

Notice of Meeting

Council

A meeting of the Test Valley Borough Council will be held on

Date: Wednesday 26 June 2019

Time: 5.30 pm

Venue: Upper Guildhall, High Street, Andover, Hampshire SP10 1NT

when your attendance is required to consider the business set out in the agenda.



Head of Legal and Democratic Services

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Legal and Democratic Service

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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.

Council

Wednesday 26 June 2019

AGENDA

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

- 1 Prayers**
- 2 Apologies**
- 3 Public Participation**
- 4 Declarations of Interest**
- 5 To approve the minutes of the meeting of the Council
held on 13 May 2019**
- 6 To approve the minutes of the meeting of Planning
Control Committee held on 30 April 2019**
- 7 Mayor's Announcements**
- 8 To receive and adopt Committee reports 4 - 35**

To receive and, where necessary, adopt reports of
Committees
- 9 Questions under Rule 11.1**
- 10 Questions under Rule 11.2**
- 11 Notice of Motion - Rule 12 36**

To consider a Motion proposed by Councillor Celia
Dowden, and seconded by Councillor Nick Adams-King.

- | | | |
|-----------|--|----------------|
| 12 | <u>Overview and Scrutiny Committee: Chairman's Annual Report</u> | 37 - 40 |
| | <p>The Overview and Scrutiny Chairman to present the OSCOM Annual Report.</p> | |
| 13 | <u>Appointments to Outside Bodies</u> | 41 - 42 |
| | <p>To consider changes to two Council's Outside Bodies appointments.</p> | |
| 14 | <u>Andover Town Centre Masterplan Update</u> | |
| | <p>To receive a presentation from the Head of Planning and Building which will provide an update on the Andover Master planning Process</p> | |
| 15 | <u>Andover Town Centre Rejuvenation and South of Romsey Town Centre Projects Update</u> | 43 - 50 |
| | <p>To receive a report which provides an update on the progress of the Andover Town Centre rejuvenation project and the South of Romsey Town Centre project.</p> | |
| 16 | <u>Annual Governance Statement 2018/19</u> | 51 - 67 |
| | <p>To receive a report presenting the Annual Governance Statement 2018/19 for approval.</p> | |
| 17 | <u>Property Purchase under Head of Estates Delegation</u> | 68 - 70 |
| | <p>To receive information related to property purchases approved by the Head of Estates in consultation with the Member Panel for property investment.</p> | |
| 18 | <u>Exclusion of the Public</u> | 71 - 72 |
| | <p>The following item is confidential.</p> | |
| 19 | <u>Property Purchase under Head of Estates Delegation - Exempt annexes</u> | 73 - 79 |
| | <p>Confidential Annexes relating to Item 17 – Property Purchase under Head of Estates Delegation.</p> | |

ITEM 8 To receive and, where necessary, adopt the following reports of Committees:

To receive and, where necessary, adopt the following reports of Committees:

(Some reports may involve the disclosure of exempt information. If the Council wishes to debate them, for each individual case the Council will need to adopt a suitable motion).

8.1 To receive the minutes of the following meetings:

- 8.1.1 Overview & Scrutiny Committee – 20 March 2019
- 8.1.2 Northern Area Planning Committee – 28 March 2019
- 8.1.3 Southern Area Planning Committee – 2 April 2019
- 8.1.4 General Purposes Committee – 17 April 2019
- 8.1.5 Cabinet – 17 April 2019
- 8.1.6 Northern Area Planning Committee – 18 April 2019
- 8.1.7 Southern Area Planning Committee – 23 April 2019
- 8.1.8 Overview & Scrutiny Committee – 24 April 2019
- 8.1.9 Planning Control Committee – 30 April 2019
- 8.1.10 Northern Area Planning Committee – 16 May 2019
- 8.1.11 General Purposes – 20 May 2019
- 8.1.12 Cabinet – 20 May 2019
- 8.1.13 Overview & Scrutiny Committee 22 May 2019
- 8.1.14 Northern Area Planning Committee – 30 May 2019
- 8.1.15 Southern Area Planning Committee – 4 June 2019
- 8.1.16 Cabinet – 12 June 2019
- 8.1.17 Overview & Scrutiny Committee – 19 June 2019
- 8.1.18 Northern Area Planning Committee – 20 June 2019
- 8.1.19 Southern Area Planning Committee – 25 June 2019

(Note: in relation to 8.1.16, 8.1.17, 8.1.18, and 8.1.19 these minutes are not included in the minute book and will be presented at the next Council meeting but members are able to ask questions on resolved items.)

8.2 To adopt recommendations from the following:

8.2.1 Cabinet – 17 April 2019

8.2.1.1 Social Inclusion Services Review (APPENDIX A)

Consideration was given to a report of the Housing and Environmental Health Portfolio Holder. The County Council had completed a review of Social Inclusion Services on 5 December 2018, and approved recommendations which would deliver a £1.8m reduction in HCC spending on Social Inclusion Services from 1 August 2019. The report set out services that would be impacted by the County Council's recent decision, and considered options for Test Valley in the context of forthcoming changes.

The funding changes approved by the County Council would have significant implications for Test Valley. Since the commencement of the Homelessness Reduction Act 2017 in April 2018, the Council had been under a significantly increased range of statutory duties associated with the provision of housing advice and homelessness services, and had experienced significantly increased demand for housing advice and support over the past financial year.

The recommendations within the report were intended to meet locally identified priorities and maintain strong partnership arrangements in the interests of meeting the needs of vulnerable people in our communities. This could be achieved through the adoption of a costed approach to investment using existing service budget and ring-fenced government grants.

Having considered the options and for the reasons set out in the report, Cabinet agreed to the following:

Recommended:

- 1. That Cabinet note the outcome of the Hampshire County Council “Transformation to 2019” (T19) review of Social Inclusion Services.**
- 2. That Cabinet note the impact of these changes on local services and consider them in the context of the Council's wider work to prevent and relieve homelessness.**
- 3. That the recommended Option 3 be approved as set out in paragraph 5.17 of the report.**

- 4. That any items shown in Annex 2 to the report, which are unspent by 31 March 2020, be approved for carry forward into the 2020/21 revenue budget.**

8.2.1.2 Ministry for Housing, Communities and Local Government's (MHCLG) Private Rented Sector Access Fund & Future Homelessness Funding Rounds (APPENDIX B)

Consideration was given to a report of the Housing and Environment Health Portfolio Holder which set out the content of the successful bid and MHCLG expectations associated with the funding. Cabinet were asked to consider recommendations that would not only facilitate the delivery of the Private Rented Sector Access Fund Project, but would also ensure internal processes could accommodate rapid mobilisation of new funding achieved in this context.

The recommendations in the report would support the Council to meet its legal duties to prevent and relieve homelessness, and further built on the Council's recent innovations in the way it delivered services to people who are homeless or at risk of homelessness.

MHCLG funding rounds required urgent participation and rapid mobilisation. The report provided detail associated with a specific project yet its recommendations sought to ensure that the Council was well placed to submit further ambitious funding bids and to deliver on those bids in future, by ensuring the right delegated power was in place.

Having considered the options and for the reasons set out in the report, Cabinet agreed to the following:

Recommended

- 1. That monies received from this and any future successful bids be transferred to the Homelessness Reserve, and the Head of Housing & Environmental Health, in consultation with the Housing & Environmental Health Portfolio Holder and the Head of Finance, be given delegated authority to draw from this reserve to deliver specific projects where funding is awarded by MHCLG for this purpose.**

Social Inclusion Services Review

Report of the Housing and Environmental Health Portfolio Holder

Recommended:

- 1. That Cabinet note the outcome of the Hampshire County Council “Transformation to 2019” (T19) review of Social Inclusion Services.**
- 2. That Cabinet note the impact of these changes on local services and consider them in the context of the Council’s wider work to prevent and relieve homelessness.**
- 3. That the recommended Option 3 be approved as set out in paragraph 5.17 of the report.**
- 4. That any items shown in Annex 2 to the report, which are unspent by 31 March 2020, be approved for carry forward into the 2020/21 revenue budget.**

Recommended to Council

SUMMARY:

- The County Council has completed its review of Social Inclusion Services and a final decision was made by the County’s Executive Member for Adult Social Care & Health on Wednesday 5 December 2018.
- The County Council’s approved recommendations will deliver a £1.8m reduction in HCC spending on Social Inclusion Services from 1 August 2019, to be achieved through modifications to existing contracts with providers, including an optional extension of those contracts to March 2022.
- These spending reductions will create identifiable gaps in local services for vulnerable people.
- Without investment by TVBC, the local capacity to prevent and relieve homelessness will be significantly reduced and this will have financial implications for the Borough Council in meeting its extended duties under the Housing Act 1996, Part 7 (as recently amended by the Homelessness Reduction Act 2017).
- Since April 2018, the Council has experienced significant increases in demand for housing and homelessness services, coinciding with implementation of the new Act.
- The report sets out the services that will be impacted by the County Council’s recent decision, and considers options for Test Valley in the context of forthcoming changes.
- Whilst the report considers the option not to invest in Social Inclusion Services, there are clearly identifiable negative consequences for local residents and for the Borough Council.
- The Ministry for Housing, Communities and Local Government (MHCLG), provides funding to support the Council to prevent and tackle homelessness.

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The report sets out how ring fenced funding could be targeted to support aspects of local Social Inclusion Services and to support the Council to respond to identified pressures.

- The report therefore recommends targeting ring fenced MHCLG grant funding for the purposes of preventing and tackling homelessness, by investing in those accommodation related services within the Social Inclusion cluster that are at risk of closure, alongside ensuring local outreach capacity is available to work with people rough sleeping or at risk of rough sleeping.
- The report also recommends investing in targeted Resettlement Service provision, to be delivered in house, as part of the Council's Housing Options team. This will support the Council in light of increased demand and new statutory requirements, and builds on the recent evaluation of new approaches delivered as part of the 2018/19 Housing Options Developmental Pilot.

1 Introduction

- 1.1 The Supporting People (SP) programme was introduced in 2003. The SP programme commissioned housing and community support ('floating support') services from district councils and third party providers, for three groups of people whose needs did not make them eligible for Adult Social Care. These groups included older people, people with disabilities and people who were considered to be "socially excluded", including homeless people.
- 1.2 The SP programme was subject to regular reviews until it was ultimately subsumed into the overall Adult Services commissioning programme. In 2015, the County Council undertook a review that reduced its investment in Social Inclusion Services by £2.75m.
- 1.3 As part of the County Council's Transformation to 2019 (T19) agenda, it has sought to achieve further savings of £2m (approximately 45%) against a £4.2m residual budget after the 2015 changes were implemented from April 2016.
- 1.4 Test Valley's Housing Service has been working with colleagues across the County to identify realistic options for future commissioning and models of service delivery, in light of the County Council's plans.
- 1.5 In Test Valley, the services within scope of the County's review included:
 - Dene Court ("stage 1" direct access hostel accommodation representing an 18-bed unit and associated outreach support for single homeless people)
 - Bridge House ("stage 2" move on accommodation representing an 8 - bed unit)
 - Stubbs and Turin Court ("stage 2" move on accommodation representing an 8-bed unit)
 - Community Support (previously known as 'floating support' or 'tenancy support' which supported 212 households between October and December 2018.

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- 1.6 The County Council resolved the approach it would take in an Executive Member Decision on 5 December 2018. The decision was for the County Council to continue to invest £2.4m on homelessness support services to assist the most vulnerable people who are sleeping rough or who are at risk of rough sleeping. This represents an overall reduction in County Council spending of £1,825,146 (or 42%).
- 1.7 For the Lot comprising Test Valley, Winchester, Eastleigh and the New Forest, this decision represents a proposed annual spend from 1 August 2019 of £807,323. It is also a reduction across the Lot area of £595,614 (42%) compared to the current annual spend of £1,402,937.
- 1.8 The reduction in County Council funding for Social Inclusion Services in Test Valley raises concern about the local capacity to respond to the needs of vulnerable people.
- 1.9 The Council receives money from MHCLG to support it to meet local homelessness demand. The report considers how Flexible Homelessness Support Grant (FHSG) could be targeted to support local service delivery in light of both the Social Inclusion Services review outcome and pressures associated with the Homelessness Reduction Act 2017.

2 Background

- 2.1 The Housing Service has engaged with commissioning leads at the County Council regarding joint commissioning. This has resulted in a general consensus across the County; that more can be achieved through robust partnership working.
- 2.2 Through negotiation, and working with our Lot partners, Test Valley has secured the following ongoing County Council investment:
 - Direct access hostel provision (Dene Court) (£330K), including a very limited outreach service provision for rough sleepers within the new model (and representing a £10k shortfall in outreach capacity moving forwards).
 - Stubbs and Turin Court Stage 2 supported move-on provision (£15K).
 - Limited Community Support restricted to single people with complex needs only, and to support move-on from Stage 1 (£29K).
- 2.3 The County Council has determined that they will no longer fund:
 - Loss of outreach capacity (£10K)
 - Stage 2 accommodation at The Bridge (£45K reduction)
 - Community Support for families (£80K)
- 2.4 County Council spending reductions will leave significant gaps in local services. This will have consequences for demand, affecting Test Valley's front line services along with its ability to meet relevant legal obligations under the expanded statutory homelessness framework.

