

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*to be held remotely on
Tuesday, 11th August, 2020 at 5.00 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 and
Community, 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 14th July, 2020 (copy attached).

2. **REVENUE BUDGET MONITORING AND FORECASTING 2020/21 - POSITION AT
JULY, 2020** – (Pages 5 - 24)

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2022 (copy attached), which sets out the Council's
anticipated financial position for 2020/21, based on the monitoring exercise carried
out during July, 2020.

3. **CAPITAL PROGRAMME MONITORING AND FORECASTING 2020/21 - POSITION AT JULY, 2020** – (Pages 25 - 34)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2023 (copy attached), which sets out the Council's position regarding the Capital Programme for 2020/21, based on the monitoring exercise carried out during July, 2020.

4. **PROCUREMENT STRATEGY 2020 - 2024** – (Pages 35 - 60)
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2021 (copy attached), which sets out a proposed Procurement Strategy for the Council.

5. **COUNCIL BUSINESS PLAN QUARTERLY UPDATE APRIL - JUNE 2020/21** – (Pages 61 - 90)
(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

To consider Report No. ELT2003 (copy attached), which sets out the Council Business Plan performance monitoring information for the first quarter of 2020/21, including progress in delivering the Council's corporate projects and the Regeneration and ICE programmes.

6. **FARNBOROUGH LEISURE AND COMMUNITY HUB - APPROVAL OF PROPOSED MAIN CONTRACTOR PROCUREMENT ROUTE** – (Pages 91 - 98)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP2012 (copy attached), which sets out a proposed procurement route to appoint a construction contractor to deliver the leisure centre and community hub, within the proposed Farnborough Civic Quarter.

7. **CIVIC QUARTER PLACEMAKING PRINCIPLES** – (Pages 99 - 122)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP2013 (copy attached), which sets out proposed placemaking principles in relation to the masterplanning process for the Civic Quarter development.

8. **FUTURE PROVISION OF CCTV SERVICE** – (Pages 123 - 134)
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

To consider Report No. OS2011 (copy attached), which sets out options for the future delivery of the Council's CCTV service.

9. **EXCLUSION OF THE PUBLIC** –

To consider resolving:

That, subject to the public interest test, the public be excluded from this meeting during the discussion of the undermentioned item to avoid the disclosure of exempt

information within the paragraphs of Schedule 12A to the Local Government Act, 1972 indicated against such item:

Item No.	Schedule 12A Para. No.	Category
10	3	Information relating to financial or business affairs

10. **DISPOSAL OF PARSONS BARRACKS CAR PARK** – (Pages 135 - 142)
(Cllr Ken Muschamp, Deputy Leader of the Council)

To consider Exempt Report No. RP2014 (copy attached), which sets out an update in relation to the disposal of the Parson Barracks Car Park, Aldershot.

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CABINET

Meeting held on Tuesday, 14th July, 2020 at 5.00 pm via Microsoft Teams and streamed live.

Voting Members

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

The Leader of the Council (Cllr D.E. Clifford) invited the Leader of the Labour Group (Cllr K. Dibble) to attend and contribute to the meeting.

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 **27th July, 2020**.

7. MINUTES –

The Minutes of the meeting of the Cabinet held on 2nd June, 2020 were confirmed.

8. RUSHMOOR BOROUGH COUNCIL BUSINESS PLAN - 2020/23 –

(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

The Cabinet considered Report No. DCS2001, which set out proposed updates to the Council's three year business plan.

Members were informed that the business plan would build on the sixteen priorities that had been identified by the Cabinet and that supported the Council's Vision for Aldershot and Farnborough 2030. Members were informed that the business plan would be presented at the Council Meeting on 30th July, 2020.

In response to a question, it was confirmed that Members would be informed of any priority areas that had been seriously impacted by the Covid-19 pandemic.

The Cabinet RECOMMENDED TO THE COUNCIL that the Rushmoor Borough Council Business Plan (April 2020 to March 2023), as set out in Report No. DCS2001, be approved.

9. FARNBOROUGH LEISURE AND CIVIC HUB – APPROVAL OF OUTLINE BUSINESS CASE AND NEXT STEPS –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP2009, which sought additional funding to

proceed with a detailed feasibility study for the potential development of a combined leisure centre and civic hub within the Farnborough Civic Quarter site.

Members were reminded that a capital budget of £100,000 for the commissioning of a feasibility study in relation to the potential development of a new leisure centre had been agreed previously by the Cabinet. It was now proposed that the scope of the feasibility study should be broadened to consider the creation of a new civic hub as part of the development. This would require the establishment of a further budget of up to £100,000. Members were informed that the Council had appointed GLK Solutions to work with officers to produce the Outline Business Case appended to the Report.

The Cabinet considered the details of the business case and was supportive of the approach suggested. In particular, Members discussed issues around the condition of the existing council offices and the requirement for the Council to reduce its carbon footprint over the coming years.

The Cabinet RESOLVED that

- (i) the Outline Business Case, as set out in Appendix A to Report No. RP2009, be approved;
- (ii) the recommendations, as set out in paragraph 3.4 of the Report and in accordance with the Outline Business Case, be approved; and
- (iii) a further budget of up to £100,000 to support the delivery of the feasibility study, as set out in paragraph 4.5 of the Report, be approved.

10. **REGENERATING RUSHMOOR PROGRAMME - UNION STREET, ALDERSHOT REGENERATION SCHEME –**
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP2011, which set out an update on progress in relation to the Union Street, Aldershot redevelopment site.

Members were informed that planning permission had been granted for the scheme in June, 2020. Approval was now required to carry out the necessary demolition and clearance works to maintain the development timetable. This would enable the Council to secure the external grant funding that had been secured against the scheme and would ensure the timely delivery of the agreed student accommodation to the University for the Creative Arts.

In response to a question, it was confirmed that the exercise to select a demolition contractor would be subject to appropriate procurement practices and would be Official Journal of the European Union (OJEU) compliant. Members also discussed the importance of securing the external funding to offset the overall cost of the scheme.

The Cabinet RESOLVED that

- (i) the update on the due diligence being undertaken and the proposed decision making process, as set out in Report No. RP2011, be noted;
- (ii) the progression of the demolition of the site, including the procurement of demolition services and the awarding of contracts (up to £1.25 million) through an appropriate framework, to clear and prepare the site for construction as soon as practicable, be approved;
- (iii) the meeting of the demolition and site clearance costs from the capital budgets already set aside for the regeneration of Union Street, Aldershot be approved;
- (iv) the establishment of an internal (client) project team be noted and the appointment of other advisers and the procurement of advice, as necessary, to complete the due diligence process and support the demolition and clearance of the site be approved, with the costs being met from budgets already agreed for the regeneration programme;
- (v) in relation to planning application no. 20/00171/FULPP, the entering into the necessary legal agreement(s) in relation to the planning obligations set out in Section 4.4 to secure planning consent in a timely manner be approved;
- (vi) the appointment of external solicitors to progress the Agreement for Lease and associated documents with the University for the Creative Arts be noted; and
- (vii) the formal approval by the Enterprise M3 LEP of grant funding of £1.2 million be noted.

11. 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
12	3	Information relating to financial or business affairs

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

12. UNION STREET, ALDERSHOT REGENERATION - LAND ASSEMBLY –
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. RP2010, which set out proposals to secure the vacant possession of land within the Union Street, Aldershot regeneration site.

Members were informed of the circumstances around two properties within the site. In each case, the legal position of the properties had been complex and this had led to protracted negotiations with the occupiers. It was, however, in the Council's interests to secure vacant possession to enable progress to be made in delivering the redevelopment project plan. Members were supportive of the approach proposed and considered that the regeneration of this site remained one of the Council's key priorities. Officers were authorised to negotiate with the occupiers to obtain vacant possession, within prescribed limits.

The Cabinet RESOLVED that

- i) in order to make progress with the demolition of the site and with the implementation of the planning permission obtained, Council officers be authorised to secure vacant possession of the properties, as set out in Exempt Report No. RP2010, by negotiation up to the limits agreed at the meeting and set out in the Restricted Minute appended; and
- ii) the setting aside of a revenue budget for temporary holding costs, as set out in paragraphs 5.4–5.5 of the Exempt Report, be approved.

The Meeting closed at 6.07 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

CABINET
11 AUGUST 2020

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN2022

REVENUE BUDGET MONITORING REPORT Q1 2020/21

SUMMARY:

This report sets out the anticipated financial position for 2020/21, based on monitoring exercise carried out with budget officers during June and July.

RECOMMENDATIONS:

CABINET is recommended to:

- i. note the latest revenue forecasts and financial impact from Covid-19
- ii. approve the establishment of a reserve to support work on the Council's view on devolution proposals (paragraph 7.6)

1 INTRODUCTION

- 1.1 Covid-19 is having a widespread impact on local authority budgets nationally and has been particularly significant for district and borough councils with a significant loss of income from services being a particular pressure.
- 1.2 This report provides members with an update on the likely impact on the Council's finances and incorporates the first monitoring position statement for the financial year 2020/21. 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.
- 1.3 The forecast focuses on the immediate financial pressures as they have been identified. Further analysis will be undertaken in the coming weeks on the Medium-Term Financial Strategy and Savings Plan to inform the budget setting process for 2021/22.

- 1.4 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 REVENUE BUDGET FORECAST

- 2.1 The original net General Fund Revenue budget for 2020/21 was approved by Council at their meeting in February 2020 of £11.290m.
- 2.2 Changes have been made to the budget to allocate additional revenue items to service budgets, to reflect budget carry forwards from the previous financial year, virements between service cost centres, and supplementary estimates agreed by Cabinet. Therefore, the current budget is now £11.652m. A reconciliation between the original budget and latest budget is shown in the table below.

Table 1: General Fund Revenue Budget reconciliation

General Fund Revenue Budget	(£'000)
Original Budget, Council Feb 2020	11,290
Add: Additional Reserve Transfers	347
Add: Carry Forwards from 2019/20	547
Funded from Reserves	(547)
Add: Supplementary Estimates	16
Current Budget 30 June 2020	11,652

- 2.3 An initial forecast of the financial impact of Covid-19 was provided to Cabinet in June 2020 and highlighted a net adverse variation of £0.633m. This was based on an initial review of budgets and indicated that it would be subject to revision as further data emerged.
- 2.4 As part of the Q1 budget monitoring process, a more complete review of revenue budgets has been undertaken, with forecasts provided by budget holders across all service areas. The assumptions underpinning these forecasts will have been reviewed but will be subject to some degree of uncertainty given the continuing impact from Covid-19.

- 2.5 The updated forecast for the General Fund is a net adverse variation of £0.789m (6.78% of the Net Revenue budget) – an increase of £0.156m, as shown in Table 2.
- 2.6 This report provides members with details of major variations on the revenue budget. Section 8 of the report highlights the risks and uncertainties on the forecast variation including uncertainties around Leisure and Waste & Recycling.

Table 2: General Fund Revenue Budget Forecast

	2020/21 Original Budget (£'000)	2020/21 Latest Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Variation (£'000)
General Fund Revenue Budget				
Corporate & Democratic Services	5,289	5,399	5,432	33
Customer Experience and Improvement	19	(12)	(55)	(43)
Major Projects and Property	(4,928)	(4,302)	(3,987)	315
Operational Services	7,847	8,057	8,885	827
Planning & Economy	2,548	2,738	3,304	565
ICE Programme	496	862	862	0
SUB TOTAL	11,272	12,743	14,440	1,697
Less: Reversal of Accounting entries	(2,519)	(2,519)	(2,519)	0
Net Service Revenue Expenditure	8,753	10,224	11,921	1,697
Corporate Income & Expenditure [Note 1]	3,227	2,318	2,656	338
C19 Expenditure pressures	0	0	232	232
Movement in Reserves	746	546	(284)	(831)
Savings Plan	(1,436)	(1,436)	(951)	485
Net General Fund Revenue Budget	11,290	11,652	13,574	1,921
Funded by:				
Council Tax	6,705	6,705	6,705	0
Business Rates	3,767	3,767	3,767	0
New Homes Bonus	1,169	1,169	1,169	0
Covid-19 Emergency Funding	0	0	1,133	1,133
Other	(3)	(3)	(3)	0
TOTAL Funding	11,637	11,637	12,770	1,133
Core Surplus / (Deficit)	347	(15)	(804)	(789)
Balanced By:				
General Fund Balance		0		0
Service Improvement Fund [Note 2]	(297)	0	0	0
Workforce Reserve [Note 2]	(50)	0	0	0
Stability & Resilience Reserve	0	15	804	789
Core (Surplus) / Deficit after Transfers	0	0	0	0

Note 1: The Original budget, as approved by Council in February 2020, included Additional Items which have now been included with Service budgets.

Note 2: The Original budget, as approved by Council in February 2020, allocated the £347k surplus to Service Improvement Fund and the Workforce Reserve. These budgeted reserve transfers are now included within the Movement in Reserves line.

2.7 The key variations within Services are summarised in the tables below, with further detail shown in Appendix A.

Table 3: Key Service variations

	2020/21 Original Budget (£'000)	2020/21 Latest Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Variation (£'000)
Service Variations (> +/- £50k)				
Regeneration Due Diligence (RF)	0	0	150	150
Housing Advice	987	987	1,070	83
Car Parks	(576)	(576)	45	621
Parking Management (RF)	(156)	(156)	42	198
Cemeteries	68	68	16	(52)
Crematorium	(720)	(720)	(805)	(85)
Recycling	403	403	482	79
Development Control Fees	560	560	828	268
Princes Hall	448	448	735	287
ALL OTHER VARIATIONS	10,258	11,729	11,877	148
	11,272	12,743	14,440	1,697

Note: (RF) denotes Reserve Funded

2.8 The main variations on the revenue budget is due to a shortfall in income from Sales, Fees & Charges. Covid-19 has had a significant impact with material variations on both on-street and off-street car parking income, planning fees, and income from events and performances at Princes Hall. Appendix A sets out in detail the income and expenditure variations across each portfolio.

Table 4: Corporate Income & Expenditure

	2020/21 Original Budget (£'000)	2020/21 Latest Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Variation (£'000)
Corporate Income & Expenditure				
Minimum Revenue Provision (MRP)	2,180	2,180	2,180	0
Interest Receivable	(1,600)	(1,600)	(760)	840
Interest Payable	1,370	1,370	868	(502)
Other CI&E (incl. Additional Items)	1,277	368	368	0
TOTAL CI&E	3,227	2,318	2,656	338

Table 5: Covid-19 Expenditure and pressures

	2020/21 Original Budget (£'000)	2020/21 Latest Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Variation (£'000)
Covid-19 Expenditure or other pressures				
Staff Costs (Non C19 related impact of LGE pay negotiations)	0	0	90	90
IT Costs - Home working (Citrix licences, additional laptops)	0	0	100	100
Local Welfare Response	0	0	42	42
Total C19/Other	0	0	232	232

3. COMMERCIAL PROPERTY INCOME

- 3.1 Commercial income is collected for quarters in advance on what are known as 'quarter days'. The last quarter day was in June and income has continued to hold-up well with the main pressure being from occupiers looking to spread payments monthly rather than paying the quarter up front.
- 3.2 At the time of writing, approximately 82% of the gross rent demanded on the externally managed corporate property portfolio was paid within 28 days of the June quarter day. Of the remaining rent outstanding, around 8% of the uncollected rents relate to occupiers who are on a payment plan which are being adhered to.
- 3.3 The next quarter day is September which may be a more challenging period given changes to the Coronavirus Job Retention Scheme and difficult economic/trading conditions.
- 3.4 Should the financial performance of the Council's commercial property deteriorate, the in-year impact on income will be met from the Commercial Property reserve, with the budget setting process for 2021/22 considering the impact across the medium-term.

4. TREASURY MANAGEMENT – INVESTMENT INCOME AND BORROWING

- 4.1 As reported to members in the Covid-19 Impact report (FIN2017), Treasury management income likely to be reduced in 2020/21 reflecting the uncertainty in global financial markets. As outlined in the Treasury Management Strategy, the Council invests its surplus balances generating an income return of over £1m per annum. The Strategy sets out that the Council aims to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.2 The Council has two broad classes of investments – Money Market Funds (where balances are held for short periods until required) and Pooled Funds.
- 4.3 The Bank of England cut the base rate on 11 March 2020 from 0.75% to 0.25%, and again on 19 March 2020 from 0.25% to 0.10%. Whilst the base rate cut will reduce investment income from Money Market Funds, it is not considered to have a material impact on the Council's investment income.
- 4.4 The Council holds a more significant element of its surplus balances in Pooled Funds. Over the 6 months since the onset of the COVID-19 pandemic, the global economic fallout has been sharp and large. Market reaction has been extreme with the large falls in equities, corporate bond markets and, to some extent, property markets reflecting the lockdown restrictions.
- 4.5 Against a very uncertain economic outlook, the Council should be prepared for lower income from bond, equity income, multi-asset and property funds. Initial forecasts from the Council's Treasury Management advisors in April 2020 suggested a prudent forecast position was to recognise downward adjustments of:
- Bond funds and property funds: 20% lower income
 - Multi-asset funds: 25% lower
 - Equity income funds: 50% lower
- 4.6 Members will recall that the Council, along with the other funding consortium partners (Barclays, Hampshire County Council, Enterprise M3 LEP) agreed to defer interest payments on loans to provide cashflow support to by Farnborough International Limited (FIL) following the cancellation of the 2020 Airshow.
- 4.7 The due diligence on FIL's financial projections was completed and shared with the funding consortium partners.

- 4.8 The Q1 budget monitoring outturn forecast includes a revised forecast on the Council's Treasury Management income with a shortfall in income of £840k projected.
- 4.9 The fall in income is partially offset by a fall in interest payable on external borrowing that supports the capital programme, which has a forecast slippage of £21.8m to 2021/22. An underspend of £502k on borrowing costs is forecast for the year.

5. SAVINGS PLAN

- 5.1 The outturn forecast has assumed there will be a delay in the achievement of the Savings Plan, with an adverse variation of £0.485m assumed. This is largely due to the impact of Covid-19 on the Council's Commercial Property Investment Strategy.
- 5.2 At the time of writing, it is assumed that further property acquisitions can be made in the second half of the financial year. It should be noted that the national political view on local authority activity in commercial property and the wider and property market may have an impact on activity.

Table 6: Savings Plan Forecast

	2020/21 Original Budget (£'000)	2020/21 Latest Budget (£'000)	2020/21 Outturn Forecast (£'000)	2020/21 Variation (£'000)
Savings Plan				
2019/20 Savings	(81)	(81)	(81)	0
Reversal of 2019/20 Additional Items	(130)	(130)	(130)	0
ICE Programme (Workstreams 1-3)	(150)	(150)	(150)	0
ICE Programme (Workstream 4)	(50)	(50)	(50)	0
Commercial Property	(887)	(887)	(400)	487
Service Loans to Housing Company	(88)	(88)	(66)	22
Salaries monitoring	(50)	(50)	(74)	(24)
TOTAL Savings Plan	(1,436)	(1,436)	(951)	485

- 5.8. The Savings Plan will continue to be reviewed in the light of Covid-19 and is likely to result in a rephasing of savings. Any reduction in the level of savings planned for 2020/21 will increase the adverse variance currently forecast.

6. GOVERNMENT FUNDING, COUNCIL TAX AND BUSINESS RATES

6.1 The Government has provided £3.7bn of emergency funding in three tranches to Local Government recognising the cost and income pressures facing councils. The first tranche of funding (£1.6bn) was announced on 19 March 2020, with the second tranche (£1.594bn) announced on 18 April 2020 and the third tranche (£0.494bn) announced on 02 July 2020.

6.2 Rushmoor has received £1.133m of funding, with the table below providing further detail on the split of funding across local government.

Table 7: Covid-19 Emergency Funding to local authorities

Local Authority Type	First Tranche of Covid-19 Funding	Second Tranche of Covid-19 Funding	Third Tranche of Covid-19 Funding	Total Covid-19 Funding	% of Total
Shire Districts	£9,742,549	£214,031,274	£34,045,197	£257,819,020	6.99%
Shire Counties	£542,183,542	£385,168,828	£129,489,651	£1,056,842,021	28.66%
Unitary Authorities	£382,824,870	£379,566,167	£118,382,262	£880,773,299	23.88%
Metropolitan Districts	£395,191,207	£332,519,830	£124,679,151	£852,390,188	23.11%
Outer London Boroughs	£144,049,448	£154,462,258	£50,832,571	£349,344,277	9.47%
Inner London Boroughs	£110,166,778	£90,502,560	£36,571,168	£237,240,506	6.43%
Greater London Authority	£9,302,766	£9,249,974	£0	£18,552,740	0.50%
Combined Authorities	£564,220	£2,107,898	£0	£2,672,118	0.07%
Fire Authorities	£5,974,620	£26,391,211	£0	£32,365,831	0.88%
	£1,600,000,000	£1,594,000,000	£494,000,000	£3,688,000,000	

Local Authority	First Tranche of Covid-19 Funding	Second Tranche of Covid-19 Funding	Third Tranche of Covid-19 Funding ²	Total Covid-19 Additional Funding
Basingstoke And Deane	£53,754	£1,744,410	£257,207	£2,055,371
East Hampshire	£33,387	£1,210,873	£156,356	£1,400,616
Eastleigh	£45,502	£1,326,468	£169,610	£1,541,580
Fareham	£33,966	£1,156,628	£143,768	£1,334,362
Gosport	£44,116	£841,471	£144,232	£1,029,819
Guildford	£51,577	£1,471,476	£198,457	£1,721,510
Hampshire	£29,654,341	£24,313,635	£7,642,297	£61,610,273
Hampshire Fire	£256,552	£1,379,361	£0	£1,635,913
Hart	£24,340	£963,234	£101,548	£1,089,122
Havant	£58,961	£1,262,535	£236,884	£1,558,380
New Forest	£70,401	£1,783,127	£250,578	£2,104,106
Rushmoor	£41,933	£934,902	£155,773	£1,132,608
Surrey Heath	£27,622	£879,135	£103,693	£1,010,450
Test Valley	£41,939	£1,258,912	£170,004	£1,470,855
Waverley	£35,270	£1,246,227	£145,711	£1,427,208
Winchester	£39,275	£1,242,881	£157,579	£1,439,735

- 6.3 Allocation of each tranche of funding differed, with the second tranche of funding being more favourable to Districts and Boroughs. The most recent allocation was based on a complex methodology taking into account data from the financial monitoring returns of Covid-19 pressures made by all authorities to MHCLG.
- 6.4 In addition to the Emergency funding, the government have committed to reimburse councils for lost income. Where losses are more than 5% of a Council's planned income from sales, fees and charges, the Government will cover 75% of these losses. At the time of writing, it is difficult to assess the value of the support to Rushmoor as the detailed guidance on the scheme has yet to be provided but is expected to be available in the coming weeks.
- 6.5 Covid-19 has a number of implications for the Council's Council Tax and Business Rate income.
- 6.6 The Government has provided funding to support individuals who may struggle to meet council tax payments due to fluctuations in household incomes. Through the Covid-19 Hardship Fund allocation (£0.542m), the Council has provided additional support to recipients of working age local council tax support by way of a credit to their council tax account.
- 6.7 Further applications for council tax support are expected during the year, which will reduce the amount of Council Tax income.
- 6.8 At the time of writing this report, the Council Tax collection rate to the end of July is 94.01%, with the equivalent figure from 2019/20 being 97.35%. This is broadly equivalent to £0.768m in cash terms. This position is likely to improve during the course of the year as part of the reduced collection rate is due to council taxpayers re-profiling their payments. However, it can be expected that the level of arrears and bad debt is likely to increase as collection may be more difficult than in previous years.
- 6.9 Any reduced level of Council Tax collection is dealt with through the Collection Fund. If the level of Council Tax collected in the year is lower than budgeted, this gives rise to a deficit on the collection fund and will impact on the following year's budget. Any deficit is shared between Rushmoor and the precepting authorities (Hampshire County Council, Police and Crime Commissioner for Hampshire, and Hampshire Fire and Rescue Authority).

- 6.10 Additional business rates reliefs were announced by the Government in the Budget in March, which were extended in response to Covid-19. The Retail and Hospitality and Leisure reliefs awarded to local businesses total £23.5m, with the Government fully funding the reduction in business rates income through section 31 grant. It has been more difficult to predict the likely impact on business rates income due to the relief changes, with the collection rate to the end of July being 91.59% (102.97% in 2019/20 due the effect of advance payments at the start of the year). The level of business rates forecast for 2020/21 already assumed a reduction in the business rates base in part due to the regeneration of Aldershot and Farnborough town centres.
- 6.11 The Government have indicated as part of their support to local authorities that Council Tax and Business Rates deficits could be spread over 3 years instead of one.

7. RESERVES AND BALANCES

- 7.1 As highlighted in Table 7, the emergency funding provided by Government does not cover all the income and expenditure pressures forecast. The Council will need to consider an appropriate range of options to ensure any shortfall is managed. It is assumed that for the purposes of this report, the net variation of £0.789m would be funded from the Stability and Resilience Reserve
- 7.2 A significant element of the adverse variation 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 and reduction in expenditure due to delays in projects. These amounts are not available for spending on general activities and will be transferred to various reserves as follows:
- £150k expenditure related to due diligence supported by transfer from Due Diligence Reserve
 - £171k reduction in expenditure as there will not be an on-street parking surplus generated in 2020/21 to pay to Hampshire County Council. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve
 - £209k reduction in on-street Pay and Display machine income for 2020/21 from car parking. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve
 - £160k reduction in Penalty Charge Notice income for 2020/21. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve

7.3 The table below shows the forecast of the impact on the key reserves supporting the General Fund revenue budget from Covid-19 and the Q1 budget monitoring position.

