matter would be brought back to the Cabinet for further consideration.

The Cabinet RESOLVED that

- (i) the draft Home Improvements and Extensions SPD be approved for public consultation for a period of six weeks;
- (ii) the Head of Economy, Planning and Strategic Housing, in consultation with the Planning and Economy Portfolio Holder, be authorised to make factual and/or non-substantive minor amendments to the SPD prior to consultation and adoption;
- (iii) following the consultation period and subject to no substantive policy or resource objections being received during that time, the adoption of the Home Improvements and Extensions Supplementary Planning Document, as set out in Appendix 1 to Report No. EPSH1944, and subject to any subsequent minor amendments, be approved; and
- (iv) in the event of substantive policy or resource objections being received, the matter be brought back to the Cabinet for consideration.

48. EXCLUSION OF THE PUBLIC –

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

| Minute No. | Schedule 12A Para. No. | Category |
|-------------------|-------------------------------|---|
| 49 | 3 | Information relating to financial or business affairs |

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

49. DISPOSAL OF PARSONS BARRACKS CAR PARK, ALDERSHOT –
(Cllr Ken Muschamp, Deputy Leader of the Council)

The Cabinet considered Exempt Report No. RP1921, which sought approval for the disposal of the Council's freehold interest associated with Parsons Barracks Car Park, Aldershot.

The Report set out the detailed terms for the proposed disposal. Members were assured that a recent study had shown that there was sufficient capacity within the other car parks in Aldershot town centre, allowing for the growth that was anticipated, to facilitate the disposal of the Parsons Barracks Car Park.

Members expressed strong support for the proposed approach and considered this to be important in relation to the Council's wider regeneration objectives in Aldershot town centre.

The Cabinet RESOLVED that the disposal of the Council's freehold interest in the Parsons Barracks Car Park, Aldershot to the Rushmoor Development Partnership, at the value set out in paragraph 3.2 of Exempt Report No. RP1921, be approved.

NOTE: Cllr M.J. Tennant declared a personal interest under Part 6 of the Members' Code of Conduct, by virtue of his appointment, by the Council, to the Rushmoor Development Partnership Board. This interest was not considered to be a disclosable pecuniary interest as no payments and, therefore, no profits or gains would be due to partners. This personal interest was considered, however, to be prejudicial, under Part 8 of the Code, as the Business Plan affected the financial position of the Rushmoor Development Partnership and a member of the public, with knowledge of the relevant facts, would reasonably regard this to be so significant as to prejudice that councillor's judgement of the public interest. Therefore, Cllr Tennant left the meeting during the discussion and voting on this item.

The Meeting closed at 7.53 pm.

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

CABINET
12 NOVEMBER 2019

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN1930

**REVENUE BUDGET MONITORING AND FORECASTING 2019/20 – POSITION AS
AT OCTOBER, 2019**

SUMMARY:

This report sets out the anticipated financial position for 2019/20, based on Quarter 2 (30 September 2019).

RECOMMENDATIONS:

Members are requested to note the latest Revenue forecasts.

1 INTRODUCTION

- 1.1 This report provides the first monitoring position statement for the financial year 2019/20. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
- 1.2 Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate Head of Service before the meeting.

2 EXECUTIVE SUMMARY

- 2.1 The original budget (Net Portfolio Expenditure budget after adjustments) of £11.801m for 2019/20 was approved by Council on 21 February 2019, with the latest budget being £10.184m. This reduction is largely due to the transfer of Savings Plan items into the Major Projects and Property portfolio following investment property acquisitions at the start of the year. The latest budget also includes revenue budget carry forwards of £318k and additional spend from reserves of £141k as outlined and approved in the provisional outturn report to Cabinet on 28 May 2019. Further changes to the budget are outlined in this report (supplementary estimates, virements).
- 2.2 The expected forecast outturn for the current financial year is based on the Council's actual financial position for Quarter 2 with budget holders projecting

their year-end position based on known commitments and an estimate of income and expenditure for the remainder of the financial year.

3 REVENUE SUMMARY

- 3.1 The forecast outturn on the Portfolio Net Expenditure revenue budget is £10.274m; a variation of £89k when compared to the latest budget of £10.184m.
- 3.2 The forecast outturn variance across the Council's services (overspend or underspend, favourable or unfavourable) is shown in the table below:

Table 1: Portfolio variance summary

| | 2019/20 Original Budget (£'000) | 2019/20 Latest Budget (£'000) | 2019/20 Outturn Forecast (£'000) | 2019/20 Variation (£'000) |
|---|--|--|---|---------------------------------|
| Q2 Budget Monitoring - MTFS format | | | | |
| Corporate & Democratic Services | 5,613 | 5,832 | 5,829 | (3) |
| Customer Experience and Improvement | 43 | 278 | 230 | (48) |
| Major Projects and Property | (2,668) | (4,642) | (4,172) | 470 |
| Operational Services | 8,547 | 8,390 | 7,923 | (468) |
| Planning & Economy | 2,727 | 2,787 | 2,924 | 137 |
| Reversal of capital/Pension | (2,460) | (2,460) | (2,460) | 0 |
| Portfolio Net Expenditure | 11,801 | 10,184 | 10,274 | 89 |

- 3.3 Whilst the overall variation at Portfolio level can be viewed as reasonably positive (Net £89k overspend on £10.2m budget or 0.88%), there are several offsetting budget variations and additional income from s106 contributions received in the year is transferred to earmarked reserves. This tends to only focus on the variations within service delivery and does not consider the full financial position on the General Fund.
- 3.4 Therefore, Table 2 shows the outturn forecast position and impact of the projected outturn variance on the General Fund including non-portfolio' budgets (as detailed in the MTFS).

Table 2: General Fund Revenue Summary

| | 2019/20 Original Budget (£'000) | 2019/20 Latest Budget (£'000) | 2019/20 Outturn Forecast (£'000) | 2019/20 Variation (£'000) |
|---|--|--|---|---------------------------------|
| Q2 Budget Monitoring - MTFS format | | | | |
| Corporate & Democratic Services | 5,613 | 5,832 | 5,829 | (3) |
| Customer Experience and Improvement | 43 | 278 | 230 | (48) |
| Major Projects and Property | (2,668) | (4,642) | (4,172) | 470 |
| Operational Services | 8,547 | 8,390 | 7,923 | (468) |
| Planning & Economy | 2,727 | 2,787 | 2,924 | 137 |
| Reversal of capital/Pension | (2,460) | (2,460) | (2,460) | 0 |
| Portfolio Net Expenditure | 11,801 | 10,184 | 10,274 | 89 |
| Corporate Income & Expenditure | 1,785 | 1,089 | 720 | (369) |
| Contributions to/from reserve accounts | (579) | (1,303) | (1,057) | 246 |
| Savings Plan (inc Vacancy monitoring) | (4,256) | (1,042) | (470) | 572 |
| Net Total Expenditure | 8,751 | 8,929 | 9,467 | 538 |
| Total Funding | (11,688) | (11,687) | (11,687) | 0 |
| Core (Surplus) / Deficit | (2,937) | (2,758) | (2,220) | 538 |
| Additional Transfers to / (from) | | | | |
| General Fund Balance | 0 | 0 | 0 | 0 |
| Commercial Property Reserve | 2,000 | 2,000 | 1,927 | (73) |
| Stability & Resilience Reserve | 484 | 484 | 0 | (484) |
| Service Improvement Fund | 453 | 453 | 293 | (160) |
| Core (Surplus) / Deficit after Transfers | 0 | 179 | 0 | (179) |

3.5 The net variation against the latest budget is an overspend/adverse position of £538k. When compared to the original budget, the net variation on the General Fund is £716k. This variation is largely due to:

- SANG Developer contributions received in year transferred to earmarked reserves. The net variation shown against Portfolio Net Expenditure includes £448k of SANG receipts which are then transferred out of the General Fund.
- Savings Plan/Vacancy Monitoring – As at the end of Q2, the Council has achieved savings to date of £3.378m against the original savings plan target of £4.256m. However, the forecast for the year (consistent with the savings plan forecast included in the MTFS in October 2019) indicates that a further £0.470m will be achieved resulting in a shortfall of £0.572m.

3.6 The impact of this variation can be seen in the Core Surplus/Deficit on the General Fund and subsequent additional transfers to reserves. It is not

considered prudent to fund this variation from the General Fund balance (currently maintained at £2m) in order to maintain reserve transfers at the budgeted level.

- 3.7 Reserve transfers have been prioritised in terms of risk. No additional transfer is forecast to the Stability and Resilience reserve (due to £559k being allocated from the favourable 2018/19 revenue outturn). The forecast transfer to Service Improvement Fund is £160k lower than the original budget, with the Commercial Reserve transfer being £73k less than the original budget.
- 3.8 Section 4 of the report and Appendix B set out the detailed variations across the portfolios. The summarised list below draws out the key variations that are deemed to be of significance to members.
- 3.9 Corporate & Democratic Services
- Land Charges – additional expenditure on searches undertaken by Hampshire County Council (£18k overspend)
 - Legal Services – delayed introduction of income tariff for s106 agreements (£25k income shortfall)
- 3.10 Customer Experience and Improvement
- N/A
- 3.11 Major Projects and Property
- External advice and support on the Council's Investment properties – funded from the Commercial Reserve (£63k additional expenditure)
 - 168 High Street Guildford - Additional costs and rental income shortfall, as advised to members in report RP1910 and funded from the Commercial Reserve (£325k additional expenditure/income shortfall)
 - Other Investment properties – known additional expenditure required as part of the Council's responsibility as landlord (£156k additional expenditure not included in the original budget due to timing of acquisitions)
 - Markets and Car Boot sales – Shortfall in income from markets and car boot sales partially offset by reduction in spend on casual staff (£14k net overspend)
- 3.12 Operational Services
- Car Parks and Parking Management – Several income variations including additional season ticket income, lower Pay and Display and PCN income (£49k income shortfall). However, this variation is offset by a saving on the CEO salary budget which is included in the Savings Target line.
 - Crematorium – Shortfall in cremation fee income (£60k)

- Parks and Recreation Grounds – Additional income received in respect of Rowhill SANG Developers contributions (£448k) is transferred to earmarked reserve

3.13 Planning & Economy

- Planning Policy – Additional expenditure on econsultancy as part of the SPA Project, funded from earmarked reserve (£26k additional expenditure)
- Development Control – Projected income shortfall on Planning Fee income largely due to uncertainty in the local housing market caused by Brexit (£114k income shortfall).

3.14 Corporate Income and Expenditure

- Treasury Management activities – Interest payable on external borrowing is likely to be £270k less than budgeted due to reduced borrowing requirement and impact of low interest rates. Interest received on the Council treasury investments has continued to improve with additional income of £231k anticipated. (£501k positive variation)

3.15 Savings Plan

- The outturn forecast assumes that the Council acquires additional commercial property in Q4 2019/20 and that savings arising from staff vacancies remains constant (but below the budgeted level). There is some risk that the savings target is not met with further detail provided in Section 5 of the report.

3.16 The potential effect of both the revenue and capital variances upon on each balance/reserve/funding source is shown in the table below.

Table 3: Summary Reserve Movements

| Balance and Reserves (excluding specific earmarked reserves) | Balance as at 01 April 2019 (£'000) | Planned transfer to / (from) Reserves (as per MTFS) | Additional Transfers to / (from) (£'000) | Forecast Balance at 31 March 2020 (£'000) |
|---|--|--|---|--|
| General Fund Balance | 2,000 | 0 | 0 | 2,000 |
| Commercial Property Reserve | 475 | 2,000 | (548) | 1,927 |
| Stability & Resilience Reserve | 4,869 | 483 | (483) | 4,869 |
| Service Improvement Fund | 1,001 | (93) | (257) | 651 |
| Other Earmarked Reserves | 5,719 | (33) | 93 | 5,779 |
| Subtotal | 14,064 | 2,357 | (1,195) | 15,226 |

3.17 **Appendix A** sets out the expected forecast outturn for the current financial year is based on the Council's actual financial position for Q2.

4 REPORTED VARIANCES

4.1 The outturn estimates a net unfavourable variance (overspend) of £89,415 as likely to occur in 2019/20 against the current approved budget. Major variances are set out in **Appendix B**.

4.2 A significant element of the overall variance (£159k net transfer to reserves) is due to changes in income that are either ring-fenced for use outside of the general fund or have been received in advance for future years' funding. These amounts are not available for spending on general activities and will be transferred to various reserves as follows:

- £448k net additional income in respect of s106 developers' contributions for Suitable Alternative Natural Green Space (SANG) which is ring-fenced for spending on SANG provision and maintenance at Southwood Woodlands and Rowhill Nature Reserve.
- £26k increase in expenditure as a result of consultancy on SPA project. Transfer from Planning Delivery Fund
- A reduction in transfer to Civil Parking Enforcement (CPE) surplus due to a net increase in revenue cost of £29k (£77K non-salary expenditure increase and £48K salary saving)
- £174k net income in respect of A331 Air Quality Projects
- £40k funded from Service Improvement Fund as a result of additional expenditure on property valuations.
- £23k transfer from Commercial reserve to fund Lambert Smith Hampton property evaluation
- £275k transfer from Commercial reserve to cover the loss of rental income from 168 High St Guildford.

4.3 Estimates for interest receivable have increased by £231k due to increased returns from investment portfolio. Interest payable on borrowing has decreased by £270k due to a decrease in our borrowing requirement (largely due to changes in timing of purchases within the capital programme). This combination has resulted in a favourable variance of £501k.

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

5 INCOME/SAVINGS TARGETS

5.1 The original budget for 2019/20 identified the need for £3.931m of savings/income generation and £0.325m of Vacancy monitoring savings (£4.256m in total). During quarter 2 £3.214m of net cost reductions have been built into the approved budget. Resulting in a current approved budget savings target of £1.042m and an outturn forecast of £0.470m.

5.2 Table 4 below shows the savings movement by area. Detail savings per portfolio are given in **Appendix D**.

Table 4: Savings Movement Summary

| Savings Plan progress | 2019/20 Target (£'000) | Q2 Achieved (£'000) | Still to achieve in year (to match target) | Forecast (£'000) | Over / (Under) achieved (£'000) |
|--|------------------------|---------------------|--|------------------|---------------------------------|
| Items included in MTFs (Feb 2019) | | | | | |
| Organisational Redesign | 300 | 20 | 280 | 20 | (280) |
| Major contract renewal - Leisure | 230 | 230 | 0 | 230 | 0 |
| Commercial Property Investment | 3,191 | 2,764 | 427 | 3,070 | (121) |
| Reduction in service costs | 151 | 160 | (9) | 160 | 9 |
| Reviewing fees, charges and concessions | 59 | 0 | 59 | 0 | (59) |
| Subtotal | 3,931 | 3,174 | 757 | 3,480 | (451) |
| Additional in-year savings identified | | | | | |
| Better Procurement | 0 | 40 | (40) | 40 | 40 |
| Subtotal | 0 | 40 | (40) | 40 | 40 |
| TOTAL Savings Plan | 3,931 | 3,214 | 717 | 3,520 | (411) |
| Vacancy Monitoring | 325 | 164 | 325 | 164 | (161) |
| TOTAL Savings + VM | 4,256 | 3,378 | 1,042 | 3,684 | (572) |

5.3 The staff monitoring exercise has identified a net projected outturn of £164k from salary savings, which is below the £325k expected to be delivered against the original budget.

6 RESERVES

6.1 The level of risk-based balance shown for the General fund consistent with the approved range of £1m-£2m. The forecast position on the General Fund risk-based balance is likely be maintained at £2m.

6.2 Consideration should be given to balances across the three main working reserves – the General Fund, the Stability and Resilience Reserve and the

Service Improvement Fund – to determine the appropriate levels to hold in each in accordance with the Financial Strategy.

- 6.3 The Stability and Resilience Reserve was set up to allow the Council to weather fluctuations in its net expenditure while consideration is given to longer-term plans for meeting any funding gap. This means that actions are thought-through and well-considered rather than relying on quick fix, unsustainable solutions. Given the volatility in our income streams, especially around the operation of the Business Rates Retention Scheme, it is prudent to hold a reasonable reserve for this purpose. This is particularly relevant given the uncertainty around local government funding beyond 2020/21.
- 6.4 The balance on the fund at the close of 2019/20 is estimated at £4.869m to cover short-term fluctuations in income due to the operation of the Business Rates Retention Scheme, for example.
- 6.5 The Service Improvement Fund is held to support key projects such as invest-to-save schemes, which underpin the Council’s plan for a sustainable organisation. Table 5 below shows the use of the Fund as approved in the revised budget alongside the latest estimates of expenditure for both the current and future years.

Table 5: Service Improvement Fund

| | Approved Budget 2019/20 | Earmarked (budget subject to business case) | Forecast Expenditure 2019/20 | Q2 Monitoring Forecast Expenditure 2019/20 |
|---|-------------------------|---|------------------------------|--|
| Service Improvement Fund | | | | |
| Opening balance on Fund | | | (1,001,007) | (1,001,007) |
| Additional Income | (453,100) | | (453,100) | (293,000) |
| Backfill for Finance improvement projects | 4,490 | 0 | 4,490 | 4,490 |
| Temporary Property Assistant | 4,090 | 0 | 4,090 | 4,090 |
| Regeneration Backfill | 60,000 | 0 | 60,000 | 60,000 |
| Organisational Redesign, Structure Review and Transitional Arrangements | 204,731 | 0 | 204,731 | 204,731 |
| Rushmoor 2020 | 300,000 | 318,000 | 618,000 | 618,000 |
| Feasibility Studies | 10,000 | 0 | 10,000 | 10,000 |
| Council Offices Boiler Replacement | 0 | 18,000 | 18,000 | 19,878 |
| Investment Property portfolio advice/support | | | 40,000 | |
| Expenditure in year | | | 959,311 | 921,189 |
| Closing balance | | | (494,796) | (372,818) |

- 6.6 The Council has the flexibility to use some of its Capital Receipts to support revenue spending in the pursuit of efficiency and service transformation.

6.7 The strategy for Flexible Use of Capital Receipts 2019/20 was approved at Full Council on 21 February 2019.

Table 6: Flexible Use of capital Receipts

| Project | Original Budget 2019/20 | Slippage/ (Pre-Spend) to 2019/20 | Total Approved Budget 2019/20 | Forecast Expenditure 2019/20 | Forecast Variance |
|--|-------------------------|----------------------------------|-------------------------------|------------------------------|-------------------|
| Opening Balance | | | 187,416 | 187,416 | |
| Additional Capital Receipt | | | | | |
| Income Generation & Commercial | | | | | |
| To support the delivery of the Housing and Regeneration Programme | - | 17,212 | 17,212 | 17,212 | - |
| To explore new ways of delivering services while maintaining or improving service standards and reducing costs | 57,500 | 10,217 | 67,717 | 67,717 | - |
| Customer & Digital | | | | | |
| A comprehensive IT approach to integrate the client and contractor systems | - | 26,289 | 26,289 | 26,289 | - |
| Feasibility and implementation of an expanded customer hub model | 35,500 | 10,101 | 45,601 | 45,601 | - |
| Unassigned | 30,600 | - 3 | 30,597 | - | - 30,597 |
| Total Expenditure | | | 187,416 | 156,819 | - 30,597 |
| Closing Balance | | | 0 | 30,597 | |

6.8 The overall effect on the main working balances is shown in Table 3 earlier in the report

7 RISK AREAS

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

7.2 Considerable progress has been made in the implementation of income generation plans such as those from commercial property acquisition and further acquisitions are currently planned. Other significant projects to deliver efficiencies will come forward as part of the Council's Modernisation and

Improvement report set out in a separate report on the Cabinet agenda for this meeting.

7.3 Fluctuations in business rate income, changes to the business rates system as part of the 75% retention scheme and the Fair Funding Review (due in 2021/22) underline the need for reasonable levels of reserves. Maintaining sufficient level of reserves aids mitigation against the risk of sudden downturns in major income streams. This also protects the Council from some of the risk around borrowing costs, enabling it to continue with major capital projects such as regeneration schemes. At the same time undergoing a transformation programme (ICE). Modernisation and improvement of the Council's core services should improve the customer experience as well as generating additional income and/or reducing costs through efficiencies.

7.4 Other risks that should be considered are:

National

- The playing out of the consequences of the UK's decision to leave the European Union. This may include implications for pension schemes and the Council's future contributions to the Hampshire Pension Fund; the value of properties including those recently purchased; the interest earned on the Council's investments or payable on its borrowings;
- Deterioration in income streams due to the economic climate including planning fees, parking income and rents;
- Pressure on services due to legislative changes, such as Welfare reform or the Housing and Planning Act;
- Financial restrictions from regulatory changes to the Prudential framework (e.g. CIPFA Prudential Code and Treasury Management Code, MHCLG's Investment guidance)
- The effect of decisions made by other external institutions to reduce/cease funding that may affect the financing of Council activities, or place pressure on Rushmoor to meet the shortfall;

Local:

- The delivery of major change programmes in the organisation;
- Pressure on services from demographic change;
- Maintaining a balance between new priorities and achieving savings targets;
- Non-delivery, or delayed delivery, of key projects (Regeneration/Housing) that impact on residents, town centres and on the Council's financial position
- Demand-led budget and pressure within services
- Commercial income under achieved due to increase in vacant units

8 CONCLUSIONS

- 8.1 There will always be variances reported in-year against budgets due to the Council adapting its priorities to manage inevitable changes in demand pressures and having a flexible approach to changing circumstances. While we would not want financial constraints to hamper this responsive approach, which works well for residents, the Council does need to reduce its net cost of services (by reducing costs or increasing income) to achieve financial sustainability.
- 8.2 However, there is a need for strong and robust budgetary control to ensure that services costs are managed effectively. As this report has highlighted, there are a number of offsetting variations across portfolio budgets. The overall net variation of £89k may provide members some comfort that the financial performance of the Council is relatively strong. However, as sections 3 and 4 of the report have highlighted, there are some material income pressures that will need to be considered over the budget setting period to ensure if the long-term sustainability of the organisation is to be achieved.
- 8.3 Budget and efficiency savings need to continue to be identified through the budget monitoring process to contribute to the overall reduction in service budgets. A proactive approach to savings is encouraged where budgets that are no longer required can be counted against the savings targets. In the event of in-year budgetary pressures, budget holders should ensure that additional costs or income shortfalls can be contained within existing resources. If this is not possible, options for corrective action should be considered and agreed with Heads of Service and Finance where appropriate.
- 8.4 The current monitoring position shows the risk-based general fund balance will be maintained at £2m at year-end, assuming the achievement of £470k of savings during the Q3 and Q4.
- 8.5 Should savings not be achieved there is short-term flexibility to support the general fund balance through use of the Stability and Resilience reserve but reductions in net expenditure must be achieved in the longer-term to avoid reliance on one-off funding.
- 8.6 While this report provides reassurance for the current financial year, the scale of the challenge over the medium-term remains considerable and efforts should be concentrated on moving forward modernisation and improvement plans in order to support delivery of the Council Plan and secure a sustainable financial future.