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- 2.5 Whilst it is clear the loss of any supported housing provision would be problematic locally, it is also apparent that in light of increasing demand, the borough requires appropriate outreach provision for rough sleepers and single homeless people, and some form of targeted work with families as the County will no longer be funding community support beyond August 2019 for this cohort.
- 2.6 Concurrent to the County Council Social Inclusion Services review, Test Valley has been evaluating its work on homelessness, and a recent report to Cabinet in March considered key aspects of that evaluation. The forthcoming changes to social inclusion services have been considered in this context. The recommendation contained in this report makes links across both aspects of our work on homelessness locally.
- 2.7 The Council has received 3 years FHSG determination up to and including financial year 2019/20. Indications from MHCLG are that this funding will continue, and continue to be ring fenced, yet we have no *certainty* after 2019/20 at the time of writing.
- 2.8 The FHSG currently funds two Housing Options Officers to assist with new duties under the Homelessness Reduction Act and supports an additional top-up to facilitate the work of the Housing Options Service to prevent and relieve homelessness in keeping with the Council's commitment. The basic funding profile, as approved by Cabinet in March 2018 and March 2019, is included in the table below:

	2017/18	2018/19	2019/20
FHSG	£ 168,124	£194,446	£201,000
Funding of Two Housing Options Officer	£41,250*	£59,860	£61,700
Top up for HRA pilot			£17,600
Uncommitted Budget	126,874	£134,586	£121,700

*Appointed August 2017 and pro rata for 8 months of 2017/18

- 2.9 The recommendations of this report fit within the envelope of the existing service budget and that of the FHSG.

3 Corporate Objectives and Priorities

- 3.1 Preventing and tackling homelessness is a priority for Test Valley Borough Council.
- 3.2 The Council is committed to putting residents' needs and their experience at the forefront of its thinking, and across a range of priority areas, building on principles such as meeting basic need to include employment, homes, and a supportive community. The Corporate Plan priorities of Live, Work, Enjoy and Contribute embody these aims with an increasing emphasis on investing in Test Valley to ensure it is a great place to live.

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- 3.3 The emerging priorities for the Council, as part of the development of a new Corporate Plan, continue to emphasise the importance of supporting vulnerable people and helping people to secure settled homes. This has been borne out through resident consultation and is likely to remain one of a core set of priorities for the Council when looking to the future.
- 3.4 The recent transformation in Test Valley's approach to preventing and relieving homelessness, dovetails with these ambitions. Indeed, Cabinet recently approved ongoing investment for initiatives that have proven successful in preventing and relieving homelessness in 2018/19.
- 3.5 Homelessness Reduction Act compliance has been a key action in the Corporate Action Plan alongside adopting a new operating model. The recommendations in this report seek to complement this and have been developed in this wider strategic context.
- 3.6 Feeding into the Council's corporate aims, the Preventing Homelessness Strategy sets out a delivery plan to support the Council to build on its successes and meet new challenges. In March, Cabinet approved an interim Rough Sleeping Action Plan and this will be delivered alongside the Preventing Homelessness Strategy.
- 3.7 Housing and homelessness remain at the top of the national policy agenda, with a new national Rough Sleeping Strategy published in August 2018 and an ongoing emphasis on the importance of preventing homelessness and the role of local authorities in leading their communities to effectively deal with homelessness pressures.

4 Consultations/Communications

- 4.1 Operational staff have been engaged in the social inclusion services review and have been consulted about potential implications of the recommendations contained within this report.
- 4.2 Throughout the Social Inclusion Services review, an Advisory Group of key stakeholders has met on a regular basis to discuss matters arising and feed into both local and county-wide plans.
- 4.3 Local social inclusion service provider, Two Saints, has been part of discussions associated with the future of the service cluster.
- 4.4 As part of regular liaison meetings with Aster Group and Test Valley, the Social Inclusion Services review and potential implications have been discussed along with the options contained in this report.
- 4.5 Throughout the course of the review key elected members have been consulted and involved in steering the direction of travel.
- 4.6 Senior managers, including Heads of Service across the Council, have been consulted regarding the contents of this report.

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5 Options

- 5.1 The Council's Housing Service has recently reported a 44% increase in footfall and we have seen increasing levels of rough sleeping over the past year, along with a rise in placements into bed and breakfast accommodation to relieve homelessness. The services within the Social Inclusion cluster are significant in their supporting role to prevent and relieve homelessness in Test Valley, particularly those that are accommodation based or delivered directly to people who may be rough sleeping or at risk of rough sleeping.
- 5.2 The Council has the option to work with the County Council on its commissioning process *without* putting forward any additional investment. This would result in the loss of some supported housing in the locality, along with outreach capacity and a reduction in available support for families. This would have a consequence for local demand, levels of homelessness and rough sleeping, and the number of households in temporary accommodation.
- 5.3 Alternatively, the Council could opt to invest in either some or all of the areas affected by the County Council forthcoming spending reductions. Investing in all the areas facing either closure or reduced capacity, would maintain the current local safety net for vulnerable homeless people and those at risk of homelessness. Considered in isolation, however, these options are somewhat binary.
- 5.4 In light of the recent evaluation of the Council's 2018/19 Developmental Pilot in Housing Options, an opportunity has been identified for Cabinet consideration that will meet identified needs.
- 5.5 In this context, the Council could also consider a hybrid position that sought to invest in key local services within the cluster, whilst making a strategic decision to target funding internally. This would be in the interests of developing the Housing Service so that it can deliver targeted resettlement services for people being supported under the statutory homelessness framework, including those who are homeless and those who are at risk of homelessness, and with a focus on temporary accommodation.
- 5.6 There are, therefore, 3 identifiable options:
- Option 1:**
- 5.7 The Council works with commissioning leads at the County Council to support a new model of service delivery but does not seek to invest its own funding in the new service cluster from August 2019.
- Option 2:**
- 5.8 The Council works with commissioning leads at the County Council to support a new model of service delivery and invests its own funding (up to £137K in total) to maintain local services and continue the existing capacity to meet locally identified needs. This includes contributing to the new service model and using FHSG to support the current provider, Two Saints, to deliver some of the services below:

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- 5.9 Whilst the County Council will continue to fund a small amount of outreach within the modified contract from August 2019, there remains a £10K shortfall in this area per annum (pro rata for 2019/20 and for the complete year 2020/21). To maintain outreach capacity the Council will need to fund the additional £10k per annum (pro rata for 2019/20 and for the complete year 2020/21) using FHSG.
- 5.10 The County Council is clear that it will continue to fund move-on (stage 2) supported housing at Stubbs and Turin Court, but that it will no longer fund The Bridge. The withdrawal of funding by the County Council means that an additional investment by Test Valley Borough Council of £45K per annum (pro rata for 2019/20 and for the complete year 2020/21) from the FHSG would be required to retain this local provision.
- 5.11 Although the County Council will continue to fund Community Support for those people moving on from Dene Court into Stage 2 accommodation, they will no longer fund this support for families or households with medium or low level needs. To maintain this provision from August 2019, Test Valley Borough Council would need to contribute an estimated £82K per annum from the FHSG.

Option 3:

- 5.12 Option 3 would also make targeted use of FHSG during 2019/20 and 2020/21, and this would include funding the gap in outreach capacity along with the Stage 2 accommodation at The Bridge, as set out in paragraphs 5.9 and 5.10 above. This recognises the fundamental importance of accommodation based services, and services for the most socially excluded vulnerable single people in Test Valley.
- 5.13 Option 3 does not, however, propose the use of FHSG to support the ongoing provision of Community Support for families. The County are very clear that post August 2019, their priority is towards single vulnerable households with complex needs. The County Council has also suggested that the Family Support Service and Supporting Families Programme in Hampshire will pick up some of those households currently receiving Community Support.
- 5.14 Option 3 instead proposes that the Council targets £82K per annum (pro rata for 2019/20 and for the complete year 2020/21) of FHSG to support a minor restructure in the Council's Housing Options Service. This would be with a view to developing an in-house "Resettlement Service" to be introduced during 2019/20. The funding would be used to recruit 2.5 FTE "Resettlement Officers", working flexibly between Andover and Romsey offices, and with a specific remit to support the Council to deliver on Personal Housing Plans and work with families and single households in temporary accommodation provided by the Council to assist them to sustain accommodation and to move-on to settled housing solutions.
- 5.15 This builds on the recent evaluation of the 2018/19 Developmental Pilot and would aim to meet an identified need, maintaining a successful demand management approach, including the management and support for households experiencing homelessness, reducing the use of temporary accommodation and increasing access and options in the private rented sector for our customers.

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- 5.16 Annex 1 sets out the current structure in Housing Options and the proposed new structure associated with recommended Option 3. Annex 2 sets out the financial implications of Option 3 including costs pro-rata for 2019/20 and for the full financial year 2020/21.
- 5.17 In summary, this report is recommending that Flexible Homelessness Support Grant funding of £346,200 is targeted at supporting social inclusion services to be delivered by Two Saints (outreach capacity and stage 2 supported accommodation), along with 2 FTE Housing Options Officers and a new Resettlement Service within the Council's Housing Services, during 2019/20 and 2020/21.

6 Option Appraisal

Option 1:

- 6.1 Since April 2018, the Housing Service can evidence a significant increase in presentations (44%) including a 16% increase in those who are homeless or threatened with homelessness. It is also evident that single homelessness pressures have increased locally, and the autumn 2018 rough sleeping estimate represented a significant increase on the previous year; from 2 rough sleepers in 2017 to 9 in 2018.
- 6.2 Social Inclusion Services support the Council to meet the needs of vulnerable people in the borough who are homeless or at risk of homelessness. The potential loss of these services, and in particular accommodation based support services and services to vulnerable single homeless people and families, will result in further increasing pressures on the Council's front line. This will have corresponding impacts on costs to the Council in meeting its homelessness duties and wider commitments to the borough.
- 6.3 The Homelessness Reduction Act 2017 significantly extended the Council's homelessness duties, broadening the scope of those who must be supported and introducing more onerous duties to prevent and relieve homelessness.
- 6.4 On balance, Option 1 is not being recommended. Failure to invest in the cluster of Social Inclusion services will have negative consequences for local residents, including our most vulnerable citizens, and for the Council.
- 6.5 The government provides funding to support the Council to prevent and tackle homelessness, including ring fenced FHSG that could be targeted to minimise the impacts of County Council spending reductions in this vital service area.

Option 2:

- 6.6 To ensure the continued provision of Social Inclusion Services in Test Valley, and avoid the negative consequences referenced above, the Council could invest in local services in scope of the County Council's recent decision to reduce expenditure.
- 6.7 This means the funding would be used to support the ongoing delivery of services, in the following way:

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- (a) £10K to maintain local outreach capacity (Two Saints)
- (b) £45K to maintain local Stage 2 accommodation capacity (Two Saints)
- (c) £82K to maintain Community Support for families (Two Saints)

Total Funding Required to Support Option 2: £137K per annum (pro rata for 2019/20 and for the complete year 2020/21)

- 6.8 At the time of writing, Two Saints are currently reviewing their business plan and model of delivery in light of the County Council's Social Inclusion Service review. In particular the decision around Community Support for families and their capacity to deliver this service going forward.
- 6.9 There is no *certainty* that the FSHG will continue beyond 2019/20, however - and whilst it has been drafted in the context of Option 3 below - Annex 2 demonstrates that the current position would facilitate a targeted investment for 2019/20 and 2020/21.
- 6.10 Option 2 would maintain the status quo and ensure the continuation of accommodation based support services and outreach capacity, however, it would miss an opportunity to invest directly in the Borough Council's portfolio of services, targeting TVBC investment away from Community Support and towards something more in keeping with identifiable pressures locally.
- 6.11 In light of the 2018/19 developmental pilot in Housing Options, and the levels of recent demand on the Council's front line housing services, Option 3 recommends an alternative approach that will also ensure a robust network of services can be maintained, whilst bolstering the Council's resilience and capacity to meet the demands of the new Homelessness Reduction Act framework.

Option 3:

- 6.12 Option 3 proposes an alternative approach requiring the same level of investment by the Council as that outlined in Option 2 above.
- 6.13 In light of the importance of accommodation based services in the local area, and increased demand for support services from single people experiencing homelessness, both the outreach capacity and stage 2 accommodation provided by Two Saints remain strategically relevant.
- 6.14 In the context of Community Support provision, the recent evaluation of the Council's Developmental Pilot in Housing Options suggests there may be opportunities to deliver something new from within the Council.
- 6.15 Option 3 does not, therefore, seek to replace the ongoing Community Support provision for families. Contract monitoring for the existing provision demonstrates the majority of families receiving Community Support are housing association tenants.

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Increasingly, housing associations are developing in house support services to assist in managing tenancies, and in the interests of the health and wellbeing of their tenants. The Housing Service is encouraging housing association partners to note the implications of the County Council's recent decisions and to review their own provision in light of the potential loss of Community Support for families.

- 6.16 Additionally, the County Council is looking to its existing Family Support Service and the Supporting Families Programme to meet the needs of some of the present cohort of families receiving Community Support.
- 6.17 Test Valley Borough Council has significantly increased legal duties following the commencement of the Homelessness Reduction Act 2017, and has been experiencing increasing demands from both single people and families. To meet these demands, the approach to supporting people through Personal Housing Plans, and whilst they are residing in temporary accommodation provided under statutory homelessness duties, is becoming increasingly critical. Option 3 would ensure appropriate levels of support for both single and family households. It is in this context that Option 3 proposes the Council invests in its own front line service.
- 6.18 As set out in Annex 2, it is possible within the existing Housing and Environmental Health Service budget, plus the FHSG, to meet the costs of a new Resettlement Service as part of the housing options team, within available funding. To achieve this, a minor restructure may be necessary and staff have been consulted on a potential option included at Annex 1.
- 6.19 The proposal would facilitate targeted support for people in temporary accommodation, including generating increased throughput and resulting vacancies, plus the direct engagement of Resettlement Officer support in the delivery of Personal Housing Plans under the Homelessness Reduction Act.
- 6.20 The increased capacity within the Housing Service would build on existing operational achievements through the 2018/19 developmental pilot and further enable the service to prevent and relieve homelessness effectively.
- 6.21 Whilst the Resettlement Officers will be fulfilling a different function to the current Community Support Service, by working in partnership with a range of other agencies, including housing association support workers, and with proactive targeting of the resources available to the Housing Options team, it is anticipated that Option 3 will not result in a significant cohort of unsupported local residents with low to medium needs. At the same time, Option 3 will retain the current stage 2 accommodation provision and maintain historic levels of outreach support for single homeless people.
- 6.22 Option 3 is recommended to Cabinet. It will facilitate a more resilient and effective housing options service, meeting identified local need and contributing to the Council's approach to demand management. This proposal would require FHSG funding to be targeted in the following way:
- (a) £10K to maintain local outreach capacity (Two Saints)
 - (b) £45K to maintain local Stage 2 accommodation capacity (Two Saints)
 - (c) £82K to introduce a Resettlement Service as part of the Council's Housing Options Service (Test Valley Borough Council)

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Total Funding Required to Support Option 3: £137K per annum (pro rata for 2019/20 and for the complete year 2020/21)

- 6.23 More detail regarding the breakdown of the funding arrangements has been set out at Annex 2.