Table 8: Reserves and Balances Forecast

Reserves and Balances	Balance 01 April 2020 (£'000)	Transfers to / (from) Reserves (£'000)	Additional Transfers to / (from) Reserves (£'000)	Est. Balance 31 March 2021 (£'000)
General Fund Balance	2,000	0	0	2,000
Earmarked Reserves				
Stability & Resilience Reserve	4,869	(580)	(804)	3,485
Service Improvement Fund	129	0		129
Commercial Property Reserve	2,000	50		2,050
Pension Reserve	0	669		669
ICE Reserve	297	(297)		0
Regeneration Reserve	450	(170)		280
Climate Emergency Reserve	0	250		250
Deprivation Reserve	0	100		100
Regeneration Due Diligence Reserve	250	(150)		100
Workforce Reserve	200	0		200
Treasury Reserve	0	290		290
Other Earmarked Reserves	7,700	(446)		7,254
TOTAL Reserves and Balances	17,895	(284)	(804)	16,807

Note: Balance at 01 April 2020 subject to confirmation of the 2019/20 outturn position.

7.4 The Government is to issue its Devolution and Growth White Paper shortly. The paper will deal with elected mayors, combined authorities and in some cases (if not all) local government reorganisation and unitary councils. Discussions have started in Hampshire but at this stage it isn't clear what the Council may be required to do or wish to do. A number of areas are some way down the growth deal and devolution path so it is likely that they would be looked at first. There is no indication as yet whether this is to be mandated or not.

7.5 It is surprising that the government should wish to push forward with such a divisive issue in the middle of a pandemic and with another wave predicted thus taking the collective eye off the ball as it were. It is also surprising that the issue is to be raised during such a recession with all of the pressures on local councils as drivers of growth.

- 7.6 The Council will need to respond in some way, and it is highly likely that the Council will wish to commission either on its own or with others pieces of work to support or refute a range of proposals and options. Members are therefore requested to make available a reserve of up to £100k to be allocated to work of this nature with delegated authority to the Chief Executive in consultation with the Leader of the Council to commission said work.
- 7.7 Members will in due course need to develop a policy position on the issues within the white paper once issued.

8. RISKS AND UNCERTAINTIES

- 8.1 There is a degree of uncertainty in the outturn forecasts provided by budget holders particularly due to the impact of Covid-19. There are a number of risks and uncertainties in the outturn forecasts, which are set out below.
- 8.2 There are two significant uncertainties that have not been included in the outturn forecast which could have a material impact on the Council's finances.
- 8.3 Firstly, members will be aware that the Council's Leisure facilities in Farnborough and Aldershot remain closed. The Council has been approached by the operator, Places Leisure, for a financial support package to reopen the leisure facilities and recognising the impact on income and expenditure across the financial year from Covid-19.
- 8.4 Negotiations have taken place with Places Leisure and remain ongoing, with legal advice sought on the contractual obligations of the provider and the Council. It is likely that the Council will need to provide some degree of financial support to the operator, but this must be considered carefully in light of the wider budget position.
- 8.5 It is also worth noting that the Government have not provided any funding to Rushmoor in respect of additional costs associated with Leisure facilities. Officers will continue to liaise with the Local Government Association, MHCLG and DCMS to ensure this pressure is recognised and funded nationally.
- 8.6 Secondly, changes were made to the Council's Waste and Recycling services due to Covid-19. These were agreed at short notice in March 2020 and remain in place due to the risk of a second spike. The outturn forecast has assumed that the changes are cost neutral in revenue terms, although a reconciliation of income and expenditure of the changes on the contract will need to be undertaken in the near future.
- 8.7 As highlighted in this report, the forecasts are based on assumptions which will be subject to change and revision over the coming months. For clarity, the key assumptions are listed below:

- Lockdown/Restrictions remained largely in place until the end of July with slight easing thereafter. No second spike has been assumed.
- Commercial Property – any shortfall in 2020/21 funded from Commercial Reserve. Any longer-term impact dealt with through budget setting process
- Council Tax & Business Rates collection shortfalls contained within the collection fund but will need to be incorporated into the 2021/22 budget
- Cost of additional council tax support cases managed within the remaining balance of Hardship allocation (around £0.200m)
- Recovery of income for the remainder of the year are in line with budget (with exception of Car Parking income and Planning fees where the forecast is for a slower recovery)

8.3 The over-riding risk is that Rushmoor (as a Borough and/or as a Council) does not recover from the impact of Covid-19. This would lead to a weakening of the local economy longer-term impact on the financial sustainability of the Council reduce the ability for the Council to meet the needs of residents and businesses, and to fulfil the Council's statutory obligations.

8.4 A Recovery Plan has been agreed with a number of objectives around supporting the local economy and housing market in achieving restoration and growth, improving capacity in the voluntary sector, and restoring public services. These objectives are consistent with those of the Local Resilience Forum (LRF) but recognises the local nature of recovery within the Borough. The plan has a number of workstreams and are led by a senior officer.

9. LEGAL IMPLICATIONS

9.1 No additional legal implications arise from this report.

10. FINANCE AND RESOURCE IMPLICATIONS

10.1 The finance and resource implications from the Q1 budget monitoring exercise and impact of Covid-19 are set out within this report

10.2 Any additional financial implications will be addressed through normal Council procedures and processes. The Budget Strategy report to Cabinet in October 2020 and will set out any further resource implications.

- 10.3 The Council will also need to carefully consider the financial impact of spending decisions and ensure that any unnecessary expenditure is avoided where possible.

11. CONCLUSIONS

- 11.1 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.
- 11.2 The forecast variation of £0.789m can be funded from reserves in the short term. It is important that the Council considers an appropriate range of options to ensure any shortfall is managed. Any utilisation of reserves in 2020/21 will need to be addressed in the budget strategy to ensure balances and reserves remain adequate.
- 11.3 Over the MTFS period, declines in Council Tax and Business Rates income may put additional pressure on the Council's financial position. The achievement of the Savings Plan is integral to the MTFS forecast and will need to be reviewed in terms of savings profile and whether the savings can be delivered in the current economic climate. It is likely that further savings will be required over the MTFS period in order to balance the budget.

BACKGROUND DOCUMENTS:

None

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**GENERAL FUND REVENUE ACCOUNT 2020/21
PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET**

Variances identified by service during Quarter 1 budget monitoring exercise amounting to a net overspend of £1,697,100

Corporate and Democratic Services Portfolio - Expenditure			VARIANCES RELATED TO EXPENDITURE BUDGETS	£
Corporate Manager Legal Services	Legal Support	Adverse variance due to additional cost for books and publications. Discrepancies between initial estimates and invoices received from the supplier are being investigated		5,000
Democracy, Strategy and Partnerships	Grants to Major Organisations	Reduction in the notional cost associated with the granting of free parking permits to various voluntary organisations and charities. This is offset by a corresponding reduction in notional income of these permits in the Car Parks cost centre		(31,600)
Financial Services	Treasury Management and B	Increase in spend on brokers fees due to the day to day management of the Council's debt portfolio		10,000
All other expenditure variances within portfolio				(3,700)
Total Expenditure Variances in Corporate and Democratic Services Portfolio				(20,300)
Corporate and Democratic Services Portfolio - Income			VARIANCES RELATED TO INCOME BUDGETS	£
Corporate Manager Legal Services	Land Charges	Adverse variance due to under achievement of land charge search income due to Covid19 related issues such as the housing market being on hold		23,000
	Legal Support	Adverse variance for Property, Licenses and Leases income due to Covid19 related reduction in market activity in the sector		10,000
		Adverse variance for S106 income due to Covid19 related decreases in pieces for work		20,000
		Adverse variance for Civil and Criminal income due to Covid19 related reduction/temporary cessation of court cases		5,000
Democracy, Strategy and Partnerships	Electoral Registration	Increase in government grant		(5,000)
All other income variances within portfolio				0
Total Income Variances in Corporate and Democratic Services				53,000
Total Net Variances in Corporate and Democratic Services Portfolio				32,700

APPENDIX A

**GENERAL FUND REVENUE ACCOUNT 2020/21
PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET**

Variations identified by service during Quarter 1 budget monitoring exercise amounting to a net overspend of £1,697,100

Customer Experience and Improvement Portfolio - VARIANCES RELATED TO EXPENDITURE BUDGETS			£
Expenditure			
Customer Experience	Customer Services Unit	Reduction in postage usage for quarter one (dependant on resumption of services using postage)	(12,000)
ICT, Facilities and Project Services	Technical Services	Increase in spend on network voice and data maintenance. The Council had previously signed up to a three year contract which offered a discount. However with the new telephone solution underway, it would be more cost effective to only do a one year contract and make savings in future years	7,600
	Council Offices	Reductions in spend due to Council Offices not being occupied: Electricity costs Gas costs Office security Trade refuse Refreshments at meetings	 (12,000) (3,500) (4,000) (13,000) (2,000)
All other expenditure variances within portfolio			(9,000)
Total Expenditure Variances in Customer Experience and Improvement Portfolio			(47,900)

Customer Experience and Improvement Portfolio - VARIANCES RELATED TO INCOME BUDGETS			£
Income			
No variance over £5,000 reporting threshold			
All other income variances within portfolio			4,800
Total Income Variances in Customer Experience and Improvement Portfolio			4,800

Total Net Variances in Customer Experience and Improvement Portfolio			(43,100)
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APPENDIX A

GENERAL FUND REVENUE ACCOUNT 2020/21 PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET

Variances identified by service during Quarter 1 budget monitoring exercise amounting to a net overspend of £1,697,100

Major Projects and Property Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£
Regeneration, Property and Highways	Aldershot Regeneration Strategy	Favourable variance for regeneration consultancy fees, budget not needed in full	(15,000)
	Belle Vue Enterprise Centre	Adverse variance on NNDR due to delay of new leases being renewed and the landlord becoming responsible for business rate liabilities	13,000
	Rushmoor Properties	Favourable variances due to Covid19 related market stagnation issues: Agents' fees Lease Renewal Fees Survey Fees	10,000 12,500 10,000
	36-62 Union Street, Aldershot	Adverse variance for consultancy fees based on Union Yard regeneration (to be funded from the Regeneration Reserve)	150
	13 Invincible Road, Farnborough	Adverse variance due to landlord service charge liability because of tenants' cap (budget missing)	6,000
	Voyager House, Southwood	Adverse variance due to ongoing consultancy and professional fees that the Council are meeting due to the delay transferring the property to the CCG	50,000
	The Meads, Farnborough	Adverse variance due to consultancy fees for The Meads project (original budget of zero)	20,000
	Trafalgar House, Winchester	Favourable variance for consultancy fees and agents' fee as the building is fully occupied and no plans for this to change	(19,200)
	Farnborough Town Centre Regeneration	Favourable variance for regeneration consultancy fees, budget not needed in full	(15,000)
All other expenditure variances within portfolio			143,450
Total Expenditure Variances in Major Projects and Property Portfolio			215,900
Major Projects and Property Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£
Regeneration, Property and Highways	Estates Support,	Property lease regears will create additional income in Industrial Estates and Town Centres (offset against income budget in the Estates Code)	40,000
	Industrial Estates and Town Centres		(20,000) (25,000)
	Belle Vue Enterprise Centre	Adverse variance due to underachievement of rental income due to delay of new leases being renewed	20,000
	Wellesley House, 100a Eelmoor Road	Adverse variance for rental income underachievement due to first floor vacancy	15,000
	Optrex Business Park	Adverse variance for rental income underachievement due to lease renewal delays	20,000
	Other Highway Services	Reduction in income as there won't be the recharge income from the 2020 Farnborough Airshow	11,000
	Markets and Car Boot Sales	Reduction in car boot sales income due to reduced operation of the service as a result of the Covid19 pandemic	22,800
		Reduction in market pitch fee income due to reduced operation of the service as a result of the Covid19 pandemic	14,900
All other income variances within portfolio			0
Total Income Variances in Major Projects and Property Portfolio			98,700
Total Net Variances in Major Projects and Property Portfolio			314,600

APPENDIX A

GENERAL FUND REVENUE ACCOUNT 2020/21 PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET

Variances identified by service during Quarter 1 budget monitoring exercise amounting to a net overspend of £1,697,100

Operational Services Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£
Operations	Housing Advice	Estimated net increase in Bed and Breakfast costs, increase in number of applicants	65,000
		Increase in void costs where not able to use some hostel units due to clients needs	12,000
		Increase in spend on deposits to secure accommodation for those moving from Bed and Breakfast	6,000
	Car Parks	Additional spend on car park lining	5,500
		Reduction in spend on Pay and Display card handling charges	(8,200)
		Reduction in spend on Farnborough Leisure centre User rebates	(45,200)
		Reduction in spend on Managed Car Park payments	(7,000)
		Additional spend as the littering and dog fouling enforcement service continues (this expenditure is offset with income)	87,600
	Parking Management	Reduction in expenditure as there will not be an on-street parking surplus generated in 2020/21 to pay to Hampshire County Council Note: The on-street Parking variances are being offset by a transfer from the CPE Earmarked Reserve	(171,900)
	Grounds Maintenance Contract	Reduction in spend on the Grounds Maintenance Contract to partially offset the additional cost for maintaining current standard for grass, shrubs and hedges following the reduction in funding by Hampshire County Council a couple of years ago	(30,000)
Recycling	Additional spend on wheeled bin delivery and assembly due to increase in garden waste subscribers	10,000	
	Additional contract payment following an increase in garden waste subscribers to the service	17,000	
All other expenditure variances within portfolio			(6,800)
Total Expenditure Variances in Operational Services Portfolio			(66,000)

Operational Services Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£
Operations	Food, Health and Safety	Reduction in income as there won't be the recharge income from the 2020 Farnborough Airshow	17,700
	Taxi Licensing	Additional income from Hackney Carriage Driver and Vehicles fees	(15,600)
	Car Parks	Anticipated reduction in car park Pay and Display machine income for 2020/21	568,700
		Anticipated reduction in Penalty Charge Notice income for 2020/21	78,200
		Reduction in season ticket (permit) income	7,000
		Reduction in the notional income associated with the granting of free parking permits to various Additional income as the littering and dog fouling enforcement service continues (this income is offset with expenditure)	31,600 (96,300)
	Parking Management	Anticipated reduction in on-street Pay and Display machine income for 2020/21 Anticipated reduction in Penalty Charge Notice income for 2020/21 Reduction in residents parking scheme income Note: The on-street parking variances are being offset by a transfer from the CPE Earmarked	208,600 160,200 6,800
	Community Safety	Reduction in recharge income for a hosted post - the corresponding favourable variance in being shown in salary monitoring	11,900
	Cemeteries	Additional income from grave sales Additional income from interment fees	(25,000) (30,000)
	Crematorium	Additional cremation fee income	(85,000)
Recycling	Decrease in income from Materials Recovery Facility (MRF) Additional income from garden waste subscribers	72,000 (20,000)	
All other income variances within portfolio			2,700
Total Income Variances in Operational Services Portfolio			893,500

Total Net Variances in Operational Services Portfolio	827,500
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APPENDIX A

GENERAL FUND REVENUE ACCOUNT 2020/21 PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET

Variances identified by service during Quarter 1 budget monitoring exercise amounting to a net overspend of £1,697,100

Planning and Economy Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Economic, Planning and Strategic Housing	Princes Hall	Reduction in spend on supplies and services	(14,500)
		Reduction in spend on payments to artistes for professional shows	(145,500)
All other expenditure variances within portfolio			2,300
Total Expenditure Variances in Planning and Economy Portfolio			(157,700)
Planning and Economy Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£
Economic, Planning and Strategic Housing	Princes Hall	Shortfall in corporate activities/lettings income	143,000
		Shortfall in ticket sales for professional shows	213,300
		Anticipated reduction in panto ticket sales	60,000
		Shortfall in other income mainly from refreshment and merchandising sales and car parking	28,800
	Development Control	Reduction in planning fee income - Covid19 related	268,000
Building Control Fee Earning	Reduction in building control income - Covid19 related	10,000	
All other income variances within portfolio			0
Total Income Variances in Planning and Economy Portfolio			723,100
Total Net Variances in Planning and Economy Portfolio			565,400
ICE Programme Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£
		No variances to report at this stage	
All other expenditure variances within portfolio			0
Total Expenditure Variances in ICE Programme Portfolio			0
ICE Programme Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£000
		No variances to report at this stage	
All other income variances within portfolio			0
Total Income Variances in Planning and Economy Portfolio			0
Total Net Variances in Planning and Economy Portfolio			0
Net portfolio Expenditure Variances			(76,000)
Net Portfolio Income Variances			1,773,100
Net Portfolio Variances			1,697,100

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CABINET
11 AUGUST 2020

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO: FIN2023

CAPITAL PROGRAMME MONITORING AND FORECASTING REPORT Q1 2020/21

SUMMARY AND RECOMMENDATIONS:

SUMMARY:

This report informs Members of the latest forecast of the Council's Capital Programme for 2020/21 based on the monitoring exercise carried out during June 2020.

RECOMMENDATION:

Members are requested to:

- i) Note the latest Capital Programme position, as set out in Tables 1 and 2.
- ii) Approve contributions from CCG of £460k to support the conversion of Voyager House
- iii) Approve the withdrawal of £20k budget for the Aldershot Park Angling Club Improvement project

1 INTRODUCTION

- 1.1 This report informs Members of the latest forecast regarding the Council's Capital Programme for 2020/21, based on the monitoring exercise carried out during June.
- 1.2 There are some projects of major financial significance included in the Council's approved Capital Programme for 2020/21. These projects are:
 - (a) Aldershot Town Centre Integration and Union Street
 - (b) Civic Quarter development
 - (c) replacement cremators
 - (d) Voyager House conversion
 - (e) Housing PRS, and,
 - (f) 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**.

3 CURRENT POSITION

- 3.1 The Council approved the Capital Programme of £52.226m on 20 February 2020. Based on June 2020 monitoring exercise Table 1 shows the reconciliation of budget changes together with the projected actual capital expenditure for the year 2020/21.

Table 1: Analysis of capital expenditure and approved budget 2020/21

	(£'000)
Total approved budget for the year 2020/21*	52,226
Plus: Additional budget approvals made for the year 2020/21 **	(95)
Slippage from 2019/20	4188
Total approved budget for 2020/21	56,319
Actual plus commitments as at Quarter 1	2,497
Forecast capital expenditure for the year	34,955
Net favourable variance (against approved budget)	(21,363)
Projected Slippage/(Pre-spend) to 2021/22 ***	21,817

* As reported to Cabinet in the Revenue Budget, Capital Programme and Council Tax report FIN2007 (04/02/2020)

** Cabinet Reports OS1915 (16/12/2019), RP1903 (05/02/2019) and RP2001 (07/01/2020)

*** Projected slippage based on the forecast at Q1.

- 3.2 Table 2 shows the outturn forecast for each scheme with 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 2020/21 on 20 February 2020.
- 3.3 The Capital Programme is a significant undertaking for the Council in terms of magnitude and complexity. The scale of the projected slippage into 2020/21 and variation in programme highlights the need for close monitoring and clear project management across the whole Council.
- 3.4 During the year to date actual expenditure including commitments is £2.5m. £35.0m is due to be spent by the year-end, predominantly as part of programmed regeneration and investment property purchases.
- 3.5 Since budget approval £95k of the 2020/21 Civic Quarter was brought forward into 2019/20 related to feasibility and design work for the leisure centre and demolition and other pre-development work associated with Elles Hall.

3.6 **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.

3.7 The Voyager House conversion project to facilitate the creation of a health centre in Farnborough is forecast to incur £460k of additional expenditure over and above the Council's agreed commitment in 2020/21. The increase is the result of contract price increases. The Council has a financial limit to its project cost in place and an agreement with the partner Clinical Commissioning Group (CCG) for funding to cover expenditure above the financial limit. This report requests approval for £460k of funding from the CCG to be received to support the ongoing project.

3.8 Aldershot Park Angling Club Improvement project is no longer taking place due. Therefore, the capital budget of £20k allocated to the scheme is no longer required.

Table 2: Capital Programme Outturn Forecast

Portfolio/scheme	2020/21 Budget (£'000)	2020/21 Additional items (£'000)	Slippage from 2019/20 (£'000)	2020/21 Total Approved Budget (£'000)	Outturn Forecast (£'000)	Forecast Variance (£'000)
Major Projects and Property						
Aldershot Town Centre Projects	2091		57	2149	2153	4
Civic Quarter Farnborough	14525	-95	28	14458	76	-14383
Housing Matters	2731		713	3444	1900	-1544
Commercial Property	22425		1898	24323	24784	460
Property Enhancements	202		72	274	254	-20
Union Street Aldershot	7393		415	7808	1950	-5858
Depots	-		-	-	3	3
Maintenance Team	-		-	-	7	7
Subtotal MP&P	49367	-95	3184	52456	31126	-21330
Corporate and Democratic						
Flexibel use of capital receipts	-		86	86	86	-
Subtotal C&DS	-		86	86	86	-
Customer Experience and Improvement						
Computer Systems	80		37	117	117	-
Council Offices	45		-	45	45	-
Subtotal CE&I	125		37	162	162	-
Operational Services						
Alpine Snowsports	-		-	-	-	-
Car Parks	-		-	-	-	-
Crematorium	1200		-	1200	1200	-
Depots	-		34	34	-	-34
Manor Park	49		-	49	49	-
Parks and Open Spaces	125		583	708	708	-
Playground Works	104		-	104	104	-
Refuse/Recycling	100		-	100	100	-
Southwood Community Centre	-		20	20	20	-
Improvement Grants	1111		101	1211	1211	-
Subtotal OS	2689		737	3426	3392	-34
Planning and Economy						
No capital budgets	-		-	-	-	-
Subtotal P&E	-		-	-	-	-
ICE Programme	45		144	189	189	-
TOTAL Capital Programme	52226	-95	4188	56319	34955	-21,364

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 2020/21 Capital Programme is currently forecast to spend £35.0m, £21.4m below the approved capital budget of £56.32m. The variance and increase in approved budget since approval at Council on 20 February 2020 is due to delays in capital projects being completed in the 2019/20 financial year.

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APPENDIX B

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

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

Scheme	Explanation	Over / (Under) Spend £000s
MAJOR PROJECTS AND PROPERTY		
VOYAGER HOUSE	<p>The contract price of the project has increased with an overspend of at least £460k likely in the year 2021. The Council's commitment is capped at £1.5m including fees and VAT. An agreement on costs is in place for CCG to meet the overspend at present to cover the £460K overspend.</p> <p>Approval has been requested within the main report for the Council to receive funding from the CCG.</p>	460
PARKS AND OPEN SPACES Aldershot Park Angling Club Improvement	<p>Budget to be removed as works will not now be undertaken.</p> <p>Approval is requested in the main report to withdraw the budget for the project</p>	(20)
CORPORATE AND DEMOCRATIC SERVICES		
No variances		
CUSTOMER EXPERIENCE AND IMPROVEMENT		
No variances		
OPERATIONAL SERVICES		
No variances		
PLANNING AND ECONOMY		
No variances		
ICE PROGRAMME		
No variances		

- 2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix A) net slippage of £21,816,970 against the approved revised Capital Programme are provided in the table that follows:

Scheme	Explanation	Slippage /(Pre-spend) to 2019/20 £000s
MAJOR PROJECTS AND PROPERTY		
REGENERATION Civic Quarter	No expenditure expected during 2020/21 as project delayed	14,383
REGENERATION Housing PRS Delivery	Establishment of the Housing Company has been delayed and expenditure on the project expected to be delayed.	1,544
REGENERATION Union Street East	Spending aligned with anticipated demolition and site remediation costs	5,857
CUSTOMER EXPERIENCE AND IMPROVEMENT		
No budget slippage		
OPERATIONAL SERVICES		
DEPOTS Hawley Lane Development Works	Project delayed until 2021/22 due to ongoing dialogue with current occupier continues	34
CORPORATE AND DEMOCRATIC SERVICES		
No budget slippage		
PLANNING AND ECONOMY		
No budget slippage		
ICE PROGRAMME		
No budget slippage		

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

Scheme	Explanation	Grant funding £000s
MAJOR PROJECTS AND PROPERTY		
REGENERATION Union Street East	Spending aligned with anticipated demolition and site remediation costs with project slipping into 2021/22	3,800

CAPITAL PROGRAMME MONITORING SUMMARY 2020/21

Expenditure	SLIPPAGE FROM 2019/20	ORIGINAL BUDGET 2020/21	ADDITIONAL BUDGET APPROVALS 2020/21	TOTAL APPROVED BUDGET 2020/21	ACTUAL AS AT 19.06.2020	COMMITMENTS AS AT 19.06.2020	ACTUALS PLUS COMMITMENTS	VARIANCE	FORECAST SPEND 2020/21	FORECAST SPEND LESS APPROVED BUDGET	SLIPPAGE TO 2021/22
PORTFOLIO	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MAJOR PROJECTS AND PROPERTY	3,184	49,367	(95)	52,456	815	1,221	2,036	(50,420)	31,126	(21,330)	21,783
CORPORATE AND DEMOCRATIC SERVICES	86	0	0	86	0	0	0	(86)	86	1	0
CUSTOMER EXPERIENCE AND IMPROVEMENT	37	125	0	162	(7)	7	0	(162)	162	0	0
OPERATIONAL SERVICES	737	2,689	0	3,426	141	307	448	(2,978)	3,392	(34)	34
PLANNING AND ECONOMY	0	0	0	0	0	0	0	0	0	0	0
ICE PROGRAMME	144	45	0	189	5	8	13	(176)	189	0	0
TOTAL	4,188	52,226	(95)	56,319	954	1,543	2,497	(53,822)	34,955	(21,363)	21,817

Variations to Programme Approved 2020/21

	Approved By	Date	£
Original Budget 2020/21 - Various Projects	Full Council	20.02.20	52,226,080
Civic Quarter, Farnborough - Budget drawn forward to 2019/20	Cabinet	16.12.19	-100000
Civic Quarter, Farnborough - Budget drawn forward to 2019/20	Cabinet	07.01.20	-95000
Combined Leisure Centre and Civic Hub within the proposed Farnborough Civic Quarter	Cabinet	14.07.20	100000
Slippage from 2019/20			4,187,820
Total Approved Budget			56,318,900

S106 and Grants & Contributions	SLIPPAGE FROM 2019/20	ORIGINAL BUDGET 2020/21	ADDITIONAL BUDGET APPROVALS 2020/21	TOTAL APPROVED BUDGET 2020/21	FORECAST S106 AND GRANTS & CONT'S AS AT 19.06.2020	VARIANCE
PORTFOLIO	£'000	£'000	£'000	£'000	£'000	£'000
MAJOR PROJECTS AND PROPERTY	(1,159)	(5,716)	0	(6,875)	(6,875)	0
CORPORATE AND DEMOCRATIC SERVICES	0	0	0	0	0	0
CUSTOMER EXPERIENCE AND IMPROVEMENT	0	0	0	0	0	0
OPERATIONAL SERVICES	(429)	(2,301)	0	(2,730)	(2,729)	1
PLANNING AND ECONOMY	0	0	0	0	0	0
ICE PROGRAMME	0	0	0	0	0	0
TOTAL	(1,588)	(8,017)	0	(9,605)	(9,604)	1

Variations to Programme Approved 2020/21

	Approved By	Date	£
Revised Budget 2020/21 - Various Projects	Full Council	20.02.20	-8,017,160
Slippage from 2019/20	Subject to approval		-1,587,460
Total Approved Budget			-9,604,620

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CABINET
11 AUGUST 2020

COUNCILLOR PAUL TAYLOR
CORPORATE SERVICES PORTFOLIO HOLDER
REPORT NO. FIN2021

KEY DECISION? ~~YES~~/NO

PROCUREMENT STRATEGY 2020-2024

SUMMARY:

A revised Procurement Strategy has been produced that more clearly defines the Council's strategic objectives and to build upon the new National Procurement Strategy, and also incorporating new legislation and best practice.

