

Notice of Meeting

Cabinet

Date: Wednesday, 16 May 2018

Time: 17:30

Venue: Conference Room 1, Beech Hurst, Weyhill Road, Andover, Hampshire,
SP10 3AJ

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PUBLIC PARTICIPATION SCHEME

If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.

Cabinet

Wednesday, 16 May 2018

AGENDA

**The order of these items may change as a result of members
of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 18 April 2018**
- 6 Recommendations of the Overview and Scrutiny
Committee: None**
- 7 Revenue Outturn 2017/18 5 - 12**
Finance
To present the Council's 2017/18 revenue outturn position, to explain reasons for variances between the original estimate and the outturn, and to recommend how the surplus in the year should be treated.
- 8 Capital Outturn 2017/18 13 - 29**
Finance
To report the actual expenditure on capital projects in 2017/18, to review the funding of the capital programme, and to present a revised programme for 2017/18 to 2019/20.

9	<u>Asset Management Outturn 2017/18</u>	30 - 43
	Finance To report the actual expenditure against budget for the Asset Management Plan in 2017/18 and to update the AMP requirement for 2018/19.	
10	<u>Treasury Management Outturn 2017/18</u>	44 - 47
	Finance To review the performance of the Treasury Management function in 2017/18.	
11	<u>Project Enterprise Outturn 2017/18</u>	48 - 52
	Finance To review the financial performance of Project Enterprise activities in the 2017/18 financial year.	
12	<u>Proposed amendment to the Council's Constitution</u>	53 - 55
	Corporate To consider an amendment to the Council's Constitution to enable a vote to be taken on suspending Council Procedure Rules in relation to duration of meetings.	
13	<u>Housing Strategy Annual Progress Report 2016-2018</u>	56 - 77
	Housing and Environmental Health To present the Housing Strategy 2016 – 2019 Action Plan Update for approval.	
14	<u>Project Integra - Action Plan 2018 to 2021</u>	78 - 93
	Environmental To seek approval of the Project Integra Action Plan 2018 to 2021.	
15	<u>Eastleigh -TV Liaison Group</u>	94 - 94
	Corporate To appoint the membership of the Eastleigh Borough Council/Test Valley Borough Council Liaison Group.	

ITEM 7

Revenue Outturn 2017/18

Report of the Finance Portfolio Holder

Recommended:

1. That the Council's Revenue outturn for 2017/18, as shown in Annexes 1 and 2 to the report, be noted.
2. That the reasons for the budget variances, as shown in paragraph 3 of the report, be noted.
3. That the transfer to the Homelessness Grant Reserve of £166,000 and the transfer to the Local Development Reserve of £47,000, as detailed in paragraph 3.8 of the report, be approved.
4. That the transfer to the Collection Fund Equalisation Reserve of £544,000, as detailed in paragraph 3.16 of the report, be approved.
5. That the items, as shown in paragraph 3.17 of the report, totalling £183,400, be approved for carry forward into the 2018/19 revenue budget.
6. That the transfer to the Special Projects Reserve of £429,300, as identified in paragraph 4 of the report, be approved.

SUMMARY:

- The Council's Revenue outturn for the year ended 31 March 2018 shows net General Fund expenditure of £12.027M (Annex 2).
- Following the completion of the revenue outturn work there is a positive variance to be allocated. Details of how this arose are discussed in more detail in paragraph 3. The utilisation of the variance is considered in paragraph 4.

1 Introduction

- 1.1 The General Fund covers all areas of the Council's revenue activities. This report summarises the total revenue expenditure for Services in 2017/18 which is summarised in Annex 1.
- 1.2 The summary in Annex 1 includes notional charges applied to the revenue account in respect of capital financing transactions and transfers to the pension reserve. Annex 2 shows the same information as Annex 1 with these charges stripped out. Throughout this report any comparisons between budget and actual expenditure will refer to the figures contained in Annex 2.
- 1.3 Where there have been significant variances from the original estimate to the final outturn figures, these are explained in paragraph 3.
- 1.4 The information in this report forms the basis of the Comprehensive Income and Expenditure Statement in the Council's Annual Statement of Accounts which is due to be audited in the coming months by Ernst & Young.

2 Background

- 2.1 The original revenue estimates for 2017/18 were approved by Council in February 2017. This report shows how the final figures compare to those approved in the original estimates and explains the reasons for significant variances.
- 2.2 It is pleasing to report that the Council's Revenue outturn for 2017/18 shows a positive variance of £429,300 compared with the original estimate. This represents a 3.5% favourable variance on the Council's General Fund Requirements of £12.379M and details of the variance are explained in paragraph 3.
- 2.3 Annex 1 shows the full cost of Services which includes depreciation charges, charges to revenue for capital expenditure that does not generate new assets and notional adjustments in respect of the pension fund. Whilst it is important that these costs are known and included, they are also highly changeable and make comparisons with budgets very difficult.
- 2.4 Annex 2 strips out these charges to provide Councillors with a more understandable comparison of budget figures.

3 2017/18 Revenue Outturn

- 3.1 Annexes 1 and 2 show the revenue account outturn for 2017/18. They show a positive variance of £429,300 when compared with the original estimate.
- 3.2 The table below provides a summary of the main reasons for the variance with more detailed explanations in paragraphs 3.3 to 3.16:

	£'000
a) Vacancy management (see paragraph 3.3)	187
b) Transport costs – (see paragraph 3.4)	60
c) Net additional property income (see paragraph 3.5)	338
d) Planning appeals and income (see paragraph 3.6)	(223)
e) Property costs (see paragraph 3.7)	188
f) Government grants (see paragraph 3.8)	369
g) Contingency provision (see paragraph 3.9)	131
h) Investment income (see paragraph 3.10)	191
i) Provision for bad debts (see paragraph 3.11)	(181)
j) Other income (see paragraph 3.12)	(141)
k) Net savings on various supplies and services (see paragraph 3.13)	92
l) Asset Management Reserve adjustment (see paragraph 3.7)	(124)
m) Government grants adjustment (see paragraph 3.8)	(213)
n) Business rates (see paragraphs 3.14 – 3.16)	(245)
Total surplus	429

- 3.3 The vacancy management provision for 2017/18 was set at 4% of the gross salary budget equating to £529,700. The actual outturn has exceeded the provision by 1.4%, or £187,000. In addition to the usual recruitment challenges across the authority, there have been some posts that have become vacant during the year and have been given up as savings as part of the 2018/19 budget process.
- 3.4 Transport costs, specifically diesel and repair costs, have remained depressed throughout the year. A saving on mayoral transport and savings due to vacancies has resulted in a total saving of £60,000.
- 3.5 The net additional rental property income of £338,000 can be analysed as follows:
- The Council purchased an investment property in December 2017. The net additional income from this property after a contribution to the capital reserve was £98,000 which was not included in the budget.
 - Other additional rental income of £186,000 was received. This came from other corporate properties, and Walworth and Portway Business Parks.
 - Approximately £54,000 of one off income was received mainly relating to lease extensions.
- 3.6 Unbudgeted planning appeal costs came to £52,000. In addition, income from planning application fees and building control also fell short of the target by £171,000.
- 3.7 Savings on property costs (slippage and savings on completed projects within the Asset Management Plan, unused reactive maintenance budgets and savings on utilities) has contributed £188,000 to the surplus. £124,000 of this will be retained in the Asset Management Reserve and will be available for projects in 2018/19.
- 3.8 Unbudgeted government grants of £369,000 have been received in the year (in relation to homelessness, the council tax family annex discount grant and various new burdens grants). This includes the ringfenced Flexible Homelessness Support Grant and New Burdens Funding referred to in the Homelessness Reduction Act 2017 report to Cabinet On 14 March 2018. The residual amount of £166,000 is recommended to be transferred to earmarked reserves to be utilised in future years as per the report. A further £47,000 is recommended to be transferred to the Local Development Framework reserve to fund the development of the new local plan. The net position is a contribution of £156,000 to the surplus.
- 3.9 The majority of additional expenditure during the year was managed within existing resources with only £157,000 used from contingencies and a further £115,400 to be carried forward in respect of the Leisure Management Contract, leaving an unspent balance of £131,000.
- 3.10 Investment income received in the year was £191,000 higher than anticipated. £109,000 of this was due to unbudgeted interest on loans provided by the Council.

- 3.11 Following the write off of uncollectable debts during the year of £100,000 against the bad debt provision, an increase of £181,000 is required to ensure that the bad debt provision is at the required level at the end of the year.
- 3.12 Other net income across the services was down against budget by £141,000, mainly due to pest control income, land charges, car parking charges and a reduction in benefits overpayments, offset by an increase in income from recycling, the garden waste scheme and the sale of bins.
- 3.13 Net savings of £92,000 on various supplies and services has been achieved. This includes savings from changes to recruitment provision, IT software maintenance, corporate management and other sundry savings, partly offset by an increase in insurance premiums and the cost of an unexpected borough by election.
- 3.14 Transactions through the General Fund in relation to business rates income are difficult to predict and extremely volatile. In 2014/15, the Council had to cope with a deficit of £1.5M. Since then, the Council has made a surplus and is therefore required to pay an immediate NDR Surplus Levy to Government, whilst not receiving its share of the benefit of the surplus for another two years. In addition, the Council receives grants for small business rate and other reliefs, and is entitled to retain 100% of business rates relating to renewable energy schemes within the Borough. These transactions are managed through both the General Fund and the Collection Fund Equalisation Reserve.
- 3.15 Business rates income is extremely vulnerable to the level of appeals that may occur as a result of the 2017 revaluation exercise. In addition, the Government maintains the power to take away all of the accumulated growth in income generated since 2013 in the reset of the Business Rates Retention Scheme in 2020. The Council maintains the Collection Fund Equalisation Reserve to try to smooth the impact of these unknowns.
- 3.16 The variances against budget are detailed in the table below along with a recommended transfer to the Collection Fund Equalisation reserve.

	£'000
Reduction in tariff payable to Central Government following the 2017 business rates revaluations	77
Additional Government grants received	709
Additional provision for surplus levy	(1,031)
Additional renewable energy business rates retained	544
Transfer additional renewable energy business rates retained to Collection Fund Equalisation Reserve	544
Net impact of business rates on General fund in 2017/18	(245)

- 3.17 Two items have been identified where a budget was included in the 2017/18 estimate but was not spent by the end of the year as per the table below. The total of £183,400 is recommended to be carried forward into 2018/19.

	£'000
Maintenance budget for planned electrical and fire safety works	50
Leisure contract (as detailed in the Leisure Contract Update report elsewhere on this agenda)	133
Total to be carried forward to 2018/19	183

4 Transfer to / from Reserves

General Reserves

- 4.1 The recommended prudential minimum level for unallocated general reserves is £2M. This represents the Council's working balance to help cushion the impact of uneven cash flows and minimise unnecessary temporary borrowing.
- 4.2 The balance at the start of the year was £2M and this remains unchanged at 31 March 2018.

Earmarked Reserves

- 4.3 The amount available to allocate to earmarked reserves as a result of the surplus in 2017/18 is £429,300.
- 4.4 It is considered that the most appropriate use is to transfer the full amount to the Special Projects Reserve.
- 4.5 The Special Projects Reserve was established by Cabinet in June 2010 to provide funding for any new, one-off projects. Originally the reserve had £100,000 allocated to it and it currently stands at £163,000. A transfer of £429,300 will reflate the balance to £592,300. This will be available to finance future corporate projects, such as the Andover Cultural Quarter project and Romsey Future South of Town Centre project.

5 Resource Implications

- 5.1 This report shows that the Council had a budget surplus in 2017/18 of £429,300. This amount is recommended to be transferred to the Special Projects Reserve to be used in future years.
- 5.2 As discussed above the General Fund balance is to remain at £2M; a level which is prudent in the current economic climate.

- 5.3 Some of the variances that have been identified throughout this report have already been taken into account in setting the 2018/19 budget, others will be considered as part of the Corporate Challenge process for 2019/20 to determine whether there are any on-going savings, or additional income that could help reduce the Council's budget gap.

6 Risk Management

- 6.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the issues covered do not represent significant risks.

7 Equality Issues

- 7.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

8 Conclusion and reasons for recommendation

- 8.1 This report shows that actual net General Fund expenditure in 2017/18 was £429,300 less than the Original Estimate and explains the significant causes of this variance. The report recommends a transfer to the Special Projects Reserve to fund future one-off projects.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	16 May 2018

GENERAL FUND REVENUE SUMMARY - 2017/18

	(1) Original Estimate 2017/18 £'000	(2) Actual 2017/18 £'000	(3) (Under) / Over Spend £'000
Service Requirements			
Chief Executive's Office	570.2	495.5	(74.7)
Community & Leisure	4,723.9	5,746.8	1,022.9
Environmental Service	4,836.3	5,451.4	615.1
Estates & Economic Development	(5,105.0)	(5,815.4)	(710.4)
Finance	13.4	0.2	(13.2)
Housing & Environmental Health	3,327.8	1,179.6	(2,148.2)
I.T.	52.7	29.4	(23.3)
Legal & Democratic	334.7	459.7	125.0
Planning & Building	1,643.0	2,162.0	519.0
Revenues	1,429.3	1,454.1	24.8
	11,826.3	11,163.3	(663.0)
Other Requirements			
Benefits	(200.0)	(137.6)	62.4
Corporate & Democratic Core	4,093.2	3,323.5	(769.7)
Net Cost of Services	15,719.5	14,349.2	(1,370.3)
Corporate Requirements			
Contingency Provision	246.6	0.0	(246.6)
Depreciation & Capital Charges	(4,475.4)	(3,722.7)	752.7
Net Investment Income	(337.1)	(527.8)	(190.7)
Transition Grant	(53.6)	(53.6)	0.0
New Homes' Bonus	(4,916.1)	(4,921.3)	(5.2)
Small Business Rate Relief	(680.9)	(1,210.0)	(529.1)
Other Government grants	(178.8)	(420.5)	(241.7)
Provision for NDR surplus 'levy'	1,497.5	2,528.6	1,031.1
Retention of NDR re Renewable Energy Schemes	(359.0)	(903.2)	(544.2)
Write Offs / Year End Transfers	0.0	16.7	16.7
Net General Fund Expenditure	6,462.7	5,135.4	(1,327.3)
Transfer to / (from) Earmarked Reserves	4,525.5	5,556.1	1,030.6
Transfer to Asset Management Reserve	176.2	421.1	244.9
Contribution to Capital Balances	1,214.5	1,888.6	674.1
Transfer to Pension Reserve	0.0	(974.3)	(974.3)
GENERAL FUND REQUIREMENTS	12,378.9	12,026.9	(352.0)
Revenue Support Grant	(417.5)	(417.5)	0.0
Business Rates Retained	(4,447.1)	(4,524.4)	(77.3)
Parish Precepts	1,403.5	1,403.5	0.0
Surplus on Previous Years' Collection Fund	(132.9)	(132.9)	0.0
Surplus on Previous Years' Collection Fund - NDR	(634.4)	(634.4)	0.0
Council Tax Requirement	8,150.5	7,721.2	(429.3)

GENERAL FUND VARIANCE**429.3**

GENERAL FUND REVENUE SUMMARY - 2017/18
excluding asset charges and pension transfers

	(1)	(2)	(3)
	Original		(Under) /
	Estimate	Actual	Over
	2017/18	2017/18	Spend
	£'000	£'000	£'000
Service Requirements			
Chief Executive's Office	570.2	241.9	(328.3)
Community & Leisure	3,735.9	3,793.7	57.8
Environmental Service	4,478.1	4,289.9	(188.2)
Estates & Economic Development	(6,045.7)	(6,719.8)	(674.1)
Finance	13.4	(88.9)	(102.3)
Housing & Environmental Health	1,802.8	1,680.3	(122.5)
I.T.	(54.0)	(171.9)	(117.9)
Legal & Democratic	334.7	354.3	19.6
Planning & Building	1,633.9	1,888.1	254.2
Revenues	1,429.3	1,306.1	(123.2)
	7,898.6	6,573.7	(1,324.9)
Other Requirements			
Benefits	(200.0)	(137.6)	62.4
Corporate & Democratic Core	4,045.5	4,340.2	294.7
Net Cost of Services	11,744.1	10,776.3	(967.8)
Corporate Requirements			
Contingency Provision	246.6	0.0	(246.6)
Net Investment Income	(337.1)	(527.8)	(190.7)
Transition Grant	(53.6)	(53.6)	0.0
New Homes' Bonus	(4,916.1)	(4,921.3)	(5.2)
Small Business Rate Relief	(680.9)	(1,210.0)	(529.1)
Other Government grants	(178.8)	(420.5)	(241.7)
Provision for NDR surplus 'levy'	1,497.5	2,528.6	1,031.1
Retention of NDR re Renewable Energy Schemes	(359.0)	(903.2)	(544.2)
Write Offs / Year End Transfers	0.0	16.7	16.7
Net General Fund Expenditure	6,962.7	5,285.2	(1,677.5)
Transfer to / (from) Earmarked Reserves	4,525.5	5,556.1	1,030.6
Transfer to Asset Management Reserve	176.2	421.1	244.9
Contribution to Capital Balances	714.5	764.5	50.0
GENERAL FUND REQUIREMENTS	12,378.9	12,026.9	(352.0)
Revenue Support Grant	(417.5)	(417.5)	0.0
Business Rates Retained	(4,447.1)	(4,524.4)	(77.3)
Parish Precepts	1,403.5	1,403.5	0.0
Surplus on Previous Years' Collection Fund	(132.9)	(132.9)	0.0
Surplus on Previous Years' Collection Fund - NDR	(634.4)	(634.4)	0.0
Council Tax Requirement	8,150.5	7,721.2	(429.3)
GENERAL FUND VARIANCE		429.3	

ITEM 8

Capital Outturn 2017/18

Report of the Finance Portfolio Holder

Recommended:

That the updated Capital Programme, as shown in Annex 1 to the report, be approved.

Recommendation to Council

SUMMARY:

- This report summarises expenditure on the Capital Programme in 2017/18 and explains the reasons for variances from the forecast, including a summary of the total budget slippage within the Capital Programme.
- The report makes recommendations for the carry forward of certain unspent capital budgets into 2018/19 as detailed throughout the report and provides an updated capital programme for 2017/18 to 2019/20.