7 Risk Management

- 7.1 A risk assessment has been completed in accordance with the Council's risk management process and has identified significant (Red or Amber) risks as detailed in the risk assessment. The required actions proposed to reduce these risks will incur additional control costs/insurance as outlined in the Resource Implications section of this report.
- 7.2 This report, and associated recommendations, has been produced in the interests of minimising the risks associated with a significant reduction in Hampshire County Council funding for Social Inclusion Services in Test Valley, and in the interests of investing in a model of service delivery that will be subject to further monitoring and review, including as part of contract monitoring arrangements with the County Council, and through internal performance monitoring within Test Valley Borough Council.

8 Resource Implications

- 8.1 The Council has been awarded Flexible Homelessness Support Grant funding as part of a 3 year determination. This current determination is due to expire in 2019/20 and at the time of writing, whilst it is not anticipated that government will cease this grant, there is no certainty that it will be an ongoing funding stream.
- 8.2 The FHSG allocations for Test Valley for the 3 years are 2017/18 (£168K), 2018/19 (£194K) and 2019/20 (£201K). The Council has committed £162,810 of this funding since 2017/18 to fund 2 FTE Housing Options Officer posts.
- 8.3 A balance of £298,000 has been carried forward from 2018/19 and this with the 2019/20 allocation of £201,000 realises an uncommitted budget of £421,300.
- 8.4 The proposal in Option 3 will be funded through FHSG and the funding implications have been set out in Annex 2. For completeness, the table in Annex 2 provides a summary of all funding to be drawn from the Flexible Homelessness Support Fund, including that agreed by Cabinet in March 2019 with regards to ongoing commitments of Homelessness Reduction Act compliance.

9 Legal Implications

- 9.1 The Council has statutory duties to assist those who are homeless or threatened with homelessness and must comply with the Homelessness Reduction Act 2017. The recommended option will support legal compliance.

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- 9.2 The Council will work with Hampshire County Council to support a contract variation with the current provider, Two Saints, for the ongoing provision of direct access accommodation, stage 2 move-on accommodation, outreach support and targeted community support.

10 Equality Issues

- 10.1 An Equalities Impact Assessment (EQIA) has been completed with regard to the recommendations of this report and issues arising.
- 10.2 The Council radically changed its working practices in 2018 to meet legal obligations and to go beyond what is required by law in the interests of preventing and relieving homelessness. This included providing services to a wider group of customers, whilst focusing on those at highest risk.
- 10.3 In March 2018, Cabinet approved a new Preventing Homelessness Strategy Action Plan, and in March 2019, Cabinet approved an interim Rough Sleeping Action Plan. Both action plans set out practical actions the Council would take in partnership to meet identified needs locally. The recommendations in this report build on these strategic and operational priorities.
- 10.4 Given the rural nature of Test Valley, this presents additional challenges and the EQIA has identified the potential for discrimination or adverse impact around social inclusion. The recommendations in this report seek to mitigate the risk of social exclusion resulting from recent decisions taken by Hampshire County Council and have been specifically designed to meet the needs of vulnerable people including people with protected characteristics.
- 10.5 In this context, the recommendations contained within this report do not create new equalities concerns. Rather they are targeted to mitigate potential negative impacts associated with Hampshire County Council spending reductions. This is to ensure that vulnerable people in Test Valley are able to receive appropriate services, that those services are accessible, and in the interests of proactively preventing and relieving homelessness for all residents.

11 Other Issues

- 11.1 The Council will continue to work in partnership with the wider network of public services to develop a shared sense of responsibility for homelessness.
- 11.2 The Council's Communities Officers are already actively working with the Housing & Environmental Health Service to ensure local responses are adequate and proactive around social inclusion, particularly with regard to vulnerable single people who may be rough sleeping or at risk of rough sleeping.
- 11.3 All wards and communities are affected by the recommendations.

12 Conclusion and reasons for recommendation

- 12.1 The funding changes approved by the County Council have significant implications for Test Valley.

APPENDIX A

- 12.2 Since the commencement of the Homelessness Reduction Act 2017 in April 2018, the Council has been under a significantly increased range of statutory duties associated with the provision of housing advice and homelessness services, and has experienced significantly increased demand for housing advice and support over the past financial year.
- 12.3 Innovative new ways of working within the Council’s Housing Services during that time have proved effective. The report has highlighted a key opportunity associated with the County Council’s decisions, to build on recent successes and consolidate a resilient and modern Housing Service.
- 12.4 The recommendations within this report are intended to meet locally identified priorities and maintain strong partnership arrangements in the interests of meeting the needs of vulnerable people in our communities. This can be achieved through the adoption of a costed approach to investment using existing service budget and ring-fenced government grants.

<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: Housing & Environmental Health) Councillor Bundy			
Officer:	Phil Turner	Ext:	8544
Report to:	Council	Date:	17 April 2019

Housing Manager

Existing Structure

**Senior Housing
Options Officer
Romsey (GD)
Scale 8**

**Senior Housing Options Officer
Andover (KT)
Scale 9**

**HHC Manager
(EW)
Scale 10**

**Homelessness Officer (BW)
Scale 8**

Page 20

**HHO(CC)
Scale 6**

**SHO
Officer
0.6fte
Scale 6**

**HOO
(AD)
Scale 6**

**HOO
(KN)
Scale 6**

**HOO
(DH)
Scale 6**

**HOO
(GT/ST)
Scale 6**

**HOO
(LB)
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**HHO
(CM)
Scale
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**HOO
(LT)
Scale 6**

**PRS
Officer
(RB)
Scale 6**

**HHO
(CH)
0.6fte
Scale 6**

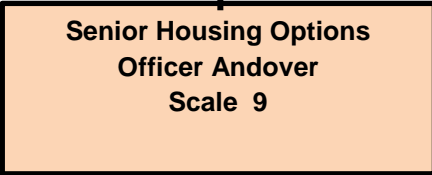


Housing Manager

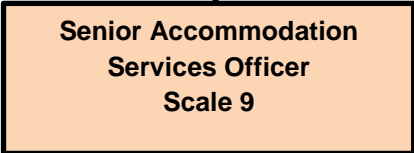
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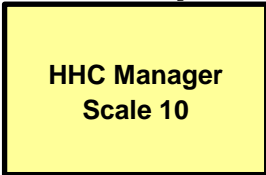
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Romsey
Scale 9



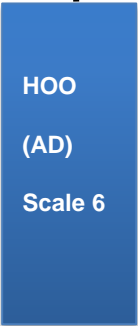
Senior Housing Options
Officer Andover
Scale 9



Senior Accommodation
Services Officer
Scale 9



HHC Manager
Scale 10



HOO
(AD)
Scale 6



HOO
(KN)
Scale 6



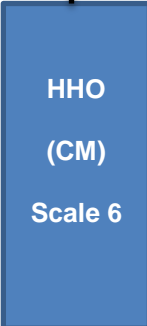
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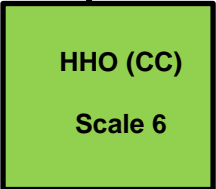
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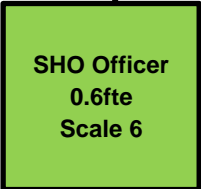
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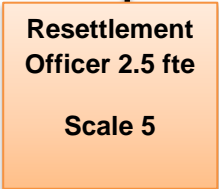
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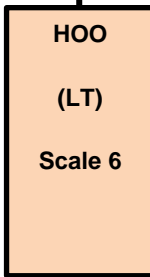
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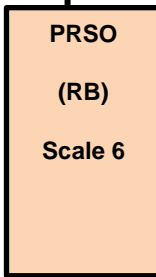
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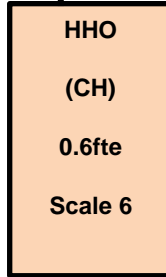
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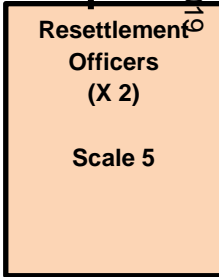
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PRSO
(RB)
Scale 6



HHO
(CH)
0.6fte
Scale 6



Resettlement
Officers
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Annex 2 – Summary of funding implications included in the scope of the recommendations of the report.

Table 1: Homelessness Reduction Act and Housing Options (Subject of March 2019 Cabinet Report)

	2017/18	2018/19	2019/20
Balance b/f	15140	175014	298000
Income			
New Burdens funding	33000	30400	32000
FHSG	168124	194446	201000
Special Projects	0	15000	0
Total income	216264	414860	531000
Expenditure			
Housing Options Officers	41250	59860	61700
Homelessness Prevention fund	0	15000	18000
MATT fund	0	13000	5000
Single Homelessness fund	0	5000	5000
Upgrade ICT system	0	9000	0
Prototyping	0	10000	17500
Training	0	5000	2500
Total costs	41250	116860	109700
Balance c/f	175014	298000	421300 *

**The uncommitted budget will be considered in a separate report to Cabinet, anticipated in April 2019, and associated with the forthcoming changes to Social Inclusion Services in Test Valley arising from the recent Hampshire County Council T19 review.*

Table 2: Social Inclusion Services & Future Funding (April 2019 Cabinet Report)

	2019/20	2020/21
		To be determined
FHSG allocation	201000	determined
Balance b/f	421,300	321,800
Expenditure		
Stage 2 and Outreach Service	38,000*	£55,000
Community/Resettlement Support	61,500**	£82,000
Housing Options Officers		£61,700
<u>HRA Compliance</u>		<u>£48,000</u>
Total Costs	99,500	£246,700
Balance C/F	321,800	75,100

*pro rated for 8 months of 2019/20 - new social inclusion model from Aug 2019.

**pro rata for 9 months of 2019/20 – Start July 2019

APPENDIX B

Ministry for Housing, Communities and Local Government's (MHCLG) Private Rented Sector Access Fund & Future Homelessness Funding Rounds

Report of the Housing and Environmental Health Portfolio Holder

Recommended:

- 1. That the receipt of MHCLG funding and the conditions attached to it as set out in the Annex be noted.**
- 2. That the Head of Housing and Environmental Health be authorised to deliver the joint project as set out in paragraphs 2.4 and 2.5 of the report including incurring expenditure from the MHCLG bid fund not exceeding £74,000.00 for the purposes of recruitment to the posts of Landlord Liaison Officer and Tenancy Liaison Officer on 12 month fixed term contracts.**

Recommended to Council:

- 3. That monies received from this and any future successful bids be transferred to the Homelessness Reserve, and the Head of Housing & Environmental Health, in consultation with the Housing & Environmental Health Portfolio Holder and the Head of Finance, be given delegated authority to draw from this reserve to deliver specific projects where funding is awarded by MHCLG for this purpose.**

SUMMARY:

- Test Valley Borough Council has been successful in securing £177K to deliver a project aimed at improving access to the Private Rented Sector (PRS) across Test Valley and Winchester.
- Test Valley Borough Council is the lead authority and will manage the project.
- This report sets out the content of the successful bid and MHCLG expectations associated with the funding.
- Test Valley Borough Council has signed up to a Memorandum of Understanding with MHCLG as part of the funding award.
- MHCLG funding rounds are generally accompanied by challenging deadlines, and require rapid mobilisation and delivery following funding awards.
- To ensure Test Valley Borough Council is well placed in the future to respond to these opportunities and to deliver associated projects, Cabinet is being asked to consider recommendations that will not only facilitate the delivery of the PRS Access Fund Project, but that will ensure internal processes can accommodate rapid mobilisation of new funding achieved in this context.

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1 Introduction

- 1.1 In October 2018, the MHCLG set out a prospectus inviting bids from local authorities who wanted to secure a share of a £20M “Private Rented Sector Access Fund” to fund schemes that will enable better access and sustainment of tenancies for people who are, or are at risk of becoming, homeless. The prospectus suggested preference would be given to bids that included more than 1 local authority.
- 1.2 This targeted fund recognises that some people experience difficulties in accessing and sustaining private rented sector tenancies, particularly those on low incomes. This can lead people to become homeless, or remain in temporary accommodation. The private rented sector plays an important role in offering a route out of homelessness and rough sleeping, and is a vital part of delivering a range of housing options at a local level.