RECOMMENDATIONS:

CABINET is recommended to adopt the strategy

1 INTRODUCTION

- 1.1 The National Procurement Strategy for Local Government was published in 2018 and sets out recommendations for district and borough councils and built on the actions from the previous national procurement strategy of 2014 whose key themes were: making savings; supporting local economies; leadership and modernising procurement.
- 1.2 A revised Procurement Strategy has been produced that more clearly defines the Council's strategic objectives and to build upon the new National Procurement Strategy, and also incorporating new legislation and best practice.
- 1.3 At their meetings in November 2019 and May 2020, the Policy and Project Advisory Board reviewed drafts of the Procurement Strategy. Particular focus was placed on the way in which the Strategy and the review of the Contract Standing Orders aligned, and the emerging themes within the Social Value Policy.
- 1.4 The Social Value Policy is based on the Social Value Toolkit for District Councils produced by the Local Government Association and the Social Value Portal. Following discussion at the PPAB meeting in May 2020, the Social Value Policy outcomes were reviewed and have been redefined in the final draft to provide a specific focus on outcomes that align with the broader policy objective of Rushmoor.

2 PROCUREMENT STRATEGY

- 2.1 The strategy defines the Council's vision for procurement as "to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating benefits to the community and the organisation, whilst minimising impacts to the environment."
- 2.2 The purpose of the strategy is to ensure that the Council's procurement activities are undertaken to a high standard, efficiently and effectively to achieve best value, and to support social, economic and environmental benefits. The strategy has 4 procurement aims as follows

Leadership

Local Government spends over £60 billion a year on a range of works, goods and services. A more strategic approach to procurement should be a key consideration for members and senior managers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with services and to think differently about procurement – to innovate, generate savings and opportunities for income generation.

Commercial Focus

We need to improve public sector commissioning and procurement to help transform and modernise the way we deliver our public services. This means improving the skills of our leaders, both members and officers so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

Legal, Compliance and Governance

Spending of public money requires high levels of accountability and transparency. Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law, and locally through the Council's constitution. The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement.

Economic Growth and Sustainability

The Council will look to manage its spend effectively to bring social, environmental and economic advantages to the community. The challenge is large in terms of balancing and promoting open, fair and transparent procurement whilst ensuring that the local communities benefit. The Council will actively support local businesses, small businesses and Voluntary Community Social Enterprises to help them bid for work seeking to ensure the most appropriate route to market is taken.

- 2.3 The strategy is aimed at promoting effective procurement across all services and should be read in conjunction with our Contract Standing Orders, Financial Regulations, and the Council's Constitution.

3 RISKS

3.1 The Cabinet Office published Procurement Policy Note (PPN) 02/19 in March 2019 which set out the procurement implications of leaving the EU. Broadly, the advice outlined what steps contracting authorities would need to take depending on whether a deal was achieved or not.

If there is a **deal agreed** the public procurement regulations will remain broadly unchanged during any implementation period

If there is **no deal** the public procurement regulations will remain broadly unchanged but we will no longer have access to the Official Journal of the EU (OJEU) and Tenders Electronic Daily (TED) to publish our notices; we will have to publish notices through a new UK e- notification service (this will be ready for use by exit day).

3.2 Additional guidance has been issued concerning leaving the EU in relation to the way in which procurement notices will need to be published from 01 January 2021.

3.3 There is a risk to procurement activity due to Covid-19. The ability for the Council to meet its procurement aims and wider policy objectives may be impaired. In response to Covid-19, the Cabinet Office has also issued additional guidance on how contracting authorities should work with suppliers and advice on how to procure goods, services and works with extreme urgency.

4 LEGAL IMPLICATIONS

4.1 There are no legal implications arising directly from the report

5 FINANCE AND RESOURCE IMPLICATIONS

5.1 There are no financial implications arising directly from the report. The Procurement Strategy forms an important part of the arrangements to help ensure the Council delivers value for money and its policy objectives when purchasing goods and services.

BACKGROUND DOCUMENTS:

None

CONTACT DETAILS:

Report Author and Head of Service:
David Stanley – Executive Head of Finance
01252 398440
david.stanley@rushmoor.gov.uk



Procurement Strategy

2020-2024

Rushmoor Borough Council Procurement Strategy 2020-2024

1 Introduction

- 1.1 The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources have reduced significantly over the last few years. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better public services for Rushmoor.
- 1.2 This strategy sets out the Council's vision for procurement and our priorities for the next 4 years to 2024 and is consistent with the latest government procurement legislation and initiatives. It is a statement of the procurement commitments of the Council.
- 1.3 We aim to deliver quality services that are responsive to the needs of our community and deliver optimum value for money. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.
- 1.4 The Council spends approximately £9.4 million per year with a variety of providers for goods and services. This ranges from low-value expenditure below formal procurement thresholds for one off purchases and everyday items, through to high-value long term contracts for works, goods and services. We clearly have a responsibility to make sure this spending represents best value.
- 1.5 The strategy in itself will not lead to effective procurement; it is the commitment of our members, senior managers and staff undertaking procurement activity which is key to its success.

2 Why is procurement important?

- 2.1 Procurement is the process of acquiring, goods, works and services, covering both acquisition from third parties and in-house providers. The process spans the whole cycle from identification of needs through to the end of a contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision which may result in the provision of services in-house in appropriate circumstances.
- 2.2 The impact of procurement is far greater than just the definition of a 'process' and Rushmoor's vision, aims and objectives set out in this strategy detail the contribution that effective procurement arrangements can make to a range of socio-economic factors. These include a successful local economy, a thriving

voluntary sector, community empowerment, environmental issues and value for money.

3 Rushmoor's Vision for Procurement

- 3.1 Our vision for procurement over the term of this strategy is to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating benefits to the community and the organisation, whilst minimising impacts to the environment.

4 Strategic Procurement Aims

- 4.1 The strategic procurement aims are discussed in the section below.

Leadership

Local Government spends over £60 billion a year on a range of works, goods and services. A more strategic approach to procurement should be a key consideration for members and senior managers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with services and to think differently about procurement – to innovate, generate savings and opportunities for income generation.

Commercial Focus

We need to improve public sector commissioning and procurement to help transform and modernise the way we deliver our public services. This means improving the skills of our leaders, both members and officers so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

Legal, Compliance and Governance

Spending of public money requires high levels of accountability and transparency. Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law, and locally through the Council's constitution. The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement.

Economic Growth and Sustainability

The Council will look to manage its spend effectively to bring social, environmental and economic advantages to the community. The challenge is large in terms of balancing and promoting open, fair and transparent procurement whilst ensuring that the local communities benefit. The Council will actively support local businesses, small businesses and Voluntary

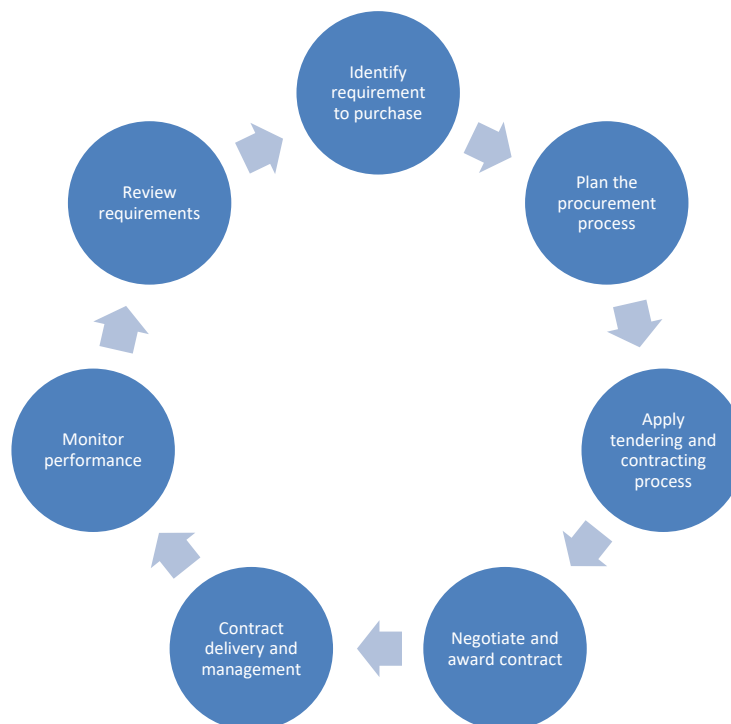
Community Social Enterprises to help them bid for work seeking to ensure the most appropriate route to market is taken.

4.2 Success of this strategy will depend on several factors

- Political and senior management endorsement and support.
- Council-wide recognition of the importance of the role of procurement in delivering improvement and efficiency;
- Improved forward planning by service areas;
- Adequate resourcing and prioritisation of projects;
- Adequate support from key internal functions throughout the procurement cycle;
- Identification, allocation and continuous management of risk;
- Management of performance shortfalls and adequate tools to tackle poor performance;
- Continuity of knowledge throughout the procurement phases and the delivery of regular and effective training.

5 Procurement

5.1 Effective procurement forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The stages are inter-dependent – each stage builds on the previous ones. The outcome for the procurement exercise may not be known at the outset and this may result in a grant being awarded, provision remaining in-house or a fully tendered procurement.



- 5.2 This strategy is aimed at promoting effective procurement across all services and should be read in conjunction with our Contract Standing Orders, Financial Regulations, and the Council's Constitution.
- 5.3 Whilst there have been improvements in the standardisation of procurement processes in recent years, it is recognised that procurement knowledge and capability continues to vary across service areas. Some service areas are heavily reliant on the procurement service for some simple less strategic work and advice while others are more developed in ability and use the procurement service effectively.
- 5.4 The procurement service aims to increase awareness of procurement best practice across the organisation through continued workshops, supporting projects and use of the staff intranet. This should develop and increase in individual buyers, therefore reducing reliance on the procurement service for simple procurements allowing Rushmoor procurement to be more strategic.
- 5.5 Appendix 2 sets out the governance, structure and responsibilities for procurement across the Council.

6 Value for Money (VfM) and Savings

- 6.1 Value for money does not always mean the lowest costs. There are many aspects to achieving VfM through procurement. Consideration should be given to selecting a procurement model that is proportionate to the value and risk of individual contracts. It also requires a proportionate approach to the evaluation of cost and quality; where the costs can be broadly predetermined there will be a higher weighting towards quality.
- 6.2 If Rushmoor is to achieve VfM through its procurement processes, it needs to ensure it consistently maximises spending power. This can be done with a thorough spend analysis. This will help determine priorities going forward and identify efficiencies. This is an ongoing process as the Council proactively looks at ways to drive efficiencies from contracts.
- 6.3 In common with many other local authorities, Rushmoor faces significant financial pressures over the medium-term. Savings need to be made by using spending power innovatively and strategically. Understanding current spend habits and supply base, contract reviews, competition and procurement best practice will assist in delivery of savings.
- 6.4 A key lever the Council uses to deliver savings is competition. For competitive procurements, the selection process we will follow will be proportionate to the value and risk of the procurement. Bids will be evaluated based on value for money, considering the whole life cost, quality and timescales. Competitive

sourcing tools should be utilised in order to generate maximum supplier competition.

- 6.5 We aim to advertise all opportunities unless there is a good reason not to. As a minimum, the council will advertise in line with Contract Standing Orders which state that opportunities over £50,000 are to be advertised.
- 6.6 The Council will also seek opportunities to optimise the use of procurement resource and value for money. Collaborative procurement can allow Councils to have successful contract negotiations, secure buying power, shared risks and lower overall costs.
- 6.7 Key measures to be adopted by the Council to help achieve savings are:
- Applying a category management approach in key areas of spend such as. Property, energy, ICT and construction. Rushmoor spend in these areas is high but have not been given the same attention as other areas in recent years.
 - Applying a corporate approach to contract management and implementing effective, transparent performance monitoring processes
 - Reducing costs in the procurement and commissioning cycle
- 6.8 For all new procurement there will be an expectation that the cost of service will reduce over the life of the contract. The following mechanisms will help drive this cost reduction:
- The contract price for the service will be fixed for as long a period as possible without the supply base building in additional cost for a risk of high levels of inflation in the long term. The contract price is expected to reduce over the life of the contract as a result of efficiency improvements driven by the service provider
 - The contract price is expected to be reduced further through innovation and collaboration between the Council and the service provider or other areas of the supply chain. This efficiency improvement could also be as a result of changes in technology or process improvement. To drive appropriate behaviours in development and improvement, a gainshare mechanism to share the cost savings between all involved parties could be incorporated into the contractual terms
 - The contract length is another mechanism to determine the optimum period between providing the supply base stability and confidence.

7 Social Value

- 7.1 The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly,

additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.

7.2 Rushmoor's Social Value Policy is attached at Appendix 3 and sets out the Council's approach to ensure that all resources are used wisely and that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.

7.3 The Council will have regard to the Social Value Policy and will seek to include appropriate and proportionate outcome measures when undertaking procurement of goods and services.

8 Sustainable and Ethical Procurement

8.1 Sustainability is an important consideration when making procurement decisions and helps ensure that we consider the environmental impact of procurement decisions. The Council is committed to making spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits.

8.2 The Council will have regard to the Climate Change Statement, strategic framework and action plan developed to ensure Rushmoor Borough Council can achieve its objective of becoming carbon neutral by 2030.

8.3 The Council has an obligation under the Modern Slavery Act 2015 to take a robust approach to slavery and human trafficking and is committed to ensure that the Council's contractors and suppliers comply fully with the Modern Slavery Act 2015, wherever it applies.

8.4 The Council has adopted the transparency statement (as reproduced in Appendix 4) as part of the commitment to disrupting Modern Slavery.

9 Supporting the Local Economy

9.1 The Council recognises there are significant advantages of engaging with small local business. The Council aims to support its local economy through its procurement exercises by maximising economic, social and environmental benefits from every pound that is spent. Whilst the Council is prevented from any explicit local buying policies, we will procure in a manner that benefits the local economy.

10 Management of Risk

- 10.1 Risk management is an integral part of a procurement process and must be considered at the planning stage of any procurement process. We will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed

11 Managing Contracts and Supplier Relationships

- 11.1 Contract and relationship management refers to the effective management and control of all contracts from their planning inception until their completion by the appointed contractor(s). It covers the supported policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations, and the maintenance of clear communications and operational relationships with contractors.
- 11.2 Buyers and contract managers will be proactive in relation to managing contracts and performance in order to ensure that positive output and outcomes are maximised, cost variations are minimised and any issues in relation to the delivery of the contract are appropriately addressed at the earliest opportunity.

Specific timescales are given where required. Some procurement actions will be ongoing and dependent on the type and nature of procurement being undertaken.

Procurement Action Plan – Leadership

Annual Tasks	How	Timescale
Design a presentation pack for new staff as part of the Rushmoor Induction process	Liaise with Personnel and book a meeting in with the new starters.	Q4 2020
Engagement of Corporate Management Team (CMT) with procurement and report key issues raised in Rushmoor procurement audit and how these will be rectified	CMT to review procurement activity on a quarterly basis	Q3 2020 onwards
Training of staff	Develop a structured and co-ordinated approach to education, training and development for all officers involved in procurement or with budgetary responsibilities.	Q3 2020 (start) and then annually

Procurement Action Plan – Commercial Focus

Annual Tasks	How	Timescale
Spend Analysis	Utilise management information to review spend and target spend that can be influenced by procurement.	Every year end
Collaboration	Use of and development of frameworks, collaborate through procurement networks and other organisations.	Proactively but particularly at year
Use of frameworks	Training and local development of procurement frameworks	Annually
Aggregate spend on common goods and services without compromising the need for social value.	Spend analysis	Annually (with analysis in Q1 of the following financial year)
Attend Business and procurement networking events	Work with Members and local business to increase awareness of opportunities and access to them	Annually
Consider category management approach in key areas of spend	IT, energy, property maintenance, agency staff / contractors,	Q3 2020
Management of Contracts across the organisation	Training and use contracts list to review contracts and exploit opportunity for review.	Q4 2020
Competitive sourcing tools should be utilised in order to generate maximum supplier competition.	Explore use e-Auctions and use e Sourcing tools such as G Cloud 11 where possible to secure savings.	Q4 (annually)
Evaluation	Consider more effective commercial evaluation model within the tender process to encourage innovation, benefits and savings.	Q1 2021
Innovation	Work with departments and suppliers to identify purchase to pay improvements, efficiencies and potential cost savings.	Q4 2020

Procurement Action Plan – Legal Compliance and Governance

Annual Tasks	How	Timescale
Protect the Council from exposure to challenge	<p>Clearly determine the accountabilities and responsibilities of officers involved in procurement activity, monitoring and ensuring compliance with those responsibilities.</p> <p>Ensure procedures are reviewed regularly to ensure they reflect current legislation and guidance.</p> <p>Ensure procedures and activities reflect and support the Council's core value, corporate aims and objectives.</p>	Q4 2020 and annually
Ensure key Council staff involved in Procurement understand how to incorporate Ethical and Sustainable procurement into the Council's procurement activities.	Train relevant staff through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.	Q4 2020

Procurement Action Plan – Economic Growth and Sustainability

Annual Tasks	How	Timescale
Engage with SMEs	Open mornings, bidders days, improving web pages	When a Contract arises
Engage with VCEs	Open mornings, bidders days, improving web pages	When a Contract arises
Be fair, transparent and consistent with our procurement	Training, Continually review documentation and best practice	Always
Break larger contracts into smaller lots to facilitate SME participation	Market engagement and market testing	When a Contract arises
Use spend analysis to map Rushmoor spend	Look where Rushmoor spends its money and look to spend locally if possible	Q3 2020
Increase the number of goods and services procured from local and suppliers to contribute towards a sustainable procurement environment which stimulates local business.	Using spend map of last financial year Monitor the proportion of eligible local spend paid to local businesses and SMEs	Q4 2020
Update and improve Procurement section on the Council website	Consult with business and communications as to how to make it better	Q4 2020
Develop supplier information and guidance, setting out the requirements of the Council and its strategic aims	Develop supplier information and guidance, setting out the requirements of the Council and its strategic aims for use in tender documentation.	Q4 2020 and annually
Identify forward spend inform pre-market engagement and supplier planning.		Q4 2020 to Q1 2021 and annually

Procurement Action Plan – Modernising Procurement

Annual Tasks	How	Timescale
Develop a more commercially focused procurement culture	Share expertise with others, taking advantage of the expertise of others and working with these to identify future opportunities for savings. Target key suppliers and partners to seek their views on the Procurement process.	Q4 2020
Income generation	Look for and where possible embrace opportunities for income generation within Rushmoor contracts. Forms part of ICE Workstream 4	Q3 2020 to Q4 2022
Enabling Innovation	All contracts reviewed to identify new service delivery and income generation models.	Annually
Optimise use of e-Procurement	e-Procurement – use of IT solutions such as procurement cards and use of e-auctions (particularly with ICT spend)	Q4 2020
Procurement Cards- Precision Pay	Explore implementation of precision pay across the Council as an alternative more manageable way of using procurement cards and e-procurement	Q4 2020
Encourage and allow preliminary market consultation between buyers and suppliers, which should facilitate better specifications, better outcomes and shorter procurement times.	Training, development of documentation, market engagement, publication of Prior Information Notices.	
Review Contract Standing Orders and check that they are still fit for purpose and in line with any new legislation	Researching recent good practice and use of experience. Feedback from officers.	Completed

Roles and Responsibilities

Members are responsible for:

- Cabinet are responsible for authorising this Procurement Strategy and reviewing progress on the strategic aims.
- Licensing, Audit & General Purposes Committee are responsible for ensuring compliance with the Contract Standing Orders.
- Procurement activity requiring more detailed member involvement includes:
- Making key decisions in the procurement process for major projects.
 - Where a new service or a substantially varied service is being considered.
 - High public interest.
 - Significant reputational or financial risk.
 - Significant risk of failing to meet legislative requirements.

Corporate Management Team (CMT) are responsible for:

- Management of the strategy and to review progress against the implementation of the actions.
- Strategic leadership and governance of procurement.
- Ensuring the Procurement Strategy aligns with corporate objectives.
- Overseeing the arrangements for procurement and to ensure they are operating effectively.
- Ensuring value for money and risk management are considered as part of any procurement activity.
- Ensuring equality and sustainability are considered at each stage of the procurement process.

Services Managers and Relevant Staff are responsible for:

- Each relevant service manager is responsible for ensuring that the staff in their areas have the right level of skills to deliver effective procurement and will also monitor all procurement activity in their services.
- Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, and the Contract Standing Orders, with reference to guidance on the Council's intranet; and conduct relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.

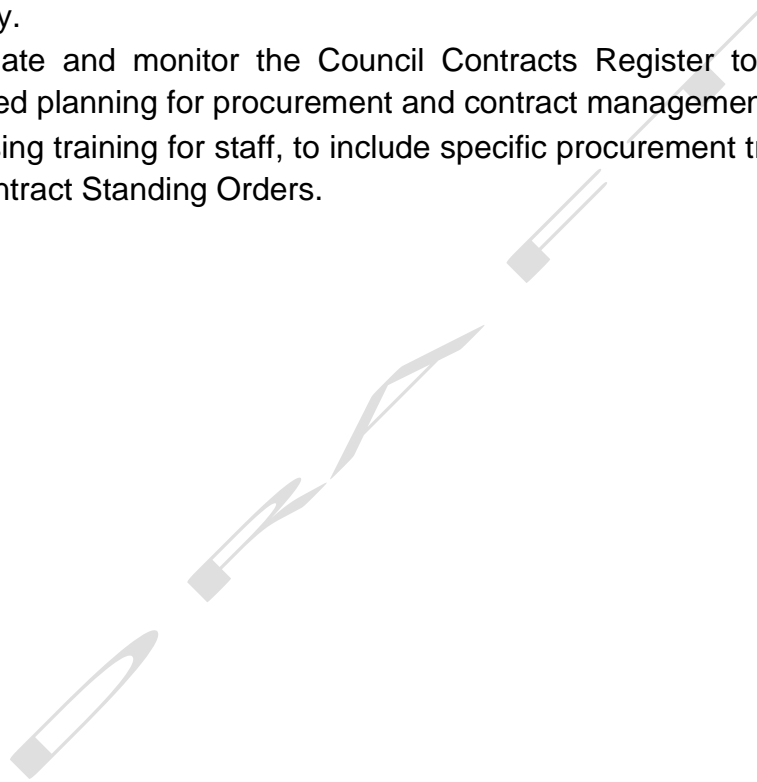
Principal Procurement Officer is responsible for:

The duties of the procurement officer is to maintain procurement guidance in line with best practice, and to monitor procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Council and leading on the implementation of the procurement aims.

Appendix 2

- Providing assistance to contract owners in the control and management of contracts.
- Development and maintenance of procurement documentation and web pages to publicise procurement plans, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Continue the development of e-procurement to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favouritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per category.
- Coordinate and monitor the Council Contracts Register to allow improved advanced planning for procurement and contract management activity.
- Organising training for staff, to include specific procurement training, induction and Contract Standing Orders.



Rushmoor Borough Council Social Value Policy

Introduction

This policy outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.

There is not a standardised approach for achieving social value. It is an area where the Council will need to learn and understand how best to achieve and evidence it. This policy will continue to be informed by national developments and our own organisational learning.

What is Social Value?

The Public Services (Social Value) Act 2012 requires the Council to consider how the services it procures might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.

Definitions of Economic, Social and Environmental Outcomes

Economic outcomes: providing contributions to the local economy and economic growth that supports social outcomes. Retaining, re-circulating and leveraging funds in local areas – a wider contribution to skills, tackling unemployment and maintaining employment.

Social outcomes: contributing to a vibrant and healthy community. Community based actions. Equality, diversity, cohesion and inclusion – local relationships, partnerships and people.

Environmental outcomes: relate to protecting, promoting and enhancing the environment. Supporting local activities to improve the environment.

For Rushmoor Borough Council, these outcomes have been defined as:

- Helping the VCSE sector in Rushmoor to become more sustainable;
- Delivering more targeted employment and skills opportunities for Rushmoor residents;
- Engaging with SME businesses in Rushmoor and the EM3 area about supply chain opportunities and public sector procurement processes;
- Ensuring that all goods, works and services Rushmoor procures are sourced ethically;
- Supporting Rushmoor Borough Council's commitment to become carbon neutral by 2030.