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APPENDIX A

GENERAL FUND REVENUE BUDGET SUMMARY

| | ORIGINAL ESTIMATE | CURRENT APPROVED ESTIMATE | FORECAST OUTTURN | BUDGET VARIATION |
|--|----------------------|---------------------------------|---------------------|---------------------|
| | 2019/20 £000 | 2019/20 £000 | 2019/20 £000 | 2019/20 £000 |
| Net Cost of Services by Portfolio | | | | |
| 1 Corporate & Democratic Services | 5,613 | 5,832 | 5,829 | (3) |
| 2 Customer Experience and Improvement | 43 | 278 | 230 | (48) |
| 3 Major Projects and Property | (2,668) | (4,642) | (4,172) | 470 |
| 4 Operational Services | 8,547 | 8,390 | 7,923 | (468) |
| 5 Planning & Economy | 2,727 | 2,787 | 2,924 | 137 |
| 6 PORTFOLIO NET EXPENDITURE | 14,261 | 12,644 | 12,734 | 89 |
| 7 Capital Accounting Charges - Reversed | (1,964) | (1,964) | (1,964) | 0 |
| 8 Pension Adj/Employee Benefits Reversed | (496) | (496) | (496) | 0 |
| 9 NET EXPENDITURE AFTER ADJUSTMENTS | 11,801 | 10,184 | 10,274 | 89 |
| 10 Reductions in Service Costs/Income Generation | (3,931) | (717) | (306) | 411 |
| 11 Vacancy Monitoring | (325) | (325) | (164) | 161 |
| 12 Corporate Income and Expenditure | 1,389 | 693 | 324 | (369) |
| 13 Contributions to/(from) Reserve Accounts | 2,358 | 1,632 | 1,163 | (470) |
| 14 Central Government Funding | (4,883) | (4,882) | (4,882) | 0 |
| 15 NET TOTAL EXPENDITURE | 6,409 | 6,587 | 6,409 | (178) |
| 16 Contribution to/(from) balances | 0 | (178) | 0 | 178 |
| 17 COUNCIL TAX REQUIREMENT | 6,409 | 6,409 | 6,409 | (0) |
| REVENUE BALANCES | | | | |
| 18 1 April | 2,000 | 2,000 | 2,000 | 0 |
| 19 General Fund Transfer | 0 | (178) | 0 | 178 |
| 20 31 March | 2,000 | 1,822 | 2,000 | 178 |

Notes:

| | | | | |
|--|---------|---------|---------|-------|
| 12 Corporate Income and Expenditure | | | | |
| Interest Receivable | (1,358) | (1,358) | (1,589) | (231) |
| Interest payable | 1,056 | 1,056 | 786 | (270) |
| Minimum Revenue Provision | 1,410 | 1,410 | 1,410 | 0 |
| Collection Fund (surplus)/deficit - Ctax | (97) | (97) | (97) | 0 |
| Collection Fund (surplus)/deficit - NNDR | (299) | (299) | (299) | 0 |
| Other Corporate Income and Expenditure | 45 | (19) | 113 | 132 |
| Total | 757 | 693 | 324 | (369) |

| | | | | |
|---|-------|-------|-------|-------|
| 13 Contributions to/(from) Reserve Accounts | | | | |
| Revenue Contributions to Capital Programme | 0 | 67 | 107 | 40 |
| Transfers to CPE Surplus Account | 76 | 76 | 47 | (29) |
| Contributions to/(from) earmarked reserves - carry forwards | 0 | (432) | (432) | 0 |
| Contributions to/(from) earmarked reserves/prior yr grants | (109) | (218) | 339 | 557 |
| Contributions to/(from) Service Improvement Fund | (93) | (130) | (350) | (220) |
| Contributions to/(from) Stability & Resilience Reserve | 483 | 483 | 0 | (483) |
| Contributions to/(from) Commercial Reserve | 2,000 | 1,787 | 1,452 | (335) |
| Total | 2,358 | 1,632 | 1,163 | (470) |

| | | | | |
|--|----------------|----------------|----------------|---|
| 14 Central Government Funding | | | | |
| New Burdens and other non-ring-fenced grants | (36) | (36) | (36) | 0 |
| New Homes Bonus | (1,010) | (1,010) | (1,010) | 0 |
| Revenue Support Grant | 0 | 0 | 0 | 0 |
| Business Rates Retention (BRR) | (3,836) | (3,836) | (3,836) | 0 |
| Total | (4,883) | (4,882) | (4,882) | 0 |

APPENDIX B

GENERAL FUND REVENUE ACCOUNT 2019/20 PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET

Variations identified by service during quarter 2 budget monitoring exercise amounting to a net overspend of £89,415

| Corporate and Democratic Services Portfolio - VARIANCES RELATED TO EXPENDITURE BUDGETS | | | £000 |
|--|-------------------------------|--|-------------------|
| Expenditure | | | |
| Corporate Manager Legal Services | Land Charges | Additional spend on searches undertaken by Hampshire County Council on behalf of the Council | 18,000 |
| | Legal Support | Adverse variance for Law School fees (spans two years however have to be paid upfront) | 7,000 |
| Democracy, Strategy and Partnerships | Grants to Major Organisations | Additional notional cost of 'free' parking for charities/voluntary organisations (offset with notional income figure in the car parks cost centre) Additional rent relief following the move of a tenant from the Farnborough Community Centre to the Council Offices | 5,000 15,200 |
| | Grants to Other Organisations | Reduction in rent relief following the closure of Farnborough Community Centre | (25,200) |
| Financial Services | Rent Allowances | Changes to software (funded by government) Grant income for transition costs re Universal Credit | 9,000 (32,000) |
| | Financial Services Support | Reduction in spend on consultancy fees due to a lack of requirement in 2019/20 | (5,000) |
| All other expenditure variances within portfolio | | | (2,550) |
| Total Expenditure Variances in Corporate and Democratic Services Portfolio | | | (10,550) |

| Corporate and Democratic Services Portfolio - VARIANCES RELATED TO INCOME BUDGETS | | | £000 |
|---|-----------------|--|--------------|
| Income | | | |
| Corporate Manager Legal Services | Legal Support | Adverse variance due to delay in introducing new income tariff for Section106 agreements | 25,000 |
| Democracy, Strategy and Partnerships | Local Elections | Increase in income due to contribution received towards election costs | (5,000) |
| Financial Services | Rent Allowances | Changes to software (funded by government) | (9,000) |
| All other income variances within portfolio | | | (3,000) |
| Total Income Variances in Corporate and Democratic Services | | | 8,000 |

| | |
|---|----------------|
| Total Net Variances in Corporate and Democratic Services Portfolio | (2,550) |
|---|----------------|

| Customer Experience and Improvement Portfolio VARIANCES RELATED TO EXPENDITURE BUDGETS | | | £000 |
|--|------------------------|---|--------------|
| - Expenditure | | | |
| ICT, Facilities and Project Services | IT Management | Additional consultancy costs particularly around Office 365 | 6,500 |
| Customer Experience | Customer Services Unit | Reduction in postage costs | (5,000) |
| All other expenditure variances within portfolio | | | 3,000 |
| Total Expenditure Variances in Customer Experience and Improvement Portfolio | | | 4,500 |

| Customer Experience and Improvement Portfolio VARIANCES RELATED TO INCOME BUDGETS | | | £000 |
|---|-----------------|---|-----------------|
| - Income | | | |
| ICT, Facilities and Project Services | Council Offices | Income from tenants following the relocation from Farnborough Community Centre (this income was previously showing in the Farnborough Community Centre cost centre) | (47,950) |
| All other income variances within portfolio | | | (4,200) |
| Total Income Variances in Customer Experience and Improvement Portfolio | | | (52,150) |

| | |
|---|-----------------|
| Total Net Variances in Customer Experience and Improvement Portfolio | (47,650) |
|---|-----------------|

| Major Projects and Property Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|---|--|----------------|
| Regeneration, Property and Highways | Rushmoor Properties | Additional Expenditure for external advice/support on the Council's investment properties - initial review report. Funded from Service Improvement Fund | 40,000 |
| | | Additional Expenditure for external advice/support on the Council's investment properties. Funded from Service Improvement Fund | 23,000 |
| | Regeneration Departmental Expenses | Reduction in publicity and advertising costs in the regeneration team | (6,000) |
| | Belle Vue Enterprise Centre | Adverse variance due to an increase in the number of repairs and maintenance of the units and associated costs | 7,000 |
| | 168 High Street, Guildford | Adverse variances of service charge and NNDR expenditure that the Council is liable for whilst the Highpoint building is largely vacant and being refurbished. As advised in report RP1910 and funded from Commercial Reserve | 35,000 |
| | 36-63 Union Street, Aldershot | Adverse variance due to additional unplanned asbestos works and scaffolding costs for 53-55, 54-56 and 58 Union Street | 5,000 |
| | Frimley 4 Business Park | Additional expenditure in relation to the Council's landlord obligations at Frimley 4 Business Park. Expenditure includes costs around lease renewals, tenant incentives, support for gym/café, business rates on void properties. | 142,000 |
| | Community Maintenance Team | Reduction in spend as the Council does not have any current skilled up projects running (offset with a reduction in income) | (10,000) |
| Marks and Car Boot Sales | Reduction in spend on casual staff Reduction in spend on trade refuse costs relating to the prior financial year | (14,000) (6,900) | |
| All other expenditure variances within portfolio | | | 10,400 |
| Total Expenditure Variances in Major Projects and Property Portfolio | | | 225,500 |

| Major Projects and Property Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|--|---|--|----------------|
| Regeneration, Property and Highways | 35/39 High Street, Aldershot | Unachievement of service charge income from tenants. Nature of the lease means the Council is unable to recover service charge debt owing from previous year | 17,000 |
| | | Unachievement of rental income from tenants due to ongoing problems with the lease renewal | 10,000 |
| | Rushmoor Development Plan Costs | Income stream (previously not clarified) | (132,000) |
| | Town Centres | Delay with finalising new lease with the Community Pre-School for Bevan Lodge has resulted in the rental income not being achieved in this financial year: | |
| | | Missing rent | 5,000 |
| | | Budget for rechargeable service charges/insurance unachievable under the current lease agreements | 12,000 |
| | 168 High Street, Guildford | Rental loss due to previous tenant Steamer Trading entering administration. Guildford store closed by ProCook who had brought Steamer Trading business. Lease agreement reached with new tenant with a 'rent-free' incentive provided for a 12 month period (covered by drawdown from Commercial Reserve as per report RP1910) | 275,000 |
| | | Loss of income due to vacant second floor office, difficulties in letting (let for ten months of the year) | 15,500 |
| | Wellesley House, 10 Eelmoor Road, Farnborough | Favourable variance due to additional income for back-rent from Classic Race Simulators | (10,000) |
| | 36-63 Union Street, Aldershot | Loss of income from tenant due to surrender of lease from December 2019. Consideration to be given to funding from negotiated lease surrender settlement. | 58,500 |
| | Marks and Car Boot Sales | Shortfall in markets income | 29,000 |
| | | Shortfall in car boot sales income | 6,100 |
| Community Maintenance Team | Reduction in income as the Council does not have any current skilled up projects running (offset with a reduction in expenditure) | 10,000 | |
| Other Highway Services | Additional income from temporary traffic regulation orders (partially offset with increased expenditure) | (5,000) | |
| | Additional engineering fee income (offset with additional salary cost) | (43,300) | |
| All other income variances within portfolio | | | (3,100) |
| Total Income Variances in Major Projects and Property Portfolio | | | 244,700 |

| | | | |
|---|--|--|----------------|
| Total Net Variances in Major Projects and Property Portfolio | | | 470,200 |
|---|--|--|----------------|

| Operational Services Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|--|--|---|-----------------|
| Operations | Pollution and Environmental Control | Additional spend on the A331 Air Quality Project (offset by grant funding) | 22,500 |
| | Pest Control | Reduction in spend on contractor payment due to entering a new pest control contract that is now a chargeable service | (7,300) |
| | Housing Advice | Increase in homelessness cases Increase in case deposits paid to landlords including an increase in those for single claimants | 60,000 5,000 |
| | Improvement Grants | Reduction in expenditure for 2019/20 - Parity Trust membership for this year has been funded within monies held by Parity | (5,000) |
| | Parks and Recreation Grounds | Additional expenditure to reinstate the accessible footpath at Rowhill Copse following works undertaken by Scottish and Southern Electricity to remove electricity pylons (income has been received by SSE to fund these works) | 9,900 |
| | | Additional budget granted in 2018/19 for tree maintenance included in 2019/20 budget in error | (11,400) |
| | | Additional spend on pavilions/buildings Additional spend on water bills | 12,500 5,000 |
| | Car Parks | Additional spend on Littering and Dog Fouling FPNs as the pilot scheme was extended for six months (offset by additional income) | 47,900 |
| | | Reduction in spend on card handling fees | (11,600) |
| | Parking Management | Additional spend on card charges | 7,300 |
| | Crematorium | Reduction in spend on ministers fees as the Council no longer provides this service | (6,500) |
| | | Additional revenue costs for the mobile elevation platform (previously a capital project however cost below the capital deminimus levels, thus expenditure must now be categorised as revenue expenditure) | 9,500 |
| | Cemeteries | Additional spend on repairs and maintenance | 5,000 |
| | Grounds Maintenance | Reduction in spend of Grounds Maintenance due to inventory changes | (11,900) |
| | Domestic Refuse | Reduction in spend due to Uplift Adjustment to SERCO contract | (15,800) |
| | | Reduction in spend on contractor payment as the budget includes a calculation for the estimated number of new properties likely in the year | (10,600) |
| Farnborough Leisure Centre | Leisure contract saving over the three sites due to budgeting for a slightly higher figure | (5,200) | |
| Farnborough Community Centre | Reduction in spend on direct grant following the closure of the Farnborough Community Centre | (6,000) | |
| All other expenditure variances within portfolio | | | 32,500 |
| Total Expenditure Variances in Operational Services Portfolio | | | 125,800 |

| Operational Services Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|---|--|---|------------------|
| Operations | Housing Advice | Increase in rent due from homelessness cases | (45,000) |
| | Pollution and Environmental Control | Additional grant income on the A331 Air Quality Project. The grant is to be spent annually over the next 4 to 5 years on the monitoring and evaluation, the balance of funds at year end transferred to an earmarked reserve | (196,500) |
| | Houses in Multiple Occupation | Reduction in income, this reflects a number of HMO's becoming single dwellings and a reduction in the number living in a property to below five so do not require a licence | 26,000 |
| | Improvement Grants | Increase in contribution for support relating to applications for improvements grants | (5,000) |
| | Parks and Recreation Grounds | Income received from Scottish and Southern Electricity to fund works in respect of the reinstatement of the accessible footpath at Rowhill Copse following works undertaken to remove electricity pylons (corresponding note showing in expenditure) | (9,900) |
| | | Rowhill SANG Developers Contributions received in year, these SANG receipts will be Transferred to the SANG earmarked Reserve from the general fund at year end | (418,500) |
| | | Rowhill SANG Developers Contributions received in year, these SANG receipts will be Transferred to the SANG earmarked Reserve from the general fund at year end | (29,000) |
| | Car Parks | Notional value of issuing 'Free' parking permit to a new voluntary organisation | (5,000) |
| | | Additional income on Littering and Dog Fouling Fixed Penalty Notices (FPNs) as the pilot scheme was extended for six months (offset by additional expenditure) | (56,000) |
| | | Additional season ticket income from businesses who have requested either new or additional permits in year | (71,200) |
| | Parking Management | Shortfall in Pay and Display income | 14,500 |
| | | Shortfall in Penalty Charge Notice (fines) due to two vacant Civil Enforcement Officer posts (Salary savings included in the Savings Plan line reported separately) | 55,100 |
| | Cemeteries | Shortfall in Pay and Display income | 19,700 |
| | | Shortfall in Penalty Charge Notice (fines) due to two vacant Civil Enforcement Officer posts | 48,600 |
| | Crematorium | Additional grave sales income | (14,000) |
| | Recycling | Reduction in income on ministers fees as the Council no longer provides this service | 6,500 |
| | | Shortfall in cremation fee income | 59,500 |
| | | Increase in benches memorial income | (6,000) |
| | Farnborough Community Centre | Reduction in Materials Recovery Facility (MRF) income due to stricter controls with acceptable recycling | 9,200 |
| | | Additional recycling credit income | (6,200) |
| Additional green waste sales income | | (25,000) | |
| Increase in wheeled bin developers contributions | | (5,000) | |
| Southwood Community Centre | Reduction in income following the Farnborough Community Centre closure (offset with additional income being recorded on the Council Offices cost centre for two relocated tenants) | 52,500 | |
| | Reduction in income as the church has relocated out of the Community Centre | 7,000 | |
| All other income variances within portfolio | | | 300 |
| Total Income Variances in Operational Services Portfolio | | | (593,400) |
| Total Net Variances in Operational Services Portfolio | | | (467,600) |

| Planning and Economy Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|--|------------------------|---|--------------|
| Economic, Planning and Strategic Housing | Special Events | Reduction in spend on firework event budget, this brings the expenditure in line with previous years events | (18,300) |
| | Planning Policy | Adverse variance on Consultancy. Expenditure on consultants is required as part of the SPA Project and delegated authority was approved at Cabinet on 5th February 2019 for the Head of Economy, Planning and Strategic Housing to approve future expenditure and report through the budget monitoring process (funded from the Planning Delivery Fund Income earmarked reserve and a corresponding variance will be reported on earmarked reserves). | 25,995 |
| | Development Management | Adverse variance on consultancy, specialist expertise have had to be employed in respect of two separate applications | 5,000 |
| | Planning Policy | Favourable variance on training expenses. Funding for a post graduate course no longer required. This was due to be funded from the additional 20% Planning Application Income earmarked reserve (9351) and a corresponding variance will be reported on earmarked reserves. | (5,230) |
| All other expenditure variances within portfolio | | | 250 |
| Total Expenditure Variances in Planning and Economy Portfolio | | | 7,715 |

| Planning and Economy Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £000 | |
|---|---|---|---|--------|
| Economic, Planning and Strategic Housing | Special Events | Reduction in the firework event ticket sales budget - as the event cost is being funded by sponsorship income | 39,300 | |
| | | Firework event sponsorship income | (17,500) | |
| | Development Control | | Adverse variance on planning applications (the variance is being attributed to uncertainty caused by Brexit) | 85,000 |
| | | | Adverse variance on pre application charges (the variance is being attributed to uncertainty caused by Brexit) | 7,000 |
| | | | Adverse variance on planning applications (the variance is being attributed to uncertainty caused by Brexit). The income from the cost centre is due to be added to the additional 20% Planning Application Income earmarked reserve and a corresponding variance will be reported on earmarked reserves) | 17,000 |
| Building Control Development Fees | Adverse variance on fees and charges. Income in the second half of the year is expected to be boosted by additional work coming through which was previously being carried out privately by Approved Inspectors, however it is unlikely all of the shortfall from the first half of the year will be made up) | 5,000 | | |
| All other income variances within portfolio | | | (6,500) | |
| Total Income Variances in Planning and Economy Portfolio | | | 129,300 | |

| | |
|--|----------------|
| Total Net Variances in Planning and Economy Portfolio | 137,015 |
|--|----------------|

| | |
|--|----------------|
| Net portfolio Expenditure Variances | 352,965 |
|--|----------------|

| | |
|---------------------------------------|------------------|
| Net Portfolio Income Variances | (263,550) |
|---------------------------------------|------------------|

| | |
|--------------------------------|---------------|
| Net Portfolio Variances | 89,415 |
|--------------------------------|---------------|

| Additional Information | | |
|------------------------|---|----------------|
| | Earmarked Reserves | 158,635 |
| | Net Portfolio Variances excluding Earmarked Reserves | 248,050 |

APPENDIX C

The Supplementary Estimates totalling -£2,367,171 for Quarter one and Quarter two 2019/20 (including those relating to Earmarked Reserves) are shown below:

| | |
|--|--------------|
| Corporate and Democratic Services Portfolio | £000 |
| -Financial Services - Council Tax Benefits | |
| Enhancements to the Council Tax Scheme hardship fund is likely to create more hardship, | 2 |
| - Personnel Support Service - E-Learning Support | |
| Cover costs in first year of contract on e-learning portal. Subsequent years will be vired from Health & Safety E Learning Support code | 3.8 |
| - Council Tax Support Scheme Consultancy | |
| Consultancy to design & develop a CTS scheme for 20/21 and associated admin charges | 9.04 |
| Funding for design of CTS scheme from additional grant income on HB | -9.04 |
| - Electoral Registration | |
| To backfill post CE0130 whilst the post holder supports work on updating the constitution | 3 |
| - Legal Support Services | |
| New trainee solicitor post - salary and training costs | |
| - Salary | 3.5 |
| - Training | 4.5 |
| - Legal Support Services | |
| Additional temporary staff budget to catch-up with the backlog of legal work as a priority | 20 |
| Corporate and Democratic Services Portfolio Total | 36.8 |
| Customer Experience and Improvement Portfolio | £000 |
| - Customer Services Unit | |
| Refurbishment of the reception area | 15.51 |
| Customer Experience and Improvement Portfolio Total | 15.51 |
| Major Projects and Property Portfolio | £000 |
| - Regeneration, Property and Highways Service - Building Services Support | |
| Budget required for a temporary building surveyor | 6.373 |
| -Regeneration and Property Services - 168 High Street, Guildford | |
| Agency letting fees attributable to securing new tenant and paying premium to the sub-tenant to surrender their lease | 40 |
| Repairs and maintenance including refurbishment of the second floor offices and improvements and repairs to the office common parts and signage that cannot be recovered through service charges | 24 |

| | |
|--|-----------------|
| - Regeneration, Property and Highways Service - Frimley 4 Business Park Rental income for newly acquired property | -1798.51 |
| - Regeneration, Property and Highways Service - Ashbourne House, Guildford Rental income for newly acquired property | -966.405 |
| - Regeneration, Property and Highways Service - 36-63 Union Street, Aldershot Scaffolding required to support high wall with high risk of collapse at 54-56 Union Street. Also need to install props to support the floors that have risk of failure at the same address | 43 |
| - Regeneration, Property and Highways Service - Rushmoor Properties Revaluation report of various Rushmoor properties (funded from the Commercial Reserve) | 39 |
| - Regeneration, Property and Highways Service - Commercial Properties Hoardings for former golf club buildings at Southwood Contry Park | 17 |
| Detailed survey of the former Golf Course at Southwood in order to generate an options buildings' appraisal | 15 |
| - Reneration, Property and Highways Service - Buildings Support Services Temporary staff costs for additional admin support staff | 14 |
| - Reneration, Property and Highways Service - 36 to 62 Union St, Aldershot Devpt 48 Union Street - holding costs of the building until transferral into RDP | 73 |
| Major Projects and Property Portfolio Total | -2493.81 |

| | |
|--|--------------|
| Operational Services Portfolio | £000 |
| - Operational Services - Integrated CCTV | 10 |
| Budget required to carry out feasibility work in order to bring forward a capital scheme for CCTV | 10 |
| Operational Services Portfolio Total | 10 |
| Planning and Economy Portfolio | £000 |
| -Economy, Planning and Strategic Housing - Town Centre Management | 3.68 |
| Approval given to use the Brown Field Government Resource Allocation to support events, (given the current issues with sponsorship) if needed | 3.68 |
| -Economy, Planning and Strategic Housing - Planning Conservation | 34.5 |
| Budget required to undertake surveys and to review the management plan at Rowhill Nature Reserve. The costs will be covered by a drawdown from the Rowhill Nature Reserve SANG Earmarked Reserve | 34.5 |
| Budget required to undertake surveys and to review the management plan at Southwood Woodland. The costs will be covered by a drawdown from the Southwood Woodland SANG Earmarked Reserve | 26.15 |
| Planning and Economy Portfolio Total | 64.33 |

| | |
|--------------------------------------|-----------------|
| Total Supplementary Estimates | -2367.17 |
|--------------------------------------|-----------------|

| | |
|--|--------------|
| Of which, rental income for Ashbourne House and Frimley 4 Business Park form part of the £3.931m budget savings | 2,765 |
|--|--------------|

APPENDIX D

Planned Budget Savings by category

Negative supplementary estimates showing as budget savings for 2019/20 of (£3,214,000) and total savings achieved are in 2019/20 shown below:

| Savings estimated | 2019/20 £000 | Savings achieved and built into Q1 budgets £000 | Savings still to achieve in year £000 |
|--|-----------------|---|---|
| Efficiency savings | | | |
| <u>Organisational Redesign</u> | | | |
| MARS (2nd round) & restructure | 300 | 20 | 280 |
| Rushmoor 2020 | | | |
| | 300 | 20 | 280 |
| <u>Better Procurement & major contract renewal</u> | | | |
| Better Procurement | | 40 | -40 |
| Major contract renewal - Leisure | 230 | 230 | 0 |
| | 230 | 270 | -40 |
| <u>ZBB</u> | | | |
| Service reviews - ZBB | 151 | 151 | 0 |
| | 151 | 160 | -9 |
| Income Generation | | | |
| Investment in Property - Commercial | | | |
| Additional acquisition | 625 | 0 | 625 |
| Voyager - not in receipt until 20/21 | 0 | 0 | 0 |
| Ashbourne House - Due to purchase in February | 926 | 966 | -40 |
| Frimley Park - not in receipt until 19/20 | 1,641 | 1798 | -157 |
| | 3,191 | 2,764 | 427 |
| Reviewing fees, charges and concessions | | | |
| Fees and Charges | 59 | 0 | 59 |
| | 59 | 0 | 59 |
| Total estimated savings | 3,931 | 3,214 | 717 |

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**CAPITAL PROGRAMME MONITORING AND FORECASTING
- POSITION AS AT SEPTEMBER 2019****SUMMARY AND RECOMMENDATIONS:****SUMMARY:**

This report informs Members of the latest forecast of the Council's Capital Programme for 2019/20 based on the monitoring exercise carried out during September 2019.