2 Background

- 2.1 The Council, along with colleagues at Winchester City Council, agreed to bid for funds to deliver a joint project across the 2 areas, with Test Valley being the lead authority. The bid was successful and the MHCLG has awarded the Council £177,000 from the PRS Access Fund to deliver the project across the two local authority areas.
- 2.2 This funding will be delivered in two tranches. The first tranche (£115k) was received at the end of March 2019. The Council will receive the second tranche (£62k) in 2019/20 dependent upon performance in year 1 of the project.
- 2.3 Temporary posts forming part of the project will be created within Test Valley Borough Council’s Housing Service to work across both Test Valley and Winchester areas.
- 2.4 The bid outlined that in addition to the pre-existing work in both Test Valley and Winchester, the proposed scheme would:
 - As an umbrella term for various initiatives, launch “local lettings agency” models, including:
 - Deliver dedicated landlord/dedicated tenant support.
 - Provide “tenant-finder”/ “landlord-finder” handholding services.
 - Provide landlord/tenant hotlines, and dedicated email hotline.
 - Provide standard agreements, inventories, check-in/check-out visits, plus periodic tenancy MOTs.
 - Indemnify landlords with bonds while retaining capacity to offer deposits.
 - Mediate in disputes.
 - Bring health, safety and licensing expertise into the local landlord offer.
 - Promote energy efficiency.
 - Provide bespoke HMO service including supporting landlords considering HMO options for empty properties.
 - Create bi-annual landlord steering groups and the same for tenants.

APPENDIX B

- Provide PRS advertising through Hampshire Home Choice sub-regional Choice Based Lettings.
 - Provide basic repairs/maintenance for landlords accommodating people in receipt of Universal Credit.
 - Work directly with DWP to trouble-shoot Universal Credit/employment issues.
 - Incentivise longer tenancies for households moving out of temporary accommodation (minimum 12 months, cash incentive for 24).
 - More effective use of PRS to end Part 7 homelessness duties.
 - Deliver direct pre-tenancy training and support for vulnerable single people.
 - Dedicated “arrears scheme” providing interest free loans to PRS tenants at risk.
 - PRS support for all customers regardless of duty.
 - Actively encourage PRS landlords and their agents to contact the Councils *before* serving NTQ.
 - Build on launch to incorporate PRS move-on from supported housing for former rough sleepers.
 - Explore linking the scheme to the TVBC housing company.
- 2.5 The dedicated landlord and dedicated tenant support will be delivered through the creation of 2 posts; Landlord Liaison Officer and Tenancy Liaison Officer respectively. These roles will be full-time and employed by Test Valley Borough Council (as lead authority) to work across both boroughs.
- 2.6 The “local letting agency” reference will become a catch all to encompass a range of work with landlords and tenants, and in the interests of meeting local housing need. Various elements associated with the bid have been costed and with the total MHCLG funding delivering them. The Council also committed to match funding in the bid. This match funding reflects the Council’s approach to Housing Options, making the outgoing developmental pilot “business as usual”, as considered and approved by Cabinet in March.
- 2.7 Some elements of the bid require working up further and a significant amount of set up work is required to get processes in place.
- 2.8 This report is also considering the broader implications of the Council’s involvement in future MHCLG funding opportunities, and makes recommendations to facilitate rapid mobilisation. This is intended to support Test Valley in future, to put forward ambitious bids and deliver quickly on those that may be successful, without associated delays that may otherwise impact delivery, in the event that appropriate delegations were not already in place.
- 3 Corporate Objectives and Priorities**
- 3.1 Preventing and tackling homelessness is a priority for Test Valley Borough Council.

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- 3.2 The emerging priorities for the Council, as part of the development of a new Corporate Plan, continue to emphasise the importance of supporting vulnerable people and helping people to secure settled homes. This has been borne out through resident consultation and will remain one of a core set of priorities for the Council when looking to the future.
- 3.3 The recent transformation in Test Valley's approach to preventing and relieving homelessness, dovetails with these ambitions.
- 3.4 Housing and homelessness remain at the top of the national policy agenda, with a new national Rough Sleeping Strategy published in August 2018 and an ongoing emphasis on the importance of preventing homelessness and the role of local authorities in leading their communities to effectively deal with homelessness pressures.
- 3.5 This targeted fund sits alongside other work the Council is committed to in the Preventing Homelessness and Rough Sleeping Strategy, in order to tackle homelessness and rough sleeping and ensure vulnerable people receive the support they need to navigate housing options at a local level.

4 Consultations/Communications

- 4.1 The Housing Team hosts a twice yearly Private Landlords and Letting Agents Forum (PLLAF) which is well attended with over 60 private landlords and letting agencies attending. At the last PLLAF we engaged with our private sector landlords and discussed ways in which the Council could increase access to accommodation for our customers. This included incentives, our offer to landlords and tenants, and informed the bid to the MHCLG for Private Rented Sector Access funding.
- 4.2 The Council has consulted with colleagues at Winchester City Council in the preparation and submission of this bid.

5 Outcomes

- 5.1 The project will improve the local offer for both PRS landlords and their tenants, in the interests of preventing and relieving homelessness, including developing a 'local letting agency model' in both Test Valley and Winchester.
- 5.2 Local authorities were required to include performance data relating to how many households they would assist through the various elements of the scheme, both through preventing or relieving homelessness, and in the context of moving households on or preventing them going into, temporary accommodation. As part of the government's rough sleeping strategy, the bid also required local authorities to set out the number of single people who would be supported.
- 5.3 For Test Valley and Winchester, we have proposed that the total number of households supported through the scheme will be an indicative 285, with 115 households prevented or relieved from homelessness (and within that, 63 single people approximately will be helped).

APPENDIX B

- 5.4 We have also estimated an indicative minimum of 70 households will be moved on from temporary accommodation.
- 5.5 The recommendations of this report also seek to ensure the Council is well placed to submit ambitious bids for future funding, and to ensure the relevant delegations are in place to enable urgent delivery to meet MHCLG expectations.

6 Risk Management

- 6.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

7 Resource Implications

- 7.1 The Council has been allocated £177k funding from the MHCLG Private Rented Sector Access Fund. This is ring fenced for the purpose of enabling better access and sustainment of tenancies in the private rented sector for people who are, or who are at risk of, becoming homeless. The proposed scheme can be delivered using MHCLG Private Rented Sector Access Funding and existing budgets in Test Valley and Winchester Housing Services.
- 7.2 The bid also commits to recycling elements of the scheme where possible to ensure the MHCLG funding benefits as many households as possible. Any savings achieved through the funding will also be reinvested in the scheme.
- 7.3 Receipt of the second tranche of funding (£62k) is dependent upon performance in year 1 of the project.
- 7.4 The recommendations contained in this report include delegations to ensure that the Council can respond quickly to future funding opportunities and deliver rapidly mobilised projects in the event that bids may be successful.
- 7.5 The Council's budgetary framework is designed to prevent expenditure being incurred where no authorised budget exists, and funding achieved from MHCLG homelessness bid rounds sits outside this framework and may only be spent in scope of the intended purpose, in accordance with MHCLG requirements.
- 7.6 The report recommends that all monies received from successful bids are transferred to the Homelessness Reserve with delegated authority to draw from this earmarked reserve as may be necessary to deliver projects where funding is awarded by MHCLG for the purposes of delivering specific projects.
- 7.7 **Legal Implications**
- 7.8 The Council has statutory duties to assist those who are homeless or threatened with homelessness and must comply with the Homelessness Reduction Act 2017. This funding will assist the Council to discharge its main homelessness duties with Private Rented Sector Offers.

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8 Equality Issues

- 8.1 An Equalities Impact Assessment (EQIA) has been completed with regard to the Homelessness Reduction Act and Future of the Developmental Pilot Report to Cabinet on 13 March 2019. The EQIA identified a potential for discrimination or adverse impact around social inclusion and this funding will support the Council's new way of working and all opportunities to promote equality are being taken.

9 Other Issues

- 9.1 Community Safety - None
- 9.2 Environmental Health Issues - None
- 9.3 Sustainability and Addressing a Changing Climate - None
- 9.4 Property Issues – None
- 9.5 Wards/Communities Affected – None

10 Conclusion and reasons for recommendation

- 10.1 The Council has successfully secured additional resources for local residents in need in both Test Valley and Winchester Council areas.
- 10.2 The Private Rented Sector Access Fund project must now be delivered and this report and associated recommendations will facilitate mobilisation and delivery.
- 10.3 The recommendations in this report will support the Council to meet its legal duties to prevent and relieve homelessness, and further builds on the Council's recent innovations in the way it delivers services to people who are homeless or at risk of homelessness.
- 10.4 MHCLG funding rounds require urgent participation and rapid mobilisation. This report provides detail associated with a specific project yet its recommendations seek to ensure that the Council is well placed to submit further ambitious funding bids and to deliver on those bids in future, by ensuring the right delegated power is in place.

APPENDIX B

<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 & Environmental Health) Councillor Bundy			
Officer:	Phil Turner	Ext:	8544
Report to:	Cabinet	Date:	17 April 2019

Private Rented Sector Access Programme: Memorandum of Understanding

Test Valley Borough Council

Agreed: [date]

Signatories

SIGNED for and on behalf of

SIGNED for and on behalf of

The Secretary of State for the Ministry of
Housing, Communities and Local
Government

Test Valley Borough Council

Name

Name

Position

Position

Signature

Signature

Date

Date

1. Purpose of the Memorandum of Understanding

1. This Memorandum of Understanding has been drafted to set out the principles and practices that will apply to the working relationship between the Ministry of Housing Communities and Local Government (MHCLG) and Test Valley Borough Council with regard to delivering a Private Rented Sector (PRS) Access Programme (“the Programme”).
2. This Memorandum of Understanding sets out the monitoring arrangements and responsibilities, accountability, governance structures and financial arrangements for the Programme.
3. This memorandum guides future relationships and is subject to review where appropriate to ensure that it continues to reflect activity on the ground.
4. While this Memorandum of Understanding is not a legal or binding agreement, all parties are committed to honoring it. This Memorandum of Understanding will need to be updated to take account of any possible future changes in the wider relationship between the parties involved.
5. This Memorandum of Understanding outlines the actions which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and that they deliver value for money. In performing their respective roles, the parties will continue to ensure that they act in a manner that is lawful, transparent, evidence based, consistent and proportionate.
6. To satisfy the requirements of MHCLG, Test Valley Borough Council must:
 - Offer a comprehensive service that meets local need and provides help for those who are homeless, or at risk of homelessness, and rough sleeping, and need additional support to access the private rented sector;
 - Provision could include:
 - Incentives;
 - Procurement;
 - Staff;
 - Tenancy sustainment support.

2. Funding Composition and Payment Mechanism

7. Total funding of £177,000 (£115,000 in 2018-19 and £62,000 in 2019-20) will be paid directly to Test Valley Borough Council for this Programme, provided by MHCLG, via a Section 31 Grant Determination. Funding for 2018-19 will be paid in March 2019.
8. The provisional allocation of £62,000 for financial year 2019/20 is dependent on the appropriate delivery and financial management by Test Valley Borough Council of the Programme set out in their bid(s) for funding from the Programme. MHCLG will periodically assess and rate the delivery and financial management of the programme with a RAG rating. Future payments will be made to Test Valley Borough Council where a RAG rating of green or amber/green from MHCLG is achieved. This RAG rating will be based on whether MHCLG is confident (i.e. expected actions are being delivered on time and to budget) that the Programme that Test Valley Borough Council is committed to deliver meets, and will continue to meet, the original policy intent as detailed in the sections below and in the published prospectus.
9. 2019/20 funding will be paid at two points, Q1 and Q3, subject to continuing to achieve a RAG rating of green or amber/green.
10. Funding will be withheld where a RAG rating of amber/red or red is achieved until Test Valley Borough Council is able to make adjustments to the delivery of the Programme to enable it to achieve a revised rating of green or amber/green.
11. This funding is for the sole purpose of delivering the Programme in Test Valley Borough Council.
12. It is Test Valley Borough Council's responsibility to provide assurance to their MHCLG account manager that funding is accounted for and is only applied to the delivery of the programme in this local authority and any other partner authorities.

3. Governance, Monitoring and Reporting

Governance

13. MHCLG's Principal Accounting Officer is accountable to Ministers and Parliament for the funding and MHCLG will, therefore, require Test Valley Borough Council to provide performance reports about the Programme referred to in this Memorandum of Understanding.
14. In MHCLG the funding Programme set out in this Memorandum of Understanding will be managed at a strategic level by the Homelessness Delivery Team.
15. Where Test Valley Borough Council identifies significant risks or issues of financial or delivery under-performance these must be escalated to the Deputy Director for Homelessness and Rough Sleeping Delivery in MHCLG for resolution.
16. Test Valley Borough Council and MHCLG will hold quarterly monitoring meetings to discuss progress and performance across the Programme in this Memorandum of Understanding, informed by a quarterly monitoring and performance report from Test Valley Borough Council.
17. We expect local authorities to attend events as required by MHCLG to share learning and feedback.

Monitoring and Reporting

18. Test Valley Borough Council will appoint an account manager who will be responsible for providing a quarterly monitoring and performance report, designed and agreed between MHCLG and local authorities, covering the following areas at the end of each quarter, broken down by single people households and families where applicable:
 - A summary of progress made on the funded Programme set out in this Memorandum of Understanding, setting out recent actions and achieved outcomes;
 - Financial performance - breakdown of spending to date and forecast of future spending;
 - Status of recruitment, where relevant (number of FTEs);
 - Current risks and how they are being mitigated;
 - Baseline and outcomes data;
 - Number of properties procured and let to households in same quarter 2018-19;
 - Number of households in TA at end of same quarter 2018-19;

- (where relevant) number of family households in B&B at end of same quarter 2018-19;
- Number of new properties procured and let this quarter;
- Number of households in TA at end of this quarter;
- (where relevant) number of family households in B&B at end of quarter;
- Number of new PRS properties procured and let to households under;
 - Prevention duty
 - Relief duty
 - Main duty
- Number of households where homelessness prevented for at least 6 months, helped to stay in current property (i.e. homelessness prevented);
- Number of new PRS properties procured and let to households with;
 - 6 months tenancies;
 - 12 months tenancies;
 - 12+ months tenancies;
 - Of which, 36+ months tenancies;
- Tenancy sustainment outcomes:
 - Number of individuals retaining new PRS tenancies after 6 months;
 - Number of individuals retaining new PRS tenancies after 6-12 months;
 - Number of individuals retaining new PRS tenancies after 12+ months;
- Number of failed tenancies and reason for failure;

19. Test Valley Borough Council and MHCLG, during the delivery of the Programme, will conduct an evaluation (detail to be agreed) to inform future local and Government initiatives and enable learning to be shared elsewhere. Test Valley Borough Council is expected to provide data and information to the evaluators as required. This includes, but is not limited to, the information outlined above. MHCLG will also explore with Test Valley Borough Council the possibility of identifying this data for the quarter before intervention begins.