Aims of the Policy

We aim to ensure that our expenditure is utilised in ways that most benefit our local communities. We will:

- **Encourage a diverse base of suppliers:** Promoting supplier diversity; including the participation of local SME's and 3rd sector organisations, and local suppliers in general.
- **Meeting targeted and recruitment and training needs:** Offering a range of apprenticeships, training and skills development opportunities as well as employment opportunities for local people.
- **Community Benefits:** Maximising opportunities for local organisations to participate in our supply chains and encouraging suppliers to make a social contribution to the local area.
- **Promoting greater environmental sustainability:** Minimising waste and pollution, supporting carbon reduction initiatives, Carbon Neutral Borough 2030, furthering energy efficiency and other sustainability programmes.
- **Encouraging participation:** Engaging and encouraging user and employee involvement in service design and delivery.
- **Promoting fair employment practices:** Ensuring workforce equality and diversity in supply chains
- **Improving council economic sustainability:** Engaging businesses in delivery of additional social value will have a range of direct and indirect economic benefits to the Council. This includes improving viability of SMEs in the borough, providing additional support to third party providers to ensure better community benefits, and resulting in the eventual reduction in costs to the Council of providing services

Modern Slavery Transparency Statement

Introduction

This statement sets out Rushmoor Borough Council's (the Council's) commitment to understanding all potential modern slavery risks related to its business and measures taken to ensure that there is no slavery or human trafficking in its own business, or in its supply chains.

The Council recognises its responsibility to notify the Secretary of State of suspected victims of human trafficking as introduced by Section 52 of the Modern Slavery Act 2015, as well as its general responsibility under safeguarding to take a strong approach to any allegations of modern slavery and human trafficking.

The Council is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The Statement sets out practices already in place at the Council, and committed actions moving forward.

What is modern slavery?

Modern slavery encompasses human trafficking, slavery, servitude and forced labour and can include:

- sexual exploitation;
- labour exploitation;
- forced criminality;
- organ harvesting;
- domestic servitude;
- debt bondage.

Anyone can become a victim of modern slavery, with particularly vulnerable groups including:

- unaccompanied, internally displaced children;
- children accompanied by an adult who is not their relative or legal guardian;
- young girls and women;
- former victims of modern slavery of trafficking;
- homeless individuals.

Partnerships

The Council works in partnership with a wide number of agencies in order to combat modern slavery, including:

- Safer North Hampshire Community Safety Partnership
- Hampshire Constabulary
- Hampshire and Isle of Wight Modern Slavery Partnership

The Hampshire and Isle of Wight Modern Slavery Partnership's main objectives include:

- To raise awareness of modern slavery
- To combat modern slavery by working in partnership
- To identify and support victims of modern slavery
- To pursue perpetrators of modern slavery

The full Partnership strategy is available on the website at www.modernslaverypartnership.org.uk/partnership.

The Hampshire and Isle of Wight Modern Slavery Partnership provides guidance, training and best practice to partners across the County, ensuring all organisations are equipped to tackle this issue.

At a local level, Safer North Hampshire work with Hampshire Constabulary to identify and manage any victims or perpetrators of modern slavery. Safer North Hampshire operate under the Crime and Disorder Act 1998 and the duty to prevent crime and disorder, which includes modern slavery and trafficking. A monthly meeting, the Vulnerabilities Operational Group tracks individuals of note as well as resulting actions.

Policies

The Council reviews its policies and procedures on an ongoing basis to ensure they remain compliant and fit for purpose. The following policies and procedures are considered to be key in meeting the requirements of the Modern Slavery Act.

- **Safeguarding**
Rushmoor Borough Council is committed to safeguarding the welfare of children and vulnerable adults. The Council has a comprehensive Safeguarding Policy which all staff and councillors are expected to read and adhere to. The Council carries out Safeguarding training for all frontline staff biennially, has Safeguarding champions across departments and participates in multi-agency partnerships to protect and safeguard people.

- **Recruitment**
Rushmoor Borough Council vets all new employees ensuring they are able to confirm identity, qualifications and are eligible to work in the United Kingdom as well as following up references. The Council safeguards agency workers by ensuring agencies used are reputable and have appropriate policies in place to safeguard workers.
- **Pay**
The Council operates a job evaluation scheme to ensure employees are paid fairly and equitably, taking into account The Equality Act 2010 and the National Joint Council for Local Government Services. The council's pay and reward policy is based on fairness, affordability, consistency, flexibility, market rates and to encourage and reward achievement.
- **Employee Code of Conduct**
The council's Employee Code of Conduct makes clear to employees the actions and behaviours expected of them when representing the council. The Employee Code of Conduct promotes a high standard of conduct based around honesty, accountability and respect to maintain public confidence in services provided, with any breaches thoroughly investigated.
- **Whistleblowing**
The Whistleblowing policy forms part of the council's corporate governance arrangements to ensure that employees are confident in the reporting and investigation of malpractice including fraud, corruption, and unethical conduct.
- **Members Code of Conduct**
The Members Code of Conduct emphasises Members responsibilities with regard to dealing with residents and all members of the community in a fair manner, putting the public interest first.

Supply Chains

It is a priority for the Council to ensure ethical trading, responsible sourcing and prevention of modern slavery and human trafficking throughout its supply chains.

The Council is committed to:

- full transparency of its supply chain;
- ensuring people who provide products and services used by the council are treated fairly, and their fundamental human rights protected and respected;
- ensuring new suppliers understand the council's requirements before commencing any work, and that existing suppliers comply with these requirements.

The Council procures goods and services from various suppliers which is governed by the Procurement Strategy and related Terms and Conditions.

The Council will carry out due diligence to ensure suppliers are aware of its expectation during any bid or tendering process, and again prior to new contracts being signed. The Council may request evidence of adequate Modern Slavery policies and procedures from any potential new suppliers, as well as existing ones. Prior to being engaged, all new suppliers will provide written confirmation of compliance with the Modern Slavery Act.

Suppliers may be requested to agree to the Council's Standard Safeguarding Contract Clauses.

If a current supplier is found to meet all statutory requirements but has policies that are lacking or could be improved we may look to work in collaboration with them to improve these, or alternatively suggest an appropriate agency who can assist. Should the council have serious concerns around a suppliers policies and the safety of those working for them, this should be immediately referred to the councils Senior Management as well as the Contracts Manager and a suitable escalation process followed.

Any violations or safety concerns will be reported to the appropriate authorities including:

- Hampshire Constabulary - <https://www.hampshire.police.uk/>
- Hampshire County Council Children/Adults Services - <https://www.hants.gov.uk/socialcareandhealth>
- The Home Office - <https://www.gov.uk/government/collections/modern-slavery>
- Hampshire and Isle of Wight Modern Slavery Partnership - <http://www.modernslaverypartnership.org.uk/>
- Banardos - <https://www.barnardos.org.uk/>
- Gangmasters and Labour Abuse Authority (GLAA) - <https://www.gla.gov.uk/report-issues/>

Training

All frontline council staff are required to attend biennial Safeguarding Training, and all staff are required to complete an annual e-learning package on Safeguarding Children. All staff are also encouraged to familiarise themselves with the Safeguarding Policy itself and discuss any concerns with Safeguarding Champions. Policies and the list of Safeguarding Champions can be accessed via the council intranet, Inform.

Councillors are also encouraged to attend Safeguarding Training to assist them in carrying out their duties both within the council, as well as when out working in the community for their constituents.

Review

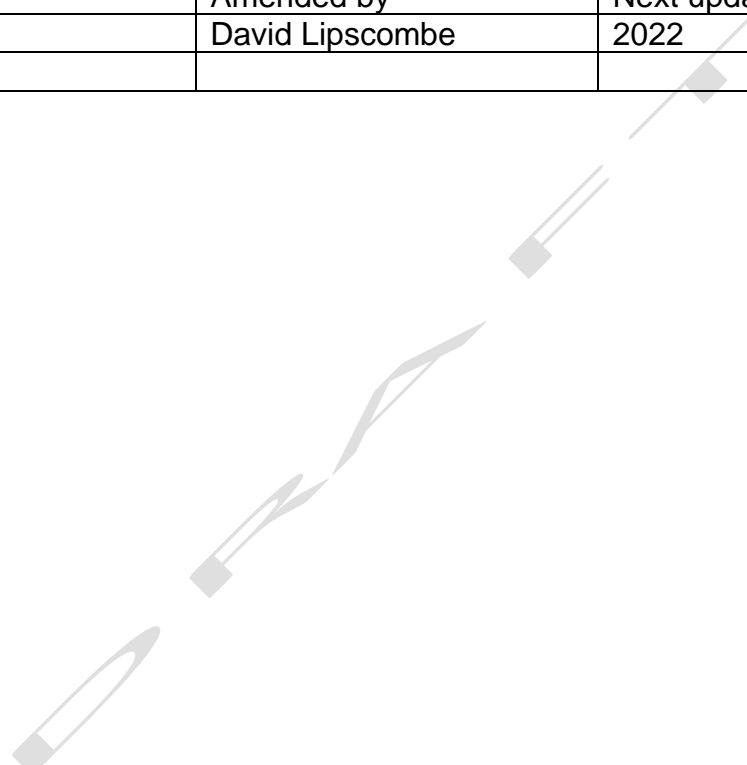
This Transparency Statement has been approved by the Cabinet of Rushmoor Borough Council and will be reviewed and updated every 3 years by the Community Safety Team.

Reporting of concerns

All Modern Slavery concerns will be reported via the National Referral Mechanism.

<https://www.gov.uk/government/publications/human-trafficking-victims-referral-and-assessment-forms>

Document Control		
Version	Amended by	Next update
1	David Lipscombe	2022



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**CABINET
11 AUGUST 2020**

**COUNCILLOR ADRIAN NEWELL
DEMOCRACY, STRATEGY AND PARTNERSHIPS
PORTFOLIO HOLDER
REPORT NO. ELT2003**

KEY DECISION? NO

**COUNCIL BUSINESS PLAN
QUARTERLY UPDATE APRIL – JUNE 2020/21**

SUMMARY AND RECOMMENDATIONS:

This paper sets out the Council Business Plan performance monitoring information for the first quarter of 2020/21, building on the 16 priorities under the four themes of People, Place, Partnerships and Better Public Services.

The paper brings together the performance monitoring of the actions identified from the Council's three-year Business Plan, including the Council's Corporate Projects and the two key programmes of work which are essential for delivering the priorities, the Regeneration 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 2020 the Council agreed the updated 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 for the borough (Your future, your place - a vision for Aldershot and Farnborough 2030). Although the updated Council Business Plan was agreed in July, work to deliver the priorities continued in the preceding months and this paper therefore sets out performance monitoring information for the Council Business Plan for the period of April to June 2020.
- 1.2 Whilst this report is presented by Cllr Adrian Newell who is Democracy, Strategy and Partnership Portfolio Holder there are two other Portfolio Holders who are responsible for the delivery of the Council Business Plan, 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

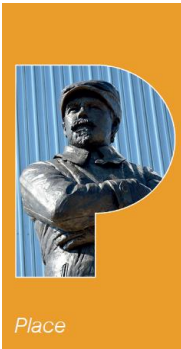
- 2.1 The Council Business Plan is a three-year plan, which will deliver the Cabinet's 16 priorities which are set out under the four themes of People, Place, Partnerships and Better Public Services:



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 deliver over the next three years and the key priorities to be delivered in 2020/21, to realise of the vison.

3. Delivery of the Council Business Plan

- 3.1 The Council Business Plan is delivered and monitored via two main programmes; the Regeneration Programme and the ICE Transformation Programme. In addition, there are a number of individual Corporate Council Projects.
- 3.2 Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions. The programme delivery is a partner 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".
- 3.3 The Council's transformation programme, known as the ICE programme, was confirmed on 15 October 2019 and the agreed programme outcomes are as follows:
- Improved and modernised core business
 - Consistently excellent Customer Experience
 - Enable efficiencies, delivered savings and generated more income
- 3.4 The ICE Programme has subsequently been updated and refined to help address the challenges the Council faces following the initial response to the Covid-19 pandemic.
- 3.5 Projects which fall outside the two main programmes are also monitored as Corporate Projects and these contribute to the overall delivery of the Council's Business Plan.
- 3.6 In addition to measuring progress through the Corporate Projects and key Programmes, the Council Business Plan is also monitored using an Organisational Health Dashboard. The dashboard contains a set of measures intended to provide a view of key areas of overall Council performance.

4. Covid-19

- 4.1 During this quarter the impacts of the Covid-19 emergency on the delivery of Council Business Plan were being realised. In a very short space of time the whole Council refocused and changed the way it was operating, and resources were moved to respond to the issues created by Covid-19. These shifts in work and delivery are likely to continue to impact how the Council functions and prioritises the use of its resources as we move into recovery phase. As a result, some of reported data in this quarter show significantly different trends due to these impacts.

5. Corporate Projects - Quarter 1

- 5.1 Annex A sets out the detailed progress this quarter against the activities in the Council Business Plan. Progress has been made across a wide range of Corporate Projects and overall 72.4% of projects are on track. However, Covid-19 has impacted the delivery of some projects in this quarter.

6. Regeneration Programme – Quarter 1

- 6.1 Programme progress is set out at Annex B. Quarter 1 saw a major milestone achieved for the Union Street development and further progress has been made on developing a set of placemaking principles that can underpin the Civic Quarter development. The quarter also saw work start on site in converting the former town hall in Aldershot into a Digital Hub (due to complete Q2) and at Voyager in Farnborough (also due to complete in Q2). Overall, whilst progress on key sites has been good, it is evident that the Coronavirus crisis has had an impact on the delivery of the wider programme. Work is currently being undertaken to mitigate related risks.

8. ICE Programme – Quarter 1

- 8.1 Programme progress is set out at Annex C. Overall Programme status is showing as **Green** which reflects the revised ICE Phase 2 programme from 1st June 2020. In the quarter to June 2020 the ICE Programme revised the programme scope and continued limited progress on the delivery of a number of existing ICE projects.

9. Organisational Health Dashboard – Quarter 1

- 9.1 The Quarter 1 Organisational Health Dashboard is set out at Annex D and shows the summary of performance in the quarter against a number of key indicators and measures. With some services being suspended over Quarter 1 and the Council Offices being closed, Covid-19 has affected many of the key indicators and measures this quarter. It should also be noted that the Councils approach to reporting risk is being developed and risk reporting will be included in the Quarter 2 dashboard.

7. Conclusion

- 8.1 Cabinet's views are sought on the performance made towards delivering the Council Business Plan during April to June 2020.

COUNCILLOR ADRIAN NEWELL
DEMOCRACY, STRATEGY AND PARTNERSHIP PORTFOLIO HOLDER

BACKGROUND DOCUMENTS:
Council Business Plan April 2020 to March 2023

CONTACT DETAILS:

Sharon Sullivan, Policy Officer - 01252 398465, sharon.sullivan@rushmoor.gov.uk

Corporate Projects quarter one monitoring 2020/21

Introduction

Corporate Projects are projects which are key to delivering the key activities in the Council's Business Plan, along with the ICE programme and the Regeneration Programme.

Summary - key success and issues

Overall 72.4% of projects are on track or completed

Key successes this quarter:

- The Council's response to the coronavirus and development of recovery plans are on track
- Playground and outdoor gyms at Moor Road completed and open. MUGA and BMX pump track to be installed September 2020
- CCTV network report due to be submitted for the 11 August Cabinet
- Procurement Strategy due to be submitted for the 11 August Cabinet

Key issues this quarter:

- Coronavirus has caused a delay in the following projects:
 - Developing options for visitor facilities at Southwood Country Park
 - Developing the Strategic Economic Framework. However, work to support the economy has been carried out in quarter 1.
 - Developing and delivery of homes for private rent through Rushmoor Homes
 - Options for the development of a closed circuit cycle track at in the Borough
 - Establishing business, education and community links with Dayton in the United States and Gorkha Municipality, Nepal
 - Developing our commercial property portfolio

Key to trend arrow:

→ Same quarterly status as previous quarter ↓ Decline in quarterly status ↑ Improvement in quarterly status

People

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
Prepare a strategy and plan in conjunction with key partners for supporting communities to address areas of need to include a focus on keeping the population safe and well informed following the coronavirus emergency. To include: <ul style="list-style-type: none"> Tackling areas of deprivation where it exists Improving health outcomes and wellbeing, with a focus on mental health and social isolation Raising aspirations of and supporting young people Initiatives that help improve education outcomes 	AC	On track to produce new strategy to tackle inequality	NEW		
Develop a plan for improved walking and cycling infrastructure in the Borough which encourages residents to be more active	TM	The project teams for County and RBC have been identified and the project initiation meeting is being set up.	→		
Undertake a review of polling places and polling districts	VP	Progressing on time	NEW		
Agree a deliver the Rough Sleeper Strategy and action plan recognising the long term effects of Covid-19 on the Councils obligations	JD		NEW		
Develop a revised waste strategy in line with our residents' ambitions and the Environment Bill, including exploring the introduction of a food waste collection service	JD		NEW		
Deliver changes to electoral processes to make it easier for residents to register and vote	AC		↑		

In addition to the Corporate Projects under People, work has continued on these key activities which are monitored by Services and support the delivery of the Council Business Plan:

- Implement the Temporary Accommodation Strategy and identify alternative sites for temporary accommodation
- Continue to deliver the Housing and Homelessness Strategy 2017-2022

Place

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
Complete the preparation and commence delivery of the Council's climate change strategy and action plan including establishing the carbon footprint for the Borough and the Council's services	AC		↑		
Agree sustainable (climate friendly/carbon neutral) approaches to the design and delivery of all Council led developments	PB	Forthcoming seminars on sustainable design	NEW		
Develop policies and initiatives to improve green infrastructure and enhance biodiversity across the borough	TM	Work has started on scoping and developing these documents	↑		
In line Government advice, work with the Council's leisure provider to recover services at the Farnborough Leisure Centre and the Aldershot Indoor Pools and Lido complex	JD	Discussions ongoing with leisure providers around the reopening plan. The Lido to remain shut for the remainder of the year and plans are to re-open summer 2021.	NEW		The Council is working with leisure providers towards a reopening date, after Government guidance stated that Leisure Centres can reopen from the 25 th July
Develop a visitor centre, café and other facilities for visitors to the Southwood Country Park	TM	Covid-19 has delayed development of options for building. The consultation has also been delayed and needs to be rescheduled	N/A		
Complete and open the new leisure and play facilities at Moor Road playing fields	MS	Playground and outdoor gyms completed and open. MUGA and BMX pump track to be installed September 2020	→		
Take forward the strategic economic actions to support recovery and growth	TM	The first stage has been completed and is being	↓		In addition to the Council Business Plan

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
		reviewed. Due to Covid-19 it has been decided that it is better to delay the second stage until later in the year. A judgement will need to be made as to when it is best to restart. Current timetable is reasonable but will depend on events.			activity, during Quarter 1 Council has been providing support to businesses, unemployed residents and those facing redundancy and to reopen the Town Centres.
Manage the planning processes relating to Esso Pipeline efficiently to ensure safe implementation that minimises, as far as possible, the impact on people and habitats	TM	The Examination closed on 9/4/20. The Examiners have submitted their report to Secretary of State on 7/7/20 and a decision is expected in September. We continue to attempt to negotiate land agreements with Esso but are encountering a lack of response.	NEW		
Develop and deliver homes for private rent through Rushmoor Homes	TM	Covid delayed procurement of managing agent and a legal issue has arisen on 12 Arthur St that requires resolution before transfer. This has delayed milestones in Business Plan by a quarter	↓		Following investigation the Council is likely to undertake physical works to address the issue at 12 Arthur St as this offers better value than securing legal agreements. This is likely to take 2-3 months to gain permissions and complete works.

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
Develop proposals for a visitor attraction related to aviation heritage including educational opportunities to help grow tourism	TM	Procurement has been undertaken and preferred partner identified. Covid-19 and the scale of response slowed process but still on track. Appointment underway.	→		
Subject to a feasibility study, deliver a closed circuit cycle track in the borough	MS	There has been a delay in progressing the project because of Covid-19 which has resulted in delays with the discussions with British Cycling and the transfer of the Wellesley Playing Fields to the Council	→		Further discussions now taking place with British Cycling and Grainger regarding the acceptability of the project.
Work with the sector to undertake the procurement of an operator for the Councils key leisure contracts, at the right time	JD	Previous procurement was cancelled as a result of Covid-19 and the project team are evaluating the state of the market to ascertain when a new process might be best started.	→		

In addition to the Corporate Projects under Place, work has continued on these key activities which are monitored by Services and support the delivery of the Council Business Plan:

- Support the ongoing development at Wellesley
- Monitor and, where possible, support improvements in local air
- Continue to deliver the Affordable Housing Delivery Programme to provide 150 affordable homes each year

Partnerships

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
Implement improved arrangements for the Council's Community Safety Service	JD	Changes due to be implemented in August	NEW		

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
Develop new working arrangements with community/voluntary sector groups and public sector partners to support recovery processes from the coronavirus pandemic and develop a new community support hub arrangement jointly with key partner organizations.	EL	Discussions on going and on track	NEW		
Renew the CCTV network for the borough	JD		→		Report due to be submitted for the 11 August Cabinet
Support the Centre of Excellence at Farnborough College of Technology for the development of support to the aerospace industry through apprenticeship and research and innovation offers	TM	Planning application for Aerospace Research and Innovation Centre submitted and expected to be determined at Development Management Committee 22 July 2020. Work on management delayed by Covid-19 but not anticipated to cause an issue with project timeline at the moment.	→		Planning application granted at Development Management Committee on 22 July 2020
Progress Military Covenant priorities and prepare and deliver a plan to seek Defence Employers Recognition Scheme Gold	AC		→		
Work in partnership to support and encourage street attached individuals to seek access to specialist support services to make positive changes in behaviour	JD		NEW		
Encourage and establish business, education and community links with support from the Rushmoor International Association with: <ul style="list-style-type: none"> Dayton, Ohio, United States Gorkha Municipality, Nepal Rzeszow, Poland 	AC	Dates of planned activities have changed in view of Covid-19. Programme is being reviewed.	→		

In addition to the Corporate Projects under Partnerships, work has continued on this key activity which is monitored by Services and support the delivery of the Council Business Plan:

- Deliver the Safer North Hampshire (SNH) Community Safety Partnership Plan

Better Public Services

Corporate Projects	Lead Officer	Progress this quarter	Trend Q4 -Q1	Status Q1	Notes/Update
<p>To continue to respond to the Coronavirus Pandemic and adapt services accordingly alongside the Local Resilience Forum and with partners, as required and directed by Government</p> <p>To develop and implement delivery plans for the recovery phase (s) of the Coronavirus Pandemic</p>	PS	<p>Recovery plans developed and implemented in accordance with government guidelines and in conjunction with local partners.</p> <p>Six workstreams established with good progress on delivery plans</p>	NEW		
Implement new technology to protect the Council from the threat of cyber crime	NH	<p>Independent security testing (penetration testing) undertaken by Cabinet Office approved IT security specialist. Awaiting full report as part of Public Services Network (PSN) submission due in October 2020.</p> <p>Ongoing security training for staff being provided regularly.</p> <p>Cyber security awareness raising information issued</p>	NEW		
Adopt the new 2020-2024 Procurement Strategy	DS	Updated Procurement Strategy reflecting feedback from PPAB to be considered by Cabinet at meeting on 11 August 2020			Report due to be submitted for the 11 August Cabinet
Taking into account the financial implications of Covid-19 manage and develop our commercial property portfolio well and identify opportunities with other council owned and regeneration properties to ensure the Council sees both a good return and wider economic benefits to local business tenants	PB	Bringing forward speculative development or undertaking further acquisitions in the current economic climate is risky therefore work will	NEW		

		concentrate on the case for development with cautious returns at a time when the viability can be proven			
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Rushmoor Borough Council Regeneration Programme

Programme Monitoring Report August 2020

Quarter 1

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 partner 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 currently comprising the following projects.

Workstream 1 RDP Projects	Workstream 2 Property or Major Works	Workstream 3 Third Party Projects	Workstream 4 Feasibility/Options Appraisal/Strategy
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: Council Offices site/Civic Quarter
F1: Civic Quarter	A5: The Digital Hub	F2: Farnborough Transport Package	F6: New Leisure Centre Feasibility
A6: Parsons Barracks	F3: Invincible Road	F9: Voyager House	F8: Farnborough North/ Hawley Lane
	B3: Southwood Country Park (development of buildings)		A8: Aldershot Town Centre Strategy

Programme Summary	Period April 2020 – June 2020	Version 0.1	Last Updated: 20th July 2020
Overall Programme Status	Outcomes	Budget	Timescales

Programme commentary including key successes and issues

Q1 saw a major milestone achieved for the Union Street development and further progress has been made on developing a set of placemaking principles that can underpin the Civic Quarter development. The quarter also saw work start on site in converting the former town hall in Aldershot into a Digital Hub (due to complete Q2) and at Voyager in Farnborough (also due to complete in Q2). Overall, whilst progress on key sites has been good, it is evident that the Coronavirus crisis has had an impact on the delivery of the wider programme. Work is currently being undertaken to mitigate related risks.

Programme highlights for this quarter:



- Union Street (Project A2) – Planning permission was granted on the 24th June 2020 which sees the scheme achieve a significant milestone. The Council continues to make good progress towards the completion of site assembly and has now secured all freehold interests following the acquisition of 51 High Street. It is anticipated that vacant possession of all remaining interests will be resolved in Q2. Due diligence work has begun in relation how the Council will deliver the permitted scheme, considering viability, funding options and procurement routes and is aiming to have concluded this work in Q3. The tender process for the demolition of the second phase of works is expected to start in Q2 and it is likely that Q3/4 will see this work begin on site. The scheme has been impacted by the Coronavirus crisis in terms of pre-demolition works being commissioned and undertaken but officers continue to work with suppliers to make as much progress as possible.
- Civic Quarter (Project F1) – In Q1 the regeneration team invited Members to a virtual placemaking workshop which was designed to provide them with the opportunity to further develop key principles for the Civic Quarter that will be taken forward into RIBA Stage 2 of the masterplanning work being undertaken by the Rushmoor Development Partnership (RDP). The outcome of this workshop identified 16 emerging priorities that are intended to be used to articulate member aspirations for the Civic Quarter site going forward. These priorities and next steps will be considered by the Policy and Project Advisory Board (PPAB) on the 15th July 2020 before being confirmed by Cabinet in Q2. PPAB will also consider the merits of some learning seminars open to all members of the Council to analyse in more depth the following; Sustainable design options and changing sustainability requirements, Housing led developments and reinventing the town, Sustainable transport and The Green Agenda. Key learning points and findings would be brought together by officers in a single policy paper to be considered by PPAB and the Climate Change and Recovery Task and Finish Groups. Recommendations would then go on to inform a final report that would be brought before Cabinet for approval in Q4 to inform detailed phases of the Civic Quarter development. A demolition contractor has been procured and it is anticipated that work will begin to demolition Elles Hall Community Centre site in Q2.