1 Introduction

- 1.1 The progress of the Capital Programme is reported to Cabinet regularly throughout the year. The most recent update was presented to Cabinet on 14 February 2018.
- 1.2 The purpose of this report is to present the final 2017/18 expenditure for the Capital Programme and explain significant variances compared to the estimated expenditure for the year. The report also updates the expected budget for 2018/19 and 2019/20.
- 1.3 Any slippage from 2017/18 and other changes in the programme have been taken into account in updating the cost and phasing of schemes within the updated programme presented for approval.

2 Background

- 2.1 In updating the Capital Programme the main issues relate to changes in the cost or phasing of existing schemes and changes to the level of capital resources that will influence the way in which the programme is financed.
- 2.2 Additional capital requirements on existing projects are included in the report. Where additional resources are necessary, the report will address the reasons why additional resources are requested and the method of funding those resources.

3 Capital Outturn 2017/18

- 3.1 Annex 1 provides details of the revised estimate for individual schemes in 2017/18 and the actual amount that was spent in the year. It also shows an updated estimate of the remaining costs and timescale of all projects in the Capital Programme.
- 3.2 Overall, the Capital Programme has spent £17.5M against a forecast of £19.7M during the 2017/18 financial year.
- 3.3 The following table shows how the overall variance of £2.2M in 2017/18 is broken down between Services:-

Service	Estimate	Actual	Variance
	£'000	£'000	£'000
Asset Management Projects	2,177.5	1,521.9	(655.6)
Community & Leisure	7,561.0	6,163.0	(1,398.0)
Estates, E.D. and Transport	940.6	1,044.7	104.1
Project Enterprise	7,893.4	7,855.9	(37.5)
Housing & Environmental Health	919.1	682.2	(236.9)
I.T.	0	0	0
Affordable Housing	207.5	207.5	0
Total	19,699.1	17,475.2	(2,223.9)

- 3.4 The main reasons for the variance in the year are explained in the following paragraphs.

3.5 Asset Management Projects

The Asset Management Plan was last reported to Cabinet on 15 November 2017. This identified the Council's requirement for maintaining its asset base over three categories; land & property; vehicles & plant and IT equipment.

The budgets approved covered both revenue and capital items, with the capital element introduced to the Capital Programme. All costs are to be met from the Asset Management reserve.

Overall, capital expenditure in the year was £655,600 less than budgeted.

Detailed explanations of variances within the Asset Management Plan for 2017/18 are included in the Asset Management Plan Outturn report elsewhere on this agenda.

3.6 Community & Leisure

The Community & Leisure capital programme has a variance of £1,398,000 against its forecast of £7,561,000.

The main reasons for this are:

- The Urban Realm Project was delayed due to the development of the Andover Leisure Centre. This project has now been deleted from the Capital Programme as consultations with regard to the 'Cultural Quarter' development are now being considered.
- The Community Asset Fund (CAF) is showing a variance for 2017/18 due to the timing of grant applications. Applicants have a total of two years in which to claim approved grants and a total of £157,900 of additional Capital grants have been added to the programme, £119,200 of which has been carried forward into 2018/19.
- The Multi Use Games Area (MUGA) and Play Areas at Picket Twenty are now being treated as one so the two schemes have been amalgamated. The MUGA is completed, all bar the lining for specific sports. The final play area is out to consultation resulting in further slippage of £44,000.
- East Anton Art Project Capital budget has been reduced by £9,000 as this cost is relating to maintenance and should be revenue expenditure. This project has also slipped by a further £30,000 as the adoption of the relevant piece of land was delayed. Planning permission has now been sought for the artwork and this project should complete by Autumn 2018.
- Charlton Lake footpath project has slipped by £2,000 as there is an element of re-seeding and making good adjoining areas which will be done in the next few weeks. A saving of £6,000 has been made on this project.
- Planning permission is being sought for the lighting element of the War Memorial project resulting in slippage of £12,100.
- The work on the War Memorial Park play areas should be completed in the next few weeks but there has been a slight delay due to the wet weather causing slippage of £9,300.
- There is a detailed confidential Leisure Contract capital update report elsewhere on this agenda.
- The project has slipped by £1,156,500 mainly due to delays caused by the safe removal of asbestos during the demolition phase of the contract.
- Fishlake Meadows contract has slipped slightly by £12,400 as weather conditions have not been favourable.

3.7 Estates

A small saving was made on the strategic land and building purchase.

The contribution of £150,000 for Romsey Enhancement Works was paid to Hampshire County Council earlier than forecast.

George Yard Toilet Demolition was completed with a saving of £2,900.

3.8 Project Enterprise

Works on the Walworth Business Park Investment are now complete and a contingency figure of £164,700 has been held over to 2018/19 to cover any additional expenditure related to the sale/rental of the property.

Invoices for work done on Walworth Business Park Investment 2 have now been received increasing the expenditure for the current year but not changing the overall budget.

Investment Property 2 is now complete with a small saving of £5,500.

The completion of Investment Property 7 has slipped slightly but will show a small saving of approximately £6,000.

Investment Property 8 is now complete with a saving of £3,600.

Further information relating to the investments made by Project Enterprise is shown in the PE Outturn report elsewhere on this agenda.

3.9 Housing & Environmental Health

The annual budgets for Renovation & Minor Works Grants and Disabled Facilities Grants are a limit on the amount that the Service can commit to individual grants plus any outstanding grant commitments from previous years.

As the Disabled Facilities Grants are a statutory requirement and require a referral from an Occupational Therapist, it is difficult to predict the amount of referrals in one year. For 2017/18 there is a total spend of £682,200 against a budget of £777,100. No Renovation and Minor Works grants have been awarded this year.

3.10 Slippage

Slippage from one year to the next is regularly monitored as part of the Capital Programme update reports.

Annex 2 shows details of the capital projects that have slipped from 2017/18 to 2018/19. The November and February updates identified slippage of £4,410,600. This report identifies a further £1,058,600 making the annual total £5,469,200. This excludes Asset Management items which are reviewed separately elsewhere on this agenda.

Some slippage within a Capital Programme is entirely normal. Expenditure can be delayed for many reasons and is frequently outside the Council's control.

Projects included in the Capital Programme will improve the delivery of services directly to the public or improve the service that the Council provides. Slippage in the Capital Programme delays the implementation of these projects and therefore also delays any benefit seen by the public.

4 Capital Programme Update

- 4.1 A comparison of the latest phasing of the capital programme compared with the budget approved in February is shown in the following table:-

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
February Programme	22,699.1	25,324.7	1,971.8	49,995.6
Current Programme	17,475.2	30,654.5	2,193.8	50,323.5
Increase / (Decrease)	(5,223.9)	5,329.8	222.0	327.9

- 4.2 The increase of £327,900 is broken down in the table below.

	February Programme £'000	Current Programme £'000	Increase / (Decrease) £'000
Asset Management Projects	4,528.1	4,344.9	(183.2)
Community & Leisure	22,478.6	22,760.0	281.4
Estates & Economic. Dev.	1,720.9	1,717.0	(3.9)
Project Enterprise	16,863.4	17,333.9	470.5
Housing & Env. Health	1,869.1	1,632.2	(236.9)
Total	47,460.1	47,788.0	327.9

- 4.3 The overall AMP budget requirement has reduced by £183,200 and is discussed in a separate report on this agenda.

- 4.4 The total budget for Community and Leisure has increased by £281,400 as explained below:

An additional project was added to the Community & Leisure programme being Public art at Adanac Park totalling £60,000 (approved by Cabinet on 18 April). This will be funded from the S106 Receipts.

The creation of a Community Asset Fund (CAF) was approved as part of the budget strategy on October 2013. The overall budget for the CAF is £300,000 per annum which is split between revenue and capital contributions. As the capital contributions have increased, additional budget of £100,000 has been added for 2018/19. Additionally, another £157,900 has been added for projects approved to the end of March 2018 meaning that £257,900 is added to the overall budget. The revenue grants will reduce to ensure that the total contributions remain within the £300,000 limit per annum. All CAF contributions are funded by New Homes Bonus.

Cancellation of the Urban Realm project has resulted in a return of accrued expenditure into the programme of £6,500 making a total saving of £21,500. Any spend to date will be transferred into Revenue costs. (£13.5k)

The transfer of capital back to revenue for the East Anton Public art project, has reduced the budget by £9,000.

A saving of £6,000 for Charlton Lakes Footpath has also reduced the budget.

- 4.5 Two new properties have been added to the programme for Project Enterprise. The first was agreed by the Member Panel on the 21 February 2018 and subsequently presented to Council on the 11 April 2018 (minute 306.1 refers). The second was agreed by the Member panel on the 29 March 2018 and will be presented to Council in June.

A further project of the installation of Solar Panels at Ganger Farm Pavilion was approved by Council on the 26 April 2018.

- 4.6 Disabled Facilities grants and Minor Renovation grants have been underspent in this financial year. This is as a result of no grant applications for Renovations or Minor Work Grants received this financial year. The actual spend in relation to DFGs is consistent with previous years. The allocation for 2017/18 was increased as it was anticipated that with the addition of an in house Occupational Therapist more applications would be processed. However, the post was not filled until December 2017 and the benefit is only just being realised.

5 Resource Implications

- 5.1 The level of capital spending is entirely dependent on the resources that are available to finance the programme. The ability to add new schemes to the programme is influenced by forecasts of future resources. However, once a scheme is in the programme it is assumed that it will be completed and financed irrespective of whether or not resource forecasts are entirely accurate.
- 5.2 This means that any shortfalls in resources are either made good initially through use of balances or by taking into account future capital receipts that would otherwise have been used for new capital expenditure. As a result, the financing of the programme will always be equal to the estimated costs.
- 5.3 The level of capital resources per the February programme is compared to those for the current programme in the following table:-

	February 2018	Outturn 2017/18
Capital Programme	£'000	£'000
Balance Capital Receipts Reserve (CRR) as at 1 April 2018	18,658.0	18,658.0
Total Capital Expenditure 2017/18 – 2019/20	(49,995.6)	(50,323.5)
Total Capital Financing 2017/18 – 2019/20	26,143.6	26,804.7
Forecast Deficit on CRR at 31 March 2020	(5,194.0)	(4,860.8)
Additional contribution from New Homes Bonus	3,248.4	3,248.4
Additional contribution from Revenue 2018/19 & 2019/20	1,945.6	1,973.2
Capital Receipts Reserve as at 31 March 2020	0.0	360.8

5.4 The deficit in the financing of the capital programme to 2019/20 is £4.9M. This represents a decrease to the forecasted deficit of £5.2M reported in February.

5.5 The main changes within the financing of the programme relate to:

- Preserved Right-to-Buy receipts increased in the year. The budget forecast was £254,000 and £889,000 will be received, an increase of £635,000.
- Funding of £142,000 for Minor Renovation Grants was not needed.
- An additional transfer from Revenue, of £27,600.
- Movement in Capital Receipts of £36,800.
- New projects added of £486,000.

6 Conclusion and reasons for recommendation

6.1 The positive variance between budgeted and actual expenditure was £5.2M in 2017/18. Apart from Asset Management budgets (discussed elsewhere on this agenda) the main variances to existing schemes within the Capital Programme were, slippage of projects as detailed in Annex 2 offset against the increased spend of Community Asset Fund grants and purchase of additional investment properties.

6.2 The ongoing budget requirements for all outstanding projects have been reviewed in the preparation of this report and the updated Capital Programme as shown in Annex 1 is recommended for approval.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	16 May 2018

CAPITAL PROGRAMME AND FINANCING**Approved Projects**

	February 2018				Outturn			
	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
CAPITAL EXPENDITURE								
Asset Management Projects	2,177.5	2,350.6	0.0	4,528.1	1,521.9	2,601.0	222.0	4,344.9
Community & Leisure	7,561.0	13,905.8	861.8	22,328.6	6,163.0	15,485.2	861.8	22,510.0
Estates, Economic Development & Transport	940.6	780.3	0.0	1,720.9	1,044.7	672.3	0.0	1,717.0
Project Enterprise	7,893.4	5,970.0	0.0	13,863.4	7,855.9	6,478.0	0.0	14,333.9
Housing & Environmental Health	919.1	950.0	0.0	1,869.1	682.2	950.0	0.0	1,632.2
IT	0.0	108.0	0.0	108.0	0.0	108.0	0.0	108.0
Affordable Housing	207.5	1,110.0	1,110.0	2,427.5	207.5	1,110.0	1,110.0	2,427.5
Total	19,699.1	25,174.7	1,971.8	46,845.6	17,475.2	27,404.5	2,193.8	47,073.5
CAPITAL FINANCING								
Capital Grants	777.1	850.0	0.0	1,627.1	682.2	850.0	0.0	1,532.2
Capital Receipts	375.8	50.0	50.0	475.8	947.6	50.0	50.0	1,047.6
PWLB Loan	0.0	5,900.0	0.0	5,900.0	0.0	5,900.0	0.0	5,900.0
Capital Contributions	11,375.2	10,037.7	1,921.8	23,334.7	8,159.9	12,981.4	2,155.2	23,296.5
Total	12,528.1	16,837.7	1,971.8	31,337.6	9,789.7	19,781.4	2,205.2	31,776.3
Contribution (to) / from balances	7,171.0	8,337.0	0.0	15,508.0	7,685.5	7,623.1	(11.4)	15,297.2
Total Financing	19,699.1	25,174.7	1,971.8	46,845.6	17,475.2	27,404.5	2,193.8	47,073.5

CAPITAL PROGRAMME AND FINANCING**Schemes yet to be identified**

	February 2018				Outturn			
	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
CAPITAL EXPENDITURE								
Community & Leisure	0.0	150.0	0.0	150.0	0.0	250.0	0.0	250.0
Project Enterprise	3,000.0	0.0	0.0	3,000.0	0.0	3,000.0	0.0	3,000.0
Total	3,000.0	150.0	0.0	3,150.0	0.0	3,250.0	0.0	3,250.0
CAPITAL FINANCING								
Capital Contributions	0.0	0.0	0.0	0.0	0.0	250.0	0.0	250.0
Total	0.0	0.0	0.0	0.0	0.0	250.0	0.0	250.0
Contribution (to) / from balances	3,000.0	150.0	0.0	3,150.0	0.0	3,000.0	0.0	3,000.0
Total Financing	3,000.0	150.0	0.0	3,150.0	0.0	3,250.0	0.0	3,250.0

ASSET MANAGEMENT PROJECTS
CAPITAL PROGRAMME

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Land and Property Projects	1,336.4	1,321.8		2,658.2	889.0	1,396.2	222.0	2,507.2
2	Vehicle and Plant Projects	674.3	985.8		1,660.1	599.8	1,062.3		1,662.1
3	IT Equipment Projects	166.8	43.0		209.8	33.1	142.5		175.6
Total AMP Capital Programme		2,177.5	2,350.6	0.0	4,528.1	1,521.9	2,601.0	222.0	4,344.9

COMMUNITY & LEISURE
CAPITAL PROGRAMME

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Urban Realm (Lights - Bus Station access)		15.0		15.0	(6.5)			(6.5)
2	Valley Park Woodland	12.0			12.0	12.0			12.0
3	Community Asset Fund - New projects 2017/18	150.0			150.0	98.7	168.8		267.5
3a	Community Asset Fund - O/s projects	163.7			163.7	95.8	108.3		204.1
4	MUGA/Play Areas Picket Twenty	114.0	215.0		329.0	70.0	259.0		329.0
6	Ganger Farm - Sports & Recreation		640.0		640.0		640.0		640.0
7	East Anton Public Art	50.0	32.0		82.0	20.0	53.0		73.0
8	Saxon Fields Car Park		63.0		63.0		63.0		63.0
9	Charlton Lakes Footpath	50.0			50.0	42.0	2.0		44.0
10	RSC Skate Park	6.0	174.0		180.0	6.0	174.0		180.0
11	Knightwood Skate Park	6.0	154.0		160.0	6.0	154.0		160.0
12	Andover War Memorial	15.0	10.0		25.0	2.9	22.1		25.0
13	Andover Fitness Trail	45.0			45.0	45.0			45.0
14	Town Mill River Improvements		70.0		70.0		70.0		70.0
15	Upgrade War Memorial Park Play area	60.0			60.0	50.7	9.3		60.0
16	Leisure Contract	6,369.6	12,085.6	742.0	19,197.2	5,213.1	13,242.1	742.0	19,197.2
17	Site for Knightwood Day Nursery	419.7			419.7	419.7			419.7
18	Fitness Equipment - Valley Park		20.0		20.0		20.0		20.0
19	Footpath link - Knightwood Leisure centre		58.2		58.2		58.2		58.2
20	Play Areas - Jubilee Park, Nursling		70.0		70.0		70.0		70.0
21	Fishlake Meadows	100.0	135.0	119.8	354.8	87.6	147.4	119.8	354.8
22	Footpath link - Smannell to Augusta		164.0		164.0		164.0		164.0
23	Public Art - Adanac Park						60.0		60.0
Total Approved Projects		7,561.0	13,905.8	861.8	22,328.6	6,163.0	15,485.2	861.8	22,510.0
Community Asset Fund Projects - yet to be identified			150.0		150.0		250.0		250.0
Total C&L Capital Programme		7,561.0	14,055.8	861.8	22,478.6	6,163.0	15,735.2	861.8	22,760.0

ESTATES, ECONOMIC DEVELOPMENT & TRANSPORT SERVICE
CAPITAL PROGRAMME

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Hampshire Community Bank	125.0	250.0		375.0	125.0	250.0		375.0
2	Boom Lift	16.9			16.9	16.9			16.9
3	Chantry Centre Enhancement	143.9			143.9	143.9			143.9
4	Strategic Land and Building purchase	563.0			563.0	562.0			562.0
5	Town Mill Access & Environmental Enhancement	0.8	132.3		133.1	0.8	132.3		133.1
6	Romsey Enhancement Works - Phase 3	2.0	148.0		150.0	150.0			150.0
7	Romsey Flood Alleviation Scheme		250.0		250.0		250.0		250.0
8	Bus Shelter Purchase	30.0			30.0	30.0			30.0
9	George Yard Toilet Scheme	19.0			19.0	16.1			16.1
10	Generator - Business Continuity	40.0			40.0		40.0		40.0
Total Estates Capital Programme		940.6	780.3	0.0	1,720.9	1,044.7	672.3	0.0	1,717.0