RECOMMENDATION:

Members are requested to:

- i) Note the latest Capital Programme position, as set out in Tables 1 and 2.
- ii) Approve the additional capital requests during 2019/20, as set out in paragraph 3.7

1 INTRODUCTION

- 1.1 This report informs Members of the latest forecast regarding the Council's Capital Programme for the first two quarters of 2019/20, based on the monitoring exercise carried out during September.
- 3.1 There are some projects of major financial significance included in the Council's approved Capital Programme for 2019/20. These projects are:
 - (a) Aldershot Town Centre Integration and Union Street
 - (b) Civic Quarter development
 - (c) finalisation of a loan to Farnborough International, and,
 - (d) further acquisition of investment properties.

2 BACKGROUND

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

2 CURRENT POSITION

- 3.2 The Council approved the Capital Programme of £70.231m on 21 February 2019 with the latest budget for the Capital Programme being £72.284m, an increase of £2.053m largely due to slippage from 2018/19. Table 1 shows the reconciliation of budget changes together with the projected actual capital expenditure for the year 2019/20.

Table 1: Analysis of capital expenditure and approved budget 2019/20 £000's

| | |
|---|-----------------|
| Total approved budget for the year 2019/20 | 70,231 |
| Less: Additional budget approvals made for the year 2019/20 * | (31,359) |
| Add: Slippage form 2018/19 ** | 34,012 |
| Total approved budget for 2019/20 | 72,884 |
| Actual plus commitments as at Quarter 2 | 32,191 |
| Forecast capital expenditure for the year | 62,495 |
| Net favourable variance (against approved budget) | (10,389) |
| Projected Slippage/(Pre-spend) to 2020/21 *** | 9,954 |

* Cabinet Reports RP1902 (08/01/2019), RP1903 (05/02/2019) and RP1904 (05/03/2019) included cabinet decisions that brought forward capital budget from 2019/20 to 2018/19. Net total includes additional in-year budget changes

** As reported to Cabinet in the General Fund Provisional Outturn report FIN1920 (28/05/2019)

*** Projected slippage based on the forecast at Q2.

- 3.3 Table 2 shows the outturn forecast for each scheme with a a Portfolio summary of all approved projects is shown at **Appendix A** to this report. This Appendix includes a list of all expenditure and grant/contribution variations that have been approved since Full Council approved the Estimate for 2019/20 on 21 February 2019.
- 3.4 The Capital Programme is a significant undertaking for the Council in terms of magnitude and complexity. The scale of the projected slippage into 2019/20 and variation in programme highlights the need for close monitoring and clear project management across the whole Council.
- 3.5 During the year to date actual expenditure including commitments is £32.2m. £30.3m is due to be spent by the year-end, predominantly as part of programmed regeneration and investment property purchases. Given the nature of the capital projects, there is a degree of risk in the outturn forecast given the level of expenditure required in Q3 and Q4 to match the outturn forecast.
- 3.6 Additional approvals of **-£31.4m** since budget approval relates to funds being drawn forward into 2018/19 to facilitate regeneration and investment property purchases. The timing of any property purchase can be fluid and any movement in the capital programme is reported for approval.
- 3.7 The following are additional approvals requested to facilitate capital projects within 2019/20:

Council Offices – Replacement Boiler

As highlighted in the General Fund Outturn report in May 2019, there is a need to replace one of the boilers in the Council Offices which has reached the end of its economic life. Funding of £20k was set aside in the Service Improvement Fund. Therefore, formal approval is needed to amend the Capital Programme by £20k to cover the cost of the replacement boiler.

Frimley 4 Business Park

Urgent works which need to be carried out in 2019/20 related to Unit 4.3 and Unit 4.4. A budget of £72k is requested for approval to enable the capital works. Completion of these works will help ensure the Council can fulfil its obligations as landlord and continue to realise the income stream.

Voyager House

Members will be aware that the Council acquired the Voyager House site in March 2019 through a negotiated process without the Council needing to use CPO powers.

Cabinet Report Nos. LEG1808 (21/08/2018), LEG1718 and LEG1719 (14/11/2017) set out the policy reasons for acquisition and the likely financial return to the Council.

- Council acquires freehold of the building and pay either the whole of part of the fit-out costs, which were subsequently capped at £1.5m
- CCG lease provides a 5% return on the total acquisition costs and any fit-out costs that the Council pays.

Following the acquisition of the property earlier in 2019, it has been agreed with the North East Hampshire and Farnham Clinical Commissioning Group (CCG) will fund all fit-out costs over and above those set out in the November 2017 reports.

Given the additional costs incurred in acquiring the property, the Council has agreement with the CCG that the total financial commitment is capped at £5.584m (acquisition cost of £4.498m plus up to £1.086m of fit-out costs). In order to ensure there is adequate headroom in the capital expenditure budget, members are asked to approve the gross expenditure budget allocation for Voyager House of £6.4m, which is included the Investment Properties capital budget. This provides authorisation for fit-out works to commence, subject to satisfactory tenders being received.

Based on the agreed current rental income and maximum acquisition plus fit-out costs, the Council will realise a financial return in the range of 4% to 5% depending on the interest rate on external borrowing.

3.8 **Appendix B** sets out the details in relation to:

1. The significant over/(under) spend variations to date;
2. The major areas of slippage;
3. Material variances in relation to schemes financed by grants/contributions.

Table 2: Capital Programme Outturn Forecast

| | 2019/20 Original Budget (£'000) | 2019/20 Latest Budget (£'000) | Outturn Forecast (£'000) | Forecast Variance (£'000) |
|--|--|--|--------------------------------|---------------------------------|
| Portfolio/Scheme | | | | |
| Major Projects and Property | | | | |
| Aldershot Town Centre Projects | 5,652 | 7,270 | 2,877 | (4,393) |
| Civic Quarter Farnborough | 10,000 | 9,985 | 5,460 | (4,525) |
| Housing Matters | 661 | 741 | 730 | (11) |
| Investment Properties | 43,593 | 43,455 | 43,227 | (228) |
| Union Street Aldershot | 5,150 | 5,842 | 5,313 | (529) |
| Other | 0 | 20 | 31 | 11 |
| Subtotal MP&P | 65,056 | 67,313 | 57,637 | (9,676) |
| Corporate and Democratic Services | | | | |
| Farnborough Airport | 1,100 | 1,100 | 1,100 | 0 |
| Flexible Capital Receipts | 124 | 187 | 159 | (29) |
| Subtotal C&DS | 1,224 | 1,287 | 1,259 | (29) |
| Customer Experience and Improvement | | | | |
| Computer Systems | 251 | 282 | 251 | (31) |
| Council Offices | 70 | 70 | 94 | 24 |
| Subtotal CE&I | 321 | 352 | 344 | (8) |
| Operational Services | | | | |
| Aldershot Pools Complex | 40 | 40 | 40 | 0 |
| Alpine Snowsports | 84 | 83 | 75 | (8) |
| Beaumont Community Park | 19 | 19 | 16 | (3) |
| Car Parks | 250 | 281 | 267 | (14) |
| Cemeteries | 10 | 21 | 21 | 0 |
| Crematorium | 15 | 40 | 40 | 0 |
| Cycleway Links | 0 | 23 | 23 | 0 |
| Depots | 45 | 76 | 76 | 0 |
| Farnborough Leisure Centre | 30 | 30 | 30 | 0 |
| Ivy Road Playing Fields | 610 | 610 | 0 | (610) |
| Manor Park | 50 | 49 | 0 | (49) |
| Moor Road Development | 530 | 470 | 470 | 0 |
| Parks and Open Spaces | 522 | 562 | 567 | 5 |
| Playground Works | 150 | 104 | 0 | (104) |
| Refuse/Recycling | 90 | 83 | 83 | 0 |
| Southwood Community Centre | 20 | 20 | 20 | 0 |
| Street Cleansing | 12 | 14 | 14 | 0 |
| Improvement Grants | 1,033 | 1,186 | 1,264 | 78 |
| Subtotal OS | 3,510 | 3,711 | 3,006 | (705) |
| Planning and Economy | | | | |
| Affordable Homes Grant | 0 | 100 | 100 | 0 |
| Princes Hall | 120 | 120 | 120 | 0 |
| Subtotal P&E | 120 | 220 | 220 | 0 |
| TOTAL Capital Programme | 70,231 | 72,884 | 62,467 | (10,417) |

4 Revenue effect of Capital Programme

- 4.1 Movement in the capital programme between years will have an effect on interest costs and MRP cost in the year in which budget was allocated.

5 CONCLUSIONS

- 5.1 The Council's 2019/20 Capital Programme is currently forecast to spend £62.495m, £10.4m below the approved budget of £72.9m. The variance and increase in approved budget since approval at Council on 21 February is due to timing differences in property purchases either side of the financial years. Acquisition of property is fluid in nature and future movements resulting from timing of purchases will be regularly reported to members.

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CAPITAL PROGRAMME MONITORING SUMMARY 2019/20

| Expenditure | SLIPPAGE FROM 2018/19 | ORIGINAL BUDGET 2019/20 | ADDITIONAL BUDGET APPROVALS 2019/20 | TOTAL APPROVED BUDGET 2019/20 | ACTUAL AS AT 18.09.2019 | COMMITMENTS AS AT 18.09.2019 | ACTUALS PLUS COMMITMENTS | VARIANCE | FORECAST SPEND 2019/20 | FORECAST SPEND LESS APPROVED BUDGET | SLIPPAGE TO 2020/21 |
|-------------------------------------|-----------------------|-------------------------|-------------------------------------|-------------------------------|-------------------------|------------------------------|--------------------------|-----------------|------------------------|-------------------------------------|---------------------|
| PORTFOLIO | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| MAJOR PROJECTS AND PROPERTY | 33,559 | 65,056 | (31,302) | 67,313 | 29,950 | 13 | 29,963 | (37,350) | 57,638 | (9,675) | 9,759 |
| CORPORATE AND DEMOCRATIC SERVICES | 64 | 1,224 | 0 | 1,288 | 1,128 | 0 | 1,128 | (160) | 1,287 | (1) | 0 |
| CUSTOMER EXPERIENCE AND IMPROVEMENT | 10 | 321 | 21 | 352 | 85 | 57 | 142 | (210) | 344 | (8) | 42 |
| OPERATIONAL SERVICES | 279 | 3,510 | (78) | 3,711 | 489 | 267 | 756 | (2,955) | 3,006 | (705) | 153 |
| PLANNING AND ECONOMY | 100 | 120 | 0 | 220 | 100 | 102 | 202 | (18) | 220 | 0 | 0 |
| TOTAL | 34,012 | 70,231 | (31,359) | 72,884 | 31,752 | 439 | 32,191 | (40,693) | 62,495 | (10,389) | 9,954 |

Variations to Programme Approved 2019/20

| | Approved By | Date | £ |
|--|--------------|----------|-------------|
| Original Budget 2019/20 - Various Projects | Full Council | 21.02.19 | 70,230,640 |
| Purchase of Commercial Property advance to 2018/19 | Cabinet | 05.02.19 | Exempt Item |
| Southwood Golf Course SANG Wetland | Cabinet | 05.03.19 | 40,000 |
| Purchase of Commercial Property advance to 2018/19 | Cabinet | 05.03.19 | Exempt Item |
| Civic Quarter Farnborough advance to 2018/19 | Cabinet | 05.03.19 | Exempt Item |
| Slippage from 2018/19 - Various Projects | Cabinet | 28.05.19 | 34,049,040 |
| Prespending of 2019/20 - Various Projects | Cabinet | 28.05.19 | -36,640 |
| Commercial Property Enhancement | Cabinet | 28.05.19 | Exempt Item |
| The Games Hub | Cabinet | 20.08.19 | 100,000 |
| Office 365 | Cabinet | 20.08.19 | 21,000 |
| Cove Green Playground | Cabinet | 20.08.19 | -46,000 |
| Voyager House | Cabinet | 20.08.19 | 499,580 |
| Moor Road Recreation Ground Development | Cabinet | 20.08.19 | -72,330 |

Total Approved Budget 72,883,760

| S106 and Grants & Contributions | SLIPPAGE FROM 2018/19 | ORIGINAL BUDGET 2019/20 | ADDITIONAL BUDGET APPROVALS 2019/20 | TOTAL APPROVED BUDGET 2019/20 | FORECAST S106 AND GRANTS & CONT'S AS AT 18.09.2019 | VARIANCE |
|-------------------------------------|-----------------------|-------------------------|-------------------------------------|-------------------------------|--|--------------|
| PORTFOLIO | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| MAJOR PROJECTS AND PROPERTY | (1,490) | (8,702) | (167) | (10,359) | (7,514) | 2,845 |
| CORPORATE AND DEMOCRATIC SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| CUSTOMER EXPERIENCE AND IMPROVEMENT | 0 | 0 | 0 | 0 | (20) | (20) |
| OPERATIONAL SERVICES | (184) | (2,570) | 98 | (2,656) | (1,987) | 669 |
| PLANNING AND ECONOMY | (100) | 0 | 0 | (100) | (100) | 0 |
| TOTAL | (1,774) | (11,272) | (69) | (13,115) | (9,621) | 3,494 |

Variations to Programme Approved 2019/20

| | Approved By | Date | £ |
|--|--------------|----------|-------------|
| Original Budget 2019/20 - Various Projects | Full Council | 21.02.19 | -11,271,670 |
| Southwood Golf Course SANG Wetland | Cabinet | 05.03.19 | -20,000 |
| Slippage from 2018/19 - Various Projects | Cabinet | 28.05.19 | -1,792,200 |
| Prespending of 2019/20 - Various Projects | Cabinet | 28.05.19 | 17,690 |
| Commercial Property Enhancement | Cabinet | 28.05.19 | Exempt Item |
| The Games Hub | Cabinet | 20.08.19 | -100,000 |
| Cove Green Playground | Cabinet | 20.08.19 | 46,000 |
| Moor Road Recreation Ground Development | Cabinet | 20.08.19 | 72,330 |

Total Approved Budget -13,114,850

APPENDIX B

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

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

| Scheme | Explanation | Over / (Under) Spend £000s |
|--|--|----------------------------|
| MAJOR PROJECTS AND PROPERTY | | |
| INVESTMENT PROPERTIES Unspecified Commercial Property Acquisitions | No established projects in the pipeline, but the intention is to make further acquisition(s) by the end of the financial year. The budget is being replenished with £464k due to an underspend on the estimated acquisition costs at Frimley4 but this is offset by a drawdown of £1.443m in respect of a forecast gross expenditure on Voyager House. | (979) |
| INVESTMENT PROPERTIES Frimley 4 Business Park Purchase | All costs of purchasing Frimley 4 Business Park have been met. Therefore, brings the acquisition costs to a close and the underspend can be transferred to the unspecified property acquisitions code. | (464) |
| INVESTMENT PROPERTIES Frimley 4 Business Park Works | Urgent works required at Frimley 4 Business Park. The works which need to be carried out in 2019/20 related to unit 4.3 and unit 4.4. | 72 |
| INVESTMENT PROPERTIES Voyager House | Estimated gross cost of purchase and fit-out of Voyager House potentially up to £6.4m. | 1,443 [CCG funded] |
| CUSTOMER EXPERIENCE AND IMPROVEMENT | | |
| COMPUTER SYSTEMS IWorld | An IWorld Server upgrade is required which had not been planned for 2019/20. This can be fully funded by the budget which was set aside for an HR Online Learning Platform as this is now proceeding through Revenue as per a CLT report taken in July. | 11 |
| COUNCIL OFFICES Co-location – Relocation of Voluntary Groups | Provisional outturn 2018/19 reported a £19k overspend on this project, with no budget slippage to 2019/20 and a further £10k overspend needs to be declared for expenditure in 2019/20 giving the overall overspend over the two financial years of £29k. There is no further expenditure to be incurred and the project is now complete. | 10 |

| | | |
|--|---|--------------|
| COUNCIL OFFICES Accommodation and upgrades and Co Location project | £3.5k anticipated overspend attributable to the need to close the Farnborough Community Centre and relocating RVS and Parking Services. £20K of overspend relates to the cost of a new boiler. This element of the overspend is to be funded from SIF. | 24 |
| OPERATIONAL SERVICES | | |
| ALPINE SNOWSPORTS Slope Maintenance | Project substantially complete with a 5% retention still needing to be paid over. The remaining balance on the capital code is declared as an underspend. | (14) |
| IMPROVEMENT GRANTS Disabled facility grant (Mandatory) | At the time the original budget was set the better care fund for 2019/20 was unknown. Forecast overspend is to align with actual better care fund to be received. | 78 |
| CAR PARKS Aldershot Car Park – Installation of LED lighting | Underspend due to project costs being lower than anticipated. Expenditure likely to be spent by December 2019. | (12) |
| DEPOTS Creation of depot at Southwood | Project is to be completed by the end of 2019. There is some unforeseen spend on shutters to be installed on windows and doors which are required to satisfy insurers at a cost of £8k. This is the primary reason for the forecast overspend. | 11 |
| PARKS AND OPEN SPACES Ivy Road Sports Pavilion | Capital budget is not required in 2019/20 – members will need to make a decision on future scope of programme. [net effect is nil as the project was to be fully funded from grants and contributions] | (610) |

- 2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix A) net slippage of £9,954,275 against the approved Capital Programme are provided in the table that follows:

| Scheme | Explanation | Slippage / (Pre-spend) to 2019/20 £000s |
|---|--|--|
| MAJOR PROJECTS AND PROPERTY | | |
| PREDEVELOPMENT WORKS 36-62 Union Street | Budget slippage for further predevelopment works to take place in 2020/21. | 337 |

| | | |
|---|---|--------------|
| INVESTMENT PROPERTIES Redevelopment of Optrex business Park | Project is delayed due to resource constraints. Full budget slipped into 2020/21. | 300 |
| REGENERATION Civic Quarter | When the budget was originally set, there was uncertainty over the costs involved or how to deliver the scheme and therefore the project continues to evolve with each element subject to further scrutiny and approval by Cabinet. | 4,525 |
| REGENERATION Housing PRS Delivery | Housing Company estimated to be in place by January 2020. Limited budget underspend is slipped into 2020/21. | 11 |
| REGENERATION Union Street East | When the budget was originally set, there was uncertainty over the costs involved or how to deliver the scheme and therefore the project continues to evolve with each element subject to further scrutiny and approval by Cabinet. | 4,056 |
| REGENERATION The Games Hub | There have been unforeseen delays to the project resulting in the main delivery of the project now expected in 2020/21. | 529 |
| CUSTOMER EXPERIENCE AND IMPROVEMENT | | |
| COMPUTER SYSTEMS IT Equipment Replacement Programme | Project slipped in 2020/21 as progress on buying new hardware cannot occur until Windows 10 project is complete. | 22 |
| COMPUTER SYSTEMS ICT Strategy and Customer First Projects | Slippage of £10k into 2020/21 relates to PCI compliance costs. | 10 |
| COUNCIL OFFICES Electrical Generator Switch | Budget slipped to 2020/21 due to uncertainty over future of the project. Potentially replaced with a guaranteed generator. If the new bid is successful, the budget slipped will no-longer be required | 10 |
| OPERATIONAL SERVICES | | |
| MANOR PARK Lake Improvements | Significant S106 contributions have not been forthcoming and are not due to come forward until next finance year, therefore project on hold and slipped into 2020/21. | 49 |
| PLAYGROUNDS Blunden Road Recreation Ground | Insufficient staff resource time to progress the project in 2019/20 due to other major schemes taking place such as Moor Road recreation ground development. | 104 |

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

| Scheme | Explanation | Grant funding £000s |
|--|---|--------------------------------|
| IMPROVEMENT GRANTS Disabled facility grant (Mandatory) | At the time the original budget was set the better care fund for 2019/20 was unknown. Forecast over achievement of grant is to align with actual better care fund to be received. | (78) |
| COUNCIL OFFICES Accommodation and upgrades | Spend on the Council Offices boiler replacement. Boiler replacement completed in September and is to be funded from the Service Improvement Fund. | (20) |
| REGENERATION Union Street East, Aldershot | Forecast grants and contributions set in line with forecast expenditure for 2019/20, remainder to slip to 2020/21. | 2,316 |
| REGENERATION The Games Hub | LEP funding agreement has been signed. Legal agreements with Rock and Pop Foundation are delayed due to State Aid issues. Agreements cannot be completed until R&PF's bank has approved state aid clawback arrangements. This will result in a delay to the project with completion and opening now not expected until May 2020. Budget slipped into 2020/21. | 529 |
| REFUSE/RECYLCING Wheeled Bins | Most of this budget is already committed, rest will be used in Quarter 4. Forecast grants and contributions have been set in line with actual amount invoiced year to date. | (21) |
| MANOR PARK Lake Improvements | Significant S106 contributions have not been forthcoming, and are not due to come forward until next finance year, therefore project on hold and slipped into 2020/21 | 49 |
| PARKS AND OPEN SPACES Ivy Road Sports Pavilion | Capital budget is not required in 2019/20 – members will need to make a decision on future scope of programme. [net effect is nil as the project was to be fully funded from grants and contributions] | 610 |
| PLAYGROUNDS Blunden Road Recreation Ground | Full budget slipped to 2020/21 as project unlikely to achieve in 2019/20 | 104 |
| CAR PARKS Aldershot Car Park – Installation of LED lighting | Underspend due to project costs being lower than anticipated. Expenditure likely to be spent by December 2019. | 12 |

CABINET

12th November, 2019

**COUNCILLOR DAVID CLIFFORD
LEADER OF THE COUNCIL
REPORT NO. ELT1905**

KEY DECISION? NO

**COUNCIL BUSINESS PLAN
PROGRESS UPDATE JULY – SEPTEMBER 2019/20**

SUMMARY AND RECOMMENDATIONS:

This paper sets out the Council Business Plan performance monitoring information at the end of second quarter of 2019/20, building on the 16 priorities under the four themes of People, Place, Partnerships and Better Public Services.