4. Data Protection

21. MHCLG, Test Valley Borough Council, and any partners will co-operate with one another to enable each party to fulfil its statutory obligations under the General Data Protection Regulation (EU) (2016/679) as amended, superseded or replaced from time to time.
22. For the purpose of the evaluation, it may be necessary to establish data sharing agreements between MHCLG, Test Valley Borough Council and partners and for Test Valley Borough Council to issue privacy notices to service users. MHCLG and Test Valley Borough Council will cooperate to ensure all GDPR obligations are met to enable this data sharing to take place.

Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, nor authorise either of the parties to make or enter into any commitments for or on behalf of the other party.

ITEM 11

Notice of Motion – Rule 12

Councillor Celia Dowden will move that:

That the membership of the Northern Area Planning Committee and the Southern Area Planning Committee be amended to reflect the representation of local ward members.

Therefore, it is proposed that the membership of the Area Planning Committees be as follows:

Northern Area planning Committee (13 Members)

Councillor Borg-Neal (Chairman), P. Lashbrook (Vice-Chairman) and Councillors Andersen, Brooks, Burley, Donnelly, Ecclestone, L Lashbrook, Lodge, Matthews, Rowles, Thorp and Watts.

Southern Area planning Committee (13 Members)

Councillor Cooper (Chairman), Finlay (Vice-Chairman) and Councillors Anderdon, Bailey, Bundy, Burnage, A Dowden, C Dowden, Gidley, Hatley, Parker, Ward and Warnes.

Councillor Nick Adams-King will second the motion.

ITEM 12

OSCOM: CHAIRMAN'S ANNUAL REPORT

Introduction

The last twelve months have been professionally very satisfying for the Members and Officers involved with Test Valley Borough Council's Overview and Scrutiny Committee. Several one-day courses were taken up by Members and Officers at the Centre for Public Scrutiny in order to increase their effectiveness. In particular it was pleasing to see that the Local Government Association's Peer Challenge Review was very complimentary about the positive role that OSCOM plays in the work of the Council. These are outlined in some detail below.

Away Day

The OSCOM Away Day was held on 6 July 2018 in the Annexe, Crosfield Hall, Romsey. The day started with an introduction by the Chairman and then the Leader spoke to Members about collaborative working with Cabinet. Sessions were also held on the Corporate Plan Development and the LGA Peer Challenge where Members were asked to consider the Council's strengths and areas for future development.

During the afternoon Members split into groups to help shape the Work Programme for the forthcoming year. Members also looked at how OSCOM worked and how they could continue to develop the way in which they worked.

The LGA Peer Challenge and the way we do business

OSCOM played an important and proactive role throughout the Peer Challenge. Members of the Committee supported the development of the Position Statement as part of a dedicated roundtable and met with members of the peer team during their site visit in October.

The feedback report from the LGA highlighted the strengths of the Council's Scrutiny arrangements and the good working relationships between members. The peer team made specific reference to the effective way in which OSCOM develops its work programme through an annual away day and by focusing on key priority issues for the area. In particular, issues such as economic development and affordable housing were notable examples

The feedback report also noted that OSCOM's task and finish groups "undertake work with purpose" and drew on recent examples such as the work of the Communications and Procurement Panel and the Public Involvement Panel.

There was also recognition of the proactive and beneficial work OSCOM is undertaking with Cabinet to consider key issues on the Cabinet's forward plan such as the Corporate Plan and budget at an earlier stage.

OSCOM has continued to build upon the positive remarks made by the LGA and a new work tracking process has recently been adopted. Additionally, the recent reviews covering the Future of the High Street and Disabilities have piloted new scrutiny methods. This has included involving experts and members of the public in focus group type work, as originally contemplated by the Public Involvement Panel. Additionally the disability review process used a form of “action learning” in the formulation of its recommendations.

Round Table discussions and Briefing Notes

Six Round Table discussions have been held during the year including:

Andover Vision
Corporate Plan
Future of the High Street
Armed Forces Covenant
Review of Community Toilet Scheme

Three Briefing Notes were circulated to OSCOM Members in the last year on Affordable Housing, Safeguarding Children & Vulnerable Adults, and Annual Review and Risk Management

Items and Meetings

There have been 11 meetings held since the last Chairman’s Annual Report, and 23 items of business discussed. A number of items have been considered by OSCOM on their way to Cabinet and Council including review of Planning Committees, Drug Intervention Services in Test Valley, Public Involvement, review of Council Tax Support and the new Corporate Plan 2019-23.

Presentations

A number of presentations were received during the year from both internal and external presenters, including:

- Corporate Action Plan – The Leader gave a presentation which reviewed how the Council was delivering on its ambitions as set out in the Corporate Plan 2015-19, *Investing in Test Valley*.
- Councillor Drew, Portfolio Holder for Economic Development and Tourism gave a presentation on his Portfolio.
- Chief Inspector Thorne briefed the committee on local Policing in Test Valley, supported by Inspector Taylor.

Panels

As well as the permanent OSCOM Panels of the **Budget Panel** (led by Councillor Cockaday) and the **Audit Panel** (led by Councillor Neil), the following temporary Task and Finish Panels have been progressed:

Planning – This Panel was led by Councillor Hibberd. Its aim was to review the role and operation of the Planning Control Committee and the two area Planning Committees, to gain a better understanding of how they operated and produce recommendations for their future role, structure and composition.

Recommendations from the Panel, in so far as they related to the function and structure of the area planning committees, were referred to the Planning Advisory Service (PAS) for consideration as part of its review of the Council's Planning Committees in October 2018. These recommendations were that the Planning Control Committee comprise 14 Members (The Chairman and Vice-Chairman of each of the two Area Committees plus the Portfolio Holder and nine members to balance of northern and southern members as far as possible) as from Annual Council in May 2019.

It was also proposed that the area planning committees continue as currently. The Planning Advisory Service disregarded recommendations from OSCOM's Panel and put forward contrary recommendations. The Cabinet considered the PAS review and agreed their recommendations, which were presented to Council and supported by a majority vote at the full Council, in April 2019.

The recommendations were, to abolish the existing Development Management Committee system of Northern Area Planning Committee, Southern Area Planning Committee and Planning Control Committee.

To replace those committees by two politically balanced Development Management Committees; Northern Area and Southern Area, with each Committee comprising thirteen Members. It will be reviewed after a year of operation.

Council Tax Support Scheme – This Panel was led by Councillor Baverstock and was set up to review the Council Tax Support Scheme for 2019/20 and beyond. The main area of focus was to consult on working age claimants in the Borough, the level of support in light of the Government programme to introduce Universal Credit, and the financial effects for the Council and residents.

The Panel made recommendations to OSCOM on 21 March 2018 on a number of options. Following consultation three recommendations were agreed at OSCOM and Cabinet and subsequently agreed at Council on 23 January 2019.

Parking (Car Park and Streets) – This Panel was led by Councillor Baverstock. The main areas of focus were parking provision and standards on new developments and public car parks, and regulations/guidance covering parking of commercial vehicles in residential areas. OSCOM considered the Panel's final report on 20 March 2019 which focussed on provision, standards and location, and enforcement. The Panel recommended several actions aimed at improving car parking for residents and visitors to Andover and Romsey.

The Future of Hospitals in Andover and Romsey – A Panel was established to look at the future of hospitals in Andover and Romsey and their survival/development. The Panel has started work, however due to staffing changes at Romsey Hospital there has been some delay in undertaking the scoping for the Panel.

The Future of the High Street – Councillor Hurst led on a piece of work to look at whether Council policies contained in strategic documents such as the Local Plan enable the future development of High Streets in Test Valley, and what other authorities are doing. A Workshop was held on 5 March 2019 with keynote speaker Professor Christopher Turner, Chairman of the National Association of Business Improvement Districts. Views and evidence were gathered from stakeholders on likely future developments for retail and non-retail, examining good practice from elsewhere and considering what key documents and policies, (such as the new Local Plan, Corporate Plan and Corporate Action Plan), can do to respond. The Panel's recommendations were submitted to Cabinet on 22 May 2019.

Disability Review - Councillor Hamilton led a programme of work that sought to explore how the Council can further develop appropriate mechanisms for reviewing equality issues, as part of an evidence-led approach to decision making. The primary focus of the review was to consider issues relating to disability. As part of the process, two disability focus groups, in the north and south of the Borough, were held as part of the community engagement programme for developing the Council's new Corporate Plan in summer 2018. The purpose of these sessions was to gain an insight from people with disabilities on the broad range of issues that groups and residents from across the Borough were being consulted on during this period. This was not a targeted survey; it was about creating an appropriate inclusive mechanism in which people with a range of disabilities could take part. Although the primary focus for the review was disability matters, many of the lessons learned will be utilised when seeking to review a wide range of equality issues.

Armed Forces Covenant and Test Valley Housing Services – Councillor Borg-Neal and Councillor Hamilton will lead on a Panel to look at the Armed Forces Covenant and how it related to the Housing Services provided by the Council. Scoping for the panel commenced following the Local Elections.

Work Programme

The Chairman led a review of the Committee's 4-year Work Programme to see if anything needed to be added, studying the level and periodicity of reporting, and progress of strategic projects. A number of changes were made and Portfolio Holder presentations on the work of their portfolios were scheduled in throughout the period.

Conclusion

It has been a good year for OSCOM, and I wish all those associated with it continued success. My particular thanks are due to Andrew Ferrier and Caroline Lovelock, whose experience and cooperative willingness have been the bedrock of OSCOM's success, and also to the Vice-Chairman and all Panel leaders who have done the 'heavy lifting' in driving forward the Committee's work programme.

Ian Jeffrey
Chairman
Overview and Scrutiny Committee

ITEM 13

Appointments to Outside Bodies

Report of the Corporate Portfolio Holder

Recommended:

1. That Councillor Flood be replaced by Councillor Johnston as Deputy representative on the Project Integra Management Board.
2. That Councillor Andersen be replaced by Councillor Hamilton as the Council's representative on Unity.

SUMMARY:

- Council approval is sought for the substitution of the Council's Deputy Project Integra Management Board representative.
- Council approval is also sought for the substitution of the Council's representative on Unity.

1 Background

- 1.1 Appointment of Members to Outside Bodies is made at Annual Council each year.
- 1.2 Project Integra is Hampshire's Waste Management Partnership between all Hampshire Local Authorities and the County Council.
- 1.3 Due to the appointment of Councillor Johnston as the Council's new Environmental Portfolio Holder it is recommended that she replaces Councillor Flood as the Council's Deputy Project Integra Management Board representative.
- 1.4 Unity is a charity working across the borough which aims to support and encourage community initiatives to enable Test Valley to have a strong, effective voluntary and community sector embracing equality, diversity and voluntary action.
- 1.5 Due to changing commitments it is recommended that Councillor Andersen is replaced by Councillor Hamilton as the Council's representative to Unity.

2 Risk Management

- 2.1 No risks are identified.

3 Resource Implications

- 3.1 There are no resource implications.

4 Legal Implications

4.1 There are no legal implications. A resolution of full Council is required to effect the replacement appointment.

5 Equality Issues

5.1 None are identified.

6 Conclusion and reasons for recommendation

6.1 It is recommended that Councillor Johnston is appointed as Deputy representative to the Project Integra Management Board.

6.2 It is recommended that Councillor Hamilton is appointed as the Council's representative to Unity.

<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:	None	File Ref:	N/A
(Portfolio: Corporate) Councillor T Preston			
Officer:	Karen Dunn	Ext:	8401
Report to:	Council	Date:	26 June 2019

ITEM 15 Andover Town Centre Rejuvenation and South of Romsey Town Centre Projects Update

Report of the Leader and Planning Portfolio Holder

Recommended:

- 1. That the budget requirement, as set out in paragraph 8.3, be approved to progress the Andover Town Centre Rejuvenation and South of Romsey Town Centre projects and the cost is met from the New Homes Bonus Reserve.**
- 2. Expenditure from the allocated budget be delegated as follows:**
 - a. For Andover, to the Head of Planning and Building in consultation with the Head of Revenues Taxation/Enterprise, the Finance Portfolio Holder and the Leader; and**
 - b. For Romsey, to the Head of Planning Policy in consultation with the Head of Finance, the Finance Portfolio Holder and the Planning and Romsey Futures Portfolio Holder.**

SUMMARY:

- This report provides a brief update on the progress of the Andover Town Centre rejuvenation project and the south of Romsey Town Centre project.
- This report identifies a number of areas of work that will require additional professional support in the future to take the projects forward and ensure successful outcomes.
- This report recommends that a budget, financed from the New Homes Bonus Reserve, be approved for any work required to take the projects forward.
- This report seeks delegated authority to spend funds from the allocated budget.

1 Introduction

- 1.1 This report provides a brief update on the progress of the Andover Town Centre rejuvenation project and the south of Romsey Town Centre project.
- 1.2 The report identifies a number of areas of work that will require additional professional support in the future to take the projects forward and ensure successful outcomes and recommends that a budget be approved for any such work.