PROJECT ENTERPRISE
CAPITAL PROGRAMME

Ref	Scheme	Total Approved Expendit ure to £'000	February 2018				Outturn			
			2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Walworth Business Park Investment	2858.1	255.8			255.8	91.1	164.7		255.8
2	Walworth Business Park Investment 2		30.0	5,970.0		6,000.0	358.6	5,641.4		6,000.0
3	Development in High St x 2 houses	187	191.9			191.9	186.4			186.4
4	Hambridge Lane, Newbury	1659.8	10.6			10.6	10.6			10.6
5	Solar Panels Portway		50.9			50.9	50.9			50.9
6	Tintagel Close		165.2			165.2	165.2			165.2
7	Spey Court		181.5			181.5	181.5			181.5
8	Andover Trade Park		6,804.0			6,804.0	6,611.7	185.9		6,797.6
9	Tintagel Close		203.5			203.5	199.9			199.9
10	Investment property 9							213.0		213.0
11	Investment property 10							213.0		213.0
12	Solar Panels Ganger Farm Pavilion							60.0		60.0
Total Approved Projects			7,893.4	5,970.0	0.0	13,863.4	7,855.9	6,478.0	0.0	14,333.9
Purchase of Investment properties - yet to be identified			3,000.0			3,000.0		3,000.0		3,000.0
Total Estates Capital Programme			10,893.4	5,970.0	0.0	16,863.4	7,855.9	9,478.0	0.0	17,333.9

HOUSING & ENVIRONMENTAL HEALTH SERVICE
CAPITAL PROGRAMME

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Renovations and Minor Works Grants	142.0	100.0		242.0	0.0	100.0		100.0
2	Disabled Facilities Grants/Loans	777.1	850.0		1,627.1	682.2	850.0		1,532.2
Total H & EH Capital Programme		919.1	950.0	0.0	1,869.1	682.2	950.0	0.0	1,632.2

INFORMATION TECHNOLOGY SERVICE
CAPITAL PROGRAMME

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
1	Sharepoint Server		12.0		12.0		12.0		12.0
2	CCTV for commercial vehicles		96.0		96.0		96.0		96.0
Total IT Capital Programme		0.0	108.0	0.0	108.0	0.0	108.0	0.0	108.0

**AFFORDABLE HOUSING
CAPITAL PROGRAMME**

Ref	Scheme	February 2018				Outturn			
		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £000
	<u>Testway Covenant</u>								
1	Rosalind Hill House, Stockbridge	140.0			140.0	140.0			140.0
2	Braishfield Road, Braishfield	67.5			67.5	67.5			67.5
3	Nightingale Lodge		810.0	810.0	1,620.0		810.0	810.0	1,620.0
4	Registered providers		300.0	300.0	600.0		300.0	300.0	600.0
	Total Approved Projects	207.5	1,110.0	1,110.0	2,427.5	207.5	1,110.0	1,110.0	2,427.5
	Schemes to be identified				0.0				0.0
	Ringfenced Right-To-Buy Receipts				0.0				0.0
	Total Affordable Housing Capital Programme	207.5	1,110.0	1,110.0	2,427.5	207.5	1,110.0	1,110.0	2,427.5

SUMMARY OF SLIPPAGE IN THE CAPITAL PROGRAMME

CAPITAL PROGRAMME

<u>Service</u>	<u>Project</u>	<u>Amount £'000</u>	<u>Amount £'000</u>
Community & Leisure	Urban Realm (Lights - Bus Station access)	15.0	
	MUGA Picket Twenty	155.0	
	Play Areas Picket Twenty/Urban Park	60.0	
	Ganger Farm - Sports & Recreation	640.0	
	East Anton Public Art	19.0	
	Town Mill River Improvements	70.0	959.0
Estates, Economic Development & Transport	Hampshire Community Bank	250.0	
	Town Mill Access & Environmental Enhancement	113.1	
	Romsey Flood Alleviation Scheme	250.0	613.1
IT	Sharepoint Server	12.0	12.0
Affordable Housing	Nightingale Lodge	810.0	810.0
Slippage identified in November report			2,394.1
Community & Leisure	East Anton Public Art	13.0	
	Saxon Fields Car Park	63.0	
	RSC Skate Park	174.0	
	Knightwood Skate Park	154.0	
	Andover War Memorial	10.0	
	Leisure Contract	1,135.3	1,549.3
Estates, Economic Development & Transport	Town Mill Access & Environmental Enhancement	19.2	
	Romsey Enhancement Works - Phase 3	148.0	167.2
Affordable Housing	Registered Providers	300.0	300.0
Slippage identified in the February report			2,016.5
Community & Leisure	Urban Realm (Lights - Bus Station access)	(15.0)	
	Community Asset Fund	119.2	
	MUGA/Play Areas Picket Twenty	44.0	
	East Anton Public Art	30.0	
	Charlton Lakes Footpath	2.0	
	Andover War Memorial	12.1	
	Upgrade War Memorial Park Play area	9.3	
	Leisure Contract	1,156.5	
	Fishlake Meadows	12.4	1,370.5
Estates, Economic Development & Transport	Romsey Enhancement Works - Phase 3	(148.0)	(148.0)
Project Enterprise	Walworth Business Park Investment	164.7	164.7
	Walworth Business Park Investment 2	(328.6)	(328.6)
Slippage identified in this report			1,058.6
TOTAL SLIPPAGE IDENTIFIED			5,469.2

- 2.2 The Estates Service carried out a condition survey on all land and buildings in the development of the Asset Management Strategy. The results of the survey were used to allocate each building into a priority category for works to be undertaken. This, combined with a review of how long the Council expects to retain individual properties, has informed the development of the land and buildings' element of the AMP.
- 2.3 This survey continues to be maintained by Estates and is updated on an ongoing basis.
- 2.4 All vehicles and plant are regularly serviced by the Council's internal vehicle workshop. The effectiveness of all vehicles is monitored as part of the servicing programme. Among other things, this includes identifying where vehicles' workloads are different to that expected which may alter the timing of their replacement and identifying vehicles with higher / lower than expected servicing costs. Service users also keep the number of vehicles / items of plant required to deliver services under regular review.
- 2.5 The IT Service has a register of all hardware and major software systems used by the Council with profiles of their expected useful lives. From this it is possible to plan when IT infrastructure will need to be replaced. For hardware this tends to be between once every three to five years whereas software packages tend to last longer.
- 2.6 The Council has entered into a shared IT infrastructure partnership with Winchester City Council, which includes the sharing of IT infrastructure assets. This means that all IT infrastructure costs are shared between both councils reducing the net impact on the AMP.

3 Corporate Objectives and Priorities

- 3.1 In order to deliver the key priorities identified in the Corporate Plan it is essential that the Council's underlying asset base is sufficiently maintained to be fit for purpose.
- 3.2 The Council has a significant land and property holding generating income that is a key part of the Council's revenue budget. Maintaining and improving this income stream will be a significant factor in the Council's financial strategy in the future and this has a clear link to the maintenance of the land and property assets themselves.

4 2017/18 AMP review

Land and Buildings

- 4.1 The revised budget for land and buildings' projects was £2.533M. A green spaces project at Hepworth Close which was included in the budget for 2018/19 needed to be started early, so an additional £4,200 was added after the budget was approved in November, bringing the total budget to £2.537M. A total of £1.620M was spent in the year. A summary of the expenditure, by property, can be found in Annex 1a.

4.2 The variance of £917,100 is made up of budget carry forwards of £909,300 (see below) and net savings on completed projects of £7,800, after £56,000 of further savings have been recycled into another project as described in paragraph 4.3 below.

4.3 The main reasons for the budget carry forward are:

- Savings of £56,000 have been identified on a number of projects in 2017/18. These are to be recycled into a project in 2018/19 to replace two boilers at Beech Hurst. The 2018/19 budget already includes the replacement of one boiler, but early discussions with building services engineers have made it clear that it is more advantageous to replace two at a time due to economies of scale in both plant costs and staff time.
- Five other projects at Beech Hurst (£136,000), two at Portway Depot (£17,000), two at Walworth Enterprise Centre (£21,000) and the various site surveys (£55,000) have either been put on hold or delayed due to the reallocation of resources within the Estates and Economic Development service to assist with other corporate projects, such as the significant works to accommodate the DWP, the works to the Council's newly purchased properties and the amount of reactive work that has been completed during the year.
- Redecoration works at Crosfield Hall have been delayed due to the level of repair that was found to be needed prior to the works commencing.
- The scope of the works at Fleming Avenue increased as the project progressed, thereby increasing the length of the project but work is underway.
- The work on the investment property roof was completed in April.
- Roof works at Romsey Heritage Centre (£25,000) have been delayed due to ongoing discussions with a tenant regarding works to their part of the building.
- A complex roofing project at Walworth Enterprise Centre has been delayed resulting in a carry forward to 2018/19 of £38,000. This has been due to the complexity of the specification preparation and a delay to the tendering process due the amount of specialist resources required.
- Technical difficulties have complicated and delayed the works to repair the walls at St Mary's Chapel, resulting in a carry forward of £35,600.
- Substantial expenditure to the Lights has been placed on hold due to the possibility of the redevelopment of the area as part of the Andover Cultural Quarter project.
- Works to the Andover War Memorial and the inspection of headstones and memorials have been delayed due to the level of consultation required with both the planning department and the diocese of Winchester.

- Community and Leisure completed 8 playground projects during the year with 3 slipping into 2018/19 with a carry forward figure of £130,000. This is partly due to the sites being too wet for the contractor to be able to complete the works without significant risk of damage.
- Works to de-silt Charlton Lakes have been delayed due to the need to retender the process during the year. Additional works on the pontoon and jetty have also been delayed as a result. These works should all be completed within the next couple of months. A further project to replace the goal ends at the MUGA at Charlton lakes has also been delayed as the MUGA is currently being used for storing materials for the de-silt works. The total carry forward for these 3 projects is £189,000 and is included within the Green Spaces and Sports Facilities lines on Annex 1a.
- De-silt works at Tanglewood and Fernyhurst Lakes have been started but paused due to public concern. Work will restart in late summer following a revised programme being agreed with Councillors.
- The pitch drainage work at Knightwood Leisure Centre is nearly finished but was delayed due to the site being too wet resulting in a carry forward of £27,000.

Vehicles and Plant

- 4.4 The revised budget approved in November 2017 for replacement vehicles and plant was £705,200. £20,000 of the saving on the vehicle tracking system was subsequently transferred to the capital programme resulting in an updated budget of £685,200.
- 4.5 Total expenditure on replacement vehicles and plant amounted to £589,800 after taking account of income of £37,800 received from part exchanging some of the replaced vehicles – a variance of £95,400. The details of this are shown in Annex 1b.
- 4.6 The variance of £95,400 is made up of carry forwards of £79,000 (see below) and savings of £16,400.
- 4.7 One all-terrain vehicle is now to be replaced by an electric van.
- 4.8 Five electric vans at a cost of £15,300 each and one trailer at £2,500 have been ordered but not received by the end of the financial year, therefore it is requested to carry these forward into 2018/19.
- 4.9 IT Infrastructure
- 4.10 The total cost of IT AMP projects delivered in the year was £93,300. This is £116,200 less than the approved estimate of £209,500. This is made up of carry forwards of £114,100 and a saving of £2,100 and is shown in Annex 1c.
- 4.11 The reasons for the carry forwards are detailed below.

- 4.12 The loan and testing of suitable hardware from suppliers has caused delays to the desktop replacement.
- 4.13 The capability of alternative suppliers and associated software has caused delays to the replacement of the uninterrupted power supply.
- 4.14 Decisions around procurement delayed the order and delivery of the ArcServe replacement and the Citrix upgrade. These were delivered in April.
- 4.15 The finance system upgrade was started but delayed following a number of issues that arose during testing. It is now scheduled for June.

5 Updated 2018/19 AMP requirement

Land and Buildings

- 5.1 There have been a number of changes to projects since the budget was approved in November 2017.
- A project at Portway Business Park with a budget of £75,000 is now no longer required. It is recommended to transfer £18,000 of this to the works on the investment properties and the remaining £57,000 to Beech Hurst to add to the £56,000 being carried forward for works on the boilers.
 - As detailed in paragraph 4.1 above, £4,000 for green spaces was taken back into 2017/18 as the project needed to be started early.
- 5.2 All non-essential works to the Lights are to be placed on hold and carried forward to 2019/20 due to the possible redevelopment of the area as part of the Andover Cultural Quarter project.
- 5.3 Taking into account these changes and the carry forwards detailed in paragraph 4.3, the recommended budget for Land and Buildings for 2018/19 is £2.604M.
- 5.4 A summary of the items included in the AMP for 2017/18 is shown in Annex 2a.

Vehicles and Plant

- 5.5 The recommended budget for replacement of vehicles and plant in 2018/19 is £1.221M. A summary of the items included in the AMP for 2018/19 is shown in Annex 2b and includes the items carried forward from 2017/18.

IT Infrastructure

- 5.6 In addition to the carry forwards detailed in paragraphs 4.12 to 4.15, there are two additional projects which have been added to the budget for IT infrastructure that was approved in November 2017. The recommended budget including the changes detailed below is £289,000.
- 5.7 An upgrade to ShoreTel is required at a budgeted cost of £17,000 and the comms equipment in the meeting rooms needs to be replaced at cost of £45,000.

5.8 A breakdown of the costs related to the 2018/19 AMP are shown in Annex 2c.

6 Options

6.1 There are many possible ways of prioritising the individual assets that require maintenance and the extent to which work is carried out.

6.2 The amounts included in the annexes and recommended for inclusion in the AMP are based on the professional advice of officers from the Services concerned in the operation and management of the Council's assets.

6.3 The AMP is updated by Services on an ongoing basis. Given the wide portfolio of assets the Council manages, it is inevitable that there will need to be changes made to the plan before a further report is presented to Cabinet.

6.4 As part of the October 2013 AMP update, Cabinet resolved, '*That the Head of Finance, after consultation with the Economic Portfolio holder and Head of Service responsible for any project, be authorised to amend the Asset Management Plan during the year*', subject to there being a sufficient balance on the AMP reserve to fund any additional expenditure. This flexibility is considered essential if assets are to be maintained in the most efficient manner possible and is recommended to be continued within the limits of Financial Regulations.

7 Risk Management

7.1 A risk assessment has been completed in accordance with the Council's Risk management process and has identified the following significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures. These are shown in the risk assessment.

7.2 There is a risk that the projects included in the AMP will not be delivered as scheduled leading to assets falling into disrepair. This will be monitored by regular progress reviews of the AMP by responsible officers and update reports to Cabinet.

7.3 Despite the base annual contribution to the AMP being £1.1M, there remains a risk that there will be insufficient funds available to meet AMP requirements in the medium term. An additional £1,000,000 contribution has been included in the budget for 2018/19. This will ensure that the level of the AMP reserve is sufficient to fund the programme included in this report; however, there continues to be the need to ensure sustainable ongoing funding for the AMP and options to achieve this will be explored in the next update of the Council's Medium Term Financial Strategy in the autumn of 2018.

8 Resource Implications

8.1 The costs of the AMP in 2017/18 and 2018/19 are shown in paragraphs 4 and 5 above and in annexes 1 and 2. All these costs will be met from a specific reserve created to fund asset management costs.

Financing the AMP

- 8.2 The AMP is mainly funded in three ways:
- Firstly, there is a contribution from the revenue budget. This is currently £1.117M per annum with an additional £1,000,000 in 2018/19.
 - Secondly, where the Council has a revenue surplus at the end of the year an element of this can be used to top-up the reserve.
 - Finally, there may be earmarked reserves or sources of income to finance specific projects. For example, the playgrounds in 2017/18 and 2018/19 are to be funded by New Homes’ Bonus receipts in the year.
- 8.3 At 31 March 2017 the Council’s AMP reserve balances stood at £2.604M. It is expected that the reserve balance at 31 March 2019 will be £307,000. The movement in the reserve balance is shown in the table below.

	£'000
Asset Management Reserves at 31 March 2017	2,604
Budgeted transfer – 2017/18	1,117
New Homes Bonus contribution to AMP	234
Other contributions to AMP from tenants / other agencies	196
Land and Property Requirement 2017/18	(1,620)
Vehicle and Plant Requirement 2017/18	(590)
IT Infrastructure Requirement 2017/18	(93)
Actual balance at 31 March 2018	1,848
Transfers in to reserve 2018/19	2,117
Other contributions to AMP – New Homes Bonus	334
Other contributions to AMP from tenants / other agencies	122
Land and Property Requirement 2018/19	(2,604)
Vehicle and Plant Requirement 2018/19	(1,221)
IT Infrastructure Requirement 2018/19	(289)
Forecast Asset Management Reserves at 31 March 2019	307

The proposed AMP items comprise both revenue and capital expenditure. Expenditure is classified as capital when the total cost is over £10,000 and it is for the purchase of a new asset, materially lengthens the useful life of an existing asset, or adds value to the asset being modified. All other expenditure on the routine maintenance and repair of assets will be treated as revenue expenditure.

9 Legal Implications

- 9.1 Those tenants occupying Council owned properties for which the Council is responsible for maintenance could, in the event of their property falling into disrepair, take action against the Council as their landlord. This is covered in the risk assessment (paragraph 7.2).

10 Equality Issues

- 10.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination or negative impact has been identified, therefore a full EQIA has not been carried out.