The paper brings together progress against the actions identified as key activities in 2019/20 from our three year business plan and the two key programmes of work which are vital for delivering the priorities, the Regenerating Rushmoor Programme and the ICE Programme.

The Cabinet is asked to note the progress made towards delivering the Council Business Plan.

1. Introduction

- 1.1 In July 2019 the Council agreed the vision for the borough (Your future, your place - a vision for Aldershot and Farnborough 2030) and our three-year Council Business Plan with sixteen priorities under the four themes of People, Place, Partnerships and Better Public Services, which will help realise the vision. This paper sets out performance monitoring information for the Council Business Plan for the period of July to September 2019.
- 1.2 Whilst this report is written under the name of the Leader there are three Portfolio Holders who are responsible for monitoring the delivery of the Council Business Plan, Cllr Adrian Newell who is Democracy, Strategy and Partnership Portfolio Holder, Cllr Martin Tennant who is the Major Projects and Property Portfolio Holder and Cllr Ken Muschamp who is Customer Experience and Improvement Portfolio Holder.

2. Detail

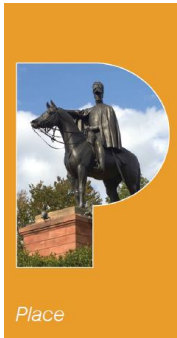
- 2.1 The Council Business Plan is a three year plan, which will deliver the Cabinet's 16 priorities which are set out under the four themes of People, Place, Partnerships and Better Public Services:



People

People

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



Place

Place

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



Partnerships

Partnerships

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



Better
Public Services

Better public services

- We will transform and modernise the way we deliver our services to customers
- We will listen and learn from our residents and businesses and excellent services to residents
- We will manage our finances well, increase income and deliver the savings and efficiencies we need to ensure we can deliver excellent services to residents

- 2.2 The Council Business Plan sets out what the Council is planning to delivery over the three years and the key activities over the next year (2019/20) that will help to deliver the priorities and support the realisation of the vison.

3. Key programmes of work that support the Council Business Plan

- 3.1 There are two key programmes which are vital for delivering the priorities and the Council Business Plan, the Regenerating Rushmoor Programme and the ICE Programme.
- 3.2 Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions. The programme co-ordinated approach addressing economic and place-making challenges and opportunities across the Borough. It directly addresses a number of priorities in the Council Plan, in particular "driving forward with the regeneration of Aldershot and Farnborough town centres. The programme sets out a vision for the town centres in 2028:

"In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital - they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer. Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands'.

- 3.3 The Council's Transformation Programme, known as the ICE programme, was confirmed on 15 October and the agreed programme outcomes are 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. Performance and Progress monitoring

4.1 The monitoring of progress being made to deliver against the priorities, is set out in three parts.

- (1) Council Business Plan key activities for 2019/20 (excluding those included in the Regeneration or ICE programmes)
- (2) Regenerating Rushmoor Programme
- (3) The ICE Transformation Programme

A summary of performance for each of these is set out in section 5 below with more detail included in Annexes A, B and C..

4.2 A set of performance indicators and measures across a range of Council services at the end of quarter two (September 2019) have also been prepared. These show satisfactory performance and any areas which need to be addressed are being raised with the relevant Portfolio Holders. These performance indicators and measures can be found at:

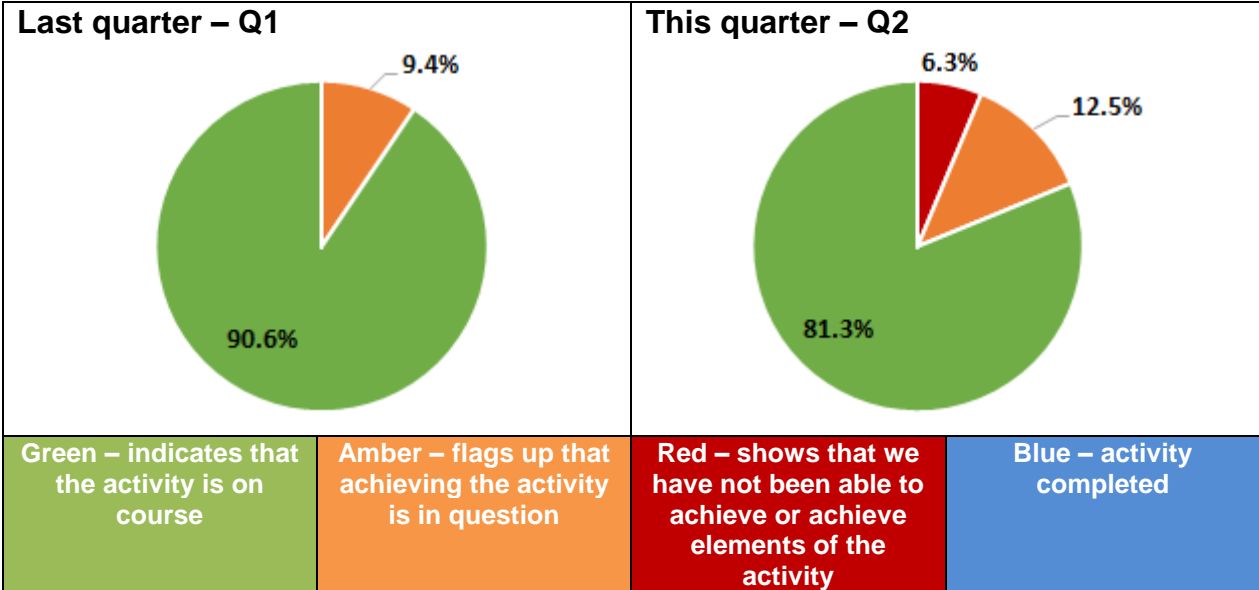
<https://www.rushmoor.gov.uk/councilplan>

4.3 The framework and processes for performance monitoring are currently being reviewed in order to provide a system which enables the Council to clearly and easily see how progress is being made with priorities and key projects and importantly, how the Council is performing overall. This work is being developed and further changes will be made over the next reporting periods. This will include establishing a small number of 'Corporate Health' indicators.

5. Council Business Plan

5.1 Annex A sets out the detailed progress this quarter against the activities in the Council Business Plan. As can be seen significant progress has been made across a wide range of the full list of priority areas identified by the Cabinet. Where progress has been less than ideal a series of appropriate actions have been identified and are being put in place to address this underperformance. As part of developing the Council’s future plans an ongoing process of risk assessment takes place with consideration most recently including Brexit, the possibility of a General Election and the potential impact of further spending cuts/income generation initiatives from Hampshire County Council.

5.2 Overall performance for this Quarter is illustrated by the pie charts below:



5.3 Progress this quarter within each of the four themes of the Council Business Plan can be summarised as:

- **People** – there was good progress this quarter. The new Indices of Multiple Deprivation data have been released, this is currently being analysed and is important to many areas of our work.
- **Place** – overall there was good progress this quarter. However, there were some areas where progress has not been as expected, this included funding for the Heritage trails, there being a delay in the review of the East Hampshire District Council pilot for litter enforcement work (but in the mean time the pilot it is still continuing) and there has been a delay in progressing the closed circuit cycle track project due to site issues.
- **Partnership** – overall, again, there was good progress this quarter. However, there were some areas where progress has been less good: the Safer North Hampshire Community Safety Partnership Plan has not yet been finalised and there has been a delay in the development of the Skills Strategy.

- **Better Public Services** – A major success this quarter was the Vision and Council three year Business Plan being approved by Council in July. All other areas have progressed well in this theme.

6. Regenerating Rushmoor Programme

6.1 Programme progress is set out at Annex B. Work continues on the major RDP projects with planning applications expected in the next 2 periods and there is an associated focus on developing improved mechanisms for public engagement and general communication in relation to the programme. The project status set out in Annex B does reflect slippage on some projects based on our initial view of the programme in 2018. We are starting to understand better the complexities involved and move towards the delivery phase for some projects we will factor these in and re-assess the resourcing, financing and timescales for the programme. These will also be impacted by and adjusted to reflect changed circumstances and the project plans as submitted from the RDP. In addition, there will always be instances in a programme of this size where management of timescales rests outside the control of the Council and consequently there will remain risk to timescales over the lifetime of the programme.

6.2 Programme highlights for this quarter:

- Galleries & High St Car Park (Project A1) - Shaviram Aldershot Limited, undertook a pre-application public consultation on their emerging proposals for approx. 600 new apartments, 30,000sqft of commercial space, a public square and 250 space public car park during July 2019. Between 500-600 people attended the event over a period of 2 days and in addition to the event feedback was also submitted online. Whilst the majority of the feedback was positive, with 80% in support of the development, there was critical feedback around the design of the of the scheme. The Council understands this has been taken on board by Shaviram with some designs currently being amended. It is anticipated that the next period will see the submission of the planning application for the scheme.
- Union Street (Project A2) - Progress has been made in relation to vacant possession on this site with Cabinet approval for the lease surrender of 38-46 Union Street and the acquisition of 48/48a High Street. A demolition contractor has also been appointed for the first phase of demolition works.
- Parsons Barracks - Parsons Barracks Business Plan from the RDP was approved at Cabinet enabling future disposal of the site with proceeds from this disposal contributing to other parts of the programme
- Civic Quarter (Project F1) - The Council achieved vacant possession of Elles Hall Community Centre and has now secured the building pending demolition which is anticipated to start within the next period.
- Rushmoor Development Partnership - The Rushmoor Development Partnership continues to make good progress on its sites and is developing key strategic relationships in order to ensure the successful delivery of regeneration projects across the Borough. Alongside a number of key professional appointments, a highlight in this quarter was Cabinet and Council approval for the Rushmoor Development Partnership's Business Plan.

7. ICE Programme

7.1 Programme progress is set out at Annex C. The programme status is 'Green' and trend is steady. A small amount of slippage was been experienced on the Environmental Services Project (Container Requests) and the parking service review. However, these are limited and do not impact overall programme timelines and the all Environmental Service Portal processes are now live. The Programme continues to deliver existing milestones on time and on budget. This includes good progress on CRM procurement, Modern Workplace and Windows 10. The next phase of Programme level work will commence to identify benefit realisation in-line with revised savings targets and other benefit categories. The Programme Mandate and budget were approved by Cabinet in mid-October. The overall level of residual risk on the Programme is acceptable.

7.2 Programme highlights this quarter:

- The Board has received a presentation on the outcome of the Car Park Review, next steps and transfer of functions to customer services agreed and project will move to implementation. Work has now commenced on the re-scope of the process redesign work to agree outline programme for all council services.
- Project statuses remain as at the end of September – unchanged by exception reports. Trend has moved from down to flat. i.e. Programme proceeding as expected

8. Conclusion

8.1 Cabinet's views are sought on the performance made towards delivering the Council Business Plan during July to September 2019.

**COUNCILLOR DAVID CLIFFORD
LEADER OF THE COUNCIL**

BACKGROUND DOCUMENTS:

None

CONTACT DETAILS:

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Author - Sharon Sullivan, Policy Officer - 01252 398465,

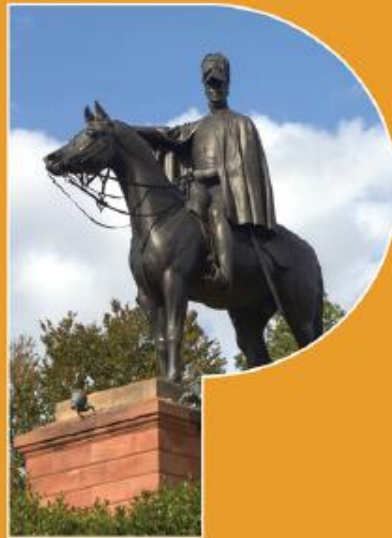
sharon.sullivan@rushmoor.gov.uk

Council Business Plan key activities in 2019/20

Quarter two - July to September 2019



People



Place

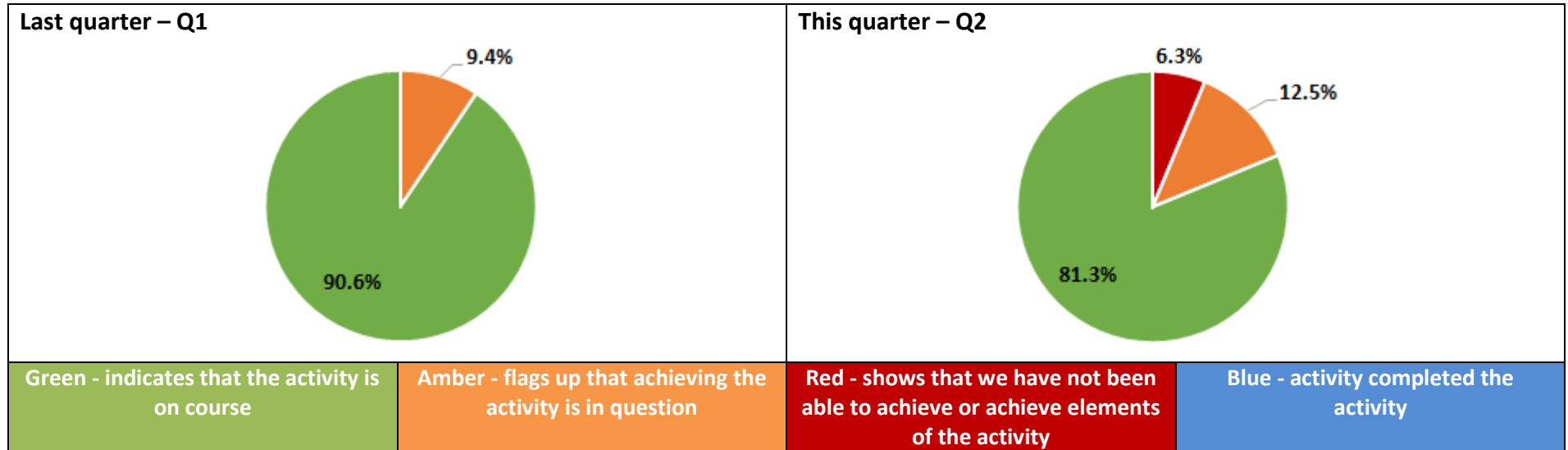


Partnerships



Better
Public Services

Overall performance of Council Business Plan key activities for 2019/20 – minus Regeneration Programme and ICE Programme activities



People

| Activities | Time-scales | Outcomes/deliverables | Lead Officer | Comment | |
|---|----------------------------|---|----------------|--------------|--------------|
| Delivery of Strategic Housing actions within the Housing and Homeless Strategy, and Delivery Plan | July 2019 Jan 2020 | Taking 6 monthly updates to Strategic Housing and Local Plan Group - informing service delivery | ZP | Last quarter | This quarter |
| All actions on track and members updated at Strategic Housing and Local Plan Group. | | | | | |
| Administration of Disabled Facilities Grants to enable people to remain independent in their own homes and review of options once the future of the Better Care fund is understood | Ongoing | Helping people to live independent lives in homes that are suitable for their needs. | JD | Last quarter | This quarter |
| Completed and 28 grants made this quarter. | | | | | |
| Plan and deliver support programme to young people <ul style="list-style-type: none"> • Creation of the Rushmoor Youth Forum • Development of action plan for 2020/21 | April 2019 Dec 2019 | Plan developed to complement deprivation strategy and action plan. Plan of activities and support to young people across the Borough | EL | Last quarter | This quarter |
| Youth service brochure to promote borough wide activities to be completed by end of October. | | | | | |
| Review of strategy, plans and processes to tackle areas of deprivation <ul style="list-style-type: none"> • To understand and share data from the 2019 Indices of Multiple Deprivation (Data due to be released in September 2019) | Dec 2019 Jan 2020 | People understand what the new data means for Rushmoor and its residents Assessment of implications based on data. Amended structure for the Community Development Team | AC EL SS | Last quarter | This quarter |
| Data being reviewed. Working group set up to analyse data, identify priority areas and way forward. | | | | | |

| | | | | | |
|---|------------------------|---|----------|--------------|--------------|
| <ul style="list-style-type: none"> Develop a plan targeting the areas of most need. The plan will form the basis for the overall community development work. | | with clear objectives and focus on place. | | | |
| Work with our contractors to help Rushmoor residents increase recycling and reduce waste | 2019 | Demonstrated through engagement with residents via the Recycling Support Officer. Residents increase their participation with recycling and decrease their contamination. | RW | Last quarter | This quarter |
| Work ongoing. | | | | | |
| Develop an action plan to promote health and well-being specifically in areas identified as in greatest need. Review approach and identify required resources by December 2019. <ul style="list-style-type: none"> Plan prepared Delivery Commenced | March 2020 May 2020 | Plan developed to compliment deprivation strategy and action plan | AD | Last quarter | This quarter |
| Data being reviewed from the Indices of Multiple Deprivation 2019. | | | | | |
| Continue to support community groups <ul style="list-style-type: none"> Aldershot Civic Society –Enable effective engagement between the society and the Rushmoor Development Partnership on proposals for the Union Street East. Engage regularly with the society and its members through regular | Ongoing | Ensure that the society has a role in influencing the Town Centre Strategy and shaping and delivering the Transition Plan. | CE TM | Last quarter | This quarter |
| | | | | | |

| | | | | | |
|---|--|--|----------------|--------------|--------------|
| Deliver, enable and facilitate the 2019/20 events programme. Including: <ul style="list-style-type: none"> • 4 Armoured Med Farewell Parade • Get involved fair • Victoria Day • Armed Forces Day Military Day Parade • Rushmoor Community Food Festival • Rushmoor fireworks spectacular • Reembrace Sunday Events • Aldershot and Farnborough Town Centre Events • Carol Service | 11 May 1 June 8 June 29 June 14 Sept 2 Nov 10-11 Nov Ongoing 4 Dec | Increase community involvement and pride in the Borough. | AC JA DP | Last quarter | This quarter |
| | | | | | |

Place

| Activities | Time-scales | Outcomes/deliverables | Lead Officer | Comment | |
|--|---|--|--------------|---|--------------|
| Heritage trails - Feasibility work has been completed and the plans proposed and agreed <ul style="list-style-type: none"> • Part funding sought and obtained • Additional funds being sought • Works procured • Projects delivered in accordance with plans | Aug 2019 Aug 2019 Nov 2019 Spring 2020 | New heritage trails provided in Aldershot to connect residents and visitors to Aldershot's military and civilian history. Project meets the pride in place and health and well-being agenda. | MS AC | Last quarter | This quarter |
| | | | | Awaiting a funding decision from Military Covenant Fund. Timetable will need to be revised. | |

| | | | | | |
|---|---|--|-----------------|--|--------------|
| Moor Road playing fields - Funding has been sought and obtained and the plans proposed and submitted for planning consent <ul style="list-style-type: none"> • Agree and commence procurement process • Review and award tenders • Commence project • Open facilities | Aug 2019 Sept 2019 Autumn 2019 Spring 2020 | A new community facilities provided in Farnborough, including updated play area, a multi use games area, a pump track and outdoor gymnasiums | MS MS/AF | Last quarter | This quarter |
| | | | | Planning consent now granted. Facilities are out for procurement. | |
| Establish and open the Southwood Park SANG in line with the management plan and requirements from Natural England | Initial opening Aug 2019 | SANG open and management plan developed enabling the regeneration of our town centres | JD/AF | Last quarter | This quarter |
| | | | | Phase one of the Southwood Country Park SANG is open and work has been progressed to facilitate the second phase to open by December 2019. | |
| Review of the litter enforcement pilot being operated by East Hampshire District Council | Nov 2019 | Competition of a review of the pilot scheme with options for future delivery. | JD KH | Last quarter | This quarter |
| | | | | Agreement to be extended and further options around the legal support to be discussed with EHDC. Review due by end of March 2020. Date to be changed to March 2020 | |

| | | | | | |
|---|------------|--|--------|--|--------------|
| Continued implementation of the comprehensive development at Wellesley | Oct 2019 | Handover of Sports Pitch Land. Design work on new pavilion and A325 Crossing at Pennefathers Road. | TM, JT | Last quarter | This quarter |
| | Oct 2019 | Commencement of conversion/refurbishment of Cambridge Military Hospital | | Handover now scheduled for 1 st April 2020 following existing pavilion demolition. Shortlisting of two pavilion design tender complete, initial meetings with selected practices scheduled. CMH pre-commencement conditions discharged in order for work to commence. | |
| | Dec 2019 | Delivery of 6 supported housing units in Corunna Zone | | Supported Adult Learning Disability Homes have planning permission and resolving internal design and awaiting construction by Barratt/David Wilson homes. | |
| | 2021 | Extra Care housing in Buller Zone. Commencement of delivery of allotments | | Extra care discussions on procurement are in progress but may require minor amendment of s106. Initial interest meeting held with 6 providers. | |
| Accelerate Housing Delivery through: | April 2020 | Completion of a minimum target of 150 affordable units within the financial year | ZP | Last quarter | This quarter |
| <ul style="list-style-type: none"> Working with developers and partners to overcome issues preventing development Develop the Affordable Housing Delivery Programme to ensure use of commuted sum and other finance is fully utilised and | | | | Document initial draft completed following publication of Community Infrastructure Levey regulations. Awaiting guidance from Highway | |

| | | | | | |
|--|--|---|----------|---------------------------------------|--------------|
| resources from Homes England and other funding is maximised | | | | Authority on Transport Contributions. | |
| Implement Housing Company through: <ul style="list-style-type: none"> • Development of business plan • Establishing Board and effective governance arrangements • Implement effective arrangements for delivery of new build housing • Development of Policies and processes • Achievement of housing and financial targets as per business case and plan | Sept 2019 Oct 2019 Sept-Dec 2019 July to Oct 2019 Feb 2020 2019-2022 | Initial Business Plan approved Company incorporated Procure delivery partner Policies agreed by Board Transfer of existing properties to company Development of new properties | TM | Last quarter | This quarter |
| | Business Plan being reviewed for Council by Arlingclose and due to go to Cabinet in November and thereafter Council. Company to be incorporated after Council decision. Planned delivery timescales should be met. | | | | |
| Respond to the declaration by the Council of a climate change emergency <ul style="list-style-type: none"> • Establish a working group • Meet with carbon neutral organisations • Obtain data on Rushmoor's Carbon Footprint • Develop strategy and action plan | Aug 2019 Oct 2019 Nov 2019 Feb 2020 | Develop and commence delivery of a plan to enable a green and sustainable Rushmoor and a carbon neutral Council by 2030 | AC | Last quarter | This quarter |
| | Background work to prepare strategy and action plan still to be completed. | | | | |
| Closed circuit cycle track at Queens Avenue Polo fields <ul style="list-style-type: none"> • Hold discussions with Garrison regarding long-term lease of land | Aug 2019 | A multi - disciplined cycle facility incorporating a closed road circuit, a bmx pump track, balance and ride area, and a mountain bike skills course. The | MS AC | Last quarter | This quarter |
| | Potential site on Queens Avenue not possible. Approach being reviewed following which the timetable will be revised. | | | | |

| | | | | | |
|---|--|--|-----------|---------------------|---|
| <ul style="list-style-type: none"> • Feasibility work undertaken • Plans proposed and cabinet approval • Commence funding application to British Cycling • Planning application • Funding sought and obtained • Final design work agreed • Works procured • Projects delivered in accordance with plans | <p>Sept 2019 Nov 2019 Nov 2019</p> <p>Spring 2020 Summer 2020 Autumn 2020 Autumn 2020</p> <p>Spring 2021</p> | <p>facility will be of regional significance for cycling in the South East as well as encouraging local people to become active and learn to ride.</p> | | | |
| <p>Support the growth and development of the digital sector of the economy including facilitating the delivery of the Games Hub</p> | <p>2019</p> <p>2019-2022</p> <p>2019-2022</p> <p>2019</p> | <p>Identify and engage digital businesses through programme of visits</p> <p>Seek funding opportunities to support development and acceleration of digital businesses</p> <p>Develop programme of digital events linked to development of Games Hub</p> <p>Work with FCot to promote digital skills training</p> | <p>TM</p> | <p>Last quarter</p> | <p>This quarter</p> <p>Partner in European Structural and Investment Fund application for "Digital Growth Factory" led by Basingstoke and Deane submitted 30 September, 2019. Will deliver start up, incubation and acceleration support across three Councils.</p> |