2 Background

2.1 Andover Town Centre Rejuvenation

- 2.2 The Council purchased the Andover Magistrates' Court building plus the 48-space car park on 3 July 2015. As part of the One Public Sector Estate programme, work was undertaken with a number of partners to create a combined use building for public sector bodies. This primarily included combining a number of local doctors' surgeries, HCC Community Link, CAB and potentially some additional facilities.
- 2.3 However, following the preparation of a number of detailed surveys the doctors' surgeries withdrew their interest in the project. The inclusion of the GP practices was pivotal to the success of the public sector hub and without their commitment the project could not proceed.
- 2.4 Further work was undertaken to consider the options available to the Council to bring the building back into use or re-develop the site. One of these options was to explore a large scale re-development on the site, potentially to also include The Lights theatre.
- 2.5 The Council launched a market engagement exercise on December 2017 to explore the wider opportunities associated with redevelopment of the Andover Magistrates' Court site and The Lights as a cultural quarter. Initial interest from developers has been promising and the scale of the project grew. A Prior Information Notice (PIN) was published on the OJEU website inviting potential bidders to developer days in Early 2018.
- 2.6 The Council also engaged in discussions with Andover College as an adjacent landowner about our plans. The college has identified this exercise as an opportunity to explore the feasibility of new college facilities on their site, delivering brand new buildings for their learners and making more efficient use of their site. They have asked that their site be included as part of the market engagement exercise.
- 2.7 Similarly, Simplyhealth have also asked the Council to include their Anton House site in the market engagement exercise. Simplyhealth have other premises in Andover and, like the college, are keen to explore the opportunity for including their Anton House site in any redevelopment in this location and maximising the use of other premises in Andover.
- 2.8 A revised PIN, which also included the college campus and Simplyhealth offices, was uploaded to the OJEU website in January 2018. Two developer days were subsequently held and seventeen companies expressed an interest in the redevelopment potential of the site.
- 2.9 Following the developer days work on the project continued with our partners Andover College and Simplyhealth, part of the work included high level viability work commissioned by Simplyhealth. The high level viability work raised concern that the site was not large enough to deliver all of the required constituent parts.

- 2.10 Councillors had also been increasingly concerned about the growing obsolescence of the Chantry Centre given the changing nature of the High Street up and down the country. Councillors had been seeking for some considerable time to bring pressure to bear on the leaseholder of the centre (Aviva) to do something about this situation.
- 2.11 This led to Aviva in conjunction with another partner submitting an investment proposition to the Council. This investment proposition was considered at the time but was not something that the Head of Finance could recommend as a way forward.
- 2.12 The Council instead approved a budget to undertake due diligence on a potential purchase of the leasehold interest of the centre. Following the completion of that due diligence, and with the necessary Council approval in place, the Council purchased the Chantry Shopping centre on the 29th March 2019. This was followed later in April by the Council purchasing some additional units in the Upper High Street. These purchases give the Council control of a significant town centre site.
- 2.13 It is important to note that the Council did not resolve to purchase the Chantry Centre to own and operate it as a shopping centre in its current form.
- 2.14 Having gained control of the site, the Council is now in a position to facilitate regeneration of Andover town centre, including the facilities envisaged in the Cultural Quarter. Any such proposals could include redevelopment to reflect a more relevant mix of uses such as retail, leisure, commercial and residential uses together with improvements to the public realm.
- 2.15 Immediately following the purchase of the leasehold interest of the Chantry Centre the Council invited tenders from Contractors for the production of a masterplan for Andover Town Centre. The aim is to have a masterplan in place for Andover Town Centre early next year which will inform development opportunities for the town centre.
- 2.16 Following completion of the masterplan the next phase of the project will be to explore the redevelopment opportunities identified.
- 2.17 South of Romsey Town Centre
- 2.18 In November 2013, a number of organisations working in Romsey came together to create the Romsey Future partnership. Romsey Future includes key partners such as the Town Council, Romsey and District Society, voluntary organisations and the Borough Council. Following a wide scale public consultation involving over 2000 people a vision document was published in early 2016. It sets out the long-term strategic vision for the town. The Council, along with other partners in the town, has formally signed up to the document.

- 2.19 Key themes that arose from the public consultation process included:
- The creation of improved community facilities (for example the update or replacement of the Crosfield Hall)
 - An improved retail offer that would extend and complement Romsey's market town appeal
 - The potential for more housing within the town centre
 - Better use of the Bus Station site
 - Improved public realm
 - Creating more car parking capacity
- 2.20 In response, the vision document contains an ambition to redevelop the south side of the town centre of which the Bus Station and Crosfield Hall are at the core. This project also reflects the Local Plan in respect of new regeneration opportunities.
- 2.21 Nexus Planning and Perkins & Wills Architects were subsequently appointed in July 2018 to undertake a major consultation exercise, which will lead to the creation of a masterplan for the south of town centre area, in early 2020. It is intended that the masterplan will lead to the creation of a supplementary planning document (SPD) and marketing document which will set out the community's aspirations for the area for future developers. As this time line complements progress with the next Local Plan any proposals for land south of the by-pass would be brought forward as allocations.
- 2.22 The initial public consultation on the masterplan was carried out over September and October 2018. With help from Nexus Planning and Perkins & Will Architects, the purpose of the consultation was to engage with stakeholders and the wider community to establish what realistically can be achieved for the area. It is estimated that more than 1,500 people took part in the process, culminating in a "Planning for Real" type workshop with more than 60 key stakeholders in December 2018.
- 2.23 Nexus Planning and Perkins & Wills Architects are currently working on the outputs of these exercises to develop the draft masterplan. In addition a viability study is being undertaken to inform that work. The draft masterplan will undergo a further round of public consultation in the summer months. In addition to the public consultations the Council is also working with adjoining landowners to ensure that they understand the opportunities that the process could potentially offer.

- 2.24 As the master planning process is now well under way the Council's thoughts have turned towards the delivery phase of the project and, in particular, the resources that will be required to assist in that process. The Master planners have identified short, medium and long term enhancement opportunities that require consolidation into an overall project plan following the adoption of the masterplan.
- 2.25 Focus of report
- 2.26 This report focuses on the works' technical and professional advice required to progress the development and redevelopment projects that flow from the current work taking place in both Andover and Romsey.
- 2.27 External commercial advice will be required for both the Andover and Romsey projects. We have heard from other councils how crucial this type of advice has been to them in helping them in their successful town centre regeneration projects. Procurement of expert advice could be carried out in a number of different ways from single contracts for each project or joint procurement across projects. It is possible to achieve economies of scale if we go out to tender for both Andover and Romsey as part of the same package of work. In addition to economies of scale it is also thought that this approach may attract the "bigger players" to bid for the projects and allow the successful bidder to develop a strong relationship with TVBC at a range of levels. Officers will need to decide which will be the most effective approach to procurement taking into account the needs of each case when any such advice is required.
- 2.28 In the first instance, the commercial advice would allow us, in both Andover and Romsey, to identify the best form of delivery for the different circumstances. As the regeneration process progresses the commercial advisors will be able to assist the council chose the partners that would best provide the desired outcomes. Finally, the advisors will represent the Council's interest on an ongoing basis to ensure that once development partners are on board the best interests of the council and the community are being served.
- 2.29 In addition to external commercial advice there will be a need for other professional and technical advice to guide the Council and protect its interests such as legal, financial, survey work, marketing and technical advice.

3 Corporate Objectives and Priorities

- 3.1 Andover Vision 2017 – 2037 identifies 5 key themes one of which is being part of a thriving town centre. The Vision recognised that to do this it needs to be creative in developing the future retail, leisure and residential offer for the town centre. Improve the appearance and environment and strengthen and grow the evening and night time economy.
- 3.2 Romsey Future 2015 to 2035 identifies a number of ambitions for the town. Like most market towns its principal offer is to be a place where people come and meet. However, as the town develops and its population changes, it is necessary to look at what will be needed, not just now but in the future, both in

terms of amenities and the future provision of services. This ambition is being progressed through the South of Town Centre project.

- 3.3 Growing Our Potential – the Corporate Plan 2019 -2023 identifies town centres as a strategic priority. It recognises the need to change the face of the High Street. Future-proofing our town centres to be accessible places where people live, shop, work and spend their leisure time. Enhancing public realm and improving the appearance and environments of our town centres will also require investment over time.

4 Consultations/Communications

- 4.1 Significant public consultation has taken place in conjunction with Andover Vision and Romsey Future and the projects flow from that consultation and the identified aspirations of the community.

5 Options

- 5.1 The options presented in this report are:

- Approve a budget that will enable the continuation of scoping the Andover and South of Romsey Town Centre projects, including major redevelopment.
- Do not approve a budget. This would significantly reduce the ability to take the projects forward, potentially resulting in the aspirations of the Council for this area not being achieved.

6 Option Appraisal

- 6.1 To bring forward detailed re-development project(s) for Andover Town Centre and South of Romsey Town Centre it is essential that some further project expenditure is committed, covering matters such as legal fees, site surveys, valuation fees and commercial advice fees etc..
- 6.2 At this early stage of the project it is not possible to predict exactly what the Council's expenditure will be to obtain the external professional advice required to take the projects forward. The recommended budget identified below is suggested to provide sufficient funds to enable specialist advice to be procured without having to continually revert back to Council; however, it cannot be guaranteed that further funds will not be required.
- 6.3 It is recommended that the budget identified below is approved, with the costs met from the New Homes Bonus Reserve.

7 Risk Management

- 7.1 To bring forward any detailed re-development project for Andover and Romsey it is essential that further project expenditure is committed, covering matters such as legal fees; site surveys; commercial advice and valuation fees etc.

- 7.2 There is no guarantee that a viable project will be identified as a result of these works; however, doing nothing would leave the Council in the position where it is not able to progress any of the outputs from the master planning exercises currently taking place and holding the Chantry Centre, Crosfield Hall and the increasingly derelict Magistrates' Court building with no clear vision of how to make better use of these key sites in Andover and Romsey town centre.

8 Resource Implications

- 8.1 Expenditure has already been spent or committed on the Cultural Quarter and South of Romsey Town Centre as set out in the table below:

Spent	£
Hoarding of Magistrates' Court building plus advertising	3,045
Legal advice on the Cultural Quarter	20,000
SoRTC master planning	1,700
Committed	
SoRTC master planning	14,835
Total	39,580

In addition to the costs shown above, a further £75,000 has been earmarked from the Council's Special Projects Reserve for professional advice in relation to the Andover Cultural Quarter.

- 8.2 It is anticipated that further expenditure will be required for professional land valuation fees; Commercial advice, ongoing legal advice including the development of a Memorandum of Understanding; development promotion; public consultation & engagement; and further surveys etc.
- 8.3 At this stage it is difficult to provide a precise figure of what the extent of the expenditure will be or exactly what work will be required. The scale of the projects is significant and will require significant funds to take them forward. It is suggested that an additional £1,000,000 should be set aside for the projects.
- 8.4 As both of these projects are for community benefit, it is recommended that the total cost identified above is met from the New Homes Bonus Reserve. As at 1 June 2019, the total uncommitted balance in this reserve stood at £6.24M.
- 8.5 It is also recommended that authority for expenditure from the allocated budget is delegated to the project lead officers: the Head of Planning and Building (Andover) and the Head of Planning Policy (Romsey) both in consultation with relevant officers and members as set out in the recommendations.

9 Legal Implications

- 9.1 External lawyers have been engaged to provide support for the Andover Cultural Quarter project. This advice included, for example, delivery vehicle and procurement options for any redevelopment projects. This advice will need to be reviewed and revised in the light of the larger potential redevelopment area, and the masterplan as a whole.
- 9.2 Continued expert legal advice throughout the projects will be essential to their successful delivery.

10 Equality

- 10.1 There no equalities implications arising from this report.

11 Conclusion and reasons for recommendation

- 11.1 This report provides Council with an update of the Andover Town Centre and South of Romsey Town Centre projects.
- 11.2 The report identifies that approval is needed for funding to enable the project to continue. The estimated cost of that work is set out above and is recommended for approval.
- 11.3 Delegated authority is sought to appoint consultants and spend from the allocated fund.

<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: Leader and Planning) Councillor P North and Councillor N Adams-King			
Officer:	Paul Jackson	Ext:	8186
Report to:	Council	Date:	26 June 2019

ITEM 16 Annual Governance Statement 2018/19

Report of the Finance Portfolio Holder

Recommended:

That the Annual Governance Statement for 2018/19 be approved and that the Leader and Chief Executive be authorised to sign it on behalf of the Council.

SUMMARY:

- The purpose of this report is to seek approval for the Annual Governance Statement, which accompanies the 2018/19 Statement of Accounts.
- Best practice requires that the approval of this Statement is considered separately from the Statement of Accounts, although both are published together in July each year.

1 Introduction

1.1 Test Valley Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

2 Background

2.1 As part of its responsibilities outlined above, the Council is also required to produce an Annual Governance Statement and publish this Statement alongside its annual accounts. The format of the Statement is based on guidance issued in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) in conjunction with the Society of Local Authority Chief Executives (SOLACE) titled 'Delivering Good Governance in Local Government: Framework'.

2.2 The Statement is attached as an Appendix to this report and covers the following areas:

- (a) Scope of Responsibility
- (b) The Purpose of the Governance Framework
- (c) The Governance Framework in place at the Council

- (d) A review of its effectiveness
 - (e) A separate annex of Significant Governance Issues that need to be addressed during the year.
- 2.3 The Review of Effectiveness (item 2.2 (d)) would normally have been carried out by the Internal Audit Partnership Manager employed by Gosport, but in his absence, the Head of Finance approached the Deputy Chief Internal Auditor (DCIA) of Portsmouth City Council to undertake the review this year.
- 2.4 The DCIA has reviewed all of the internal audit work carried out during the year and familiarised himself with the Council's governance arrangements. To inform this work, a separate independent external assessment of the internal audit function's conformance with the Public Sector Internal Audit Standards (PSIAS) was carried out in March 2019.
- 2.5 This assessment concluded that the function "generally" or "partially" conforms with 82.3% of the standards. Whilst there are gaps in some key areas, the assessment found clear evidence that "the work the Service has delivered is effective; especially around risk and performance. It contributes to, and has influence in, the Authority on these areas. It is a highly respected service that is engaged with the organisation and which provides on-going support in key areas, as well as effective assurance on controls".
- 2.6 On the basis of Internal Audit work completed in 2018/19 only, the DCIA of Portsmouth City Council has provided a "substantial assurance" in respect of the Council's risk management, control and governance arrangements but this opinion has been qualified as a result of the PSIAS assessment. "Substantial Assurance" means that systems in place are generally sound, but some weaknesses have been identified which may put some of the control objectives at risk. These weaknesses have been identified and form the basis of the action plan appended to the Annual Governance Statement.