11 Conclusion and reasons for recommendation

- 11.1 All AMP activities in the year have been reviewed and performance against budget noted throughout the report. In light of this review, all items covered by the Council's AMP have been considered and those most in need of repair or replacement included in the AMP for 2018/19.
- 11.2 For this reason it is recommended that the updated AMP items in Annex 2 are included in the AMP for 2018/19.
- 11.3 Asset management needs to have flexibility due to the difficulty of knowing exactly when an item will need repair or replacement. In order to ensure that operational efficiency is not impaired it is recommended that controlled safeguards are built in to the financing of the AMP to ensure that unforeseen works can be undertaken without undue delay.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	16 May 2018

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2017/18

<u>Property Name</u>	<u>2017/18</u> <u>Updated</u> <u>Budget</u> £	<u>Budget</u> <u>Changes</u> £	<u>Actual Spend</u> £	<u>Carry</u> <u>Forward to</u> <u>2018/19</u> £	<u>Budget</u> <u>remaining</u> £
<u>Estates & Economic Development</u>					
Beech Hurst	348,799	23,573	178,880	(191,601)	1,891
Borden Gate Public Conveniences	620	0	620	0	0
Bourne House Depot	20,000	(10,376)	9,337	0	287
Broadwater Road Public Conveniences & Offices	8,980	0	6,980	(2,000)	0
Charlton Cemetery Chapel of Rest	296	0	296	0	0
Charlton Sports Centre	20,000	10,376	30,376	0	0
Crosfield Hall	27,980	(9,573)	9,468	(7,952)	987
Fleming Avenue	133,500	(6,000)	110,310	(16,516)	674
Former Magistrates Court, Romsey	1,000	0	0	(1,000)	0
Guildhall	31,718	(1,594)	22,666	(7,093)	365
Investment properties	200,000	0	169,294	(30,706)	0
King Arthurs Hall	4,000	(4,000)	0	0	0
King Johns Garden	6,643	0	6,643	0	0
London Road Cricket Pavillion	10,000	(2,363)	7,637	0	0
Longmeadow Hall	75,430	(15,238)	58,222	(1,500)	470
Portway Depot	120,000	8,905	111,905	(17,000)	0
Romsey Heritage Centre and Tourist Info Cen	37,812	0	12,812	(25,000)	0
Romsey Sports Centre	2,000	3,870	5,870	0	0
St Annes Hall	3,995	0	3,995	0	0
St Mary's Churchyard Wall	31,681	10,750	6,834	(35,597)	0
The Lights	63,000	0	0	(63,000)	0
Town Mill House	2,600	0	0	(2,600)	0
Union House	10,000	1,186	11,186	0	0
Walworth Enterprise Centre	95,000	484	34,916	(60,568)	0
West Portway Business Park	0	0	0	0	0
Various sites - surveys	60,000	0	5,170	(54,830)	0
Total Estates & Economic Development	1,315,054	10,000	803,417	(516,963)	4,674
<u>Community & Leisure</u>					
Cemeteries / Memorials	27,000	(8,619)	5,773	(12,608)	0
Green Spaces	552,853	18,006	397,774	(170,523)	2,562
The Lights	35,000	(5,400)	25,591	(4,000)	9
Playgrounds	380,000	(16,017)	233,733	(130,000)	250
Sports Facilities	223,000	6,250	153,687	(75,247)	316
Total Community & Leisure	1,217,853	(5,780)	816,558	(392,378)	3,137
Total Land & Buildings Requirement for 2017/18	2,532,907	4,220	1,619,975	(909,341)	7,811

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2017/18

<u>Unit</u>	<u>Type of Asset</u>	<u>2017/18 Updated Budget</u>	<u>Budget Changes</u>	<u>Actual Spend</u>	<u>Part exchange</u>	<u>Carry Forward to 2018/19</u>	<u>Budget remaining</u>
		£	£	£	£	£	£
Street Cleansing	All Terrain Vehicle	14,500	(17,800)	0	(3,300)		0
Street Cleansing	Van	0	15,300	0		(15,300)	0
Street Cleansing	All Terrain Vehicle	14,500	(17,500)	0	(3,000)		0
Street Cleansing	Sweeper	14,105		14,105			0
Street Cleansing	Sweeper	14,105		14,105			0
Street Cleansing	Sweeper	14,105		14,105			0
Street Cleansing	Sweeper	14,105		14,105			0
Street Cleansing	Sweeper	14,105		14,105			0
Street Cleansing	Sweeper	126,525		126,260			265
Street Cleansing	All Terrain Vehicle	14,500	(2,770)	15,205	(4,000)		525
Street Cleansing	All Terrain Vehicle	14,500	(3,460)	15,205	(4,250)		85
Street Cleansing	All Terrain Vehicle	14,500	(965)	15,205	(5,000)		3,330
Street Cleansing	All Terrain Vehicle	14,500	(350)	15,205	(4,750)		3,695
Grounds Maintenance	Mower	5,600	600	6,200			0
Grounds Maintenance	Mower	4,000	200	4,200			0
Grounds Maintenance	Mower	4,000		3,995			5
Grounds Maintenance	Mower	56,000	6,850	68,350	(5,500)		0
Grounds Maintenance	Mower	7,800		6,560			1,240
Grounds Maintenance	Specialist Equipment	2,000		1,850			150
Grounds Maintenance	Van	14,500	965	15,465			0
Waste Collection	Van	12,000	3,300	0		(15,300)	0
Public Conveniences	Van	12,000	3,300	0		(15,300)	0
Vehicle Workshop	Van	12,500	2,800	0		(15,300)	0
Waste Collection	Refuse Collection Vehicle	158,411		158,411			0
Vehicle Workshop	Specialist Equipment	43,419	(20,000)	18,825			4,594
Grounds Maintenance	Trailer	2,500		0		(2,500)	0
Grounds Maintenance	Trailer	2,500		2,500	(1,250)		1,250
Grounds Maintenance	Trailer	2,500		2,500	(1,250)		1,250
Building Maintenance	Van	12,000	3,300	0		(15,300)	0
Grounds Maintenance	Specialist Equipment	10,000	2,770	12,770			0
Grounds Maintenance	Mower	59,390	3,460	68,350	(5,500)		0
Total Vehicles & Plant Requirement 2017/18		705,170	(20,000)	627,581	(37,800)	(79,000)	16,389

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2017/18

<u>Description</u>	<u>2017/18 Updated Budget</u>	<u>Budget Changes</u>	<u>Actual Spend</u>	<u>Carry Forward to 2018/19</u>	<u>Budget remaining</u>
	£	£	£	£	£
Desk Top Replacement	30,000		13,617	(16,383)	(0)
Replacement Servers	10,000	808	10,808		(0)
Replacement Citrix Server	12,000	(933)	10,331		736
Uninterrupted Power Supply	15,000			(15,000)	0
ArcServe replacement	42,500		16,855	(25,645)	0
CCTV Cameras	4,356		4,356		0
Consolidated SQL Platform	2,000		1,378		622
Corporate Printers	23,349		22,649		700
Finance system upgrade	26,325	125	13,350	(13,100)	0
Citrix upgrade	44,000			(44,000)	0
Total IT Infrastructure requirement 2017/18	209,530	0	93,344	(114,128)	2,058

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2018/19

<u>Property Name</u>	<u>2018/19 Budget</u>	<u>Budget Changes</u>	<u>B/f from 2017/18</u>	<u>Carry Forward to 2019/20</u>	<u>2018/19 Updated Budget</u>
	£	£	£		£
<u>Estates & Economic Development</u>					
Andover Bus Station	55,000		0		55,000
Beech Hurst	340,000	57,000	191,601		588,601
Broadwater Road Public Conveniences & Offices	15,000		2,000		17,000
Charlton Sports Centre	7,000		0		7,000
Crosfield Hall	0		7,952		7,952
Fleming Avenue	0		16,516		16,516
Former Magistrates Court, Romsey	0		1,000		1,000
Guildhall	125,000		7,093		132,093
Investment Properties	0	18,000	30,706		48,706
Longmeadow Hall	0		1,500		1,500
The Lights	215,775		63,000	(224,000)	54,775
Portway Depot	60,000		17,000		77,000
Romsey Heritage Centre and Tourist Info Cen	35,000		25,000		60,000
St Mary's Churchyard	25,000		35,597		60,597
Town Mill House	0		2,600		2,600
Walworth Enterprise Centre	282,000		60,568		342,568
Portway Business Park	100,000	(75,000)	0		25,000
Valley Park Community Centre	15,000		0		15,000
Various sites - surveys	0		54,830		54,830
Total Estates & Economic Development	1,274,775	0	516,963	(224,000)	1,567,738
<u>Community & Leisure</u>					
Beech Hurst	10,000				10,000
Cemeteries / Memorials	23,000		12,608		35,608
Green Spaces	372,226	(4,220)	170,523		538,529
The Lights	15,000		4,000		19,000
Playgrounds	204,000		130,000		334,000
Sports Facilities	24,000		75,247		99,247
Total Community & Leisure	648,226	(4,220)	392,378	0	1,036,384
Total Land & Buildings Requirement for 2018/19	1,923,001	(4,220)	909,341	(224,000)	2,604,122

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2018/19

<u>Unit</u>	<u>Type of Asset</u>	<u>2018/19 Budget</u>	<u>B/f from 2017/18</u>	<u>2018/19 Updated Budget</u>
		£	£	£
Grounds Maintenance	Tipper	27,000		27,000
Dog Warden	Van	15,000		15,000
Street Cleansing	Van	18,000		18,000
Grounds Maintenance	Van	18,000		18,000
Grounds Maintenance	Tipper	27,000		27,000
Street Cleansing	Tipper	27,000		27,000
Street Cleansing	Tipper	27,000		27,000
Street Cleansing	Tipper	25,000		25,000
Grounds Maintenance	Tipper	27,000		27,000
Grounds Maintenance	Tipper	27,000		27,000
Building Maintenance	Van	22,000		22,000
Building Maintenance	Van	24,000		24,000
Building Maintenance	Van	14,500		14,500
Building Maintenance	Van	22,000		22,000
Building Maintenance	Van	25,000		25,000
Grounds Maintenance	Mower	63,000		63,000
Street Cleansing	Sweeper	126,000		126,000
Grounds Maintenance	Mower	28,000		28,000
Grounds Maintenance	Mower	20,000		20,000
Grounds Maintenance	Mower	4,300		4,300
Waste Collection	Refuse Collection Vehicle	158,411		158,411
Waste Collection	Refuse Collection Vehicle	158,411		158,411
Building Maintenance	Van	13,000		13,000
Grounds Maintenance	Tipper	28,000		28,000
Grounds Maintenance	Tipper	15,500		15,500
Grounds Maintenance	Trailer	3,800		3,800
Grounds Maintenance	Trailer	3,500		3,500
Grounds Maintenance	Trailer	3,800		3,800
Grounds Maintenance	Trailer	3,800		3,800
Grounds Maintenance	Mower	4,100		4,100
Grounds Maintenance	Mower	3,800		3,800
Grounds Maintenance	Mower	7,000		7,000
Grounds Maintenance	Mower	3,200		3,200
Grounds Maintenance	Trailer	4,000		4,000
Grounds Maintenance	Mower	9,500		9,500
Grounds Maintenance	Mower	30,000		30,000
Vehicle Workshop	Specialist Equipment	5,500		5,500
Waste Collection	Van	0	15,300	15,300
Building Maintenance	Van	0	15,300	15,300
Building Maintenance	Van	0	15,300	15,300
Street Cleansing	Van	0	15,300	15,300
Vehicle Workshop	Van	0	15,300	15,300
Grounds Maintenance	Trailer	0	2,500	2,500
Vehicle Workshop	Vehicle Maintenance	100,000		100,000
Total Vehicles & Plant Requirement 2018/19		1,142,122	79,000	1,221,122

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2018/19

<u>Description</u>	<u>2018/19 Budget</u>	<u>Budget Changes</u>	<u>B/f from 2017/18</u>	<u>2018/19 Updated Budget</u>
	£	£	£	£
Laptops, PC, Wyse ,etc...	45,000		16,383	61,383
Operating Software	10,000			10,000
Backup Hardware/Technology	15,000			15,000
Tape Library Upgrade	12,000			12,000
Capita Upgrade	16,000			16,000
Information at Work Upgrade	14,900			14,900
Finance system upgrade	0		13,100	13,100
Uninterrupted Power Supply			15,000	15,000
ArcServe replacement			25,645	25,645
Citrix upgrade			44,000	44,000
ShoreTel upgrade		17,000		17,000
Meeting Room Comms Equipment		45,000		45,000
Total IT Infrastructure requirement 2018/19	112,900	62,000	114,128	289,028

ITEM 10 Treasury Management Outturn 2017/18

Report of the Finance Portfolio Holder

Recommended:

That the Annual Treasury Management Report for 2017/18 and the Prudential Indicators for the year, as shown in the Annex to the report, be noted.

SUMMARY

- This report reviews the performance of the Treasury Management function in 2017/18 compared with the forecasts and policies set out for last year.
- Investment income for the year was £81,526 more than included in the forecast.

1 Introduction

- 1.1 The Chartered Institute of Public Finance Accountancy (CIPFA) Code of Practice on Treasury Management (revised November 2017) was adopted by this Council on 22 February 2010.
- 1.2 There are a number of requirements which the Council has to meet in order to comply with this Code of Practice. One of these requirements is to submit an annual review of treasury management performance against the approved strategy each year.

2 Background

- 2.1 The expectation for interest rates within the treasury strategy for 2017/18 was for interest rates to remain static throughout the year. This did not occur and interest rates were raised in November 2017 by 0.25% to 0.50%. Indicators show that it is likely that there will be a rise in May however, there is some uncertainty about the extent and timing of further increases.
- 2.2 The primary objective for investments placed was, and continues to be, the security of the investment. The impact of this is that returns continue to be low, but the Council remains well placed to take advantage of increases in interest rates when they eventually come.

3 Treasury Performance in 2017/18

- 3.1 The Council operated in 2017/18 without the need for any short term borrowing, and with all investments being managed in-house.
- 3.2 Most investments during the year were placed in call-accounts or fixed-term deposits for durations of up to one year, with the exception of investments to Local Authorities of £5M for five years and £12M for two years.
- 3.3 The average return on investments for the year was 0.61% compared to the average 7 day Libid benchmark of 0.21%, an out-performance of 0.40%.

3.4 The Council's investment position at the end of the year is detailed below.

	Principal at 31/03/18 £M	Principal at 31/03/17 £M	Rate of Return 2017/18 %	Benchmark Return %	Variance %
Internally Managed Investments	60.3	63.4	0.61	0.21	+0.40

3.5 Of the principal invested at 31 March 2018, £38.5M was invested in fixed rate, fixed term deposits and the remainder was invested in call accounts with access ranging from immediate to 100 days' notice.

3.6 A comparison of the investment interest earned with the original budget and forecast is shown in the table below.

	Original Budget 2017/18 £000	Forecast 2017/18 £000	Actual 2017/18 £000	Variance to Original £000
Interest on Investments	337.1	351.5	418.6	81.5

3.7 Income received on the Council's cash balances was higher than forecast due to slippage in the Capital Programme and Asset Management Plan and higher investment rates than forecast, offset against funds transferred for investment in property. This resulted in a favourable variance of £81,500 when measured against the original budget, and £67,100 when compared to the budget forecast prepared in February 2018.

3.8 During the financial year there were two minor breaches of the Treasury Management Strategy which were reported to Council on the 23 February 2018 (Minute 272.2.1.2 refers)

4 Prudential Indicators, Treasury Limits and MRP Statement

Prudential Indicators

4.1 There are three key prudential indicators that are required to be reported each year. These relate to the affordability of capital expenditure and the impact that capital expenditure has on Council Tax. The prudential indicators and borrowing limits are shown in Annex 1 and are relevant for setting an integrated treasury management statement.

4.2 The first indicator is the ratio of financing costs to net revenue stream. This compares the Council's net investment income and borrowing expenditure as a ratio of the budget requirement. A negative figure shows that investment income is greater than borrowing costs.

4.3 The second indicator is the Capital Financing Requirement (CFR). This is the total amount by which the funding of capital expenditure is reliant on external borrowing.

- 4.4 Despite being debt-free the Council does not strictly comply with this limit because the Council’s CFR is negative i.e. nil borrowing is greater than the negative CFR balance. This does not cause any operational issues or fetter any part of the Treasury Strategy, but is required to be highlighted as part of this report.
- 4.5 The final indicator is the incremental impact that decisions to commit capital expenditure have on the level of Council Tax. This calculation is based on the amount of interest that is foregone by reducing the level of investments when capital expenditure is committed. Slippage and a reduction of £15.9M from the original estimate of Capital spend at outturn 2016/17, resulted in the impact on Council Tax changing from an increase of £4.34 to a decrease of £2.04 for 2017/18.

5 Equality Issues

- 5.1 An EQIA screening has been completed in accordance with the Council’s EQIA methodology and no potential for unlawful discrimination or low level negative impact have been identified, therefore a full EQIA has not been carried out.

6 Consultations

- 6.1 The Council’s treasury advisors, Link Asset Services, have been consulted in the preparation of this report.

7 Conclusion and reasons for recommendation

- 7.1 Despite a continually low Bank of England base rate during the year, the Council achieved an average investment income rate of 0.61% in the year compared with an average benchmark figure of 0.21%.
- 7.2 Actual income for the year exceeded the original estimate by £81,500.
- 7.3 The report summarises performance during 2017/18. It does not propose any changes in respect of Treasury Management in the future and therefore the recommendation is that the report be noted.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	16 May 2018

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2016/17	2017/18	2017/18
EXTRACT FROM BUDGET AND CAPITAL PROGRAMME REPORTS	£'000 Outturn	£'000 Original Estimate	£'000 Outturn
1 - Ratio of financing costs to net revenue stream	-4.6%	-2.7%	-4.3%
2 - Capital Financing Requirement as at 31 March	0	0	0
3 - Impact on council tax (band D) per annum	-£1.71	£1.38	-£2.04
Incremental impact of actual outturn compared with budget in 2017/18			-£3.42

- 2.4 The performance of PE projects can usefully be compared with the results of the Council’s treasury management function. The Treasury Management Outturn report is presented elsewhere on this agenda.
- 2.5 The purpose of this report is to account in the public domain for the Council’s expenditure insofar as this can be done without breaching commercial confidences or impeding projects which have not yet been completed. These latter considerations necessitate a confidential annex.
- 2.6 Inevitably, over time, information will move from the confidential annex into the public report as transactions are completed.