Partnership

| Activities | Time-scales | Outcomes/deliverables | Lead Officer | Comment | |
|--|-------------|---|--------------|---|--------------|
| Deliver the Safer North Hampshire Community Safety Partnership Plan and objectives set out by the SNH Board. | 2019/20 | Improved feeling of safety and reduced fear of crime. | CR | Last quarter | This quarter |
| | | | | Partnership Plan for 2019/20 still in draft format. It has been circulated to the CSP members and the team are awaiting feedback. There is some question of commitments within the document and it will be discussed as part of a wider review of SNH work. Workshop with Strategic CSP Planned for 20 November 2019. | |
| Deliver focussed programme to reduce levels of antisocial behaviour in Aldershot Town Centre. | Oct 2019 | Improved feelings of safety and reduced fear of crime amongst residents and visitors. | CR | Last quarter | This quarter |
| | | | | Initial enforcement work within the town centre has been successful and has proved an effective deterrent. The resourcing model has been adjusted and work continues to process breaches of notice. | |

| | | | | | |
|---|---|--|-----------|---------------------|---------------------|
| <p>Develop a delivery plan for the Council to support the improvement of education attainment, to include work with Hampshire County Council to identify priority areas:</p> <ul style="list-style-type: none"> • Preparation and approval of support plans • Develop a programme of support to schools based on improving aspirations in our most deprived areas • Deliver support work in schools • Reading groups in primary schools | <p>Oct 2019 Nov 2019</p> | <p>Improvement in educational attainment levels particularly in secondary education by 2020/21 following a clear needs analysis based on current issues and risks in schools. Success and good news stories from local schools communicated.</p> | <p>EL</p> | <p>Last quarter</p> | <p>This quarter</p> |
| <p>Generate and support targeted employment and skills opportunities to improve outcomes for residents through:</p> <ul style="list-style-type: none"> • Delivery of Rushmoor Employment and Skills Zone programme | <p>Oct 2019 Dec 2019 onwards Jan 2020 to March 2022</p> | <p>RESZ Partners consulted on the emerging Skills Strategy. 3-year Action Plan in place setting out key employment and skills activity in response to the Skills Strategy and the priority work areas of RESZ Partners . Action plan delivered</p> | <p>DW</p> | <p>Last quarter</p> | <p>This quarter</p> |

| | | | | | |
|---|---|--|------------------|---------------------|---------------------|
| <p>Support and enable a councillor shadowing programme for students in the Borough.</p> <ul style="list-style-type: none"> • Agree key dates with the college and share information with Members • Introductory Sessions with Officers and Member • Councillor Shadowing activities • End of Programme | <p>Sept 2019 Oct-Dec 2019 Jan-Feb 2020 March 2020</p> | <p>Provides leadership and experience for young people. Involvement in local democracy encouraged Two cohorts undertaken.</p> | <p>JS</p> | <p>Last quarter</p> | <p>This quarter</p> |
| <p>Develop a delivery plan for ensuring effective working arrangements with the voluntary sector</p> <ul style="list-style-type: none"> • Co-ordinate work with RVS including use of shared resources • Attend voluntary sector forum meetings • Establish support arrangements with RVS, CMPP and other organisations co-ordinating volunteering • implement volunteering scheme for staff to support local projects | <p>Oct 2019 Sept 2019 Jan 2020 Aug 2019</p> | <p>A more co-ordinated approach to supporting the 3rd sector – outlining how the Council will work with the voluntary sector to improve our communities. Increase in the number of people volunteering locally.</p> | <p>AC EL</p> | <p>Last quarter</p> | <p>This quarter</p> |

| <p>Progress Military covenant priorities</p> <ul style="list-style-type: none"> • Complete Defence Employers Recognition Scheme Silver application • Establish new working arrangements with the Garrison • Identify and deliver programme of joint events in 2019/20 • Prepare new style events programme for 2020/21 • Scope requirements for achieving Defence Employers Recognition Scheme Gold Status | <p>May 2019</p> <p>Oct 2019</p> <p>Dec 2019</p> <p>Dec 2019</p> <p>March 2020</p> | <p>Silver award achieved.</p> <p>Working arrangements agreed with Garrison and the areas of focus</p> <p>Three events supported per year</p> <p>Future plan for Gold submission including timescales & allocated resources.</p> | <p>AC</p> <p>EL</p> | <table border="1"> <thead> <tr> <th data-bbox="1615 193 1854 236">Last quarter</th> <th data-bbox="1859 193 2089 236">This quarter</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="1615 239 2089 743">Silver Award presentation made to the Military Covenant Champion in September 2019.</td> </tr> </tbody> </table> | Last quarter | This quarter | Silver Award presentation made to the Military Covenant Champion in September 2019. | |
|---|---|---|---------------------|---|--------------|--------------|---|--|
| Last quarter | This quarter | | | | | | | |
| Silver Award presentation made to the Military Covenant Champion in September 2019. | | | | | | | | |
| <p>Establishing international links with the following cities:</p> <ul style="list-style-type: none"> • Gorkha Municipality, Nepal <ul style="list-style-type: none"> • Formal signing ceremony • Visit to Gorkha to establish cultural/business links • Rzeszow, Poland | <p>Sept 2019</p> <p>March 2020</p> <p>Sept 2019</p> | <p>Links established.</p> <p>Memoranda of understanding agreed</p> <p>Business and community links established.</p> <p>Council and Rushmoor International Association roles agreed.</p> | <p>AC</p> | <table border="1"> <thead> <tr> <th data-bbox="1615 746 1854 790">Last quarter</th> <th data-bbox="1859 746 2089 790">This quarter</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="1615 793 2089 1104"> <p>Progress with each activity has been delivered to timescale. However, the formal signing ceremony with Gorkha is currently proposed for January 2020 when they visit.</p> <p>Date to be changed to January 2020</p> </td> </tr> </tbody> </table> | Last quarter | This quarter | <p>Progress with each activity has been delivered to timescale. However, the formal signing ceremony with Gorkha is currently proposed for January 2020 when they visit.</p> <p>Date to be changed to January 2020</p> | |
| Last quarter | This quarter | | | | | | | |
| <p>Progress with each activity has been delivered to timescale. However, the formal signing ceremony with Gorkha is currently proposed for January 2020 when they visit.</p> <p>Date to be changed to January 2020</p> | | | | | | | | |

| | | | | |
|--|-------------------------|--|--|--|
| <ul style="list-style-type: none"> • Formal signing ceremony • Establish trade/educational links | Feb 2020 | | | |
| <ul style="list-style-type: none"> • Dayton, Ohio, United States • Formal signing ceremony • Visit to Rushmoor to establish business/education/cultural links | June 2019 March 2020 | | | |
| Agree roles and responsibilities for the Rushmoor International Association | March 2020 | | | |

Better Public Services

| Activities | Time-scales | Outcomes/deliverables | Lead Officer | Comment | |
|--|--|---|----------------|---|--------------|
| | | | | Last quarter | This quarter |
| Developing the Corporate planning and performance framework Prepare a 10 year vision <ul style="list-style-type: none"> • Leadership programme to engage on the vision Prepare a Council three year Business Plan Prepare a Council Dashboard <ul style="list-style-type: none"> • Identify the key indicators which are needed to measure how we are doing as a Council | July 2019 July 2019 Dec 2019 | Vision approved New plan approved and in place New performance framework agreed Dashboards in place and being used Set up arrangements with Members | AC JR SS | Vision and Council three year Business Plan approved by Council in July 2019. | |

| <ul style="list-style-type: none"> Identify how best to present the information and whether and programs or software will be needed | | | | | | | | | | | | |
|--|--|--|----|---|--------------|--------------|---|--|-----------------------------|--|------------------------|--|
| Public access portal(s) - <ul style="list-style-type: none"> Waste Services Customer Portal | 2019 | Launch a new online service for rubbish, recycling and bulk waste collections | NH | <table border="1"> <tr> <th>Last quarter</th> <th>This quarter</th> </tr> <tr> <td colspan="2">85% complete.</td> </tr> </table> | Last quarter | This quarter | 85% complete. | | | | | |
| Last quarter | This quarter | | | | | | | | | | | |
| 85% complete. | | | | | | | | | | | | |
| Review commercial property assets and investments and develop a programme of regular review | Dec 2019 | Initial review of investments completed and a plan in place to review the remainder | PB | <table border="1"> <tr> <th>Last quarter</th> <th>This quarter</th> </tr> <tr> <td colspan="2">LSH Investment Management (LSHIM) due to be appointed from November 2019 to work alongside property team to take this activity forward.</td> </tr> </table> | Last quarter | This quarter | LSH Investment Management (LSHIM) due to be appointed from November 2019 to work alongside property team to take this activity forward. | | | | | |
| Last quarter | This quarter | | | | | | | | | | | |
| LSH Investment Management (LSHIM) due to be appointed from November 2019 to work alongside property team to take this activity forward. | | | | | | | | | | | | |
| Council Offices <ul style="list-style-type: none"> Re-location of Farnborough RVS Modernising the Workplace Environment – Workstyle (Modern, flexible desking and storage) Future Council Offices Options – linked to re-generation Green issue – Car Club | Aug 2019 Ongoing 2020 Sept 2019 | RVS located within Council Offices. Increased income generated Offices modernised and improved/greater efficiency Future of Council Offices Staff Car Club Pilot scheme | NH | <table border="1"> <tr> <th>Last quarter</th> <th>This quarter</th> </tr> <tr> <td colspan="2">RVS relocated to the Council Offices and Community Centre closed.</td> </tr> <tr> <td colspan="2">Scoping work only underway.</td> </tr> <tr> <td colspan="2">Pilot scheme underway.</td> </tr> </table> | Last quarter | This quarter | RVS relocated to the Council Offices and Community Centre closed. | | Scoping work only underway. | | Pilot scheme underway. | |
| Last quarter | This quarter | | | | | | | | | | | |
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| Scoping work only underway. | | | | | | | | | | | | |
| Pilot scheme underway. | | | | | | | | | | | | |

| | | | | | |
|--|--|--|-------------------------------|---------------------|---|
| <p>Full review of the Council’s Constitution</p> <ul style="list-style-type: none"> • Redraft Parts 1-3 (Responsibility for Functions) and proposed updates to codes and protocols • Internal and Member Consultation • Report to LAGP • Report to Council | <p>July-Sept 2019</p> <p>Mid Sept to Mid Oct</p> <p>Nov 2019</p> <p>Dec 2019</p> | <p>Improved clarity around delegation arrangements and responsibilities</p> <p>Codes and Protocols reflect up to date guidance and regulations</p> <p>New constitution reflects current working methods and the requirements of effective decision making.</p> | <p>JS</p> | <p>Last quarter</p> | <p>This quarter</p> |
| <p>Implementing the electoral service review</p> <ul style="list-style-type: none"> • introduce customer account • Establish measures • Re-design the service for Military personnel and dependents • Prepare plan for future changes | <p>Dec 2019</p> <p>Oct 2019</p> <p>Nov 2019</p> <p>Feb 2020</p> | <p>Redesign of service agreed.</p> <p>Pilot work undertaken on new service design and working arrangements.</p> <p>New customer account agreed.</p> | <p>AC</p> <p>VP</p> <p>JF</p> | <p>Last quarter</p> | <p>This quarter</p> <p>Development of a ‘check I am registered’ facility on the Rushmoor website is underway and a ‘make a change’ facility is also being prepared on the website for the customer to fill in, similar to the changing “opt out” preference page.</p> |



Rushmoor Borough Council Regeneration Programme

Programme Monitoring Report October 2019

Rushmoor Borough Council Regeneration Programme Monitoring Report

Programme Description

Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions. The programme delivery is a co-ordinated approach addressing economic and place-making challenges and opportunities across the Borough. It directly addresses the 'Place' priorities in the Council Plan, in particular "driving forward with the regeneration of Aldershot and Farnborough town centres".

The programme sets out a vision for the town centres in 2028:

"In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital - they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer. Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands'.

The programme is managed through four workstreams.

| Workstream 1 RDP Projects | Workstream 2 Property or Major Works | Workstream 3 Third Party Projects | Workstream 4 Feasibility or Options Appraisal |
|------------------------------|---|---|--|
| A2: Union Street, Aldershot | A3 & A7 The Station & surrounding area, including Windsor Way & High Street Bus Interchange | A1: The Galleries & High Street Multi-Storey Car Park | F5: Future of the Council Offices site |
| F1: Civic Quarter | A5: The Games Hub (refurbishment works) | F2: Farnborough Transport Package | F6: New Leisure Centre Feasibility |
| A6: Parsons Barracks | F3: Invincible Road | | F8: Farnborough North/ Hawley Lane |
| | B3: Southwood Country Park (development of SANG including former golf club buildings) | | A8: Aldershot Town Centre Strategy |

| | | | |
|---------------------------------|-------------------------------------|--------------------|--|
| Programme Summary | Period July - September 2019 | Version 0.7 | Last Updated: 24 September 2019 |
| Overall Programme Status | Outcomes | Budget | Timescales |

Programme Commentary including key successes and issues

This is the first programme report as we move towards a common programme reporting framework. Feedback on the design of the report and level of reporting would be welcome.

Work continues on the major RDP projects with planning applications expected in the next 2 periods and there is an associated focus on developing improved mechanisms for public engagement and general communication in relation to the programme. The project status set out in Annex B does reflect slippage on some projects based on our initial view of the programme in 2018. We are starting to understand better the complexities involved and move towards the delivery phase for some projects we will factor these in and re-assess the resourcing, financing and timescales for the programme. These will also be impacted by and adjusted to reflect changed circumstances and the project plans as submitted from the RDP. In addition, there will always be instances in a programme of this size where management of timescales rests outside the control of the Council and consequently there will remain risk to timescales over the lifetime of the programme.

Highlights this reporting period;

- Galleries & High St Car Park (Project A1) - Shaviram Aldershot Limited, undertook a pre-application public consultation on their emerging proposals for approx. 600 new apartments, 30,000sqft of commercial space, a public square and 250 space public car park during July 2019. Between 500-600 people attended the event over a period of 2 days and in addition to the event feedback was also submitted online. Whilst the majority of the feedback was positive, with 80% in support of the development, there was critical feedback around the design of the of the scheme. The Council understands this has been taken on board by Shaviram with some designs currently being amended. It is anticipated that the next period will see the submission of the planning application for the scheme.
- Union Street (Project A2) - Progress has been made in relation to vacant possession on this site with Cabinet approval for the lease surrender of 38-46 Union Street and the acquisition of 48/48a High Street. A demolition contractor has also been appointed for the first phase of demolition works.
- Parsons Barracks - Parsons Barracks Business Plan from the RDP was approved at Cabinet enabling future disposal of the site with proceeds from this disposal contributing to other parts of the programme
- Civic Quarter (Project F1) - The Council achieved vacant procession of Elles Hall Community Centre and has now secured the building pending demolition which is anticipated to start within the next period.
- Rushmoor Development Partnership - The Rushmoor Development Partnership continues to make good progress on its sites and is developing key strategic relationships in order to ensure the successful delivery of regeneration projects across the Borough. Alongside a number of key professional appointments, a highlight in this quarter was Cabinet and Council approval for the Rushmoor Development Partnership's Business Plan.

Karen Edwards, Programme Sponsor



Forthcoming Matters for consideration by Members

The following reports are on the forward plan, and it is anticipated these will be brought forward in the next quarter:




- LEP Funding Submission Approval (on the allocation of a successful bid, Cabinet approval required to accept funds.)
- Land Assembly for Union Street
- Public Art at Aldershot Station, enhancing the gateway into the town & relocation of the Ordnance QF 25-pounder field gun from the Railway Station to Gun Hill which will be included in the Heritage trail
- Actions associated with potential end users for the Union Street scheme.

There is an update seminar for all members planned for November and there will be involvement in pre-planning in relation to the Union Street Scheme.



Progress Summary by project

| Project | Description | Funding | Key Activities | Key Activities | Status | Project Narrative |
|------------------------------------|--|--|--|---|---|--|
| | | | July 2019 -Sept 2019 | Sept 2019 -Dec 2019 | | |
| Workstream 1 – RDP Projects | | | | | | |
| A2: Union Street | This project will redevelop a key area within the town centre and will create a new revitalised and vibrant space, with a residential-led mixed use development to provide approx. 140 residential homes with the ground floor to accommodate town centre uses all within the heart of the town. | <u>External</u> £5m HIF £1.1m EM3 LEP (to be confirmed) <u>Capital</u> 19/20 £5.7m | Procurement of Demolition Contractor commenced Cabinet Approval for the lease surrender of 38-46 Union Street Cabinet approval for purchase of 48/48a Union Street JTP has been re engaged to take forward designs for the scheme, and currently producing revised proposals for comment. | Vacant possession of the entire site Pre-planning public engagement LEP Funding Bid due diligence to conclude Finalise lease options for the scheme Demolition works to start on site |  | This project is running behind original project timescales which were established in 2018 and now need to be updated based on the RDP's revised timescales. During the next quarter the Council will update the community on progress with development of the site, particularly in relation to demolition works. The Council will support the RDP to establish a programme of community engagement in order to share proposals, obtain feedback and develop the scheme collaboratively. The Council continues to acquire properties within the development area in order to complete land assembly for the full scheme. The RDP is actively exploring and taking forward options associated with the end users for the scheme. |
| F1: Civic Quarter | The civic quarter will be an exciting mixed-use space, providing new opportunities for town centre living alongside active ground floor uses, such as cafes and restaurants alongside the re-provision of leisure and community facilities. This will enhance the town centre and improve connectivity between the town and the business park. | <u>Capital</u> 19/20 £10m 20/21 £10m 21/22 £19m | Pre-Demolition works commenced (Elles Hall) RDP Appointment of Snap Dragon (PR Company) Farnborough Parking Study commissioned Ecology Survey commissioned Topographical Survey commissioned | Finalise planning strategy Leisure Centre cabinet report – procurement of end user RDP to progress masterplan options Seek external funding opportunities to assist with scheme delivery |  | Whilst the RDP continues to masterplan the site, the Council will continue activities relating to site preparation to facilitate the scheme, having recently achieved vacant possession of Elles Community Hall, works are already underway. The next step will be to secure this area and hoarding will be installed. Alongside these works, the Council is preparing community engagement activities, in order to share proposals for the scheme and will continue to assist with the facilitation and development of community stakeholder groups, to hopefully create community cohesion and empower residents to have their say. |




Rushmoor Borough Council Regeneration Programme Monitoring Report

| Project | Description | Funding | Key Activities | Key Activities | Status | Project Narrative |
|--|---|--|--|---|---|--|
| | | | July 2019 -Sept 2019 | Sept 2019 -Dec 2019 | | |
| A6: Parsons Barracks | This site is currently a long stay car park close to the town centre, the entrance of which is off Ordnance Road. The site has been identified as a key site to redevelop and the RDP is tasked with taking forward the site as part of their portfolio. Options for this site are currently being explored and include residential, a hotel, food, retail and the option of a Care Home facility as end uses. Profit from the disposal of this site will contribute to the overarching Aldershot Town Centre regeneration. | Aligned to the project plans being developed by the RDP | Preparation of Parsons Barracks Project Plan Approved at Cabinet 15.10.19. | The end users will begin the process of due diligence in relation to the site. Cabinet report associated with disposal agreed. |  | The RDP will continue to pursue end user options in relation to this site. |
| Workstream 2 - Property or Major Works | | | | | | |
| A3 & A7 The Station and surrounding area, including Windsor Way & High Street Bus Interchange | Aldershot Railway Station is a key gateway into the town and as such has been identified as needing improvements. This project includes public realm improvements to the railway station forecourt, a revised public transport interchange and the redevelopment of the bus station site for a mixed-use development scheme. The Council will also be facilitating the installation of public art to enhance the area. | £900k EM3 LEP £620k RBC £180k HCC £220k HCC (Windsor Way) £100k NSIP | Continued engagement with HCC and South Western Railway to get to a stage of finalising drawings | Update funding profile for the LEP Approval of contracts to the LEP board in November Work to start in early January 2020 with works to the cycle paths on Pickford Street & Arthur Street. |  | The Council will act as a client for this project with Hampshire County Council. Preliminary works are under way with core sampling starting on site as night works. The Council will continue ongoing dialogue with local residents and stakeholders. Progress in the next period will also include an update to the funding profile for the LEP bid and a planning application submission in relation to the relocation of the Ordnance QF field gun which is currently located outside the train station to Gun Hill which will be included in the Heritage trail |
| A5: The Games Hub | The Games Hub scheme perfectly combines the past and the present, consisting of a digital Hub to produce a collaborative workspace for existing and aspiring | 867k - LEP; £10k OPE, RBC 40K (revenue) Council budget needs to be revised to reflect | Lease for 5 years from new owners completed We have Listed Building consent | Monitor status in relation to getting funding secured. Complete Legal work connected with lease. Appoint |  | The Council is currently in the review stage of the procurement process which is required to appoint a contractor to undertake the refurbishment works associated with the project. Next step will include final sign off of funding agreements. |