Forthcoming Matters for consideration by Members


The following matters are anticipated to be brought forward in the next quarter:

- Consideration of matters associated with the Civic Quarter, in terms of member engagement and recommendations which would be brought before Cabinet for approval.
- Consideration of matters relating to the Union Street proposals and the due diligence work that is currently being undertaken.




Progress Summary by project

Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
Workstream 1 – RDP Projects						
A2: Union Street	This project will contribute towards the reinvigoration of Aldershot town centre, creating a new revitalised and vibrant space, with a mix of residential and student accommodation above active ground floor uses alongside a creator's yard within the heart of the town.	<u>External</u> £5m HIF £1.2m EM3 LEP <u>Capital</u> 19/20 £5.7m	Acquisition of 51 High Street (freehold interest) Confirmation of LEP funding Planning application approval for the scheme comprising 100 residential units, 128 units of student accommodation and ground floor commercial space Demolition of 53-55 High Street	Achieve vacant possession of the site Pre demolition works to continue for wider site (Coronavirus crisis impacted) Preparation of tender pack for wider site demolition contractor & Demolition contractor appointment Due diligence work to continue Member engagement Commission relocation of sub-station and resolve existing sub-station Lease		Good progress has been made in the last quarter and saw the approval of the planning application for the scheme. Preparation of tender pack for wider site demolition contractor has begun, preparation for the wider site demolition continues. Due diligence work continues, considering viability, funding options and procurement routes and is aiming to have concluded this work in Q3. The Council works towards the completion of site assembly in order to allow for demolition to proceed. It is anticipated these interests will be resolved in Q2. The RDP continues to promote the scheme via the website and social media presence, uploading new images as they develop.
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 and the re-provision of leisure and community facilities. This will enhance the town centre and improve connectivity between	<u>Capital</u> 19/20 £10m 20/21 £10m 21/22 £19m Current capital provision (subject to business case). Further funding requirements will be	Procurement and appointment of a demolition contractor for Elles Hall Develop funding bids to support infrastructure provision – particular focus on transport interventions	RDP to commission LDA architects to take forward RIBA Stage 2 masterplanning works Member engagement to inform the masterplanning process		A demolition contractor has been appointed and it is anticipated that work will begin to demolition Elles Hall Community Centre site in Q2. Member engagement continues in order to inform the masterplanning process, this will take the form of seminars would feature a presentation from a guest speaker who would be an industry lead in the given topic and be best placed to help in advancing the discussion



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Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
	the town and the business park to the south west.	identified through the masterplanning process.	RBC to develop proposals associated with releasing the current Council Offices site, including Outline Business Case. Seek external funding opportunities to assist with scheme delivery	Demolition of Elles Hall Community Centre		and furthering members' understanding. Key learning points and findings would be brought together by officers in a single policy paper to be considered by PPAB and the Climate Change and Recovery Task and Finish Groups. Recommendations would then go on to inform a final report that would be brought before Cabinet for approval in due course in addition outputs from this work will be required to inform detailed phases of the Civic Quarter development and so should aim to be completed within 3-4 months so these priorities can be successfully embedded in the design process
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 were considered by the RDP including residential, a hotel, food, retail and the option of a Care Home facility as end uses. The RDP Project Plan recommended a Care Home facility as the best option to take forward. RBC approved the disposal of the car park to the RDP in mid 2019. Profit from the disposal of this site is proposed to contribute to the overarching Aldershot Town Centre regeneration.	Aligned to the Project Plan presented by the RDP and approved by Council.	Ongoing process of due diligence by potential end user including ground investigation works. Aim to move forward resolution of outstanding legal issues relating to the disposal of land.	The Council continues to explore ways in which to remove any risk to the Council in relation to the disposal of land and is aiming to have sign off from Cabinet to proceed with the disposal should the risks be appropriately mitigated.		The Council's position is that the overage clause must be removed in order for this land disposal into the RDP to proceed. Progress has been made during Q1 in this respect and it is the aim to have the matters resolved in Q2.
Workstream 2 - Property or Major Works						




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Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
<p>A3 & A7 The Station and surrounding area, including Windsor Way & High Street Bus Interchange</p>	<p>Aldershot Railway Station is a key gateway into the town and as such has been identified as needing qualitative 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.</p>	<p>£200k EM3 LEP £100k RBC £200k HCC</p> <p><i>Additional funding contributions have been sourced, subject to approval.</i></p>	<p>Detailed design work continuing with HCC Engineering consultancy.</p> <p>Drawdown of funding from LEP allocation</p> <p>Overall scheme costs to be confirmed by HCC.</p>	<p>Review of costs by HCC and confirmation that any overspend can be accommodated.</p> <p>Scoping exercise to consider a wider programme of works in Aldershot within which the forecourt improvements would sit.</p>		<p>Cost estimations provided by Hampshire County Council (HCC) are higher than originally thought and this has an impact on the ability to deliver the project against the budget of £600,000. HCC is giving consideration to how additional funding can be secured to bridge any shortfall. The determination of this application is expected at the end of July</p>
<p>A5: The Digital Hub</p>	<p>The Digital Hub scheme perfectly combines the past and the present, consisting of a digital Hub to produce a collaborative workspace for existing and aspiring entrepreneurs and develop businesses working in the gaming and digital sector within the setting of a listed building (Old Town Hall). The desired outcomes from this project are growth of the digital economy including; job creation; jobs safeguarding; and office floorspace refurbishment.</p>	<p>Total 867k - LEP; £10k OPE, RBC 40K (revenue)</p>	<p>Refurbishment works to start on site</p>	<p>Completion of renovation works</p> <p>Opening of the Digital Hub</p>		<p>Renovation work on the Grade II listed building was impacted by the Coronavirus and works were halted during the lockdown period, but the scheme is now back on schedule, and is expected to be open in September 2020.</p>
<p>F3: Invincible Road</p>	<p>Improved access/egress from Invincible Road onto Elles Road</p>	<p>£228k funding from HCC</p>	<p>Contractor for works appointed HCC approval</p>	<p>Finalise legal work to ensure start on site in July 2020.</p>		<p>This scheme is scheduled to begin July 2020 subject to final legal sign off and is an 11-week programme of works.</p>




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Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
			Finalised drawings with Hampshire County Council			
B3: Southwood Country Park (development of SANG including former golf club buildings)	<p>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.</p> <p>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</p>	<p>£58k revenue, £422k capital, £40k RBC contribution to EA feasibility study, £15k for buildings options study and £17k for hoardings in 19/20.</p> <p>Majority to be recouped from developer SANG contributions.</p>	<p>Commissioned feasibility drawings for visitor centre</p> <p>Member Engagement</p> <p>Continued to work to keep the site secure</p>	<p>Option 4 of the scheme feasibility to be developed as directed by members.</p> <p>Soft market testing to be undertaken to assess the feasibility of commercial café and kiosk on site.</p>		<p>Soft Market Testing enquiries continue, in order to understand how other country park owners and managers have established cafe operations and procured a contractor to run the facility. The Council has made a commitment to consult with the public on the design of the facilities and this will take place before the design can be complete.</p>
Workstream 3 - Third Party Projects						
A1: The Galleries & High Street Multi-Storey Car Park	<p>This scheme is integral to the regeneration of Aldershot Town Centre. Shaviram Aldershot Ltd is proposing a scheme of approx. 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, the Council has approved, in principle, to relinquish its land interest in the</p>	<p><u>External</u></p> <p>£3.4m HIF</p>	<p>Pre-planning application submitted by Shaviram for consideration</p>	<p>Planning Application submission</p> <p>Establish impact on infrastructure – Sewer diversion</p> <p>Development Agreement to be progressed in relation to car park</p>		<p>The Council is anticipating the submission of a planning application in early Q2.</p>

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Project	Description	Funding	Key Activities		Status	Project Narrative
			Apr 2020 – Jun 2020	Jul 2020 – Sept 2020		
	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.					
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	Hampshire County Council secured LEP funding	Design, development and business case work is progressing for the scheme.	Hampshire County Council 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 and will engage with stakeholders as required. RBC input is expected to be minimal
F9: Voyager House	Rushmoor Borough Council acquired the Voyager Building in Apollo Rise (Southwood Business Park) for the CCG and providers to occupy as Tenants, in order for them to accommodate and co-locate primary care practices and community services in a way not currently possible within Farnborough. The CCG were required to commit to enter into an Agreement to lease (and ultimately a Lease) with Rushmoor Borough Council as Landlord (i.e. as a pre-condition to support the purchase).	Capped budget of £5.85m with any further project costs being met by CCG	Tenders for the works received and assessed	Plans agreed and works to commence on site for the fit out of premises August 2020		Appointed Contractors Storm 20 th April. Despite only minor impact of Covid19 on the supply chain it has impacted the number of operatives allowed on site which has caused 1 week's delay and completion is now anticipated to be late August.
Workstream 4 – Feasibility/Options Appraisal/Strategy						
A8: Aldershot Town Centre Strategy	Completion of a comprehensive strategy and transition plan for Aldershot Town Centre.	Strategy and transition plan are developed Funding requirements will be identified for	Developed and completed specification for retail/leisure usage study.	Continue to develop Aldershot transition plan in light of the Covid pandemic and need to plan recovery		Work continues on the transition plan for Aldershot Town Centre in light of recovery of High St following Covid19, it is expected that the High Streets Task Force report due in the

Rushmoor Borough Council Regeneration Programme Monitoring Report

Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
		any additional projects and will be brought forward through the Council's normal budgetary processes.	Continued to develop Aldershot transition plan for the duration of the anticipated construction works Ongoing engagement with stakeholders including Aldershot Civic Society and Aldershot Task Force Work undertaking to ensure Town Centres are Covid-19 compliant	and then for the duration of the construction works Virtual meeting with retailers held as part of recovery process. Stage 1 of Town Centre Uses Study presented to PPAB as part of development of Aldershot Town Centre Strategy		next quarter will feed directly into the town centre strategy. Identifying key themes and outcomes to assist with the town centre transformation, unlocking potential barriers, and creating opportunities. Work to draft an interim strategy document will commence as final evidence has been delayed by Covid and there will be a need to take a further view once recovery is established.
F5: Council Offices site/Civic Quarter	Consideration of future options for the Council Offices site and the development of options for the future location of the council.	Funding for feasibility/options work in the event of relocation included in budget for 2020/21	Review stock condition survey undertaken in 2019 Measured survey undertaken of existing site Development of outline business case for Cabinet approval in July	Outline Business Case to be considered at Cabinet 14/07 to move to a detailed feasibility study in order to explore the option for a combined Leisure and Civic Hub or Leisure Centre only.		A detailed feasibility study to be carried out to consider two options of a combined Leisure Centre and Civic Hub or a standalone Leisure Centre. The Civic Hub looks to create a civic 'heart' incorporating a mix of civic/community uses within one building.
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.	£100,000 for further feasibility and design work Procurement budget also in place	Cabinet approval for a new Leisure Centre RDP/RBC working with architects GT3 to establish footprint of facility following confirmation of facilities mix in December 2019.	Confirm whether the leisure centre will be incorporated within a multi-use 'Civic Hub' – linked to Project F5.		As above
F8: Farnborough North/Hawley Lane	This scheme has several objectives: to assist Network Rail in making Farnborough North safer for pedestrians Potential relocation of builder's merchants to an improved		Feasibility work has been undertaken for the scheme and has provided some options for consideration.	Confirm if additional land is a requirement for the scheme, through feasibility and design work. Continued engagement with stakeholders on		Work continues with the complex Farnborough North site which has a number of elements that need close coordination and engagement. Feasibility work for the site continues.

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Project	Description	Funding	Key Activities Apr 2020 – Jun 2020	Key Activities Jul 2020 – Sept 2020	Status	Project Narrative
	location at Hawley Lane and redevelopment of site.			completion of feasibility and design work.		

Summary of Key Programme Risks by Workstream			
<p><u>General: All workstreams affected by Coronavirus crisis which is likely to cause delays throughout the programme.</u></p>			
<p>Workstream 1 – Project A2 has risks associated with the Coronavirus crisis in terms of site preparation pushing project timelines.</p> <p>Risks associated with resourcing and expertise of major projects are under active management.</p>	<p>Workstream 2 Project A3 has risks associated with the costings of which will have an impact on project timescales. Steps are being taken to mitigate this and additional funding application have been submitted.</p>	<p>Workstream 3 – Project F9 is likely to be impacted by the Coronavirus crisis, in terms of supply chain which has caused a delay to the completion date, at the moment the impact minimal.</p>	<p>Workstream 4 – Projects within this workstream, may have indirect risks associated with the Coronavirus crisis in terms of commissioning external suppliers to produce reports and surveys, who are impacted by the Coronavirus crisis. Project F8 currently has risks associated with internal resourcing.</p>

ICE 2 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 has been updated to create a second phase, partly in response to the changed Covid-19 environment and partly to reflect the increased focus on the delivery of savings associated with the ICE Transformation Programme in 20/21 and 21/22. The programme now consists of three workstreams – **Workstream 1** ICT Enablers, **Workstream 2** Customer Transformation and **Workstream 3** Internal Transformation.

As a result, the programme has been re-baselined (timescales & budget) from the 1st June 2020 and this report reflects the re-baselined position.

Programme Summary	Period April - June 2020	Version 0.1	Updated: 9th July 2020
Overall Programme Status (revised)	Outcomes – on target	Budget – on target	Timescales – on target

Programme commentary including key success and issues

Overall Programme status is showing as **Green** which reflects the revised ICE 2 programme from 1st June 2020. In the quarter to June 2020 the ICE Programme revised the programme scope and continued limited progress on the delivery of a number of existing ICE projects.

1. Developed and agreed ICE Phase 2 programme
2. Completed roll-out Microsoft Teams ahead of programme timeline in response to the need for remote working tools
3. Undertook a number of equipment upgrades to response to remote working requirements
4. Rolled out further CRM functionality including better information on customer demand, and improved access for Customer Service Staff to customer property records.
5. Agreement reached to upgrade the overall Council end user devices to laptop computers running Windows 10 with roll-out commencing September 2020 part funded through the ICE Programme
6. Consulted on Workforce Strategy and commenced implementation
7. Developed Phase 2 ICE budget
8. Rescoped and prepared the New Ways of Working Project (see Project P10) for delivery of savings

Karen Edwards, ICE Programme Sponsor

Workstream 1 – Programme Enablers (ICT Projects)			Version Control	0.1	Period	April 2020 – June 2020
Project Ref	Project Description	Progress		Trend (from last month)	Status	Notes
P1	The Modern Workplace (O365) P1 SharePoint Online /One Drive/Data Governance	Good progress. Roll-out plan for the next set of 365 products being developed with external consultancy support. Roll-out July – Feb 21		→		Products include, OneDrive, SharePoint Online, Teams, Intranet, Planner, Stream, Forms
P2	The Modern Workplace (O365) P2 Delve	Good progress roll-out to be complete in July 20		→		Delve is a file hub, collaboration space and enterprise social network built into the Office 365
P3	The Modern Workplace (O365) P3 Teams collaboration and unified comms/telephony	Good progress. Work underway on scoping the replacement of current telephony system with integration to Office 365. Implementation to April 21		→		
P4	Infrastructure and Cloud Migration P4 Windows 10	Good progress. Roll-out of Windows 10 (and replacement of end-user devices with new laptop computers) by Feb 21		→		
P5	Modernising LOB Applications P5 Property System	Procurement Phase underway to complete by September. This is a tight timescale and the requirements document is outstanding		→		
P6	Modernising LOB Applications P6 Housing System	To be scoped		→		
P7	Modernising LOB Applications P7 BACS (WS/5.6)	Good progress. Upgrade to complete August 2020		→		
P13	Modernising LOB Applications P13 Finance System	Project on hold awaiting Finance resources		-		

Workstream Commentary	Issues or Risks
Workstream re-baselined 1 st June 2020. Workstream overall on time and on-budget to revised timelines.	Impact of Covid 19
	Project time and resource constraints P5 and P13
	Ability to recruit and retain staff with the right skills because of the competitive nature of the IT recruitment market and impact of Covid 19

Workstream 2 – Customer Transformation			Version Control	0.1	Period	April 2020 – June 2020
Project Ref	Project Description	Progress		Trend	Status	Notes
P8	Digital Services P8 CRM additional functionality & Service Improvement	Good progress. CRM live with incremental releases of new functionality being linked to Project P10		➔		
P9	Digital Services P9 New Website development	This project has been delayed by two major issues: the delay of external user research due to the C-19 and a lack of capacity in the website team. There is now a risk that the deadline to replace the website by April 2021 will be missed		➔		Revised timescales to be developed and resource issues in the website team being reviewed
P10	New Ways of Working P10 Redesigning Services to work, safely, flexibly & remotely at a lower cost	Project being scoped. Initial transformations will focus on Elections and Licensing. Will also create new Digital Team in IT to support delivery. Roll-out will commence July 2020		➔		
Workstream Commentary			Issues or Risks			
Workstream re-baselined 1 st June 2020. Workstream overall on time and on-budget to revised timelines.			Impact of Covid 19			
			P9 Website project slippage			

Workstream 3 – Internal Transformation (Employees/Business)			Version Control	0.1	Period	April 2020 – June 2020	
Project Ref	Project Description		Progress		Trend	Status	Notes
P11	Organisational Development P11 People Strategy and Improved skills		Good progress. People Strategy in draft to complete following consultation in August		→		
P12	Organisational Development P12 Values, culture and behaviour for the new environment		Project elements linked to P12 being scoped		→		
Workstream Commentary				Issues or Risks			
Workstream re-baselined 1 st June 2020. Workstream overall on time and on-budget to revised timelines.				Impact of Covid 19			
				Resource capacity to undertake project work in this workstream/lack of project management capacity			

Organisational Health Indicators Quarter 1 2020/21		Summary this quarter: With some services being suspended over Q1 and the Council Offices being closed, Covid-19 has affected many of the key indicators and measures this quarter. The Councils approach to reporting risk is being developed and risk will be included in the Q2 dashboard.							
Key		An improvement from last quarter or this quarter last year				A decline from last quarter or this quarter last year			
Corporate Projects % on track or completed (green or blue)		Regeneration items % on track or completed (green or blue)		ICE items % on track or completed (green or blue)		Council Tax collected		Business Rates collected	
72.4%	Last quarter: 52.9%	35.7%	Last quarter: 35.7%	83.3%	Last quarter: 38.5%	94.29%	Last quarter: 98.09%	83.47%	Last quarter: 97.41%
	This quarter last year: N/A		This quarter last year: 35.7%	*	This quarter last year: N/A	*	This quarter last year: 97.84%	*	This quarter last year: 101.50%
Staff turnover		Absence - Working days lost per FTE						Violence at work data - incidents	
2.83%	Last quarter: 3.55%							7	Last quarter: 17
	This quarter last year: 2.83%								This quarter last year: 14
Number of complaints								Rushmoor work related accident / incident data	
4	Last quarter: 7								This quarter last year: 1
	This quarter last year: 10							0	Last quarter: 0
									This quarter last year: 1
Number of walk-in customers		Number of calls to Customer Services		Call Abandoned rate		Number of website sessions		Top three-page views this quarter	
0	Last quarter: 6,856	10,591	Last quarter: 14,614	1.8%	Last quarter: 2.5%	240,335	Last quarter: 212,518	1. Bin collections (63,857)	
*	This quarter last year: 4,432	*	This quarter last year: 14,733		This quarter last year: 4.8%		This quarter last year: 231,704	2. Rubbish and recycling (23,874)	
								3. HWRCs (20,759)	

Comments:

*ICE items – the Ice Programme was rescoped at the end of Q4 (2019/20)

*Council Tax and business rates – Covid-19 has affected collection rates this will be covered in a separate Cabinet report. Additionally, much of the differences between quarters is caused by people moving instalments from April/May to the end of the year, Feb/March

*Number of walk-in customers – The reception closed in March due to Covid-19

*Number of calls to customer services – Although the number of calls is lower than last quarter and this quarter last year the average call handle time has increased from 2 minutes in Q4 (2019/20) to 3 minutes 10 seconds in Q1 (2020/21). This is partly due to staff giving out contact details of departments as they are unable to transfer calls and calls being more complex and customers enquiring about more than one issue.

Income over time from key income streams				Gross affordable housing completions – target 150 p.a.		B&B cost - Gross		Homelessness enquires – All cases	
				0*	Last quarter: 30	£41,696*	Last quarter: £24,378	198	Last quarter: 158
					This quarter last year: 64		This quarter last year: £34,831		This quarter last year: 188
				Major Planning Applications processed within 13 weeks - Target 60%		Number of Penalty Charge Notices (PCNs) issued		Number of Fixed Penalty Charge Notices (FPN's) issued	
				100%	Last quarter: 100%	0*	Last quarter: 3,270	9*	Last quarter: 574
					This quarter last year: 80%		This quarter last year: 3,708		This quarter last year: 526
Key income stream *	Amount	% of budget this quarter	% of budget this quarter last year	Benefit caseload		Electoral Registration – % of registered properties (properties minus 'true' voids)			
From buildings	£794,817	35.3%	35.2%	6,231	Last quarter: 6,176	85.8%*	Last quarter: 89.1%		
Investment Properties	£431,205	9.1%	50.4%**		Last quarter: 6,176		This quarter last year: N/A		
Princes' Hall	£94,912	9.6%	28.3%	Recycling rates - % reused, recycled and composted (one quarter behind)		Residual waste – kg per household (one quarter behind)			
Building Control fees	£48,978	22.2%	20.0%						
Car Parks and on-street parking	£92,793	3.7%	32.6%	27.3% (Q4)	Last quarter (Q3): 30.2%	136.31 (Q4)	Last quarter (Q3): 137.48		
Crematorium & Cemeteries	£549,862	31.0%	24.0%	Estimate for Q1: 32.3%	This quarter last year (Q4): 26.3%		This quarter last year (Q4): 136.7		
Planning fees	£63,127	15.8%	17.1%						
Green Waste	£199,004	48.1%	50.2%						

Comments:

*Income – The effects of Covid-19 on income will be covered in a sperate Cabinet report. **Two investment properties were not included in the original budget last year

*Electoral Registration – % of registered properties (properties minus 'true' voids) – The percentage from 1st June were expected to drop as property classifications have been removed as the annual canvass has started

*Gross affordable housing completions – target 150 p.a –Covid-19 has had an effect on the building industry resuting in zero affordable housing completions in Q1. The target for 2020/21 is still liky to be achieved.

*B&B cost – Gross –Due to Covid-19 and MHCLGs instruction to place all rough sleepers - this quarter has seen a significant increase in number placed in B&Bs and the costs

*Number of Penalty Charge Notices (PCNs) issued –Parking enforcement ceased at the end of March 2020 due to Cioid-19. Therefore, no notices were issued in Q1

*Number of Fixed Penalty Notices (FPNs) Issued – Patrols for litter enforcement ceased at the end of March 2020 due to Covid-19. Therefore, no notices were issued in Q1 issued for litter. However, Rushmoor Community Patrol Officers issued 9 FPN's for abandoned vehicle

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CABINET
11th August 2020

COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER

REPORT NO. RP2012

FARNBOROUGH LEISURE AND COMMUNITY HUB –
APPROVAL OF PROPOSED MAIN CONTRACTOR PROCUREMENT ROUTE

SUMMARY:

The purpose of this report is to seek Cabinet approval for the proposed procurement route to appoint a Construction Contractor to deliver the Leisure Centre and Community Hub. While the scheme is in the early stages of feasibility, approval of the proposed procurement route now will allow early engagement and input from the contractor prior to the formal appointment of a main contractor once a final decision to proceed with a scheme has been taken.

RECOMMENDATIONS:

Cabinet is recommended to approve:

1. The proposed procurement approach to appoint a Construction Contractor to deliver the Leisure Centre and Community Hub project via a direct award framework, as set out within this report.
2. Approve the engagement of Wilmott Dixon Construction through the Major Projects Framework which is part of the Procurement Hub Consortium.

1. INTRODUCTION

- 1.1 The purpose of this report is to seek Cabinet approval to proceed with a single-source procurement approach (using an existing EU framework as outlined in paragraph 3.1) for the delivery of the combined Leisure Centre and Community Hub. Formal appointment of the contractor will not take place until the feasibility study and detailed business case has been developed, and a formal decision to proceed has been made by Cabinet. Approval to proceed with the proposed procurement approach will enable early contractor engagement during feasibility development which will facilitate project delivery.

2. BACKGROUND

- 2.1 The Cabinet approved (RP2009) the development of a feasibility study and detailed business case for delivering a combined Leisure Centre and

Community Hub in July 2020. This work is underway and will be concluded by December 2020 with a decision on next steps being presented to Cabinet in early 2021.

- 2.2 As part of the feasibility study development, engagement with the market is important to validate technical and cost information and ensure that cost and risk is proactively managed from the outset.
- 2.3 Learning from successful projects elsewhere, being able to bring potential contractors into the project early is the best way to achieve this input which should result in a lower risk and managed cost project. This input and expertise can be accessed at no cost or obligation to the Council during the feasibility stage, if the appropriate procurement route is agreed at the commencement of this work.
- 2.4 A review of options for delivery has been undertaken considering EU compliant competitive and non-competitive routes. The detail of the available procurement options for a scheme of this nature is set out in section 4 below.
- 2.5 Having reviewed these options, it is recommended that a single-source procurement route is most appropriate for the delivery of this scheme because of the benefits from early engagement that this allows with the chosen Contractor.
- 2.6 This approach is detailed below and has been identified on the basis of the proposed Framework benefits combined with the opportunity to work with a Contractor based in Farnborough to support the safeguarding of local jobs.