3 Corporate Objectives and Priorities

- 3.1 The MTF5 sets out that the Council will continue to seek out new investment opportunities through Project Enterprise, making better use of cash resources to enhance revenue returns.

4 Project Enterprise Investments

- 4.1 The following table shows a summary of the total cost of properties purchased by the Council as part of PE up to 31 March 2018.
- 4.2 Further information, including the rental income achieved from individual tenants and the asset valuations as at 31 March 2018 (which are commercially confidential information) and explanations of movement from the original business cases, are shown in the confidential annex.
- 4.3 Overall rental income figures and returns on investment are included in the Resource Implications section below.

	Total cost £'000
Investment properties held throughout the year	
Sopwith Park, Portway Business Park	912
Imperial Court, Walworth Business Park	696
Plot 88, Walworth Business Park	4,587
Shirley Road, Southampton	5,773
Bitterne Road, Southampton	4,952
Hambridge Lane, Newbury	1,670
Lune Court, Andover	160
Sub-Total	18,750

Investment properties purchased during the year	
Andover Trade Park	6,798
Development of two houses, High Street, Andover	373
Tintagel Close, Andover	182
Spey Court, Andover	200
Tintagel Close, Andover	165
Total expenditure on investment property	26,468

- 4.4 The confidential annex also gives detail of projects which Council has approved but which have not yet been completed.
- 4.5 In addition to the expenditure on investment property, the Council also completed a renewable energy investment during the year. This was the installation of a solar energy array at the Council's Portway depot at a cost of £51,000.
- 4.6 Net rental income from PE properties held by the Council throughout 2017/18 was £1.352M. Rental income of £164,000 was generated from investments that were completed in the year.
- 4.7 The net income from properties held throughout the year was £50,000 less than the £1.402M that was forecast in the approved business cases. The main cause of this was a vacant unit at the Bitterne Road investment during the year. The empty unit was re-occupied before the end of the financial year.
- 4.8 The average return on investment achieved in the year was 7.2%.
- 4.9 At 31 March 2018, five further investments had been approved by the Council. One of the projects is nearing completion, with the other four expected to be completed in 2018/19 or 2019/20. The approved capital budgets and income projections are shown in the confidential annex.

5 Risk Management

- 5.1 This report is for information purposes so the Council's Risk management process does not need to be applied.

6 Resource Implications

Capital Reserves

- 6.1 All PE property investments have been financed from the Capital Receipts Reserve.

- 6.2 Approved expenditure for PE projects is now in excess of £36M. To ensure the long-term sustainability of the Capital Receipts Reserve, some of the rental income earned each year will be used to repay the reserve.
- 6.3 This will be by way of a transfer equivalent to 2% of the capital expenditure, ensuring that the full capital cost is repaid over the life of the investments.
- 6.4 More information on the forecast balance of the Capital Receipts Reserve is included in the Capital Outturn report elsewhere on this agenda.

Revenue Implications

- 6.5 The properties purchased above all form part of the corporate property portfolio that is managed by the Estates & Economic Development Service.
- 6.6 Income from PE properties owned by the Council throughout the 2017/18 financial year generated £1.352M in rental income at an average return on investment of 7.2%.
- 6.7 By comparison, the Council's cash investment portfolio generated an average return of 0.61% in the year.
- 6.8 Overall, this equates to an additional income for the Council of £1.238M as a result of the PE investments held throughout the year.

Forecast for 2018/19

- 6.9 If the income levels received in 2017/18 continue and the latest completions generate income in line with their business case, rental income in 2018/19 is expected to be around £1.89M. This level of income would reflect an average return on investment of 7.1%.
- 6.10 The 2018/19 Treasury Management Strategy sets out that the Council expects to earn 0.1% above base rate for its investments in the year. If, as expected, an interest rate rise occurs in the spring of 2018 the estimated interest foregone as a result of financing PE investments for the year will be £220,000.
- 6.11 PE income is therefore expected to be £1.67M greater in 2018/19 than would have been achieved by retaining balances in cash reserves.

7 Conclusion and reasons for recommendation

- 7.1 This report reviews the performance of the investments made under the Project Enterprise programme in the 2017/18 financial year.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
<u>Report</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
<u>Annex</u>			
It is considered that the annex to this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of both the Council and third parties.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	16 May 2018

ITEM 12 Proposed amendment to the Council's Constitution

Report of the Corporate Portfolio Holder

Recommended:

1. That the Council's Constitution be amended as set out in this report.
2. That the Head of Legal and Democratic Services be authorised to amend the Constitution accordingly.

Recommendation to Council

SUMMARY:

- To consider an amendment to the Council's Constitution enabling a vote to be taken on suspending Council Procedure Rules relating to the duration of Committee and Sub-Committee meetings. This would enable meetings to be extended where appropriate to conclude all listed items of business.

1 Introduction

- 1.1 Under the Council Procedure Rules it is not possible to extend the duration of a Committee or Sub-Committee meeting to cater for items unfinished by the deadline currently imposed by the Rules. This means that unfinished business must be carried over either to the next ordinary meeting of the Committee or Sub-Committee or a specially convened meeting.

2 Background

- 2.1 The Council's Rules of Procedure are set out in the Constitution. The Rules apply to all meetings of the Council, its Committees and Sub-Committees (save for some exceptions which do not apply to the provisions with which we concern ourselves for these purposes).
- 2.2 Paragraph 9 of the Council Procedure Rules deals with the duration of meetings. That paragraph reads:

9. DURATION OF MEETINGS

9.1 Interruption of the meeting

- (a) *If the business of the meeting has not been concluded within four hours or by 10.00pm, whichever is the sooner, the Chairman must interrupt the meeting and if he/she is satisfied that the matter under discussion has been sufficiently debated call for the vote immediately, otherwise Rule 9.2(b) will apply.*

- (b) *Any remaining business shall stand referred to the next ordinary meeting or until a special meeting on a date to be fixed.*

9.2 Motions and recommendations not dealt with

- (a) *Prior to 10.00pm or the expiration of four hours, whichever occurs the sooner, a majority of members present may vote for the meeting to continue by one half-hour.*
- (b) *Debate on a motion that has been proposed and seconded before the time limit as defined in 9.1 (a) or 9.2 (b) shall continue beyond the time limit until a vote on that motion is taken unless the meeting is adjourned.*
- (c) *Any remaining business shall stand referred to the next ordinary meeting or until a special meeting on a date to be fixed.*

9.3 Recorded vote (*see Rule 24)

If a recorded vote is called for during this process, it will be taken immediately.

9.4 Motions which may be moved

During the process set out in Rules 9.1-9.3 above, the only other motions which may be moved are that a matter be withdrawn or that a matter be delegated, deferred or referred to an appropriate body or individual for decision or report.

- 2.3 Rule 23 allows for suspension or amendment of the Council Procedure Rules. However, the Rules specifically provide that Committees and Sub-Committees shall not be empowered to suspend Rule 9 relating to the duration of a meeting. Rule 23.1 reads:

23.1 All of these Council Procedure Rules except Rule 17.6 and 18.2 may be suspended by motion on notice or without notice if at least one half of the whole number of Members of the Council/Committee are present and shall not be carried unless supported by two thirds of the Members present at the meeting. Suspension can only be for the duration of the meeting.

A Committee or Sub-Committee shall not be empowered to suspend Rule 9 – Duration of Meeting.

- 2.4 In order to give Members of Committees and Sub-Committees the ability to move and vote on a motion to suspend Council Procedure Rules to enable a meeting to proceed past the current 'cut off' time it is proposed that the Council Procedure Rules are amended as follows:-

- 2.5 That the words "A Committee or Sub-Committee shall not be empowered to suspend Rule 9 – Duration of Meeting" are removed from Rule 23.1

2.6 Options:

- (i) To recommend amendment of the Council Procedure Rules to Council.
(ii) Not to recommend the proposed amendment.

3 Option Appraisal.

If the Council Procedure Rules remain unchanged then there will be no scope to suspend Council Procedure Rules for Committee and Sub-committee meetings and therefore unfinished items on an Agenda will need to be deferred to a further meeting.

4 Resource Implications

None

5 Legal Implications.

A resolution of Full Council is required to amend the Council Procedure Rules.

6. Conclusion and reasons for recommendation

Facilitating the suspension of Council Procedure Rules in order to extend meetings will enable business to be concluded in one sitting, maximising efficiency in decision-making and minimising disruption to the public, Members and officers in having to attend reconvened meetings.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Corporate) Councillor Flood			
Officer:	Karen Dunn	Ext:	8401
Report to:	Cabinet	Date:	16 May 2018

ITEM 13 Housing Strategy Annual Progress Report 2016-2018

Report of the Housing and Environmental Health Portfolio Holder

Recommended:

That the Housing Strategy 2016 – 2019 Action Plan Update, as shown in the Annex to the report, be approved.

SUMMARY:

- The Housing Strategy 2016 – 2019 Action Plan has been updated to take account of the progress achieved for 2016 – 2017 and 2017 – 2018 and to consider new work priorities for the Service.
- The Strategy ensures that the objectives of the Corporate priority “LIVE: where the supply of homes reflects local needs” are progressed and that the Council is actively working to address the housing needs of Test Valley.
- Consideration will be given in due course for the requirement of a new Housing Strategy post 2019 to reflect new legislation and corporate priorities.

1 Introduction

- 1.1 The Housing Strategy 2016 – 2019 and Action Plan was adopted by Cabinet in November 2016. The Action Plan is monitored and reviewed and a report provided annually to Cabinet regarding progress against the set targets.
- 1.2 Accordingly, the Action Plan has been updated to reflect current priorities, completed projects and considering emerging priorities such as new legislation and guidance, changes in funding regimes and new initiatives.
- 1.3 The Action Plan sets out the priorities and how the Council will move forward in 2016 – 2019; working with a range of partner agencies and stakeholders to tackle and improve services over the lifetime of the strategy. Key related documents are:-
 - (a) Preventing Homelessness Strategy 2016 – 2019.
 - (b) The Home Energy Conservation Act Action Plan.
 - (c) The Private Sector Housing Renewal Policy.
- 1.4 The Action Plan aims to support the Council’s strategic and corporate priorities. It is important the document is reviewed annually to ensure it continues to work towards meeting resident’s needs and our aspirations for the Council and the Service.

2 Background

- 2.1 In November 2016, Cabinet approved the Housing Strategy 2016 – 2019. Following adoption, the Executive undertakes a review of progress towards the aims of the Strategy's Action Plan each year and an annual Housing Strategy Update is published.
- 2.2 The Annex to this Report provides a progress report on the Action Plan for the last 24 months summarising the progress made to date including revisions and deletions proposed to the Action Plan together with the reasons for any amendments.

3 Corporate Objectives and Priorities

- 3.1 The Housing Strategy fully supports and complements the Council's Corporate Plan.

4 Consultations/Communications

- 4.1 Extensive consultation took place throughout the development of the Housing Strategy.
- 4.2 The Key Officers linked to the areas of the Action Plan have been consulted and the updates included within the Action Plan.

5 Options

- 5.1 The key option is to agree the Housing Strategy Action Plan Update for the remaining period of the Strategy or to recommend any amendments arising from Cabinet's considerations of this report.
- 5.2 The key highlights from Housing Strategy Action Plan update are as follows:-
 - 5.2.1 The development and management contract for the 54 unit extra care scheme at Nightingale Lodge has been awarded to Ashely Homes plc, Places For People is the Registered Provider partner. Demolition is to commence in Late Spring 2018 and estimated completion Summer 2020.
 - 5.2.2 266 new affordable homes were delivered in 2016/17, this is the highest level of affordable housing delivery in Hampshire. 217 new affordable homes were delivered in 2017/18 and we are awaiting statistical information from other Hampshire Local Authorities to ascertain whether the Council has retained the highest level of delivery.
 - 5.2.3 The Private Sector Housing Renewal Policy is being renewed to reflect the new legislative powers and Better Care Funding regime.
 - 5.2.4 The Housing Options Service adapted its operating model and is now compliant with the requirements of the Homelessness Reduction Act 2017.
 - 5.2.5 The Council continues to report relatively low levels of statutory homelessness, temporary accommodation use and rough sleeping, despite increasing national and regional trends.

5.2.6 The Gypsy & Traveller Accommodation and Assessment has been completed.

5.2.7 Home Energy Conservation Act Update Report was approved by Cabinet in November 2017.

6 Option Appraisal

6.1 The recommended option is to approve the Housing Strategy Action Plan Update.

7 Risk Management

7.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors on 2 November 2016 at Cabinet.

8 Resource Implications

8.1 There are no additional resource implications beyond the approved Capital Programme 2016/17 to 2019/20. Any additional activity identified as part of the Action Plan will be considered for feasibility within the normal yearly budgeting activity.

8.2 The Action Plan Update will not be printed but will be included on the TVBC website.

9 Legal Implications

9.1 There are no direct legal implications.

10 Equality Issues

10.1 An EQIA is not required as the issues covered within this Report have previously been considered when the original Housing Strategy was approved in November 2016 and there are no major changes.

11 Other Issues

11.1 Community Safety: the Action Plan emphasises the need for social cohesion and integration to develop balanced communities.

11.2 Environmental Health Issues: The Action Plan seeks to improve the environmental quality of homes and reducing fuel poverty. Energy efficiency improvements are incorporated within the HECA Action Plan.

11.3 Sustainability and Addressing a Changing Climate: The key aim of the HECA Action Plan is to improve the energy efficiency of domestic properties and Housing Development are working with our Registered Provider partners to ensure new homes are built to high quality and energy efficiency standards.

11.4 Property Issues: none

11.5 Wards/Communities Affected: all wards are affected.

12 Conclusion and reasons for recommendation

12.1 The Housing Strategy is an overarching document which focuses and co-ordinates a number of other housing related strategies and policies, enabling us to continue our drive to deliver against the “LIVE” objectives and addressing the housing needs of Test Valley residents.

12.2 The updated Action Plan 2016 – 2019 builds on these clear objectives for the following year, 2017 – 2018 and beyond.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Housing and Environmental Health) Councillor Bundy			
Officer:	Jane Windebank	Ext:	8620
Report to:	Cabinet	Date:	16 April 2018

Housing Strategy Action Plan Update

March 2016 – March 2019

PRIORITY 1 : The Economy and Responding to New Legislation and Guidance				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Responding to Political Change	<p>Once the new definition of Registered Provider and Affordable Housing is known, develop a new Affordable Housing Supplementary Planning Document detailing TVBC's policies, requirements and priorities in relation to:-</p> <ul style="list-style-type: none"> • Tenure mix, affordable housing distribution (pepper-potting) and partnership and community involvement. • Affordability in terms of income and prices • Seeking to substitute Affordable Rent or Shared Ownership homes for Starter Homes, where the latter are unlikely to be affordable and/or insufficient market interest from would be purchasers. • Flexibility on affordable tenure split to enable cross subsidy on a scheme by scheme basis, to ensure developments are financially viable and reflect local housing need 	New AH SPD provides clear guidance to Developers on the requirements for affordable homes in Test Valley	2017 Draft to be circulated Dec 2018. (Timescale reviewed due to NPPF consultation which closes 10 th May 2018 and commencement of the Local Plan Housing & Issues Paper consultation)	<p>Working with Planning Policy to develop the new Affordable Housing Supplementary Planning Document. Project Group implemented and work plan agreed.</p> <p>Draft in preparation subject to the responses to-</p> <ul style="list-style-type: none"> • Consultation on the revised National Planning Policy Framework received Mar 2018 to incorporate the revised definition of Affordable Housing • Implementation of Housing White Paper – Fixing our Broken Housing Market. • Housing & Issues consultation for the Local Plan. • Corporate Plan consultations.
Housing & Planning Act 2016 Starter Homes	Monitor the impact that Starter Homes have on the traditional forms of affordable housing	A report outlining the impact of the new tenure on delivery of affordable rent and	April 2018-2019 (Awaiting technical guidance)	<p>The NPPF consultation includes Starter Homes as an affordable housing option but no technical guidance has yet been issued.</p> <p>Timescale also reviewed as no Starter</p>

PRIORITY 1 : The Economy and Responding to New Legislation and Guidance

WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Extended Right to Buy		shared ownership		Homes have been built as yet.
	Work closely with RPs to invest their capital receipts from the extended Right to Buy to fund replacement affordable homes in Test Valley	No of affordable housing stock lost to RTB replaced on a one for one basis in Test Valley	2017 - 2019	<p>No implementation date for full roll-out has been announced. A large regional pilot scheme will begin in the Midlands in 2018 which will last for one year.</p> <p>In relation to Secured Right to Buy, the number of homes sold:- 2016 – 2017 = 10 (£1,174,545) 2017 – 2018 = 7 (£969,850)</p> <p>Right to Acquire home sold:- 2016 – 2017 = 1 (£153,000) 2017 – 2018 = 4 (£534,000)</p> <p>No of Funded Replacement Affordable Homes these capital receipts provided in Test Valley 2016 – 2017 = 62 2017 – 2018 = 75</p>
Promoting apprenticeships, training and job opportunities	Maximise training and employment opportunities via S106 Planning Agreements (Employment and Skills Plan) to deliver construction jobs, training, work placements, careers guidance and work experience on new developments	<p>Number of Apprenticeships and work experience opportunities per annum</p> <p>Number of Employment and Skills Plans secured through S106 Agreements</p>	On going	<p>The milestone has been reviewed as it is not possible to obtain this data on an annual basis as the figures are reported upon completion of the Employment & Skills Plan which is over the construction period which can cross several years.</p> <p><u>Employment & Skills Plans</u> 2016 - 2017 Fen Meadows – Bloors (draft)</p>