3 Corporate Objectives and Priorities

- 3.1 In addition to its legal responsibilities, approval of an Annual Governance Statement is considered to be best practice and will ensure that proper arrangements are in place to deliver the aims of the Council's Corporate Plan.

4 Consultations/Communications

- 4.1 The Chief Executive, Directors and all Heads of Service have been asked to review the Statement and consider whether there are any areas which they feel are appropriate for disclosure. All comments received have been incorporated into the Statement. The Audit Panel has also reviewed the Statement and action plan at its meeting on 11th March and endorsed the Statement.

5 Options

- 5.1 The Council has a statutory duty to approve an Annual Governance Statement. In view of this, options are limited.

6 Risk Management

- 6.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and has identified three significant governance issues as detailed in the annex to the Statement. The Required Actions proposed to mitigate these risks include timescales and lead officers responsible for completing them.

7 Resource Implications

- 7.1 There are no direct resource implications in approving the Annual Governance Statement. The publication costs can be met within existing budgets.

8 Legal Implications

- 8.1 The Council is required by the Accounts and Audit (England) Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement with the Statement of Accounts.

9 Equality Issues

- 9.1 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.

10 Conclusion

- 10.1 The Annual Governance Statement is part of the framework for delivering good governance in local authorities. The Statement is a high profile document signed by the Leader of the Council and the Chief Executive and is published with the Statement of Accounts each year to demonstrate a commitment to improving corporate governance.

Background Papers (Local Government Act 1972 Section 100D)

Delivering Good Governance in Local Government: Framework' – CIPFA /SOLACE Publication 2016

Accounts and Audit (England) Regulations 2015' – www.legislation.gov.uk

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:	1	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Will Fullbrook	Ext:	8201
Report to:	Council	Date:	26 June 2019

Test Valley Borough Council**Annual Governance Statement 2018/19****Scope of responsibility**

1. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
3. The Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on the Council's website at: <http://www.testvalley.gov.uk/aboutyourcouncil/corporatedirection/local-code-corporate-governance>, or can be obtained from the Head of Legal and Democratic Services. This statement explains how the Council has complied, and continues to comply, with the principles underlying this code and also meets the requirements of regulation 6 of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

4. The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.
5. The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks occurring and the impact should they happen, and to manage them efficiently, effectively and economically.

6. The governance framework has been in place at the Council for the year ended 31 March 2019 and will continue to be developed during the coming year.

The governance framework

7. The key elements of the systems and processes that comprise the Council's governance arrangements are as follows:
8. The Council has fulfilled the following key roles (now formally adopted as part of the Local Code of Governance):
 - a. To promote the well-being of the area and provide leadership to the community;
 - b. To ensure the provision of high quality services provided in-house, by private sector companies, jointly with other Councils or agencies, or by the voluntary sector;
 - c. To be accountable and provide stewardship for the use of public funds and resources;
 - d. To build a strong sense of community.

In fulfilling these roles the Council is committed to following the six core principles of good corporate governance identified in the CIPFA/SOLACE Guidance and how the Council is working towards achieving these principles is set out in the document "Principles of Good Governance"

9. A single strategic partnership for the Borough is in place called the Test Valley Partnership. It brings together the key partner agencies from across the public and voluntary and community sector. It meets twice a year and provides a place in which the key strategic issues facing the borough can be discussed, joint work developed and statutory duties met.
10. The Council has a clear vision of its purpose and desired outcomes for the short, medium and long term. These are encapsulated in its Corporate Plan through a range of corporate and service strategies and through four areas of focus as part of the Council's commitment to the Test Valley Partnership. There has been considerable consultation and stakeholder involvement in the development and progression of these plans and strategies and they are made available to the public through a variety of means including the Council's website and Test Valley News.
11. Work on developing a [Corporate Plan for 2019-2023 "Growing Our Potential"](#) was undertaken during 2018/19 with Councillors taking an active and collaborative role in the process. This informed the setting of the Council's future priorities and is supported by a robust evidence base taking into account the views of over 2000 local residents, external influences and statistical bases. It has four main aims and an action plan detailing how these aims will be delivered. It is supported

by a performance management framework (including performance indicators) to measure progress.

12. This new Corporate Plan was approved by Council on 10/04/19 and has been designed to build on the strong foundations of the previous 2015 – 2019 plan “Investing in Test Valley” that was in place throughout 2018/19.
13. The Council formally reviews its progress and performance against its corporate priorities through an [Annual Corporate Action Plan](#) Report which is presented to Overview and Scrutiny Committee (OSCOM) and the Cabinet.
14. Members of OSCOM undertake task and finish panel reviews. Once an area for review has been identified, the lead member/chairman of the panel presents the draft scoping document for the review to the full committee for consideration. A full report is then subsequently presented to OSCOM once the review has been completed or reached an appropriate stage. This process has ensured more effective and focused reviews and a clear line of responsibility to the main committee. In addition, there are standing panels; the Audit Panel and the Budget Panel which meet regularly throughout the year and cover scrutiny of all the financial activities of the Council. The standing panels report to OSCOM on a regular basis and bring any issues of concern to the attention of the Committee.
15. The Council has in place a Medium Term Financial Strategy, updated annually, which supports the aims of the Corporate Plan.
16. The quality and value for money of services provided to users is measured through the Authority’s performance management system. This includes the measurement and review of performance against national and local performance indicators and actions taken to address areas for improvement. Performance is monitored regularly throughout the year by Performance Boards.
17. The roles of the Cabinet, OSCOM, and other committees of the Council as well as specific roles assigned to the Leader, Deputy Leader, Portfolio Holders and senior officers of the Council are defined and documented within the Council’s Constitution. The Constitution also clearly identifies the powers, duties and responsibilities delegated to the Deputy Leader, Portfolio Holders and Officers, and includes rules for how Council and committee meetings should operate and the relationship between Members and Officers.
18. The conduct of Members and Officers is regulated by separate codes of conduct within the Council’s Constitution. The Council’s General Purposes Committee together with the General Purposes Employment Appeals and Ethics Sub-Committee promote high standards of conduct by Members and consider complaints made against Members. A comprehensive set of Human Resources policies ensures compliance with employment legislation and promotes good personnel practices.

These include disciplinary and capability processes to deal with conduct or performance which is unacceptable. These policies and procedures are regularly reviewed and revised.

19. The conduct of day to day Council business is regulated through policies and procedures such as Contract Standing Orders and Financial Regulations. These accord with good professional practice and were revised in 2017. The delegations to Members and Officers are kept continually under review and revised as appropriate.
20. Elected members and all officers are aware of their obligations under equality legislation, as well as the standards of behaviour and language which are expected from representatives and employees of the Council. Ongoing training is provided for both Members and officers. Equality impact assessments are built into the Council's decision-making process. The Council has reviewed its corporate equalities objectives, alongside its duties under the new gender pay gap publication requirements. The Council continues to deliver training on the Equality Act 2010 to new members of staff and to Members. The Council published information that demonstrates compliance with the Equality Duty as defined by the Equality Act 2010 on its website in March 2018:
<https://www.testvalley.gov.uk/aboutyourcouncil/corporatedirection/equality---diversity/equalities>
21. The Council has established a Disability Focus Group that contributed towards the development of the new Corporate Plan. Its members have agreed to help the Council and its partners on an ongoing basis.
22. Section 11 of the Children Act 2004 places key responsibilities on district councils (as a statutory partner) with regard to safeguarding children and young people. The Care Act 2014 came into force in April 2015. This now places adult safeguarding on a statutory footing and requires district councils to pay due regard to our vulnerable adults in accordance with this legislation. The Council has adopted a Safeguarding Children, Young People and Vulnerable Adults policy and procedure to ensure compliance with these duties. On a regular basis the Hampshire Safeguarding Children Board requires all statutory partners to complete a Section 11 audit as a self assessment tool to assess their position in respect of its safeguarding duties. The last audit in 2018 identified that Test Valley Borough Council is compliant with Section 11 of the Children Act.
23. The Council's approach to risk management is outlined in its Risk Management Strategy. Corporate risks are reviewed on a quarterly basis by the Council's Service Performance Boards and progress in managing the corporate risk register is reported to OSCOM on an annual basis. The Finance Portfolio Holder is the Council's Member Champion for risk management and risk management is embedded within the Council's processes e.g. reports to decision-making committees use a template which includes a section on risk

assessment which must be completed before the report can be considered.

24. The Council's OSCOM Audit Panel meets quarterly to undertake the core functions of an "audit committee". The terms of reference for the Audit Panel include:

Audit Activity

- a. To consider the Internal Audit Partnership Manager's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- b. To consider summaries of specific internal audit reports as requested.
- c. To consider reports dealing with the management and performance of the providers of internal audit services.
- d. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- e. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- f. To consider specific reports as agreed with the external auditor.
- g. To comment on the scope and depth of external audit work and to ensure it gives value for money.
- h. To commission work from internal and external audit.

Regulatory Framework

- i. To maintain an overview of the Council's constitution in respect of contract standing orders, financial regulations and codes of conduct and behaviour.
- j. To review any issue referred to it by the chief executive or a director, or any Council body.
- k. To monitor the effective development and operation of risk management and corporate governance in the Council.
- l. To monitor Council policies on whistleblowing and the anti-fraud, anti-corruption and anti-bribery strategies and the Council's complaints process.
- m. To oversee the production of the authority's Annual Governance Statement and to recommend its adoption.
- n. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- o. To consider the Council's compliance with its own and other published standards and controls.

25. The Chief Executive is the Council's Head of Paid Service and has overall corporate management and operational responsibility for the way in which the Council delivers its services. The Head of Legal and Democratic Services is designated as the Council's Monitoring Officer and has responsibilities under section 5 of the Local Government and Housing Act 1989 for ensuring that the Council complies with relevant laws and regulations and internal policies such as Contract Standing

Orders. The Head of Finance is designated as the Council's Section 151 Officer with responsibility for ensuring the "proper administration of financial affairs". The Head of Finance also has responsibility under section 114 of the Local Government Finance Act 1988 for reporting to the Council and the external auditor if the Council has made, or is about to make, expenditure which is unlawful. These three statutory officers meet as necessary during the year to discuss significant corporate issues as they arise.

26. The CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010) requires the Chief Finance Officer to report directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The Council does not strictly comply with this requirement in that the Head of Finance is not part of the Strategic Management Team (Chief Executive and two Corporate Directors) and reports to one of the Corporate Directors. However, in practice, the Head of Finance is able to report directly to the Chief Executive and Members as and when required, is a member of the Officers' Management Team, and is involved and consulted in all matters which have financial implications for the Council.
27. The Council's Constitution contains a Confidential Reporting Code for Employees which safeguards "whistle-blowers" who raise concerns about the Council's actions and specifies how their concerns should be addressed. Financial Regulations require all staff to raise concerns about the use or misuse of Council resources with the Head of Finance or Internal Audit who will carry out an independent investigation of the circumstances. Internal Audit also actively encourages staff to raise matters of concern through "Speak Up" campaigns. A form is available on the Council's Intranet for staff to raise concerns (anonymously if desired) about the use of Council resources and this facility has been extended to the website so that members of the public can raise concerns in this area. The Council also has a formal complaints procedure for members of the public to raise issues, e.g. where they are dissatisfied with the service they have received, and an annual report is prepared for OSCOM summarising these complaints and how they were resolved.
28. The Council has a detailed Anti-Fraud and Corruption Policy which sets out the roles, responsibilities of officers and Members and actions to be taken when fraud or corruption is discovered. In addition, an Anti-Bribery Policy has been approved to address the requirements of the Bribery Act 2010.
29. The Democratic Services Manager is responsible for identifying and providing for councillors' training needs. The Council has a Members and Community Development Group, which is an advisory group put together by the Leader. It is supported by officers from a range of services. This Group has continued to work to promote an enhanced role for councillors that focusses on them acting as a catalyst for change to encourage communities to reach their full potential. This work has brought together the needs and expectations of our

communities in order to make balanced decisions, and has ensured a culture of democratic accountability is embraced throughout the Council. The Group enables the Council to develop a programme of councillor training and development that is shaped by the councillors themselves ensuring that training and development activities offered are tailored to individual councillor needs as well as the needs of councillors generally, the council and communities. This work has been shared with the Councillor Commission and has become a key part of the ongoing work that supports this national project.