Rushmoor Borough Council Regeneration Programme Monitoring Report

| Project | Description | Funding | Key Activities July 2019 -Sept 2019 | Key Activities Sept 2019 -Dec 2019 | Status | Project Narrative |
|--|---|---|---|---|---|--|
| | entrepreneurs and develop businesses working in the gaming and digital sector. The desired outcomes from this project are growth of the digital economy including; job creation; jobs safeguarding; and office floorspace refurbishment. This is all in the heritage setting of the Old Town Hall. | the actual cost of works £867k | Agreed terms for State Aid Deed | contractor for refurb works, tenders received Bank funding approval for new owners to purchase building. | | The anticipated opening of the Games Hub in Spring 2020. |
| F3: Invincible Road | Improved access/egress from Invincible Road onto Elles Road | £150 – 250k s106 funding from HCC Estimated costs £180k subject to HCC approval | Contractor for works appointed HCC approval | Finalise drawings with Hampshire County Council |  | Work is now anticipated to start on site in early Jan 2020. In the interim period steps will be taken to reduce traffic congestion and improve the traffic flow over busy periods in the lead up to Christmas. The project has experienced delays due to the associated legal process which has taken longer than initial anticipated. |
| B3: Southwood Country Park (development of SANG including former golf club buildings) | This is an exciting opportunity to retain large open green space within the borough. this is a 57-hectare area of natural green open space in Farnborough. The first phase of the country park (western side) opened in September 2019. Covering more than 30 hectares, it offers a network of formal and informal paths, with a 2.4-kilometre circular walking route, starting from the 31-space Kennels Lane car park. There is dog-proof fencing along the boundaries of Ively Road. It will also consider, evaluate and recommend supplementary uses for the site and associated buildings, and, where agreed, implement those uses | £58k revenue, £422k capital, £40k RBC contribution to EA feasibility study, £15k for buildings options study and £17k for hoardings in 19/20. Majority to be recouped from developer SANG contributions. | Phase 1 (western side) and new car park on Kennels Lane open. Environment Agency natural wetland feasibility study ongoing Secure the site around the club house by installing hoardings. | Commission building options study Work towards the eastern side of the site being open - target date December. EA study report due. Develop options for Phase 2. |  | The Council will continue to develop options for phase 2 of the site and associated buildings. The Council plans to engage with the public once options are finalised. |

Rushmoor Borough Council Regeneration Programme Monitoring Report

| Project | Description | Funding | Key Activities July 2019 -Sept 2019 | Key Activities Sept 2019 -Dec 2019 | Status | Project Narrative |
|--|--|---|--|---|---|---|
| Workstream 3 - Third Party Projects | | | | | | |
| A1: The Galleries & High Street Multi-Storey Car Park | This scheme is integral to the regeneration of Aldershot Town Centre. Shaviram Aldershot Ltd is proposing a scheme of 600 new homes together with new ground floor commercial floorspace. The proposals also include a large, new public space that could be the focus for town centre events. In order to bring forward the proposals, we have approved, in principle, to relinquish our land interest in the High Street multi-storey car park and to take a long-term lease on a new 250 space car park, which will form part of the proposed redevelopment. This will mean that the existing car park will be redeveloped as part of the scheme. | <u>External</u> £2.4m HIF (SANGS) £1m HIF (sewer diversion) | HIF submission Pre-planning engagement undertaken by Shaviram | Funding public by |  | In the next period the Council will continue to work with Shaviram Aldershot Ltd, to support pre-planning discussions and hopefully the application will be submitted. Preparation of legal documentation associated with the car park disposal will continue. |
| F2: Farnborough Transport Package | Lynchford Road Farnborough - Localised widening to improve traffic flow and reduce journey times. Improvement to connectivity between M3 and the new Exhibition Centre | HCC secured LEP funding | Design, development and business case work is progressing for the scheme. | HCC will develop scheme designs and undertake the appropriate studies in order to progress the scheme |  | Hampshire County Council in the next period will continue to develop a project plan and timeline for this scheme. Council input expected to be minimal |
| Workstream 4 - Feasibility or Options Appraisal | | | | | | |
| A8: Aldershot Town Centre Strategy | Completion of a comprehensive strategy and transition plan for Aldershot Town Centre. | As the strategy and transition plan are developed funding requirements will be identified for any additional projects and | Aldershot Task Force – programme of consultation & engagement. Civic Society – Purposive | Development and complete specification for retail/leisure usage study |  | 5G ambitions being explored through wider piece of work with EM3 Local Enterprise Partnership 8 |

Rushmoor Borough Council Regeneration Programme Monitoring Report

| Project | Description | Funding | Key Activities | Key Activities | Status | Project Narrative |
|--|---|---|---|---|--|--|
| | | | July 2019 -Sept 2019 | Sept 2019 -Dec 2019 | | |
| | | will be brought forward through the Council's normal budgetary processes. | conversation programme will feed resident views on the Town Centre into the Aldershot Town Centre Strategy. | Car Parking study complete | | |
| F5: Future of the Council Office site in relation the Civic Quarter Development | Consideration of future options for the Council Offices site and the development of options for the future location of the council. | Funding requirements will be identified for any additional projects and will be brought forward through the Council's normal budgetary processes. | Review stock condition survey | Options for use of council offices site will be considered as part of the RDP civic quarter masterplan Council will need to consider the principle of whether to free up site early in 2020 |  | Options for use of council offices site will be considered as part of the RDP civic quarter master planning. Members will be involved in pre-planning engagement activity Funding for feasibility/options work in the event of relocation provisionally included in budget for 2020/21 |
| F6: New Leisure Centre Feasibility in relation to the Civic Quarter Development | A new leisure centre is being considered as part of the Civic Quarter development however, in order to assess the best location and format feasibility work is still on going. | Cabinet 12.11.19 – requesting £120,00 for further feasibility and design work | Initial meeting with Willmott Dixon (previously met with Wates and Scape) | Cabinet report in November to confirm facilities mix and agree funding further feasibility and design work |  | Will be going out to tender for the Leisure Operating Contract in November further to Cabinet Approval. |
| F8: Farnborough North/ Hawley Lane | This scheme has several objectives: to assist Network Rail in making Farnborough North safer for pedestrians Relocation of builder's merchants to a more sustainable business site at Hawley Lane, Potential creation of new homes on the site | | Feasibility work has been undertaken for the scheme and has provided some options for consideration. | In the next period the Council will re-engage with Network Rail to establish their plans, as they may require part of the site to make improvements to pedestrian safety which the Council would encourage. |  | This is a complex scheme which has a number of elements that will need close coordination and engagement in order to progress the site. A key issue will of course be pedestrian safety, therefore it is critical that the Council engages with Network Rail, to ensure full consideration is given to related objectives. |

| Summary of Key Programme Risks by Workstream | | | |
|--|--|--|--|
| <p>Workstream 1 – Project A2, has given rise to significant health and safety risks which have now been mitigated. The timeline for the project has been accelerated in terms of demolition work to address these concerns. There are risks associated with external funding and the need to meet certain milestones in order to draw down funding. The RDP is aware of the milestones and is accelerating the planning process in order to meet the targets.</p> | <p>Workstream 2 – Projects in this work stream have several issues that are a potential risk. Project A3 has risks associated with the project timeline and is now anticipated to start on site in Jan 2020. A5 - this project has risk associated with Bank funding approval for the Rock n Pop Foundation to purchase the building. Project F3 has experienced delays, issues have now been resolved, and the project is anticipated to move forward.</p> | <p>Workstream 3 – These projects are working to anticipated milestones advised by third parties</p> | <p>Workstream 4 – Project F8 has risks associated with an agreement with Network Rail which will be mitigated through the normal internal legal and property process.</p> |



ICE Programme - Quarterly Progress Report

This report provides a programme level summary of progress against the Councils transformation programme, known as the ICE programme. The programme was confirmed on 15 October and this report sets out the status of the programme overall and provides a high level view of the status of all projects currently live in the programme by workstream.

| | | | |
|---------------------------------|-------------------------------------|---------------------------|---|
| Programme Summary | Period July - September 2019 | Version 0.3 | Updated: 24 October September 2019 |
| Overall Programme Status | Outcomes – On target | Budget – on target | Timescales – on target |

Programme commentary including key success and issues

The programme status is 'Green' and trend is steady. A small amount of slippage was been experienced on the Environmental Services Project (Container Requests) and the parking service review. However, these are limited and do not impact overall programme timelines and the all Environmental Service Portal processes are now live. The overall level of residual risk on the Programme is acceptable.

1. The Programme continues to deliver existing milestones on time and on budget. This includes good progress on CRM procurement, Modern Workplace and Windows 10.
2. The Board has received a presentation on the outcome of the Car Park Review WS1/3, next steps and transfer of functions to customer services agreed and project will move to implementation
3. Work has now commenced on the re-scope of the process redesign work in WS1/3 to agree outline programme for all council services.
4. 'Live' Projects within governance of the programme are WS1/3, WS1/5, WS1/6 and WS2/1, WS2/5, WS2/6, WS3/2 and WS3/6. (see below)
5. Project statuses remain as at the end of September – unchanged by exception reports. Trend has moved from down to flat. i.e. Programme proceeding as expected
6. The next phase of Programme level work will commence to identify benefit realisation in-line with revised savings targets and other benefit categories (much of this work will be centred around WS1/3)
7. The Programme Mandate and budget were approved by Cabinet in mid-October.

Karen Edwards, ICE programme Sponsor

| Workstream 1 - Customer | | | Version Control | 0.2 | Period | Sept 2019 – Oct 2019 |
|--|---|---|---|--------|---|----------------------|
| Project Ref | Project Description | Progress | Trend | Status | Notes | |
| WS1/1 | Customer Insight/Understanding our customers and demand | Scheduled for delivery by Jan 2020 | → | N/A | | |
| WS1/2 | Customer charter/promises (common standards) | Scheduled for delivery by Mar 2020 | → | N/A | | |
| WS1/3 | Process redesign for self-service | Completion of Car Parking review due end October 2019. Revised Schedule of further reviews to be agreed. | ↓ | | Slippage of 8 weeks on original timetable for car park review | |
| WS1/4 | New website - to enable transactional services | Scheduled for delivery 2020/21. Initial 'discovery' phase commencing in January 2020. | → | N/A | | |
| WS1/5 | Environmental Services portal projects | Project completes October 2019. New online environmental services e.g. missed bins, Christmas tree collection etc. available to the public. | ↑ | | | |
| WS1/6 | Create the 'Rushmoor Customer Service' implement and CRM capability and start to build a single customer view | Procurement of Goss CRM system complete. Implementation underway. New CRM capability available from April 2020 | ↑ | | | |
| WS1/7 | Love Rushmoor App - refresh/replacement | Scheduled development not until 2021 | → | N/A | | |
| WS1/8 | Communications strategy – enabling customer and behaviour change | Research phase being undertaken. Scheduled for delivery September 2020 | → | N/A | | |
| Workstream Commentary | | | Issues or Risks | | | |
| Workstream 1 overall progress is good. Critical to delivering transformation is WS1/3 process redesign. Further work is underway to identify and agree service areas for review. | | | Project Capacity to undertake service reviews may not be sufficient | | | |
| | | | Organisational capacity to participate in review progress may not be sufficient | | | |

| Workstream 2 - Digital | | Version Control | 0.2 | Period | Sept 2019 – Oct 2019 |
|---|---|---|-------|--------|--|
| Project Ref | Project Description | Progress | Trend | Status | Notes |
| WS2/1 | 1. Office 365 'The Modern Workplace' (including roll-out of Exchange, Word, Excel, PP and embedded accessibility) | Good progress on implementing new Office 365 products. Work now underway on designing data and information storage approach and roll-out of better communication tools e.g. Yammer | ↑ | | |
| WS2/2 | 2. Flexible and mobile working - office modernisation | Project delivery to be scheduled in December 2019 | → | N/A | |
| WS2/3 | 3. Team working, collaboration and new Intranet | Project delivery to be scheduled | → | N/A | |
| WS2/4 | 4. Performance management and business intelligence | Project delivery to be scheduled in January 2020 | → | N/A | |
| WS2/5 | 5. Modernising Line of Business Applications | Projects underway: New Legal Service system, New Housing System and new HR e-learning system | → | | Six weeks planned slippage on Legal system due to resource constraints |
| WS2/6 | 6. IT Infrastructure and Cloud Migration | Implementation of upgrade to Windows Server and cloud migration, together with roll-out of Windows 10 underway. Overall project will take until summer of next year to complete. Will provide infrastructure to run many of the new 'Modern Workplace' services | → | | |
| Workstream Commentary | | Issues or Risks | | | |
| <p>Workstream 2 overall progress is good. Some limited slippage on new system replacement but overall delivery on track.</p> <p>Focus on WS2/1 over next month in designing data and information storage and governance</p> | | Ability to recruit and retain staff with the right skills because of the competitive nature of the IT recruitment market | | | |
| | | | | | |
| | | | | | |

| Workstream 3 – People & Culture | | | Version Control | 0.2 | Period | Sept 2019 – Oct 2019 |
|---|---|--|---|--------|--------|----------------------|
| Project Ref | Project Description | Progress | Trend | Status | Notes | |
| WS3/1 | Workforce strategy | Scoping work for this project is underway. First draft of Workforce Strategy due for consultation mid Nov 2019. Final version to be available by March 2020. | → | | | |
| WS3/2 | Leadership training | First cohort of Leadership Training complete. Applications for second cohort currently being undertaken for Training to commence Feb 2020. | → | | | |
| WS3/3 | Learning and development programme | First session of Management development programme 23 October. Remainder of programme currently being developed | → | | | |
| WS3/4 | Culture, values and behaviour change | Project to commence April 2020 | → | N/A | | |
| WS3/5 | Improving internal communications and collaboration | Initial work on internal communications underway. Outcome of this work will be the development of a communication strategy linked to WS3/1 Workforce Strategy. Opportunity to use new technology coming on stream in first half of 2020 will also be used to improve internal communication (see WS2/1 Modern Workplace) | → | | | |
| WS3/6 | Organisational Redesign | Redesign underway with target to complete phase 1 changes by end of March 2020 | → | | | |
| Workstream Commentary | | | Issues or Risks | | | |
| <p>Workstream 3 overall progress is good. Further work is being undertaken to ensure projects are scoped and linked with opportunities presented for the use of new technology.</p> | | | Resource capacity to undertake projects limited but being balanced with organisational demands | | | |
| | | | Impact of organisational redesign WS3/6 may impact on programme delivery and morale at some points between October and March 2020 | | | |
| | | | | | | |
| | | | | | | |

| Workstream 4 – Cost & Commercial | | | Version Control | 0.2 | Period | Sept 2019 – Oct 2019 |
|--|---|---|---|--------|---|----------------------|
| Project Ref | Project Description | Progress | Trend | Status | Notes | |
| WS4/1 | Better access to financial information | Work to commence early 2020 | → | N/A | | |
| WS4/2 | Reducing debts and increasing income from existing services | Project being scoped for implementation 2020 | → | N/A | | |
| WS4/3 | Commercial strategy and management of assets | Project being scoped for implementation 2020 | → | | LSH to be appointed as Investment and Asset managers. Investment strategy being developed. Members workshops 23 October and 19 November | |
| WS4/4 | New procurement strategy and savings from procurement | New procurement strategy being developed in draft for consideration by Members Nov 2019 | → | | | |
| Workstream Commentary | | | Issues or Risks | | | |
| Workstream 4 is currently scoping projects for implementation in 2020. | | | Resource capacity to undertake WS4/1 & 2 projects limited. Vacancies in property service and capacity in Legal Services remain a concern but recruitment is underway and consultant/interim support in place. | | | |
| | | | | | | |

For further information the programme mandate can be found at <https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=138&MId=684>

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CABINET

**COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER
REPORT NO. RP1919**

12 NOVEMBER 2019

KEY DECISION - NO

AUTHORITY TO APPLY FOR PLANNING PERMISSION

SUMMARY AND RECOMMENDATIONS:

This report concerns four projects for which the Council may need to apply for planning permission. Three of these are connected with sites being prepared for development by the Regeneration Team and the fourth is associated with a property used as a hostel for homeless single people. Currently, Cabinet approval is required for the Council to submit a planning application. To help these projects move forward, delegated authority is sought to make applications for the projects as detailed in the report.

Cabinet is recommended to:

Delegate authority to the Executive Head of Regeneration and Property, in consultation with the Portfolio Holder for Major Projects and Property, to apply for planning permission on sites as set out in section 3 of this report,

1. INTRODUCTION

- 1.1 This report proposes delegation of authority to apply for planning permission in relation to four projects:
 - Three sites in the Council’s ownership that are potentially being prepared for transfer to the local housing company;
 - Retention and continued use of the accommodation block and outbuildings at North Lane Lodge.
- 1.2 This delegation is requested pending changes to the Council’s constitution which are expected to provide the necessary delegations to allow officers to make planning applications in the future.

2. BACKGROUND

Housing Company Sites

- 2.1 In preparing to establish a local housing company, a portfolio of sites with potential for residential use/development was created from land and properties currently owned by the Council.

- 2.2 A number of these sites are existing residential properties, others are small development sites. To establish what form of development is possible, officers are working on outline schemes to show site capacity and preparing option appraisals. These initial schemes have the potential to be developed further to support a planning application either by the Council or the company.
- 2.3 Proposals have now been prepared for three sites – land adjacent 3a Arthur Street, Aldershot and land adjacent 69 Victoria Road, Aldershot, land at Churchill Crescent, Farnborough.
- 2.4 Pre application discussions have taken place and the schemes are being amended to take account of comments received. The Churchill Crescent site may be taken forward in partnership with Vivid, therefore, a planning permission could be made by the Council, the housing company or Vivid.

North Lane Lodge: retain and continue use of accommodation block and outbuilding

- 2.7 The council leases North Lane Lodge at 259 North Lane, Aldershot, a former Air Cadet hut within the REME Zone (S) of the Wellesley development, from The Secretary of State for Defence, to provide a 9 x bed hostel for rough sleepers. The hostel is run by The Society of St James who have managed the scheme well and supported entrenched rough sleepers out of homelessness. This lease is due to end on 7th November 2019. Grainger Plc agrees that the land is not yet needed for development and that, in principle, the lease may be extended for an additional 12 months, supporting the council in the delivery of its Temporary Accommodation Strategy. Before extending the lease a new planning permission is needed
- 2.8 The main accommodation block at North Lane Lodge was subject to a Temporary Planning Permission ref: 16/0057/RBC3PP which expires on 1st February 2020. An ancillary outbuilding, used as a breakout/ consultation room was also granted a temporary consent,[under ref: 18/00118/RBCRG3, and this expired on 31st August 2019. Authority is therefore sought to make a new planning application to retain and continue the use of both the accommodation block and the outbuilding until November 2020.

3. DETAILS OF THE PROPOSAL

- 3.1 It is anticipated that the Council may need to apply for planning permission for
 - Development of land adjacent 3a Arthur Street, Aldershot, land adjacent 69 Victoria Road, Aldershot and land at Churchill Crescent, Farnborough
 - Continued use of North Lane Lodge and outbuilding as a hostel.

3.2 In expectation of this, delegated authority is requested to apply for consent as necessary to avoid delays and allow the projects move forward efficiently

4. **CONSULTATION**

4.1 Pre application comments have been requested and received for the potential housing company sites.

4.2 Ward members have been briefed on the three housing company sites.

5. **IMPLICATIONS**

Legal Implications

5.1 None

Financial and Resource Implications

5.2 Costs associated securing planning permission for the Housing Company sites will be covered by the PRS capital budget

5.3 Costs associated with the application for North Lane Lodge will be met from the existing revenue budget for this scheme.

Equalities Impact Implications

5.4 None.

6 **CONCLUSION**

6.1 The Council may wish to apply for planning permission on three of the sites it proposes to transfer to the housing company; and will need to apply for consent for North Lane Lodge. To progress smoothly with these projects, delegated authority is sought for the Executive Head of Property and Regeneration, in consultation with the Portfolio Holder (Major Projects and Property), to apply for planning consent as set out in this report.

BACKGROUND DOCUMENTS:

None

CONTACT DETAILS:

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CABINET
12TH NOVEMBER 2019

COUNCILLOR ADRIAN NEWELL
DEMOCRACY, STRATEGY AND PARTNERSHIPS
PORTFOLIO HOLDER
REPORT NO. DSP1912

KEY DECISION: NO

REVIEW OF RENT RELIEF FOR VOLUNTARY ORGANISATIONS

SUMMARY AND RECOMMENDATIONS:

In 2017, the then Concessions and Community Support Portfolio Holder carried out a review of rent relief provided to organisations that lease land and/or buildings from the Council. The Cabinet considered the findings and agreed that the level of relief would reduce to 90% in 2018/19 and to between 80% and 90% from 2019/20 following further consideration.

This Report sets out the outcomes of a further review that has been undertaken with the Democracy, Strategy and Partnerships Portfolio Holder which has taken account of the impact of the change made, the Council's approach to managing its assets and the Council's wider objectives.

The Cabinet is recommended to:

- (i) Retain the maximum level of 90% rent relief for all the voluntary organisations leasing land/premises
- (ii) Authorise the Portfolio Holder to determine individual claims for relief on the grounds of hardship for a maximum period of one year; and
- (iii) Authorise the Head of Regeneration and Property, in consultation with the Democracy, Strategy and Partnerships Portfolio Holder to negotiate appropriate rents with the organisations at lease renewal dates within the framework of the Asset Management Strategy.

1. INTRODUCTION

- 1.1. This Report seeks approval for a revised policy and process relating to rent relief for voluntary organisations leasing Council land and premises. The new policy takes account of the experience with the organisations since the level of rent relief was reduced and of other longer term issues, especially around the aim to maximise the use of Council assets. The objective is to ensure the use of the premises is optimised and that the Council secures value in terms of provision and return.

2. BACKGROUND

- 2.1. Rushmoor has a range of facilities run by community organisations especially pavilions and sports grounds. These organisations provide a significant contribution to the wellbeing of local communities, provide a breadth of activities and help to maintain Council premises.
- 2.2. In 2017, the Concessions and Community Support Portfolio Holder instigated a review of rent relief provided to the 27 organisations (list appended to this Report) taking into account the need for the Council to achieve financial savings, the benefits provided to residents and the potential impact of significant rent increases. Rent relief had normally been granted for three year periods.
- 2.3. As a result of the review, the Cabinet agreed that these organisations should pay a contribution towards the rent. At that time the vast majority were receiving 100% rent relief but from the start of 2018/19, this was reduced to 90% and subsequently to somewhere between 80 and 90% from 2019/20 following further consideration. At the time, an arrangement was put in place for organisations to contact the Council if there were difficulties.
- 2.4. The current position with the 27 organisations is as follows:
 - 16 are paying their rent proportion
 - 2 are still being reviewed
 - 9 are still to pay having made representations about their contribution
- 2.5. The nine which have made representations have been reviewed with the Portfolio Holder and, having considered detailed information about their working arrangements, financial information and membership, it has been agreed that eight of them should be requested to pay. One organisation has demonstrated financial hardship and it has been agreed by the Portfolio Holder that the rent relief should remain at 100% until March, 2020.

3. REVIEW AND POLICY OPTIONS

- 3.1. Over the past few months, the Portfolio Holder with support from Officers has carried out a review of the current arrangements and considered options for the future policy. The options considered have included:
 - Return to providing 100% relief for the organisations
 - Reduce the level of relief to less than 90% as the Council has discretion to choose the level of relief provided
 - Match the level of relief provided to residents receiving support under the Council Tax Support Scheme (this is currently 12%)
- 3.2. Having discussed the options, it is proposed that the Council retains the 90% level of rent relief for all organisations but on the basis that rent reviews are negotiated through the Regeneration and Property Service in the future when reviews take place. In specific cases where an organisation could demonstrate hardship, the Portfolio Holder will be authorised to determine

the level of relief on the basis that any additional relief is for a maximum period of one year.

3.3. As a separate exercise a review will be carried out of the arrangements the Council has for supporting other organisations which receive a substantial level of assistance from the Council. In particular, these are:

- Citizens Advice
- Farnborough and Cove War Memorial Hospital Trust
- Rushmoor Voluntary Services

4. CONSIDERATIONS

4.1. The requirement for organisations to make a contribution towards the cost of the rent means in many cases these are relatively small sums. Some benchmarking has been carried out with other areas but there is no clear pattern except that Rushmoor appears to be comparatively generous with the level of rent relief it gives. There are also opportunities for the organisations to improve their own financial position and the Council has given some advice around issues like being members of the Community Lottery (where some have received considerable income) letting out their premises to other organisations and managing costs and maximising opportunities to reduce expenditure.