PRIORITY 1 : The Economy and Responding to New Legislation and Guidance				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
				Ganger Farm - Barratts (draft) 2017 - 2018 Andover Leisure Centre – Pellikann Construction (draft) Persimmon – Picket Twenty Extension(draft)
Welfare Reform & Work Act 2016	Implement the actions in the Preventing Homelessness Strategy and Action Plan and adjust as necessary within the changing economic and legislative priorities. Annual review to be carried out	More residents supported and where appropriate, alternative housing options identified	2016 - 2019	2016 - 2017 63 decisions on homelessness applications 43 households accepted as statutorily homeless 427 households prevented from becoming homeless through prevention and early intervention work. 2017 - 2018 70 decisions on homelessness applications 53 households accepted as statutorily homeless 382 households prevented from becoming homeless through prevention and early intervention work.
	Work closely with RPs and monitor the impact of Universal Credit and adjust the Council’s development and investment priorities accordingly	A Report, if required, to request the adjustment of the Council’s development and investment priorities	2016– Dec 2019	Rollout of the Universal Credit full service for new claims is due to complete in Test Valley in July 2018. Once this has been operational for 12 months, a review can take place.
	Work with RPs to safeguard, where possible, for Supported Housing which will hopefully be exempt from the 1% rent reduction now and in future	Progress stalled supported housing developments	2016 - 2017	In progress - 54 unit Extra Care Scheme – OJEU Contract awarded and start on site scheduled for Spring 2018

PRIORITY 2: Housing Need				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Downsizing Opportunities	Negotiate with Developers and RPs for a range of house types and sizes with particular emphasis on smaller sized homes to offer real alternatives to those households who wish to downsize	Number of smaller 2 and 3 bed homes being built per annum (all tenures – private and affordable homes)	2017 - 2019	<p>2016 - 2017 COMPLETED</p> <p>Total number of all new homes completed : 891 homes of which:-</p> <p>Total No. of all 2 beds = 277 Total No. of all 3 beds =291 <u>TOTAL = 568</u></p> <p>51 of these units provided elderly accommodation such as Chantry Street in Andover (provided by Churchill), Duttons Road in Romsey (Renaissance Retirement) and former Hilliers site on Tadburn Road Romsey (McCarthy & Stone). The figure also includes some annexe accommodation.</p> <p>2017 - 2018</p> <p>Statistical data (HCC Housing Completion Monitoring) will not be available on all housing completions (affordable and market) until June/July 2018.</p>
Accommodation for Under 35's	Work in partnership with schools and colleges in the borough to educate young people and their parents about their housing options and the risks of leaving home in an unplanned way	School/College projects set up	Spring 2017	Completed two days training and awareness with Year 10 students at Test Valley School on 30 th March 2017 and 1 st December 2017 as part of a multi-agency approach to the Personal, Social, Health and Economics (PSHE) Education Curriculum.
	Investigate Home Share schemes for under 35s in the borough such as 'RentaRoom'	Publicise details of organisations and	Autumn 2017-2018	Timescale revised to correspond with the work being undertaken as part of the

PRIORITY 2: Housing Need				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
		groups		Homelessness Prevention Action Plan adopted in March 2018.
	Investigate options for shared housing for those in receipt of benefits working with RPs and/or Private Landlords to provide bedsit/HMOs or increasing hostel provision with the necessary level of housing management	Review level of housing need		No longer required - Shared Room Rent is no longer being introduced to tenants of council or housing association properties.
Homelessness Prevention	Consult and progress the Action Plan set out in the Prevention of Homelessness Strategy	Action Plan updated, progress report completed	2017	COMPLETED Cabinet approved the Revised Preventing Homelessness Strategy 2018-2019 Delivery Plan on 14 th March 2018
	Actively promote a positive message about the need for new homes and the community and economic benefits they bring	Press releases and consultation events completed	2017 - 2019	On going 2016 - 2017 Press releases produced for completion of:- <ul style="list-style-type: none"> • Dauntsey Drove, Andover – July 2016 • Ringbourne Copse in Barton Stacey – finalist in CPRE Sustainable Buildings Category of its Countryside Awards Events: <ul style="list-style-type: none"> • Rural Housing Week – July 2016 • Chilbolton Neighbourhood Plan Public Meeting – Sept 2016 • Parish Pathfinder Meeting - Oct 2016 2017 - 2018 Press releases produced for completion of:- <ul style="list-style-type: none"> • The Landings, Over Wallop – July 2017 • Rural Housing Week - July 2017

PRIORITY 2: Housing Need				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
				<ul style="list-style-type: none"> Peel Close, Romsey- Nov 2017 Empty Homes Week – Nov 2017 <p>Events</p> <ul style="list-style-type: none"> Community Planning Event – Oct 17 Broughton Open Evening – School Lane scheme. <p>Note also that School Lane, Broughton scheme identified by national publication “Inside Housing” as their “Development of the Week” for week commencing 29th March 2018.</p>
Adequate Supply of Temporary Accommodation	Ensure there is an adequate supply of good quality temporary accommodation including within the private rented sector by working	Deliver up to 100 properties for temporary accommodation.	2017 - 2019	Signed Service Level Agreement with Aster to provide 100 units of temporary accommodation. Currently up to 71 properties.
	Aster Communities to ensure the replacement arrangements for the private sector leasing scheme reach their full potential			
Supporting Older People	Develop an Extra Care Scheme in Romsey	Extra Care Scheme completed	Summer Dec 2018 2020 – original preferred developer withdrew and contract retendered	On going Development & Management Contract awarded for 54 unit extra care scheme in Romsey. Second OJEU process required as original developer/contractor withdrew. New Developer appointed and demolition to commence Spring 2018.
	Research options for equity release schemes which assist residents to move from family accommodation to	Provide information on housing options	Sept 2017 Dec 2018	Timescale has been reviewed pending outcome of new definition of Affordable

PRIORITY 2: Housing Need				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
	smaller properties			Housing following the current NPPF consultation as new products may be introduced and original schemes revised.
Rural Housing Need	Work in partnership with Parish Councils, HARA and private developers to deliver affordable housing in rural areas. This may include: rural exception sites, community led development, neighbourhood planning, Community Land Trusts etc	10 new rural homes delivered	2016 - 2019	<ul style="list-style-type: none"> • 22 rural homes delivered 2016 – 2017 • 14 rural homes delivered 2017 - 2018 • Working with Community Benefit Society to deliver affordable housing scheme in North Test Valley. • Two informative events organised via HARA during Rural Housing Week in July 2017. • HARA Land Owners Event – Feb 2018 • 2 Neighbourhood Plan Housing Need Surveys completed 2016 - 2017 • 1 RES Housing Need Surveys completed 2017 – 2018
Objectively Assessed Housing Need Survey for Local Plan	Clearly set out the level of housing required in the borough to meet housing need and demand through an Objectively Assessed Housing Need figure as part of the Review of the Local Plan	Consultants Instructed	Spring 2018 Autumn 2018 – timescale reviewed due to consultations on methodology.	A standard method of calculating housing requirements was proposed in the 'Planning for the Right Homes in the Right Places' consultation which closed in November 2017. The draft Planning Policy Guidance (March 2018) sets out the methodology for local assessed housing need and is the same as that consulted on in November 2017.
Provision of Gypsy and Traveller permanent pitches in accordance with	To refresh the Gypsy & Traveller Accommodation Assessment and amalgamate the Gypsy & Traveller Development Plan Document as part of the Local Plan.	Gypsy & Traveller Accommodation and Assessment completed	Dec 2017	COMPLETED Updated GTAA completed May 2017
	Additional permanent pitches to be delivered through	Review on	2018	On going

PRIORITY 2: Housing Need				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
the Local Plan	the planning system and through the development of the identified site at Bunny Lane, Timsbury	completion of above		
	In partnership with neighbouring local authorities consider the transit arrangements to be delivered on a wider geographical basis		2018	On going
Supporting Vulnerable People	Working in partnership with the Aids & Adaptions Panel to consider the building of specially adapted properties to accommodate those with specific needs	Lifetime and/or wheelchair adapted homes developed	2016 - 2019	<p>2016 – 2017 12 wheelchair adapted properties and 22 lifetime home properties were developed.</p> <p>2017 - 2018 14 wheelchair adapted properties and 8 lifetime home properties were developed.</p>
	Working in partnership with HCC to re-commission key housing related support services, including extra care	Delivery of housing related support services beyond 2018	2018	<p>The Government announced the new funding system on 31st October 2017 introducing a 'sheltered rent' from April 2020, funding for other long term supported housing schemes and short term supported housing.</p> <p>Partnership working with HCC will continue to deliver local planning and commissioning for supported housing.</p>
Sustainable Communities	Ensuring that housing delivered is attractive and meets the needs of residents, creating neighbourhoods and communities which are sustainable	All new open and low-cost market homes are sold.	On going	<p>2016 - 2017 Advertising Help To Buy South roadshow events:- 22nd April 2017 – Guildhall, Salisbury 17th June 2017 – St Mary's Stadium</p>

PRIORITY 3 : Housing Supply and Maximising Affordable Housing Development				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Maximise the supply of affordable homes on new developments	Implement TVBC's Local Plan Policy COM 7 which seeks a varied percentage of all new homes to be affordable on sites over 10 homes in urban and rural areas and a financial contribution on rural sites of 6 to 10 homes to provide a range of affordable housing tenures to meet housing need	200 new affordable homes per annum	Annually	2016 – 2017 <ul style="list-style-type: none"> 266 new affordable homes delivered (highest level of affordable housing delivery in the County). 2017 – 2018 <ul style="list-style-type: none"> 217 new affordable homes delivered
	Work with Registered Providers to seek HCA funding to help deliver more affordable units on new schemes	Total HCA funding allocation for Test Valley	Annually	Nil HCA grant funding for 2016- 2017 as the units were nil grant S106 sites. Figures for 2017 – 2018 are not expected until June 2018.
	Where appropriate provide TVBC Affordable Housing Grant to our partnering RPs to ensure highly valued strategic schemes are viable	Report on outturn to Cabinet	May 2017 June each year	2016 - 2017 COMPLETED Capital Programme Outturn Report to Cabinet on 21 June 2017
	To develop the way in which data collected through Hampshire Home Choice and Help to Buy South can be used to inform future affordable housing developments	Reports which identify all affordable housing need at Ward level	2018 - 2019	On going
	Continue to investigate innovative methods and best practice conducted elsewhere together with keeping a review on the best use of the resources available to the Council	Consider piloting RentPlus scheme	2018 - 2019	On going – pursuing Rent to Buy scheme on new Major Development Areas (MDA) developments.
	Publicise and support national initiatives which seek to bridge the gap between affordable rented and outright home ownership	Advertise events and new products as and when available	On going	2016 - 2017 Advertised and promoted Help to Buy South events in Hampshire: 22 nd April 2017 – Guildhall, Salisbury 17 th June 2017 – St Mary's Stadium,

PRIORITY 3 : Housing Supply and Maximising Affordable Housing Development				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
				<p>Southampton.</p> <p>2017 - 2018 Help to Buy South events in Hampshire/Wiltshire 24th March 2018 – Guildhall, Salisbury 21st April 2018 – St Mary’s Stadium, Southampton.</p> <p>Drafting an Information Leaflet on the various low cost home ownership products available for publication on our website.</p>
Smaller Family Homes	Establish a Developers’ Forum with RPs to ensure new housing responds to the demographic change and household growth as detailed in the Evidence Base	Developers’ Forum established	Mar 2017 Mar 2019	Timescale reviewed to enable the new Household Projection Forecasts and Objectively Assessed Housing Need survey results to be utilised and to take account of the Issues and Options raised under the Local Plan review process.
New Ways of Working	Investigate development opportunities, for example, via Joint Venture Agreements, Project Enterprise and more innovative approaches		Aug 2017 On going	Enhanced Shared Equity Scheme approved by Cabinet on 18 th April 2018. Opportunities considered on a site by site basis.
Private Rented Sector	Improve access for those who traditionally face barriers to the private rented sector by ensuring funding for the Rent Deposit Loan Scheme is adequate	Budget secured for Rent Deposit Loan Scheme No of households assisted	2016 - 2019	Assisted 42 (2016 - 2017) and 47 (2017 - 2018) households to access and sustain accommodation in the private rented sector through RDLs.

PRIORITY 3 : Housing Supply and Maximising Affordable Housing Development				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
		through the RDLS (Revised performance indicator to show the number of households assisted rather than the amount of funding as this is more meaningful).		
	Provide advice to private landlords and ensure they are aware of the priorities within the Housing Strategy and housing need in the Borough	Private Sector Landlord Forum – attend 1 meeting per annum	Mar or Oct each year	2016 - 2017 COMPLETED Attended Private Sector Landlords Forum October 2016 to consult on the Housing Strategy 2016 – 2017.
	Seek out development opportunities for increasing the supply of private rented accommodation through Project Enterprise and Valley Housing Limited	Property Portfolio increased	On going	5 properties secured by Valley Housing Limited in the private rented sector to assist the Council to meet statutory homelessness duties.
Housing Associations	Monitor the Registered Providers Partnership to ensure good practice, collection of enabling fee and that there is the capacity and resources to continually develop in the Borough	Annual RP Review Meeting	Apr each year	2016 - 2017 COMPLETED Annual Review of RP Partners completed April 2017.
	Encourage Registered Providers to promote their tenant incentive schemes to encourage tenants who are under-occupying to move to a home that better meets their needs	RP Partnership Meeting	Dec 2016 On going	Registered Providers are continually encouraged to periodically promote their incentive schemes via the Preferred Registered Providers Meeting
	Promote the use of mutual exchange to better meet tenants needs including a mutual exchange fair where	Mutual Exchange Event held	Oct 2017 Spring 2019	Timescale has been reviewed due to the introduction of the Homelessness

PRIORITY 3 : Housing Supply and Maximising Affordable Housing Development				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
	tenants from all landlords in Test Valley can be matched to more suitable properties			Reduction Act and limited staff resources.

PRIORITY 4 : Neighbourhood Planning and Community Benefits				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Brokering Partnerships	Work with HARA and the National Community Land Trust Network to support Parish Councils who wish to start up a Community Land Trust	Investigate benefits of Associate Membership of the National CLT Network	Jan 2017	2016-17 Working with Abbots Ann Vision to set up a Community Benefit Society with assistance from the National CLT Network. This is on going.
	Investigate supported community self build opportunities and options	Information Leaflet developed on Self Build	Jul 2017 8	In progress – researching information currently available and level of demand.
Neighbourhood Planning	Through working with communities, ensure the need for affordable housing is recognised and understood with meeting other community aspirations and benefits through Neighbourhood and Parish Plans	Attending Parish Council and Open Meetings on Neighbourhood Planning	On going	2016 - 2017 <ul style="list-style-type: none"> Attended Kings Somborne and Chilbolton Parish Council meetings to discuss Neighbourhood Plans Parish Pathfinder Meeting - Oct 2016 2017 - 2018 <ul style="list-style-type: none"> Community Planning Event – Oct 17 Houghton NP Steering Group Meeting
	Support Members, parish councils and community groups in developing neighbourhood plan and identifying the housing needs of the village by carrying out Neighbourhood Plan Housing Need Surveys	Neighbourhood Plan Housing Need Surveys carried out for Pathfinder Parish Councils	2016 - 2017	2016 - 2017 NP Housing Need Surveys completed for Chilbolton and Kings Somborne Parish Council.
	Assist with and promote the Community Planning Toolkit	Attend All Parish Community Planning Event	Oct 2016	COMPLETED Attended Parish Pathfinder Event in October 2016. Community Planning

				Toolkit published on TVBC website.
Rural Housing and Housing Need Surveys	Encouraging communities to consider their housing need within the context of the long term sustainability of their villages	Rural Housing Exception Site or Community Led Development commenced	On going	2016 - 2017 <ul style="list-style-type: none"> • Kings Somborne Housing Need Survey – Jan 2017 • Chilbolton Housing Need Survey – April 2017 2017 -2018 <ul style="list-style-type: none"> • East Tytherley Housing Need Survey – Sept 2017
	Conducting Housing Need Surveys to identify the housing need within the village and details of hidden households aspirations			2016 - 2017 Community led development commenced at: <ul style="list-style-type: none"> • The Landings, Over Wallop • School Lane, Broughton • Dauntsey Drove, Amport

PRIORITY 5 : Improving Housing Quality				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Decent, Warm & Healthy Homes	Encourage developers to exceed Part M of the Building Regulations to promote accessible and adaptable homes and Part L, conservation of fuel and power in new homes	Promote at Developers Forum	Oct 2017 - Mar 2019	Timescale reviewed as establishing Developers Forum has been postponed awaiting the new National Planning Policy Framework.
	Engage with partner services to identify opportunities for joint working and service delivery to tackle housing as a long term barrier to health	Continue to review at Aids & Adaptations Panel, HAG and SHOG Meetings	2016 – 2019	Continue to review opportunities at Aids and Adaptations Panel , HAG and SHOG meetings.
	Implement the updated Private Sector Housing Policy	Updated Private Sector Housing Policy on website and implemented	Jan 2017	COMPLETED – Private Sector Housing Renewal Policy update approved by Cabinet Nov 2016. Changes implemented January 2017 and published on website.
	^{New} Develop new Private Sector Housing Renewal Policy to incorporate new legislation, enforcement powers and changes to the funding regime	Private Sector Housing Renewal Policy adopted by Cabinet	Summer 2018	On going - consultation events being arranged.
Financial Assistance	Undertake targeted activity to support the most vulnerable members of the community who live in the poorest quality housing through campaigns and joint working with The Environment Centre and working closely with Occupational Therapists and the Home Improvement Agency	Facilitate quick and ready access to services which resolve property-related barriers to returning/staying home	On going	Fuel poor households are targeted through Hitting the Cold Spots service via trusted referral agents, promoting the service at community groups, providing training for frontline staff and use of existing data and mapping. The service is delivered by The Environment Service and households are supported through a Freephone advice line, home visits and events to access help to reduce energy bills and funding for home energy efficiency works.