30. All new councillors are provided with induction training to assist them with understanding and successfully carrying out their different roles, with an ongoing programme of training and development provided on specific issues where appropriate e.g. planning, and to build key skills and knowledge.
31. The Councillor Member and Community Development Group has helped develop an extensive induction programme for the new intake of councillors that were elected in May 2019.
32. All officers also receive induction training and appropriate professional and skills training and development identified, for instance, through annual performance discussions.
33. Work has commenced during 2018/19 to develop a People Strategy to shape the cultural direction and people management practices for the future to enable the Council to achieve its ambitions over the next 3-5 years. Whilst being able to respond to the changing needs of local government and the borough's residents this will form part of the Council's Corporate Framework with close links to the Corporate Plan and Medium Term Financial Strategy.
34. The Council has in place various channels of communication with the community and other stakeholders. The Council's Consultation Portal provides a single link to all our current 'live' consultations, giving residents the opportunity to get involved, as well as access to details of the feedback from previous consultations:
<http://www.testvalley.gov.uk/aboutyourcouncil/consultation-portal>.
 The consultation portal is supported by Community Engagement Quality Standards which provide the guiding principles that inform the way we carry out our activities to inform, involve and consult local people. The purposes of the quality standards are to support the Council in developing the most appropriate methods of engaging with local people and to ensure a consistent approach. Publications such as Test Valley News are sent to all households and the Council's website is an important source of information about the Council and its services. The Council's website has been designed to make it more accessible to residents and businesses of Test Valley and to make it easier to undertake transactions online. A Draft External Communications Strategy has been produced to support the new Corporate Plan.

35. The Council has identified its key partnerships and promotes good governance in those. The Council's Contract Standing Orders and Financial Regulations contain specific sections on partnerships and identify officer responsibilities in relation to the management and involvement in partnerships. Protocols and agreements are put in place for the management of significant partnerships.

Review of effectiveness

36. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the annual report of the Internal Audit Partnership Manager, and also by comments made by the external auditor and other review agencies and inspectorates.
37. The effectiveness of the governance framework is maintained and reviewed through a number of mechanisms and processes:
38. Full Council is ultimately responsible for maintaining, revising and ensuring compliance with the Council's Constitution. The Head of Legal and Democratic Services reviews the Constitution at least annually to ensure that it is up to date with current legislation and best practice.
39. The Cabinet has responsibility for the day to day operation of the Council's business unless that business is delegated specifically to another committee (e.g. Planning, Licensing) and ensuring that governance arrangements and compliance is adequate for the conduct of that business.
40. As part of the Council's open and transparent approach, Overview and Scrutiny Committee has responsibility for scrutinising the decisions of the Cabinet and reviewing the Council's policies and functions and making recommendations to the Cabinet as appropriate.
41. The Council's OSCOM and its Audit Panel takes responsibility for audit and risk management issues, reviewing the Council's work in these areas and monitoring the progress and performance of both Internal and External Audit.
42. The Council's General Purposes Committee together with the General Purposes Employment Appeals and Ethics Sub-Committee have the role of promoting and maintaining high standards of conduct amongst Members and assisting them to observe the Authority's Code of Conduct. The work of the Sub-Committee is supported by the appointment of three Independent Persons and Parish representatives as required by the Localism Act 2011, The General Purposes Committee may receive reports as to the operation of the Code of

Conduct in addition to which the General Purposes Employment Appeals and Ethics Sub-Committee will receive complaints about Member conduct and determine such complaints and direct or recommend any further action required consistent with the Localism Act 2011 and associated regulations.

43. The Council's Internal Audit team, located within the Finance Service, carries out a continuous review of the Council's systems to provide independent assurance that the control environment is effective in achieving the Council's objectives. The team objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Authority's resources. The performance of the Internal Audit team is monitored by the Council's Audit Panel and Section 151 Officer. The Internal Audit Partnership Manager presents the Internal Audit Strategy and Annual Audit Plan to the Audit Panel and produces an Annual Report giving an opinion of the adequacy of the Council's systems of internal control.
44. The Council participated in an LGA Peer Challenge in October 2018 providing an independent review across the following areas:
 - a. Understanding of the local place and priority setting
 - b. Leadership of Place
 - c. Organisational leadership and governance
 - d. Financial planning and viability
 - e. Capacity to deliver
45. In addition to the five core questions, the Council asked the team to consider the Council's approach to inclusive growth and development, particularly within the principal towns of Romsey and Andover.
46. The Peer Team published their findings and recommendations through a feedback report. The Council was recognised as being well-led and effectively managed, with the Council's current financial position comparatively strong. The Council was found to be self-aware with good officer/member relationships with a robust approach to strategic planning in place. The peer team felt that the Council could be more confident in communicating the contribution it is making to the communities it serves.
47. The Council has considered the findings and has produced an action plan approved by Cabinet which provides a focus for how the council will take forward the recommendations highlighted by the peer team. A copy of the report can be found via the following link. [LGA Peer Review 2018](#).
48. An external assessment of the internal audit function's conformance with the Public Sector Internal Audit Standards (PSIAS) was carried out in March 2019. The Public Sector Internal Audit Standards are a mandatory requirement, the objectives of which are to:
 - a) define the nature of internal auditing within the UK public sector,

- b) set basic principles for carrying out internal audit in the UK public sector,
- c) establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
- d) establish the basis for the evaluation of internal audit performance and to drive improvement planning.

49. The assessment concluded that the function “generally” or “partially” conforms with 82.3% of the standards. Whilst there are gaps in some key areas, the assessment found clear evidence that “the work the Service has delivered is effective; especially around risk and performance. It contributes to, and has influence in, the Authority on these areas. It is a highly respected Service that is engaged with the Organisation and which provides on-going support in key areas, as well as effective assurance on controls”. A detailed action plan has been compiled to address the gaps and to ensure the function is fully effective both strategically and operationally.

50. Assurance Opinion:

The Deputy Chief Internal Auditor of Portsmouth City Council has made the following assessment:

Based on judgements made since I have been in post (November 2018) and the results of the External Public Sector Internal Audit Standards (PSIAS) Assessment (April 2019), I am able to provide a qualified opinion on the effectiveness of the control framework and governance processes at Test Valley Borough Council.

The results of the audits undertaken in 2018/19 have resulted in 90% achieving Full or Substantial assurance. In addition, the completion or progress of follow up actions was 78%.

Based on these results only, I am able to provide Substantial Assurance on the effectiveness of the control framework and governance processes at Test Valley Borough Council. This opinion is qualified as a result of the PSIAS assessment which highlighted 8 areas of non-compliance as they impact upon the Annual Audit Opinion in the following ways:

- ***Assurance mapping has not occurred and therefore the opinion is based solely on the Internal Audit work.***
- ***I am unable to provide assurance that a strategic framework is in place to deliver an effective Internal Audit Service***
- ***Nor am I able to confirm whether appropriate resources have been allocated to provide the level of Internal Audit review needed for this Authority.***
- ***Concerns were raised regarding the completeness and methodology of the Audit Universe. Therefore I am unable to place assurance that the composition of the 2018/19***

Audit Plan was sufficiently risk based and therefore contained sufficient scope of the Authority's key risks.

51. On the basis of Internal Audit work completed in 2018/19 only, the Deputy Chief Internal Auditor of Portsmouth City Council has provided a “substantial assurance” in respect of the Council’s risk management, control and governance arrangements but this opinion has been qualified as a result of the PSIAS assessment. “Substantial Assurance” means that systems in place are generally sound, but some weaknesses have been identified which may put some of the control objectives at risk. These weaknesses have been identified and form the basis of the action plan appended to this Statement.

52. The Council is regularly reviewed by the External Auditor (Ernst and Young LLP) who independently examines the Council’s accounts and financial systems and who presents an [Annual Audit Letter](#) to Members, the latest available covering the financial year 2017/18. This was a positive report with an unqualified opinion on the Council’s accounts, system of internal control and arrangements to achieve value for money.

DECLARATION

We have been advised on the implications of this review of the effectiveness of the governance framework and of any significant governance issues. A plan to address weaknesses and ensure continuous improvement of the system is in place as shown in the attached annex.

We propose over the coming year to take steps to address these matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: **Signed:**

Leader of the Council

Chief Executive

Significant governance issues

Annex

The following identifies the significant governance issues to be addressed, the proposed action, timescale and lead officer.

Issue	Action to be Taken	Timescale	Lead Officer
<p><u>LGA – Peer Challenge:</u> The Council participated in a Local Government Association (LGA) Peer Challenge in October 2018. The findings have been considered and an action plan produced and approved by Cabinet which focuses on how the Council will take forward the recommendations highlighted by the Peer Team.</p>	<p>To deliver the action plan produced to take forward the recommendations highlighted in the LGA Peer Review Report.</p>	<p>31/03/20</p>	<p>Andy Ferrier</p>
<p><u>IT Shared Services – Next Steps:</u> The Shared IT Services team spanning Test Valley Borough and Winchester City councils has been in place since 2010 and is today delivering a robust and stable service to around 1000 users. This includes joint procurement and system implementations as well as business change projects. The Councils are now seeking to build on this success and to gain new revenue for the councils by offering an IT Service on a commercial basis to new organisations.</p>	<p>To recruit a suitably skilled and experienced Head of IT Shared Service to lead the Service in developing our commercial offer.</p> <p>Having established themselves in post, for the newly appointed Head of IT Shared Service to proactively seek out and explore suitable commercial opportunities for the Councils.</p> <p>To explore, conduct options appraisal and recommend appropriate trading mechanisms in response to commercial opportunities.</p>	<p>Recruitment 30/04/19</p> <p>Other actions dependent upon above date.</p>	<p>Carol Moore</p>

Issue	Action to be Taken	Timescale	Lead Officer
<p><u>Public Sector Internal Audit Standards (PSIAS):</u> An external assessment of the internal audit function's conformance with the PSIAS carried out in March 2019 concluded that the Internal Audit function "generally" or "partially" conforms with 82.3% of the standards. As a result, a qualified but substantial assurance opinion has been given in respect of the Council's risk management, control and governance arrangements. A detailed action plan has been compiled to address the gaps in meeting the required standards and this will be reviewed and agreed with the Audit Panel at its meeting on 25th July, 2019.</p>	<p>Implement the action plan to ensure the internal audit function is fully effective both strategically and operationally.</p>	<p>31/03/20</p>	<p>Will Fullbrook</p>

ITEM 17 Property Purchase under Head of Estates Delegation

Report of the Finance Portfolio Holder

Recommended:

- 1. That the decision to pursue the purchase of the property identified in the Confidential Annex be noted.**
- 2. That, following completion of the purchase, the budget for property investments be re-established in the Council's Capital Programme at £3M, with the additional sum to be financed from the Capital Receipts Reserve.**

SUMMARY:

- In November 2015, Council approved a delegated authority to the Head of Estates, in consultation with a Member Panel, to purchase property investments where the timing of the normal Council approval process would reduce the Council's ability to complete the purchase.
- The Head of Estates, after consulting the Panel, has recently exercised his authority to progress the purchase of a property in Andover.
- In accordance with the original delegated authority, this report is presented to update Council on the details of the purchase.

1 Introduction

1.1 The Council's Medium Term Financial Strategy (MTFS) 2019/20 – 2021/22 sets out that the Council will continue to seek out new investment opportunities through Project Enterprise.

1.2 The property investment included in this report will help to achieve that objective.

2 Background

2.1 In recognition of the fast pace of the local property market, Council has approved a delegated authority to the Head of Estates, in consultation with a cross-party Member panel, to purchase property investments from a pre-approved capital budget. A sum of £3M was approved for this purpose.

2.2 The panel was established as a means of enabling approval of property investments where the timing of the traditional Council approval process would reduce the Council's ability to complete the purchase. The reason for the use of the Panel is set out in section 6 of the Confidential Annex.

- 2.3 A requirement of setting up the panel was that the details of any property approvals would be reported to a subsequent Council meeting.
- 2.4 The panel has recently confirmed its support for a report that recommended the purchase of a house in Andover. At the time the report was prepared, the panel consisted of Cllrs North, Giddings, Hurst, Stallard and Ward.

3 Corporate Objectives and Priorities

- 3.1 Project Enterprise has been established to support the objectives of the MTFs, by increasing the Council's income in order to reduce its reliance on government support. The income generated from the investments approved by the Member Panel will work towards achieving this objective.
- 3.2 The property considered by this report will also help to deliver the Corporate Plan objective to grow the potential of people to be able to live well and fulfil their aspirations.

4 The Property

- 4.1 The property was the subject of a report to the Member panel on 5 April 2019. A copy of the report and the marketing details are attached in the Confidential Annex.
- 4.2 Should the purchase be completed, it is expected that the Council will lease the house to Valley Housing Ltd (the Council's 100%-owned property management company) for future management and letting.
- 4.3 The house is a three-bedroom former Council-owned property located in Andover.
- 4.4 Further to the consultation with the Member panel, a purchase price has been agreed with the vendor at the expected price shown in paragraph 4.4 of the Confidential Annex.
- 4.5 The building survey has been undertaken and has not identified any issues that would prevent the purchase proceeding.

5 Risk Management

- 5.1 An evaluation of the risks associated with the matters in this report indicates that further risk assessment is not needed because the issues covered do not represent significant risks.
- 5.2 The risks associated with the purchases are explained in section 8 of the Confidential Annex.

6 Resource Implications

- 6.1 The business case for the purchase is shown in more detail in section 4 of the Confidential Annex.

- 6.2 The total amount approved to complete the purchase is £185,750 and will be financed from a pre-approved budget of £3M in the Council's Capital Programme.
- 6.3 If the purchase is completed in line with the approved budget, this would leave a balance of £2.814M in the Capital Programme for property acquisitions.
- 6.4 It is recommended that this budget be re-established at £3M after the completion of the purchase, with the additional amount to be financed from the Capital Receipts Reserve.

7 Legal Implications

- 7.1 The legal work required to complete the property purchase will be carried out by the Council's Legal & Democratic Service.
- 7.2 Delegated authority is already in place for an onward lease from the Council to VHL for future management of the properties.

8 Conclusion and reasons for recommendation

- 8.1 The Head of Estates has exercised his delegated authority to progress the purchase of a house after consultation with the cross-party Member panel established for that purpose.
- 8.2 This report provides Council with the details of that decision and the progress made since the decision was taken.

<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 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 M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Council	Date:	26 June 2019

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 report 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:

Property Purchase under Head of Estates Delegation

It is considered that the annex 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.

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