3. Other Considerations

- 3.1 In looking at options, it was necessary to identify a procurement route that would allow access to contractors with the relevant experience in delivering complex schemes and specialist leisure facilities, as well as a procurement route that had a strong track record of project delivery, to time, cost and quality.
- 3.2 The Council's procurement strategy identifies the importance of Council spend being made locally and officers have considered this in coming to a recommendation.
- 3.3 The proposed approach provides guarantees in relation to local spend, supply chain and use of SMEs as well as Social Return on Investment (SROI) in line with the Council procurement strategy.

4. Rationale for Procurement Approach

- 4.1 It is proposed that the contractor is procured using an existing framework which has already been competitively tendered allowing for the appointment of a single supplier by the Council. Because Frameworks like this have been procured in compliance with EU Procurement Regulations it provides a legitimate procurement route for gaining access to a single supplier without the

need to undertake a further competitive procurement process and ultimately reduces the risk of any future public procurement challenge.

- 4.2 Use of a framework means that a competitive process has already taken place to appoint a single contractor to the framework with fixed core costs and overhead and profit. Framework users are then able to work directly with this framework and contractor to deliver their project without needing to undertake a wider OJEU tender or competitive process.
- 4.3 Having fixed the core costs and overhead and profit, remaining project costs are sub-contracted work packages that are locally tendered on an open book basis to a managed supply chain. This ensures that all work is competitively tendered and benchmarked to achieve value for money. It also evidences that 100% of cost on any project is market tested to achieve value for money.
- 4.4 Direct award frameworks offer immediate access to framework delivery partners which avoids the time and cost delays of undertaking a tender process/mini competition and allows early engagement with the contractor from the start of the scheme. This also focuses project spend on scheme development.
- 4.5 Early contractor involvement and contractor support/advice on brief development, budget costing, project programming and buildability is provided at no cost at feasibility stage. This ensures that the key project information is sufficiently developed before preconstruction services commence. This option is not available to us if we engage in a mini competition.
- 4.6 Following this stage, and once the scheme receives approval to proceed from Cabinet, formal appointment of the Contractor would take place and the scheme will be delivered through a two stage Design & Build process.
- 4.7 This early engagement allows the collaborative development of the scheme from the outset ensuring that all parties are involved in key decisions and have a shared understanding of project delivery, parameters and risk share. This also allows for core design team partners to transfer to the contractor upon appointment which means the Council works with the contractor to agree the team that we will work with to deliver the scheme.

5. Available Procurement Routes

- 5.1 A review has been undertaken to understand the available procurement routes for delivery of the scheme using single source or direct award. In looking at options, it was necessary to identify a procurement route that would allow access to contractors with the relevant experience in delivering complex schemes and specialist leisure facilities, as well as a procurement route that had a strong track record of project delivery, to time, cost and quality.
- 5.2 The primary options available based on these criteria were the Scape Direct Award Framework or Procurement Hub Major Projects Framework.

- 5.3 Both frameworks offer a range of benefits to the user in relation to local spend, social return on investment and spend with SMEs. Both frameworks also offer early engagement with the client at no risk.
- 5.4 Wilmott Dixon Construction are the Contractor on Procurement Hub and Wates Construction are the Contractor on Scape Direct Award.
- 5.5 Both Contractors have a strong track record in Leisure delivery, however Wilmott Dixon has more experience of delivering combined Leisure and Civic buildings.

6. Recommendation

- 6.1 Having reviewed the available single source and direct award frameworks available, it is proposed that the Project engages with Wilmott Dixon Construction through the Major Projects Framework which is part of the Procurement Hub Consortium.
- 6.2 Major Projects is a single source framework available to all public sector organisations and joint ventures in the UK. The framework covers all sectors and project values and is partnered by Willmott Dixon Construction (Lead partner) working in partnership with Robertson (Scotland), Farrans (Northern Ireland) and Fortem (repairs and maintenance).
- 6.3 Framework users have ready access to a responsible, auditable, social value driven and fully risk managed solution for their construction projects that will deliver cost certainty as well as full supply chain visibility that is continually managed, monitored and reviewed.
- 6.4 The Major Projects Framework is free to join and access. Upon accessing the Framework, the Contractor offers a free, no obligation feasibility study. This means that Wilmott Dixon will work alongside the Council team to develop and inform the detailed business case.
- 6.5 The Council approach is to retain control of the feasibility study and business case which means that we will undertake additional work to develop a detailed cost and risk assessment for the scheme which will inform the business case. By engaging the Contractor in the process, we can have transparent discussions from the outset regarding cost, risk share, scope and programme.
- 6.6 Subject to Cabinet approval of a detailed business case and project budget, we would then formally engage with the Contractor using a Pre-Construction Services Agreement. During this stage, the contractor will develop detailed designs. This design information with all cost information will then be submitted for review and clarification prior to contract award. Final contract sum negotiation can take place at this point prior to agreement of contract.
- 6.7 If, during pre-construction (once formal contractor appointment is in place) the project needs to stop, there is no penalty fee.

- 6.8 Since costs are submitted on an open book basis, and the Council is undertaking a detailed feasibility study, cost management will be a key focus from the outset to ensure that the project is delivered on budget.
- 6.9 If, at the end of the Pre-Construction Services Agreement period, the Council does not wish to enter into contract with Wilmott Dixon, the Council will own the designs and associated information and the scheme can then be re-procured through an alternative procurement or traditional route.
- 6.10 The framework offers maximum flexibility in relation to types of contracts, subcontractor appointments and value of contracts. It is fully managed and monitors a range of core KPIs as well as Contractor financial viability.
- 6.11 The framework has a range of key deliverables which the Contractor must deliver including:
- Guaranteed minimum 20% spend of overall project value within 10 miles of the project location.
 - Guaranteed minimum 40% spend of overall project value within 20 miles of the project location.
 - Guaranteed minimum 75% spend of overall project value within 40 miles of the project location.
 - Minimum 85% of spend is with SMEs.
 - Social Return on Investment (SROI) of 10-15% of overall project value. By maximising local spend, there is a significant social return on investment and Wilmott Dixon have advised that they believe they will significantly exceed this target (they achieved 69% on their most recent scheme).
- 6.12 Approximately 30% of the Wilmott Dixon team live within 30 miles of Farnborough. Securing the Farnborough Leisure and Civic Centre project would provide a significant pipeline project and future work for this local business who has seen a significant downturn as a result of Covid-19, helping safeguard local jobs.

7. Recommendations

- 7.1 This paper seeks approval to proceed with the early engagement of Wilmott Dixon during feasibility stage, in anticipation that they will be appointed via Procurement Hub as the Construction Contractor should the project move forward to delivery. This appointment will not take place until the detailed Business Case has been approved by Cabinet in early 2021.

8. IMPLICATIONS

Risks

- 8.1 In line with all projects within the Regenerating Rushmoor Programme, a full risk register supports the project.

Legal Implications

- 8.2 There are no known legal issues in proceeding with this approach to delivery.

Financial and Resource Implications

- 8.3 This approach will bring additional resource to the development of the feasibility study and detailed business case at no cost to the Council.
- 8.4 Appointment of the contractor through the framework will be managed by the internal Project Team with some input from an external legal advisor. The resource required to procure in this way is significantly less than with a competitive process.
- 8.5 Access to the framework is free of charge and contractor input during feasibility is at no cost to the Council. If the project proceeds and the Contractor is appointed, fees in pre-construction are based on a % of the overall project value up to contract award. As outlined above, all core costs and overhead and profit have been fixed as part of the procurement.

Equalities Impact Implications

- 8.6 There are no known Equalities Impact Implications arising from this report.

9. NEXT STEPS

- 9.1 Subject to Cabinet approval, the Council will sign the Access Agreement for the Major Projects Framework of the Procurement Hub Consortium to Procurement enable immediate contractor engagement in the project.

10. CONCLUSIONS

- 10.1 Cabinet is asked to approve the recommendations of this report on the basis that there is a clear rationale for using a single-source framework to deliver early contractor engagement with this high-profile scheme during feasibility. This will mitigate risk on the project and enable seamless transition from feasibility to delivery if the detailed business case is approved.
- 10.2 The Leisure and Civic Hub project aligns with three overarching themes of the Council Business Plan:

- People – improving the health and wellbeing of residents;
- Place – driving forward the regeneration of Aldershot and Farnborough town centres / maintaining and developing excellent indoor and outdoor facilities;
- Better Public Services – transforming and modernising the way we deliver our services to customers

BACKGROUND DOCUMENTS:

Cabinet Report RP2009 – Farnborough Leisure and Civic Hub – Approval of Outline Business Case and Next Steps

Project documentation including risk register

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CABINET

**COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER
REPORT NO. RP2013**

11TH AUGUST 2020

KEY DECISION? NO

CIVIC QUARTER PLACEMAKING PRINCIPLES

SUMMARY AND RECOMMENDATIONS:

This report proposes a set of placemaking principles for the purposes of inputting into the Rushmoor Development Partnership's (RDP) RIBA Stage 2 masterplanning process for the Civic Quarter development.

Cabinet is asked to:

1. Approve the Civic Quarter placemaking principles that have been established as a result of input from Members and the Policy and Projects Advisory Board (PPAB) to be passed on to the RDP so that they may inform the next stage of masterplanning for the Civic Quarter;
2. Note the next steps to further developing the Council's policy position on the key principles that will go on to define the Civic Quarter, particularly in terms of sustainable regeneration.

1. INTRODUCTION

- 1.1. In May 2020 the Regeneration team invited Members to a virtual placemaking workshop which was designed to provide them the opportunity to further develop key principles for the Civic Quarter that will be taken forward into RIBA Stage 2 of the masterplanning work.
- 1.2. A set of 16 placemaking principles was established (see appendix 1) covering matters related to topics including creating a community heart, connecting the town and improving health and wellbeing. The outputs from the workshop were subsequently considered by the Policy and Projects Advisory Board (PPAB) at its meeting on the 15th July 2020, where it was proposed to further refine the principles into 5 themes as set out in Appendix 2. This report provides a summary of the background and context to the workshop, the results of the exercise completed by members, the subsequent review by PPAB and officer recommendations.
- 1.3. It also sets out next steps, by way of four learning seminars, to further develop the Council's policy position on key principles that will go on to define the Civic Quarter.

2. BACKGROUND

- 2.1. In January 2019, the Rushmoor Development Partnership (RDP) commissioned GT3 architects to carry out a programme of public and stakeholder engagement in order to formulate a 'Masterplan Strategic Briefing Document' that would go on to inform the early stages of the Civic Quarter masterplan. This document set out an over-arching vision, eight strategic objectives and themes through to design principles and methodology moving forward.
- 2.2. Members of the public and stakeholders were given the opportunity to consider the Civic Quarter site and express how they felt about it in its current form. Groups were also invited to express and articulate their vision, values, objectives and aspirations for the future of the site. Over 600 people provided responses online and at drop-in events and 70 people participated in vision workshops, and of them, 26 were councillors.
- 2.3. Following the conclusion of the GT3 engagement exercise, the RDP appointed LDA Design to progress the masterplan for the redevelopment of the Civic Quarter. Using the feedback from the public, in RIBA Stage 1 the RDP explored placemaking options and undertook capacity testing to better understand what could be possible in terms of development scale and mix on the site. LDA articulated the 8 strategic objectives identified in the GT3 report in their own 6 placemaking principles ensuring a continuity of approach.
- 2.4. LDA concluded the work needed to satisfy RIBA Stage 1 in November 2019. The RIBA Stage 2 work will see the architects take forward the proposals through concept design and start to detail proposals that will go forward as part of an outline/hybrid planning application in early 2021.

3. DETAILS OF THE PROPOSAL

General

- 3.1. As stated above, in May 2020 the Regeneration team invited all members to a virtual placemaking workshop.
- 3.2. The workshop was presentation based and set out the background to this process alongside work completed to date. The presentation then explored the next stage of the masterplan and invited members to complete an exercise which sought to capture their views and to prioritise key emerging principles across the following topics:
 - Create community heart
 - Green agenda

- Identity and profile of the town
- Community cohesion
- Health and wellbeing
- Connecting the town
- Participation in facilities
- Increasing visitor numbers, footfall and spend
- Developing arts and culture/heritage

3.3. The results can be broken down into two distinct parts as below.

Green Agenda Prioritisation

- 3.4. Since the last iteration of work completed by LDA, the 'Green Agenda' has arisen as a top priority for the Council typified in the declaration of a 'Climate Emergency' on the 20th June 2019. As such, it was notably absent from the strategic objectives formulated by GT3 or the placemaking principles further developed by LDA.
- 3.5. Officers' proposed that the 'Green Agenda' should be embedded within the placemaking principles for the Civic Quarter moving forward and so the question was posed to members as to what priority it should be given.
- 3.6. The 'Green Agenda' was rated a gold priority by an overwhelming majority of those engaged in the workshop and therefore considered as one of two gold principles that the RDP/LDA should prioritise (alongside creating a community heart) in their scheme development.

Emerging Priorities

- 3.7. The other significant outcome of the exercise was the identification of 16 emerging priorities that are intended to be used to articulate member aspirations for the Civic Quarter site going forward into RIBA Stage 2 of the masterplanning process.
- 3.8. These 16 priorities were formulated through a number of questions which asked members to rank, in terms of importance, different items / aspects that could assist in realising the 8 key principles determined through the GT3 and LDA work undertaken previously.
- 3.9. In an effort to reflect the different weighting given to these strategic objectives, that being gold, silver and bronze, officers compiled the top three most popular choices from the gold principles, the top two from the silver principles, and the top one from the bronze principles. This enabled a clear distinction to be made in the categorisation of the principles and assisted in better articulating member sentiments. The outcomes of the exercise are collated within Appendix 1.

Consultation

3.10. The outputs from the Member Workshop were brought before the Policy and Projects Advisory Board on the 15th July 2020 for review.

3.11. The Board concluded that the emerging priorities should be organised under five key themes in order to reduce the amount of overlapping and better focus the inputs into the RDP Stage 2 masterplanning work. The five themes/priorities were defined as follows and further detail including commentary can be found in Appendix 2:

- Leisure, Health and Civic Hub
 - Combine community/civic uses in a hub building
 - Provide space for indoor leisure facilities
 - Library
 - Improve health and wellbeing
- Housing Need and Design
 - Homes for increased town centre living
 - A variety of homes provided as part of the development
- Transport and Accessibility
 - Ensure the site is well integrated with the wider town centre/business parks (access routes and wayfinding)
 - Improving pedestrian connections to the business park
- Environmental Sustainability
 - Landscape – soft informal green approach
 - Maximise energy efficiency of buildings (where possible)
- Increasing footfall
 - A wide mix of uses that appeals to different groups and encourages people from all ages and backgrounds to use the Civic Quarter.
 - A mix of places to eat and drink
 - An evening economy

3.12. PPAB also approved a proposed way forward in regard to further developing the Council's policy position on the key principles that will go on to define the Civic Quarter, particularly in terms of sustainable regeneration.

3.13. Following discussion with the Chairs of both the Climate Change Working Group and the Members group overseeing recovery from Covid-19, and after being given formal approval by the PPAB, it has been agreed that four learning seminars open to all members of the Council will be held which seek to analyse in more depth the following:

1. Sustainable design options and changing sustainability requirements – a look at viable and deliverable design options alongside a review of the standards and guidelines around sustainable builds.
2. Housing led developments and reinventing the town – an exploration of successful case study schemes accompanied by an in-depth

analysis of how both sustainable homes and sustainable living were best achieved.

3. Sustainable transport – an appraisal of key issues surrounding improving access but reducing CO₂, touching on areas such as parking, cycle and pedestrian routes, integrated transport hubs, public transport and EV charging provision.
 4. The Green Agenda – a discussion on how the green environment can be brought into a place to help support sustainability with a focus on biodiversity and sustainable living solutions.
- 3.14. These seminars will feature a presentation from a guest speaker who would be an industry lead in the given topic and best placed to help in advancing the discussion and furthering members' understanding.
 - 3.15. Key learning points and findings would be brought together by officers in a single policy paper to be considered by PPAB and the Climate Change and Recovery Task and Finish Groups. Recommendations would then go on to inform a final report that would be brought before Cabinet for approval in due course.
 - 3.16. Outputs from this work will be required to inform detailed phases of the Civic Quarter development and so should aim to be completed within 3 months so these priorities can be successfully embedded in the design process.

4. IMPLICATIONS

Risks

- 4.1. It is important that the Council seeks to establish its position on placemaking principles early within the design process to ensure that they are embedded and considered from the outset. State any risks to the delivery of the proposal or associated with the implementation of the report recommendations.

Legal Implications

- 4.2. There are no known legal implications arising from this report.

Financial and Resource Implications

- 4.3. There are no known financial/resource implications arising from this report.

Equalities Impact Implications

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

5. CONCLUSIONS

- 5.1. Members have had the opportunity to input into establishing a series of placemaking principles that will be embedded within the RDP's RIBA Stage 2 masterplanning work.
- 5.2. A set of 16 placemaking principles established from the initial workshop in May 2020 have been further refined into five key themes/priorities following consideration by PPAB in July 2020. Cabinet is asked to consider/approve these proposed themes/priorities to be passed on to the RDP so that they may inform the next stage of masterplanning for the Civic Quarter.
- 5.3. Cabinet is also asked to note the next steps, by way of four learning seminars, to further develop the Council's policy position on the key principles that will go on to define the Civic Quarter.

APPENDICES

Appendix 1 – Outcomes of Placemaking Workshop

Appendix 2 – PPAB key themes/priorities

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Civic Quarter Member Workshop

Results

Summary

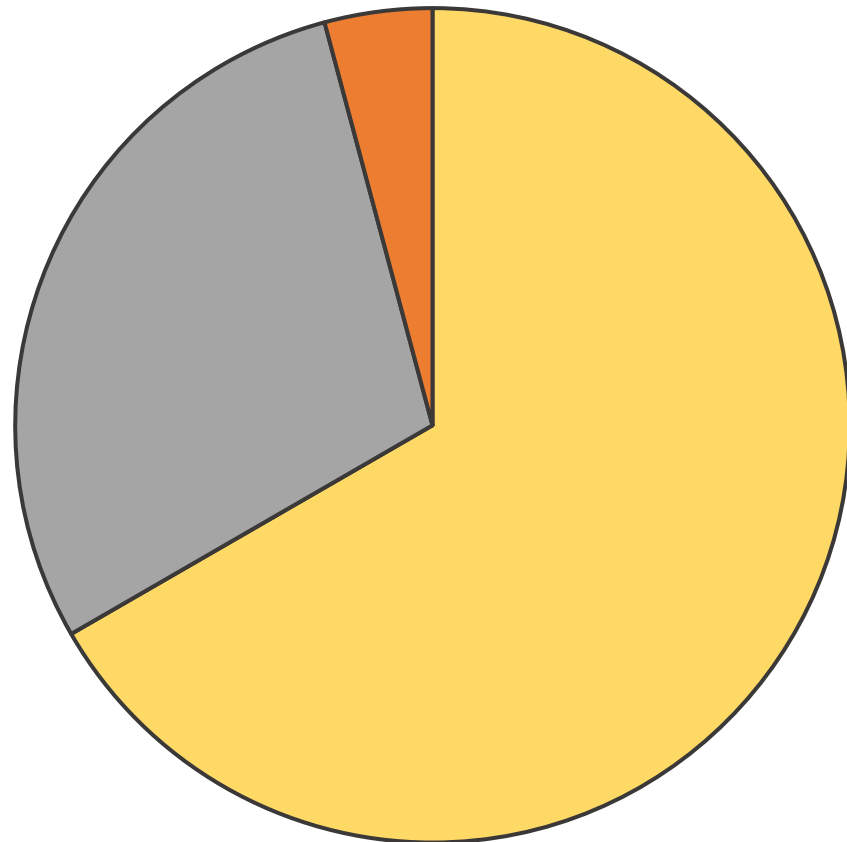
- 24 Responses
- Green Agenda given **Gold** priority.
- Identified 16 emerging priorities to be considered by PPAB to inform the next stage of the masterplan.

What priority would you give to the 'Green Agenda'?

Gold – 16

Silver – 7

Bronze – 1



GOLD



SILVER



BRONZE



Create community heart



Encourage community cohesion



Increase participation in facilities



Green Agenda



Improve health and wellbeing



Increase visitor numbers, footfall & spend



Develop strong identity & raise profile



Connect the town

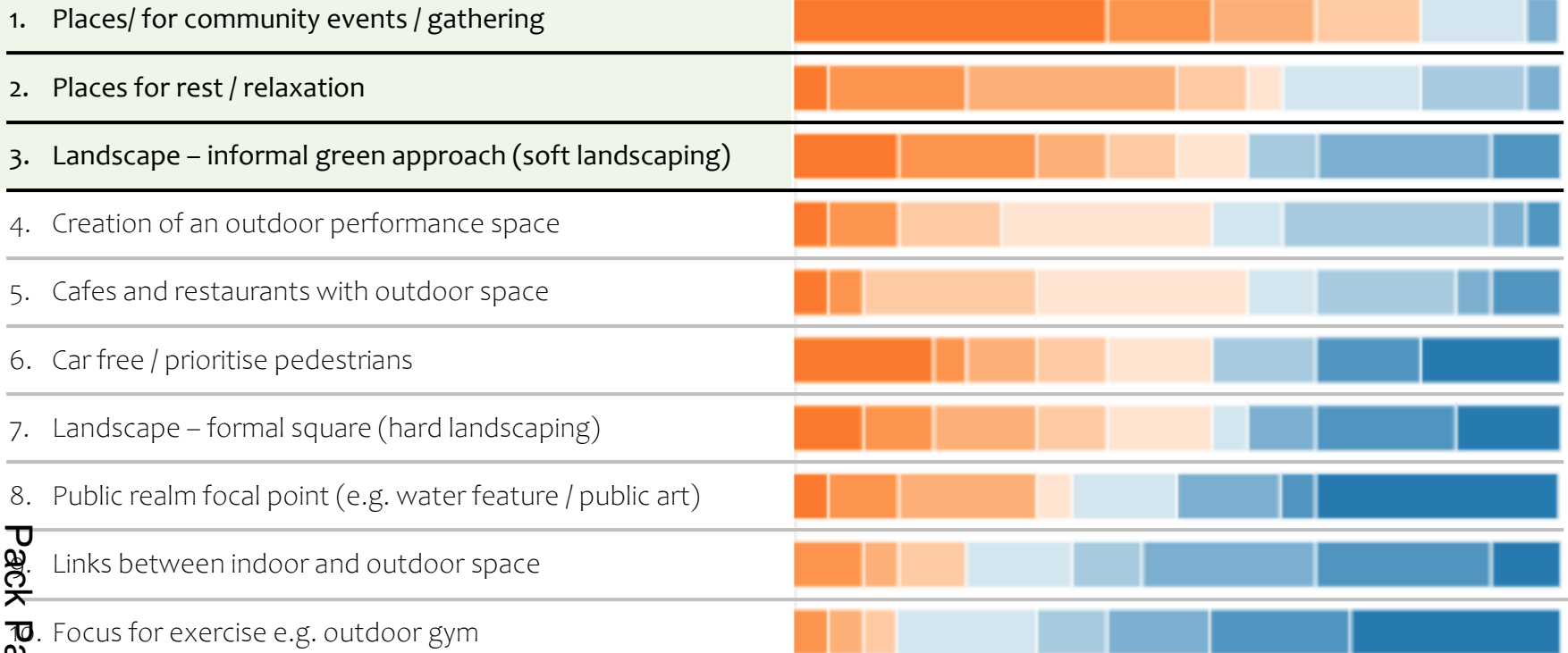


Develop Arts & Culture facilities / heritage

What options do you consider the most important in ensuring the Civic Quarter Development becomes a centre or heart for the community?



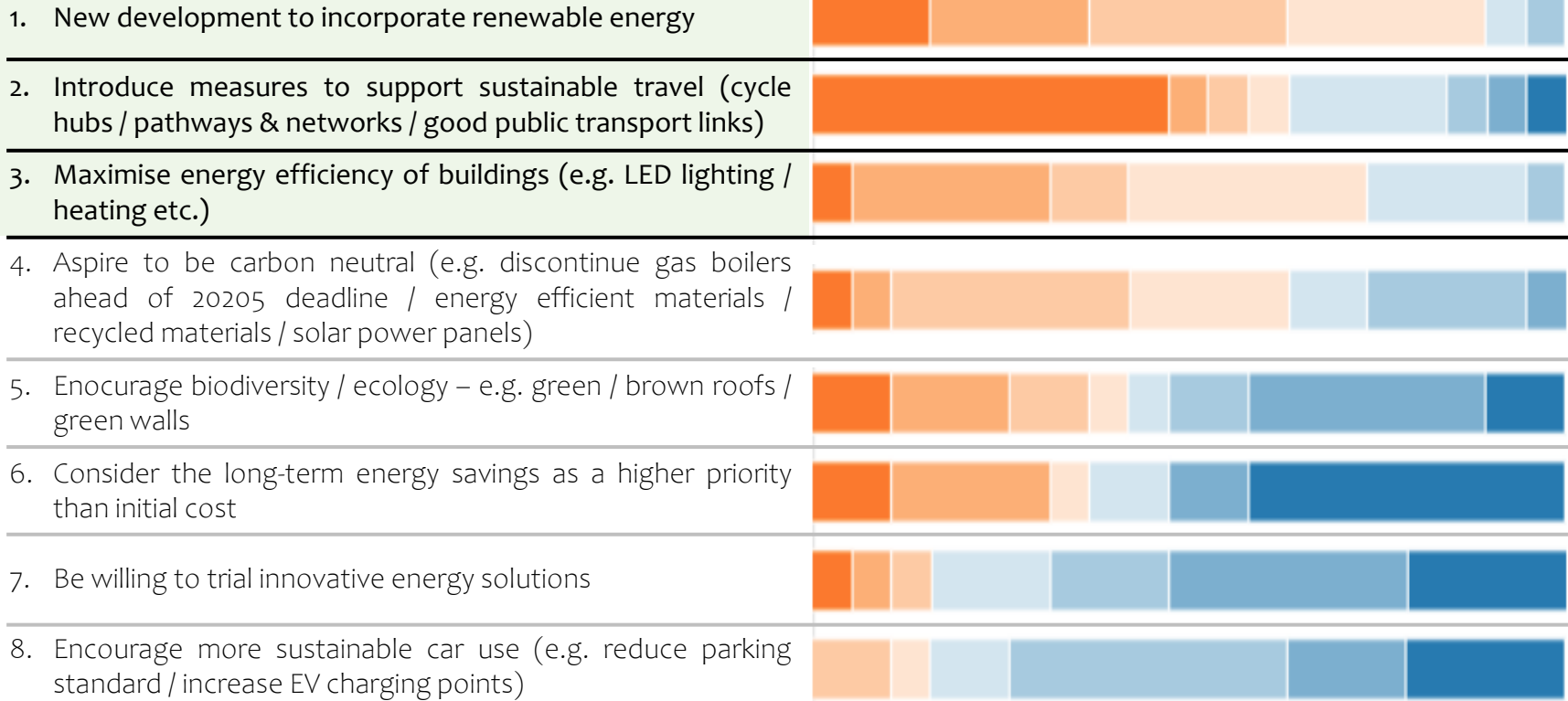
First choice ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ Last choice



What options do you consider the most important in ensuring the Civic Quarter promotes the ‘Green Agenda’?