PRIORITY 5 : Improving Housing Quality				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
	Provide advice on welfare benefits to older people to help them maximise their income and remain in their own home via assessments, telephone enquiries and attending public events	Increase in older people being able to remain in their own home	On going	Private Sector Housing Caseworker and Occupational Therapist actively creating promotional material and booking visits to promote service including potential downsizing options where this may be appropriate..
Addressing Fuel Poverty	To implement the actions from the Home Energy Conservation Act Update Report and carry out a further review in two years	Actions reviewed and Update Report completed	May 2018	COMPLETED HECA Update Report approved by Cabinet 15 Nov 2017.
	Signpost customers to Eco Funding offers and other government schemes when available	Providing advice and advertise offers as and when available.	As and when available	On going – articles in TV News and on TVBC Energy Efficient webpage. Hitting the Cold Spots project is promoted on a variety of different platforms accessible to TVBC residents including social media, TVBC and HCC websites, Hampshire Now and Discover Magazine as well as council staff bulletins.
	Target energy efficient advice and assistance to the least energy efficient homes including mobile park homes	External Wall Insulation for Park Homes Campaign	Jan 2017 On going	Through Hitting the Cold Spots, TVBC work in partnership with The Environment Centre to signpost or refer Test Valley residents to the scheme. Currently reviewing loans and grants to low income owners of mobile homes to provide external insulation as part of the HECA Action Plan.
	Utilise the EPC Maps produced by The Environment Centre to influence future service planning and delivery activities	Evidence base targeting of resources for budget requests	On going	EPC Maps were utilised to inform the HECA Action Plan Update and will assist the new Private Sector Housing Renewal Policy.

PRIORITY 5 : Improving Housing Quality				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
Mobile Homes Parks	To inspect and license all the mobile homes parks in Test Valley	License Mobile Home Parks	Jan 2017	COMPLETED All mobile home parks inspected and Licenses issued.
Regulating the Private Sector	Encourage private landlords and managing agents to provide good quality and well managed properties	Promote at Private Sector Landlord Forum	Mar 2017	COMPLETED
	Work with landlords to improve the sometimes poor image of the sector and investigate the benefits of implementing a TVBC accreditation scheme	TVBC Accredited Scheme discussed at the Private Sector Landlords Forum	Oct 2017 Dec 2018	New regulations to grant power to ban rogue landlords and agents from renting, rogue landlord database, minimum energy efficiency standards for PRS came into effect in April 2018.
Licensing Houses in Multiple Occupation	Develop a database to identify the number and location of private HMOs in Test Valley	Database completed	Feb 2017	COMPLETED Current mandatory HMOs on database.
	Undertake statutory duty to licence all mandatory HMOs under the provisions of the Housing Act 2004 Part	All mandatory HMOs licenced	On going	From 1 October 2018 all HMOs with 5 or more occupants in 2 or more households will require licensing.
	Use enforcement powers to raise standards where landlords refuse to work with TVBC or where landlords fail to license properties as necessary	Enforcement action and prosecution of non compliant/criminal landlords.		Operating from a position of working together with landlords to encourage improvements so that enforcement action is a last resort, one Improvement Notice was served for defects in property – Nov 17
Empty Homes Action Plan	To update the Empty Homes Action Plan to include the revised Compulsory Purchase Order procedure and attracts and allocates resources to refurbish empty properties for those in housing need	Revised Empty Homes Action Plan	Mar 2018	On going

PRIORITY 5 : Improving Housing Quality				
WHAT WE WANT TO ACHIEVE	ACTIONS	MILESTONE	TIMESCALE	PROGRESS
	Offer financial assistance as per the Private Sector Housing Renewal Policy to enable empty properties to being brought back into use wherever possible, or to reduce the affect of the property on the neighbourhood.	Provision of Grants/Loans in accordance with the Private Sector Housing Renewal Policy	On going	On going
	Respond to enquiries regarding long term empty properties and take informal or formal action as appropriate	Enquiries responded to and appropriate action taken		2016 - 2017 Two enquiries received and appropriate action taken.
Maximise resources available for Aids and Adaptations work	Continue to fund a capital programme for Disabled Facilities Grants and housing renewal grants to assist residents whose independence may be at risk to remain in or return to their home in both private and public sector properties.	Disabled Facility Grants and Loans Budget sufficiently funded	On going	2016 - 2017 £745,100 spent on DFGs and Housing Renewal Grants. 2017 - 2018 £919,100 allocated to Capital Funding Programme (Government funding is confirmed to cover this).
	Review the options available regarding the renewal of the service contract with the Home Improvement Agency. The current contract expires on 31 st March 2017.	Report to Cabinet on Options		COMPLETED Report to Cabinet on 21 Dec 2016 and new post of Private Sector Housing Caseworker established from April 2017.
	Work with Registered Providers to develop a protocol which sets out their financial contributions towards adaptations in the properties they own for their tenants.	Protocol agreed	Sept 2017	It has not been possible to develop a protocol as each Registered Provider has their own policy varying from nil contributions to £3,500 per property per annum.

ITEM 14 Project Integra - Action Plan 2018 to 2021

Report of the Environmental Portfolio Holder

Recommended:

That the Project Integra Action Plan 2018 to 2021 be approved.

SUMMARY:

- This report provides an overview and seeks approval for the Project Integra Action Plan 2018 to 2021.

1 Introduction

- 1.1 The Council has been a member of the Project Integra (PI) partnership since it was formed in 1995. The partnership consists of Hampshire County Council, the borough and district Councils and the two unitary Councils of Portsmouth and Southampton.
- 1.2 The purpose of PI is to provide a countywide approach to the management of waste in Hampshire.
- 1.3 This report outlines and seeks approval of the Action Plan 2018 to 2021.

2 Background

- 2.1 PI was established as a waste management partnership by the then district councils and County Council in 1995 and in 2001 was constituted as a formal Joint Committee. It has a membership of the County Council as waste disposal authority, the 11 district councils which are solely waste collection authorities and the two unitary authorities which have both responsibilities. The waste disposal contractor, Veolia, is a non-voting member of the partnership in recognition of its long term contractual relationship.
- 2.2 Recognising that some actions are not deliverable within a one year period the partnership produces an action plan every three years.

Action Plan 2018 - 2021

- 2.3 This Action Plan covers the collective actions of Project Integra partners to deliver the Joint Municipal Waste Management Strategy (JMWMS). Actions involving two or more partner authorities are included – actions by individual authorities are not. This means that not all actions contained within the Action Plan are universally applicable to all partners.
- 2.4 The Action Plan is prepared by strategy officers and presented for agreement by the Project Integra Strategic Board (PISB) and then for approval by each authority.

2.5 The key actions of the Action Plan cover the following areas:

- Communication and behaviour change.
- Waste prevention including reuse.
- Recycling and performance improvements - for instance through reducing contamination, increasing capture of materials, improving income for materials, changing management arrangements.
- Reducing landfill.
- Joint working arrangements and activities.
- Improve efficiency and effectiveness of services through collaboration with neighbouring authorities including the South East 7 (SE7) group of local authorities.

2.6 The full Action Plan is annexed to this report. In summary there are ten separate actions contained within the plan, as follows:

a) Communications and Behaviour Change

Increasing capture of and reducing contamination of materials collected for recycling by PI will have a significant impact upon whole system costs.

This action in the plan chimes well with our own, recently approved, waste strategy where we are focusing on behaviour change across the whole spectrum – residents and waste collection staff alike.

b) Impact of New Developments

An estimated 64,000 homes are expected to be built in Hampshire by 2023. This will put a significant strain on both the waste collection and disposal infrastructure.

Test Valley is seeing one of the highest build rates in Hampshire. The waste collection service has, over recent years, adapted and changed rounds to accommodate this. From 2018 onwards there is incremental budget growth provision to manage the increase in demand for this service.

c) Waste Prevention Plan (WPP)

Implementation of separate PI WPP 2017-19, approved by PISB in June 2017. Key activity to include:

- Annual report on progress (June)
- Bulky waste – improving diversion of bulky waste, via a mix of system changes and partnership working.
- Organics – programme of activity around food waste reduction and home composting
- Waste collection policies – reviewing and developing new waste collection policies that may reduce waste – collection frequencies, size and number of waste containers etc.

d) Hampshire Waste Partnership Project

The Hampshire Waste Partnership Project will shape the medium to long term future for recycling services. There are two strongly linked work streams:

- Development of a final business case for changes to input specification and configuration of MRF infrastructure – and implement recommendations as appropriate
- Identify best way of reducing whole system costs via relationships between PI partners, and the tools to do so (constitution, MoU, JMWMS etc.)

e) Joint Working outside of PI

Ensure engagement with:

- Waste partnerships (especially in the south east region)
- Other networks including National Association of Waste Disposal Officers
- Central Government, to influence future policy development – particularly important in 2018 with increased focus on plastics and Defra's development of a new waste and resources strategy

f) Health and Safety

The health and safety work of PI is discharged through a group referred to as CASH (Common Approach to Safety and Health). They ensure best practice is shared across partners.

g) Glass Processing Contract

PI authorities have a joint contract for processing of glass collected at kerbside or via bring sites. The original contract, due to end in 2016, had an option for a 2-year extension.

The contract is due to come to an end in June 2018. The process to re-let a contract is drawing to a close and it will be in place to follow the existing arrangements.

h) Training

To continue with the existing joint training programme for front-line drivers (Certificates of Professional Competence) currently provided to EBC, FBC and NFDC.

i) Waste Composition Analysis

At the October 2017 PISB, it was agreed that a county-wide waste composition analysis would be undertaken during 2018. This analysis will require planning and a procurement process, as well as analysis and a final report to inform various work streams. This piece of work will be led by HCC with support from all partners.

j) Hampshire Fly Tipping Strategy

In February 2017 the PISB agreed that the Hampshire Fly Tipping Strategy would be supported by PI via the governance systems already in place. Fly tipping was an area of growing concern within the county. The strategy has the following vision: *“A future for Hampshire where we work together to ensure that all parties take responsibility for their waste, so as to bring about a significant reduction in the unacceptable social, economic and environmental harm caused by fly tipping.”*

As a council we are proactive in this area of work and welcome any assistance that is available.

- 2.7 Not all aspects of the Action Plan apply to Test Valley. However, it is recommended that Cabinet approve the Action Plan in its entirety accepting that not all elements of it apply.

3 Corporate Objectives and Priorities

- 3.1 Project Integra is a county-wide partnership that enables all local authorities in Hampshire to deal with their waste in a coordinated fashion. Dealing with waste in a cost effective manner that provides a sustainable and high recycling rate is a high priority for the Council. The management of waste is also a key theme within our environmental corporate priority *‘Enhancing and preserving our natural and built environment’*.

4 Consultations/Communications

- 4.1 Councillor Graham Stallard is the Council’s PI Strategic Board Member and has had the opportunity to have an input into the development of the Action Plan 2018 to 2021.

5 Options

- 5.1 Cabinet are being requested to approve the Action Plan 2018 to 2021. The plan has been developed by all PI partners and has been agreed by the PI Strategic Board.
- 5.2 Cabinet have the choice to approve all, part or none of the different actions contained in the Action Plan 2018 to 2021.

6 Option Appraisal

- 6.1 Not approving the Action Plan, or only approving parts of it, would require it to be referred back to the PI Strategic Board for further consideration.
- 6.2 Approve the PI Action Plan (recommended). The Action Plan is supportable. The PI Strategic Board have agreed the plan but the final decision rests with each partner.

- 6.3 There is no risk associated with this Council being a partner within Project Integra and benefit is gained from learning from others in the County. Although there is strength in working together and Project Integra may advise on best practice, or be able to influence decision making, all decisions in this area of the Council's work remains with Cabinet.

7 Risk Management

- 7.1 A risk assessment has been completed in accordance with the Council's Risk management process and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

8 Resource Implications

- 8.1 The subscription for 2018/19 totals £12,248 (PI Executive - £5,463; Materials Analysis Facility - £6,785).
- 8.2 The projected level of subscriptions for 2019/20 and 2020/21 are £12,691 and £13,190 respectively. The subscriptions are budgeted for in the waste and recycling budget.
- 8.3 The Council receives an income from the sale of recyclable material that totalled £392,755 during that last year (Sale of recycling - £239,199; sale of glass - £129,600; and sale of textiles - £23,956).
- 8.4 The sale of recyclable material provides the Council with much needed income that is used to offset the overall cost of providing waste collection.

9 Legal Implications

- 9.1 There are no legal implications of the chosen option.

10 Equality Issues

- 10.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

11 Other Issues

- 11.1 Community Safety - None
- 11.2 Environmental Health Issues - None
- 11.3 Sustainability and Addressing a Changing Climate - this area of work directly contributes to the Council's environment priority.
- 11.4 Property Issues - None
- 11.5 Wards/Communities Affected - The provision of waste services affects all residents.

12 Conclusion and reasons for recommendations

- 12.1 The Action Plan is integral to the way that the Project Integra Partnership operates. It sets a basis for which its performance and successes are judged. The action plan is supportable and already approved by the PI Strategic Board

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Environmental) Councillor Stallard			
Officer:	Paul Wykes	Ext:	8351
Report to:	Cabinet	Date:	16 May 2018



Draft Project Integra Action Plan

2018-2021

1 Introduction

- 1.1 Project Integra is a partnership of local authorities with responsibility for waste management in Hampshire, Portsmouth and Southampton. The long term waste disposal contractor Veolia Environmental Services (VES) is a non-voting member of the Partnership.
- 1.2 The Project Integra Strategic Board is constituted as a Joint Committee of the 14 local authorities, and is the decision making body for the partnership.
- 1.3 In line with changes to the constitution made in 2015, the PI Action Plan is a three year plan. The 2015-18 plan has come to an end, and this plan will cover the period 2018-21. The Action Plan sits underneath the Joint Municipal Waste Management Strategy, and sets out the medium to long-term actions for the partnership. Amendments to this plan can be made during this period, and progress will be regularly reported to the PI Strategic Board

2 PI aims and objectives

- 2.1 The refreshed (2012) Joint Municipal Waste Management Strategy (JMWMS) had the following overarching vision:

“In period to 2023 Hampshire will manage the effectiveness of its sustainable material resources system to maximise efficient re-use and recycling of material resources and minimise the need for disposal in accordance with the national waste hierarchy.”

- 2.2 The PISB also agreed, in 2012, the operational focus for its activities through a number of work streams as follows: *“Working to reduce costs across the whole system”* through:
 - 1. Communication and behaviour change.
 - 2. Waste prevention including reuse.
 - 3. Recycling and performance improvements - for instance through reducing contamination, increasing capture of materials, improving income for materials, changing management arrangements.
 - 4. Reducing landfill.
 - 5. Joint working arrangements and activities.
 - 6. Improve efficiency and effectiveness of services through collaboration with neighbouring authorities including the “south-east 7” (SE7) group of local authorities.

3 National Developments in Waste and Resources

3.1 *Brexit and EU Legislation*

- 3.1.1 The UK’s decision to leave the European Union will have a significant impact on the future make-up of waste related legislation.
- 3.1.2 Under the EU Waste Framework Directive, all Member States have a target to recycle 50% of household waste by 2020. In recent years, the UK recycling rate has plateaued. The most recent UK-wide figures indicate a rate of 44.3% in 2015. It is unlikely that the UK would meet this target. Whilst the target is applicable to the UK as a whole, it has never been cascaded down to local authority level.

- 3.1.3 In July 2014, the European Commission published a proposal to amend six waste-related Directives, as well as an action plan aiming to:
- help turn Europe into a circular economy
 - boost recycling
 - secure access to raw materials
 - create jobs and economic growth.
- 3.1.1 Since 2014, this “Circular Economy Package¹” has been subject to development and refinement, and negotiations between the different elements within the EU. It is likely that the package will lead to new recycling targets for Member States, and these could be in the region of 60-70% by 2030. The package could also introduce requirements for separate collections of food waste.
- 3.1.2 It is not clear whether the UK would be required to transpose the new legislation into UK law, as this will depend on the timing of Brexit. Depending on the UK’s future relationship with the EU, at least some elements of the Package could be relevant to the UK after 2019.

3.2 *Consistency Framework*

- 3.2.1 In October 2016, the Waste and Resources Action Programme (WRAP) unveiled “A Framework for Greater Consistency in Household recycling in England.²” They had been commissioned by Defra to look into the potential benefits of greater consistency across the recycling journey – from packaging, to local authorities, to council, to reprocessors.
- 3.2.2 The framework’s vision was that “By 2025, packaging is designed to be recyclable (where practical and environmentally beneficial) and labelled clearly to indicate whether it can be recycled or not. It is a vision where every household in England can recycle a common set of dry recyclable materials and food waste, collected in one of three different ways.” This vision focussed on three key priorities:
- ❖ All households to be able to recycle the same core set of materials
 - ❖ Fewer collection and sorting systems
 - ❖ A common container colour system
- 3.2.3 Through various workstreams and working with partners, WRAP are working on moving towards the vision. Some of the work carried out so far includes:
- ❖ Further rollout of On Pack Recycling Labels on more consumer product lines
 - ❖ Standardised contract documentation for Waste Collection Authorities (WCAs)
 - ❖ Support to LAs, in particular in county areas where consistency is currently limited
 - ❖ A packaging working group, which is working with industry to address some common problems, such as black plastic, PVC, and packaging contamination (e.g. springs in plastic spray bottles)
 - ❖ A consultation on bin colours – PI responded to this

3.3 *Drinks Containers*

- 3.3.1 The Environmental Audit Committee (EAC) carried out an inquiry³ in 2017 into plastic bottle and coffee cup recycling. The two key recommendations to Government were:
- Introduction of a 25p levy on disposable coffee cups
 - Introduction of a deposit return scheme (DRS) for drinks containers (plastic, cans, cartons)

¹ http://ec.europa.eu/environment/circular-economy/index_en.htm

² <http://www.wrap.org.uk/collections-and-reprocessing/consistency>

³ <http://www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/inquiries/parliament-2017/inquiry/>

- 3.3.2 Running parallel to the EAC inquiry was a Defra Call for Evidence (CfE), looking at DRSs. Under such a DRS, consumers would receive a small deposit back, if they returned their used drinks containers to an appropriate collection point (most likely to be local supermarkets). A DRS could increase recycling rates and reduce litter. However, there is a lack of evidence of how such a scheme could affect LA recycling schemes, and in PI's response to the CfE, it was suggested that Government would need to look at this more closely before introducing such a scheme.
- 3.3.4 In the aftermath of significant national media coverage of ocean pollution and recent issues with the Chinese recycling market, it is likely that the issue of plastic recycling in particular will be a focus for Defra in the short term at least.