4.2. The Policy and Project Advisory Board has received a presentation on the review and was broadly in support of the approach. Members emphasised the need to recognise the important contribution that these organisations make to local communities and that the Council should be sensitive to their needs to ensure they are sustainable. It was also suggested that a formal service level agreement should be developed for the organisations and this will be examined for the longer term.

4.3. Rushmoor's facilities are considered to be of a very good standard and there is also interest from other organisations operating in adjoining areas to relocate to the Borough.

5. IMPLICATIONS

5.1 The implications of the new policy are as follows:

Financial

5.2 The level of rent received in 2017/18 was £3,890. The effect of providing 90% relief to the 27 organisations in 2018/19 would be £20,848, although there are still some payments outstanding and hardship relief has been granted of £445. The income in 2019/20, on the basis that the 90% relief is retained, is estimated to be £20,074. This figure is affected by recent rent reviews in certain cases and changes caused by the closure of the Farnborough Community Centre. Going forward, as negotiated sums are agreed and periodic rent reviews are implemented the figures will change.

Equalities

- 5.3 The arrangements for organisations to make representations regarding the level of rent will be considered by the Portfolio Holder and should ensure that hardship cases are addressed in a fair and sensitive way. The development of service level agreements over time will also seek to ensure that organisations are treated consistently and objectively.

6. CONCLUSIONS

- 6.1. The Cabinet has established the principle that users of the Council's facilities and services should contribute something towards their rental cost. For most, the change has been accepted and there is evidence that it has helped some organisations consider how to best optimise the use of their premises and encourage use of the Community Lottery. The proposed approach also complements the Council's objective of getting more from its assets. It is also proposed that the policy and arrangements will be kept under review by the Portfolio Holder in conjunction with the officers.

CONTACT DETAILS:

Report Author – Andrew Colver, Head of Democracy Strategy and Partnerships
andrew.colver@rushmoor.gov.uk, 01252 398 820.

BACKGROUND DOCUMENTS:

None

APPENDIX

Organisations receiving rent relief

| Group | Address |
|-----------------------------------|---|
| 14th Aldershot Scout Group | Mantle Hall, North Lane, Aldershot |
| 1st Cove Scout Group | Gower Lodge, Farnborough |
| 2nd Aldershot Scout Group | Scout Hut, Manor Park, Aldershot |
| 4th Aldershot Scout Group | Western Road, Aldershot |
| 6th Farnborough Scout Group | Trailblazers Den, Cheyne Way, Farnborough |
| Age Concern | Farnborough Gate Bowling Club |
| Aldershot & Fleet RUFC | Aldershot Park |
| Aldershot Cricket Club | Aldershot Park |
| Citizens Advice Rushmoor | Rushmoor Borough Council Offices, Farnborough |
| Cove Bowling Club | Horn Road, Farnborough |
| Cove Brook Greenway Group | Blunden Hall, Farnborough |
| Cove Cricket Club | Grasmere Road, Farnborough |
| Cove Football Club | Squirrels Lane, Farnborough |
| deafPLUS | 35-39 High Street, Aldershot |
| Elim Pentecostal Church | 52-58 Holly Road, Aldershot |
| Farnborough Bowling Club | Canterbury Road, Farnborough |
| Farnborough Gate Bowls Club | Ringwood Road, Farnborough |
| Farnborough Lawn Tennis Club | Tile Barn Close, Farnborough |
| Farnborough Rugby Club | Tile Barn Close, Farnborough |
| Gurkha Welfare Advice Centre | 35-39 High Street, Aldershot |
| Parkside | 57 Guildford Road, Aldershot |
| Relate NEHAB | 39 High Street, Aldershot |
| Rushmoor Community Football Club | Grasmere Road, Farnborough |
| Rushmoor Gymnastics Academy | Pool Road, Aldershot |
| St Christopher's Community Centre | Montgomery Road, Farnborough |
| St John Ambulance | Hawley Lane, Farnborough |

*Farnborough Community Centre Association previously received rent relief but now no longer in existence

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CABINET
12 NOVEMBER 2019

COUNCILLOR MAURICE SHEEHAN
OPERATIONAL SERVICES PORTFOLIO HOLDER

KEY DECISION: NO

REPORT NO. DSP1911

FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND

SUMMARY AND RECOMMENDATION

The Operational Services Portfolio Holder has considered one application and is recommending Cabinet endorse the following award:

- **Friends of St Peter's C of E Junior School - £13,140**

1. INTRODUCTION

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

2. BACKGROUND

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

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

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

3. DETAILS OF BID

3.1 The Cabinet Member for Operational Services has considered one application (Appendix A) and is recommending the following award:

- **Friends of St Peter's C of E Junior School** **£13,140**

4. FINANCIAL IMPLICATIONS

4.1 The Community Environmental Fund is currently £24,403. Taking the application recommended in this paper totalling £13,140 would leave £11,263 available for allocation.

Background Documents:

Completed application form - Appendix A

Contact Details:

Alison Nicholls – Grants and Administration Officer
alison.nicholls@rushmoor.gov.uk / 01252 398766

Andrew Colver – Head of Democracy, Strategy and Partnerships
andrew.colver@rushmoor.gov.uk / 01252 398820

APPENDIX A

| Environment Fund applicant bid | |
|---|---|
| Name & address of Applicant | Friends of St Peter's C of E Junior School (FOSP) Church Avenue, Farnborough GU14 7AP |
| Grant requested (Total cost of project) | £13,140 (£15,140) |
| Purpose of grant | Installation of outside classroom and cycle shelters |
| Previous grants from this fund | None |
| Distance from centre of runway (within 5 kilometres (3 miles)) | Within distance |
| Other sources of funding for this project | £2,000 – FOSP |
| Accounts | Income £8,762 Expenditure: £7,035 Balances: £6,511 |
| Additional Info | <p>The installation of an outdoor classroom will expand the learning environment for the pupils and give them a sheltered area to use at break times. The benefits of being in the fresh air will stimulate better learning, more discussion about the environment and also make healthier more active children, helping to reduce disruptive behaviour in class and increase pupil's physical, mental and social health. Having a covered outside area will also allow more clubs to run in the winter months.</p> <p>The school have a cycling group as an extra after school activity and participate in the council-run cycle scheme. However, the children have no provision to store bikes. By providing better secure storage more pupils will cycle to school therefore reducing traffic, emissions and ease parking around the school and local area whilst also promoting a healthy active lifestyle.</p> <p>Both the outdoor classroom and bike storage will be available for use by the church.</p> |
| Aim of organisation/group | FOSP's aim is to provide funds for additional resources, extra-curricular activities and fun which the schools budget cannot afford. FOSP commit to raising a certain amount to cover yearly costs such as library subscriptions, visiting authors and additional resources such as art week and sports day. |
| Application recommendation | £13,140 |

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CABINET

**COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN1929**

12TH NOVEMBER 2019

**KEY DECISION?
YES/NO**

**BUSINESS RATES – DISCRETIONARY RATE RELIEF
APPLICATION**

SUMMARY

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

The Policy was introduced under the Localism Act 2011 to provide the Council with the ability to discount business rates to all organisations in the borough, where they provide a benefit to the community and not limited to Charities and Not-for-Profit Organisations.

This application is from Airbus Defence and Space Limited who occupy units 3-5 Voyager Park, on the Farnborough Aerospace Park.

RECOMMENDATIONS

Cabinet are recommended to approve the award of Discretionary Rate Relief to Airbus Defence and Space Limited for £60,000 a year for the next three years (2019/20, 2020/21 and 2021/22).

1. INTRODUCTION

1.1 The purpose of this report is to:

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

2. BACKGROUND

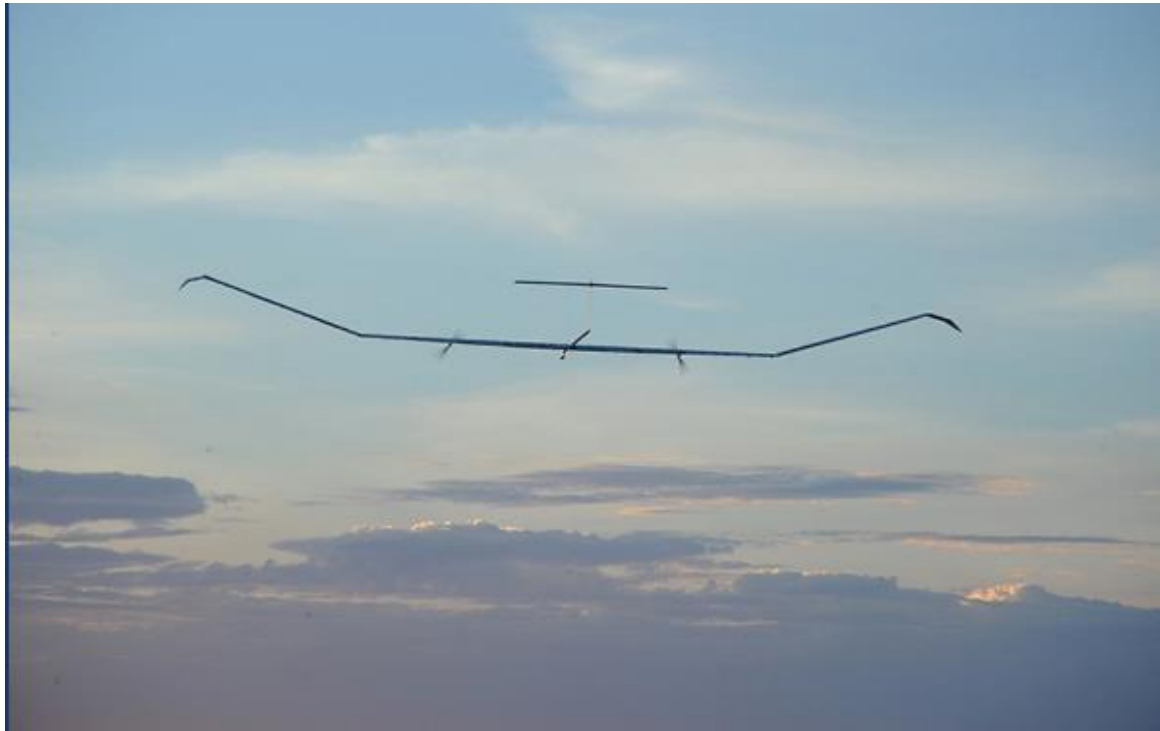
2.1 The Local Government Finance Act 1988, as amended provides local authorities with discretionary powers to grant relief from non-domestic rates on properties occupied by charities and other non-profit organisations.

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

- 2.3 In addition, an authority can grant relief of up to 100% to non-profit making organisations.
- 2.4 The Localism Act 2011 introduced a new power for local authorities to award a local Discretionary Relief, in any circumstances, where it is in the Council Taxpayers interest to do so.
- 2.5 In April 2017, cabinet agreed an amendment to our existing Discretionary Rate Relief Policy to enable the council to award relief to all organisations in the borough and not limited to charities and not-for-profit organisations.
- 2.6 The amended policy is known as “Discretionary Rate Relief – For charities, not-for-profit organisations and other specified organisations under the Localism Act 2011”. Full details of this policy can be found in Appendix 1.
- 2.7 The main aims of the amendment to this policy is to: -
- Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years child care; or
 - Create new employment opportunities; or
 - Bring social, environmental or economic benefit to the community; or
 - Contribute towards the sustainable development of the borough.
- 2.8 With the amendment to the policy we can encourage businesses to the borough thus providing economic development.

3. APPLICATION FOR RELIEF

- 3.1 This application is from Airbus Defence and Space Limited (Airbus).
- 3.2 Airbus are a European multinational aerospace corporation who design, manufacture and sell civil and military aerospace products.
- 3.3 Airbus have three divisions; Commercial Aircraft, Defence and Space and Helicopters.
- 3.4 Airbus have recently moved into Units 3-5 Voyager Park, Dingley Way, Farnborough which are brand new Industrial Units built on the Farnborough Aerospace Park.
- 3.5 The site has 50,000 sq ft of manufacturing space and represents an investment of around £36 million.
- 3.6 In this facility, Airbus will be concentrating on the production of the Zephyr S, which is a large solar-powered unmanned aircraft. This aircraft will be used to observe environmental damage and oil spills.



- 3.7 Airbus response to the questions for their application are laid out in Appendix 2.
- 3.8 The new Airbus Zephyr S research and development facility will provide employment opportunities for engineering, management and administration roles, along with supply chains providing components and sub-assembly items.
- 3.9 Large business and their supply chain companies are likely to create wealth through a “spill over effect” within the local economy. This is achieved through a multiplier effect of employees and their families who are likely to spend a portion of their income in the local economy, thus bring spending power into the borough.
- 3.10 In the long term, business rates generated by the new facility will bring in, in excess of £117,000 per annum, of which under the current retention scheme 40% (£46,800), will be retained by Rushmoor.

4. IMPLICATIONS

Financial Implications

- 4.1 Since 1 April 2013, the Business Rates Retention scheme has introduced a fundamentally new set of arrangements for dealing with the cost of business rates. The cost to the Council of granting any Discretionary Rate Relief is most reliably estimated at being 40% of the value of the relief granted, although the cost is ultimately determined by a range of factors, such as the councils total rate receipts measured against its estimated threshold for

growth and taking into account whether any payment levies or safety net contributions are payable or receivable.

- 4.2 The remaining 60% of the costs will be met by Central Government (50%), Hampshire County Council (9%) and Hampshire Fire and Rescue Authority (1%), under the Business Rates Retention Scheme.
- 4.3 Any award of Discretionary Rate Relief is subject to state aid limits. The De Minimis regulations allow an undertaking to receive up to €200,000 (£180,000) in any three-year period.
- 4.4 Therefore if Rushmoor BC were to award the maximum amount of £180,000 (£60,000 a year for three years), the financial effect on RBC over these three years would be a total £72,000, £24,000 a year.
- 4.5 However, any award of Discretionary Rate Relief is offset by an additional income of approximately £117,000 per annum.

Legal Implications

- 4.6 Section 47 of the Local Government Finance Act 1988, as amended, enables Councils to grant Discretionary Rate Relief to any Ratepayer.
- 4.7 The amended policy to award Discretionary Rate Relief enables the Council to award relief to any ratepayer and not limited to charities and not-for-profit organisations. This follows guidance and advice provided by the former Department of Communities and Local Government following the introduction of the Localism Act 2011.
- 4.8 Full details of this guidance can be found at the following web link: <https://www.gov.uk/government/publications/localism-act-2011-overview>

To summarise, page 6 reads: -

“Greater local control over business rates

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

5. CONCLUSIONS

- 5.1 In conclusion, cabinet are asked to approve the award of Discretionary Rate Relief of £60,000 a year for the next three years.
- 5.2 The Corporate Services Portfolio Holder is supportive of the application to the level set out in this report.

- 5.3 The case was reviewed in its own merit and the decision was made using the Councils amended Discretionary Rate Relief Policy, which was approved by cabinet following guidance provided by the Department of Communities and Government.
- 5.4 Airbus Defence and Space Limited benefits the local economy by: -
- Creating employment opportunities;
 - Boosting the local economy as existing employees will bring spending power into the Borough;
 - Raising the profile of Farnborough as a business location, thereby assisting in the attraction of new inward investment to the borough; and
 - Contribute towards the sustainable development of the borough.

BACKGROUND DOCUMENTS:

S47 Local Government Act 1988, as amended
Localism Act 2011
Full applicant case file in respect of the applicant
Rushmoor Policy on Discretionary Rate Relief

CONTACT DETAILS:

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

Discretionary Rate Relief Policy

For charities, not-for-profit organisations and other specified organisations under the Localism Act 2011

1 Purpose of the policy

- 1.1 To determine the level of Discretionary Business Rates Relief to be granted to certain defined ratepayers within the Rushmoor Borough Council area.
- 1.2 While we are obliged to grant relief to premises that fall within the mandatory category, we also have powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.
- 1.3 The Local Government Finance Act 1988 and subsequent legislation allows us to grant discretionary relief for premises occupied by charities and not-for-profit organisations that own or occupy them wholly or mainly for charitable purposes.
- 1.4 Powers have also been granted under the Localism Act 2011, which allow for the granting of Discretionary Rate Relief to any premises where we feel it would be of benefit to the local community.

This document outlines the following areas:

- Details of receiving an award under the Discretionary Business Rates Relief Scheme
- Our general policy for granting discretionary relief
- Guidance on granting and administering relief
- European Union requirements including provisions of state aid.

2 Introduction

- 2.1 The original purpose of Discretionary Rate Relief was to provide assistance where the property does not qualify for mandatory relief or to “top up” cases where ratepayers already receive mandatory relief.
- 2.2 Over recent years, and particularly since 2011, the discretionary relief provisions have been amended to allow the flexibility to provide more assistance to businesses and organisations.
- 2.3 Ratepayers are obliged to make a written application to us. We will expect all businesses to complete our application form and for the businesses to provide information, evidence, and audited accounts for us to determine whether relief should be awarded.
- 2.4 We are obliged to consider carefully every application on its own merits, taking into account the contribution that the organisation make to the amenities within Rushmoor.
- 2.5 The granting of relief falls broadly into the following categories:
 - Discretionary relief – Charities who already receive mandatory relief
 - Discretionary relief – Premises occupied by not-for-profit organisations whose main objectives are charitable.
 - Discretionary relief – Granted under the Localism Act 2011 provisions

Other reliefs available and are announced by government and for a temporary period. As at the financial year 2018/ 19 they are currently:

- Local Newspaper Relief (from 1 April 2017 for a period of two years)
 - Local Public House Relief (from 1 April 2017 for a period of two year)
 - Supporting Small Business Relief (from 1 April 2017, for a period of five years or until businesses pay their full rate charge)
 - Discretionary Rate Relief (revaluation) (from 1 April 2017 for a period of up to four years)
- 2.6 This policy concentrates on the granting of discretionary relief for charities which are already receiving mandatory relief, not-for-profit organisations whose main objectives are charitable and discretionary relief awarded under the Localism Act 2011.

3 Our general approach to granting Discretionary Rate Relief

- 3.1 In deciding which organisations should receive discretionary rate relief, we will consider the following factors and priorities:
 - That any award should support businesses, organisations and groups that help retain services in Rushmoor and not compete directly with existing businesses in an unfair manner.
 - It should help and encourage businesses, organisations, groups and communities to become self-reliant.

- To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community, and that also relate to our priorities which, without granting relief, they would be unable to do so.
- To assist us in delivering services which could not be provided otherwise.
- To assist us to meet our priorities including:
 - Sustaining a thriving economy
 - Supporting and empowering our communities and meeting local needs
 - A cleaner, greener and more cultural Rushmoor; and
 - Financially sound with services fit for the future

4 Administration of discretionary relief – general approach

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

Applications and evidence

- 4.2 All reliefs under this policy must be applied for. Applications forms are available both electronically and in hard copy format.
- 4.3 Applications should initially be made to the Revenues and Benefits Section and will be determined in accordance with this policy.
- 4.4 Completed application forms should be returned with the following information:
- Evidence of being a registered charity or a copy of a letter from Her Majesty's Revenue and Customs (HMRC) confirming that the organisation is treated as a charity for tax purposes (if appropriate).
 - A copy of the organisation's equal opportunities policy (if the organisation has one).
 - A copy of the organisation's constitution, rulebook or Memorandum and Articles of Association.
 - Audited or certified accounts for the last two years.
 - An up-to-date trading statement showing the current financial situation of the organisation.
 - Any other document the ratepayer wishes to be taken into account in support of their application.

- 4.5 Discretionary relief is granted from the beginning of the financial year in which the decision is made.
- 4.6 Applications can be made up to six months after the end of the relevant financial year.

Granting of relief

- 4.7 Members of our Cabinet will determine all applications, with recommendations made by the Cabinet member for Corporate and Democratic Services.
- 4.8 In all cases, we will notify the ratepayers of decisions made.
- 4.9 Where an application is successful, then the following will be notified to the ratepayer in writing.
- The amount of relief granted and the date from which it has been granted
 - If relief has been awarded for a specified period, the date on which it will end
 - The new chargeable amount
 - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify us of any change in circumstances that may affect entitlement to relief.
- 4.10 Where relief is not granted, then an explanation of the decision will be provided in writing.

Variation of decision

- 4.11 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in our decision, which increases the award, this will apply from the date of the increase in rate charge or the date determined by us as appropriate.
 - Where the amount is to be reduced due to a reduction in the rate charge or liability, including any reduction in rateable value or awarding of another relief or exemption, then this will apply from the date of decrease in the rate charge; and
 - Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year, so that at least one year's notice is given.
- 4.12 A decision may be revoked at any time. However, a one-year period of notice will be given and the change will take effect at the expiry of a financial year.

- 4.13 This will be important where the change would result in the amount of the award being reduced or cancelled. For example, where the premises become unoccupied or is used for a purpose other than that determined by us as eligible for relief.
- 4.14 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled.
- 4.15 Where a change in circumstances is not reported and it is subsequently identified that it would have reduced the relief awarded, we reserve the right to remove any award completely.

5 Our policy for granting discretionary relief

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

5.2 Section 47 of the LGFA 1988 provides for the granting of Discretionary Rate Relief for the following:

- An authority can award up to an additional 20% top up relief to charities and community amateur sports clubs (CASCs) that have received the 80% mandatory relief, or
- An authority can grant relief of up to 100% relief to certain non-profit making organisations that do not qualify for any mandatory relief due to not holding charitable status.

The Department of the Environment (DoE) issued a practice note in August 1990 to give guidance to authorities on the criteria they should take into consideration in the exercise of the discretion to grant rate relief. Rushmoor Borough Council's Financial Support Sub Committee formerly adopted these guidelines in October 1993.

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

The practice note recommends that:

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

We have adopted the recommendations and guidelines in exercising our discretion in awarding discretionary rate relief to charities and not-for-profit organisations.

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

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

5.3 Discretionary relief – Localism Act 2011

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

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

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

The English Guide to the Act addresses this as follows:

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

Our policy on awarding relief under The Localism Act 2011 is that any ratepayer applying for relief under these provisions which does not meet the criteria for existing relief (charities, community amateur sports clubs) and not-for-profit making organisations), must meet all of the following criteria and the amount of relief granted will be dependent on the following key factors:

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

The ratepayer must also;

- Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years child care; or
- Have premises where new employment opportunities will be created; or
- Must bring social, environmental or economic benefit to the community; or
- Contribute to the sustainable development of the borough.

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

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

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

6 Financial matters

Cost of awarding relief

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

State aid

- 6.2 The award of Discretionary Rate Relief will be state aid compliant
- 6.3 The issue of rate reliefs being considered as qualifying as state aid is now of some significance and is briefly explained in the "Rate Relief for Charities and other Non-Profit Making Organisations" guidance note issued by the ODPM in December 2002.
- 6.4 Broadly, any award of discretionary rate relief is subject to state aid de minimis limits. The regulations allow an undertaking to receive up to €200,000 of de minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

Application for Discretionary Rate Relief
Airbus Defence and Space Limited
3-5 Voyager Park, Dingley Way, Farnborough



Further information about Airbus can be found at <https://www.airbus.com>.

Further information about the Zephyr S can be found at <https://www.airbus.com/defence/uav/zephyr.html>

In their application, Airbus advise the following:-

Please describe the nature of your business?