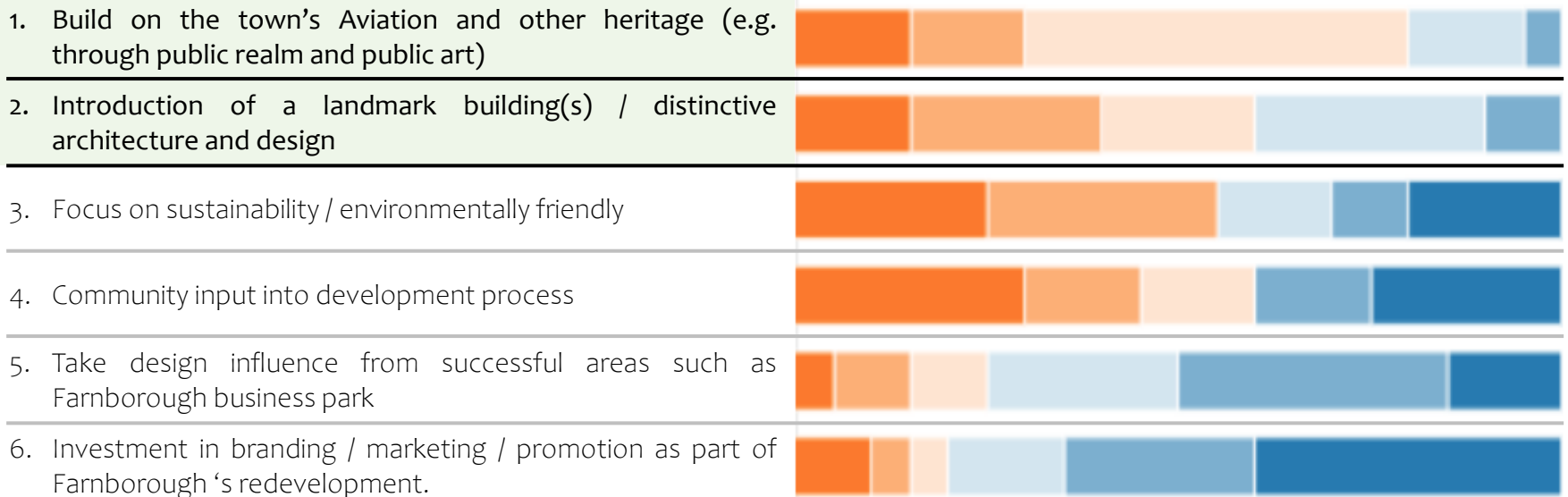
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What options do you consider the most important in ensuring the Civic Quarter develops a strong identity and raised profile?



First choice ■ ■ ■ ■ ■ ■ Last choice



What options do you consider the most important in ensuring the Civic Quarter encourages community cohesion?



First choice Last choice

1. Flexible community space to accommodate a variety of activities and groups



2. A wide mix of uses that appeals to different groups and encourages people from all ages and backgrounds to use the Civic Quarter



3. Affordable space to rent e.g. for start-up business / community groups



4. A programme of community events focused around the Civic Quarter and the wider town.



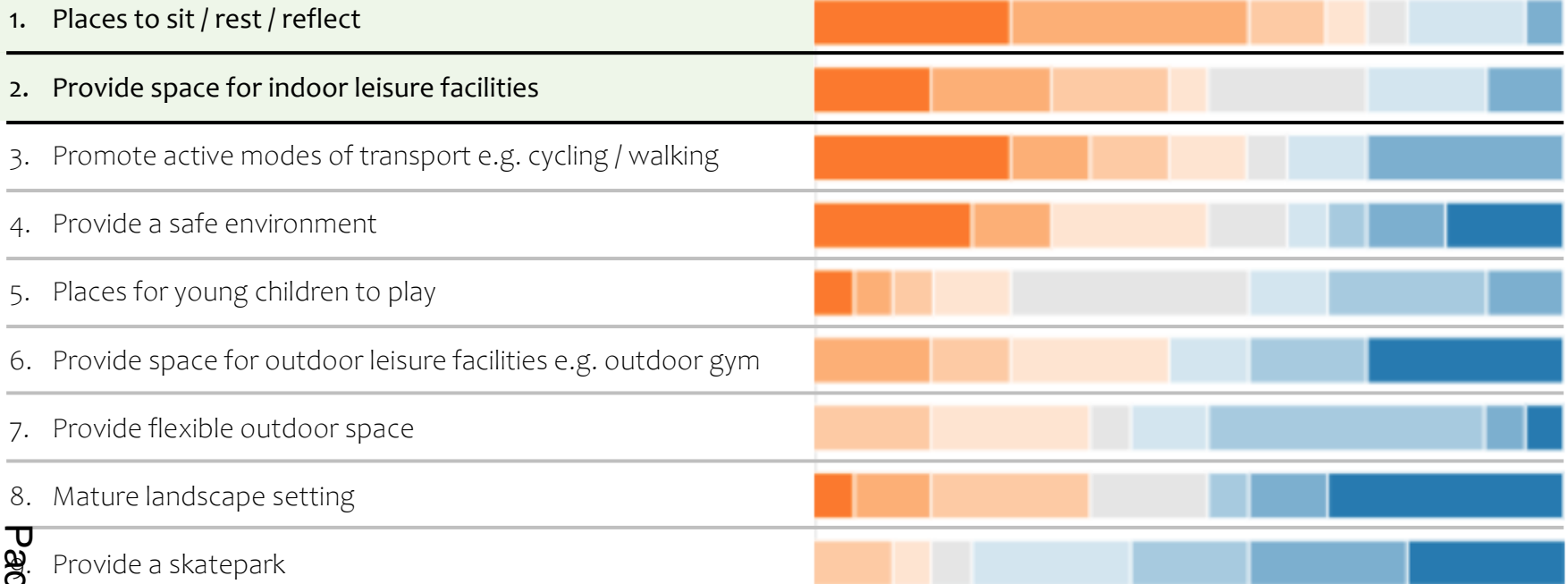
5. Easily accessible and navigable for all the community.



What options do you consider the most important in ensuring the Civic Quarter improves health and wellbeing?



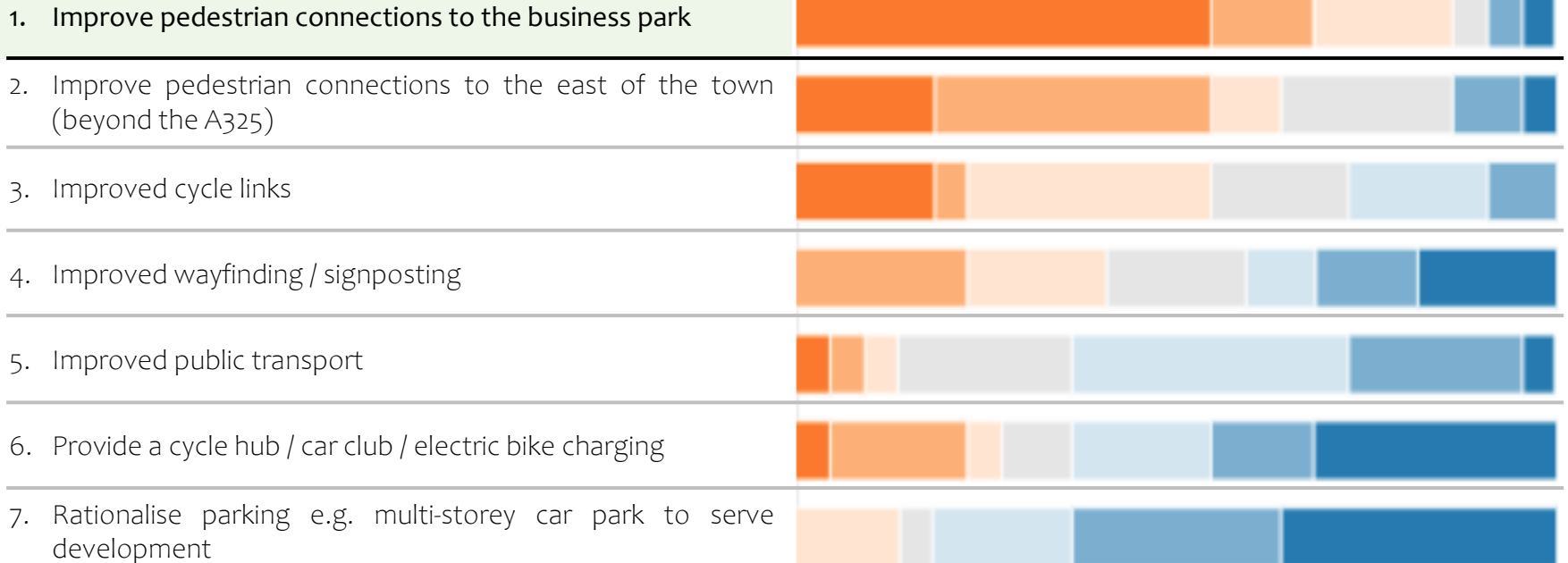
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What options do you consider the most important in ensuring the Civic Quarter connects the town?



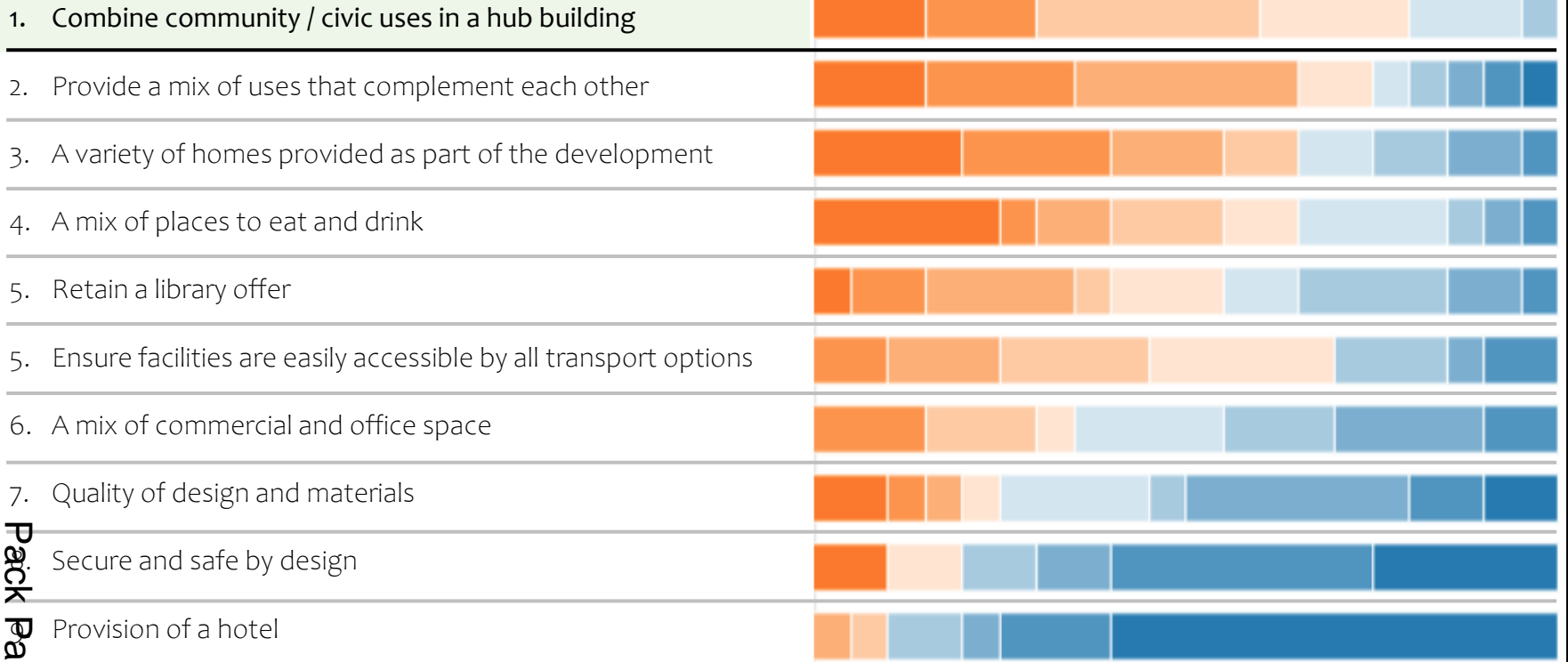
First choice ■ ■ ■ ■ ■ ■ ■ Last choice



What options do you consider the most important in increasing participation in facilities on the Civic Quarter?



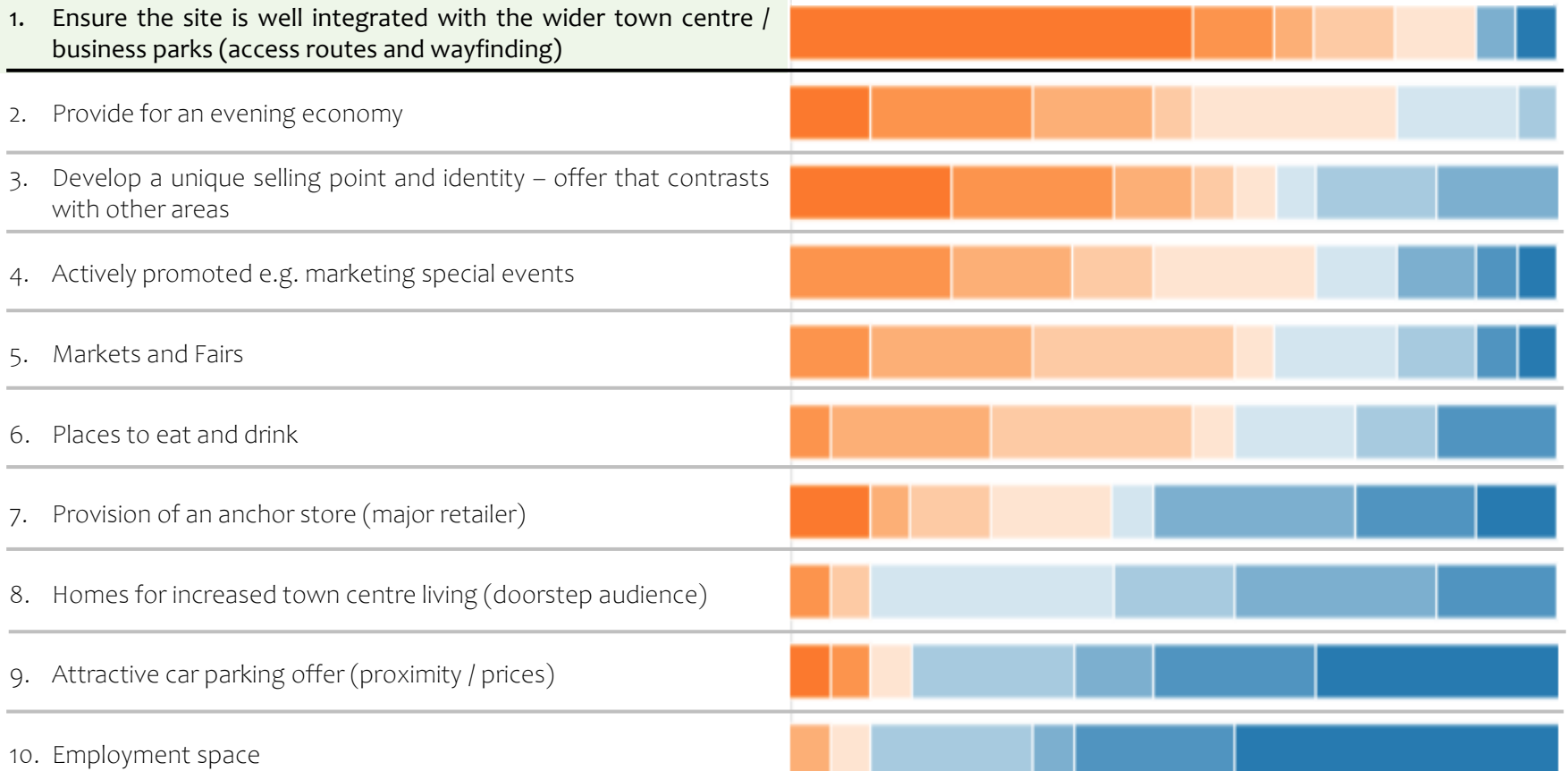
First choice Last choice



What options do you consider the most important in ensuring the Civic Quarter increases visitor numbers, footfall and spend in Farnborough?



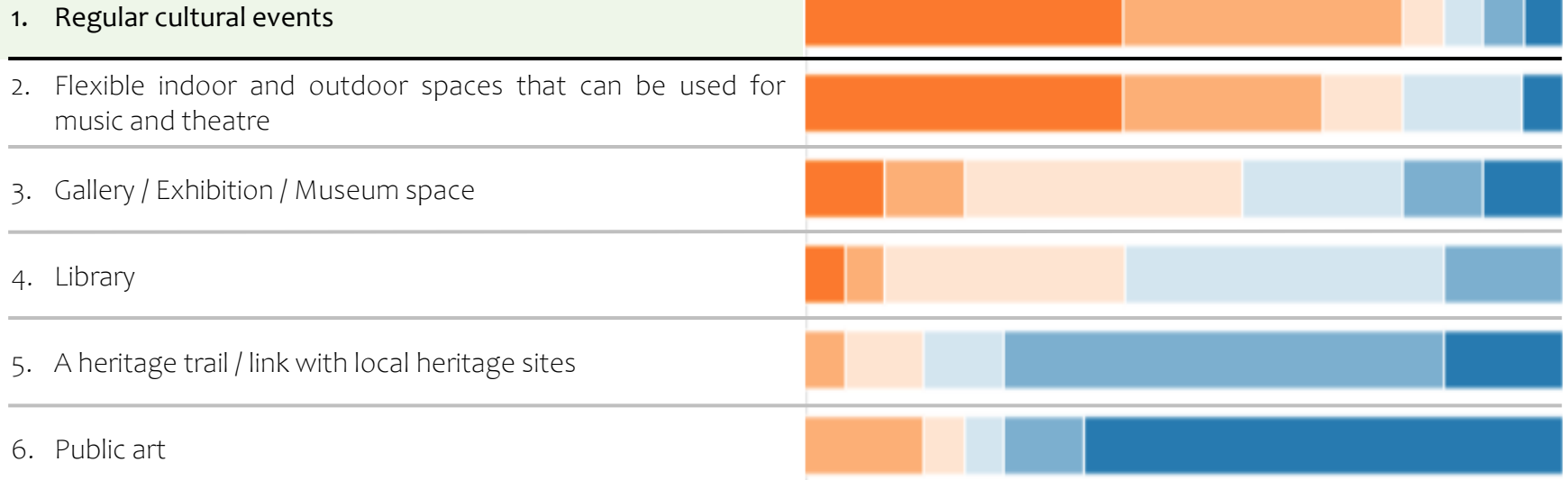
First choice Last choice



What options do you consider the most important in ensuring the Civic Quarter enables a stronger arts & culture scene for Farnborough?



First choice ■ ■ ■ ■ ■ ■ Last choice



16 Emerging Priorities

Places for community events / gathering		Flexible community space to accommodate a variety of activities / groups	
Places for rest / relaxation		A wide mix of uses that appeals to different groups and encourages people from all ages and backgrounds to use the Civic Quarter	
Landscape – informal green approach (soft landscaping)		Places to sit / rest / reflect	
New development to incorporate renewable energy		Provide space for indoor leisure facilities	
Introduce measures to support sustainable travel		Improving pedestrian connections to the business park	
Maximise energy efficiency of buildings		Combine community / civic uses in a hub building	
Build on the town's aviation and other heritage (e.g. through public realm / public art)		Ensure the site is well integrated with the wider town centre / business parks (access routes and wayfinding)	
Introduction of a landmark building(s) / distinctive architecture and design.		Regular cultural events	

Additional Comments

- Question 9. The options given in my view don't really give a long term growth for culture within the town. We have hundreds of students on the doorstep and a facility/building for performance inside for public to buy a ticket to view would be top of my list. A room in the leisure centre doesn't do it for me. I think post covid an anchor store would be one that draws the public due to a need (not a want) ie. GP Surgery, Leisure facility, Council office etc and then they double up the visit with a shop / restaurant etc. (Anchor store is listed as a retail store above) Although difficult as still early stages, but I would have liked to have seen a Covid-19 question of how members feel due to this, perhaps what they foresee priorities are for the town - e.g. More/less commuting, more/less open space, (inside and outside) - sure other ideas..etc I think this is an excellent way of getting feedback, thank you for implementing.
- It's import to encourage people to our town, we must not be afraid to bring in new concepts that may be costly at first but will allow us to have sustainability in the future. A big retailer will help and a more open atmosphere to eat and drink and relax. We must ensure we cater for all ages
- Taking into account the economic impact of the COVID-19 pandemic on the UK and locally, I would establish new priorities for the Civic Quarter that are not so much concerned with physical structures and site allocations, but focus on the human needs of our communities. These priorities would take into account the lessons learned already in the COVID-10 pandemic - the huge increase in need for social housing to eradicate homelessness; provision for the vulnerable and the isolated in our communities; social enterprises with services that reach out into the community; bases for health and social care; and, disabled access and support. Only a local-authority driven regeneration project can meet these basic human needs.
- I cannot see any mention specifically under Theme 4 (What options do you consider the most important in ensuring the Civic Quarter encourages community cohesion?) of accessibility for those with disabilities eg physical, vision, mental.
- The heritage of flight is so important in Farnborough. This theme should definitely be included within the quarter. There could events such as air fairs, e.g. perhaps a twice a year market specifically aimed at aircraft, both real and models, to attract people from around the country. There are items such as this for cars and railways, so why not for aircraft and associated items too. I also would like to see a 'sweep' through from Queensmead/The Meads to the new quarter. This should have some continuity of design - e.g. bigger, more attractive paving, similar facades etc.. The idea of a better link with the east of the A325 is very important. The A325 is actually seen as a barrier in the Knellwood area. In the hard surface central area, if there is one, I would like to see within the paving, an attractive area for big games, such as chess, draughts, perhaps even hopscotch (!) that could be played in the open air. It may be a crazy idea, but worth a thought. This is an architect issue, but beware of too many blocks of buildings creating an element of 'windy city' when the wind blows.
- To ensure that the whole area is a decent design front and back and a safe and welcoming place to live.
- Without a doubt a mix of businesses and places to eat and entertain. Easy access for everyone walking or in pushchairs etc. A few 'wow' points! The assurance that the layout for open areas will be maintained!
- The hole discussion needs to be community led and owned
- Relocate a smaller, modern adapted for flexible working new RBC HQ.

Additional Comments

- I would also, as suggested during the Workshop, like to see us draw on the work of the Vision 2030 engagement too - as I think it may provide some useful steers, and perhaps confirm/challenge some of the conclusions of the specific work done through GT3 etc.
- The demand for office space is very likely to decline as businesses ask workers to continue working remotely and put together longer phased returns. I think the trend in many white-collar industries will be permanent, with businesses will be looking for more flexible meeting/storage space and to reduce their assets. I think the Games Hub that is being pioneered in Aldershot Town Hall could be a good model for any commercial development on the Civic Quarter site.

Residential development will be even more vital to maintaining the viability of the Civic Quarter sites following COVID-19. There remains good demand for private rented sector accommodation and this is important for ensuring we can attract/retain "Young Urban Residents" identified in the EM3's Strategic Economic Plan. This will not be popular with local residents but we could secure some buy in with attractive design that either reflects historical character of buildings in Farnborough or incorporates green design. The recommendations contained in Roger Scruton's report to Government on beauty in design may be helpful for ideas in how to embed this in the Civic Quarter design: <https://bit.ly/2TmAnfo>

Soft landscaping and embedding biodiversity in design (i.e. through green roofs) is probably the most viable way of incorporating environmentally-friendly measures in the development. This outward facing design will contribute strongly to the sense of place that people can see, even if it is in a residential development. This is a good example of green roofs from the University of Warsaw Library complex in Poland: <https://www.greenroofs.com/projects/warsaw-university-library/>

Road traffic forecasts from the Department of Transport suggests that levels of car ownership are unlikely to change substantially, although over time the type of car people drive is projected to change to low carbon options. Modal shift into the town centre is going to be hard to achieve even with better cycling and walking routes, when a substantial number of residents in wards like Cherrywood, Fernhill, St John's and Cove & Southwood live up to 4 miles away with limited public transport options in some areas. Therefore, car parking space will remain an important consideration. My own preference would be for a multi-storey facility that concentrates car parking and provides some options (where practical) for additional electric vehicle charging points.