3.4 *National Strategies and Reports*

- 3.4.1 During 2017 and early 2018, the Government released several strategies relevant to the waste and resources strategy. These are summarised in the table below:

Strategy document	Released	Key points
Industrial Strategy ⁴	Jan '17	No mention of circular economy, but does promotion of well-functioning markets for secondary materials
Clean Growth Strategy ⁵	Oct '17	Sister document to industrial strategy. Includes aim for zero food waste to landfill by 2030, and suggests support for separate food waste collections. Consideration on improving the incentives on offer through producer responsibility schemes
25 Year Environment Plan ⁶	Jan '18	Three key aims relating to waste: <ul style="list-style-type: none"> • At the production stage, we will encourage producers to take more responsibility for the environmental impacts of their products and rationalise the number of different types of plastic in use • At the end of use stage, we will make it easier for people to recycle by: • At the end of life/waste management stage, we will improve the rate of recycling .

Also within the 25 Year Environment Plan, Defra commits to publishing a new Resources and Waste strategy in 2018: "It will set out our approach to reducing waste, promoting markets for secondary materials, incentivising producers to design better products and how we can better manage materials at the end of life by targeting environmental impacts." It is believed that a draft strategy will be consulted upon in autumn 2018.

3.5 *Waste trends*

- 3.5.1 At the time of writing, the latest statistical update from Defra covers the calendar year 2016. The official England waste from households recycling rate for 2016 was 44.9%. This rate includes for the first time the percentage of metal recovered and recycled from waste which has been through incineration. For 2016 this raises the waste from households recycling rate by around 0.7 percentage points. Residual waste treated increased by 1.3 per cent to 12.5 million tonnes in 2016 from 12.4 million tonnes in 2015. In broad terms, England's recycling rate has plateaued in recent years.

⁴ <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

⁵ <https://www.gov.uk/government/publications/clean-growth-strategy>

⁶ <https://www.gov.uk/government/publications/25-year-environment-plan>

3.6 Courtauld Commitment on food waste

- 3.6.1 WRAP have been working with retailers and manufacturers since 2005 via a series of “Courtauld Commitments,” aiming to reduce the weight and carbon impact of household food waste, grocery product and packaging waste, both in the home and the UK grocery sector. The latest commitment is known as “Courtauld 2025⁷.” PI is a signatory to this agreement, and has therefore committed to reduce food waste and engages in cross-sector programmes to achieve improvements across the supply chain.

4 PI Action Plan 2018-21

- 4.1 In order to meet the aims of the JMWMS and the challenges described, the action plan will consist of the following actions.

Action 1	Communications and Behaviour Change
Detail	<p>Increasing capture of and reducing contamination of materials collected for recycling by PI will have a significant impact upon whole system costs. There is no current county-wide communication programme. However, the following is required:</p> <ul style="list-style-type: none"> • A focus on local communications by each partner authority. • When appropriate work together on communications where an approach will have a known impact or clear business case, and pursue external funding to this end, including partnerships with other sectors. • Sharing of best practice in communications among PI partners e.g. via Recycling officer group. • Development of an agreed set of FAQs, to ensure that messages across Hampshire are consistent. • PI Executive will continue social media programme • HCC to share results of Behavioural Insights work, and scale up activity depending on results
What would success look like?	<ul style="list-style-type: none"> • Increasing material capture rates • Reducing partnership wide and WCA-specific contamination rates • Reducing Materials Recovery Facility (MRF) residue rate
How will this be measured?	<ul style="list-style-type: none"> • Monitoring capture, contamination and residue rates via the Materials Analysis Facility • Benchmarking of data with other LAs and MRFs
Responsibility	<ul style="list-style-type: none"> • All PI partners • Led by Head of Project Integra
Resources	<ul style="list-style-type: none"> • At partner level • External funding where available • Business cases presented where appropriate
Timescale	2018-21

⁷ <http://www.wrap.org.uk/content/courtauld-commitment-2025>

Action 2	Impact of New Developments
Detail	An estimated 64,000 households are expected in Hampshire by 2023. This will put significant strain on both waste collection and disposal infrastructure. The impacts require further investigation, to allow authorities to plan for future service provision. A PI Working Group has developed Terms of Reference to guide the work.
What would success look like?	Deliver a final report, to include recommendations for waste officers, planners and senior decision makers.
How will this be measured?	Successful delivery of final report and a model Supplementary Planning Document on waste and recycling.
Responsibility	PI Working Group
Resources	PI officers in the working group are investigating different subject areas and reporting back to the group on a regular basis.
Timescale	Final report by September 2018

Action 3	Waste Prevention Plan (WPP)
Detail	Implementation of separate PI WPP 2017-19, approved by PISB in June 2017 (further detail available within that plan). Key activity to include: <ul style="list-style-type: none"> • Annual report on progress (June) • Bulky waste – improving diversion of bulky waste, via a mix of system changes and partnership working. • Organics – programme of activity around food waste reduction and home composting • Waste collection policies – reviewing and developing new waste collection policies that may reduce waste – collection frequencies, size and number of waste containers etc.
What would success look like?	<ul style="list-style-type: none"> • Limit annual increases in residual waste to 0.5% per annum. • Reduce organic and bulky waste
How will this be measured?	<ul style="list-style-type: none"> • Waste tonnage data • Materials Analysis Facility (MAF) analysis
Responsibility	<ul style="list-style-type: none"> • Head of PI – monitoring of progress against WPP • Responsibilities around specific actions detailed in the approved WPP - all Project Integra authorities have a role
Resources	<ul style="list-style-type: none"> • PI WP working group where appropriate • Resources allocated via HCC WP workstream
Timescale	Approved plan of activity up to June 2019

Action 4	Hampshire Waste Partnership Project
Detail	The Hampshire Waste Partnership Project will shape the medium to long term future for recycling services in the future. There are two strongly linked workstreams: <ul style="list-style-type: none"> • Development of a final business case for changes to input specification and configuration of MRF infrastructure – and implement recommendations as appropriate • Identify best way of reducing whole system costs via relationships between PI partners, and the tools to do so (constitution, MoU, JMWMS etc.)
What would success look like?	<ul style="list-style-type: none"> • Increased recycling rates • Reduced whole system costs
How will this be measured?	<ul style="list-style-type: none"> • Waste data and MAF analysis • Monitoring of cost benefits
Responsibility	<ul style="list-style-type: none"> • Currently led by HIOWLA with PI support
Resources	<ul style="list-style-type: none"> • At individual partner level as required • PI Strategy and Collaboration Group is supporting development of the project
Timescale	<ul style="list-style-type: none"> • Business case by summer 2018 • Implementation timetable TBC based on outcome of business case

Action 5	Joint Working outside of PI
Detail	Ensure engagement with: <ul style="list-style-type: none"> • Waste partnerships (esp. in the south east region) • Other networks including National Association of Waste Disposal Officers • Central Govt, to influence future policy development – particularly important in 2018 with increased focus on plastics and Defra’s development of a new waste and resources strategy
What would success look like?	<ul style="list-style-type: none"> • Increased opportunities for performance improvement and reduced costs, and influence of future waste policy
How will this be measured?	<ul style="list-style-type: none"> • Commentary provided by head of PI in annual action plan update
Responsibility	<ul style="list-style-type: none"> • Led by Head of Project Integra
Resources	<ul style="list-style-type: none"> • Officer time and resources as required
Timescale	<ul style="list-style-type: none"> • 2018-21

Action 6	Health and Safety
Detail	Through the PI group Common Approach to Safety and Health (CASH) ensure best practice shared and projects delivered by task and finish groups, including: <ul style="list-style-type: none"> • Reversing safely - engage with national working groups and develop resource pack for partners
Target	<ul style="list-style-type: none"> • Reduction in lost-time incidents in Hampshire
How will this be measured?	<ul style="list-style-type: none"> • Monitoring of H&S statistics • Produce annual report for PISB on the progress made by the group • Influence national H&S debate through multi-agency H&S forums
Responsibility	<ul style="list-style-type: none"> • Head of Project Integra, Chair of CASH
Resources	<ul style="list-style-type: none"> • Individual partner officer time.
Timescale	<ul style="list-style-type: none"> • Annual Report at June PISB.

Action 7	Glass Processing Contract
Detail	<p>PI authorities have a joint contract for processing of glass collected at kerbside or via bringsites and HWRCs. Current contract ends in July 2018. The following is required:</p> <ul style="list-style-type: none"> • Complete procurement process for processing of glass collected via kerbside, bring sites and HWRCs • Mobilise new contract, and monitor performance through first two years • Evaluate performance and make recommendation at end of initial two-year contract period
What would success look like?	<ul style="list-style-type: none"> • Secure a value for money outlet for PI glass from 2018 and beyond. Achieve income levels at or above the national average.
How will this be measured?	<ul style="list-style-type: none"> • Monitoring of average values of collected glass. Other KPI monitoring via the new contract.
Responsibility	<ul style="list-style-type: none"> • Lead Head of Project Integra in partnership with HCC as managing authority for the contract, and a PI working group.
Resources	<ul style="list-style-type: none"> • As detailed in the glass processing partnering agreement
Timescale	<ul style="list-style-type: none"> • 2018-2021

Action 8	Training
Detail	<ul style="list-style-type: none"> • Continue with existing joint training programme for front-line drivers (Certificates of Professional Competence) provided to EBC, FBC, NFDC • Renew CPC training post-2019 • Identify other training opportunities
What would success look like?	<ul style="list-style-type: none"> • Achieve better value for money and significant savings for Project Integra partners. • Produce annual report on progress.
Responsibility	<ul style="list-style-type: none"> • Lead Head of Project Integra
Resources	<ul style="list-style-type: none"> • Project Integra Budget
Timescale	<ul style="list-style-type: none"> • 2018-21

Action 9	Waste Composition Analysis
Detail	<p>At the October 2017 PISB, it was agreed that a county-wide waste composition analysis would be undertaken during 2018. This analysis will require planning and a procurement process, as well as analysis and a final report to inform various workstreams.</p>
What would success look like?	<ul style="list-style-type: none"> • Delivery of full waste composition analysis including final report
Responsibility	<ul style="list-style-type: none"> • Head of Project Integra, HCC WP Manager, and a PI working group
Resources	<ul style="list-style-type: none"> • £100k budget made up of contributions from all PI partners
Timescale	<ul style="list-style-type: none"> • 2018

Action 10	Hampshire Flytipping Strategy
Detail	In February 2017 the PISB agreed that the Hampshire Flytipping Strategy ⁸ would be supported by PI via the governance systems already in place. Flytipping was an area of growing concern with the county. The strategy has the following vision: <i>“A future for Hampshire where we work together to ensure that all parties take responsibility for their waste, so as to bring about a significant reduction in the unacceptable social, economic and environmental harm caused by flytipping.”</i>
What would success look like?	<ul style="list-style-type: none"> The flytipping strategy itself contain three key aims and numerous objectives The overall goal is a reduction in flytipping in Hampshire
Responsibility	<ul style="list-style-type: none"> Flytipping Partnership and Project Officer (HCC) Support from private and public partners and stakeholders
Resources	<ul style="list-style-type: none"> Flytipping Partnership and Project Officer funded by HCC and jointly hosted by Trading Standards and Waste and Resource Management Partner input to working groups and the overall strategy as required
Timescale	<ul style="list-style-type: none"> Officer post is funded initially to July 2019 Flytipping Strategy has no end date but will be reviewed as and when appropriate.

5 Resources

5.1 The forecast for the PI Executive and Materials Analysis Facility for the next three years is given in Table 1 below:

	18/19	19/20	20/21
Expenditure			
Staff costs	£79,767	£83,786	£88,005
Communications & Research SLA	£25,000	£25,000	£25,000
Other costs	£1,000	£1,000	£1,000
Net Expenditure	£105,767	£109,786	£114,005

Note that these are estimates only, and that more accurate forecasts will be given annually in the annual report on Action Plan progress. Authority contributions are based on:

- Executive - total number of households with elements for collection (80%) and disposal (20%);
- Materials Analysis Facility – one third WCAs (evenly split), one third WDAs (split no. households), one third VES.

The contributions for each authority are set out in Table 2.

5.2 Proposals to utilise the current underspend held on the PI account will be agreed by the PI Strategic Board as and when required.

5.3 Individual partner authorities will need to give consideration to how they will support the actions in this plan, through staff or other resources, to ensure the partnership achieves its objectives.

⁸ <http://documents.hants.gov.uk/waste-prevention/fly-tipping-strategy.pdf>

Table 2

Authority Contributions

	2018-19			2019-20			2020-21		
	PI Executive	MAF	Total	PI Executive	MAF	Total	PI Executive	MAF	Total
Basingstoke	7,671	6,785	14,456	7,962	7,021	14,983	8,267	7,302	15,569
East Hampshire	5,338	6,785	12,123	5,540	7,021	12,561	5,753	7,302	13,055
Eastleigh	5,649	6,785	12,434	5,863	7,021	12,884	6,088	7,302	13,390
Fareham	5,103	6,785	11,888	5,297	7,021	12,318	5,500	7,302	12,802
Gosport	3,840	6,785	10,625	3,986	7,021	11,007	4,139	7,302	11,441
Hart	3,984	6,785	10,769	4,135	7,021	11,156	4,294	7,302	11,596
Havant	5,653	6,785	12,438	5,867	7,021	12,888	6,092	7,302	13,394
New Forest	8,440	6,785	15,225	8,760	7,021	15,781	9,096	7,302	16,398
Portsmouth	11,736	16,988	28,724	12,181	17,545	29,726	12,649	18,212	30,861
Rushmoor	4,094	6,785	10,879	4,249	7,021	11,270	4,412	7,302	11,714
Southampton	13,699	18,797	32,496	14,218	19,516	33,734	14,763	20,363	35,126
Test Valley	5,463	6,785	12,248	5,670	7,021	12,691	5,888	7,302	13,190
Winchester	5,312	6,785	12,097	5,513	7,021	12,534	5,725	7,302	13,027
Hampshire	15,137	65,987	81,124	15,710	68,257	83,967	16,312	70,957	87,269
Veolia	4,648	88,202	92,851	4,834	91,276	96,111	5,028	94,927	99,955
Total	105,767	264,607	370,374	109,785	273,829	383,614	114,006	284,782	398,788

ITEM 15 Eastleigh Borough Council/Test Valley Borough Council Liaison Group

Report of the Corporate Portfolio Holder

Recommended:

That four Members be appointed to the Eastleigh Borough Council/Test Valley Borough Council Liaison Group: Councillor, Councillor, Councillor and Councillor

SUMMARY:

- The Borough Council has had a joint arrangement with Eastleigh Borough Council for many years to consider matters of mutual interest. It is necessary to appoint members to this Liaison Group.

1 Background

- 1.1 Councillors Anderdon, A Dowden Finlay and Hatley were appointed to serve on this Liaison Group in 2017/18.

2 Corporate Objectives and Priorities

- 2.1 The joint arrangements provide for the discharge of a Council function which contributes to the Council’s Corporate Objectives.

3 Conclusion

- 3.1 That four Members be appointed to the Liaison Group.

Background Papers (Local Government Act 1972 Section 100D)

None

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	0	File Ref:	N/A
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(Portfolio: Corporate) Councillor Flood

Officer:	Karen Dunn	Ext:	8401
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Report to:	Cabinet	Date:	16 May 2018
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ITEM 16 **Scheme of Delegations to Officers**

Report of the Head of Legal and Democratic Services (Portfolio: Corporate)

Recommended:

That the Scheme of Delegations to Officers annexed to the report to Annual Council, in so far as it applies to the powers and duties of the Cabinet, be approved.

SUMMARY:

- The purpose of the report is to approve the Council’s Scheme of Delegations to Officers.

1 Background

- 1.1 The Scheme of Delegations to Officers is approved each year in accordance with the Constitution by Annual Council, the Cabinet and relevant Committees.
- 1.2 During the course of the year since the last Annual Council, changes have occurred to the Scheme of Delegations to Officers and new delegations to Officers have been made as the need has arisen over time. These changes have been incorporated into the Scheme shown in the Annex to the report to Annual Council.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Corporate) Councillor Flood			
Officer:	Karen Dunn	Extension:	8401
Report to:	Cabinet	Date:	16 May 2018

ITEM 17 Scrap Metal Dealers Hearing Sub-Committee

Report of the Corporate Portfolio Holder

Recommended:

That the membership of the Scrap Metal Dealers Hearing Sub-Committee consist of three members drawn by the Head of Legal and Democratic Services from the membership of the Cabinet.

SUMMARY:

- To establish a Sub-Committee to deal with hearing representations regarding applications for Scrap Metal Dealers Licences.

1 Background

1.1 At its January 2014 meeting (Minute 238 of 15 January 2014 refers), Cabinet agreed to establish a Scrap Metal Dealers Hearing Sub-Committee. As a result it was also agreed:

- a) That a Committee of the Cabinet be established for the purposes of hearing representations regarding an application for a Scrap Metal Dealers Licence, and that such a Committee consist of three members drawn by the Head of Legal and Democratic Services from the membership of the Cabinet.
- b) That in the event of a member selected becoming unavailable, the Head of Legal and Democratic Services is authorised to select a replacement from the membership of the Cabinet.
- c) That the Committee undertake any hearing in accordance with the Procedure Rules attached as an Annex to the report to the Sub-Committee, subject to the Rules being amended to provide for the appointment of a Chairman by the Committee.

2 Conclusion

2.1 Cabinet is asked to re-confirm the membership of the Scrap Metal Dealers Hearing Sub-Committee on the basis set out above.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Corporate) Councillor Flood			
Officer:	Karen Dunn	Extension:	8401
Report to:	Cabinet	Date:	16 May 2018

ITEM 18

Exclusion of the Public

Recommended:

That, pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the consideration of the following items on the following matters on the grounds that they involve the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, indicated below. The public interest in maintaining the exemption outweighs the public interest in disclosing the information for the reason given below:

Project Enterprise Outturn 2017/18 – Confidential Annex	Paragraph 3
Leisure Contract Capital Update	Paragraph 3
Valley Housing Outturn and Business Plan Update	Paragraph 3

It is considered that these items contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of the Council and third parties who are necessarily identified, which information is commercially sensitive and which by its disclosure would have an adverse effect upon the interests of those third parties and the Council as they seek to settle agreed terms of business.