Airbus has its global headquarters in Toulouse, France, with its UK head office located in Bristol. Airbus designs, manufactures and delivers aerospace, defence and space products, services and solutions to customers on a global scale. Airbus employs 15,000 people in the UK across more than 25 sites. It already has a presence in Hampshire with its Portsmouth plant, where it designs and manufactures satellites.

There are 117,400 UK jobs supported by Airbus and it has trained more than 4,000 apprentices in the last 10 years.

For what purposes does the organisation use the premises?

In mid 2013, Airbus Defence and Space bought the rights to the prototype High Altitude Pseudo Satellite (HAPS) technology from QinetiQ. Following the purchase of Intellectual Property, Airbus developed the technology into a super large Unmanned Aerial Vehicle (UAV). Named the Zephyr S, the UAV is capable of flying at the edge of space for long periods of time. With a wing span of 28 meters and a combined weight of 50 kilos, the aircraft is at the cutting edge of light weight materials and electric power.

The Zephyr S will be used for communication and observation purposes, with Airbus wishing to use the device to observe environmental damage and oil spills. The Zephyr S is a solar-powered pseudo satellite that currently holds the world record for uninterrupted solar electric flight. The Zephyr S is already in demand, with the MOD ordering 3 in 2016.

In early 2017, Airbus decided it wanted to “productionise” the aircraft for customer trials and would require establishing a proper facility for building it. Given Airbus’s UK footprint, all sites with an existing presence were considered and following a compressive review process, space was made available at Voyager Park in Farnborough.

The facility provides 50,000 sq ft of manufacturing space and presents an investment of around £36 million, supporting around 100 jobs.

Please provide further information as to you your business offers opportunities that other businesses do not offer?

Airbus Defence and Space High Altitude Pseudo Satellite (HAPS) technology is the cutting edge of technology supporting super large Unmanned Aerial Vehicles (UAV). The Zephyr S has already demonstrated this through holding the world record for uninterrupted solar electric flight. Research and Development of The Zephyr S is likely to generate further Intellectual property, advancing capability and know-how in the sector encompassing electronics, sensor technology and power management.

Please provide information about how new employment opportunities will be created?

The new Airbus Zephyr S research and development facility will provide employment opportunities for engineering, management and administration roles, along with supply chain companies providing components and sub-assembly items.

Large businesses and their supply chain companies are likely to create wealth through a “spill over effect” within the local economy. This is achieved through a multiplier effect of employees and their families who are likely to spend a portion of their income, in the local area and additional families of employees may also choose to work in the local economy.

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

Airbus is committed to the UN Global Compact Principles, which helps to promote environmentally friendly products and production methods. Nowhere more apparent than this is in the Zephyr S itself. The pseudo satellite is solar powered and therefore uses only renewable energy sources. Airbus uses an ISO 14001 environmental management system, which is the internationally recognised standard of EMS efficiency.

Please explain why you consider your business benefits local taxpayers?

Airbus is considerably beneficial to local taxpayers through several means:

- Bringing attractive employment opportunities through several means;
- Business rates generated by the new facility will help to underpin the local public services by Rushmoor Borough Council and Hampshire County Council;
- Both Airbus and its employees will bring spending power into the borough, utilising local services, thereby underpinning other local employment;
- Raising the profile and enhancing the credibility of Farnborough as a business location, thereby assisting in the attraction of new inward investment into the Borough.

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**CABINET 12 NOVEMBER
2019**

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

**KEY DECISION?:
YES**

REPORT No. RP1925

**ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET,
ALDERSHOT – GRANT OF NEW LONG LEASHOLD**

SUMMARY AND RECOMMENDATIONS:

This report seeks authority to grant a new long leasehold interest in Aldershot Town Football Club (ATFC), The EBB Stadium, High Street, Aldershot, GU11 1TW, to assist ATFC in regenerating the stadium.

Following discussions with ATFC it has proven more difficult than expected for the club to generate finance on the terms previously approved by Cabinet. This report, therefore, sets out alternative terms that will achieve the same aims and objectives related to the long-term sustainability of ATFC.

Recommendation

That Cabinet agrees to the grant of a new 118-year leasehold interest to Aldershot Town Football Club on the terms and subject to the conditions set out in the report and authorises the Executive Head of Regeneration and Property, in consultation with the Major Projects and Property Portfolio Holder, to conclude negotiations and enter into the new long lease.

1. INTRODUCTION AND BACKGROUND

- 1.1 At its meeting in May 2019 Cabinet considered report RP1912 and agreed to grant a new long lease to Aldershot Town Football Club (ATFC). The Council has supported ATFC in the past, and in May Cabinet confirmed that it wished to support the club in their ambition to regenerate the stadium for the long-term prosperity of the club and its supporters, many of whom are local residents.
- 1.2 The terms of the proposed new lease were set such that the football club would be able to undertake development at and around the grounds of the club which would provide income to support improvements to the football ground itself and thereby support the ongoing sustainability of the football club. Under the original terms proposed, the club was required to achieve planning permission before a new lease at a minimal rent of £1 per annum was issued.

- 1.3 The Club has recently approached the Council asking if the proposed terms and conditions of the lease could be altered to enable the lease to be entered into prior to the club obtaining planning permission. The club chairman has explained that the club being in possession of a long lease would increase the confidence of investors identified to fund the proposed redevelopment. The chairman has agreed to have time limited conditions restoring the rent to current levels (£25,000 per annum linked to RPI) included in the lease in the event that planning permission is not achieved within 3 years and the development not completed within 8 years of the planning permission being granted. The proposed terms will continue to contain safeguards to ensure that the benefits from redevelopment will continue to be invested in the club, any sales are agreed by the Council and the development value will be shared with the Council, as appropriate.

2 DETAILS OF THE PROPOSED LEASE

- 2.1 The site of the proposed lease is shown on the plan attached at Appendix 1. In exchange for a long lease at a rent of £1 per annum, ATFC will redevelop the stadium on the basis that all benefit / profits derived from developments are recycled back into the football club to assist with the club's financial sustainability, growth and potential promotion through the football leagues.
- 2.2 The Council has already agreed to grant ATFC a lease term equivalent to 118 years so that the proposed lease will expire prior to the expiry of the Council's right of access over adjacent land owned by BT in 119 years. This would be unchanged by the new proposal.
- 2.3 As explained in report RP1912 the existing access rights direct from the High Street will be retained and the use of the vehicular access off Ordnance Road adjacent to the Parsons Barracks car park site, which also services the Buddhist Community Centre, will be formalised as part of the new lease.
- 2.4 The rent payable under the current lease is £25,000 per annum, although ATFC receives both rent and business rates rebate funding under a financial package authorised by Cabinet in July 2017. The revised proposal would be a lease at £1 per annum subject to ATFC achieving planning consent for the proposed development works by 31 December 2022 and completion of the approved development by 31 December 2030. If these conditions are not met the annual rent will revert to £25,000 subject to review every five years in line with RPI indexation.

- 2.5 In May Cabinet considered that the loss of rent should be seen as the Council's increased contribution towards the Club in the context of the risk of the site reverting back to the Council with the liabilities associated with this.
- 2.6 The lease would be granted on terms which ensure the majority of the site remains in use for football and related uses. If in the event ATFC wishes to dispose of any part of the site which has been developed, officers have negotiated income sharing clauses which would ensure the Council receives a share of any profits made by a disposal.

3. OTHER IMPLICATIONS

Risk review

- 3.1 The ability to continue use of the stadium in its current configuration and condition is limited and poses a real risk of the club requiring new premises elsewhere if it is to continue as a viable club playing at a similar level.
- 3.2 Should discussions for a new long lease cease, there is a strong possibility that the site will revert back to Council responsibility at the end of May 2023. ATFC do have a repairing liability under the existing lease limited by a schedule of condition. In this scenario the site would be handed back in its current configuration. The Council would then be faced with a financial liability to ensure the site does not fall further into disrepair.
- 3.3 As this proposal is being considered on its own merits it is therefore not setting a precedent for other sports clubs and there are not implications for other assets within the Council's ownership.
- 3.4 The issue of lease does not mean that any application for development by the club would definitely be granted planning permission or that the club would be able to develop the site as currently proposed. For example, there could be planning policy implications and/or restrictions on the land. ATFC would need to accept the risk of this in signing the new lease.

Alternative options

- 3.5 In the event that a new lease is not issued as proposed, on expiry of the existing lease the following are potential options:
- 1) ATFC request a new lease which the Council agree to (lease term to be agreed between the parties)
 - 2) ATFC request a new lease. The Council can disagree

and take the site back for Council use or redevelopment.

- 3) ATFC decide not to renew the lease and the site reverts back to Council ownership / liability. The Council is then faced with a large financial liability to refurbish the stadium, redevelop the whole site or close the site for public access.

- 3.6 If a new lease of circa 15 years is granted to ATFC as could be the case under option (1), the club would be liable for payment of market rent (note the rent currently reserved at £25,000 pa is not necessarily the true Market Rent) but it would not allow redevelopment of the stadium as the lease term would not be long enough for ATFC to secure funding for a stadium redevelopment should it gain planning consent.

Financial and Resource Implications

- 3.7 The current lease expires 29 May 2023 (less than four years unexpired) and the current rent is £25,000 per annum. In July 2017 Cabinet approved a grant funding proposal detailing a combination of rent and rate relief from 2016 through to 2021. In the current 2019/2020 financial year, ATFC received 10% rent relief and 80% business rates relief. In 2020/2021, ATFC will receive no rent relief and will continue with 80% rate relief.
- 3.8 There is, therefore, a direct loss of £25,000 per annum to the Council's asset revenue budget until 2023 when the current lease expires. If the new lease is agreed the revenue budget will have to be reduced accordingly.
- 3.9 In the event that planning permission is not achieved within 3 years or the redevelopment is not completed within 8 years of the planning application being granted then the rent will revert to £25,000 per annum indexed from the commencement date of the proposed new lease.
- 3.10 If a new lease is not issued and the site reverts back to Council ownership prior to any direct development of the site the Council would be responsible for the costs associated with securing the site, managing the empty buildings, payment of empty business rates, utility bills, insurance, clearance of all fixtures and fittings. There would be a potential future financial benefit of developing the site.
- 3.11 In the event that there are capital returns from the sale of assets rather than income to support the Club, the Council would be entitled to receive a proportion of these receipts.

Legal implications

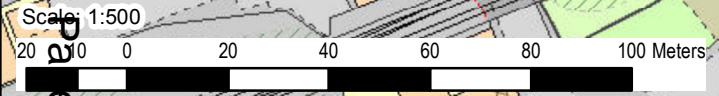
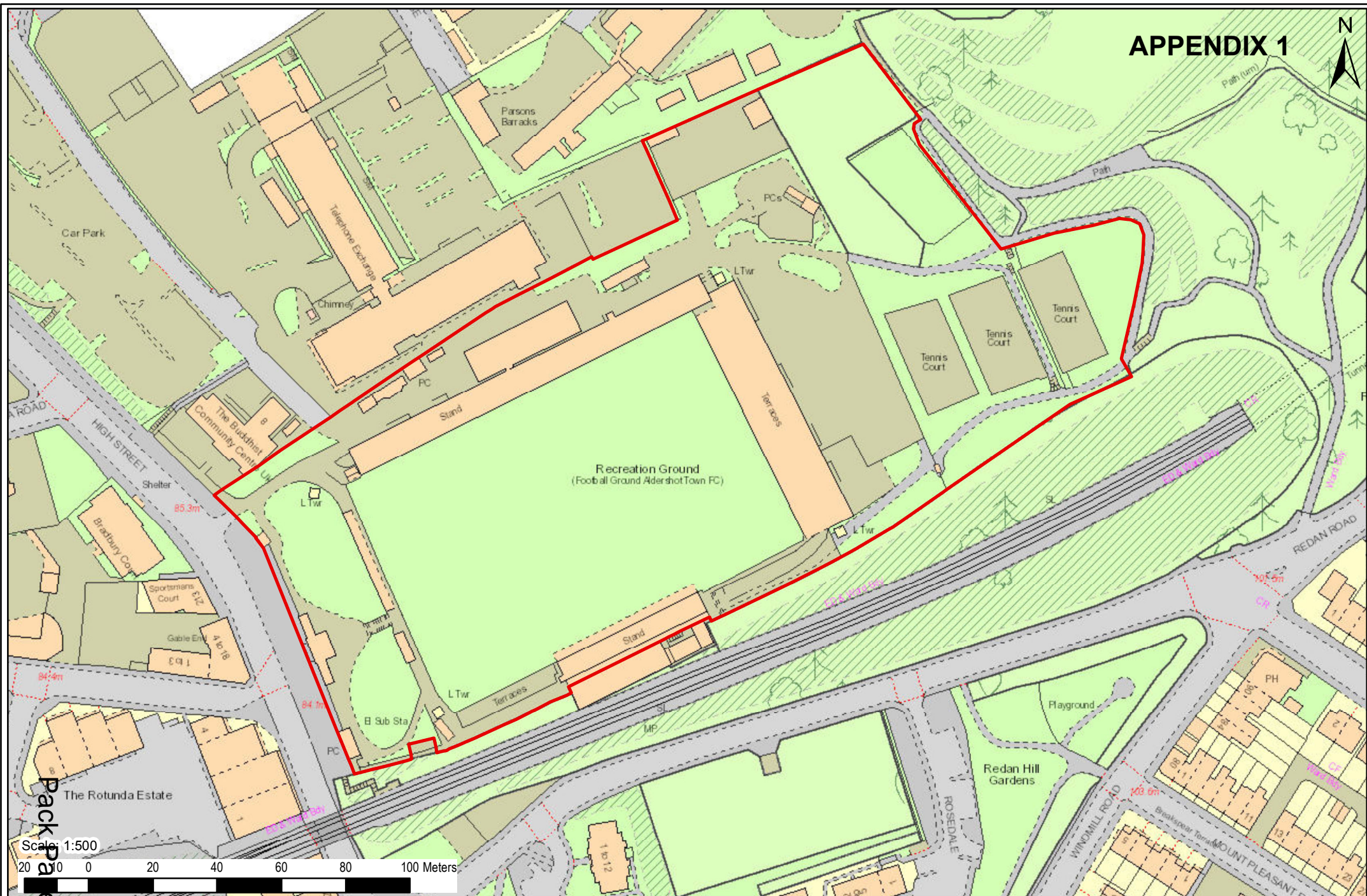
- 3.12 Careful consideration will need to be given in the final terms to the existing rights of way across the site being preserved in a manner that fits with the aspirations for development of the site; the user and alienation clauses in the final form of lease.
- 3.13 The agreement will also have to safeguard against a sale of the club without achieving the benefits anticipated from the creation of this new lease such that any new owner would be bound by the same terms and would not be able to allow the ground to decline without the Council having the ability to step in to take action.

4. CONCLUSIONS

- 4.1 Agreeing the revised long lease proposal set out in the report is a significant step in facilitating the redevelopment of the stadium which would help to secure the long-term future of the football club. The report sets out benefits and risks associated with this grant of a new long leasehold interest and concludes that on balance it is in the interests of both the Council and ATFC to grant a new long lease on the basis that the benefits of ATFC redeveloping the stadium site with the development returns being used to underpin the long term viability of the Club outweigh the risks for the Council of taking ownership of the site at the end of the current lease.

Background Papers : Report RP1912 Property – Leasehold Disposal
Aldershot Town Football Club, High Street, Aldershot

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Proposed Lease Plan

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CABINET**COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER
REPORT NO. RP1923****12 NOVEMBER 2019****KEY DECISION? NO****ALDERSHOT RAILWAY STATION****SUMMARY AND RECOMMENDATIONS:**

This report seeks authority to enter into the grant funding agreement with the Enterprise M3 LEP for the purposes of delivering the Aldershot Railway Station and Surrounds project. The report also seeks subsequent approvals associated with relocating existing public art to facilitate the project and introducing new public art on the railway station forecourt.

It is recommended that Cabinet:

- 1) Delegates authority to the Corporate Legal Manager in consultation with the Executive Head of Finance and Major Projects and Property Portfolio Holder to enter into the grant funding agreement with the Enterprise M3 LEP for the Aldershot Railway Station and Surrounds project
- 2) Authorises the Executive Head of Regeneration and Property to apply for planning permission associated with the relocation of the field gun currently located at the entrance to the railway station, and to secure other associated permissions;
- 2) Authorises officers to work with Aldershot Civic Society to develop a process for commissioning new public art on the railway station forecourt;
- 4) Notes the underspend likely on the RBC contribution to the Aldershot Railway Station and Surrounds project and approves the repurpose of up to £75,000 of the agreed capital budget to fund new public art on the railway station forecourt.

1. INTRODUCTION

- 1.1 The purpose of this report is to firstly seek authority enter into the grant funding agreement with the Enterprise M3 LEP for the Aldershot Railway Station and Surrounds project and to subsequently seek authority relating to two proposals for the public realm arising from project works.

2. BACKGROUND

- 2.1 Aldershot station is an important gateway to the town. The forecourt and station approach currently experiences issues with traffic congestion and traffic movement conflicts. It does not, at present, provide a welcoming environment for residents or visitors.
- 2.2 To address this, Hampshire County Council (HCC) and Rushmoor Borough Council (RBC), in partnership have prepared a scheme for improving the quality of routes to and from the station for pedestrians, cyclists and cars and improvements to the station environment that facilitate a new public transport interchange for bus and taxi movements and will free up the existing bus station for redevelopment. The scope of this works is referred to as the Aldershot Railway Station and Surrounds project and was the subject of a successful Business Case proposal to the Enterprise M3 LEP for grant funding. At the time of the Business Case being agreed in 2016, the funding contribution from the LEP was £900,000 and was match funded by RBC (£620,000), HCC (£180,000) and South West Trains (£100,000).
- 2.3 The delivery of the project has experienced delays, primarily associated with the anticipated costs to provide decked car parking on site escalating beyond the project budget. Delivery timescales were also impacted by a franchise change that saw South West Trains replaced by South Western Railway.
- 2.4 In the interim period, Officers have engaged on revisions to the scope of the project and have been able to agree a revised scope that achieves the intended outcomes of the original Business Case proposal but removes the need for the provision of the decked car park.
- 2.5 This links to the Rushmoor Council Business Plan theme of “Place” and contributes to its work in improving Aldershot town centre.

3. DETAILS OF THE PROPOSAL

Grant Funding Agreement

- 3.1 Having agreed the revised scope of the project works, the Council is required to formally enter into the grant funding agreement with the Enterprise M3 LEP. The revised project costs have been estimated at approximately £600,000 with the breakdown of contribution as follows:
- Rushmoor Borough Council: £100,000
 - Hampshire County Council: £300,000
 - Enterprise M3 LEP grant funding: £200,000
- 3.2 It has been agreed that a clause is introduced in the funding agreement that takes into account the fact that costings will be finalised in January 2020. In the event that the costs increase significantly above the £200,000

grant allocation, the parties can look to vary the amounts through agreement.

Public Art

- 3.3 The revised scope of works for the Aldershot Railway Station and Surrounds project represent an opportunity to significantly improve the public realm. The station is an important gateway to the town and to help provide a welcoming environment for those arriving or departing by train, it is proposed the Council commissions a piece of public art to communicate the essence of Aldershot and/or its aspirations for the future.
- 3.4 It is estimated that a budget of up to £75,000 will be required for a piece of art that will have impact. At present, there is no capital budget in the capital programme identified to deliver this project. As set out above, the existing capital budget for RBC's contribution to the LEP project of £620,000 is expected to be underspent. It is proposed that, noting the potential underspend, a budget of up to £75,000 is repurposed to commission an item of public art for Aldershot Station forecourt.
- 3.5 An outline brief has been prepared but this needs further work to identify the themes the commission could reflect, for example:
- Home of the British Army
 - Victorian heritage
 - Digital / technology economy in the town
 - Nepali culture
- 3.6 The Aldershot Civic Society have been facilitating the development of a town centre vision and it is suggested that the Council work with representatives of Aldershot Civic Society to develop and take forward a process for procuring the public art.
- 3.7 A maintenance plan will be needed and a revenue budget to provide for ongoing maintenance costs. It is important that the installation can be easily and cost effectively maintained: this will be a measure against which proposals will be assessed.

Field Gun

- 3.8 The field gun, that currently sits on the approach to Aldershot railway station is an example of the major British field gun of the second world war which remained the British army's primary field gun until the 1960s. This particular gun was acquired by the Council and sited at the station to represent the town's military history.
- 3.9 As part of the Station project, the junction of Station Road and Windsor Way will be altered and the roundabout on which the field gun is located

removed. A new location for the gun is required, as it is difficult to relocate with in the proposed scheme.

- 3.10 Preliminary discussions have been held with the Heritage Projects Officer of Friends of Aldershot Military Museum with a view to finding a new location for the gun to integrate with the Aldershot heritage trails. The preferred location is at the junction of Wellington Avenue and Gun Hill. This site is owned by Hampshire County Council.
- 3.11 Planning permission will be required, and authority is sought to permit the Executive Head of Regeneration and Property to make a planning application to facilitate the relocation of the field gun. Planning costs and the costs associated with relocation of the gun; construction of a plinth; and preparation of a plaque, can be contained within the RBC capital budget for the station forecourt works.
- 3.12 There will be revenue costs attached to the on-going maintenance of the gun, but officers will explore whether there are other organisations that might be prepared to take on ownership and maintenance responsibilities.

4. IMPLICATIONS

Risks

- 4.1 The risks attached to the proposal for public art are principally reputational. Unfavourable public response to the art could reflect on the Council. This could be mitigated by sufficient public consultation and engagement in the selection of the final art or sculpture.
- 4.2 The removal of the gun from its current prominent location could be of concern to local people. The gun must be moved from its current site as a consequence of the proposed forecourt works and a more appropriate, accessible site that links with the heritage trails will tell a more coherent story of Aldershot's military history. This has been discussed with Hampshire County Council and Friends of the Aldershot Military Museum.

Legal Implications

- 4.3 The new location for the gun may not be in RBC ownership. Permission will be required from landowners, which has been discussed.
- 4.4 The station forecourt is not in the Council's ownership; therefore, the consent of Network Rail will be required for the siting of the artwork.

Financial and Resource Implications

- 4.5 Proposals for the gun can be accommodated within the existing capital budget for the station forecourt works.

- 4.6 A capital budget of up to £75,000 is required to cover the cost of commissioning public art, although it should be noted that the capital budget for Rushmoor Borough Council's contribution to the forecourt works is likely to be underspent and this would represent a repurposing of the current budget given that it contributes to the outcomes sought by way of public realm improvements.
- 4.7 Both proposals generate a requirement for a small revenue budget, but officers will explore the possibility of transferring responsibility for ongoing maintenance.

Equalities Impact Implications

- 4.8 The choice of the subject for the artwork will be sensitive to equality and diversity.

5. CONCLUSIONS

- 5.1 Aldershot station forecourt improvements are a real opportunity create a more welcoming environment for people travelling to and from Aldershot. Entering into the grant funding agreement will enable the Council to facilitate this aspiration.
- 5.2 This would be further enhanced if visitors are greeted by public art that positively represents Aldershot.
- 5.3 Siting the field gun in a location that links with the town's heritage trails will explain its background and connect it with Aldershot's military history.

BACKGROUND DOCUMENTS:

Rushmoor Borough Council Business Plan (April 2019 – March 2022)

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