I think that Health and Wellbeing elements are better focused on the Farnborough Leisure Centre when it is eventually rebuilt, rather than the Civic Quarter itself. The Joint Strategic Needs Assessment for North Hampshire and Farnham CCG shows that long-term conditions like arthritis, diabetes and COPD are a key risk factor across the area. As part of the procurement for the new operator, I would encourage us to consider how we can build on the numbers of people referred into the existing Leisure Centre for exercise classes and rehabilitation - increasing physical activity among the least active in our community.

On nurturing a night-time economy, let's draw on what works elsewhere in the town. For example, I think that the Village Hotel works well because it offers a variety of options that draws in a range of demographics/footfall throughout the day and can be sustained into the evening - a Starbucks where you can work remotely, a bar with live Sport and food options, some accommodation, meeting and leisure space. It provides a distinctive, higher quality offer and feel from the identikit, tired pubs in the town that tend to attract an older demographic and are more limited. I think those elements could work well in a Hotel based in the Civic Quarter.

PRINCIPLES FOR FARNBOROUGH CIVIC QUARTER

ACTION: PPAB to consider and agree a proposed set of priorities arising from the consultation with members to be submitted to Cabinet for approval. The intention is for the finalised document to be presented to the RDP so it may inform the early stages of the RIBA Stage 2 work.

SUGGESTED THEMES/PRIORITIES

	Theme/Priorities	Commentary
1	<p>LEISURE, HEALTH AND CIVIC HUB</p> <ul style="list-style-type: none"> - Combine community/civic uses in a hub building - Provide space for indoor leisure facilities - Library - Improve health and wellbeing 	<ul style="list-style-type: none"> • This is the main way the “Community Heart” theme can be delivered, bringing a number of community uses under one roof. • Flexibility is key with the commercial, office and meeting space in this building so that we can adapt to changing market demand and the needs of our local voluntary sector. • The Joint Strategic Needs Assessment for North Hampshire and Farnham CCG shows that long-term conditions like arthritis, diabetes and COPD are a key risk factor across the area. This is an opportunity to improve outcomes such as gym/leisure membership and increasing physical activity among the least active in our community. • We need to consider opportunities for local health providers to be included in this building to allow more accessible health facilities in the town centre. • This building would also offer enormous potential for saving energy costs and greater energy efficiency.
2	<p>HOUSING NEED AND DESIGN</p> <ul style="list-style-type: none"> - Homes for increased town centre living - A variety of homes provided as part of the development 	<ul style="list-style-type: none"> • The Civic Quarter is important for meeting the housing need identified in the Rushmoor Local Plan. • Quality and design of buildings that reflect historical character of buildings in Farnborough or incorporates green design will help to secure community buy-in. • We should make use of BREEAM ratings that will ensure building quality that can future proof and sustain the buildings for future generations. • The recommendations contained in Roger Scruton's report to Government on beauty in design may be helpful for ideas in how to embed this in the Civic Quarter design: https://bit.ly/2TmAnfo • We need to consider the provision of housing for key workers to ensure we can retain them within the Borough.
3	<p>TRANSPORT AND ACCESSIBILITY</p> <ul style="list-style-type: none"> - Ensure the site is well integrated with the wider town centre/business parks (access routes and wayfinding) 	<ul style="list-style-type: none"> • Opening up the public realm to connect Farnborough Town Centre with the Civic Quarter and Business Park is critical to the success of the redevelopment • This is a good opportunity to improve pedestrian links and we can learn from the Union Street East application in Aldershot about opening up diff parts of Farnborough Town Centre (Meads through to town centre to business park).

	<ul style="list-style-type: none"> - Improving pedestrian connections to the business park 	<ul style="list-style-type: none"> • The Civic Quarter Masterplan needs to link to emerging RBC/HCC plans for walking and cycling. • At the same time, whilst working patterns may change due to COVID-19, the evidence shows that car usage will not decline but that the type of car people use will change over time. Therefore we need to consider alternative car parking provision such as EV charging.
4	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> - Landscape – soft informal green approach - Maximise energy efficiency of buildings (where possible) 	<ul style="list-style-type: none"> • Soft landscaping and embedding biodiversity in design (i.e. through green roofs) is probably the most viable way of incorporating environmentally-friendly measures in the development. • This outward facing design will contribute strongly to the sense of place that people can see, even if it is in a residential development.
5	<p>INCREASING FOOTFALL</p> <ul style="list-style-type: none"> - A wide mix of uses that appeals to different groups and encourages people from all ages and backgrounds to use the Civic Quarter. - A mix of places to eat and drink - An evening economy 	<ul style="list-style-type: none"> • There will be a need for flexible commercial units that can provide a variety of uses as the market changes and help increase the numbers of visitors to the Town Centre. • In particular, we should prioritise uses that will keep people in that area after using major facilities like the Leisure Centre and facilitate an evening economy – such as places to eat/relax.

References

- Cabinet Proposal for Leisure Centre and Civic Hub (14th July): <https://bit.ly/3fiies1>
- Report to Wednesday's PPAB (15th July): <https://bit.ly/2DvhNMR>
- Appendix to PPAB Report (15th July): <https://bit.ly/32aZTcM>

16 Emerging Priorities from Workshop

Places for community events/gathering	Flexible community space to accommodate a variety of activities/groups
Places for rest/relaxation	A wide mix of uses that appeals to different groups and encourages people from all ages and backgrounds to use the Civic Quarter
Landscape – informal green approach (soft landscaping)	Places to sit/rest/reflect
New development to incorporate renewable energy	Provide space for indoor leisure facilities
Introduce measures to support sustainable travel	Improving pedestrian connections to the business park
Maximise energy efficiency of buildings	Combine community/civic uses in a hub building
Build on the town's aviation and other heritage (e.g. through public realm/public art)	Ensure the site is well integrated with the wider town centre/business parks (access routes and wayfinding)
Introduction of a landmark building(s)/distinctive architecture and design.	Regular cultural events

CABINET

**COUNCILLOR MAURICE SHEEHAN
OPERATIONAL SERVICES
PORTFOLIO HOLDER
EXEMPT REPORT NO. OS2011**

11th August 2020

KEY DECISION? YES

FUTURE PROVISION OF CCTV SERVICE

SUMMARY & RECOMMENDATIONS:

Following review of the Council's CCTV service and the associated costs required to operate and maintain it, this report outlines the options for and makes recommendations on future CCTV service delivery.

Cabinet are RECOMMENDED to approve: –

- (i) the establishment of a legal agreement for the Council's CCTV control room and monitoring to Runnymede Borough Council as outlined in the below report;
- (ii) the commencement of all necessary technical feasibility and other preliminary works to effect the outsourcing of the service;
- (iii) subject to approval of the above termination of existing shared service agreements with Hart District Council

Cabinet RECOMMENDS to Council -

- (iv) an additional revenue budget of £10,000 to meet the costs of these works in financial year 2020/21;
- (v) a separate capital budget programme of work(s) of £400,000 to upgrade the Councils CCTV camera stock and network to a partially wireless system in preparation for the change
- (vi) £75,000 revenue budget in financial year 2021/22 for the decommissioning of the current CCTV control room

1. INTRODUCTION

1.1. Against a backdrop of aging CCTV camera stock and equipment, consultant recommendations and research on alternative service provision, this report seeks Cabinet discussion and approval of proposals to outsource the future delivery of the Council's CCTV service.

- 1.2. As outsourcing the service would involve the closure of the Council's CCTV control room, the termination of an existing shared service arrangement with Hart District Council, and a significant capital spend to upgrade the Council's existing CCTV cameras and network to effect the same, this matter is considered a key decision.
- 1.3. This report is the culmination of numerous discussions with the Portfolio Holder and Cabinet on an informal basis, with members supportive of the continuation of the CCTV service.

2. BACKGROUND

CCTV Service Overview

- 2.1. There is no direct statutory duty requiring the provision and management of CCTV by local Councils. However, the Crime & Disorder Act 1998 (CDA98) requires each authority to exercise its functions to prevent crime and disorder; and the Council has, in part fulfilment of this, operated a CCTV service to monitor sites across its town centres since 2002.
- 2.2. First established as a stand-alone service, the Council has subsequently, since 2013, operated a joint CCTV service in conjunction with Hart District Council (HDC). The purpose of the joint service is to **'help deter and prevent crime and disorder and reduce the fear of crime'** with the overarching objective to **'help make Hart and Rushmoor safer areas in which to live'**.
- 2.3. The joint service comprises a dedicated control centre located within the Rushmoor Borough Council Offices. The control room is staffed by six staff (6.38 FTE) and manned between 07:00 and 01:00 Sundays to Wednesdays and between 07:00 and 04:00 Thursdays to Saturdays on a shift rota basis. A number of these posts are currently vacant and covered by other Council staff. Here, a total of 116 mixed analogue and digital cameras are monitored and recorded 365 days per year 24 hours a day.
- 2.4. Save for a hosting charge and the specific camera maintenance and transmission costs of each authority, the overall costs of the joint service are split 55:45 between Rushmoor and Hart respectively. This split was established on the basis of the number of CCTV cameras monitored in each area at the time of its launch and is embedded in a 10-year deed of operation between the two Councils which is subject to 12 months' notice of termination (we are currently in year 6 of this agreement). The costs and work of the shared CCTV service is overseen by a Joint Governance Group (JGG), made up of representatives from Rushmoor and Hart in accordance with this deed.
- 2.5. The current budget for the CCTV service is £298,380 which includes direct service costs and overheads such as support service costs and accounting charges. The service budget also includes a contribution from Hart for the aforementioned hosting of the service. The 2020/21 budget administered by Rushmoor on behalf of Hart is £133,310 not including the £15,310 hosting

charge, and other costs such as transmission of Hart cameras. A breakdown of the current service budget is shown in the table below:

CCTV Service	2020/21 Budget (£)
Employees	129,590
Supplies and Services	69,730
Subtotal	199,320
Less: Contribution	(15,310)
Net Direct Cost	184,010
Shared Costs	133,310
Less: Shared Costs - Contribution	(133,310)
Net Direct Cost (inc Shared costs)	184,010
SSCs and Notional charges	
Pension/Capital Charges	32,570
Support Service Costs	81,800
Net Total Cost	298,380

- 2.6. Whilst unable to effectively quantify its deterrence effect, the joint service was involved in over 2438 incidents during 2019-20; leading to a known 149 arrests, and 481 ancillary service transactions (e.g. copies and reviews of footage). Incidents included the monitoring of suspicious individuals or groups, road traffic incidents, shoplifters and nighttime economy venues etc. The CCTV Control Room and Police are in direct contact and share intelligence on a daily basis. The CCTV service also acts as the primary reception and co-ordination point for all out of hours calls for both Council's; taking 722 out of hours calls during 2019/20.
- 2.7. For Rushmoor, this breaks down as 1864 incidents, leading to 130 known arrests, 301 ancillary transactions and 486 out of hours calls. For Hart, this breaks down as 559 incidents, leading to a known 22 arrests, 178 ancillary transactions, and 232 out of hours calls.

CCTV Service issues and current situation

- 2.8. Despite the above, and following comprehensive service review, the following issues and risks have been identified with the joint CCTV service provision and arrangements. Whilst some of these issues are circumstantial, are historic and/or arise from when the service was first established, some are interdependent and create a degree of complexity to the considerations now required on the future of the service. These include -
- a) **Partnership with Hart** - Should Hart choose to withdraw from the service at any point, this would have financial implications for Rushmoor who would be liable for additional costs around staffing and maintenance of the control room in order to maintain current levels of service.
 - b) **CCTV Cameras** – Much of the existing CCTV infrastructure and cameras throughout Farnborough and Aldershot is, in many cases

dated, at end of life and/or no longer fit for purpose; requiring review, replacement and upgrade at a significant capital cost. This would sit separately from any decision to outsource the control room and require a full tendering process. This will be managed via a separate workstream.

- c) Compliance with CCTV Standards** – Following audit, the CCTV Service is not fully compliant with the Surveillance Camera Commissioner’s Code of Practice. Issues surrounding privacy impact assessments and auto-redaction of associated privacy zones require both hard and software upgrades and associated configuration(s). Upgrading the control room and cameras to be compliant with these requirements will come with significant capital cost expenditure.
- d) CCTV Maintenance arrangements** - The CCTV Service is currently out of maintenance contract and is on an interim pay as you go maintenance arrangement. Whilst this has not proved more expensive so far, maintenance arrangements require appropriate procurement in accordance with contract standing orders. As equipment becomes older, costs and associated equipment failure risks are also likely to increase.
- e) Control Room infrastructure** – Much of the control room infrastructure is also at end of life and/or experiencing increasing faults and failure. These increasingly have an impact on the costs and delivery of the service; and can affect both Hart and Rushmoor coverage. For example, a recent Network Video Recorder (NVR) failure resulted in a number of a Rushmoor cameras not being recorded for over four weeks with knock on effects for the rest of the system. A spare Network Video Recorder has since been acquired to mitigate future failures.

3. PROPOSAL(S)

Proposal background and context

- 3.1. In view of these complex and interdependent issues, the Council engaged SGW Consulting in 2018 in order to assess the joint CCTV Service and advise on the costs of refreshing the control room, cameras and related infrastructure. SGW are security consultant specialists with significant experience in advising local authorities on their CCTV requirements and have been in the market since 2003.
- 3.2. Following their commission, SGW subsequently produced a full specification for a new CCTV control room, cameras and infrastructure. This estimates the cost of refitting the current control room at approximately £300,000. This includes reconfiguration of the room to a more appropriate layout, as well as replacement of end of life equipment and a new video management system. The cost of camera replacement and upgrading of the network to a recommended mixed wireless/cabled system is also estimated to be £400,000 (this includes new system installations and control room links at the Princes Hall, Crematorium and technical services depot on Ively

Road). This gives a total capital project cost of £700,000 for both project streams.

3.3. Given the high capital expenditure required for this project, alternative delivery models including outsourcing of the control room and monitoring arrangements were also explored. Whilst a capital expenditure of £400,000 for camera and network upgrades would still be required (which would be treated as a separate work stream), outsourcing of the control room would provide the following identified benefits; namely -

- a) Decommissioning of the current control room, allowing the office space to be re-purposed;
- b) Saving on capital spend on refitting the current control room;
- c) Saving on any future upgrades of the control room, which would be the responsibility of any outsourced provider; and
- d) No costs of providing a new control room and associated office space should the Council move premises in the future.

3.4. Accordingly, a number of public and private sector companies were consulted on a 'soft market testing' basis regarding alternatives for provision of a CCTV control room and monitoring services. As an exemption from full EU Procurement rules it is open to the Council to enter into arrangements with another local authority in the provision of public services to achieve common objectives in the public interest. In light of this more detailed exploration of potential costs was subsequently explored with interested local authorities. Of those, Runnymede Borough Council proffered an enhanced service provision with the most significant cost saving opportunities as outlined below.

Preferred Option

In provision of outsourced control room and monitoring services, Runnymede quote projected costs of approximately £98,000 per annum. Costs associated with CCTV equipment maintenance, data transmissions and support service costs are estimated at £177,510 giving a Total Net costs of the preferred option of £275,510.

The table below shows a comparison between 3 broad options:

- Option 1 – Current service provision costs (shared with Hart)
- Option 2 – In-house service costs (not shared with Hart)
- Option 3 – Contracted-out service

Comparison of Costs	Option 1 - Current	Option 2 - In-house	Option 3 - Contracted out
Employees	129,590	129,590	0
Supplies and Services	69,730	65,080	193,710
Subtotal	199,320	194,670	193,710
Less: Contribution	(15,310)	0	0
Net Direct Cost	184,010	194,670	193,710
Shared Costs	133,310	111,010	0
Less: Shared Costs - Contribution	(133,310)	0	0
Net Direct Cost (inc Shared costs)	184,010	305,680	193,710
SSCs and Notional charges			
Pension/Capital Charges	32,570	32,570	0
Support Service Costs	81,800	81,800	81,800
Net Total Cost	298,380	420,050	275,510

- 3.5. Runnymede offer a modern, up to date and compliant service, with monitoring 24 hours a day – an enhancement on our current monitoring. There are opportunities to further modernise working practices, with Runnymede able to provide remote access to footage to both Rushmoor and Police colleagues – negating any impact from the control room being based out of borough. Runnymede also provide a Careline service for their local area and have confirmed they will cover out of hours calls within the costs quoted.
- 3.6. Should Hart and Rushmoor choose to continue in the current or an amended shared service agreement, there are financial benefits to the outsourcing of the control room for both Councils, including the saving of capital expenditure for upgrade of the control room and associated infrastructure. Should Hart or Rushmoor choose to terminate the current shared service, it would present even greater savings.
- 3.7. Additional indirect contract monitoring and management costs will likely arise in provision of any outsourced service. However, whilst these are unquantifiable at this stage, it is anticipated that these can be borne by existing budgets. Accordingly, given the enhanced service offered and the financial benefits outlined above, it is proposed that Rushmoor outsource its control room and monitoring services to Runnymede Borough Council.

4. ALTERNATIVE OPTIONS

- 4.1. The alternative options outlined below have also been considered, and are presented for information and discussion, with some commentary thereon.

(a) Continue to operate service in-house

- 4.2. The Council could continue to operate the service in-house. In addition to ongoing running costs, this would result in an additional capital spend of

£300,000 on refitting the Control Room, and a further £400,000 spend on cameras and related network infrastructure.

(b) Leasing

- 4.3. As part of their remit, SGW also advised on the potential for the leasing of new control room equipment and cameras. Quotes were obtained for an upfront purchase of certain equipment against a quote for leasing of the same equipment for a period of 5 years. The results are shown in the table below.

	Upfront	Leasing
Equipment	£240,000	£420,000
Maintenance	£60,000	-
Non-leasable/other costs	£300,000	£300,000
Total	£600,000	£720,000

- 4.4. Upfront cost of purchase and maintenance over 5 years would come to £240,000 and £60,000 respectively, a total of £300,000.
- 4.5. Leasing of control room equipment and cameras would cost £7,000 per month, or a total of £420,000 over a 5-year period. This means that whilst a leasing arrangement is feasible, this will cost 40% more over a 5-year period and there will be no longer term asset for the Council. Any equipment purchased by the Council would also be expected to last for longer than the initial 5-year period.
- 4.6. Significantly, these figures do not include the £300,000 costs quoted for the refit of the control room such as a new server room, new furniture and the rearrangement of the existing layout.
- 4.7. Whilst it would be feasible to combine equipment leasing with other options (e.g. for Rushmoor to outsource the control room monitoring to Runnymede, whilst leasing cameras only), analysis shows that this is again likely to cost more over any extended time period.

(c) Cease CCTV Service provision

- 4.8. The Council is under no statutory obligation to provide a public space surveillance service and could choose to cease provision entirely. This would result in a saving of approximately £184,000 on direct service costs.
- 4.9. Whilst providing for some savings, it should be noted that support costs and other charges would need to be redirected to other cost centres. There would also be additional one-off costs of decommissioning the control room, cameras and associated infrastructure; totalling approximately £75,000. Following SGW survey, it should also be noted that the service remains popular with the public, Members and police alike and there would be a significant impact on the work of the Police locally.

(d) Seeking of external contributions to service

- 4.10. Given the positive impact that service provision has on local Policing, an approach was made to the Office of the Police and Crime Commissioner and Chief Constable to enquire as to whether a contribution to service costs would be possible. Both have confirmed that due to current and ongoing financial constraints this would not be possible.

5. CONSULTATION ON PROPOSALS

Joint Governance Group

- 5.1. The Joint Governance Group (JGG) responsible for overseeing the shared service on behalf of Hart and Rushmoor have been informed of the outcome of this review and the existence of this Cabinet paper and that in principle, outsourcing of the service to Runnymede would be Rushmoors preferred option. This option would also be financially advantageous to Hart and they have been provided a cost of Runnymede monitoring and operating their cameras.

Member consultation

- 5.2. A number of Members have been involved in progress of the project so far, including the Leader and Portfolio Holder for Operational Services. Both are supportive of the preferred approach. The outcome of the review has also been discussed with the Shadow Portfolio Holder for Operational Services.

CCTV staff and operatives

- 5.3. There are currently 4 full time members of staff within the Service who would be affected by outsourcing of the Control Room and monitoring services. Consultation on the proposals will be carried out with staff affected once Cabinet have approved their preferred way forward.

6. IMPLICATIONS

Legal Implications

- 6.1. The Council is under no statutory obligation to provide a public space surveillance system, although, following survey work undertaken by SGW, it remains popular with the public, Members and Police alike in furthering the duty to prevent crime and disorder in the borough.
- 6.2. However, to ensure compliance with Data Protection legislation and the Surveillance Camera Commissioner's code of practice, upgrades to the Control Room are required to facilitate privacy impact assessment and redaction of identified privacy impact zones. Should the Council fail to carry out these upgrades, there is risk of breaching legislation and associated codes.

- 6.3. Whilst separate quotes for provision of an outsourced service have been provided to both Hart & Rushmoor and outsourcing can be pursued separately as necessary, this has obvious implications for the existing shared service agreement (under deed) which will need to be terminated if outsourcing is to be progressed.
- 6.4. Should Cabinet approve this process the Council will enter into an appropriate agreement with Runnymede Borough Council, and also start a procurement process for the camera and network project stream.

Financial and Resource Implications

(a) Capital spend

- 6.5. As highlighted in paragraphs 4.8 and 6.1 of this report, there is no statutory obligation for the Council to provide a CCTV service. The Council has not made any capital budget provision for either the replacement of the CCTV cameras or the refurbishment of the Control Room.
- 6.6. Given the impact of Covid-19 on the Council's finances, it is important that members consider the revenue implications of any additional capital expenditure.
- 6.7. Should the Council choose to retain the CCTV service in-house the necessary upgrade of the Control Room will require approximately £300,000 capital expenditure, and a further £400,000 capital expenditure on cameras and associated network infrastructure. By outsourcing the control room, a large portion of this capital spend can be negated, with only camera and network replacement costs required, along with some decommissioning costs of the old Control Room.

Capital spend required for the camera and network upgrade is not currently included in the approved capital programme and will require additional resources of £400,000 in the current financial year.

- 6.8. There will be further budget requirement for progressing this work, regardless of outcome chosen. This will include staff time and additional £10,000 consultancy fees. There may be further considerations that Cabinet wish to take into account around wider finance constraints and limitations due to Covid-19.
- 6.9. For the purposes of this report, it is assumed that further borrowing would be undertaken to finance the capital expenditure, which in turn incurs an annual revenue cost.
- 6.10. Indicative figures are based on the Council borrowing from the PWLB over a 10-year period. The revenue cost of servicing the debt is estimated at £36,000 on a spend of £300,000 for the control room upgrade, and £48,000 on a spend of £400,000 on the camera and network upgrade.

- 6.11. The Council could utilise other sources of capital finance to fund the capital expenditure but given the limited resources available at the time of writing this report it is prudent to assume additional borrowing would need to be undertaken.

(b) Termination of shared service agreement

- 6.12. There are additional financial risks associated with terminating the current shared service agreement with Hart. These include a clause stating equipment purchased for the benefit of the shared service shall belong to Rushmoor, subject to payment to Hart of a sum equal to their contribution, having regard to the current estimated value. Should the agreement be terminated by mutual agreement then this may be able to be negated. The 10-year agreement is scheduled to run till 2024, having commenced in 2014.

Conversely, should Hart choose to leave the shared service and Rushmoor continue to operate the service in-house, this would result in a need for £121,670 additional budget as outlined above.

(c) Redundancy / TUPE costs

- 6.13. Should current staff be made redundant, there are potential redundancy costs of nearly £25,000. Should any staff be able to TUPE to Runnymede, Rushmoor would agree to meet those costs on behalf of Runnymede although these are currently unknown. Any costs are not envisioned to be significant, and likely limited to the costs of drafting and finalising any TUPE agreements. HR have confirmed that these are likely to be minimal.

(d) Decommissioning of control room equipment

- 6.14. If Rushmoor choose to cease the current service altogether or outsource to Runnymede there will be costs associated with the decommissioning of current control room equipment and returning the room to normal office space. These costs are estimated to be £75,000.

Equalities Impact Implications

- 6.15. There are no known equalities impact implications arising from the proposed recommendations.

Crime and Disorder Implications

- 6.16. Should the Council choose to continue the service as it currently is whether in-house or outsourced, there should be no implications and the service should be able to continue to help deter and prevent crime and disorder.
- 6.17. Should the Council choose to cease the service altogether, there may be significant implications impacting the Police, their ability to resolve incidents that would have otherwise been evidenced by our existing CCTV arrangements and subsequent arrests. There would be significant impacts

to intelligence gathered and shared across the Borough. The impact on Policing locally cannot be underestimated should the service cease altogether.

7. CONCLUSIONS

- 7.1. The Council's CCTV Control Room needs refurbishment and replacement. This will require a significant capital spend of £300,000. In order to mitigate some of this and other issues, several future service delivery options have been analysed and considered. In consequence of this, it is recommended that the control room and monitoring services be outsourced to Runnymede Borough Council. This will save much of the capital expenditure as well as create a reduction in future revenue budget required, whilst providing for an enhanced service. Any saving would be reported by the Head of Service during future budget monitoring once service alterations had been carried out.
- 7.2. The current CCTV service is a joint service run under a 10-year deed in conjunction with Hart District Council. Any outsourcing will necessitate the termination of the existing shared service agreement.
- 7.3. The Council's CCTV camera and transmission network also requires upgrading at a capital cost of £400,000, and this cost cannot be mitigated further. Collectively, this capital spend is not currently in the capital programme and requires additional approval.
- 7.4. The preferred option will reduce the level of capital expenditure required to provide the CCTV service.

BACKGROUND DOCUMENTS:

List

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